East Sussex County Council

FULL COUNCIL - TUESDAY, 8 FEBRUARY 2022

Documents being circulated with the County Council agenda

Document	**Report in County Council agenda to which it is related**
Draft Council Plan 2022/23 (Appendix 1 of the Cabinet report) (page 3)	Cabinet report, paragraph 1
Council Plan Equality Impact Assessment (Appendix 1a of the Cabinet report) (page 45)	Cabinet report, paragraph 1
Medium Term Financial Plan (Appendix 2 of the Cabinet report) (page 51)	Cabinet report, paragraph 1
Budget Summary 2022/23 (Appendix 3 of the Cabinet report) (page 53)	Cabinet report, paragraph 1
Savings proposals (Appendix 4 of the Cabinet report) (page 91)	Cabinet report, paragraph 1
Council Tax Precepts (Appendix 5 of the Cabinet report) (page 97)	Cabinet report, paragraph 1
Reserves and Robustness Statement (Appendix 6 of the Cabinet report) (page 99)	Cabinet report, paragraph 1
Engagement Feedback (Appendix 7 of the Cabinet report) (page 111)	Cabinet report, paragraph 1
Capital Programme (Appendix 8a of the Cabinet report) (page 125)	Cabinet report, paragraph 1
Capital Programme Equality Impact Assessment (Appendix 8b of the Cabinet report) (page 139)	Cabinet report, paragraph 1
Capital Strategy(Appendix 8c of the Cabinet report) (page 151)	Cabinet report, paragraph 1
Fees and Charges(Appendix 9 of the Cabinet report) (page 167)	Cabinet report, paragraph 1
Council Monitoring – Corporate Summary (Appendix 10 of the Cabinet report) (page 171)	Cabinet report, paragraph 2
Council Monitoring – Adult Social Care and Health (Appendix 11 of the Cabinet report) (page 177)	Cabinet report, paragraph 2
Council Monitoring – Business Services (Appendix 12 of the Cabinet report) (page 185)	Cabinet report, paragraph 2
Council Monitoring – Children’s Services (Appendix 13 of the Cabinet report) (page 192)	Cabinet report, paragraph 2
Council Monitoring – Communities, Economy and Transport (Appendix 14 of the Cabinet report) (page 197)	Cabinet report, paragraph 2
Council Monitoring – Governance Services (Appendix 15 of the Cabinet report) (page 203)	Cabinet report, paragraph 2
Council Monitoring – Strategic Risk Register (Appendix 16 of the Cabinet report) (page 208)	Cabinet report, paragraph 2
Looked After Children’s Services Annual Report (Appendix 17 of the Cabinet report) (page 219)	Cabinet report, paragraph 3
Treasury Management Policy and Strategy (Appendix 18 of the Cabinet report) (page 255)	Cabinet report, paragraph 4

PHILIP BAKER
Assistant Chief Executive

Council Plan 2022/23

Introduction

This Council Plan sets out our ambitions and what we plan to achieve by 2025 for our four overarching priority outcomes: driving sustainable economic growth; keeping vulnerable people safe; helping people help themselves; and making best use of resources now and for the future.

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.

The importance of these services has been highlighted even more by the COVID-19 pandemic, particularly the crucial support we provide for those in our county who are most vulnerable.

We will continue to address the impact of COVID-19 on local people, places and the local economy, supporting recovery and helping to tackle the longer-term consequences of the pandemic which we expect to create additional need for our support. We also know that demands on our services will continue to grow as a result of changing needs in our communities and a range of national developments which will have impacts on the Council's services.

The details of national reforms in major, demand-led, service areas, such as adults' and children's social care and special educational needs and disability, are yet to be confirmed, creating significant risk and uncertainty for the future. Although we have received welcome additional national funding for 2022/23 which provides stability in the short term, there is uncertainty about the funding we will have available in future years, particularly in light of planned changes to the way this is allocated by Government. We will do all we can now to prepare for these future challenges whilst continuing to make the case for fair and sustainable funding to meet the needs of East Sussex residents and business.

Our planning for the years ahead continues to be underpinned by a relentless focus on our priority outcomes and their supporting delivery outcomes. We are committed to addressing and adapting to the impact of climate change on our county. With that in mind, we will consider the future impact of the choices we make about using resources, as well as the short-term impacts, across all that we do.

We do not work in isolation, so we will continue to 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.

A key partner in East Sussex is the voluntary, community and social enterprise (VCSE) sector. The VCSE sector generates economic, social and environmental benefits to communities across the county. For every eight businesses that employ staff in East Sussex, there is at least one VCSE organisation. The vast majority of these VCSE organisations are small; they employ at least 6,000 people across the county; and their volunteers contribute a total of 9.6 million hours each year – equivalent to almost 6,000 full-time workers. The GVA (gross value added) of East Sussex VCSE organisations is at least £76m and the value of volunteering to the local economy is estimated at £110m.

The VCSE organisations are often the first to respond to the needs of communities. Organisations provide specialist support that is often not available from other providers. They take a person-centred approach, supporting people to access the different systems they need in order to be able to live an independent life. They are also providing safe, accessible, and inclusive spaces for individuals, groups and the wider community, that support inclusion and belonging.

The impact of COVID-19 on the sector was dramatic, leading to great uncertainty, but also adaptation and innovation. Although collaboration was already strong prior to COVID-19, existing partnerships have been strengthened and new ones have emerged. There is a desire amongst East Sussex stakeholders to continue the creativity and imagination that has characterised voluntary and public sector collaborations during this time. However, there is need to understand and properly resource the work of the VCSE sector, proportionate to the economic, social and environmental value of the work it is carrying out, that has never been more important.

We consider equality, diversity and inclusion impacts throughout all aspects of our business planning processes. This ensures that our planned priorities are based on a good understanding of diversity and local needs and that we identify and respond to opportunities to remove barriers and maximise positive outcomes. We monitor the outcomes for people sharing different characteristics so that we understand our impact.

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. The plan sets out six missions, with each mission outlining a different way in 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.

The County Council will be updating its corporate climate emergency action plan during 2022 and, as a member of the Environment Board for East Sussex, is playing a key role in the development of the East Sussex Climate Emergency Road Map.

Our priorities and delivery outcomes

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 now and for the future. Making best use of resources now and for the future is the gateway priority through which any activity and accompanying resources must pass. For each priority outcome there are specific delivery outcomes.

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 now and for the future - 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 - Driving sustainable economic growth

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.

1.1 Economic Recovery

Delivery outcome: 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. We will review the Economy Recovery Plan in 2022/23 to support work to produce an Economic Statement which will set out our vision for how East Sussex can continue to build back better.

Trading Standards will continue to 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. We will also commit resources to provide market surveillance activities at Newhaven Port.

1.2 Employment and productivity

Delivery outcome: The county's employment and productivity rates are maximised

The county is an economy of micro- and small- businesses with 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 job creation and 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 support existing businesses to find premises in order to grow and will work to attract new businesses to move into East Sussex, offering increased employment opportunities for the local workforce.

1.3 Local infrastructure

Delivery outcome: 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 unique Highways contract with Costain and Jacobs is helping to maintain and improve our highway network to ensure it is safe, usable, and available to support the economy of East Sussex, while ensuring value for money for the Council.

We also coordinate street works, deliver public realm schemes and local transport infrastructure improvements to cope with the changing but increasing demand on the network. A number of infrastructure projects will continue or be delivered in 2022/23, including improvements to Terminus Road in Eastbourne, walking and cycling improvements in Eastbourne, Bexhill and Hastings and progressing the project to replace Exceat Bridge.

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 97% of premises have been connected to improved broadband speeds during our first and second contracts of work with BT. We will deliver the final phases of our third contract 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, including continuing to top-up Gigabit vouchers.

Transport for the South East (TfSE) is a sub-national transport body (STB) representing sixteen Local Transport Authorities and five Local Enterprise Partnerships in the South East of England. TfSE's Transport Strategy, published in 2020 actively chooses a preferred future for the region and sets out a plan for how to get there. Achieving that future will require significant investment in a better transport network. Over the next year TfSE will complete and consult on the first draft of their evidence based strategic investment plan which aims to directly influence decisions about investment in our regions transport network.

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 the creative industries and the 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.

The Council will also take on new duties and responsibilities arising from the Government's Environment Act and together with the Sussex Local Nature Partnership and other authorities across Sussex, we will develop a Local Nature Recovery Strategy for the county.

1.4 Workforce skills

Delivery outcome: 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 workplace through careers, pre-employment and digital inclusion initiatives.

1.5 Our role

Delivery outcome: 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.

Following the launch of the Government's 'apprentice incentive scheme', the Council's Apprenticeship Team have worked with Recruiting Managers to ensure we make the best use of the scheme across the Council. This has generated 59 new apprenticeships and has been particularly successful in supporting recruitment to certain 'hard to fill' posts in the Adult Social Care and Health (ASCH) department. Whilst the Government scheme closes in May 2022, in light of its success locally, work is now taking place with outside providers who will be operating replacement initiatives to help attract and train new staff.

As part of the Hailsham Community College Expansion, just over £4m worth of social value was secured through the contract with Morgan Sindall – equating to a 46% social value commitment against the value of the contract. This included a significant commitment to spend within the local economy. The contractor has committed to employ eight apprentices during the course of the project and provide the equivalent of 128 weeks local employment opportunities to key groups such as NEETs (Not in Education, Employment, or Training) and LTE (Limited Term Employment). In addition, the design has been developed to minimise embedded carbon and on site carbon and Green House Gas emissions which will be reported and monitored during the project via a Carbon Calculator.

1.6 Children

Delivery outcome: 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 (HOA) 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. Moving into its fifth year, the HOA programme is focussing on creating a legacy that builds on these foundations to embed and further sustain this model of partnership working so that Hastings' children and young people can all achieve to their full potential.

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 Standards and Learning Effectiveness Service has refreshed the Excellence for All strategy, September 2021. It now outlines our ambitions for 2021 to 2023 and draws on the innovation and creativity of the work that was done during lockdown on remote learning, participation, and inclusion. Our partnership infrastructure remains the key local mechanism for delivering the shared ambitions set out in this strategy. We will continue to work collaboratively to build capacity for improvement, drive innovation and ensure the very best education for all children and young people across our settings.

1.7 Planned work

Examples of planned work during 2022/23

- Alongside partners we will continue to implement the East Sussex Economy Recovery Plan to help businesses and communities recover from the impact of COVID-19 on the economy

- We will review the Economy Recovery Plan in 2022/23 to support work to produce an Economic Statement which will set out our vision for how East Sussex can continue to build back better
- The Business East Sussex (BES) Growth Hub will continue to work with partners, including the Sussex Chamber of Commerce, to signpost East Sussex businesses to the best sources of help
- We will work to design and deliver business support programmes, taking advantage of new funding sources that may become available
- We will work with Building Digital UK to shape their Project Gigabit project to ensure East Sussex receives as much investment to support improved broadband speeds as possible
- We will aim to ensure at least 60% of the Council's circa £400m procurement spend is with local companies
- Our Social Value Measurement Charter (SVMC) continues to ensure that social value commitments such as apprenticeships, work experience, support for local community projects and environmental initiatives are secured through Council procured contracts
- School improvement in East Sussex is delivered in partnership with schools. The Primary and Secondary Boards are at the heart of the school-led system. The boards have set priorities for the current academic year which include a focus on high quality classroom teaching and learning; closing 'achievement gaps' and ensuring the most disadvantaged pupils achieve consistently high outcomes; promoting a dynamic curriculum through an emphasis on consistently strong subject leadership; prioritising mental health and wellbeing support for Headteachers; along with committing to maximising attendance and minimising exclusions; improving language and communication across all phases and ensuring effective transition between phases
- The East Sussex Learning Collaborative Network is another critical strand of the school-led improvement system. This network of schools will provide a blended offer of provision for all East Sussex schools that maximises the resources and expertise of local, regional, and national providers to improve co-ordination and avoid duplication of provision in the region
- The East Sussex Children and Young People's Mental Health and Emotional Wellbeing (MHEW) Group has been set up to drive and oversee the East Sussex place based delivery of Foundations for our Future. The group will develop an East Sussex MHEW strategy and plan which will provide the strategic direction on the commissioning of services for children and young people with MHEW (up to 25)

Priority - Keeping vulnerable people safe

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.

2.1 Vulnerable people

Delivery outcome: 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 Supporting Families (previously Troubled Families) programme over the three years 2022 - 2025. We will also work with partners to promote a whole system, whole family approach for the planning and delivery of services. We will identify as many external funding streams as possible to sustain family support programmes and youth work.

The Safeguarding Adults Board (SAB) is a multi-agency partnership, made up of statutory and voluntary partners as well as lay members, established to promote well-being and oversee Safeguarding Adults work county-wide. The SAB areas of focus are:

- Adults, carers and the local community assisting to shape the work of the SAB and safeguarding responses

- Ensuring the SAB provides strategic leadership to embed the principles of safeguarding across agencies and contribute 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 these principles are central to safeguarding practice across all agencies
- 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. This will include emerging themes of ensuring a trauma-informed approach to working with adults with multiple complex needs, including situations in relation to coercive control and domestic abuse, modern slavery, cuckooing, and safeguarding rough sleepers

The Council is a member of the Sussex Health and Care Partnership (SHCP), a partnership of health and care organisations working together across Sussex. The SHCP was awarded Integrated Care System (ICS) status in April 2020. The Health and Care Bill currently progressing through Parliament will put all ICSs on a statutory footing in England from July 2022. We have been working with our NHS partners in Sussex on the ICS Memorandum of Understanding to make sure the Council can participate effectively in the new arrangements, focussing on our East Sussex population.

To support this it has been agreed that ‘Place’ has a primary role in our ICS. There are three ‘Places’ within the Sussex ICS (East Sussex, Brighton and Hove and West Sussex), with the Council being a lead partner with our local NHS in the East Sussex Health and Care Partnership. Within ICSs partnerships at Place level should work together to join up services across primary care, community health and mental health services, social care and support, community diagnostics and urgent and emergency care.

Our long term East Sussex Health and Social Care Plan 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 for people of all ages, and improve health and reduce health inequalities in our population. In 2021/22 we updated our local plans to set out how we’ll continue to develop our joint working, and to support our system’s recovery from COVID-19. This sets out our shared priorities in the coming 12 – 18 months including addressing health inequalities, our community and locality working model, joining up community health and social care and expanding support for mental health.

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 additional temporary resources to provide Shielded Line support during periods of national or local lockdowns.

The ASCH Programme has developed further 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 due to social distancing requirements, to ensure there is no impact on the service provided.

2.2 Safe at home

Delivery outcome: 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.

2.3 Support services

Delivery outcome: 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.

2.4 Health

Delivery outcome: 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 was needed to ensure that support continues to be provided while the pandemic is ongoing.

The ASCH Programme ran from June 2020 to October 2021 and developed new ways of working to ensure we can continue to meet our statutory responsibilities under the Care Act and any new responsibilities specific to the pandemic. The Programme had a number of workstreams, which covered the contact and assessment pathway and associated support functions.

The Programme has delivered a number of changes to the way we provide services, including robust infection control procedures to protect clients accessing directly provided services, guidance for practitioners on effectively communicating with clients remotely, and the provision of community hubs which supported clinically vulnerable residents in East Sussex during lockdown periods. The Department will continue to monitor closely the longer term impacts of these changes on quality and outcomes for our clients and their families.

2.5 Planned work

Examples of planned work during 2022/23

- We will continue to help prevent vulnerable people from becoming a victim of mass marketing fraud and intervene if people have already become a victim
- We will support people who have been a victim of sexual violence and domestic abuse through the specialist domestic abuse and sexual violence service

Priority - Helping people help themselves

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.

3.1 Putting people first

Delivery outcome: 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 services 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.

3.2 Maintaining independence

Delivery outcome: 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.

Four Mental Health Support Teams (MHSTs) will continue to operate across the county, and we will work to embed them into 54 targeted schools. Our goal is to deliver high quality interventions to support children and young people who are referred to the service. We will use the learning from these schools to champion the Whole School Approach to mental health and emotional wellbeing, and work with partners to develop a cohesive offer of Whole School Approach support for all schools and colleges. Throughout the year, engagement and communication plans will improve pupil and parent awareness of the MHSTs and we will develop self-referral routes for young people in secondary schools and colleges.

3.3 Local mutual support systems

Delivery outcome: 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.

3.4 Planned work

Examples of planned work 2022/23

- 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 Supporting Families programme
- The Summerdown School, two special schools on the same campus, for children with autism and profound and multiple learning difficulties will open in September 2022
- Following the successful opening of new specialist facilities attached to mainstream schools across the county, we are looking to develop the facilities programme further over the next year and bring more capacity to local mainstream schools. Our SEN place planning strategy also identifies the need for an expansion of special school places in the north of the county

Priority – Making best use of resources now and for the future

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. We will ensure that the decisions we take are sustainable in both now and for the future, ensuring they provide best value for money and support our ambitions to become carbon neutral.

4.1 One Council

Delivery outcome: 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. We will also continue to work in partnership with departments to exploit technology effectively as an enabler for providing efficient services.

Our People Strategy has been developed to help support our managers and staff to respond to the changing and challenging environment in which the Council is operating, for example, future savings requirements and the business transformation arising out of this. The Strategy is built around the four pillars of: i) Leadership and Management, ii) Performance, Development and Reward, iii) Employee Engagement and Inclusion and iv) 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.

The impact of the pandemic has created a large-scale shift to how organisations operate and has provided an unprecedented opportunity to accelerate our planned changes to how we work in the future. We will continue to invest in enabling technology and evolve our working practices to ensure we have modern, flexible workspaces and work styles that enable hybrid ways of working, building on the success of existing flexible working options.

New working practices will drive efficiency, as well as significantly reducing carbon emissions through a reduced requirement for staff travel. We are supporting staff through this transition, including the provision of an enhanced wellbeing offer and additional resources to grow digital skills amongst our workforce. A programme of adaptations to our hub buildings is underway in order to support our new ways of working and is expected to be completed by the end of 2022/23.

A new corporate digital approach has been implemented for the collective 'One Council' development and delivery of the Council's digital ambition. This is supported by the Strategic Digital Framework, with corporate and service-led initiatives taken forward as part of departmental plans to maximise the Council's use of technology and data insights in an increasingly digital world.

4.2 Working in partnership

Delivery outcome: 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, staff, technology and data 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 and Brighton and Hove City Council for some of our back-office services, has allowed us to provide efficient and resilient services while achieving savings which are being used to sustain services for residents of all three areas.

The Strategic Property Asset Collaboration in East Sussex 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 continued its improvement partnership with West Sussex County Council (WSCC), to address the significant challenges that WSCC has faced and also offer opportunities for both authorities to work together on shared priorities. Collaboration work is becoming increasing important as we move into the recovery phase of the pandemic, especially for economic recovery/development and transport and infrastructure planning. The Council's Governance Committee endorsed the continuation of the partnership on a permanent basis in September 2021, subject to the termination provisions in the arrangement.

4.3 Value for money

Delivery outcome: 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 will ensure the best value for money from our spend with third parties. In 2020/21 this spend was £431m. We are actively working to strengthen our planning processes to enable better strategic decision making in this area and maximise value for money.

We are undergoing a review of our office spaces to assess the needs of the organisation and ensure our spaces are suitable for working in a hybrid way to support increasingly flexible ways of working as a result of the pandemic. It is anticipated that this will lead to a lower requirement for dedicated office space and we will, over time, be able to reduce the cost of occupancy in our corporate buildings.

4.4 Maximising funding

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

We will continue to take all opportunities to raise the distinct funding needs of the Council with Government, to address the long-term fair funding needs of our services; and we will work with partners to press for the best outcomes for the county. In particular, we will respond to the Government's consultation on updating the national assessment of needs and resources on which funding allocations for councils are based.

However, the impact of any changes on our future funding is far from clear and we recognise that we are likely to face a more challenging financial position from 2023/24 onwards.

4.5 Carbon neutral

Delivery outcome: 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 implement initiatives that reduce the carbon footprint of the Council's operations, using a combination of one-off investment agreed in 2021 and planned capital investment in our medium-term financial plan.

During 2022/23, we will install over 700 solar PV (photovoltaics) panels on six Council assets and carry out feasibility work to identify further sites for renewable generation. Our successful LED lighting programme will roll out to a further 10 sites. We will complete the heat decarbonisation of two sites and carry out feasibility studies of 20 further sites to prioritise projects to be programmed for 2023/24 and 2024/25.

4.6 Planned work

Examples of planned work 2022/23

- We will reduce the amount of CO_2 produced from Council operations
- We will maintain or reduce the number of working days lost to sickness absence
- We will refresh the Staff Travel Plan, particularly in light of COVID-19, and evolving ways of working

Revenue budget: gross and net

The charts below show how we will spend your revenue budget money in 2022/23, 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)

Chart to be added

How we will spend your money (net)

Chart to be added

Where the money comes from (gross)

Chart to be added

Where the money comes from (net)

Chart to be added

Revenue Spending

Chart to be added

Adult Social Care

Chart to be added

Public Health

Chart to be added

Business Services

Chart to be added

Children's Services

Chart to be added

Communities, Economy & Transport

Chart to be added

Governance Services

Chart to be added

Revenue Data

Table to be added

Capital programme

Capital programme: projects in the year ahead 2022/23

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 2024/25 are in our financial budget summary. Below are examples of key projects that will be underway in 2022/23 at a cost of £92.1m.

Chart to be added

Economic Growth & Strategic Infrastructure

Examples of work to be added

Community & Social Care Facilities

Examples of work to be added

Highways & Structural Maintenance

Examples of work to be added

Integrated Transport Schemes

Examples of work to be added

Schools

Examples of work to be added

Building Maintenance & Efficiency

Examples of work to be added

Capital Resourcing 2022/23 to 2025/26

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.

Chart to be added

Promoting equality of opportunity

Equality impact assessment summary report for Council Plan 2022/23

Date of assessment: 13/12/2021

Summary of findings: There are no disproportionate negative impacts on people sharing any specific characteristics. The Council Plan as a whole is designed to support our objectives to promote equality and to address known inequalities. Many services or programmes will have benefits for all people in the county, across all legally protected characteristics. The Council's approach is to integrate consideration of equality impacts into planning, implementation and monitoring of all activities, so specific needs, assets, barriers and opportunities are assessed individually to maximise positive impacts and avoid or minimise negative impacts.

Summary of recommendations and key points of action plan: Our Council Plan priorities and delivery outcomes are designed to help address identified inequalities in outcomes for different groups in our local community and incorporate our equality objectives. We will take additional actions to mitigate against the potential issues we have identified.

Potential issues	Mitigating actions
Identification of potential disproportionate impacts or issues relating to people sharing specific characteristics that have not been identified at this stage.	The planned work set out in the Council Plan will be taken forward through specific programmes of activity within individual directorates. Robust equality analysis will be undertaken on each planned activity, to ensure that these are designed and implemented in a way that maximises opportunities to promote equality, whilst minimising any adverse impacts.
Our resources do not reflect the demand for services, which may mean we will have to adjust our services to match the funds we have.	We will work closely with partners, including the Voluntary, Community and Social Enterprise sector, to make the most of opportunities, resources and links with diverse communities available locally. We recognise that VCSE organisations are often the first to recognise and respond to the needs of diverse communities and that they provide safe, accessible, and inclusive spaces for individuals, groups and the wider community, that support inclusion and belonging.
The population of East Sussex is changing, and people's needs and assets change.	Priorities will continue to be defined based on local evidence of need and what works and makes a difference locally. We will continue to be democratic, open and honest in determining the best level and quality of services we can provide, within available resources, and in communicating priorities.

COVID19 and the lockdowns and social restrictions have impacted some people and communities sharing protected characteristics worse.	We continue to work to understand the different ways in which the pandemic has impacted on people sharing different characteristics and to address the inequalities that have been revealed and/or worsened. Portfolio Plans and service plans identify tailored responses to identified needs.

We will also continue to monitor our impact on outcomes for the people of East Sussex, including differences between outcomes for people sharing different protected characteristics. We will use this information to inform future business planning activities as part of our annual State of the County exercise. We will report quarterly on progress against the activities in the Council Plan, including any issues, as part of our Council Monitoring reports. We will also report on our progress in delivering the actions in this Council Plan that will advance equality as part of our Annual report, which will be published in Autumn 2022.

More information on equality and diversity can be found on our equality and diversity web page.

Performance measures and targets

Targets – Driving sustainable economic growth

Performance measure	2021/22 Outturn (Target)	2022/23 Target	2023/24 Target	2024/25 Target	2021 – 2025 Outcome Summary
Deliver East Sussex Skills priorities for 2021-2026	(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)	Develop 6 action plans to address the 6 Skills East Sussex priorities	To be set 2022/23	To be set 2023/24	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

Performance measure	2021/22 Outturn (Target)	2022/23 Target	2023/24 Target	2024/25 Target	2021 – 2025 Outcome Summary
East Sussex Careers Hub	(East Sussex Careers Hub to support schools to achieve an average of 5 national benchmarks Support schools to pilot and embed online employability resources through the Careers East Sussex portal)	East Sussex Careers Hub to support schools to achieve an average of 5 national benchmarks. Recruit a further 15 employers as Industry Champions to support all 40 schools and colleges in the county to make progress in giving young people encounters with employers and experiences of the workplace	To be set 2022/23 (subject to funding)	To be set 2023/24	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	(Identify priorities for pan-Sussex tourism recovery based on commissioned research and recommendations, seek approval and allocate resources to implement initial priorities)	Establish Sussex Tourism Leadership Group	To be set 2022/23	To be set 2023/24	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

Performance measure	2021/22 Outturn (Target)	2022/23 Target	2023/24 Target	2024/25 Target	2021 – 2025 Outcome Summary
Create a cultural investment framework for mid to long term recovery planning	(A reconstituted Culture East Sussex with refreshed board membership and a newly created Cultural Investment Framework to provide an overview of pipeline cultural projects and their readiness for investment)	To be set March 2022 pending approval of projects	To be set 2022/23	To be set 2023/24	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	(140 jobs created or safeguarded)	140 jobs created or safeguarded	To be set 2022/23	To be set 2023/24	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%)	4%	4%	4%	Achieve and maintain a good standard of road condition across all road types
Percentage of Non-Principal roads requiring maintenance	(9%)	4%	4%	4%	Achieve and maintain a good standard of road condition across all road types
Percentage of Unclassified roads requiring maintenance	(15%)	14%	14%	14%	Achieve and maintain a good standard of road condition across all road types

Performance measure	2021/22 Outturn (Target)	2022/23 Target	2023/24 Target	2024/25 Target	2021 – 2025 Outcome Summary
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)	(350 enrolments across Family English, maths and Language (FEML) and Wider Family Learning (WFL) programmes)	500 enrolments across Family English, maths and Language (FEML) and Wider Family Learning (WFL) programmes	To be set 2022/23	To be set 2023/24	Families, particularly those from areas of deprivation, have intergenerational learning opportunities and develop positive attitudes to learning
In partnership with funding organisations provide online learning (including skills for life and ICT courses) in libraries (subject to contract)	(70 courses)	70 achievements	To be set 2022/23	To be set 2023/24	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 and bespoke advice provided by Trading Standards	(300)	350	To be set 2022/23	To be set 2023/24	Businesses in East Sussex are equipped to thrive, comply with the law, and are supported to “get it right first time”
The Council’s Apprenticeship Levy strategy supports the Council’s workforce development and training plans	(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	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

Performance measure	2021/22 Outturn (Target)	2022/23 Target	2023/24 Target	2024/25 Target	2021 – 2025 Outcome Summary
The percentage of Council procurement spend with local suppliers	(60%)	60%	60%	60%	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%	(≥10.0%)	(≥10.0%)	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 20/21 Measure will not be monitored as assessment results will not be published	Ac Year 2021/22 To be set 2021/22	Ac Year 2022/23 To be set 2022/23	Ac Year 2023/24 To be set 2023/24	All children engage, attain and progress well from early years into education, training and employment
Average Progress 8 score for state funded schools	Ac year 20/21 Measure will not be monitored as assessment results will not be published	Ac Year 2021/22 To be set 2021/22	Ac Year 2022/23 To be set 2022/23	Ac Year 2023/24 To be set 2023/24	All children engage, attain and progress well from early years into education, training and employment

Performance measure	2021/22 Outturn (Target)	2022/23 Target	2023/24 Target	2024/25 Target	2021 – 2025 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 20/21 Measure will not be monitored as assessment results will not be published	Ac Year 2021/22 To be set 2021/22	Ac Year 2022/23 To be set 2022/23	Ac Year 2023/24 To be set 2023/24	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 20/21 Measure will not be monitored as assessment results will not be published	Ac Year 2021/22 To be set 2021/22	Ac Year 2022/23 To be set 2022/23	Ac Year 2023/24 To be set 2023/24	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 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)	(93%)	93%	93%	93%	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)	(86%)	86%	86%	86%	Young people participate in education, training or employment with training until they are at least 18 improving their long term employment and health prospects

Performance measure	2021/22 Outturn (Target)	2022/23 Target	2023/24 Target	2024/25 Target	2021 – 2025 Outcome Summary
Average Progress 8 score for Looked After Children (LAC)	Ac year 20/21 Measure will not be monitored as exam results will not be published	Ac Year 2021/22 To be set 2021/22	Ac Year 2022/23 To be set 2022/23	Ac Year 2023/24 To be set 2023/24	Looked after Children 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 LAC participating in education, training or employment with training at academic age 16 (Year 12)	(80%)	80%	80%	80%	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)	(70%)	70%	70%	70%	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

Targets – Keeping vulnerable people safe

Performance measure	2021/22 Outturn (Target)	2022/23 Target	2023/24 Target	2024/25 Target	2021 – 2025 Outcome Summary
Percentage of Health and Social Care Connect referrals triaged and progressed to required services within 24 hours	New measure	90%	90%	90%	Services are provided in a timely manner

Performance measure	2021/22 Outturn (Target)	2022/23 Target	2023/24 Target	2024/25 Target	2021 – 2025 Outcome Summary
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	(80%)	80%	80%	80%	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
Rate of children with a Child Protection Plan (per 10,000 children)	(49.4 525 children)	To be set 2021/22	To be set 2022/23	To be set 2023/24	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)	(≤539)	To be set 2021/22	To be set 2022/23	To be set 2023/24	Children at risk from significant harm are kept safe
Rate (of 0-17 population) of assessments completed by children's social care services (per 10,000 children)	(≤557)	To be set 2021/22	To be set 2022/23	To be set 2023/24	Children at risk from significant harm are kept safe

Performance measure	2021/22 Outturn (Target)	2022/23 Target	2023/24 Target	2024/25 Target	2021 – 2025 Outcome Summary
Rate of Looked After Children (per 10,000 children)	(57.6 612 children)	To be set 2021/22	To be set 2022/23	To be set 2023/24	Children at risk from significant harm are kept safe
The number of positive interventions for vulnerable people who have been the target of rogue trading or financial abuse	(200)	200	To be set 2022/23	To be set 2023/24	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

Targets – Helping people help themselves

Performance measure	2021/22 Outturn (Target)	2022/23 Target	2023/24 Target	2024/25 Target	2021 – 2025 Outcome Summary
Road Safety: Deliver targeted cycle training activities to vulnerable road users	(Deliver Bikeability training to 4,000 individuals and complete 45 Wheels for All sessions)	Deliver Bikeability training to 4,000 individuals and complete 60 Wheels for All sessions (pending funding allocation)	To be set 2022/23	To be set 2023/24	Improve the confidence and skills of cyclists by delivering cycle training to cyclists through targeted Bikeability training sessions delivered at Schools and training centres across the county
Road Safety: Implement infrastructure schemes on identified high risk sites/routes to improve road safety	(Implement 22 Safety Schemes)	Implement 22 Safety Schemes (pending funding allocation)	To be set 2022/23	To be set 2023/24	Reduce the number of crashes and casualties at identified high risk sites/routes sites through the implementation of infrastructure improvement schemes to improve outcomes for residents, businesses and visitors to East Sussex

Performance measure	2021/22 Outturn (Target)	2022/23 Target	2023/24 Target	2024/25 Target	2021 – 2025 Outcome Summary
Percentage of older people who are delayed from discharge when they are medically fit	(Establish baseline)	To be set 2021/22	To be set 2022/23	To be set 2023/24	Adults who have required support are able to live as independently as possible
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	(31.5%)	31.5%	31.5%	31.5%	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 housing related floating support	(5,000)	5,000	5,000	5,000	Adults can maintain their independence
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	(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	To be set 2022/23	To be set 2023/24	Through joint and partnership working ensure all available resources are used to deliver maximum benefits to local people and achieve value for money

Performance measure	2021/22 Outturn (Target)	2022/23 Target	2023/24 Target	2024/25 Target	2021 – 2025 Outcome Summary
Number of providers registered with Support With Confidence	(326)	10% increase on 2021/22 outturn	10% increase on 2022/23 outturn	10% increase on 2023/24 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
National outcome measure: Achieve independence for older people through rehabilitation / intermediate care	New measure	>90%	>90%	>90%	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)	Commission services	Commission services	Commission services	The rates of people entering recovery from drug and alcohol misuse are maximised and the stigma associated with misuse is reduced

Performance measure	2021/22 Outturn (Target)	2022/23 Target	2023/24 Target	2024/25 Target	2021 – 2025 Outcome Summary
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
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	(85%)	85%	85%	85%	The services provided are making a difference to the lives of service users
Number of households eligible under the Government's Supporting Families programme receiving a family support intervention	(900)	To be set 2021/22 pending information from Government	To be set 2022/23 pending information from Government	To be set 2023/24 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)	To be set 2021/22	To be set 2021/22	To be set 2021/22	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

Performance measure	2021/22 Outturn (Target)	2022/23 Target	2023/24 Target	2024/25 Target	2021 – 2025 Outcome Summary
Improved targeting of NHS Heath Checks	(100% of GP practices recommence delivery of NHS Health Check service including targeted service)	45% uptake rate by eligible patients from IMD1 (baseline 38.4%)	50% uptake rate by eligible patients from IMD1	Increase proportion of eligible people referred into lifestyles services as a result of NHS health check	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

Targets – Making best use of resources

Performance measure	2021/22 Outturn (Target)	2022/23 Target	2023/24 Target	2024/25 Target	2021 – 2025 Outcome Summary
Number of working days lost per FTE (Full Time Equivalent) employee due to sickness absence in non-school services	(9.24)	9.10	9.10	To be set following an assessment of the 22/23 and 23/24 target achievement	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	Outline Business cases brought forward against at least 2 priority projects	To be set 2023/24	Our Property Asset and Disposal Investment Strategy will explore income generation from property, optimise capital receipts and promote economic growth across the county
Review use of corporate buildings	(Develop new ways of working based on revised business requirements)	Implement workstyles adaptations in 3 office hubs and review the impact	Develop revised office strategy based on 2022/23 review	Reduction of office footprint to be determined in 2023/24	The Workstyles review will determine the future use of our corporate buildings to better utilise space and enable new ways of working. Once fully embedded this will lead to reduced cost of occupancy in our core corporate buildings
Reduce the amount of CO_2 arising from County Council operations	(13% reduction on 2020/21)	34% reduction on baseline year (2019/20) emissions (emissions not to exceed 8,206 tonnes CO_2e)	43% reduction on baseline year (2019/20) emissions (emissions not to exceed 7,139 tonnes CO_2e)	50% reduction on baseline year (2019/20) emissions (emissions not to exceed 6,211 tonnes CO_2e)	A reduction in the amount of CO_2 arising from Council operations is recorded on an annual basis, thus reducing the cost of energy to the Council and shrinking the carbon footprint in line with our carbon budget

Performance measure	2021/22 Outturn (Target)	2022/23 Target	2023/24 Target	2024/25 Target	2021 – 2025 Outcome Summary
Progress on implementation of Carbon reduction schemes	New measure	10 low energy lighting schemes, 10 solar PV schemes and 2 decarbonisation of heat schemes implemented	10 low energy lighting schemes, 10 solar PV schemes and 6 decarbonisation of heat schemes implemented	To be set 2023/24	A series of carbon reduction schemes are implemented to support our commitment to reduce the Council’s carbon footprint and support a more sustainable approach going forward

State of the County data

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 2020/21. Where possible official national statistics are used for comparison with the England average.

Driving sustainable economic growth

2020/21

Measure	East Sussex	England
Percentage of working age residents (16-64) with a level 4 qualification or above (includes degrees, Higher National Certificate, Higher National Diploma and others)	36.8% (Calendar Year 2020)	42.8% (Calendar Year 2020)
Percentage of working age residents (16-64) with no qualifications or qualified only to National Vocational Qualification 1	18.3% (Calendar Year 2020)	16.1% (Calendar Year 2020)
Annual gross full-time earnings, median average (residence based)	£30,949	£31,490
Percentage of working age population (16-64) in employment	75.0%	75.1%
People claiming unemployment related benefits (alternative claimant count), percentage of population aged 16-64	6.3%	6.6%
New business registration rate per 10,000 people over 16	55.9	70.4
New houses built, total completed / total affordable	1,549 / 290	-
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%*

2020/21

Measure	**East Sussex**	**England**
Percentage of pupils reaching the expected standard at key stage 2 in reading, writing and mathematics	62%*	65%*
Average Attainment 8 score per pupil state funded secondary schools	48.5*	50.2*
Average Progress 8 score for state funded secondary schools	-0.06*	-0.03*
Percentage of pupils who achieved a 9-5 pass in English and maths GCSEs	47.4%*	49.9%*
Average Attainment 8 score per pupil for Looked After Children	14.9*	19.1*
Average point score (APS) per entry for level A levels (16-18 year-olds)	37.55**	39.51**
Attainment of A level students (age 16-18) average point score (APS) per entry, best 3	35.65**	38.90**
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	15.30%**	24.2%**

*Data for the academic year 2018/19 and has not been updated because exams were suspended in 2020.

**Data for the academic year 2019/20. Exams were cancelled and an alternative process used to award grades, it should not be directly compared with previous years

Keeping vulnerable people safe

2020/21

Measure	East Sussex	England
Rate per 10,000 (aged 0 –17 population) of Looked After Children	57	67
Rate per 10,000 (aged 0-17 population) of children with a Child Protection Plan	49.2	41.4
Number of children who ceased to be looked after adopted during the year ending 31 March	27	-
Percentage of people (65 and over) who were still at home 91 days after discharge from hospital	89.2%	79.1%
Suicide rate per 100,000 of population three-year average	12.7 (2018-20)	10.4 (2018-20)

Helping people help themselves

2020/21

Measure	East Sussex	England
Percentage of children aged 4-5 years with excess weight (overweight or obese), by postcode of child	TBA	TBA
Percentage of children aged 10-11 years with excess weight (overweight or obese) by postcode of child	TBA	TBA
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	14.4	13.3

2020/21

Measure	East Sussex	England
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	501.1	498.2
Proportion of older people aged 65 and over who received reablement services following discharge from hospital	2.0%	3.1%
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	89.0%	74.9%
The proportion of people who use services who receive self-directed support	100%	92.2%
The proportion of carers who receive self-directed support	100%	87.1%
Number of people killed or seriously injured on the roads	TBA (Calendar Year 2021)	-

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East Sussex
County Council

Short Equality Impact Analysis

Equality Impact Analysis (EqIA) (or Equality Impact Assessment) aims to make services and public policy better for all service-users and staff and supports value for money by getting council services right first time.

We use EqIAs to enable us to consider all relevant information from an Equality requirements perspective when procuring or restructuring a service, or introducing a new policy or strategy. This analysis of impacts is then reflected in the relevant action plan to get the best outcomes for the Council, its staff and service-users.

EqIAs are used to analyse and assess how the Council's work might impact differently on different groups of people[1]. EqIAs help the Council to make good decisions for its service-users, staff and residents and provide evidence that those decision conform with the Council's obligations under the Equality Act 2010.

Title of Project/Service/Policy	Council Plan 2022/23-2024/25
Team/Department	Performance, Research and Intelligence
Directorate	Governance Services
Description of your Project (Service/Policy, etc.) including its Purpose and Scope	The Council Plan sets out our organisational priorities for the next three years. These are based on what we need to do to help deliver our four overarching priority outcomes; Driving sustainable economic growth, Keeping vulnerable people safe, Helping people help themselves and Making best use of resources for now and the future. It outlines the focus of our work with communities, businesses and partners. Performance measures and targets are set for the next three years that help us assess our progress against our aims and priorities. The plan includes a summary of our revenue budget and capital programme for 2022/23. The Council Plan is at the centre of our business planning processes. The activities outlined in the Council Plan feed through into the Portfolio Plans for each directorate. These activities are

	delivered across multiple services and programmes, often in collaboration with partners. There are designated leads for activities who are responsible for overseeing delivery and performance. We will continue to monitor our impact on outcomes for the people of East Sussex, including differences between outcomes for people sharing different protected characteristics. We will use this information to inform future business planning activities as part of our annual State of the County exercise. We will report quarterly on progress against the activities in the Council Plan, including any issues, as part of our Council Monitoring reports. Collectively this evidence gathering, prioritising, implementing and monitoring is called Reconciling Policy, Performance and Resources (RPPR). All aspects of the RPPR process have consideration of equality, diversity and inclusion impacts embedded within them, to ensure that planned priorities are based on a good understanding of diversity and local needs, identify and respond to opportunities to remove barriers and maximise positive outcomes, and that outcomes for people sharing different characteristics are monitored. The planned work set out in the Council Plan is intended to have a positive impact on all our residents, communities, businesses and visitors to the County. The priority outcomes and the corresponding activities, and measures have been identified based on evidence of need, taking into account any legislation, legislative change or service review outcomes which are relevant to that service area, and available resources. One of the delivery outcomes within the Council Plan is to ensure that we deliver 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 consider as part of our business planning processes the collective impact of any proposed work.

Assessment of overall impacts and any further recommendations
For clarity all disproportionate impacts on specific groups are highlighted in the single section below. Overall impacts and notes: There are no disproportionate negative impacts on people sharing any specific characteristics. The Council Plan as a whole is designed to support our objectives to promote equality and to address known inequalities. Many services or programmes will have benefits for all people in the county, across all legally protected characteristics. The council's approach is to integrate consideration of equality impacts into planning, implementation and monitoring of all activities, so specific needs, assets, barriers and opportunities are assessed individually to maximise positive impacts and avoid or minimise negative impacts. In addition, there are several activities or programmes of work outlined in the Council Plan that specifically seek to improve outcomes for people sharing one or more of the legally protected characteristics, where evidence indicates greater need or inequality – see all of the Portfolio Plans for full details of actions across all departments: • We have set out initiatives aiming to improve the connectivity of rural communities, through better access to broadband and transport links. • We will continue to work with partners support vulnerable groups and young people with learning difficulties/disabilities to participate in education and training and to prepare for work. • We will work with partners to address health inequalities, in particular those inequalities that have been highlighted by the impact of COVID-19. • We recognise the significant impact that the pandemic has had on the mental health of many young people. We will continue to deliver mental health support in schools to help support our children and young people. • We will continue to ensure there is the right support available to children and young people with Special Educational Needs and Disabilities, including increasing capacity within our mainstream schools. • With our partners we will continue to work to ensure that vulnerable and older adults receive the right services, in the right place, at the right time through our work on health and social care integration. • We will continue to provide support for frail adults to help manage risks and maintain their independence at home.

Potential issues	Mitigating actions
• Identification of potential disproportionate impacts or issues relating to people sharing specific characteristics that have not been identified at this stage.	• The planned work set out in the Council Plan will be taken forward through specific programmes of activity within individual directorates. Robust equality analysis will be undertaken on each planned activity, to ensure that these are designed and implemented in a way that maximises opportunities to promote equality, whilst minimising any adverse impacts.
• Our resources do not reflect the demand for services, which may mean we will have to adjust our services to match the funds we have.	• Priorities will continue to be defined based on local evidence of need and what works and makes a difference locally. We will continue to be democratic, open and honest in determining the best level and quality of services we can provide, within available resources, and in communicating priorities.
• The population of East Sussex is changing and people's needs and assets change.	• We will work closely with partners, including the Voluntary, Community and Social Enterprise sector, to make the most of opportunities, resources and links with diverse communities available locally. We recognise that VCSE organisations are often the first to recognise and respond to the needs of diverse communities and that they provide safe, accessible, and inclusive spaces for individuals, groups and the wider community, that support inclusion and belonging.
• COVID19 and the lockdowns and social restrictions have impacted some people and communities sharing protected characteristics worse.	• We continue to work to understand the different ways in which the pandemic has impacted on people sharing different characteristics and to address the inequalities that have been revealed and/or worsened. Portfolio Plans and service plans identify tailored responses to identified needs.

East Sussex County Council

Actions planned
Our Council Plan priorities and delivery outcomes are designed to help address identified inequalities in outcomes for different groups in our local community and incorporate our equality objectives. The planned work set out in the Council Plan will be taken forward through specific programmes of activity within individual directorates. Robust equality analysis will be undertaken on each planned activity, to ensure that these are designed and implemented in a way that maximises opportunities to promote equality, whilst minimising any adverse impacts. The impacts of activities carried forward from the previous plan will be kept under review, which will include considering whether existing mitigating actions remain sufficient, or if any further measures are required. We will continue to monitor our impact on outcomes for the people of East Sussex, including differences between outcomes for people sharing different protected characteristics. We will use this information to inform future business planning activities as part of our annual State of the County exercise. We will report quarterly on progress against the activities in the Council Plan, including any issues, as part of our Council Monitoring reports. We will also report on our progress in delivering the actions in this Council Plan that will advance equality as part of our Annual report, which will be published in Autumn 2022.

EqIA sign-off: (for the EqIA to be final an email must be sent from the relevant people agreeing it, or this section must be signed)

Staff member competing Equality Impact Analysis: Victoria Beard, Head of Performance, Research and Intelligence **Date:** 13/12/21

Directorate Management Team rep or Head of Service: as above **Date:**

Equality lead: Sarah Tighe-Ford **Date: 13/12/21**

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Medium Term Financial Plan	**2021/22 Approved Budget £million**	***2022/23 Estimate £million***	***2023/24 Estimate £million***	***2024/25 Estimate £million***
TAXATION & GOVERNMENT FUNDING		(416.745)	(453.231)	(458.495)
Council Tax	(305.914)	(14.890)	(4.160)	(10.482)
Adult Social Care Precept	(4.486)	(7.840)	(3.284)	(3.412)
Business Rates (Inclusive of BR Pooling in 2021/22 & 2022/23)	(81.522)	(5.227)	*(1.562)*	*(2.246)*
Social Care Grant	(17.082)	(6.592)		
Services Grant (1 year only)		(5.175)	*5.175*	
Services Grant - impact of funding review			*(2.588)*	
Revenue Support Grant	(3.568)	(0.119)	*2.912*	*1.845*
Local Council Tax Support Grant 2021/22	(2.621)	2.621	*(2.114)*	*2.114*
Local Tax Income Guarantee for 2020/21	(1.047)	1.047	*(0.459)*	*0.459*
New Homes Bonus	(0.505)	(0.311)	*0.816*	
TOTAL TAXATION & GOVERNMENT FUNDING	**(416.745)**	**(453.231)**	***(458.495)***	***(467.217)***
SERVICE PLAN				
Service Expenditure	381.308	381.374	*396.461*	*409.934*
Inflation				
Pay Award 2020/21	0.074			
Contractual inflation (contract specific)	0.539	1.747	*2.812*	*0.911*
Normal inflation for contracts	6.763	13.664	*9.558*	*9.286*
Adult Social Care				
Improved Better Care Fund	(21.137)	(0.639)		
Growth & Demography	3.413	(3.413)	*3.413*	*3.917*
Future demand modelling net of attrition (Covid-related)	1.133	(1.133)	*1.133*	*(0.365)*
Market Sustainability and Fair Cost of Care (MSFCC) Fund		(1.745)		
MSFCC Fund Pressures		1.745		
MFSCC - Support for New Burdens (from precept)		3.149	*(3.149)*	
Pressures approved via protocol	(0.743)			
Voluntary Sector, Community Hubs, Shielded Group	0.880	(0.440)	*0.440*	
Children's Services				
Dedicated Schools Grant		0.422		
Growth & Demography	1.070	4.091	*1.495*	*0.569*
Looked After Children	1.909			
Disabled Access Regulations for Buses/Coaches	0.043	0.098		
Home to School Transport	0.523	0.523		
Looked After Children Placements Covid-related	3.429	1.393	*(0.872)*	*(0.347)*
Covid Grant Funding for Looked After Children Placements		(1.393)	*0.077*	*(0.442)*
Pressures approved via protocol	0.184	(0.124)	*(0.124)*	*0.124*
SEND High Needs Block Additional funding	(0.814)	(2.138)		
Social Worker Pay		1.493		
Communities, Environment & Transport				
Waste PFI Efficiencies		(0.100)	*(0.100)*	
Waste Housing Growth	0.236	0.150	*0.251*	*0.303*
Street lighting Electricity/Re-payment of Investment	(0.655)			

Medium Term Financial Plan	2021/22 Approved Budget £million	*2022/23 Estimate £million*	*2023/24 Estimate £million*	*2024/25 Estimate £million*
Pressures approved via protocol	0.262	0.265	*0.015*	
Support to economic development	0.100	0.025	*(0.055)*	
Business Services				
IT & Digital Licences	0.025			
Pressures approved via protocol	0.110	0.411	*(0.074)*	*(0.078)*
Modernising Back Office Systems (MBOS)				*0.386*
Governance Services				
Additional resource to support Equalities and Diversity	0.060			
Additional capacity in Legal Services to support Children's Social Care	0.143			
Investment Areas				
Investment of unallocated funding – Revenue	1.707	(1.707)		
Savings				
Savings 2020/21 - 2021/22	(2.953)			
Temporary mitigations to savings	(0.298)	(0.388)	*(0.100)*	
Removal of CSD Safeguarding Savings		0.854		
Removal of CET Trading Standards Saving		0.100	*0.100*	
Removal of Early Help Saving		0.893		
Savings Slippage	4.063	(2.716)	*(1.347)*	
NET SERVICE EXPENDITURE	**381.374**	**396.461**	***409.934***	***424.198***
Corporate Expenditure		35.371	*56.770*	*51.453*
Treasury Management	18.709	1.221	*1.500*	*0.100*
New Homes Bonus to Capital Programme		0.816	*(0.816)*	
General Contingency	3.980	0.350	*0.040*	*0.120*
Contingency for Potential Pay Award	2.071	3.620	*3.087*	*3.145*
National Insurance 1.25% Increase		1.514	*0.030*	*0.031*
Contract inflation and collection fund risk	0.648	4.107	*(0.811)*	*0.746*
Pensions	8.423	(0.400)	*1.800*	*0.020*
Apprenticeship Levy	0.600			
Levies & Grants	0.940	0.012	*0.012*	*0.012*
One off investment opportunities (held in Financial Management reserve)		5.175	*(5.175)*	
Future Risks: CSD/SEND/ASC and Funding Reform/COVID legacy (held in Financial Management reserve)		4.984	*(4.984)*	
TOTAL CORPORATE EXPENDITURE	**35.371**	**56.770**	***51.453***	***55.627***
TOTAL PLANNED EXPENDITURE	**416.745**	**453.231**	***461.387***	***479.825***
CUMULATIVE DEFICIT/(SURPLUS)	**0.000**	**0.000**	***2.892***	***9.608***
ANNUAL DEFICIT/(SURPLUS)	**0.000**	**0.000**	***2.892***	***6.716***

Budget Summary 2022/23

Revenue Budget 2022/23

Medium Term Financial Plan 2022/23 to 2024/25

Capital Programme to 2031/32

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East Sussex County Council

Contents

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 2022/23 revenue budget and the Capital Programme to 2031/32. 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 2022/23 Approved Budget

In 2022/23 the Council (including schools) will spend £921.4m to deliver services to the people of East Sussex, with a further £101.9m of investment in infrastructure and assets through its capital programme. The Council's stated priorities outcomes are:-

- Driving Sustainable Economic Growth;
- Helping people to help themselves;
- Keeping vulnerable people safe; and
- Making the best use of resources in the short and long term.

Revenue Budget

The Spending Review 2021, announced in October 2021, provided 3 year high level funding totals across a number of service areas. The Provisional Local Government Settlement, announced on 16 December 2021, whilst providing more funding than our planning assumptions had modelling, was largely a one year settlement. The uncertainty of future funding continues. In setting the balanced budget for 2022/23, no additional savings to those identified in previous years have been sought - £1.2m will be delivered in 2022/23, out of the £2.6m to be delivered over the Medium Term Financial Plan (MTFP) period. In addition, £5.175m from the new Services Grant has been set aside for investment opportunities that will be identified during 2022/23; whilst a new Adult Social Care Reform Reserve has been set up to support the management of the financial risks associated with changes to social care in the coming years.

In setting a balanced budget for 2022/23, there still remains an deficit on the MTFP of £9.6m by 2024/25. There remain significant uncertainties which may have an impact:

- What will be the announcement of Funding Reform when implemented from 2023/24?
- What will happen with regard to the Business Rates system, particularly as Business Rates Retention seems to be off the table?
- How will the Levelling Up agenda impact?
- How long will inflation remain comparatively high and what impact will this have on services?
- What financial impact will the reforms to Adult Social Care and Children's Services have in the coming years?
- What pressures will arise as the climate change agenda moves forward?
- What are long term implications of the pandemic?

Chief Finance Officer's Foreword (cont'd)

Capital Programme

The planned programme aligned to the Capital Strategy to 2042/43 has been reviewed and extended to maintain a 10 year planned programme. Work has been completed to reset priorities and present realigned targeted basic need capital investment to maintain capital assets, deliver core services to the residents of East Sussex, as well as to support carbon reduction targets.

The programme to 2031/32 is £752.9m gross. The projected income to fund the programme is £379.2m, leaving a potential borrowing requirement of £373.6m. The programme includes increased investment in: Highways roads maintenance of £31m, Highways structures and street lighting of £10.8m, Special Educational Needs school provision of £19m and £6m to support Climate Emergency works.

Ian Gutsell
Chief Finance Officer
February 2022

Medium Term Financial Planning

£'m	2021/22 Budget	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate
TAXATION & GOVERNMENT FUNDING		(416.745)	(453.231)	(458.495)
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Medium Term Financial Planning

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National Insurance 1.25% Increase	0.000	1.514	0.030	0.031

Medium Term Financial Planning

£'m	2021/22 Budget	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate
Contract inflation and collection fund risk	0.648	4.107	(0.811)	0.746
Pensions	8.423	(0.400)	1.800	0.020
Apprenticeship Levy	0.600			
Levies & Grants	0.940	0.012	0.012	0.012
One off investment opportunities (held in Financial Management reserve)		5.175	(5.175)	
Future Risks: CSD/SEND/ASC and Funding Reform/COVID legacy (held in Financial Management reserve)		4.984	(4.984)	
TOTAL CORPORATE EXPENDITURE	**35.371**	**56.770**	**51.453**	**55.627**
TOTAL PLANNED EXPENDITURE	**416.745**	**453.231**	**461.387**	**479.825**
CUMULATIVE DEFICIT/(SURPLUS)	**0.000**	**0.000**	**2.892**	**9.608**
ANNUAL DEFICIT/(SURPLUS)	**0.000**	**0.000**	**2.892**	**6.716**

Resources - funding / core spending power

Settlement Funding Assessment 2022/23

For only the third time since the introduction of current formula in 2013/14, Government funding to local authority services has increased. However 2022/23 sees a very limited increase being provided only on the Revenue Support Grant.

Settlement Funding Assessment (SFA):

Funding	**2021/22**	**2022/23**	**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)	3,568	3,687	120	3.36%
Total - ESCC	**78,632**	**78,752**	**120**	**0.15%**

The SFA represents the general funding level provided by Government to local authorities. For 2022/23, the increase in SFA is £0.120m or 0.15%. 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 by £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 at set points in time.

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 2022/23; 2022/23 reflecting a one-year settlement only.

Core Spending Power	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	6 Year Change	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	%
Settlement Funding Assessment	137,005	113,805	96,827	87,172	77,352	78,612	78,632	78,752	(58,253)	-42.5%
Compensation for business rates capping	994	994	1,053	1,655	2,407	3,009	3,911	6,168	5,174	520.7%
Council Tax	227,221	242,632	257,380	276,720	289,676	300,874	310,355	326,460	99,239	43.7%
Improved Better Care Fund			11,313	15,157	18,551	21,136	21,136	21,776	21,776	
New Homes Bonus	2,275	2,720	2,078	1,231	886	761	505	816	(1,459)	-64.1%
New Homes Bonus returned funding	222	159	168						(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	23,674	23,674	
Market Sustainability and Fair Cost of Care Fund								1,745	1,745	
2022/23 Services Grant								5,175	5,175	
ESCC Core Spending Power	**367,716**	**363,012**	**374,113**	**386,136**	**395,875**	**419,023**	**431,622**	**464,564**	**96,848**	**26.3%**

[1] For 2020-21, Winter Pressures Grant allocations were rolled into the Improved Better Care Fund, and no longer ringfenced.

[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 £72.6m or 19.7% in the 6 years since 2015/16. However Government have now revised down this estimate by £8.7m. This year's calculation suggests an increase in Spending Power of £96.8m or 26.3% over the last 7 years. The increase is due to the Government's assumption that the Council will take up the maximum allowance to increase Council Tax by 4.49% in 2022/23, which includes an adult social care precept at 2.5%. The new 2022/23 Services Grant is for general expenditure, however this funding is only for one year. The new Market Sustainability and Fair Cost of Care Fund will be used to support as yet unknown new social care burdens. There is also additional social care funding of £7.2m via the Social Care Grant and the Improved Better Care Fund.

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 - Council Tax

To be included in the final version following signing of the precept notice.

Resources - specific and special grant funding

Direct impact on County Council Services

	Rebased Budget 2021/22 £'000	Estimate 2022/23 £'000	Change £'000
Adult Social Care/Public Health			
Public Health Grant	28,074	28,074	0
DoH ADDER Grant	0	1,350	1,350
Improved Better Care Fund incl. Winter Pressures	20,106	20,745	639
Local Reform and Community Voices Grant - War Pensions scheme disregard	218	218	0
Local Reform and Community Voices Grant	54	54	0
Former Independent Living Fund (ILF) Recipient Grant	956	956	0
Local Reform and Community Voices Grant (moved from Business Services)	307	307	0
Healthy Aging through Innovation in Rural Europe	0	56	56
Market Sustainability and Fair Cost of Care	0	1,745	1,745
	49,715	**53,505**	**3,790**
Children's Services			
Troubled Families Grant	1,527	1,527	0
Unaccompanied Asylum Seeking Children (UASC)	2,254	2,328	74
Extended Rights to Free Transportation	701	714	13
Staying Put	297	297	0
Youth Offending Team Grant - Core	420	457	37
Youth Offending Team Grant - Secure Remand	197	197	0
School Improvement grant	145	217	72
Hastings Opportunity Area Fund	577	441	(136)
Early Years Professional Development grant	111	0	(111)
DfE 18+ Care Leavers Service	81	81	0
KS2 moderation and phonics	25	18	(7)
	6,335	**6,277**	**(58)**
Communities Economy and Transport			
PFI Grant - Waste	2,996	2,996	0
Transport of the South East	1,225	1,225	0
Bus Service Operators Grant	438	439	1
DEFRA - Area of Outstanding Natural Beauty High Weald	281	987	706
Bikeability Grant for Local Highway Authorities	118	118	0
Lead Local Flood Authority Grant	48	0	(48)
Arts Council	2	0	(2)
DEFRA - Countryside Stewardship	24	0	(24)
DfT Transport Services	5	4	(1)
Active Travel	0	220	220
	5,137	**5,989**	**852**
Business Services			
PFI Grant - Peacehaven Schools	1,759	1,759	0
	1,759	**1,759**	**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	**63,016**	**67,600**	**4,584**

Indirect impact - where the Council passports funds to schools/other organisations

	Rebased Budget 2021/22 £'000	Estimate 2022/23 £'000
Children's Services		
Dedicated Schools Grant	242,372	242,058
Pupil Premium Grant	9,078	9,085
Teachers Pension Grant	104	104
Universal Infant Free School Meals	3,197	3,197
PE and Sport Grant	836	836
Teachers Pay Grant	37	37
Higher Education Funding Council grant	715	658
	256,339	**255,975**
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	**264,265**	**263,901**

Grant Funding Summary

Government Specific and Special Grants		
Total Direct Impact	63,016	67,600
Total Indirect Impact	264,265	263,901
	327,281	**331,501**
Grants from other agencies		
-	0	0
	0	**0**
Total	**327,281**	**331,501**

Summary by department		
Adult Social Care/Public Health	56,875	60,665
Children's Services	262,674	262,252
Communities Economy and Transport	5,903	6,755
Governance Services	0	0
Business Services	1,759	1,759
	327,211	**331,431**
Corporate items	70	70
	327,281	**331,501**
Grants from other agencies	0	0
Total	**327,281**	**331,501**

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

Revenue Budget Summary 2022/23

ESCC Budget	2021/22 Budget £000	2022/23 Budget £000	Change £000	%
Gross Expenditure	**868,433**	**921,363**	**52,930**	**6.09%**
Less:				
Fees, Charges & Receipts	(68,013)	(69,390)	(1,377)	
Specific Government Grants	(327,318)	(331,501)	(4,183)	
Financing and Planned use of reserves	(9,682)	(5,901)	3,781	
Other grants and contributions	(46,675)	(61,340)	(14,665)	
Net Expenditure	**416,745**	**453,231**	**36,486**	**8.75%**
Made up of:-				
Net Service Expenditure	**381,374**	**396,461**	**15,087**	**3.96%**
Treasury Management	18,709	19,930		
Funding Capital Programme - New Homes Bonus		816		
General Contingency	3,980	4,330		
Contingency for Potential Pay Award	2,071	5,691		
National Insurance 1.25% Increase		1,514		
Contract inflation and collection fund risk	648	4,755		
Pensions	8,423	8,023		
Apprenticeship Levy	600	600		
Levies and Grants	940	952		
One off investment opportunities (held in Financial Management reserve)		5,175		
Future Risks: CSD/SEND/ASC and Funding Reform/COVID legacy (held in Financial Management reserve)		4,984		
Net corporate expenditure	**35,371**	**56,770**	**21,399**	**60.50%**
Net Budget	**416,745**	**453,231**	**36,486**	**8.75%**
Funded by:-				
Business Rates (Inclusive of BR Pooling in 2021/22 & 2022/23)	(81,522)	(86,749)		
Social Care Grant	(17,082)	(23,674)		
Services Grant (1 year only)		(5,175)		
Revenue Support Grant	(3,568)	(3,687)		
Local Council Tax Support Grant 2021/22	(2,621)			
Local Tax Income Guarantee for 2020/21	(1,047)			

Revenue Budget Summary 2022/23

ESCC Budget	2021/22 Budget £000	2022/23 Budget £000	Change £000	%
New Homes Bonus	(505)	(816)		
Collection Fund Adjustment	1,101			
Collection Fund Council Tax (Surplus)/Deficit	(1,146)	(4,763)		
Funding Other Than Council Tax	**(106,390)**	**(124,864)**	**(18,474)**	**17.36%**
Council Tax Requirement	**310,355**	**328,367**		
Taxbase: Number of "Band D" equivalent dwellings	201,002	203,532		
Band D Council Tax	**£1,544.04**	**£1,613.34**	**£69.30**	**4.49%**

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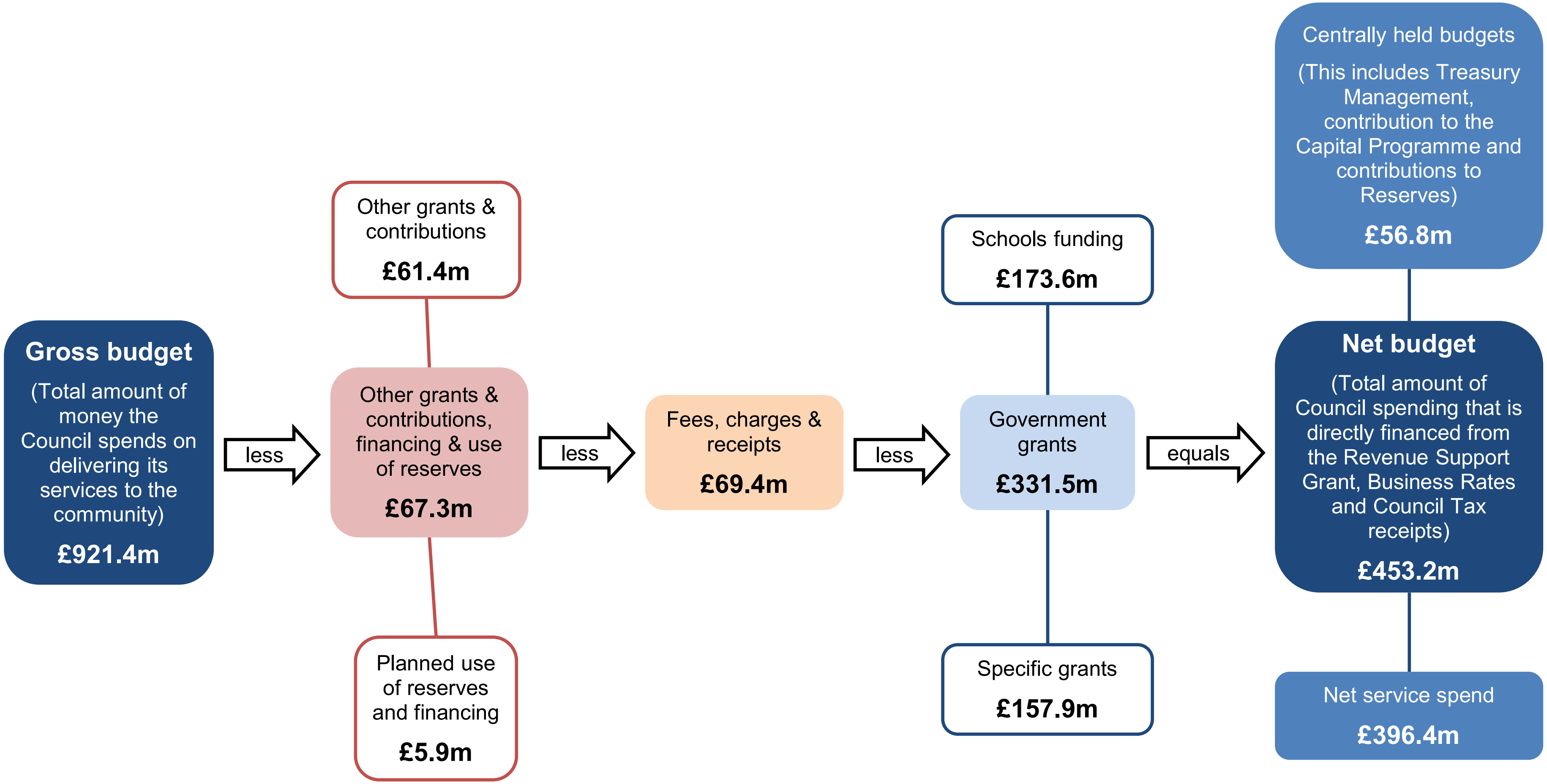
Revenue Budget Summary 2022/23 - gross budget to net budget



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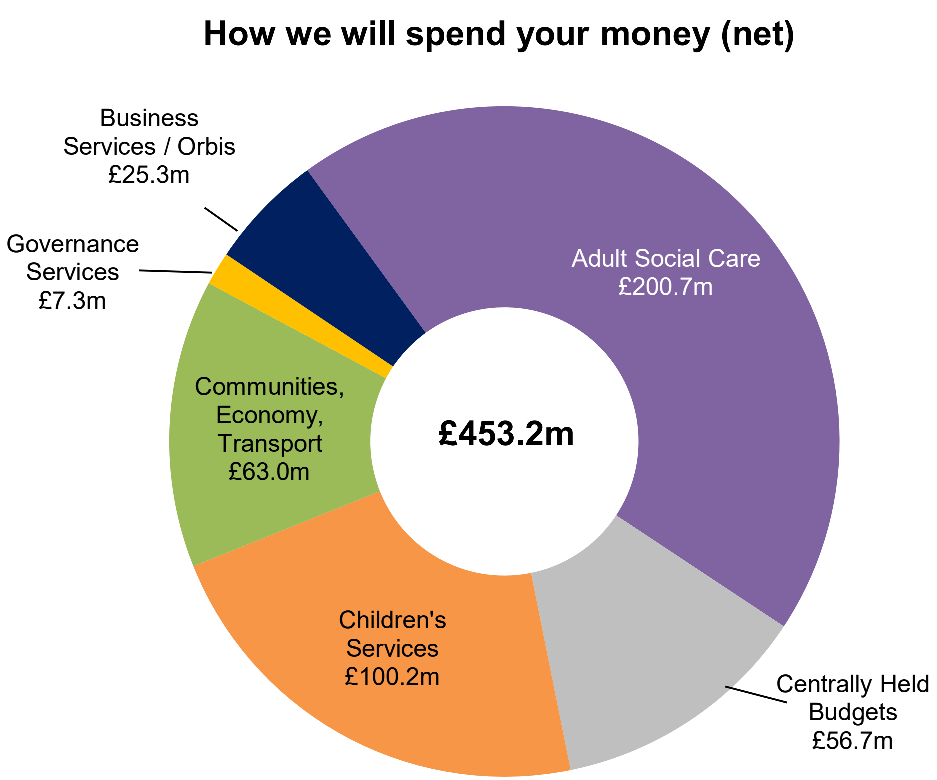
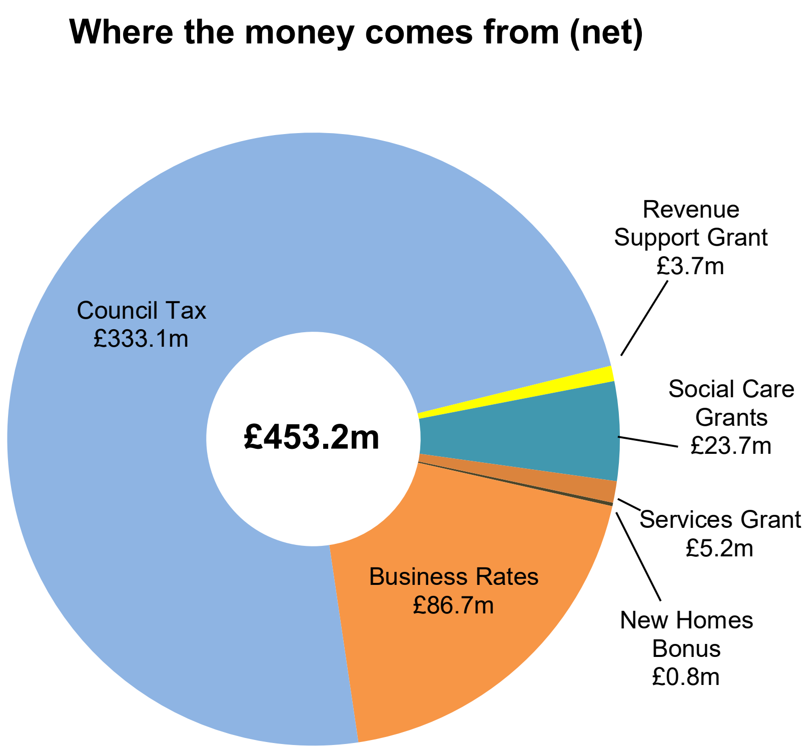
Revenue Budget Summary - departmental budget movements 2018/19 to 2021/22

	2018/19 Rebased Budget £'000	Net Movt %	2019/20 Rebased Budget £'000	Net Movt %	2020/21 Rebased Budget £'000	Net Movt %	2021/22 Rebased Budget £'000	Net Movt 17/18 to 20/21 %
Adult Social Care	165,407	3.66%	171,456	7.37%	184,093	4.64%	192,628	16.46%
Public Health	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Business Services / Orbis	22,270	4.30%	23,227	3.48%	24,036	1.20%	24,324	9.22%
Children's Services (excl. schools)	68,655	12.61%	77,314	14.90%	88,838	7.24%	95,271	38.77%
Communities, Economy & Transport	62,206	-0.93%	61,626	-0.48%	61,330	1.00%	61,942	-0.42%
Governance Services	7,192	2.42%	7,366	-5.15%	6,987	3.18%	7,209	0.24%
Total Departments	**325,730**	**4.68%**	**340,989**	**7.12%**	**365,284**	**4.40%**	**381,374**	**17.08%**

Revenue Budget Summary 2022/23 - net revenue budget





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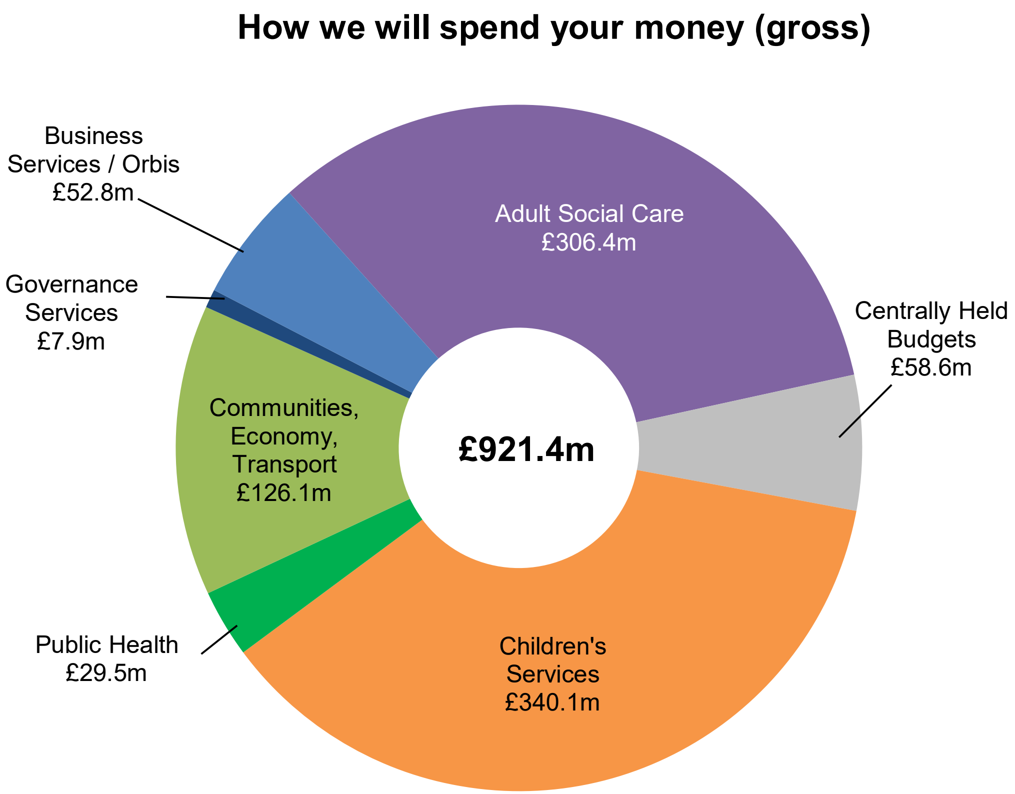
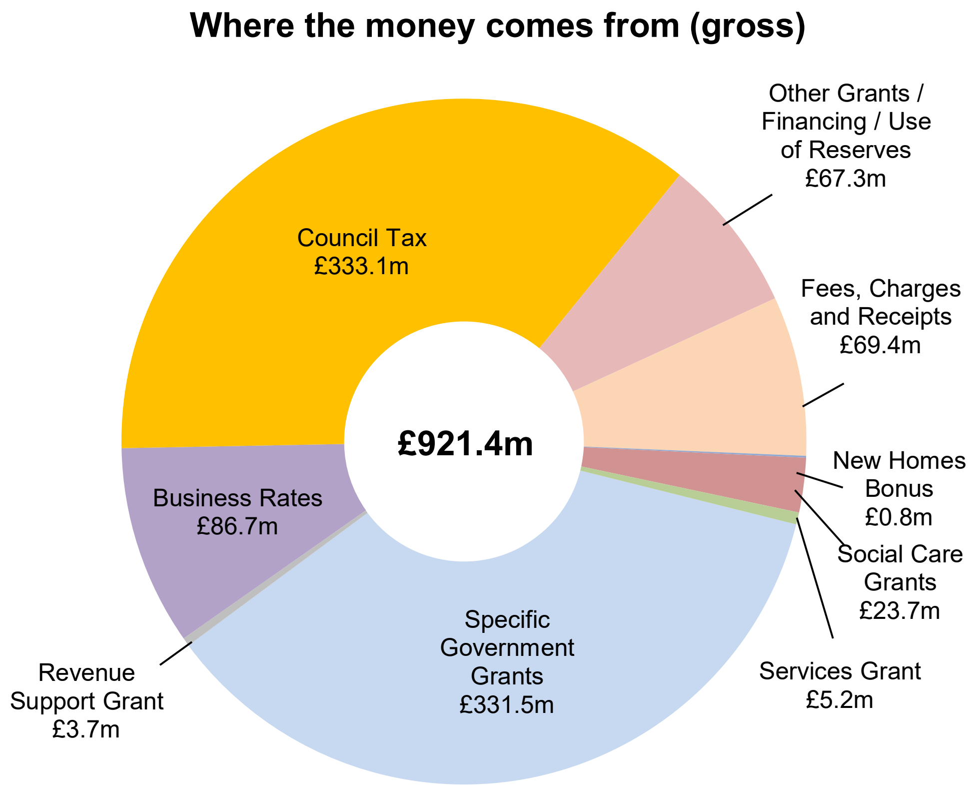
Revenue Budget Summary 2022/23 - gross revenue budget





Revenue Budget Summary 2022/23 - budget changes 2021/22 to 2022/23

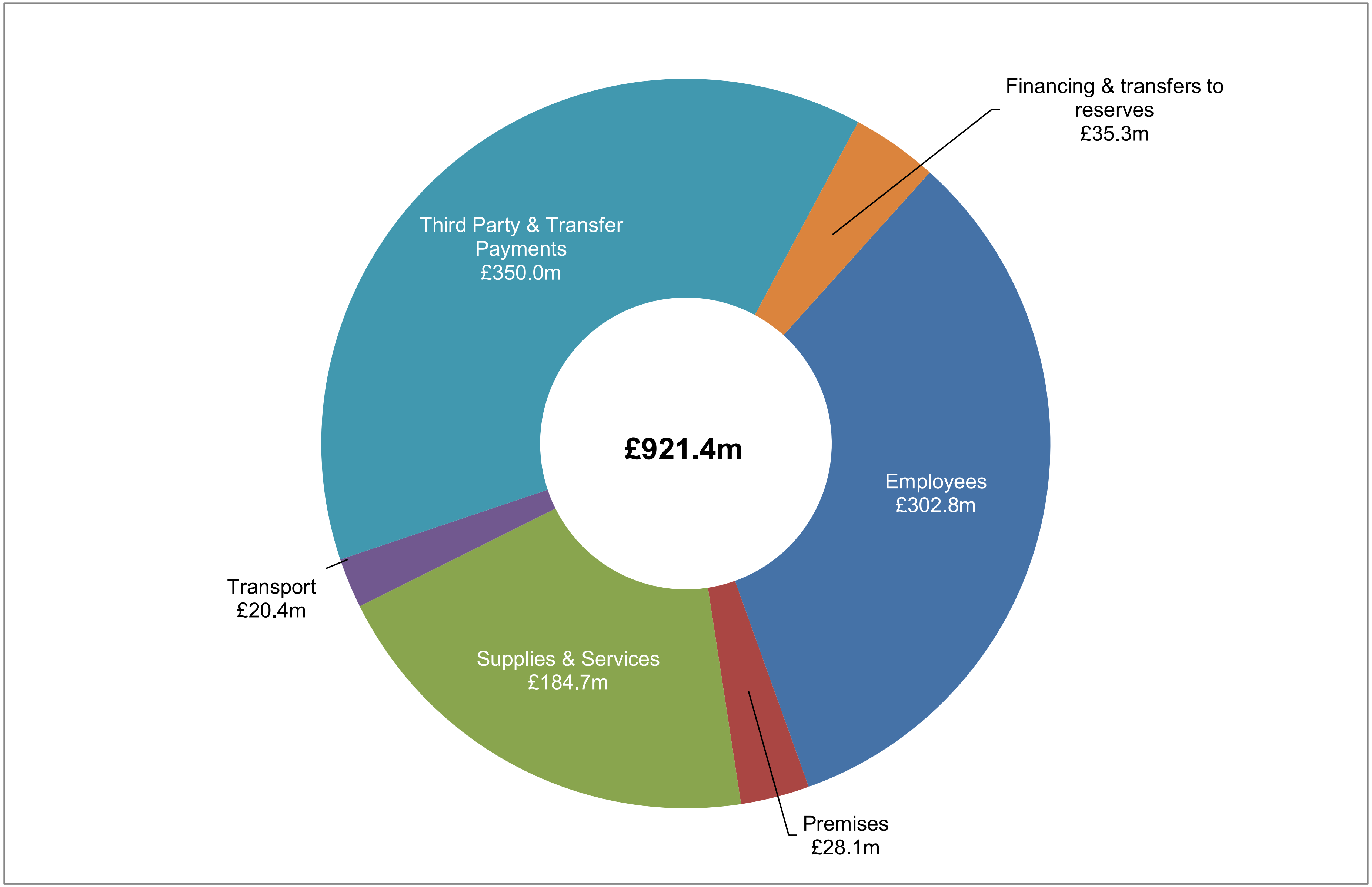
	2021/22 Rebased Net Budget	Additions	Reductions	2022/23 Net Budget	Change	
	£'000	£'000	£'000	£'000	£'000	%
Adult Social Care	192,628	14,402	(6,267)	200,763	8,135	4.22%
Public Health	-	-	-	-	-	0.00%
Business Services / Orbis	24,324	944	-	25,268	944	3.88%
Children's Services (inc. schools)	95,271	4,909	-	100,180	4,909	5.15%
Communities, Economy & Transport	61,942	2,277	(1,257)	62,962	1,020	1.65%
Governance Services	7,209	79	-	7,288	79	1.10%
Total Departments	**381,374**	**22,611**	**(7,524)**	**396,461**	**15,087**	**3.96%**
Centrally held budgets	35,371	21,799	(400)	56,770	21,399	60.50%
Total	**416,745**	**44,410**	**(7,924)**	**453,231**	**36,486**	**8.75%**

NB: increase in Centrally Held budget is due to balances being held for reserves

Revenue Budget Summary 2022/23 - 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	53,303	850	1,055	13,925	237,174	4	**306,311**	(31,241)	(38,041)	(36,716)	-	**(105,998)**	450	**200,763**
Public Health	2,047	-	16	461	26,975	-	**29,499**	(29,424)	(773)	-	(128)	**(30,325)**	826	**-**
Business Services / Orbis	9,587	11,651	127	29,977	1,498	6	**52,846**	(2,193)	(5,279)	(9,862)	(1,058)	**(18,392)**	(9,186)	**25,268**
Children's Services	198,915	11,332	1,667	45,306	82,903	25	**340,148**	(261,765)	3,805	(5,472)	(1,648)	**(265,080)**	25,112	**100,180**
Communities Economy & Transport	17,575	3,998	17,473	84,380	534	2,131	**126,091**	(6,755)	(20,745)	(17,066)	(1,363)	**(45,929)**	(17,200)	**62,962**
Governance Services	5,531	317	58	2,014	8	-	**7,928**	(53)	(307)	(274)	(4)	**(638)**	(2)	**7,288**
Services	**286,958**	**28,148**	**20,396**	**176,063**	**349,092**	**2,166**	**862,823**	**(331,431)**	**(61,340)**	**(69,390)**	**(4,201)**	**(466,362)**	**-**	**396,461**
Centrally held budgets	15,828	-	-	8,685	912	33,115	**58,540**	(70)	-	-	(1,700)	**(1,770)**	-	**56,770**
Total	**302,786**	**28,148**	**20,396**	**184,748**	**350,004**	**35,281**	**921,363**	**(331,501)**	**(61,340)**	**(69,390)**	**(5,901)**	**(468,132)**	**-**	**453,231**

Revenue Budget Summary 2022/23 - subjective analysis



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Revenue Budgets - Adult Social Care

2021/22		2022/23													
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**	**£'000**
	Physical Support, Sensory Support and Support for Memory & Cognition														
54,290	Residential & Nursing	4,435	209	73	421	71,465	-	**76,603**	-	(3,218)	(18,479)	-	**(21,697)**	92	**54,998**
6,537	Supported & Other Accommodation	-	-	-	-	6,537	-	**6,537**	-	-	-	-	**-**	-	**6,537**
27,951	Home Care	5,672	-	253	93	22,412	-	**28,430**	-	(822)	-	-	**(822)**	3	**27,611**
1,539	Day Care	208	97	-	28	1,485	-	**1,818**	-	-	(429)	-	**(429)**	170	**1,559**
18,543	Direct Payments	-	-	-	-	18,543	-	**18,543**	-	-	-	-	**-**	-	**18,543**
(6,633)	Other Services	721	18	8	2,562	13,399	-	**16,708**	(986)	(16,087)	-	-	**(17,073)**	-	**(365)**
(10,347)	Fairer Charging *	-	-	-	-	-	-	**-**	-	-	(10,347)	-	**(10,347)**	-	**(10,347)**
-	Meals in the Community	-	-	-	-	-	-	**-**	-	-	-	-	**-**	-	**-**
91,880	**Subtotal**	**11,036**	**324**	**334**	**3,104**	**133,841**	**-**	**148,639**	**(986)**	**(20,127)**	**(29,255)**	**-**	**(50,368)**	**265**	**98,536**
	Learning Disability Support														
45,422	Residential & Nursing	1,640	104	7	92	46,843	-	**48,686**	-	-	(3,338)	-	**(3,338)**	25	**45,373**
14,120	Supported & Other Accommodation	1,577	22	20	23	12,619	-	**14,261**	-	(5)	(162)	-	**(167)**	5	**14,099**
1,367	Home Care	-	-	-	-	1,367	-	**1,367**	-	-	-	-	**-**	-	**1,367**
3,826	Day Care	1,909	95	30	24	1,765	4	**3,827**	-	-	(372)	-	**(372)**	442	**3,897**
7,506	Direct Payments	-	-	-	-	7,506	-	**7,506**	-	-	-	-	**-**	-	**7,506**
(1,010)	Other Services	1,565	10	40	56	1,251	-	**2,922**	(153)	(3,663)	(98)	-	**(3,914)**	5	**(987)**
(1,352)	Fairer Charging *	-	-	-	-	-	-	**-**	-	-	(1,352)	-	**(1,352)**	-	**(1,352)**
69,879	**Subtotal**	**6,691**	**231**	**97**	**195**	**71,351**	**4**	**78,569**	**(153)**	**(3,668)**	**(5,322)**	**-**	**(9,143)**	**477**	**69,903**
	Mental Health Support														
4,066	Residential & Nursing	-	-	-	-	4,604	-	**4,604**	-	-	(538)	-	**(538)**	-	**4,066**
2,702	Supported & Other Accommodation	-	-	-	-	2,702	-	**2,702**	-	-	-	-	**-**	-	**2,702**
431	Home Care	-	-	-	-	431	-	**431**	-	-	-	-	**-**	-	**431**
34	Day Care	36	3	1	15	35	-	**90**	-	(52)	(2)	-	**(54)**	-	**36**
1,033	Direct Payments	-	-	-	-	1,033	-	**1,033**	-	-	-	-	**-**	-	**1,033**
(1,195)	Other Services	-	-	-	-	3,118	-	**3,118**	(34)	(4,279)	-	-	**(4,313)**	-	**(1,195)**
(497)	Fairer Charging *	-	-	-	-	-	-	**-**	-	-	(497)	-	**(497)**	-	**(497)**
6,574	**Subtotal**	**36**	**3**	**1**	**15**	**11,923**	**-**	**11,978**	**(34)**	**(4,331)**	**(1,037)**	**-**	**(5,402)**	**-**	**6,576**

Revenue Budgets - Adult Social Care

2021/22		2022/23													
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	£'000
	Substance Misuse Support														
476	Other Services (including residential)	-	-	-	-	476	-	**476**	-	-	-	-	**-**	-	**476**
476	**Subtotal**	**-**	**-**	**-**	**-**	**476**	**-**	**476**	**-**	**-**	**-**	**-**	**-**	**-**	**476**
	Other Adult Services														
323	Other Services	148	-	1	36	137	-	**322**	-	-	-	-	**-**	-	**322**
323	**Subtotal**	**148**	**-**	**1**	**36**	**137**	**-**	**322**	**-**	**-**	**-**	**-**	**-**	-	**322**
2,498	**Equipment & Assistive Technology**	**-**	**-**	**-**	**4,061**	**2,144**	**-**	**6,205**	**-**	**(2,857)**	**(850)**	**-**	**(3,707)**	-	**2,498**
6,124	**Supporting People**	**-**	**3**	**-**	**-**	**5,501**	**-**	**5,504**	**-**	**(310)**	**-**	**-**	**(310)**	-	**5,194**
459	**Safer Communities**	**558**	**-**	**2**	**25**	**1,403**	**-**	**1,988**	**-**	**(509)**	**-**	**-**	**(509)**	(400)	**1,079**
24,663	**Assessment & Care Management**	**25,598**	**80**	**208**	**409**	**509**	**-**	**26,804**	**(54)**	**(2,121)**	**(127)**	**-**	**(2,302)**	15	**24,517**
694	**Carers**	**1,180**	**-**	**78**	**205**	**1,885**	**-**	**3,348**	**-**	**(2,653)**	**-**	**-**	**(2,653)**	-	**695**
16,324	**Management & Support**	**8,056**	**209**	**334**	**981**	**8,004**	**-**	**17,584**	**(364)**	**(1,465)**	**(125)**	**-**	**(1,954)**	93	**15,723**
(27,266)	**Improved Better Care Fund and Disabled Facilities Grant**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(27,905)**	**-**	**-**	**-**	**(27,905)**	-	**(27,905)**
-	**Adult Social Care Reform**	**-**	**-**	**-**	**4,894**	**-**	**-**	**4,894**	**(1,745)**	**-**	**-**	**-**	**(1,745)**	-	**3,149**
192,628	**Total**	**53,303**	**850**	**1,055**	**13,925**	**237,174**	**4**	**306,311**	**(31,241)**	**(38,041)**	**(36,716)**	**-**	**(105,998)**	**450**	**200,763**

* 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 2021/22	**192,628**
Growth / Pressures	(3,058)
Inflation	11,253
Savings	-
Pay award	-
Tfrs between depts	(60)
Departmental Estimate 2022/23	**200,763**

Revenue Budgets - Public Health

2021/22 Rebased Net Budget		2022/23 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**
10,705	Mental Health and Best Start	-	-	-	-	10,397	-	**10,397**	-	-	-	-	**-**	400	**10,797**
10,550	Risky Behaviours and Threats to Health	13	-	-	60	11,600	-	**11,673**	(1,350)	-	-	-	**(1,350)**	50	**10,373**
2,766	Health Systems	-	-	-	10	3,063	-	**3,073**	-	-	-	-	**-**	-	**3,073**
1,278	Communities	-	-	-	-	1,278	-	**1,278**	-	-	-	-	**-**	-	**1,278**
(25,299)	Central Support	2,034	-	16	391	637	-	**3,078**	(28,074)	(773)	-	(128)	**(28,975)**	376	**(25,521)**
-	**Total**	**2,047**	**-**	**16**	**461**	**26,975**	**-**	**29,499**	**(29,424)**	**(773)**	**-**	**(128)**	**(30,325)**	**826**	**-**

Main changes between years	**£'000**
Rebased Net Budget 2021/22	**-**
Growth / Pressures	-
Inflation	-
Savings	-
Pay award	-
Tfrs between depts	-
Departmental Estimate 2022/23	**-**

Revenue Budgets - Business Services / Orbis

2021/22 Rebased Net Budget £'000		2022/23 Employees £'000	Premises £'000	Transport £'000	Supplies & Services £'000	Transfers & Third Party Payments £'000	Financing & Transfers to Reserves £'000	Total Expenditure £'000	Government Grants £'000	Other Grants & Contributions £'000	Fees, Charges & Receipts £'000	Financing & Planned Use of Reserves £'000	Total Income £'000	Internal Recharges (exp & inc) £'000	Net Service Expenditure £'000
2,937	Finance	4,773	518	69	2,300	7	-	**7,667**	(229)	(2,272)	(26)	(730)	**(3,257)**	(1,492)	**2,918**
3,626	IT & Digital	(225)	58	1	6,943	-	-	**6,777**	(121)	(1,526)	(28)	(189)	**(1,864)**	(766)	**4,147**
1,550	HR & Organisational Development	2,264	-	2	380	(22)	3	**2,627**	(61)	-	(631)	(20)	**(712)**	(341)	**1,574**
(80)	Procurement	-	-	-	-	-	-	**-**	-	-	-	-	**-**	-	**-**
7,787	Property	2,775	11,075	55	11,850	1,513	3	**27,271**	(1,782)	(1,481)	(9,177)	(119)	**(12,559)**	(6,587)	**8,125**
8,504	Contribution to Orbis Partnership	-	-	-	8,504	-	-	**8,504**	-	-	-	-	**-**	-	**8,504**
24,324	**Total**	**9,587**	**11,651**	**127**	**29,977**	**1,498**	**6**	**52,846**	**(2,193)**	**(5,279)**	**(9,862)**	**(1,058)**	**(18,392)**	**(9,186)**	**25,268**

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Main changes between years	£000
Rebased Net Budget 2021/22	**24,324**
Growth / Pressures	411
Inflation	533
Savings	-
Pay award	-
Tfrs between depts	-
Departmental Estimate 2022/23	**25,268**

Revenue Budgets - Children's Services

2021/22 Rebased Net Budget £'000		2022/23 Employees £'000	Premises £'000	Transport £'000	Supplies & Services £'000	Transfers & Third Party Payments £'000	Financing & Transfers to Reserves £'000	Total Expenditure £'000	Government Grants £'000	Other Grants & Contributions £'000	Fees, Charges & Receipts £'000	Financing & Planned Use of Reserves £'000	Total Income £'000	Internal Recharges (exp & inc) £'000	Net Service Expenditure £'000
	Early Help & Social Care														
1,137	Policy Support & Commissioned Services	313	-	2	39	660	-	**1,014**	-	(82)	-	-	**(82)**	206	**1,138**
5,660	Early Help Keywork and Children's Centres	6,010	410	180	1,196	100	-	**7,896**	-	(1,967)	(55)	-	**(2,022)**	(187)	**5,687**
12,784	Locality Social Work & Family Assessment	9,429	-	221	386	4,501	-	**14,537**	-	(262)	-	-	**(262)**	16	**14,291**
37,114	Looked After Children	12,790	201	569	2,324	28,743	25	**44,652**	(1,605)	(282)	(3,683)	(1,125)	**(6,695)**	235	**38,192**
3,289	Other Children & Families	2,058	32	67	104	4,177	-	**6,438**	(2,328)	(521)	-	-	**(2,849)**	(201)	**3,388**
707	Youth Justice	1,310	28	31	29	197	-	**1,595**	(654)	(212)	-	-	**(866)**	-	**729**
60,691	**Subtotal**	**31,910**	**671**	**1,070**	**4,078**	**38,378**	**25**	**76,132**	**(4,587)**	**(3,326)**	**(3,738)**	**(1,125)**	**(12,776)**	**69**	**63,425**
	Education & ISEND														
11,818	ISEND	19,054	106	346	6,007	41,517	-	**67,030**	(53,043)	(112)	(669)	-	**(53,824)**	(845)	**12,361**
2,775	Standards & Learning Effectiveness	4,318	-	87	24,690	585	-	**29,680**	(26,603)	(2,095)	(190)	(35)	**(28,923)**	2,016	**2,773**
281	Other Education	214	-	-	73	-	-	**287**	(6)	-	-	-	**(6)**	-	**281**
14,874	**Subtotal**	**23,586**	**106**	**433**	**30,770**	**42,102**	**-**	**96,997**	**(79,652)**	**(2,207)**	**(859)**	**(35)**	**(82,753)**	**1,171**	**15,415**
976	**Adoption South East**	1,043	-	36	203	-	-	**1,282**	-	(228)	-	-	**(228)**	1	**1,055**
-	**Schools**	134,214	10,508	59	8,353	2,333	-	**155,467**	(173,602)	9,819	-	(201)	**(163,984)**	**8,517**	**-**
	Management & Support														
14,312	Admissions & Transport	497	-	7	269	2	-	**775**	(1,102)	-	(25)	(220)	**(1,347)**	16,342	**15,770**
2,827	Management & Support	6,029	47	29	1,513	88	-	**7,706**	(2,822)	(145)	(842)	(67)	**(3,876)**	(1,003)	**2,827**
1,591	Safeguarding	1,636	-	33	120	-	-	**1,789**	-	(108)	(8)		**(116)**	15	**1,688**
18,730	**Subtotal**	**8,162**	**47**	**69**	**1,902**	**90**	**-**	**10,270**	**(3,924)**	**(253)**	**(875)**	**(287)**	**(5,339)**	**15,354**	**20,285**
95,271	**Total**	**198,915**	**11,332**	**1,667**	**45,306**	**82,903**	**25**	**340,148**	**(261,765)**	**3,805**	**(5,472)**	**(1,648)**	**(265,080)**	**25,112**	**100,180**

Main changes between years	£'000
Rebased Net Budget 2021/22	**95,271**
Growth / Pressures	3,240
Inflation	1,669
Savings	-
Pay award	-
Tfrs between depts	-
Departmental Estimate 2022/23	**100,180**

Revenue Budgets - Communities, Economy & Transport

2021/22 Rebased Net Budget		2022/23 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	£'000
	Community Services														
607	Archives	373	600	4	693	-	-	1,670	-	(976)	(107)	-	(1,083)	6	593
711	Road Safety	854	7	29	104	-	-	994	(118)	(89)	(69)	-	(276)	(6)	712
753	Trading Standards	954	-	4	111	-	-	1,069	-	(50)	(34)	(44)	(128)	1	942
78	Travellers Sites	205	81	5	13	-	-	304	-	(106)	(122)	-	(228)	-	76
228	Emergency Planning	362	-	3	12	-	-	377	-	(148)	(1)	-	(149)	-	228
2,377	**Subtotal**	**2,748**	**688**	**45**	**933**	**-**	**-**	**4,414**	**(118)**	**(1,369)**	**(333)**	**(44)**	**(1,864)**	**1**	**2,551**
	Customer, Library & Registration Services														
3,843	Libraries	2,627	1,209	44	963	-	3	4,846	(202)	(85)	(296)	(159)	(742)	(444)	3,660
284	Records	158	1	-	9	-	-	168	-	(32)	-	(20)	(52)	179	295
226	Customer Care	220	-	1	41	-	-	262	-	-	-	(35)	(35)	-	227
(356)	Registration	1,375	81	28	113	-	-	1,597	-	(5)	(1,960)	-	(1,965)	-	(368)
3,997	**Subtotal**	**4,380**	**1,291**	**73**	**1,126**	**-**	**3**	**6,873**	**(202)**	**(122)**	**(2,256)**	**(214)**	**(2,794)**	**(265)**	**3,814**
	Transport & Operational Services														
7,947	Passenger Services	-	-	-	10,551	-	-	10,551	(439)	(156)	(34)	(26)	(655)	(2,598)	7,298
-	Home to School and ASC Transport	115	-	16,653	135	-	-	16,903	(4)	(383)	(70)	-	(457)	(16,446)	-
(265)	Parking	801	-	1	3,068	112	636	4,618	-	(308)	(7,169)	(280)	(7,757)	2,875	(264)
28,938	Waste Disposal	369	423	13	49,743	203	-	50,751	(2,996)	(14,556)	(2,964)	-	(20,516)	2	30,237
680	Rights of Way/Countryside Management	710	7	38	209	3	-	967	-	(81)	(213)	-	(294)	9	682
380	Other Transport & Operational Services	829	14	582	187	-	42	1,654	-	-	(217)	(155)	(372)	(868)	414
37,680	**Subtotal**	**2,824**	**444**	**17,287**	**63,893**	**318**	**678**	**85,444**	**(3,439)**	**(15,484)**	**(10,667)**	**(461)**	**(30,051)**	**(17,026)**	**38,367**

Revenue Budgets - Communities, Economy & Transport

2021/22		2022/23													
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	£'000
	Highways														
1,283	Contract Management	921	-	9	447	-	-	**1,377**	-	-	-	(104)	**(104)**	10	**1,283**
10,967	Contract Costs (fixed and reactive)	-	1,369	-	12,061	-	-	**13,430**	-	(147)	(2,317)	-	**(2,464)**	-	**10,966**
539	Non Contract Works	-	58	-	397	168	-	**623**	-	(70)	-	-	**(70)**	-	**553**
12,789	**Subtotal**	**921**	**1,427**	**9**	**12,905**	**168**	**-**	**15,430**	**-**	**(217)**	**(2,317)**	**(104)**	**(2,638)**	**10**	**12,802**
	Planning & Environment														
266	Environment	510	70	2	102	-	-	**684**	-	-	(222)	(258)	**(480)**	-	**204**
650	Planning	1,468	-	21	254	-	-	**1,743**	-	(31)	(913)	(100)	**(1,044)**	12	**711**
-	High Weald	490	21	4	885	-	-	**1,400**	(987)	(424)	(1)	(23)	**(1,435)**	35	**-**
916	**Subtotal**	**2,468**	**91**	**27**	**1,241**	**-**	**-**	**3,827**	**(987)**	**(455)**	**(1,136)**	**(381)**	**(2,959)**	**47**	**915**
1,281	**Economic Development Skills and Growth**	2,133	57	15	1,684	26	-	**3,915**	(784)	(1,070)	(357)	(159)	**(2,370)**	65	**1,610**
2,902	**Management & Support**	2,101	-	17	2,598	22	1,450	**6,188**	(1,225)	(2,028)	-	-	**(3,253)**	(32)	**2,903**
61,942	**Total**	**17,575**	**3,998**	**17,473**	**84,380**	**534**	**2,131**	**126,091**	**(6,755)**	**(20,745)**	**(17,066)**	**(1,363)**	**(45,929)**	**(17,200)**	**62,962**

Main changes between years	£'000
Rebased Net Budget 2021/22	**61,942**
Growth / Pressures	340
Inflation	1,937
Savings	(1,257)
Pay award	-
Tfrs between depts	-
Departmental Estimate 2022/23	**62,962**

Revenue Budgets - Governance Services

2021/22		2022/23													
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**
2,773	**Corporate Governance**	1,492	2	39	1,071	8	-	**2,612**	-	(65)	(21)	-	**(86)**	-	**2,526**
	Corporate Support														
1,000	Communications	1,054	-	3	49	-	-	**1,106**	(53)	(47)	(1)	(4)	**(105)**	(2)	**999**
1,913	Legal	2,110	-	10	134	-	-	**2,254**	-	(29)	(252)	-	**(281)**	-	**1,973**
2,913	**Subtotal**	**3,164**	**-**	**13**	**183**	**-**	**-**	**3,360**	**(53)**	**(76)**	**(253)**	**(4)**	**(386)**	**(2)**	**2,972**
	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**	600	-	2	348	-	-	**950**	-	(155)	-	-	**(155)**	-	**795**
7,209	**Total**	**5,531**	**317**	**58**	**2,014**	**8**	**-**	**7,928**	**(53)**	**(307)**	**(274)**	**(4)**	**(638)**	**(2)**	**7,288**

Main changes between years	**£'000**
Rebased Net Budget 2021/22	**7,209**
Growth / Pressures	-
Inflation	19
Savings	-
Pay award	-
Tfrs between depts	60
Departmental Estimate 2022/23	**7,288**

Capital programme to 2031/32

Introduction

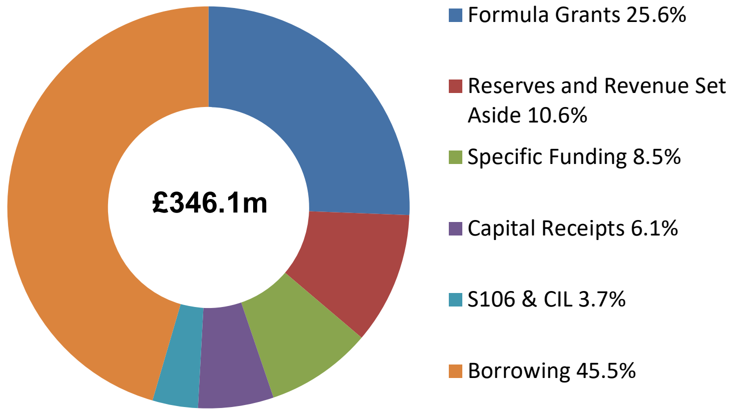
The planned capital programme supports the Council's Capital Strategy to 2042/43. It comprises targeted basic need investment that supports services in the delivery of priority outcomes and is supported by a planned programme to 2031/32. It includes providing for essential school places, investments in roads and transport infrastructure, support for climate change initiatives, enhancing the life of existing assets and ensuring they are fit for purpose, as well as support for strategic investment.

The proposed programme includes:

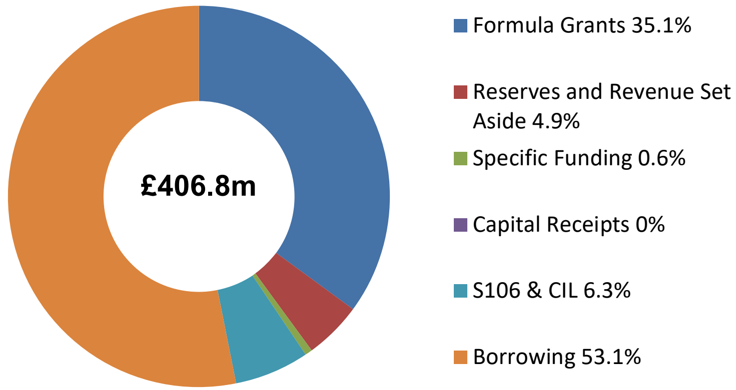
- Improvement to roads and transport infrastructure, including maintaining current road conditions of 4% (A Roads), 4% (B&C Roads), 14% (Unclassified roads) being “red” over the next 10 years.
- New investment to support essential works to highway structures and to address a backlog of life-expired street lighting columns.
- Providing necessary school places and school access initiatives, safeguarding and temporary accommodation.
- Investment for important additional school places for pupils with Special Educational Needs and Disabilities (SEND).
- Investment to support the Council’s commitment of carbon neutrality by 2050 at the latest.
- Capital Building Improvements and energy saving measures;
- Essential Libraries work to keep libraries in their current condition and stop them from deteriorating;
- Support of Economic Growth and Strategic Infrastructure investment.
- Supported accommodation and improvements

Total Programme of £752.9m comprising:

MTFP Programme to 2024/25



Programme 2025/26 to 2031/32



An estimated 31**%** (£230.4m) will be funded from Government grants, with 8% (£70.3m) funded from scheme-specific income, requiring the remainder (£452.2m) funded locally through borrowing, capital receipts and use of reserves set aside for a specific purpose.

Capital programme - current programme and resources

Capital Programme	2021/22	2022/23	2023/24	2024/25	2021-25 Programme Total	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	Remaining Budget Total
	MTFP Period												
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Adult Social Care	60	194	50	50	**354**								**354**
Business Services	34,880	39,157	32,000	34,197	**140,234**	40,352	27,542	36,598	23,713	18,760	16,899	18,265	**322,363**
Children's Services	967	779	1,200	1,200	**4,146**								**4,146**
Communities, Economy & Transport	52,312	61,769	43,838	43,445	**201,364**	34,950	31,066	30,660	31,666	31,618	31,946	32,746	**426,016**
Gross Expenditure by Department	**88,219**	**101,899**	**77,088**	**78,892**	**346,098**	**75,302**	**58,608**	**67,258**	**55,379**	**50,378**	**48,845**	**51,011**	**752,879**
Section 106 and CIL	(6,047)	(1,711)	(1,962)	(2,967)	**(12,687)**	(1,216)	(284)	(95)					**(14,282)**
Other Specific Funding	(13,481)	(6,170)	(6,027)	(3,826)	**(29,504)**	(350)	(350)	(350)	(350)	(350)	(350)	(350)	**(31,954)**
Net Expenditure	**68,691**	**94,018**	**69,099**	**72,099**	**303,907**	**73,736**	**57,974**	**66,813**	**55,029**	**50,028**	**48,495**	**50,661**	**706,643**

Current Funding Assumptions	2021/22	2022/23	2023/24	2024/25	2021-25 Programme Total	2025-32 Programme Total	Total Resource
	MTFP Period						
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Capital Receipts	5,919	8,580	6,505		**21,004**		**21,004**
Formula Grants	25,177	25,436	17,738	19,433	**87,784**	142,607	**230,391**
New Homes Bonus		816			**816**		**816**
Section 106 and CIL Target						24,068	**24,068**
Recycled Loans	375	625	500	500	**2,000**	350	**2,350**
Reserves and revenue set aside	5,397	18,242	6,489	4,666	**34,794**	19,587	**54,381**
Borrowing	31,823	40,319	37,867	47,500	**157,509**	216,124	**373,633**
	68,691	**94,018**	**69,099**	**72,099**	**303,907**	**402,736**	**706,643**

Capital programme - Adult Social Care

Adult Social Care	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	Remaining Budget Total
	MTFP Period											
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Specific Projects:												
Greenacres	10	144										154
House Adaptations	50	50	50	50								200
Gross Expenditure	**60**	**194**	**50**	**50**	**0**	**0**	**0**	**0**	**0**		**0**	**354**
S106 & CIL												
Other Specific Funding	(10)	(144)										(154)
Net Expenditure	**50**	**50**	**50**	**50**	**0**	**0**	**0**	**0**	**0**		**0**	**200**

Capital programme - Business Services

Business Services	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	Remaining Budget Total
	MTFP Period											
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Target led basic need:												
Schools Basic Need (delivered on behalf of CSD)	16,574	5,684	5,869	16,625	23,120	15,060	17,140	9,340	4,920			114,332
Capital Building Improvements (Schools)	5,400	5,463	3,982	3,982	3,982	3,982	3,982	3,982	3,982	3,982	3,982	46,701
Capital Building Improvements (Corpoate)	2,100	7,507	4,300	4,300	4,000	4,000	4,000	4,000	4,000	4,000	4,000	46,207
IT & Digital Strategy Implementation	8,568	14,910	10,999	2,940	3,900	3,550	11,126	6,041	5,508	8,567	9,933	86,042
Specific Projects:												
Lansdowne Secure Unit Phase 2	314											314
Energy Efficiency - SALIX scheme	428	350	350	350	350	350	350	350	350	350	350	3,928
Special Educational Needs	100	1,600	1,500									3,200
Special Educational Needs (Grove Park / Beacon)		2,500	5,000	6,000	5,000	600						19,100
Specialist Provision in Secondary Schools	730	150										880
Disability Children's Homes	20	222										242
Westfield Lane (delivered on behalf of CSD)	500	690										1,190
Property Agile Works	122	81										203
IT & Digital - Utilising Automation	24											24
Gross Expenditure	**34,880**	**39,157**	**32,000**	**34,197**	**40,352**	**27,542**	**36,598**	**23,713**	**18,760**	**16,899**	**18,265**	**322,363**
S106 & CIL	(5,484)	(185)	(1,806)									(7,475)
Other Specific Funding	(742)	(350)	(350)	(350)	(350)	(350)	(350)	(350)	(350)	(350)	(350)	(4,242)
Net Expenditure	**28,654**	**38,622**	**29,844**	**33,847**	**40,002**	**27,192**	**36,248**	**23,363**	**18,410**	**16,549**	**17,915**	**310,646**

Capital programme - Children's Services

Children's Services	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	Remaining Budget Total
	MTFP Period											
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Target led basic need:												
Schools Delegated Capital	760	729	1,150	1,150								3,789
Specific Projects:												
House Adaptations	160	50	50	50								310
Conquest Centre redevelopment	47											47
Gross Expenditure	**967**	**779**	**1,200**	**1,200**	**0**	**0**	**0**	**0**	**0**		**0**	**4,146**
S106 & CIL												
Other Specific Funding	(760)	(729)	(1,150)	(1,150)								(3,789)
Net Expenditure	**207**	**50**	**50**	**50**	**0**	**0**	**0**	**0**	**0**		**0**	**357**

Capital programme - Communities, Economy & Transport

Communities, Economy & Transport	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	Remaining Budget Total
	MTFP Period											
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Target led basic need:												
Bridge Assessment Strengthening	1,662	3,026	3,708	1,775	3,025	2,777	1,830	1,885	1,942	2,000	2,060	25,690
Highways Structural Maintenance	16,512	20,921	21,147	21,688	22,246	22,819	23,412	24,022	24,649	25,295	25,961	248,672
Rights of Way Surface Repairs and Bridge Replacement Programme	577	565	565	475	484	494	504	514	524	540	556	5,798
Street Lighting and Traffic Signals (life expired)	1,713	3,745	3,792	3,839	3,888	989	1,041	1,095	1,135	1,192	1,250	23,679
Specific Projects:												
Broadband	1,109	2,512	2,513	2,513								8,647
Salix Solar Panels	257	86										343
Salix Decarbonisation - Ninfield School	145											145
Street Lighting and Traffic Signals - SALIX scheme	1,636											1,636
Climate Emergency Works	768	2,819										3,587
Climate Emergency Action Plan			3,000	3,000								6,000
Bexhill & Hastings Link Road (BHLR)	1,660	252										1,912
BHLR Complementary Measures	-68	198										130
Community Match Fund	60	1,189										1,249
Economic Growth & Strategic Infrastructure Programme												
Economic Intervention Fund - Grants	221	368	345	300	300	300	300	154				2,288
Economic Intervention Fund - Loans	375	500	500	500	473							2,348
Stalled Sites	75	100	154									329
EDS Upgrading Empty Commercial Property		7										7
Hailsham HWRS	5	159										164
Other Integrated Transport Schemes	3,270	5,402	2,981	5,535	4,024	3,153	3,014	2,919	2,919	2,919	2,919	39,055
Integrated Transport Schemes - A22 Corridor Package	429											429

Capital programme - Communities, Economy & Transport

Communities, Economy & Transport	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	Remaining Budget Total
	MTFP Period											
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Visually Better Roads		5,800										5,800
The Keep	14	132	96	26		85	110	628				1,091
Library Refurbishment	490	622	449	449	449	449	449	449	449			4,255
Covid-19 Recovery - Libraries Targeted Support	250											250
Newhaven Port Access Road	459	79	20	776								1,334
Real Time Passenger Information	139	47	44	60	61							351
Queensway Depot Development (Formerly Eastern)	300		791									1,091
Exceat Bridge	887	1,748	3,733	2,509								8,877
Emergency Active Travel Fund - Tranche 1	6											6
Emergency Active Travel Fund - Tranche 2	921	522										1,443
Local Enterprise Funded Schemes												
Eastbourne Town Centre Phase 2	515	1,959										2,474
Bexhill Enterprise Park North	1,940											1,940
Eastbourne/South Wealden Walking & Cycling Packag	482	2,231										2,713
Hailsham/Polegate/Eastbourne Movement & Access Corridor	276	744										1,020
Hastings & Bexhill Movement & Access Package	1,571	4,323										5,894
Sidney Little Road Business Incubator Hub	381											381
Skills for Rural Businesses Post Brexit	3,113											3,113
Bexhill Creative Workspace	369											369
Eastbourne Fisherman's Quayside & Infrastructure Development Project	1,440											1,440
Getting Building Fund - Fast Track Business Solutions	3,500											3,500
Getting Building Fund - Observer Building	778											778
Getting Building Fund - Restoring Winter Gardens	1,324											1,324
Getting Building Fund - Creative Hub 4 Fisher Street	107											107
Getting Building Fund - Riding Sunbeams	1,820	707										2,527
Getting Building Fund - Sussex Innovation Falmer	200											200

Capital programme - Communities, Economy & Transport

Communities, Economy & Transport	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	Remaining Budget Total
	MTFP Period											
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Getting Building Fund - UTC Maritime and Sustainable Technology Hub	294	1,006										1,300
Getting Building Fund - Accessing Charleston	330											330
Gross Expenditure	**52,312**	**61,769**	**43,838**	**43,445**	**34,950**	**31,066**	**30,660**	**31,666**	**31,618**	**31,946**	**32,746**	**426,016**
S106 & CIL	(563)	(1,526)	(156)	(2,967)	(1,216)	(284)	(95)					(6,807)
Other Specific Funding	(11,969)	(4,947)	(4,527)	(2,326)								(23,769)
Net Expenditure	**39,780**	**55,296**	**39,155**	**38,152**	**33,734**	**30,782**	**30,565**	**31,666**	**31,618**	**31,946**	**32,746**	**395,440**

Reserve Balances

	Anticipated Balance 31st Mar 2022 £'000	Net planned Movements 2022/23 £'000	Anticipated Balance 31st Mar 2023 £'000	Estimated Balance 31st Mar 2026 £'000
Held on behalf of others or statutorily ringfenced				
Balances held by Schools	20,512	0	20,512	20,512
Extended Schools	1,652	0	1,652	1,652
Schools Supply Teacher Insurance	359	0	359	0
Schools	**22,523**	**0**	**22,523**	**22,164**
Public Health	5,787	(128)	5,659	5,977
On Street Car Parking	3,601	147	3,748	4,565
EU Exit Funding	649	0	649	427
ACRES (Adult College of Rural East Sussex)	422	0	422	422
The Keep - Archive Service	476	(17)	459	394
High Weald	206	(16)	190	190
Sussex Air Quality Partnership	60	(9)	51	0
Lewes Athletics Track	14	0	14	14
Subtotal held on behalf of others or statutorily ringfenced	**33,738**	**(23)**	**33,715**	**34,153**
Service-Specific Reserves:				
Corporate Waste	16,113	0	16,113	9,688
Capital Programme	19,680	(1,614)	18,066	7,481
Insurance Risk	6,790	(500)	6,290	5,290
Adult Social Care Reform	0	0	0	0
Total Named Service Reserves	**42,583**	**(2,114)**	**40,469**	**22,459**
Strategic Reserves:				
Priority Outcomes and Transformation reserve: to fund the transformation programme to change, protect and improve Council services	16,999	(9,910)	7,089	3,249
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	52,698	(11,005)	41,693	21,799
Total Strategic Reserves	**69,697**	**(20,915)**	**48,782**	**25,048**
General Fund	**10,000**	**0**	**10,000**	**10,000**
Total Reserves	**156,018**	**(23,052)**	**132,966**	**91,660**

This table provides a summary of planned movements in and out of the individual reserves over the financial year 2022/23.

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. All 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.

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.

Produced by: Business Services, East Sussex County Council, County Hall, St Anne's Crescent, Lewes, East Sussex BN7 1UE
February 2022

Savings 2022/23 to 2024/25

	2022/23 £'000	2023/24 £'000	2024/25 £'000	Total £'000
Communities, Economy & Transport	1,257	105		1,362
Business Services / Orbis		1,242		1,242
Total Departments	**1,257**	**1,347**	**0**	**2,604**

NB: new savings are currently not being sought

Communities, Economy & Transport

East Sussex County Council - Savings 2022/23 to 2023/24		Gross budget	Net budget	Savings			
		2018/19[1]	2018/19[1]	2022/23	2023/24	2024/25	Total
Activity	**Savings Proposal**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Community Services							
Archives and Records Service	The Keep Sustainability Plan has been agreed and is a three-part savings and income plan to ensure the financial sustainability of The Keep. It would ensure that the partners still deliver our statutory and legal duties, and maintain a good degree of public access.	1,042	1,074	14			**14**
Library Services	We will further reduce the operating costs of our Library and Information Service by improving the cost efficiency of provision and/or relocating back office functions/libraries. In addition, we'll achieve further efficiencies in ICT through the implementation of a new contract for self-service facilities in libraries. In 2022/23, we'll deliver £183k of the £288k savings, followed by £105k in 2023/24.	4,214	3,595	183	105		**288**
Transport							
Parking: Civil Parking Enforcement	Increase on-street parking charges where possible. Surpluses to be used for transport related funding.	6,134	(910)	1,000			**1,000**
Planning and Environment							
Environmental Advice Services	Income generation through traded services.	1,631	420	60			**60**
TOTAL Communities, Economy & Transport				**1,257**	**105**	**0**	**1,362**

[1] 2018/19 is the budget on which the original three-year savings plan (2019/20 to 2022/23) was based

NB: new savings are currently not being sought

Appendix 4 – Savings figures

Business Services / Orbis

East Sussex County Council - Savings 2022/23 to 2023/24		Gross budget	Net budget	Savings			
		2018/19[1]	2018/19[1]	2022/23	2023/24	2024/25	Total
Activity	**Savings Proposal**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Business Services: Orbis and Managed on Behalf of (MOBO) services: IT&D, Procurement, Internal Audit, together with Centres of Expertise for - Treasury and Tax, Insurance and some Property Services	The Fully Integrated services are being analysed and the findings will be presented to the 3 partner Councils to determine a sustainable Business Plan that continues to support the partners to deliver their priorities. The aim would be to reduce spending as set out in this table although the details of how this might be achieved are still being developed.	47,534	22,270		1,242		**1,242**
TOTAL Business Services / Orbis				**0**	**1,242**	**0**	**1,242**

[1] 2018/19 is the budget on which the original three-year savings plan (2019/20 to 2022/23) was based

NB: new savings are currently not being sought

Communities, Economy & Transport

East Sussex County Council - Savings 2022/23 to 2023/24		Protected characteristics										
Activity	**Savings Proposal**	**Age**	**Disability**	**Sex**	**Gender Reassignment**	**Ethnicity**	**Marriage / Civil Partnership**	**Pregnancy /Maternity**	**Religion / Belief**	**Sexual Orientation**	**No impacts identified**	**Further Information**
Community Services												
Archives and Records Service	The Keep Sustainability Plan has been agreed and is a three-part savings and income plan to ensure the financial sustainability of The Keep. It would ensure that the partners still deliver our statutory and legal duties, and maintain a good degree of public access.	-										There is a current equality impact assessment completed on this proposal.
Library Services	We will further reduce the operating costs of our Library and Information Service by improving the cost efficiency of provision and/or relocating back office functions/libraries. In addition, we'll achieve further efficiencies in ICT through the implementation of a new contract for self-service facilities in libraries. In 2022/23, we'll deliver £183k of the £288k savings, followed by £105k in 2023/24.	-	-	-								No disproportionate impacts are identified. Savings will be made through cost efficiency and back-office changes. No EqIA is required.
Transport												
Parking: Civil Parking Enforcement	Increase on-street parking charges where possible. Surpluses to be used for transport related funding.										y	Relates to additional incomes. No EqIA is required.
Planning and Environment												
Environmental Advice Services	Income generation through traded services.										y	Relates to additional incomes. No EqIA is required.
TOTAL Communities, Economy & Transport												

Business Services / Orbis

East Sussex County Council - Savings 2022/23 to 2023/24		**Protected characteristics**										
Activity	**Savings Proposal**	**Age**	**Disability**	**Sex**	**Gender Reassignment**	**Ethnicity**	**Marriage / Civil Partnership**	**Pregnancy /Maternity**	**Religion / Belief**	**Sexual Orientation**	**No equality impacts**	**Further Information**
Business Services: Orbis and Managed on Behalf of (MOBO) services: IT&D, Procurement, Internal Audit, together with Centres of Expertise for - Treasury and Tax, Insurance and some Property Services	The Fully Integrated services are being analysed and the findings will be presented to the 3 partner Councils to determine a sustainable Business Plan that continues to support the partners to deliver their priorities. The aim would be to reduce spending as set out in this table although the details of how this might be achieved are still being developed.										y	No proposal for 2022/23. As plans are developed for future savings equality impacts will be assessed. None are anticipated at this stage.
TOTAL Business Services / Orbis												

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East Sussex County Council
Council Tax Precepts for 2022/23

		£	£	£
Gross Expenditure			***921,363,000***	
Income			***468,132,000***	
Net Budget				453,231,000
	Business Rates & S31 Grants	23,976,000		
	Business Rates Top Up	62,773,000		
	Revenue Support Grant	3,687,000		
	Services Grant	5,175,000		
	New Homes Bonus	816,000		
	Social Care Grant	23,674,000		
	Previous year's surpluses/(deficits)			
	Collection Fund Adjustment	1,048,654		
	Council Tax Collection Fund	3,714,544		
			124,864,198	
				124,864,198
	Council Tax Requirement			328,366,802
	Tax base (total equivalent Band D properties)			203,532.3
	Basic council tax			1,613.34

Therefore Council Tax per Category of Dwelling:-

		Proportion of Basic Council Tax	£
	Band A	6/9	1,075.56
	Band B	7/9	1,254.82
	Band C	8/9	1,434.08
	Band D	9/9	1,613.34
	Band E	11/9	1,971.86
	Band F	13/9	2,330.38
	Band G	15/9	2,688.90
	Band H	18/9	3,226.68

Precept to Each Billing Authority		*No of band D equivalent dwellings*	£
	Eastbourne	34,754.0	56,070,018
	Hastings	26,237.0	42,329,202
	Lewes	36,726.6	59,252,493
	Rother	38,626.8	62,318,162
	Wealden	67,187.9	108,396,927
	Total	203,532.3	328,366,802

Schedule of Instalments for payment from Districts & Boroughs

12 April 2022
23 May 2022
29 June 2022
04 August 2022
12 September 2022
18 October 2022
23 November 2022
03 January 2023
08 February 2023
16 March 2023

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Appendix 6

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 and updated as part of Quarter 1 reporting in September 2021. 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 impaired. Reserves can only be spent once and the possibility of creating new reserves is limited in an era where budgets are tight and can become overspent, not just individually but corporately.

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 £156.0m as at 1 April 2022: an increase of £19.7m against the actual reserves at 1 April 2021 totalling £136.3m. Given the financial uncertainties as a result of Covid-19, national and international supply chain issues impacting on inflation, Adult Social Care Reform and the potential of unfunded burdens, the prominence of the Levelling Up agenda at Spending Review 2021 and the Local Government Financial Settlement, increasing reserve levels, where possible, continues to be a priority. Movements in year are:

- Priority Outcomes and Transformation – a net increase of £9.0m; the main movement being £8.9m for future one-off investment on visible road improvements and climate change projects.
- Capital reserve – a net increase of £7.3m; the key movements being a £5.7m transfer from the Financial Management Reserves plus transfer of the £2.1m Treasury Management underspend reported for quarter 1. This is reflective of the use of reserve to fund items of investment for which the Council would not want to borrow and is consistent with the new capital strategy.
- A net increase of £1.4m in reserves held on behalf of others or statutorily ringfenced;
- Insurance reserve – a decrease in the balance of £0.6m, in support of insurance claims in 2021/22.
- Financial Management – a net increase of £2.6m, movements shown in Table 1 below.

Table 1: Movements in Financial Management Reserve 1 April 2021 to 1 April 2022

Description	Movement
Services Grant set aside for one-off investment	£5.2m
Estimated balance after Finance Settlement to mitigate future risks around Children's Services, SEND, Adult Social Care, Funding Reform and Covid legacy.	£5.0m
2021/22 Q1 - General Contingency transfer of £1.332m	£1.3m
Business Rates Retention and Proceeds of Pooling 2021/22	£1.3m
Contribution of Collection Fund Adjustment	£1.1m
Investment Projects - Edge of Care (formerly No Wrong Door)	£1.0m
Transfer to Capital Programme	£(5.7)m
Modernising Back Office Systems (MBOS)	£(1.6)m
Redundancies (all Depts)	£(1.2)m
Social Workers - Market Supplement	£(1.1)m
Investment Projects - Accommodation and Floating Support	£(0.8)m
County Council election costs	£(0.8)m
Various other movements not exceeding £0.5m individually	£(1.1)m
Total Movement	**£2.6m**

1.5 The estimated balance at 31 March 2026 is now £91.7m. Of this £25.0m 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 2: Summary of Reserves

	State of the County Report 2021 (£m)		Full Council February 2022 (£m)	
	01.04.21 Actual	Estimated Balance at 31.03.25	01.04.22 Estimate	Estimated Balance at 31.03.26
Earmarked Reserves:				
Held on behalf of others or statutorily ringfenced	**32.3**	**31.7**	**33.7**	**34.2**
Named Service Reserves				
Waste Reserve	16.1	5.0	16.1	9.7
Capital Programme Reserve	12.4	8.9	19.7	7.5
Insurance Reserve	7.4	5.4	6.8	5.3
Adult Social Care Reform Reserve (NEW)	0.0	0.0	0.0	0.0
Subtotal named service reserves	**35.9**	**19.3**	**42.6**	**22.5**
Strategic Reserves				
Financial Management	50.1	25.2	52.7	21.8
Priority Outcomes and Transformation	8.0	3.4	17.0	3.2
Subtotal strategic reserves	**58.1**	**28.6**	**69.7**	**25.0**
Total Earmarked Reserves	**126.3**	**79.6**	**146.0**	**81.7**

General Fund Balance		***10.0***	***10.0***	***10.0***	***10.0***
TOTAL RESERVES		**136.3**	**89.6**	**156.0**	**91.7**

1.6 Additionally, Covid grant balances are held in the Grants and Contributions (IAS20) Reserve; clarity has been received that the Contain Outbreak Management Fund can now be carried forward beyond 31 March 2022. The carry forward of £19.9m of COVID fund provides the opportunity to continue to mitigate the impact of COVID, within grant conditions. The estimated balances are shown in Table 3 below:

Table 3: Covid Grant Balances

COVID-19 Grants 2021/22 (£m)	**Carried forward**	**Expected in-year**	**Forecast usage in-year**	**Specific set-aside for LAC in future yrs**	**Forecast balance remaining**
COVID-19 General Funding	15.132	11.979	(9.704)	(4.457)	12.950
COVID-19 Specific Funding	15.784	27.928	(36.804)		6.908
Total funding	**30.916**	**39.907**	**(46.508)**	**(4.457)**	**19.858**

1.7 At 1 April 2022 the estimated Earmarked Reserves are as follows:-

1.8 **Held on behalf of others or statutorily ringfenced** amount to £33.7m – most significantly this comprises £20.5m schools' balances which cannot legally be spent on ESCC activities, and ringfenced Public Health Reserve of £5.8m.

1.9 **Named Service Reserves** that are set aside to manage a specific financial risk, amount to £42.6m 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 recyclate 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 2026 is now £7.5m; this reduces to zero over the life of the capital programme.
- Insurance Reserve – this is to fund insurance liabilities that have arisen over previous years, based on the liability estimated by the Actuary in 2021 and other local knowledge and represents estimates that may become payable in 2022/23 and beyond.
- Adult Social Care Reform Reserve – it is proposed that a reserve is set up to support the financial risk of this reform. The Market Sustainability and Fair Cost of Care Fund grant of £1.7m and ASC precept of £3.1m have been allocated to the service for 2022/23; any unused funding will be transferred to this reserve.

1.10 **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 2022/23 this will also include additional investment in the authorities core financial systems.

- The Priority Outcomes and Transformation reserve – to fund the transformation programme to change, protect and improve Council services, and programmes that meet the Council's priority outcomes.

1.11 There has been a movement overall on the strategic reserves since they were last reported; The balance at 31st March 2025 of the strategic reserves was estimated to be £28.6m and is now estimated at £25.0m at 31st March 2026. The key movements in these balances are as follows:

- Priority Outcomes and Transformation reserve – a reduction of £0.2m relating to planned use of balances derived from the Additional Voluntary Contributions Scheme.
- Financial Management reserve — a net reduction of £3.4m, movements shown in Table 4 below:

Table 4: Movements in Financial Management Reserve

Description	**Movement**
2021/22 Q1 - General Contingency transfer	£1.3m
GCS Consolidated Store – Ropemaker storage facility	£0.1m
Additional set aside for MBOS	£(3.3)m
Social Workers - Market Supplement	£(1.0)m
Draw for Pay Award 2020/21 extra 0.25%	£(0.5)m
Total Movement	**£(3.4)m**

1.12 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 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 as a result of the levelling up agenda and Adult Social Care reform. It is essential that we maintain sufficient reserves to weather this period of uncertainty and the risk associated with reform of the system. It therefore continues to be a priority to, where possible, bolster the Financial Management reserve and the Priority Outcomes and Transformation reserve where the opportunity presents, and therefore this will apply to any unused contingency once the final outturn position is known and other one-off funding.

1.13 As in previous years, any changes to Business Rates and Collection Fund, as a result of movements at District and Borough estimates provided, will be managed through reserves in the form of a collection fund adjustment on the precept notice. Details of the reserves summarised above can be found in the Budget Summary at Appendix 3. 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 2022/23 budget proposal.

3.1 It is the opinion of the CFO that the draft budget for 2022/23 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.

3.3 As the development of the Council Plan and budget for 2022/23 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 2022/23 budget is balanced** and, in finalising the 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 2021/22 budget. Notwithstanding that the draft budget for 2022/23 is balanced, there are significant risks to the budget as the impact on residents, services and the economy of East Sussex of COVID-19 continues. The County Council holds a general contingency of £4.3m 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 2021) 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 2.5% 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 £69.7m remain available for support to the MTFP 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. This represents 15% of Net Revenue Expenditure (NRE) and excludes Covid funding.

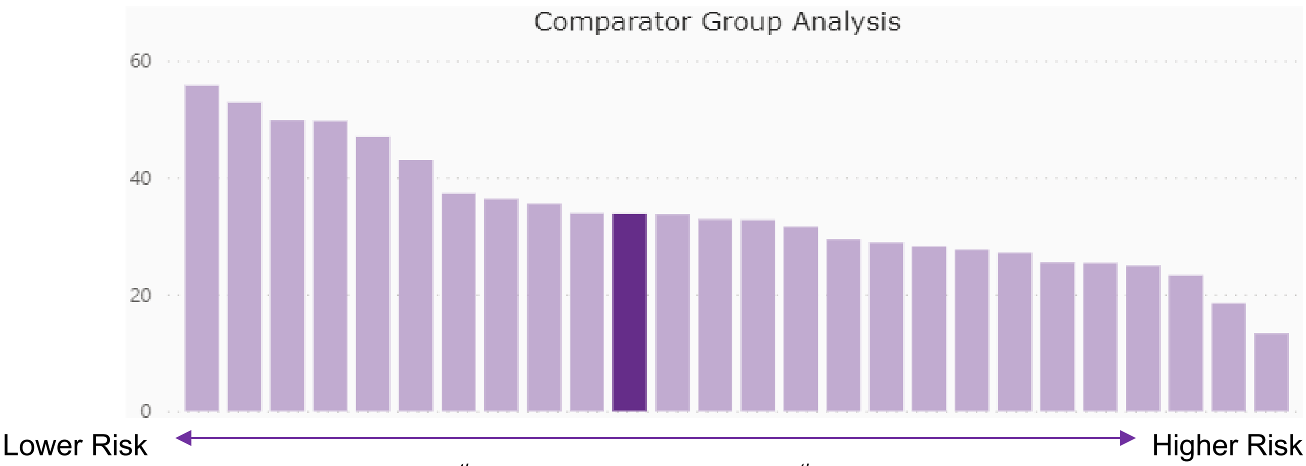
3.7 The Society of County Treasurers' (SCT) Technical Support Team, has examined local authority reserve data submitted to the Department of Levelling Up, Housing and Communities (DLUHC) published in October 2021 for the period from 2016-17 to 2020-21. *The analysis only includes those authorities who were able to provide figures for each year*.

3.8 Table 5 shows a marked increase between 2019-20 and 2020-21 reserves, even excluding unspent COVID funding. Shire Counties and SCT members have seen their earmarked reserves increase at the slowest pace. SCT members, who are responsible for approximately 34-35% of NRE, tend to hold between 24% and 26% of all earmarked reserves and this holds true even with the 2020-21 figures. Inner and outer London, who together make up a combined 15% of NRE, each hold 6-8% each year. Shire Districts who have responsibility for just 3% of NRE hold approximately 13-14% of the earmarked reserves. As a direct comparison ESCC holds £117.8m; 26% of NRE excluding schools' balances, public health and covid funding.

Table 5

	Increase in Other Earmarked Reserves between years				
	2016-17 to 2017-18	2017-18 to 2018-19	2018-19 to 2019-20	2019-20 to 2020-21 (including COVID reserves)	2019-20 to 2020-21 (excluding COVID reserves)
Shire Districts	13%	9%	6%	66%	40%
Shire Counties	12%	10%	21%	28%	20%
Unitaries	7%	3%	8%	55%	26%
Met Districts	5%	7%	16%	73%	26%
Inner London Boroughs	-2%	20%	15%	101%	37%
Outer London Boroughs	8%	7%	8%	39%	31%
SCT members	12%	7%	15%	31%	19%
England Total	**5%**	**13%**	**6%**	**54%**	31%

3.9 The CIPFA resilience index also provides an indicator of the robustness and reasonableness of levels of reserves. The graph below published by CIPFA as part of this index in February 2021 looks at the current level of reserves again as a percentage of net revenue budget (NRB). CIPFA describes these as usable reserves and exclude the public health reserve. It shows that ESCC (highlighted) held reserves of 33.75% in 2019/20 of NRB. The Council is in the lower risk middle quartile, at 16th highest at risk of the 26 Shire Counties.



[Note: WSCC at 32.72% ranked 14th, SCC 32.83% ranked 13th, Highest Risk: Northamptonshire 13.32%]

3.10 For the **General Fund Balance** there are two main approaches taken by Councils to determine their required minimum level; Past guidance recommended that general fund should be equivalent to a certain percentage of an authority's budget but in recent years that prescribed level has been replaced by an assumption that finance officers will set aside an amount that they feel is appropriate given the levels of risk facing their authority.

3.11 The SCT has complied the data available to present an analysis of the position between 2016 and 2021. In 2016-17 these unallocated reserves represented approximately 3.9% NRE. By 2020-21 unallocated reserves represent 4.9% of NRE, reflecting the increasing perception of risk. The following table illustrates the general, unallocated, reserves as a proportion of the outturn NRE figure. (Please note, as these figures are only for those authorities who provided figures for the whole 5-year period the cash values have not been included).

Table 6 - General Fund – outturn position expressed as a percentage of NRE

	General (unallocated) reserves – outturn position expressed as a percentage of NRE				
	2016-17	2017-18	2018-19	2019-20	2020-21
Shire Districts	24.5%	24.7%	24.4%	23.9%	30.8%
Shire Counties	2.4%	2.4%	2.7%	2.7%	3.1%
Unitaries	3.5%	3.6%	3.7%	3.5%	4.7%
Met Districts	2.8%	3.2%	3.1%	3.0%	4.1%
Inner London Boroughs	3.6%	4.2%	3.6%	3.3%	3.6%
Outer London Boroughs	3.4%	3.4%	3.1%	3.1%	4.0%
SCT members	2.8%	2.8%	3.0%	3.0%	3.4%
England Total	**3.9%**	**4.0%**	**4.0%**	**4.2%**	**5.0%**

3.12 As a direct comparison ESCC holds £10.0m 2% NRE. In addition, the County Council holds a general contingency of £4.3m (1% of NRE less Treasury Management) within the base revenue budget to cushion the impact of unexpected events and emergencies in year.

3.13 The challenge is to maintain an appropriate level of reserves, whilst also mitigating the pressures faced within the MTFP.

3.14 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.

3.15 A risk-based assessment of issues, which could have a major impact on the Council's finances, provides a flexible and responsive approach that helps reflect 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 7 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 7: Financial Assessment of 2022/23 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 £3.3m BAU overspend in 2021/22 [Q2 position]. In addition Adult Social Care Reform increases the risk of significant unfunded costs and other self-funder and market impacts.	ASC 2022/23 budget £200.7m. CSD SEND budget for 2022/23 £12.4m.	3% increased unfunded demand	6.4
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 (gross) 2022/23 circa £216.8m.	5% increase in current provision.	10.8
Risk that inflation on pay is more than the contingency of 1.75% 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
Non achievement of Fees & Charges targets built into the revenue budget, due to the continuing pandemic and economic climate.	Planned Fees & Charges for 2022/23 is £69.4m.	Underachievement provision of 5%	3.5
Levelling up agenda	Reduction in anticipated revenue from Business Rates and Council Tax.	Rates collected reduces by 5%	21.0
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. Pressures due to unknown event impacts i.e. floods	10% increase in costs due to adverse weather 0.5% of insurance reserve & provision	0.1 0.04
National and International Trade and Supply Chain Issues causing: Excess inflation Unexpected Costs (e.g. additional trading standards officers; waste collection; service delivery etc.)	Inflation provided in MTFP £15.4m. £63.8m estimated highways infrastructure expenditure to 2024/25	5% increase in current provision. 2% additional cost	0.8 1.3
COVID-19 Ongoing impacts and implications beyond April 2022 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 and post pandemic demand and inflation.	-	-	-

3.16 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 2022/23 and that, in addition, as noted at 3.4, an in-year contingency is held.

3.17 The MTFP provides an estimated position for the next three years, shown at Table 8.

Table 8: Medium Term Financial Plan Position

	2022/23	2023/24	2024/25
Estimated Annual Deficit / (Surplus) - non cumulative	0.000	2.892	6.716
Estimated Annual Deficit / (Surplus) - cumulative	0.000	2.892	9.608

3.18 We are balancing the budget for 2022/23, 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 2023/24.

3.19 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:-

- Adult Social Care reform and potential new burdens;
- The impact of the levelling up agenda;
- 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.

3.20 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.

3.21 In addition to all these areas of uncertainty, are the effects of EU Exit 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, continue to remain unclear.

Annex A

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, and programmes that meet the Council's priority outcomes.
- 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, insurance risk and risks around Adult Social Care Reform.
- 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.

Appendix 7

Feedback from Engagement Exercises

1. People Scrutiny Committee

1.1 The People Scrutiny Reconciling Policy, Performance and Resources (RPPR) Board met on the 13 December and agreed comments to be put to Cabinet, on behalf of the parent committee, for its consideration in January 2022. The information supplied to the Board to support its discussions comprised of relevant extracts of the Local Government Association's briefing on the Autumn Budget and Spending Review and the draft portfolio plans for the Adult Social Care and Health Department and the Children's Services Department.

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

Adult Social Care and Health

1.3 The Board received an update from the Director of Adult Social Care on the reforms to Adult Social Care (ASC) announced in 2021, focussing particularly on the most recent announcements made in the ASC Reform white paper. The Board clarified the Council's latest understanding on the detail of the reforms and expected implementation in East Sussex.

1.4 The Board were concerned that important detail was still awaited from Government on how the ASC reforms to charging announced earlier in the autumn would be implemented in practice, as this is needed to undertake informed budget and service planning, particularly given the potential impact the reforms could have on ASC. The Board also questioned whether the ambitions of the latest ASC reform White Paper, particularly the ambition to deliver tailored care, were achievable in light of the underlying service and workforce pressures facing the Department and wider care system.

1.5 The Board welcomed the draft Portfolio Plan for Adult Social Care and Health and supported the priorities and plans set out within it. No changes were requested. In discussing the plan and the Department's work, the Board:

- highlighted the importance of ensuring new and existing housing was accessible to enable people to stay in their own homes for as long as possible;
- encouraged consideration of options for alternative models of care, which the Director confirmed the Department and care providers actively explore;
- sought assurance on the latest position in face-to-face delivery of ASC services following disruption earlier in the pandemic; and
- discussed measures to improve workforce recruitment and retention, welcoming recent success in recruiting Newly Qualified Social Workers.

Children's Services

1.6 The Board received an update from the Director of Children's Services on the Department's priorities for the coming year, including in responding to national policy changes and delivering priorities and programmes outlined in the draft Children's Services Portfolio Plan. The Board discussed these areas and:

- requested information on the potential impact of the Government's ambitions for all schools to join a multi academy trust and remove school improvement grants to local authorities;

- asked about the mechanisms in place to ensure inclusion and the roles of schools in the community was upheld when schools joined academies trusts; and
- sought assurance social workers had manageable and safe case-loads, which the Director confirmed the Department monitored closely and took steps to address when they were too high.

1.7 The Board agreed to report to Cabinet that they are very concerned about the potential for savings to be made in the Early Help service.

1.8 The Board supported the draft Children's Services Portfolio Plan and the plans and priorities within it.

General comments to Cabinet

1.9 The Board were disappointed the Levelling Up White Paper has not been published in line with the Government's original timeline, as it was expected that the further detail this would provide on the levelling up agenda would have a range of implications for the County Council that the Board were keen to understand.

2. Place Scrutiny Committee

2.1 The Place Scrutiny Committee RPPR Board met on 16 December 2021 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 Local Government Financial Settlement for 2022/23.

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

2.3 The RPPR Board is supportive of the work being done by the departments within its remit and did not propose any changes to the draft Portfolio Plans. The Board commented that it was difficult to make comments on the budget without knowing the impact of the Local Government Provisional Settlement on the Council's MTFP. The Board may make further comments after the details of the Settlement are available and the impact is known.

2.4 The Board discussed the relationship between capital and revenue spending on highways maintenance, and whether a case could be made for further investment in highways in order to improve the condition of roads and pavements. The Board also noted the role of highway drainage in preserving and maintaining roads in good condition.

Summary Comments to Cabinet

2.5 The comments that the Place RPPR Board would like to make to Cabinet are:

- The Place RPPR Board is supportive of the work being carried out by Governance Services, Business Services and the Communities, Economy and Transport departments as outlined in the draft Portfolio Plans and has no suggested changes to the Portfolio Plans.

- The Board discussed the case for making further capital investment in highways maintenance, and the relationship with ongoing revenue budget expenditure, in order to improve the condition of roads and pavements in East Sussex. This may be something that the Place Scrutiny Committee may wish to explore further in the future.

- The Place RPPR Board has found it difficult to make detailed comments on the budget without knowing the impact on the Council's MTFP of the Local Government Provisional Settlement.

3. East Sussex Wider Strategic Partners

3.1 The Leader, Deputy Leader and Chief Officers held a virtual meeting with representatives of the Council's wider strategic partners on 5 January 2022. 29 partner organisations were represented in the meeting, from public, voluntary and private sector organisations and service user groups.

3.2 The Leader opened the session and thanked partners for joining, as it was a valuable opportunity for partners to provide feedback, help shape East Sussex County Council's (ESCC) planning for the year ahead and ensure our priorities were aligned wherever possible, to achieve the best outcomes for residents and make the best use of collective resources.

3.3 The Chief Executive and Chief Finance Officer then delivered a presentation which provided an overview of the evidence base that underpins ESCC's RPPR planning for 2022/23; the national policy context and public service reforms planned for the year ahead; the anticipated financial position for 2022/23 onwards; and updates to the Capital Programme. The presentation explained that although following announcements in the autumn Spending Review and provisional Local Government Finance Settlement ESCC expected to be in a stable financial position for 2022/23, future years were much more uncertain. This was due to planned changes to the way local authorities are funded, uncertainty regarding the long-term impact of COVID on service demand, and an expectation that new pressures would arise from planned policy changes, particularly in ASC. For this reason, partners were updated that joint lobbying would continue to be very important to ensure ESCC and the county received sufficient funding in future.

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

- Partners were supportive of - and acknowledged the need for - joint lobbying, recognising the challenge the Council and county faced in advocating for the particular needs of East Sussex (which were distinctive to large parts of the wider South East region) to ensure they were met as part of the Government's levelling up agenda. Partners suggested that producing a short summary of opportunities, challenges and asks for the county could be useful and support partners in lobbying they undertook through their networks. The Council welcomed the offer and agreed that partners' voices could be particularly powerful and bolster the County Council's lobbying. It was agreed that development of a summary of opportunities, challenges and asks for the county would be best developed following publication of the Levelling Up White Paper so that it could be positioned effectively within that agenda.

- The opportunity to link up with health partners and others on the planning and delivery of overarching agendas that all were working on, such as increasing the use of digital technology and delivering carbon neutrality, was noted. ESCC was confident that it was well-aligned in its planning with partners on areas where services worked closely together or were commissioned/ delivered jointly (for example, health and social care integration) but recognised there could be more opportunities to align on broader agendas and would ensure this was picked up in future Council planning.

- The Chair of the East Sussex Parent Carers Forum highlighted the response from parent carers to engagement undertaken as part of the recent Joint Strategic Needs Assessment (JSNA) Comprehensive Needs Assessment of Special Educational Needs and Disability (SEND) in East Sussex. This had highlighted that the current system of provision was not seen by parent carers to be working effectively to meet the needs of children and young people with SEND. The opportunity and need to invest now to support the needs of children and young people with SEND to ensure that challenges and disadvantage they face were not amplified by the pandemic was also emphasised. The Leader gave assurance that the delivery of the national SEND Review was a priority lobbying ask for the Council. The Council was feeding into extensive work taking place nationally to inform the SEND Review, including through the Leader's role as spokesperson for Children's and Young People's issues on the County Councils Network. The Director of Children's Services said that it was often challenging for the Council to meet the expectations parents had for their children within resources available. The Council also wanted to ensure children with additional needs were provided for in mainstream education where appropriate to support better outcomes for children. The Government had provided additional funding for SEND through schools funding and ESCC was providing additional placements in special schools which was expected to help to address pressure on resources while the outcome of the SEND Review, and more fundamental reform to the system, was awaited.

- Recent increases in inflation and the related increase in the cost of living was noted, along with the challenges this presented for meeting staff pay requirements and recruitment and retention of staff across all organisations. Partners asked how the Council planned for and addressed this. It was confirmed that inflation is factored into the MTFP, using indices provided by the Office of Budget Responsibility, and within specific contracts. ESCC recognised it would need to review and consider how inflation was factored into contracts tendered in light of the expected increases in inflation in 2022/23, longer term budget pressures and uncertainty of future funding. ESCC also agreed that focus on retention of staff would be needed in the coming months and knew that pay was an important part of staff satisfaction in their jobs. However, the Council also knew pay was only one of a number of factors that contributed to job satisfaction and staff also needed to be well-trained, supported, connected to the community they served and to partners, so this was also a focus of work to maintain retention.

- The recognition in the presentation of the significant challenges facing the social care sector was welcomed, as partners confirmed the coronavirus pandemic had been tremendously difficult and had a huge impact on the sector, particularly on the recruitment and retention of staff. The forthcoming ASC reforms to charging were expected to have a further significant impact on the sector so partners confirmed the need for lobbying to ensure the impact of the changes were appropriately understood and funded by Government, and were committed to continued partnership working on this. ESCC agreed that the challenges in recruitment and retention of staff in social care were significant and difficult to address as they related to a labour shortage for care work.

- Partners welcomed the comprehensive presentation, the information on ESCC's financial position provided and the positive financial position the Council expected to be in for 2022/23. ESCC acknowledged this position was only possible as a result of prudent financial management over many years. This had required very difficult decisions and delivery of significant savings in the last decade to maintain balanced budgets, which the Council knew had had an impact on partners and residents, but had ensured stability now.

- Challenges facing Voluntary and Community Sector (VCS) partners in continuing current levels of service following the end to one-off COVID funding in March were outlined. ESCC recognised the challenges facing the VCS, really valued the work the sector delivered in the county and had worked hard to ensure one-off COVID funding allocated by Government was distributed to the sector as quickly as possible for this reason throughout the pandemic. While ESCC could not commit to continue the one-off funding when the allocations from Government ended, the challenges facing the sector would continue to be considered by ESCC in its future planning.

- Further detail on the saving planned in Children's Services in 2022/23 was requested. It was explained that the saving planned was to reduce spending in the early help service. This saving had originally been identified when the Council developed its Core Offer and had been deferred over a number of years since, in recognition of the pressure families and communities were under. This, and other planned savings, would be reviewed in developing the final budget proposals.

- The County Council's commitment to partnership working was welcomed by partners, and the innovative, open and challenging, but positive, relationships partners had with officers across the organisation was strongly valued.

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

4. <u>Young people</u>

4.1 The Chief Executive and Director of Children's Services joined a meeting of the East Sussex Youth Cabinet on 16 January 2022 to discuss the County Council's budget setting process and young people's priorities for the year ahead. A presentation was delivered on the RPPR process, the Council's priority outcomes, factors the Council considers in setting its budget each year, and the financial position and priority areas of work in the Council Plan for 2022/23.

4.2 A discussion followed the presentation and members of the Youth Cabinet asked a number of questions. The Children in Care Council also submitted questions in advance of the session, which were asked by the Youth Cabinet throughout the discussion. The following areas were covered:

<u>Youth Opportunities</u>
4.3 The Youth Cabinet asked how the County Council was working to ensure that young people have access to training, activities and employment opportunities.

4.4 The Director of Children's Service answered that ESCC undertakes a range of work to ensure young people have access to opportunities. This includes working in partnership with schools, colleges and training providers to ensure young people are supported during their transition to post-16 education, training, and employment; working closely with the national charity CXK to provide the Youth Employability Service; developing the Careers Hub and the careerseastsussex.co.uk website to include a range of information about careers in East Sussex, including national government schemes for young people; and delivering the ESCC Work Experience Service. Over 3,000 pupils were expected to take part in work experience placements in 2021-22 and in the last academic year, around 1,300 students were able to access the virtual work experience programme.

<u>Environment</u>

4.5 The Youth Cabinet asked what the Council is doing to reduce carbon emissions to net zero and protect the environment.

4.6 The Chief Executive answered that reducing carbon emissions is a key priority for ESCC and the Council is committed to make ESCC's own activities carbon neutral as soon as possible or by 2050 at the latest. ESCC is working to reduce emissions by undertaking a range of projects which include projects to reduce heating and energy usage from our buildings; buying energy from renewable sources and investing in solar panels. Councillors also recently agreed to invest £3.05m into the Council's climate emergency work.

4.7 ESCC are also supporting (with Crowdfunder) communities to deliver projects such as the Crisp Packet Project: a Hastings based organisation with over 40 groups worldwide making blankets for rough sleepers from recycled crisp packets and plastics otherwise destined for landfill. In terms of protecting the environment, it is also a key focus for ESCC, both to prepare for future challenges ahead such as changes to weather but also to help people enjoy the environment in their communities.

4.8 Youth Cabinet fed back that it would be good for local activity opportunities to be created to reduce the need for travel outside East Sussex, such as during school holidays.

Education

4.9 The Youth Cabinet asked how the Council is going to work with schools to ensure that no children and young people fall behind following disruption to education during the pandemic.

4.10 The Director of Children's Services answered that ESCC are working closely with schools and have developed a new strategy – Excellence for All, intended to ensure that no children or young people fall behind following disruption to their education. The strategy sets out the Council's key priorities of developing strong school leaders, improving literacy and oracy and supporting the inclusion and wellbeing of children and young people.

4.11 ESCC have also embedded new Mental Health Support Teams in some schools across the county and are working closely with the NHS to implement a Mental Health and Emotional Wellbeing strategy for those services for children and young people in the county.

4.12 Youth Cabinet shared a question from the Children in Care Council who asked whether work would recognise that the long-term impact of lockdowns on young people's mental health and emotional wellbeing may also make learning catch-up more challenging.

4.13 The Director of Children's Services answered that although the Government have delivered funding and programmes which focus on catch-up on learning, this work has mainly focused on tutoring, with the exception of the Holiday Activity and Food Programme. ESCC continue to lobby Government for further investment in mental health support and to highlight the crucial link between mental health and learning.

Domestic Violence

4.14 Youth Cabinet asked what the Council is doing to address domestic violence and prevent violence against women and girls.

4.15 The Chief Executive answered that ESCC's work on domestic violence is delivered in partnership with the police, voluntary sector and schools, and with authorities in Brighton & Hove and West Sussex on a pan-Sussex geography. This work includes providing specialist services for victims of domestic abuse and violence, and their children, and developing a new pan-Sussex strategy on provision of accommodation for those experiencing abuse.

4.16 ESCC is also a White Ribbon accredited authority and had worked with the previous Youth Cabinet on this campaign. The Chief Executive hoped this Youth Cabinet will also work with the Council on this to raise awareness of and tackle the root causes of violence against women and girls. Funding has also been secured as part of a partnership bid to the national Safer Streets Fund, to deliver early intervention measures such as 'Healthy Relationships' sessions for year 8 students and to develop a Sussex Safe Space App to guide women to safe spaces when they feel their personal safety is threatened.

Child Safeguarding
4.17 The Youth Cabinet shared a question from the Children in Care Council who asked what the Council is doing to identify and support children at risk or in need of safeguarding and ensure they get the support they need, including in lockdowns.

4.18 The Director of Children's Services answered that ESCC have held regular meetings throughout the pandemic between colleagues in social care and schools to make sure that children who need additional support are able to get to school and to attend regularly. Any child who was not attending and whom staff were worried about, either in a school or in a social work team, was highlighted so that staff could check this out. East Sussex has had good numbers of children with additional support needs attending school during the pandemic compared with the figures nationally.

4.19 The Council has seen a rise in the numbers of children referred to children's services since the return to school in September. Any child that has been allocated a social worker will have a visiting plan which sets out how often they should be seen. The Council has consistently managed to see more than 90% of children with child protection plans and more than 80% of the wider group of children who have an allocated social worker.

4.20 ESCC are learning from the serious cases that occurred during previous lockdowns to ensure children are as safe as possible. The work the Council undertakes with local partners such as the police and the voluntary sector is key to supporting families and to make sure, as far as possible, that children are kept safe.

4.21 Attending schools remains a crucial part of keeping children safe and the Council has, with the help of Government funding, put in place extra measures to support attendance.

Lobbying
4.22 Youth Cabinet asked how the Council will lobby for the money it needs in future and how they and the Children in Care Council can help.

4.23 The Chief Executive and Director of Children's Services answered that ESCC has built strong relationships with partners as well as a strong reputation for being a place Government should talk to. Following the Government's announcement of a Levelling Up White Paper it will be important for ESCC to set out some clear objectives about the needs and asks for East Sussex. East Sussex is very different from other places in the South East with many areas in need of levelling up. The Council is also part of a group of local authorities that receive the least funding for education nationally. Through this group, ESCC lobby to highlight our needs for further resources to put towards education.

4.24 Lobbying work will focus on highlighting the need for levelling up some areas within East Sussex, for example by drawing parallels to places in the north, particularly in terms of our economy. ESCC will be taking an evidence-based approach and making best use of the strong connections already in place to get the Council's message across. Lobbying work will take place at both a national and local level, to ensure the needs of ESCC are represented throughout national policy as well as in local partnerships such as the new Sussex Integrated Care System, for example.

4.25 Youth Cabinet were encouraged not to underestimate the power of their voice if they wanted to help the Council lobby for the needs of ESCC to be met and for provisions that would improve and protect the Council's services. Their input would be sought by the Chief Executive following the publication of the Levelling Up White Paper to identify and agree the key asks for East Sussex. The Youth Cabinet were encouraged to speak to MPs about priority issues and not to hesitate to get in contact with Chief Officers at ESCC with any ideas or quires they may have.

5 Trade union representatives

5.1 A meeting was held with trade union representatives on 19 January 2022 to consult them on the Council's draft Council Plan and budget proposals for 2022/23.

5.2 The Leader of the Council opened the meeting and thanked the trade union representatives and the staff they represent for their work again this year. The Leader noted that, as the report to Cabinet said, the importance of the services provided by the Council had been evident once again this year, and that delivery of those services would not have been possible without the commitment and hard work of staff. The Leader outlined that, overall, the financial position was relatively positive and stable for the next financial year. This was due to careful budget management over many years and the provision of welcome additional funding for local authorities in the Spending Review. The proposals Cabinet would consider at its meeting on 25 January balanced the budget without needing to seek any new savings and provided an opportunity for some further investment in services. Future years were expected to be more challenging, due to another one-year Local Government Finance Settlement and a range of national policy reforms that create risk and uncertainty. The Council would therefore need to take prudent decisions this year to support services for the future.

5.3 The Chief Executive and Chief Finance Officer then delivered a presentation on the plans and proposals outlined in the Cabinet papers, covering the policy context, refreshed Council Plan, revenue budget and MTFP, capital programme, and lobbying priorities.

5.4 Following the presentation, trade union representatives asked questions and made comments which are outlined below.

Lobbying

5.5 Trade union representatives were supportive of plans for lobbying outlined in the presentation, particularly plans to lobby for multi-year finance settlements to enable the Council to plan for more than one year at a time. Representatives asked for more information on how the Council would lobby and, noting that the previous Stand Up for East Sussex campaign had been very effective, whether lobbying would involve any activity to explain the Council's financial position to the public.

5.6 The Leader of the Council explained that the Council would continue to lobby through national networks such as the County Councils Network and Local Government Association, as well as with regional partners in the South East 7 (SE7). The Leader had met with leaders of other councils in the SE7 partnership that morning and discussed how they could collectively lobby on local government finance issues and upcoming funding reforms to strengthen the influence of individual councils. The Leader and Lead Member for Education and Inclusion, Special Educational Needs and Disability (EISEND) both confirmed they met regularly with local MPs to ensure they were briefed on local issues and understood the impact of national policy changes and decisions on East Sussex and ESCC. The Council also lobbied through links with Government ministers. For example, the Leader had met with Rt Hon Rishi Sunak MP when he was Minister for Local Government and had been able to maintain that link with him over time, including when the Chancellor visited Newhaven recently. The Leader and Lead Member for EISEND both noted, however, that lobbying by others on the Council's behalf could often be more effective than the Council making the case to MPs and Government directly.

5.7 The Leader welcomed the positive feedback on the Stand Up For East Sussex Campaign. Although there were no current plans for another public campaign, similar work may need to be considered in future years when further details on policy changes for ASC and planned funding reforms were available and the impact on East Sussex was clearer. In terms of other communication activities, the Council undertook broader engagement on the budget, including with strategic partners and business representatives to ensure they were well informed about ESCC's financial position.

5.8 Trade unions thanked the Leader and Lead Member for the response and confirmed they would also continue to lobby through their networks for sustainable funding for local government and schools.

Early Help and Safeguarding Savings

5.9 Trade union representatives welcomed the deletion of planned savings in the Early Help service. The Leader was also pleased the financial position had enabled them to be removed, as they were savings the Council had not wanted to make unless absolutely necessary. The Lead Member for EISEND noted that it was also positive the Council had been able to delete planned savings in the safeguarding service earlier in the RPPR planning cycle for 2022/23.

Pay award

5.10 Trade union representatives noted that an estimated pay award increase of 2% had been factored into the MTFP for 2021/22 and 2.5% for 2022/23 and asked if that covered the cost of the planned national increase in the national living wage and the subsequent increases required to maintain pay differentials with other pay grades.

5.11 The Assistant Director of Human Resources and Organisational Development (HROD) confirmed that this was the case. The Chief Finance Officer added that the 2.5% factored into the MTFP was an estimate for planning purposes and the final award would be subject to the outcome of pay negotiations.

Council Tax and ASC Levy

5.12 Trade union representatives fed back that they understood the need to implement the full ASC levy and agreed it was sensible to ringfence some to support the implementation of the ASC charging reforms. However, representatives noted it was frustrating Government announced such provisions one year at a time and that it was challenging to explain to residents the need for an increase in Council Tax as they may not know the extent of the work the Council does unless they required care services. Unison representatives said they would be making this point to MPs.

5.13 The Leader confirmed it was the case that the majority of the Council's funding was spent on providing services for a small proportion of the population because the Council had to focus support on helping the most vulnerable. The Council did still spend a significant amount on universal services and there were pressures beyond social care that the Council recognised needed to be funded. For example, it was challenging to allocate the level of funding needed to maintain highways standards but additional investment had been made.

Libraries Savings

5.14 Trade union representatives asked for further detail on planned back-office savings in the libraries service, noting that efficiencies had already been made. Representatives hoped that the important role libraries had played in the pandemic, for example in providing a public space for people to be to reduce isolation, was recognised.

5.15 The Director for Communities, Economy and Transport agreed that libraries had played an important role throughout the pandemic and noted that when libraries had closed in the first lockdown, library staff had been redeployed to support the continued running of other important services. In terms of the savings, it was the case that the majority of savings previously allocated to the library and information service had already been delivered and the service was now delivering the final steps of its libraries commissioning strategy. Remaining savings would be delivered through a combination of efficiencies such as implementing a new contract for self-service facilities, changes in provision of bibliographic services to take advantage of an increased take-up of e-books, and in reviewing the use of Ropemaker Park and better utilising Polegate Library.

Staff absences

5.16 Trade union representatives noted that the Council Plan set out that work was planned in 2022/23 to maintain or reduce the number of working days lost to sickness absence, and asked how this would be achieved.

5.17 The Assistant Director of HROD outlined that the Attendance Management Team would continue to deliver support for staff to achieve this, building on wellbeing support provided throughout the pandemic, which had been well received, as well as doing targeted work on issues that drove sickness absences such as musculoskeletal conditions. It was noted that staff sickness had been very low over the last year in spite of the pandemic and trade union representatives queried if that was thought to be because staff continued to work from home when unwell. The Assistant Director of HROD thought this could potentially be one factor in the lower number of absences, because staff could work from home when feeling slightly ‘under the weather’ in a way that was not always possible with the stressors of physically travelling to work.

Ocean House

5.18 Trade union representatives noted plans for Ocean House to be redeveloped and asked for an update on ESCC’s plans for services based in the property.

5.19 The Chief Operating Officer confirmed that the County Council had engaged with the landlord and been able to extend the lease to secure future occupation of services in that building for the next couple of years. It was the case that the landlord had ambitions to redevelop the property and the Council was therefore actively looking for other appropriate accommodation in the area for the medium-term.

Children’s social care placements

5.20 A trade union representative fed back that their experience had been that staff views on suitability of care placements for children were not always taken into account and asked that staff, who often had good knowledge of a child’s history, were given greater input.

5.21 The Director of Children’s Services agreed that matching children with appropriate placements was very important and staff views needed to be heard and taken into account. The Director noted that the current limited supply/choice of placements sometimes restricted options. The Director committed to feed back to the service the union perspective on this.

School attendance

5.22 Trade union representatives noted that news reports on attendance in East Sussex earlier in the week had highlighted the important of attendance for attainment and asked what plans the Council had to improve attendance.

5.23 The Director of Children's Services noted that comparatively high school absence rates had been an issue in East Sussex for some time. It was an issue for attainment but also for safeguarding. Both early help workers and social workers worked closely with schools and the police to ensure children were in school and that there were individual plans in place to ensure attendance of vulnerable children. In terms of other steps, the Council had used Control Outbreak Management Funding to target provision of breakfast and after school clubs to areas of deprivation in the County to help encourage the return to school for children following periods of time absent.

5.24 A representative for the National Association of Headteachers noted that schools had also had to use their funding to provide additional services to support attendance. The representative fed back that while schools recognised the financial pressures on the Council, and were managing similarly constrained budgets themselves, when services for children were reduced, often schools stepped in to cover that provision. The Director of Children's Services responded that the Council did continue to provide a range of services for residents across the county, but recognised that due to stretched resources, it was not possible to fund the level of services for children and young people that it had once been able to.

Unaccompanied Asylum Seeking Children (UASC)

5.25 Trade union representatives asked what plans were in place to support the increasing number of UASC the Council expected to need to support following the Government's decision to mandate the national transfer scheme.

5.26 The Director of Children's Services confirmed that the Council was currently looking after around 56 UASC, but that number fluctuated and was expected to increase as a result of the transfer system being mandated. It was noted that the Council was supportive of the decision to mandate the transfer scheme as it would support better and fairer dispersal of children among local authorities and help ensure that children were not spending time in inappropriate accommodation.

5.27 The Director confirmed that there was a team within Children's Services that did excellent work to support UASC. Conversations were taking place with supported accommodation providers to provide support to help UASC settle in the UK and there was also good work taking place to support UASC general wellbeing.

Suicide rates

5.28 Trade union representatives noted that a measure in the Council Plan highlighted the disparity in the rate of suicide per 100,000 people between East Sussex and England and asked what drove this.

5.29 The Chief Executive answered that the disparity was driven by Beachy Head in Eastbourne, which was sadly an internationally recognised site for suicide. Darrell Gale, Director of Public Health was Pan-Sussex Lead for Suicide Prevention and there was dedicated work taking place in public health to address the high figures and try to change the perception of Beachy Head.

Staff travel and building occupancy savings

5.30 The trade union representatives asked whether savings from reduction in staff travel during the pandemic had been made and what they would be used for.

5.31 The Chief Finance Officer and Chief Operating Officer confirmed that there had been savings of around £2m over the past two years (confirmed at £2.257m to date, after the meeting) and that these had been ringfenced to support the workstyles programme which was enabling investments to improve Council offices and make them fit for future working arrangements, including hybrid working.

5.32 Trade union representatives also asked if savings had been made from under-occupancy of buildings during the pandemic. The Chief Operating Officer confirmed that some savings had been made from reduction of spend on areas such as maintenance. These savings were not significant, however, as most operational buildings had continued to be used throughout the pandemic.

Business Services/ Orbis Savings

5.33 Trade union representatives raised concerns about savings planned in Orbis in 2023/24 and asked for further information on what they would entail.

5.34 The Chief Operating Officer clarified that the Business Services Department (BSD) as a whole, rather than just Orbis, had savings to deliver in 2023/24. It was noted that the savings were a challenging target and detailed plans to deliver them were to be developed. They were, however, BSD's share of Council savings that had been deferred from previous years so it was important that they were achieved so that funding could support front-line services.

5.35 A number of projects to be delivered in the next few years would impact the work and costs of BSD, and support delivery of the savings target. These included the workstyles programme and implementation of the new South East Grid contract which would have a significant impact on running costs. Changes in financial contributions to the Orbis Partnership arising from work done with partners to return some services to their sovereign authorities would also support delivery. The programme to replace the Council's Enterprise Resource Planning system would also have an impact on the work, and therefore the costs, of BSD. The Chief Operating Officer confirmed that the Council would work closely with trade unions as plans to deliver the savings were developed.

Trade Union Engagement

5.36 Trade union representatives fed back that they were appreciative of this annual engagement session and for the information shared in the presentation. Trade union representatives were also grateful for the time officers, including Directors, Assistant Directors and Heads of Service, spent speaking to, and answering question from, trade unions throughout the year. Representatives asked that officers maintain this good communication and continue to share information early.

5.37 The Leader thanked representatives for the positive feedback and for their input in the session, and confirmed Members and officers would continue to maintain open engagement with trade unions as doing so was important for working together effectively to deliver services.

6. Business Representatives

6.1 The Leader, Deputy Leader and Lead Member for Economy, supported by officers, held a remote meeting with business and culture representatives on 24 January to consult on the Council's budget proposals and draft Council Plan for 2022/23. The Chief Executive, Chief Finance Officer and Assistant Director for Economy delivered a presentation on the policy context and evidence base informing the proposals; the Council's priorities and plans to support economic recovery and development in 2022/23; and revenue and capital spending proposals.

6.2 Following the presentation, the Lead Member for Economy commented that it was positive to be able to balance the budget with limited savings and with plans for investment; and highlighted the successful work by Skills East Sussex in the last few years as a real achievement, particularly in stimulating opportunities for young people.

6.3 A discussion followed, in which business and culture representatives welcomed the stable budget position for 2022/23. The following issues were also discussed:

Opportunities for businesses and growth

6.4 Representatives noted, and welcomed, that the Council's plans featured a strong focus on economic recovery, skills development and creating opportunities for businesses in the county. However, representatives also noted that the presentation and report highlighted a great deal of future uncertainty; in terms of future funding allocations for local authorities and in Government's plans for local growth funding and support arrangements across the country. Representatives noted that clear communication and messaging to businesses was required to emphasise that despite this uncertainty, there would continue to be opportunities for growth in the county.

6.5 The Leader agreed that the Council did face significant uncertainty in the future and it was disappointing that a multi-year funding settlement had not been provided by the Government. However, the Council was in a positive position this year and had been able to strike a good balance in the budget to take advantage of opportunities while also preparing for the years ahead. The Leader agreed it was important to recognise that there would continue to be opportunities to secure investment and asked that business and culture partners continue to share innovative ideas, to enable rapid responses to national funding opportunities and maximise investment in the county.

Ways of working

6.6 Representatives asked if the pandemic would lead to the Council adopting long-term changes to its ways of working. The Chief Executive responded that COVID has had a profound impact on the way the Council works. Investment made before the pandemic enabled many staff to shift relatively quickly and easily to remote working and that has brought benefits in productivity, including from reducing the need for staff to travel.

6.7 However, it was also important to recognise that around half of all staff worked in services where it remained important that in-person visits and meetings take place. Remote working also created challenges, such as in losing more informal opportunities for collaboration between staff and for training new staff and integrating them into teams. ESCC was therefore focussed on embedding working arrangements where the benefits of remote working and technology were maximised, but staff were well-supported and connected to their teams. To assist this, staff had been asked to complete team agreements to ensure teams were working in a way that supported staff wellbeing and ensured they stayed connected.

Impact of COVID on demographics

6.8 Representatives also enquired whether the Council expected the county to be impacted by other trends emerging from the pandemic. For example, could we expect to see a change to the age-profile of the county as remote working created new opportunities for young people to move out of cities.

6.9 The Chief Executive responded that it was too early to know what long-term effects the pandemic may have on the demographic profile of the county. The Council trusted that East Sussex would continue to be an attractive place for people to live, particularly considering its strong cultural and environmental offer. In terms of the County Council's experience, it was the case that the option of remote working in some roles had created new opportunities for recruitment as greater numbers of candidates were applying for vacancies.

6.10 Business and culture representatives thanked councillors and officers for taking the time to engage representatives and for the detailed presentation on the budget and business planning for the year ahead. The Leader thanked participants for their input.

Appendix 8(a): Capital Programme 2021-22 to 2031-32 and Capital Strategy

1 Background

1.1 Through the Reconciling Policy Performance and Resources (RPPR) process the Capital Strategy and programme are reviewed annually to ensure that they support the Council's responsibilities and departmental service strategies. To manage investment to a sustainable level, the Capital Strategy focuses on the delivery of targeted basic need for the council to continue to deliver services as efficiently as possible, rather than rationing through prioritisation. This is in recognition that there will be conflicting priorities but that a level of investment is needed across the council in order to deliver the council's services and react to changes in technology, economy and the environment. Basic need for the purpose of strategic capital planning is provided below: -

- Place: ensuring we can deliver services by planning for 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.
- Climate Change: tackling climate change has become part of ESCC core business, investment will be required towards the achievement of carbon neutrality.

1.2 At Full Council in February 2021 the target led basic need capital strategy of 20 years, supported by a 9-year planned capital programme was approved. The programme was not extended for an additional year to maintain a 10-year planning horizon due to the uncertainty over future years capital grants. As shown at Table 1, the updated capital programme 2021/22 to 2029/30 reported as part of the State of the County in July 2021, had a total programme expenditure of £527.5m, which was funded by a borrowing requirement of £227.9m

Table 1 – Approved Capital Programme (£m)	Current Year 2021/22	MTFP Period			2025/26 to 2029/30	Total
		2022/23	2023/24	2024/25		
Gross Expenditure	**95.462**	**78.138**	**53.536**	**54.230**	**246.087**	**527.453**
Specific Funding	(20.057)	(4.321)	(2.348)	(0.645)	(1.850)	**(29.221)**
Net Expenditure	**75.405**	**73.817**	**51.188**	**53.585**	**244.237**	**498.232**
Formula Grants	(23.619)	(19.737)	(20.895)	(23.026)	(99.385)	**(186.662)**
Capital Receipts	(8.676)	(4.658)	(5.694)			**(19.028)**
Reserves and Revenue Set Aside	(5.697)	(10.445)	(3.058)	(5.254)	(15.571)	**(40.025)**
CIL/S106 Target				(4.114)	(20.570)	**(24.684)**
Programme Funded from Borrowing	**37.413**	**38.977**	**21.541**	**21.191**	**108.711**	**227.833**

1.3 It was agreed at the State of the County 2021, that the programme would be updated by a further 2 years to maintain the 10-year planning horizon and that Climate Change would be included as basic need. Services were also asked to review their targeted basic need and investment requirements focussing on Highways and the Carbon Neutral commitment by 2050. This report provides an update on these actions and presents the financial impact of the basic need updates and growth.

1.4 Updated estimates to funding assumptions are reflected as part of the normal capital strategy updates. Further updates to Formula Grant assumptions will be made once the details of the Local Government Financial Settlement are announced, noting that changes in funding formula and allocation criteria will alter the level of grants anticipated and impact on the level of borrowing required. Indications are that this might happen annually.

1.5 Investment beyond basic need, including asset enhancements and strategic investments, will continue to be considered separately via business cases. 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 **Capital programme refresh and update**: The capital programme has been extended by two years in line with the current strategy to maintain a 10-year planning horizon and to include a nominal level of investment for Climate Change as basic need. The proposed programme also supports areas of growth in basic need requirements that have been identified by services where these represent reasonable synergy with the basic need principles. The Capital Strategy therefore continues 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. As normal, Service Finance and Departmental Capital Teams have also completed a capital programme refresh, re-profiling their programmes and projects as accurately as possible based on current knowledge held. After the application of estimated funding available, these updates will require new borrowing with an associated revenue impact via the Treasury Management revenue budget (see Section 4).

2.2 Table 2 below summarises the movements to the approved capital programme since State of the County in July 2020 for the programme refresh and updates. Noting that the first three years of the programme over the MTFP period (Medium Term Financial Plan) period to 2024/25 are being presented for approval, whilst the remaining years to 2031/32 are indicative to represent the longer-term planning for capital investment. The detailed proposals of the RPPR Programme updates are presented at **Annex A**.

Table 2 – Capital Programme Updates (£m)	Current Year 2021/22	MTFP Period			2025/26 to 2031/32	Total
		2022/23	2023/24	2024/25		
Approved Net Expenditure (State of the County 2021)	**75.405**	**73.817**	**51.188**	**53.585**	**244.237**	**498.232**
Capital Programme Refresh	(6.773)	2.478	3.606	0.125	0.564	**0.000**
RPPR Programme Updates	0.059	17.723	14.305	18.389	157.935	**208.411**
Revised Net Expenditure	**68.691**	**94.018**	**69.099**	**72.099**	**402.736**	**706.643**

2.3 Table 3 below provides a summary of the approved variations to the programme relating to fully funded schemes having a net nil impact on the capital programme. These total £13.4m.

Table 3: Approved Capital Variations (£m)	Total
A22 Corridor Packaged (funded from specific DfT grant funding)	**0.429**
Accessing Charleston (funding from specific LEP grant funding)	**0.241**
Hailsham HWRS (funding from S106 funding)	**0.018**
Exceat Bridge (funding from Levelling Up grant)*	**7.958**
Ninfield School Decarbonisation Measures (funding from Salix grant)	**0.145**
Integrated Transport Measures & LEP Projects (funding from Section 106 Developer Contributions)	**4.608**
Total	**13.399**

**In October 2021 the council received notification of the outcome for application to the first round of the Levelling Up Fund from the Department of Levelling Up, Housing & Communities. The confirmed grant award of £8.0m towards Exceat Bridge replacement.*

2.4 **Investment beyond basic need:** A number of projects are currently being developed that are beyond basic need will therefore be presented to Capital Strategic Asset Board (CSAB) for consideration via business cases or approved variation. As such these will not be included in the Capital Programme until their overall impact, including funding implications, have been assessed and approved in line with the appropriate governance.

- **Learning Disability Supported Living:** Adult Social Care has prepared a business case for capital investment towards a range of settled accommodation available for adults with learning disabilities in East Sussex, a key performance indicator for the Council. A draft business case was reviewed and endorsed by the CSAB in December 2021, subject to final cost estimates and the project funding being confirmed. It is anticipated that the final business case will be presented, on a fully funded basis, for the consideration of Lead Member in early 2022.

- **Children's Disabled Accommodation Investment:** The current capital programme includes £0.242m for creating greater in-house capacity for disability children's homes. Originally approved in 2020/21, this budget has since slipped as the scope of the project has expanded. The project scope now includes three phases requiring an increased capital requirement. This proposal will be developed as a business case covering all phases of the projects on an Investment Project basis seeking approval through the appropriate governance process.
- **Bus Service Improvement Plans (BSIPs):** The Council has recently bid for a combination of revenue and capital funds from the DfT to support BSIPs. These will be added to the programme if successful and where they relate to capital investment.

3 Funding Updates

3.1 Table 4 provides an updated capital programme funding position to reflect the capital programme updates and their associated funding assumptions outlined above and other more specific updates.

Table 4 – Capital Programme Funding Update (£m)	Current Year 2021/22	MTFP Period			2025/26 to 2031/32	Total
		2022/23	2023/24	2024/25		
Gross Expenditure	**88.219**	**101.899**	**77.088**	**78.892**	**406.781**	**752.879**
Specific Funding (3.2)	(19.528)	(7.881)	(7.989)	(6.793)	(4.045)	**(46.236)**
Net Expenditure	**68.691**	**94.018**	**69.099**	**72.099**	**402.736**	**706.643**
Formula Grants (3.3)	(25.177)	(25.436)	(17.738)	(19.433)	(142.607)	**(230.391)**
New Homes Bonus Grant (3.4)	-	(0.816)	-	-	-	**(0.816)**
Capital Receipts (3.5)	(5.919)	(8.580)	(6.505)	-	-	**(21.004)**
Reserves and Revenue Set Aside (3.6)	(5.772)	(18.867)	(6.989)	(5.166)	(19.937)	**(56.731)**
Developer Contributions Target (3.7)	-	-	-	-	(24.068)	**(24.068)**
Programme Borrowing (3.7)	**31.823**	**40.319**	**37.867**	**47.500**	**216.124**	**373.633**

3.2 **Specific Funding:** The approved programme is supported by £46.2m 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; Development Infrastructure Contributions allocated to specific projects; 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 **Annex A**.

3.3 **Formula Grants:** The capital programme is supported by £230.4m of non-specific formula grants, which represents 31% of the total gross programme funding. Formula grant assumptions have been updated to represent best estimates but noting that there continues to be considerable risk in relation to these grants as the values for future years are still yet to be announced. Changes made to formula grants include updated to Schools Basic Need Allocation grant to reflect newly announced allocations and updated estimates for required pupil places; changes for known highways related formula grants in 2021/22; and the continuation of assumptions for the two year extension to the programme. Further updates to Formula Grant assumptions will be made once the detailed implications of announcements as part of the Spending Review 2021 are known, noting that changes in funding formula could change the level of grants anticipated and impact on the level of borrowing required.

3.4 **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. New Homes Bonus can be used to fund revenue or capital expenditure. The provisional Local Government Financial Settlement announced funding of £0.8m for the Council in 2022/23 which has been allocated to fund the capital programme.

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. This is supported by the work undertaken by Property Services recently in successfully getting a number of surplus properties to the point of sale. At this stage, it is suggested that anticipated capital receipts can be increased by £1.975m for capital planning purposes. Further work is being completed on a range that could potentially be provided for community assets.

3.6 **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.

3.7 **Developer Infrastructure Contributions (Section 106 and Community Infrastructure Levy):** The capital programme reported as part of the State of the County 2021 included a total of £33.7m of Developer Infrastructure Contributions, of which £9.0m was identified as applied to specific project / programme funding, and an additional £24.7m targeted over the capital programme. Work is ongoing through the S106 and CIL Working Group to maximise specific sums that can be allocated to basic need projects / programmes. This has resulted in £0.6m being applied as specific funding toward basic need, reducing the funding target by this amount.

As previously reported at State of the County 2021, the result of increased burdens of planning system reform and the trend of Community Infrastructure Levy contributions focusing on transport infrastructure work (which is added via approved variation as net nil to the programme) has increased the risk of achieving the funding target set in 2019/20. There is also uncertainty on the future of developer contributions with government publishing the Planning for the Future White Paper in August 2020, proposing reform of the planning system in England. Detailed work has been carried out by the cross departmental S106 and CIL Working Group, identifying a potential funding risk of between £10m and £12m. It is proposed that subject to further funding announcements, the funding target is initially reduced by any additional capital grant allocations in year (2022/23 only), and the position continues to be reviewed annually. Should additional grants, over the current assumption from 2022/23 be confirmed that relate to Highways, these will first be considered against further capital investment opportunities.

3.8 **Borrowing:** The updated capital programme has a borrowing requirement for the period 2021/22 to 2031/32 of £373.6m, which represents 50% of the total gross programme funding. This is an increase of £145.8m compared to that reported in the State of the County 2021 of £227.8m. 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.

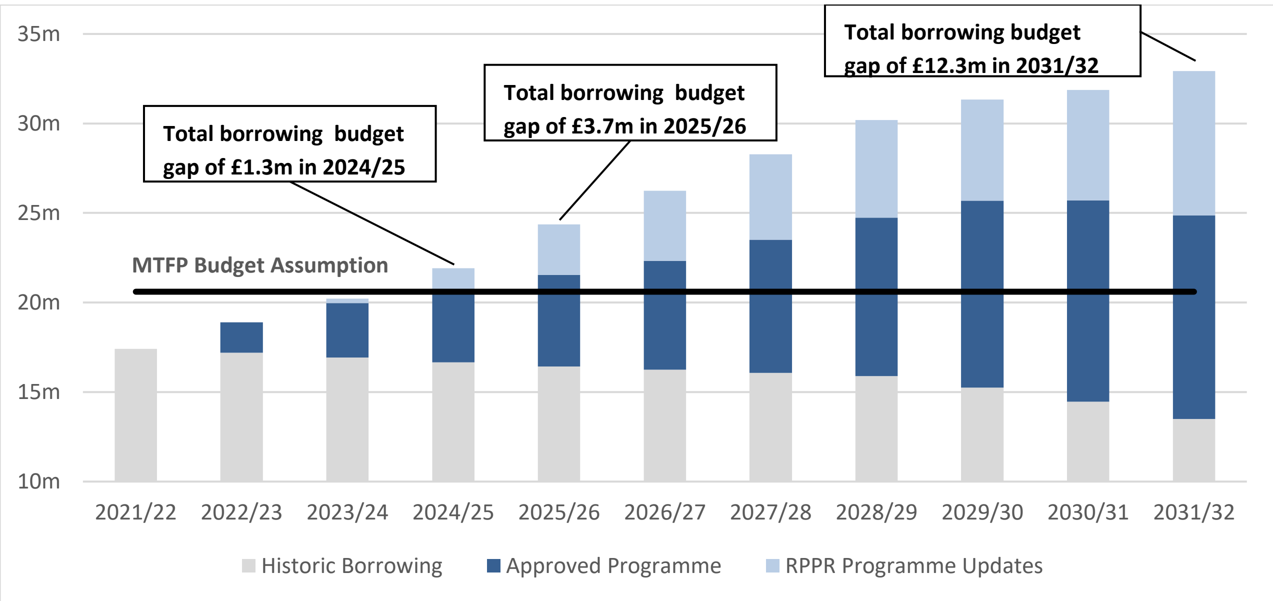
4 Impact on the Revenue Medium Term Financial Plan and Treasury Management Capacity

4.1 Decisions on future capital investment should be considered in the context of the impact on the Treasury Management (TM) capacity to fund the investment and the revenue budget, whereby the cost of funding and Minimum Revenue Provision needs to be included within the MTFP. The current capital programme already requires borrowing in future years, which together with the Minimum Revenue Provision accounting requirements, will need the TM budget to be increased beyond the current MTFP. In advance of the detailed funding announcements expected as part of the Local Government Settlement, this will add to the MTFP deficit and potential requirement to make savings in future years. This is before other emerging revenue pressures within Children's Services and Adult Social Care, aligned to Social Care Reform are known.

4.2 TM budget modelling takes a holistic approach, and includes the forecast repayment of loans, accounts for balances held and other cash management transactions. The impact on the TM budget of the cost of borrowing for capital investment will therefore vary dependant on a number of variables such as timings, internal balances and future interest rates. In order to therefore give an indicative estimate of the cost of borrowing, **TM modelling for the direct costs of borrowing**

estimates that for every £10m of additional borrowing, there would be an associated revenue cost of approximately £400,000 per annum over the current MTFP period; this rises to an average of approximately £750,000 over the full life of the asset (based on a 30 year asset life), when taking a long term view of borrowing rate forecasts and as costs increase in later years under the annuity methodology.

4.3 The graph below presents the cost of borrowing for the capital programme proposed updates, against the current TM budget held in support of borrowing, as reported to Cabinet in September 2021. It shows that further increases will be required to the budget, with an additional £1.3m required in 2024/25, increasing to £3.7m (an additional £2.4m) in 2025/26 for the current programme profile.



4.4 The Council is required to set a maximum authorised limit for external debt which represents a limit beyond which external debt is prohibited. The authorised borrowing limit is effectively the cap of the total amount of borrowing that the council can have outstanding at any one time, and this limit cannot be breached. The current Treasury Management Strategy sets this at £435m within the current MTFP period, which includes an element allowable for long-term liabilities other than external debt. Although this limit is reviewed annually as part of the TM Strategy refresh with reference to the planned capital programme, this limit can be used as an indication of future borrowing limits. TM modelling suggests that the proposed capital programme updates would exceed the current maximum authorised limit of £435m for external debt by 2028/29. However, this is likely to be pushed out further by slippage and the strategy of using the TM underspend to reduce the borrowing requirement.

5 Risk provision update

5.1 As part of RPPR process at February 2021, the ongoing capital risk provision of £7.5m was approved, which represented 2.6% of gross programme over the MTFP period. The risk provision of £7.5m would still represent more than 2.0% of gross budget over the MTFP period after all updates identified in this report, which was the level the provision has historically been set. 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. Its utilisation, if approved by CSAB would, therefore, require additional borrowing and be reported through the RPPR process and quarterly monitoring in the normal way. There are a number of risks and uncertainties regarding the programme to 2024/25 and beyond which have necessitated holding a risk provision, these risks as reported at State of the County 2021 include:

- Excess 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

- 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.

5.2 There are currently increased uncertainties that exist within the construction industry in terms supply chain issues and volatile cost inflation. The capital programme includes an element of 'normal' level of inflation for ongoing target-based core programmes (as opposed to programmes that have cash limited envelopes) such as Highways of 3% annually, with any increases above this level to be covered by the risk provision.

5.3 It is anticipated that there will be increasing pressures on the current programme due to the climate change agenda meaning additional requirements will need to be incorporated into the current programme, such as emerging environmental planning requirements and low carbon replacements of current assets. The risk provision and potential provision for this area will be reviewed as these requirements become clearer.

6 Capital Strategy

6.1 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 2021/22 to 2040/41 and was approved as part of RPPR 2020/21. The Capital Strategy has been updated as part of the 2022/23 RPPR process to reflect emerging risks, principles and corporate priorities, and informed by decisions at State of the County 2021 and discussions at CSAB. The updated Capital Strategy can be found at Appendix 8(c).

6.2 Updates to the Capital Strategy include the impact of the capital programme with regards to the Equality Act 2010, and highlights the need to demonstrate that equalities impacts have been assessed and considered for any new project, and that the impact of existing projects must be reviewed and refreshed annually as part of the RPPR process.

6.3 Other updates reflect changes to basic need definitions and targets, including the inclusion of Climate Change as basic need, SEND requirements to be considered on a business case basis, and a change to Highways basic need condition targets as identified throughout this paper.

7 Conclusion and reasons for recommendations

7.1 It is recommended that updates to the capital programme to 2031/32 are approved as presented, with the first three years of the programme to 2024/25 over the MTFP period being approved whilst the remaining years to 2031/32 are indicative to represent the longer-term planning for capital investment; noting the impact on borrowing costs and the MTFP in future years. The programme will continue to be reviewed through the RPPR, Capital Strategic Asset Board, Sub Boards and variation process to ensure it remains aligned to the MTFP, Treasury Management Strategy and other council strategies.

7.2 It is recommended that updates to the Capital Strategy to 2042/43 are approved, to reflect updates to target driven basic need, which supports the Council's responsibilities and wider service strategies adopted.

Revised Capital Programme

Current Detailed Capital Programme (£m)	Current Year 2021/22	MTFP Period 2022/23	2023/24	2024/25	2025/26 to 2031/32	Total
(A) House Adaptations - Adults	0.050	0.050	0.050	0.050		**0.200**
Greenacres	0.010	0.144				**0.154**
Adult Social Care Gross	**0.060**	**0.194**	**0.050**	**0.050**		**0.354**
Scheme Specific Funding	(0.010)	(0.144)				(0.154)
Adult Social Care Net Expenditure	**0.050**	**0.050**	**0.050**	**0.050**		**0.200**
(B) SALIX Contract	0.428	0.350	0.350	0.350	2.450	**3.928**
Property Agile Works	0.122	0.081				**0.203**
Lansdowne Secure Unit - Phase 2	0.314					**0.314**
(C) Core Programme - Schools Basic Need	16.574	5.684	5.869	16.625	69.580	**114.332**
(D) Special Educational Needs	0.100	1.600	1.500			**3.200**
(E) SEND - Grove Park / Beacon Academy		2.500	5.000	6.000	5.6000	**19.100**
Special Provision in Secondary Schools	0.730	0.150				**0.880**
Disability Children's Homes	0.020	0.222				**0.242**
Westfield Lane	0.500	0.690				**1.190**
(F) Core Programme - Capital Building Improvements (Schools)	5.400	5.463	3.982	3.982	27.874	**46.701**
(G) Core Programme - Capital Building Improvements (Corporate)	2.100	7.507	4.300	4.300	28.000	**46.207**
(H) Core Programme - IT & Digital Strategy implementation	8.568	14.910	10.999	2.940	48.625	**86.042**
IT&D - Utilising Automation	0.024					**0.024**
Business Services Gross	**34.880**	**39.157**	**32.000**	**34.197**	**182.129**	**322.363**
Scheme Specific Funding	(6.226)	(0.535)	(2.156)	(0.350)	(2.450)	(11.717)
Business Services Net Expenditure	**28.654**	**38.622**	**29.844**	**33.847**	**179.679**	**310.646**
(A) House Adaptations for Disabled Children's Carers Homes	0.160	0.050	0.050	0.050		**0.310**
(I) Schools Delegated Capital	0.760	0.729	1.150	1.150		**3.789**
Conquest Centre redevelopment	0.047					**0.047**
Children's Services Gross	**0.967**	**0.779**	**1.200**	**1.200**		**4.146**
Scheme Specific Funding	(0.760)	(0.729)	(1.150)	(1.150)		(3.789)
Children's Services Net Expenditure	**0.207**	**0.050**	**0.050**	**0.050**		**0.357**
Broadband	1.109	2.512	2.513	2.513		**8.647**
Salix Solar Panels	0.257	0.086				**0.343**
Salix Decarbonisation - Ninfield School	0.145					**0.145**
Bexhill and Hastings Link Road	1.660	0.252				**1.912**
BHLR Complementary Measures	(0.068)	0.198				**0.130**
Economic Intervention Fund - Grants	0.221	0.368	0.345	0.300	1.054	**2.288**
Economic Intervention Fund - Loans	0.375	0.500	0.500	0.500	0.473	**2.348**
Stalled Sites	0.075	0.100	0.154			**0.329**
Upgrading Empty Commercial Properties		0.007				**0.007**
Community Match Fund	0.060	1.189				**1.249**
Newhaven Port Access Road	0.459	0.079	0.020	0.776		**1.334**
Real Time Passenger Information	0.139	0.047	0.044	0.060	0.061	**0.351**
Queensway Depot Development	0.300		0.791			**1.091**
Hailsham HWRS	0.005	0.159				**0.164**
The Keep	0.014	0.132	0.096	0.026	0.823	**1.091**

(J) Other Integrated Transport Schemes	3.270	5.402	2.981	5.535	21.867	**39.055**
A22 Corridor Package	0.429					**0.429**
Exceat Bridge Replacement	0.887	1.748	3.733	2.509		**8.877**
Emergency Active Travel Fund - Tranche 1	0.006					**0.006**
Emergency Active Travel Fund - Tranche 2	0.921	0.522				**1.443**
Core Programme - Libraries Basic Need	0.490	0.622	0.449	0.449	2.245	**4.255**
Covid-19 Recovery - Libraries Targeted Support	0.250					**0.250**
(K) Core Programme - Highways Structural Maintenance	16.512	17.821	18.047	18.588	146.704	**217.672**
(K) Core Programme - Bridge Assessment Strengthening	1.662	0.926	1.708	1.675	13.219	**19.190**
(K) Core Programme - Street Lighting and Traffic Signals - life expired equipment	1.713	1.545	1.592	1.639	12.890	**19.379**
(L) Highways Structural Maintenance – Basic Need Change		3.100	3.100	3.100	21.700	**31.000**
(M) Bridge Assessment Strengthening – Essential Maintenance		2.100	2.000	0.100	2.300	**6.500**
(N) Street Lighting Backlog		2.200	2.200	2.200	2.200	**8.800**
(N) Street Lighting Reduced Requirement					(4.500)	**(4.500)**
Street Lighting and Traffic Signals - SALIX scheme	1.636					**1.636**
(O) Core Programme - Rights of Way and Bridge Replacement Programme	0.577	0.565	0.565	0.475	3.616	**5.798**
(P) Climate Emergency Works			3.000	3.000		**6.000**
(Q) Highways Investment Bid		5.800				**5.800**
(Q) Climate Emergency Works	0.768	2.819				**3.587**
LEP/SELEP schemes - delivery not controlled by ESCC:						
Eastbourne Town Centre Phase 2	0.515	1.959				**2.474**
Bexhill Enterprise Park North	1.940					**1.940**
Eastbourne/South Wealden Walking & Cycling Package	0.482	2.231				**2.713**
Hailsham/Polegate/Eastbourne Movement & Access Corridor	0.276	0.744				**1.020**
Hastings Bexhill Movement and Access Programme	1.571	4.323				**5.894**
Sidney Little Road Business Incubator Hub	0.381					**0.381**
Skills for Rural Businesses Post-Brexit	3.113					**3.113**
Bexhill Creative Workspace	0.369					**0.369**
Eastbourne Fisherman's Quayside & Infrastructure Development Project	1.440					**1.440**
Getting Building Fund (GBF) - Fast Track Business Solutions	3.500					**3.500**
GBF - Observer Building	0.778					**0.778**
GBF - Restoring Winter Gardens	1.324					**1.324**
GBF - Creative Hub 4 Fisher Street	0.107					**0.107**
GBF - Riding Sunbeams	1.820	0.707				**2.527**
GBF - Sussex Innovation Falmer	0.200					**0.200**
GBF - UTC Maritime and Sustainable Technology Hub	0.294	1.006				**1.300**
GBF - Accessing Charleston	0.330					**0.330**
Communities, Economy & Transport Gross	**52.312**	**61.769**	**43.838**	**43.445**	**224.652**	**426.016**
Scheme Specific Funding	(12.532)	(6.473)	(4.683)	(5.293)	(1.595)	(30.576)
Communities, Economy & Transport Net Expenditure	**39.780**	**55.296**	**39.155**	**38.152**	**223.057**	**395.440**
Total Programme Gross	**88.219**	**101.899**	**77.088**	**78.892**	**406.781**	**752.879**
Total Scheme Specific Funding	**(19.528)**	**(7.881)**	**(7.989)**	**(6.793)**	**(4.045)**	**(46.236)**
Total Programme Net of Specific Funding	**68.691**	**94.018**	**69.099**	**72.099**	**402.736**	**706.643**

(A) House Adaptations (Adults and Children's): House adaptations are included for the three-year programme in line with the MTFP period, funded by contribution from reserve therefore having a net nil impact. This allows the budget to be more reflective of demand rather than representing a budget allocation that continuously slips with any variations to be managed through the RPPR process and reserve policy.

(B) SALIX Contact Property: This investment in energy efficiency across council buildings is fully funded by recycled loans and the £0.350m per year represents estimated repayments for targeted investment (this will vary depending on opportunities identified).

(C) Schools Basic Need: An update on the emerging ten-year school basic need capital strategy for the whole county to 2031/32 has been assessed, taking account of the potential impacts on education provision of the developing Wealden District Council (WDC) Local Plan. The analysis looks at the impact on early years, primary and secondary school places in areas where significant levels of new housing are proposed, resulting in an estimated funding requirement of £39.2m in addition to the £75.1m currently in the capital programme. The increase funding is to provide up to an additional 6.5FE (form entry) early years/primary places compared to current plans. To not provide for school basic need programme would mean the council would not fulfil its statutory duty to ensure there are sufficient good school places for all pupils.

The proposals relate to predicted numbers and are required to meet statutory duties. Identified intervention is based on data, both in terms of numbers of classes and location. No significant equality impacts are identified. Uncertainties about impacts of Covid-19, proposed new housing developments and normal demographic fluctuations mean that data will continue to be monitored and changing needs mapped (including in relation to SEND pupils). Specific action to ensure any planned alterations in schools or additional provision are accessible and meet the needs of children sharing specific characteristics will need to be built into more detailed plans when these are developed in coming years.

The assumptions for Schools Basic Need Allocation grant have been updated to reflect newly announced allocations and estimates based on updated forecast for pupil places required. The School Basic Need allocation to support the provision of new school places in 2022/23 has increased by £2.368m compared to original assumptions, however, despite the SBN programme ambition increasing by £39.2m, the net increase in grant estimates over the programme is only an increase of £3.293m. This is due to estimates in 2023/24 and 2024/25 being reduced based on initial modelling, and in later years to reflect reducing level of grant as a percentage of expenditure reducing over time.

(D) SEND Provision: The current capital budget allocation for Special Education Need provision is £3.2m over the MTFP period, however, this continues to be an area of pressure for local authorities. The latest SEN forecasts show a greater increase in numbers of pupils with Education, Health and Care Plans (EHCPs) presenting with a broad range of needs including Autistic Spectrum Disorder (ASD), Social, Emotional and Mental Health (SEMH) and Profound and Multiple Learning Difficulties (PMLD). It is forecast that the need to provide for already budgeted places in the MTFP period can be funded from the existing budget, however there are likely longer-term requirements with significant financial implications directly as a result of increased housing within the developing WDC Local Plan.

The Council has received notification of new High Needs Provision Capital Allocations (HNPCA) funding of £1.274m in 2021/22 to provide for new places or improved provision for pupils and students with high needs. The HNPCA funding has been allocated to local authorities proportionally based on the estimated share of future growth in the high need pupil population, with a mechanism to ensure that all authorities receive at least £0.500m. Funding for years beyond 2021-22 was announced as part of the Spending Review 2021, however the methodology or approach to future grant allocations have not been provided at this stage; the capital programme has been updated to assume at least £0.500m (the funding floor for each authority under current methodology) each year of the MTFP programme beyond 2021/22. This provides a total of £2.774m additional grant to meet SEND need.

(E) **SEND Provision (Grove Park / Beacon Academy):** In order to fulfil emerging additional SEND need, it is proposed that the provision of additional SEND places at Grove Park special school be provided, together with the addition of a nursery at Grove Park, to provide important additional capacity in the north of the County. The cost of these proposals is estimated at £19.1m. To not provide additional SEND places would result in continuing to rely on the independent sector for the expected increase in need, having a significant impact on the council's revenue budget estimated to be £21.3m over ten years (before considering the cost of transport) compared to internal provision, and therefore demonstrating value for money.

This is a large value project with a number of risks and options that need to be worked through. It is proposed that this project (and future large value SEND projects) be reported via a business case to CMT and on to Cabinet, and has additional governance in place (e.g., a project working group / sub-group) in addition to the current Gateway process.

(F) **Capital Building Improvements (Schools):** The budget represents estimated grant received, thereby having a net nil impact on the programme. This work is currently done on the basis of priority one (health and safety) works; identified via condition reports, and essential safeguarding risk mitigation. This is a cash limited budget and therefore category 1 priority works are completed on a 3-year cycle.

(G) **Capital Building Improvements (Corporate):** This work is currently done on the basis of priority works; identified via condition reports as essential to meet health and safety requirements of corporate assets. There is no specific funding provided for this need and it is therefore funded via borrowing. This is a cash limited budget and therefore category 1 priority works are completed on a 3-year cycle. Pressures arising from academy ambitions are also funded here, therefore reducing the available investment for County Council operational buildings.

(H) **IT&D Strategy Implementation:** 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. The update presents an extension of the programme of 2 years to maintain the 10-year planning horizon. Estimates provided of £8.6m in 2030/31 and £9.9m in 2031/32 to cover basic need items. There is no specific funding provided for this need and it is therefore funded via general internal resources.

- Compliance (£1.0m in 2030/31; £0.4m in 2031/32)
- Cyber Defence (£0.9m in 2030/31; £0.6m in 2031/32)
- IT core provision (£4.2m in 2030/31; £0.9m in 2031/32)
- Staff Technology Refresh (£2.5m in 2030/31; £8.0m in 2031/32)

(I) **Schools Delegated Capital:** This budget represents capital works delegated to schools through specific DfE Devolved Formula Capital grant funding and other contributions from schools, therefore having a net nil impact on borrowing. This programme has been extended within the MTFP period so it is reflected in the programme, with a proposed budget based on historic annual costs.

(J) **Integrated Transport Schemes:** The integrated transport programme delivers the objectives of the County's Local Transport Plan, which is complemented by five-year implementation plans, delivering priority schemes. The programme is provided at grant level, supported by external funding (such as S106 and CIL) approved via variations to the programme and has been extended to 2031/32 based on estimated grant levels.

The budget also includes annual revenue contributions of £150k (2021/22 to 2023/24) and £100k (2024/25 onwards) to support the programme. These revenue contributions are to be removed, with a corresponding reduction in capital expenditure, thereby having a net nil impact on the programme. This would reduce the amount of capital budget from internal resources available to deliver implementation plans, however, it is anticipated that repurposing the revenue budget towards 'pipeline' activity will support progression of schemes and the leveraging of additional external funding towards unfunded priority schemes.

(K) Highways Maintenance (includes plus 3% normal inflation annually on roads): The Highway Maintenance budget includes carriage resurfacing as well as capital maintenance of footways, drainage replacement, street signs and street furniture, crash barriers and soft landscaping (trees and verges). The budget has been extended to maintain current condition target levels including annual normal inflation increases of 3% annually, being greater than the level of grants received. Highways Maintenance covers a number of specific areas:

- **Highways Structural Maintenance**: The programme was modelled to maintain the Council's currently agreed road condition targets and 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.
- **Bridges/Structures Strengthening**: Investment in these assets is for priority health and safety works and is maintained at current levels to ensure the safety of road users.
- **Street Lighting & Traffic Signals:** Investment in these assets is for priority health and safety works and is maintained at current levels to ensure the safety of road users.

It is anticipated that this would protect against any decline in the condition of these highway assets, which could lead to the loss of the DFT incentive grant and an increased level of third party claims, putting further pressure on limited resources.

Most highways maintenance and repairs identified throughout this paper do not have significant equality impacts, but issues relating to street lighting, pavement condition and clear signage have the potential for disproportionate impacts on people sharing specific characteristics (specifically age, disability). Prioritisation of repairs is based on assessment of physical condition, focused on avoiding health and safety concerns. The completed detailed condition surveys enable assessment of places and assets that are in greatest need of repair and where risks to health and safety are identified. No further EqIA is needed on these proposals. EqIA on the Highway's reprocurement process will identify and address equality impacts arising from implementation of these principles.

The Department for Transport (DfT) announced the allocation of highways maintenance funding to local authorities for the financial year 2021/22 in February 2021, plus a more recent announcement was made of additional funding towards traffic signal maintenance and upgrading schemes. The Council's share being £13.525m, which represents an increase of £3.189m compared to that originally assumed in the capital programme. Although funding in 2021/22 has increased, the 'block' element, which has historically had multiple year settlements and is usually used for longer term planning purposes, has reduced over time, with the remaining funding made up of time-limited funds.

Details provided at the Spending Review 2021 did not give any clear indication of future years allocations or funding formula. Further updates to Formula Grant assumptions will be made once the detailed implications of announcements as part of the Spending Review 2021 are known, noting that changes in funding formula could change the level of grants anticipated and impact on the level of borrowing required.

(L) Highways Basic Need Uplift: Carriageway condition continues to exceed the Council's performance targets of 8% (A Roads), 9% (B&C Roads), 15% (Unclassified) being of "red" condition. Modelling predicts that whilst the current level of investment is sufficient to stem the rate of deterioration in the short term, roads will deteriorate faster in the medium to long term. However, it is not until 2027 that road condition is predicted to decline below (be worse than) the current performance targets.

To stem the rate of deterioration, and change the current basic need target to maintain current road conditions of 4% (A Roads), 4% (B&C Roads), 14% (Unclassified) being "red" over the next 10 years, would require investment of a further additional £3.1m per year.

(M) Highways Structures – Essential Maintenance: The current approved programme for highways structures was set at a level to support priority health and safety works to ensure the safety of road users, however noting that structures would increasingly become "at risk", at which point there would be options available to manage the position, ranging from ongoing monitoring to load restriction or full closure. Since the current budget was approved in 2020, the need for essential project specific expenditure totalling £6.5m for safety purposes over the next five years has been identified, relating to the following highest priority structures:

- Refurbishment and painting of Newhaven Swing Bridge (£1.1m)
- Iden Lock bridge bearing replacement (£1.3m)
- Shinewater bridge bearing replacement and refurbishment (£4.1m)

(N) Street Lighting – Essential Maintenance: The Council invests in the annual maintenance of streetlights and traffic signals, to ensure that stock is adequate to meet the needs of maintaining safe roads and is replaced with modern, energy efficient alternatives at the end of its useful life. Additional investment is needed to address a backlog of life-expired street lighting columns, totalling an additional upfront £8.8m over four years.

Street Lighting - Reduced Annual Requirement: Addressing the backlog as described above would enable the future capital budget requirement for street lighting to be reduced from £1.5m to £0.8m per year from 2026/27 onwards, whilst maintaining the current basic need principles of ensuring stock is adequate to meet the needs of maintaining safe roads.

(O) Rights of Way: The County Council has a statutory duty to maintain bridges and path surfaces so that they can be safely used by the public. The proposed level of investment is at current levels, increased for normal inflation of 3% annually. There is no funding to support this investment need so it is all funded from internal resources.

(P) Climate Emergency Works: To reach carbon net zero by 2050 at the latest in an appropriate and cost-efficient way, extensive works to decarbonise ESCC's estates operations will be necessary.

One off funding in 2021/22 has been approved to kick start carbon reduction. This includes revenue investment in specialist staff, commissioning net zero modelling, solar PV and low energy lighting schemes and to decarbonise when replacing boilers in the planned programme of replacement works, over the next 2 years.

Within the proposed programme an annual investment of £3.0m per annum over the life of the MTFP has then been included, it is anticipated that this will add to the 2021/22 investment by continuing to (a) support the current programme and uplift planned critical works from like-for-like replacements to those achieving a greater level of decarbonisation. For example, transitioning away from gas-fed heating systems and the use of energy efficient lighting. (b) Future proofing the estate by enabling works that will facilitate later delivery of decarbonisation, for example, the upgrading of insulation sufficient to enable later installation of air source heat pumps or uplifting the cost of roofing works to ensure the loading capacity can sufficiently cater for PV insulation and/or roof-positioned plant associated with switching to heat pumps (or other) and solar panels. (c) Decarbonisation projects which can demonstrate operational and financial benefit and/or decarbonisation opportunities taken to enhance the current approved programme, likely to be best suited to support larger capital building projects. (d) to support planning application requirements where reasonable adjustments are requested that facilitate carbon reduction across the Councils estate but also across East Sussex, for example the installation of vehicle charging points or solar panels. (e) Supporting the outcome of the net zero modelling.

Proposals outlined are not assessed as having impacts on people sharing legally protected characteristics. Any specific future proposals for changes in regard to staff changing (for example) commuting patterns will need to take account of specific needs, such as reliance on private vehicle use for some disabled people. No further EqIA needed on these proposals.

(Q) Reports were approved at Cabinet in November that set out proposals to spend identified one off funding on highways and climate change:

- **Climate Emergency Work:** An investment bid towards one-off resources for additional budget to support the council's climate emergency works. This includes £0.768m capital investment in-year (2021/22) funded from existing resources (underspending within the CET department) and £2.819m capital investment in 2022/23 funded from a reserve established for one-off investment.
- **Highways Investment Bid - Visually Better Roads:** An investment bid for one-off resources of £5.8m towards additional highways investment, in addition to current condition target-based budgets. This includes investment in addressing non-intervention level potholes, maintaining the current condition of pavements, increasing the regularity of refreshing road marking and replacing aging road signs to visually improve highway assets.

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Equality Impact Assessment for CAPITAL PROGRAMME 2022-23 to 2031-32

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, ethnicity, gender reassignment, pregnancy/ maternity, religion or belief, sex 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, where relevant.

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 people in relation to their 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 have 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, as identified, of agreeing this capital programme. Specifically, Members need to take account of what the potential impacts of spending on this proposed programme will be for the communities in East Sussex, and take the same account of equality impacts if proposing amendments or alternative spending. 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, with due reference to equality impacts. Where further assessment of equality impact is needed to assess more detailed plans, this has been indicated, and Directors and Lead Members will need to further consider these impacts and their implications for decisions.

The EA does not require the use of a specific template for an equality impact assessment (EqIA); however the cases considering the public sector equality duty have held that a documented process is the best way to demonstrate that the equalities impacts have been identified and considered, proportionate to the impacts identified. All proposals have been assessed for their equality impacts. Where a project which was included in the Capital Programme is likely to have disproportionate impacts upon people sharing protected characteristics, officers have considered the consequences of that particular project or bid and have summarised these impacts for Members to consider and identified potential mitigating actions. Where impacts are potentially greater and a full EqIA has been conducted these are available as background documents. Members must read the full version of the EqIAs and take their findings into consideration when determining these proposals.

CAPITAL PROGRAMME 2022/23 to 2031/32	
Proposal	**Summary of equality impact assessment**
Adult Social Care	
House Adaptations (Adults): Older People's/Learning Disability (LD) Service Improvements	No disproportionate equality impacts are identified. Requests for this fund are based upon individual assessment of need, and comprehensively screened to ensure they meet the agreed defined criteria for funding. Older People's/LD Service Improvements EqIA, updated in February 2021, is attached.

Greenacres	No disproportionate equality impacts are identified. The pandemic has resulted in delays for the service to be fully tenanted, and any proposed spend or carry forward to next financial year will not impact staff or clients in any ways different to the current service model that has already been agreed. No further equality impact assessment is required.
Business Services	
SALIX Contract	No disproportionate equality impacts are identified in relation to this programme. Funding for this scheme was agreed previously. Programme relates solely to carbon reduction measures in schools and ESCC buildings, identified and prioritised based on energy consumption. No further equality impact assessment is required.
Property Agile Works	No disproportionate equality impacts are currently identified in relation to this programme. Funding for this project was agreed previously. Project is for works to County Hall car park. As part of the initial evaluation process the need for an EqIA will be considered.
Core Programme - Schools Basic Need	A full EqIA was completed in January 2021 and is attached.
Special Educational Needs (SEN)	The EqIA for the schools' basic need capital programme includes information about the need for more SEN places. In addition, we consulted parents/carers and school communities on our Special Educational Needs and Disability (SEND) place planning strategy in May / June 2021. Respondents agreed with our priorities for provision and also identified further gaps in SEND provision across the county. Schools Basic Need EqIA, completed in January 2021, is attached.

SEND Provision (Grove Park / Beacon Academy)	The EqIA for the schools' basic need capital programme includes information about the need for more SEN places. In addition, we consulted parents/carers and school communities on our SEND place planning strategy in May / June 2021. Respondents agreed with our priorities for provision and also identified further gaps in SEND provision across the county. Schools Basic Need EqIA, completed in January 2021, is attached. A full EqIA specifically for the Grove Park proposal will be undertaken if funding is approved in the capital programme
Special Provision in Secondary Schools	No disproportionate equality impacts are identified. Project has been completed. Remaining spend relates to completion costs and there are no equality impacts arising from the remaining funding. No further equality impact assessment is required.
Disability Children's Homes	Initial assessment of equality impacts identifies that changes are expected to improve provision for disabled children and young people and their families/carers. Plans for the site respond to the changing profile and needs of the disabled children and young people currently requiring full-time accommodation or respite care. There may also be changes to address current staff shortages and need to travel between locations: these plans are still in development and appropriate consultation will be undertaken. Each stage of the development process will include engagement and ongoing review of any equality impacts that are highlighted, recognising that changes in provision can have greater impacts on disabled children and young people and their families. Due to the nature of the project, the equality assessment will continue throughout, in response to feedback.
Westfield Lane (delivered on behalf of CSD)	No disproportionate equality impacts are identified. Work on Westfield Lane has been completed. Remaining spend relates to completion costs and there are no equality impacts arising from the remaining funding. No further equality impact assessment is required.

Core Programme - Capital Building improvements	No EqIA needed as spend is prioritised according to agreed Capital Programme priorities.
Core Programme - IT & Digital Strategy implementation	EqIAs have been completed in 2021 on this project and are attached.
Children's Services	
House Adaptations for Disabled Children's Carers Homes	No equality implications are identified. The Disabled Facility Grant (DFG) is allocated by central Government direct to District and Borough Councils. The grant is intended to provide for adaptations to the homes of adults and children with disabilities. Where the needs of young people cannot be met by the DFG then the councils can approach ESCC for additional capital funding (with a fixed maximum). Each application is assessed against previously agreed criteria to ensure fair allocation of resource. No further equality assessment is required.
Schools Delegated Capital	No disproportionate equality impacts are identified. Schools delegated capital is funding that comes into the LA for maintained schools and then delegated to each school via a formula to be used for small capital works. No further equality impact assessment is required.
Communities, Economy & Transport	
Broadband	No disproportionate equality impacts are identified. Equality impacts were assessed prior to contract award for each of the three infrastructure delivery contracts (2013, 2015 and 2018) and prior to becoming a “top up” funder to DCMS’s Gigabit Voucher Scheme (2020). No disproportionate impacts were identified, as eligibility is based on technical criteria relating to properties not occupiers. No further equality impact assessment is required.

Salix Solar Panels	No disproportionate equality impacts are identified. Programme relates solely to solar panel installation on ESCC buildings. No further equality impact assessment is required.
Bexhill and Hastings Link Road (BHLR)	No disproportionate equality impacts are identified. Work on the Link Road has been completed. Remaining spend relates to completion costs and there are no equality impacts arising from the remaining funding. No further equality impact assessment is required.
BHLR Complementary Measures	Equality Impact Assessments are completed for each scheme in this programme. Impacts may vary according to the detail of the project.
Economic Intervention Fund - Grants	No disproportionate equality impacts are identified. Grants are offered to expanding or relocating businesses, thus the applicants are generally established companies. Efforts to improve equality access earlier in the business life cycle, at pre-start or start-up stage, are addressed elsewhere in the Economic Development service. An EqIA is not required at this time but this will be reassessed at the point of re-contracting (2023).
Economic Intervention Fund - Loans	No disproportionate equality impacts are identified. The ESI Loan fund is a revolving self-financing fund from an original allocation from the capital programme and the Government's Regional Growth Fund eight years ago. As with the grants it is aimed at supporting existing businesses grow or relocate to the county and is delivered in partnership with Locate East Sussex, our commissioned Inward Investment service. No further equality impact assessment is required.

Stalled Sites	No disproportionate equality impacts are identified. This is a residual fund originally allocated in 2015. It is open to owners of sites that are undeveloped due to difficult site constraints and helps with funding site investigation and business cases and in some cases provides loans for pre-development work. The eligibility is based on the site not the owners. Applications also come from local authorities. No further equality impact assessment is required.
Upgrading Empty Commercial Properties	Project now closed. Remaining spend relates to completion costs and there are no equality impacts arising from the remaining funding. No further equality impact assessment is required.
Community Match Fund	Equality Impact Assessments are completed for each project within this fund. Impacts may vary depending on the project funded. Funding for this scheme was agreed previously. Funding allocation is per agreed annual spend and follows agreed spend criteria.
Newhaven Port Access Road	No disproportionate equality impacts are identified. Note: this project is concluding and has followed previously agreed plans. No further equality impact assessment is required.
Real Time Passenger Information	No disproportionate equality impacts are identified. The project is now nearing completion. No further equality impact assessment is required.
Queensway Depot Development (Formerly Eastern)	No disproportionate equality impacts are identified. The project is to develop a new building. Any requirements in relation to building accessibility will be considered in planning stages. No further equality impact assessment is required.
Hailsham Household Waste Recycling Site (HWRS)	No disproportionate equality impacts are identified. The project relates solely to an expansion of the site. No further equality impact assessment is required.

The Keep	1. Internal maintenance, flooring and furniture: No equality impacts are identified as there will be no changes to accessibility within the building. No further assessment required. 2. Building Maintenance System (BMS): No equality impacts are identified as the BMS regulates only temperature and humidity of building. No further assessment required. 3. Foyer improvements: Changes to physical layout have the potential to impact on disabled people and others with limited mobility. An EqIA will be completed as part of the planning process to ensure ongoing accessibility of the physical layout. This will also allow exploration of options for wider engagement with groups and communities. 4. There is potential for some impacts on disabled people in relation to access to and exit from the alternative research spaces, but proposed mitigations minimise these impacts. A full EqIA will be completed if this proposal is accepted. 5. Security improvements: No disproportionate equality impacts are identified. No further equality assessment is required.
Other Integrated Transport Schemes	EqIAs are completed for each project in this programme. Impacts may vary according to the detail of the project. Impacts and actions are identified in the specific EqIA for each project
Exceat Bridge Replacement (Formerly Maintenance)	An EqIA was completed for this project in 2020 and is attached. Work on this project is ongoing and impacts identified in the EqIA remain accurate.
Emergency Active Travel Fund - Tranche 2	No disproportionate equality impacts are identified. Continuation of agreed programme is to upgrade existing cycling and walking routes. No further equality impact assessment is required.
Core Programme - Libraries Basic Need	No disproportionate equality impacts are identified at this time. An EqIA will be completed for each refurbishment once initial scoping has been completed. This would allow for any alterations to be made prior to full specifications being drafted for tender and would ensure that we have an accurate assessment of works proposed.

Core Programme - Highways Structural Maintenance	No disproportionate equality impacts are identified. Maintenance of public highways and public rights of way across the county is a statutory requirement of the County Council under the Highways Act. Priorities are defined based on the overarching principle of ‘Asset Condition’, which 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. All potential projects are assessed against agreed criteria. No further equality impact assessment is required.
Core Programme - Bridge Assessment Strengthening	No disproportionate equality impacts are identified. As traffic continues to increase on our roads there is requirement for a programme of bridge strengthening and replacement to ensure they remain safe. Priorities are defined based on the overarching principle of ‘Asset Condition’, which 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. All potential projects are assessed against agreed criteria. No further equality impact assessment is required.
Core Programme - Street Lighting and Traffic Signals - life expired equipment	No disproportionate equality impacts are identified. Programme ensures 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. Also ensures that the maintenance of traffic signals is adequate to meet the needs of maintaining safe roads and that meet the needs of all users. Priorities are defined based on the overarching principle of ‘Asset Condition’, which 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. All potential projects are assessed against agreed criteria. No further equality impact assessment is required.

Highways Structural Maintenance – Basic Need Change	Equality assessment as for Core Programme - Highways Structural Maintenance, above.
Bridge Assessment Strengthening – Essential Maintenance	Equality assessment as for Core Programme - Bridge Assessment Strengthening, above.
Street Lighting Backlog	Equality assessment as for Core Programme - Street Lighting and Traffic Signals - life expired equipment, above.
Core Programme - Rights of Way Surface Repairs and Bridge Replacement Programme	No disproportionate equality impacts are identified. Programme maintains and protects the public's right to use the 2000 miles (3,500km) of footpaths, bridleways and byways in East Sussex. Priorities are defined based on the overarching principle of ‘Asset Condition’, which 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. All potential projects are assessed against agreed criteria. No further equality impact assessment is required.
Highways Investment Bid	Improved condition of road markings/lines/signs may be of benefit to visually impaired cyclists and pedestrians and also to some drivers as they will all be easier to read. Whilst older and disabled people might use all pavements across the county, and therefore this is not a specific criterion in the prioritisation of maintenance, the condition of pavements does potentially have significant disproportionate impacts on older and disabled people. Improvements here will enable more independence and reduce trips and falls. All projects will still be assessed and prioritised on an objective basis, against Council maintenance policies, and using the Council’s Asset Management approach to maintenance. No further equality impact assessment is required.

Climate Emergency Works	No disproportionate equality impacts are identified. Proposals relate to reducing the County Council's own corporate carbon emissions. No further equality impact assessment is required.
Local Enterprise Partnership (LEP)/South East Local Enterprise Partnership (SELEP) schemes	LEP funding is allocated for specific, defined projects, and the council's role in these varies, whether that be lead, partner or funding manager. In the course of the development of the project business case and the delivery of the project, the promoting local authority ensures that any equality implications are considered as part of their decision-making process and where possible identify mitigating factors where an impact against any of the protected characteristics has been identified. Criteria for some funding is set externally (for example, by government) and cannot be influenced by the council. Teams will continue to ensure that equality impacts and actions are identified in LEP funded projects as appropriate, in line with the council's role in the projects and the scope to influence. Projects where the County Council is the lead will be subject to the same EqIA processes that apply to all projects in the capital programme.

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Capital Strategy 2022/23 to 2042/43

East Sussex County Council

Date: Last Approved February 2021

Document summary

With a scope of 20 years, the Capital Strategy 2022/23 to 2042/43 sets the framework in which the capital programme is planned and allows the Council to prioritise the use of resources to support the long-term priorities.

Contents

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, set out under the following priority outcomes:

- 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:

Legislation

Local Government Act 2003

- Chapter 1:
    - 1.1 – Power to Borrow
    - 1.3 – Affordable borrowing limit
    - 1.12 – Power to invest
    - 1.15 – Regard to guidance issued

Professional Codes

CIPFA Professional Codes

- Prudential Code 2021
- Treasury Code of Practice 2021

Guidance

Government and CIPFA guidance

- Minimum Revenue Provision 2018
- Local Government Investments 2018

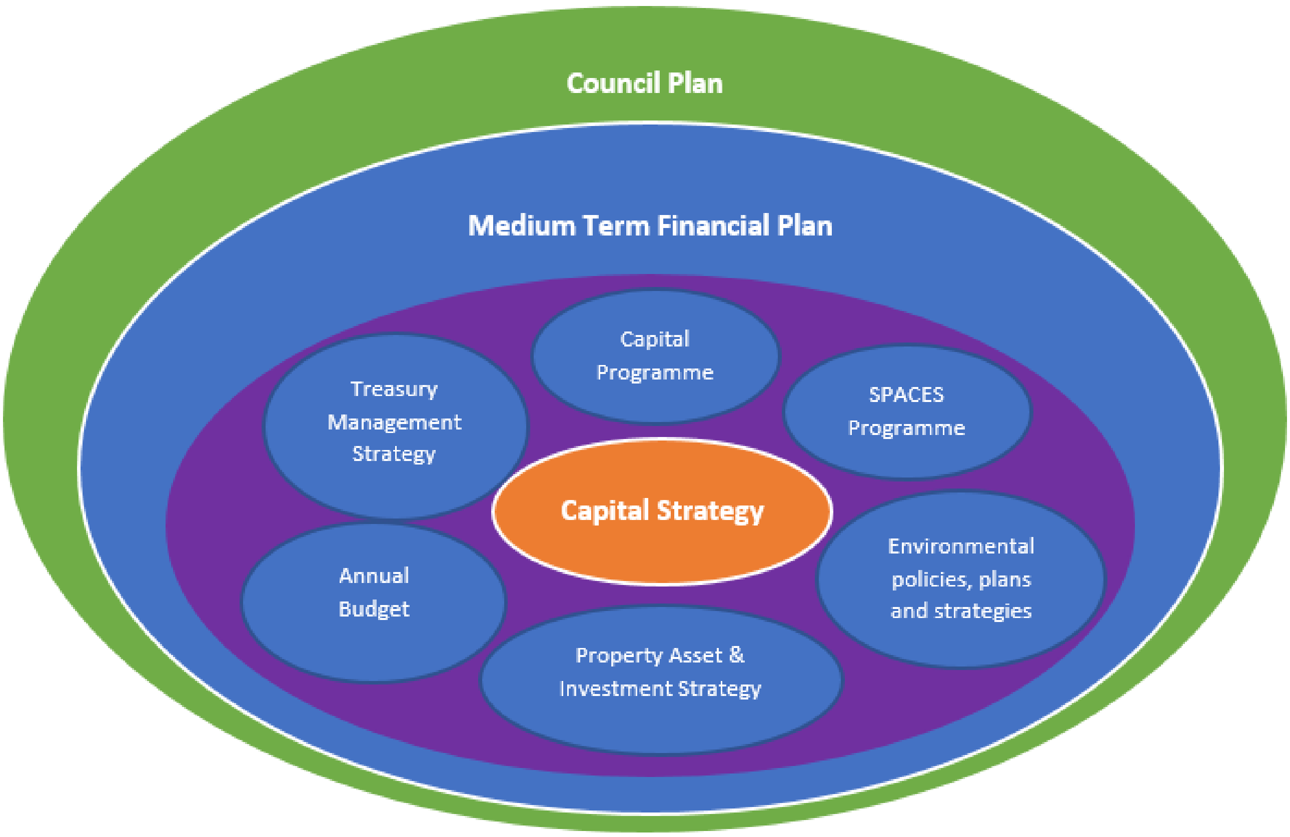
2.2 In response to a growing number of authorities increasing their use of non-financial investments (such as commercial property portfolios) to generate income to compensate for reducing resources supporting the delivery of their core services, the Prudential Code was updated in 2017. The revised code 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 2021 Treasury and Prudential Code, 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 Council's 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	Description
Council Plan	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.
Medium Term Financial Plan	The Medium Term Financial Plan covers up to the next three years, it is updated each year to encompass any economic or political impacts.
Capital Planned Programme	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.
Annual Budget	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.
Treasury Management Strategy	Setting out the acceptable limits on ratings, investment periods, amounts to be invested and the borrowing strategy.
Property Asset & Investment Strategy	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)	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	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.
Capital Strategy	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.

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 Borough 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.

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. T**he approach to providing funding for capital is set out in section 5 of this strategy**;**

- **Prioritise the implementation of key risk management tools.** Including the liability benchmark, an additional prudential indicator into the 2022/23 Treasury Management Policy and Strategy and follow the core principles of the codes;

- **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 provided below, and further detail is provided in in Appendix A*:*

- **Place:** ensuring we can deliver services by planning for future need.
- **Asset Condition:** maintaining our assets to an agreed level.
- **ICT Strategy:** ensure that our ICT is fir for purpose for delivering modern council services in a digital era and protecting data.
- **Climate Change:** supporting the Council's aim of reaching carbon neutrality from our activities as soon as possible and in any event by 2050 in an appropriate and cost-efficient way.

4.6 **Investment Projects** - In addition to the basic need programme the Council will consider business cases where a clear payback or funding stream can be demonstrated. Any payback will reduce borrowing in the year it is received and contribute to the sustainability of the programme.

4.7 **Capital Loans –** Where loans to third parties that are being used to fund expenditure that is classed as capital in nature, the loans will be accounted for as capital expenditure and will therefore be approved as part of the capital programme. Capital loans to third parties will only be considered where there is an agreed terms of repayment, and repayments will be treated in accordance with the Council's Treasury Management 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 annual 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 or borrowing or capital receipts, then such grants will be used to reduce the use 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. The capital strategy will seek to maximise the use of Infrastructure Contributions to fund basic need requirements and unfunded infrastructure schemes (via net nil variation), and for future planning purposes, the capital programme will include a reasonable funding target for future years. This target has an inherent risk of not being secured, and will therefore be reviewed annually for reasonableness and, if necessary, actions taken to reduce the target whilst not increasing the need to borrow.

- **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. The purpose of the Capital Reserve is to support the Council's Capital Programme and to reduce the need to borrow. This funding source will be prioritised where possible and appropriate 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.
- **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 are 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. Equalities Impact

7.1 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.

7.2 The protected characteristics set out in the EA are age, disability, race, pregnancy/ maternity, religion or belief, sex, 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.

7.3 This means that in setting the Capital Programme, the three equality aims set out above have to be considered as a relevant factor alongside financial constraints and all other relevant considerations. The EA does not require a specific template or format for this assessment however, cases considering the public sector equality duty have held that an Equality Impact Assessment (EqIA) is the best way to demonstrate that the equalities impacts have been identified and considered.

7.4 Where a capital project is added to the Capital Programme, officers will demonstrate that the equalities impacts have been assessed and considered by carrying out an initial high level EqIA. This will identify whether a further EqIA is required if the proposal is agreed. Where EqIAs are in place for existing projects in the capital programme, these must be reviewed and refreshed annually as part of the RPPR process.

8. Debt, Borrowing and Treasury Management

8.1 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.

8.2 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.

8.3 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).

8.4 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.

8.5 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 currents 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.

8.6 The Treasury Management revenue budget currently holds capacity due to the following items, but it is anticipated that this capacity will dimmish and cease over time as the need to borrow to finance the capital programme increases.

- Capacity is held for a capital programme risk provision (approved annually as part of the RPPR process).
- Slippage in the capital programme will create temporary capacity in MRP budgets.
- The Treasury Management Strategy seeks to maximise return on investments (commensurate with the Council's risk appetite) and allow for an appropriate level of internal borrowing.

Subject to annual consideration as part of the Council monitoring process, any underspends within the Treasury Management revenue budget will be reinvested into the capital programme (managed through the Capital Reserve), to reduce the need to borrow and significantly increase the Treasury Management revenue budget in the future.

9. Commercial Activity

9.1 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.

10. Governance

10.1 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.

10.2 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.

10.3 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.

10.4 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.

10.5 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.

11. Risk

11.1 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.

11.2 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.

11.3 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.

11.4 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.

11.5 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.

11.6 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).

11.7 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.

12. Skills and Knowledge

12.1 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 activities and is a qualified accountant.

Appendix 1: Basic Need Definitions

Place

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:

Schools Basic Need Programme

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.

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.

Special Educational Needs and Disability (SEND) Place Planning

Local authorities have a statutory duty to ensure there are sufficient good school places for all pupils, including for those with Special Educational Needs and Disabilities (SEND). Provision is an area of pressure for the Council, with forecasted growth in need through to 2030.

SEND requirements will be considered on a business case basis giving consideration of alternative provision (such a providing within the independent sector) and the ongoing impact on revenue budgets to ensure value for money before being approved as basic need, and a formal governance process via gateways.

Economic Development including Place Shaping

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.

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.

House Adaptations

House adaptions 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).

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.

Integrated Transport

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.

Climate Change

To achieve the Council’s aim of reaching carbon net zero by 2050 at the latest in an appropriate and cost-efficient way, extensive works to decarbonise ESCC’s estates operations will be necessary. The capital strategy will support an annual programme of energy efficiency projects linked to capital maintenance programmes, and consider the identification of additional resources required to meet actions identified in climate emergency plans, based on a robust process for identifying, prioritising and delivering projects.

Asset Condition

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:

Highways Structural Maintenance

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.

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. The capital strategy will support the basic need target of maintaining road condition at 4% (A Roads), 4% (B&C Roads), 14% (Unclassified) being in “red” condition, based on a method of survey and analysis prescribed by the Department for Transport.

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.

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.

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

Bridge Strengthening/Street Lighting/Traffic Signals

As traffic continues to increase on our roads there is requirement for a programme of bridge strengthening and replacement to ensure they remain safe.

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.

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.

Rights of Way

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

Real Bus Information

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.

Building Maintenance - schools

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 section above.

Building Maintenance – non schools

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.

Libraries

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

Energy Efficient Projects

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

IT&D Strategy Programme

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.

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.

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.

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.

Appendix 2: 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?

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Appendix 9 - Fees and Charges over 2.5% for those identified at Q3 2021/22 as part of RPPR

Dept	Service	Description	Current (£)	Proposed (£)	Movt (£)	Movt (%)
Children's Services	PT22 Trade Union Facilities Scheme - cost recovery for TU release time.	Price per pupil	2.64	2.76	0.12	4.5%
Children's Services	Performance Improvement: Training Courses – This service provides a range of training to schools across East Sussex. It also hires out equipment.	EVC Non SLA Central (pp)	180.00	200.00	20.00	11.1%
		EVC SLA Central (pp)	122.00	140.00	18.00	14.8%
		EVC update Non SLA Central (pp)	120.00	150.00	30.00	25.0%
		EVC Update SLA Central (pp)	80.00	100.00	20.00	25.0%
		Visit Leader Non SLA (theory/practical) (pp)	180.00	200.00	20.00	11.1%
		Visit Leader SLA (theory/practical) (pp)	122.00	140.00	18.00	14.8%
		Visit Leader Non SLA (theory)	420.00	500.00	80.00	19.0%
		Visit Leader SLA (theory)	225.00	300.00	75.00	33.3%
		Outdoor Learning Cards Non SLA	420.00	500.00	80.00	19.0%
		Outdoor Learning Cards SLA	225.00	300.00	75.00	33.3%
		Governor / Mgt Bd Roles / Resp Non SLA	120.00	150.00	30.00	25.0%
		Governor / Mgt Bd Roles / Resp SLA	84.00	100.00	16.00	19.0%
		Exeant and Risk Assessment SLA	115.00	125.00	10.00	8.7%
Children's Services	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 HS checks on businesses hosting a student.	Work Experience Service - Academic Year Subscription	310.00	350.00	40.00	12.9%
		Health and Safety Assessment and Support (Subscriber rate)	15.50	16.00	0.50	3.2%
		Bespoke matched placements (Subscriber rate)	68.00	70.00	2.00	2.9%
		Health and Safety Assessment and Support (Non Subscriber rate)	25.00	26.00	1.00	4.0%
		Matched Placement Service (Non Subscriber rate)	62.00	64.00	2.00	3.2%
		Out of Area Health and Safety Check (student coming in to ES)	62.00	64.00	2.00	3.2%
		Out of Area Health and Database Check (student coming in to ES)	32.00	34.00	2.00	6.3%
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.	Surcharge for AMP/Registrar's Office (RO) ceremony 5.01pm-9.59pm	175.00	195.00	20.00	11.4%
		Surcharge for AMP/RO ceremony 10pm-8.59am	275.00	295.00	20.00	7.3%
		AMP Licencing (3 years)	2,095.00	2,195.00	100.00	4.8%
		RO Marriage/Civil Partnership (CP) - Mon-Thu	155-375	165-385	10.00	2.7%-6.5%
		RO Marriage/CP - Fri	280-500	290-510	10.00	2.0%-3.6%
		RO Marriage/CP - Sat	280-500	290-510	10.00	2.0%-3.6%
		RO Marriage/CP - Sun	320-500	330-510	10.00	2.0%-3.1%

Appendix 9 - Fees and Charges over 2.5% for those identified at Q3 2021/22 as part of RPPR

Dept	Service	Description	Current (£)	Proposed (£)	Movt (£)	Movt (%)
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.	Accredited Financial Advisor Advice. This increase brings the fee to a rate that covers the additional costs of maintaining a Financial Investigator.	50.00	82.00	32.00	64.0%
Communities, Economy and Transport	ROW & Countryside Parks - Various income streams at resulting from enforcing Rights of Way access and income from activities at our Countryside Parks.	RoW s31 deposit	376.00	387.00	11.00	2.9%
		RoW s31 declarations for renewing declarations	172.00	177.00	5.00	2.9%
		RoW s31 declarations for additional optional documents	57.00	59.00	2.00	3.5%
		Public Path diversions - S.119 Highways Act	2,550.00	2,626.00	76.00	3.0%
Communities, Economy and Transport	Transport Development Control. The team is responsible for: -Providing highway authority advice in the preparation of Local Plans by Borough & 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.	Design Check & Inspection fee for Sec 278 legal agreements. Includes Highways Act (also includes Traffic Signs fee), Construction Traffic Management Fee and Traffic regulation order.	305.00	315.00	10.00	3.3%
			510.00	525.00	15.00	2.9%
		Pre-application service for planning applications:				
		11-30 Dwellings	450.00	465.00	15.00	3.3%
		31-50 Dwellings	900.00	930.00	30.00	3.3%
		51-80 Dwellings	1,365.00	1,405.00	40.00	2.9%
		81-199 Dwellings	2,240.00	2,310.00	70.00	3.1%
		200+ Dwellings	3,195.00	3,290.00	95.00	3.0%
		CON29 searches in relation to property transactions. Methodology for calculating the rate is set out by government and the outcome of court cases:				
		Related to small scale developer-led highway works which do not warrant a full legal agreement, licenced under S171 Highways Act - 10% of works cost subject to min fee as presented right.	295.00	305.00	10.00	3.4%
		Highway Extent and related queries:				
		Highway Extent queries - for provision of a highway extent and plan which can involve investigation	35.70	37.00	1.30	3.6%
		Copy Agreement - is for electronic copies of either a Sec 38 or Sec 278 agreement	10.70	11.00	0.30	2.8%

Appendix 9 - Fees and Charges over 2.5% for those identified at Q3 2021/22 as part of RPPR

Dept	Service	Description	Current (£)	Proposed (£)	Movt (£)	Movt (%)
Communities, Economy and Transport	Transport Monitoring - speed surveys and traffic counts.	12 hr one camera classified turning count (CTC)	535.00	549.00	14.00	2.6%
		12 hr multiple camera CTC	945.00	975.00	30.00	3.2%
		12 hr link survey (single carriageway)	270.00	279.00	9.00	3.3%
		12 hr link count (dual carriageway)	360.00	374.00	14.00	3.9%
		12 hr CTC with pedestrians	630.00	649.00	19.00	3.0%
		12 hr single pathway pedestrian & cyclist count	299.00	310.00	11.00	3.7%
		12 hr two pathway pedestrian & cyclist count	475.00	489.00	14.00	2.9%
		7 day temp automatic survey	410.00	422.00	12.00	2.9%
		12 hr journey time survey with 2 timing points	750.00	779.00	29.00	3.9%
		12 hr journey time survey with 4 timing points	1,500.00	1,545.00	45.00	3.0%
		Manual journey time, 2 vehicle split day	850.00	875.00	25.00	2.9%
		Sale of pre-existing dataset	95.00	98.00	3.00	3.2%
Communities, Economy and Transport	Traveller Sites in Hailsham, Maresfield, Polegate, Robertsbridge and Bridies Tan.	Rentals - all sites except Bridies Tan	66.11	68.00	1.89	2.9%
		Rental - Bridies Tan	54.00	64.00	10.00	18.5%
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.	Land Searches	14.00	16.00	2.00	14.3%
		Data provision	113.42	130.00	16.58	14.6%
		Pre application hourly review	97.52	110.00	12.48	12.8%

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Council Monitoring Corporate Summary – Q2 2021/22

Council Plan performance targets

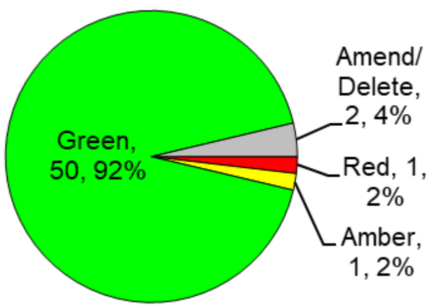
Priority	Red	Amber	Green	Amend /Delete
Driving sustainable economic growth	0	3	19	0
Keeping vulnerable people safe	1	1	8	0
Helping people help themselves	0	3	15	0
Making best use of resources in the short and long term	0	0	3	1
Total	**1**	**7**	**45**	**1**

Q2 2021/22

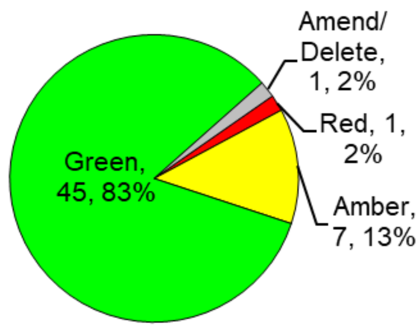
There are 54 individual measures in the Council Plan.

- Appendix 2 ASC&H – 3 Amber
- Appendix 3 BSD – 1 Amber, 1 Amend/Delete
- Appendix 4 CSD – 1 Red, 3 Amber

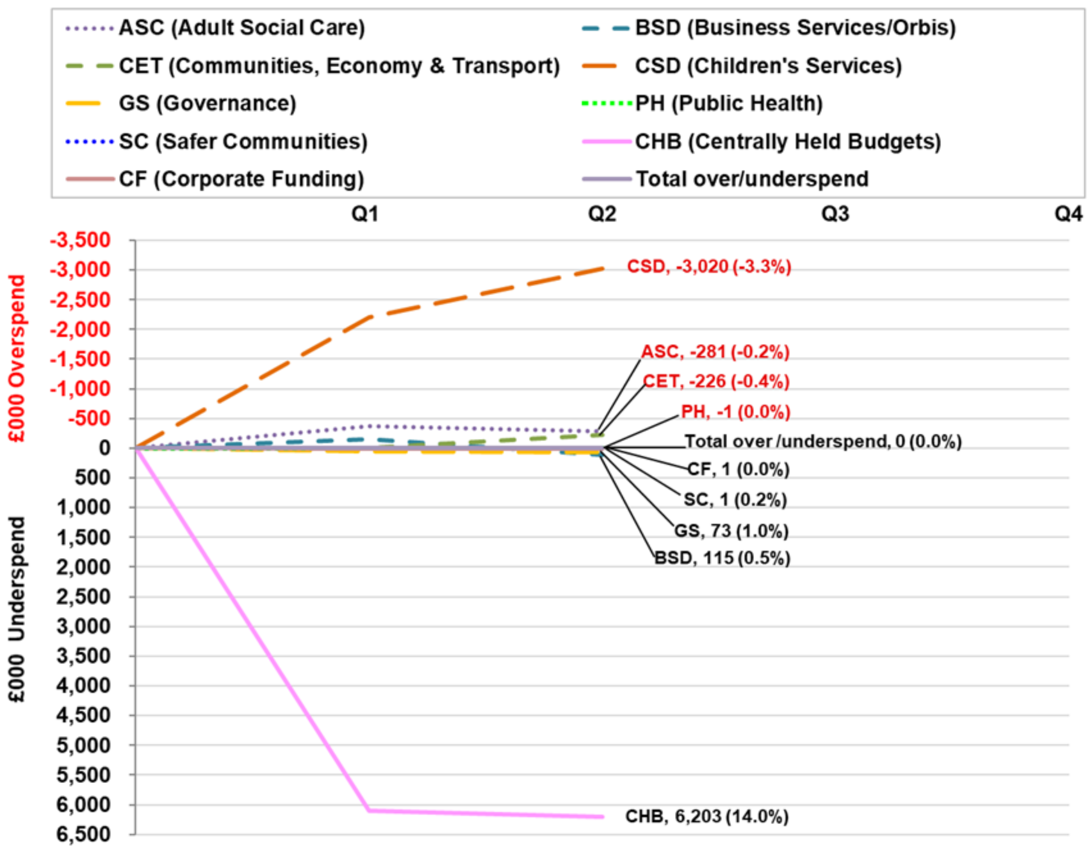
Q1 2021/22



Q2 2021/22



Revenue budget outturn (net £000)



Revenue budget summary (£000)									
Divisions	Q2 2021/22								
	Planned			Outturn			(Over) / under spend		
	Gross	Income	Net	Gross	Income	Net	Gross	Income	Net
Services									
Planned Budget									
Adult Social Care	289,194	(102,946)	186,248	308,416	(121,887)	186,529	(19,222)	18,941	(281)
Safer Communities	2,612	(2,153)	459	2,585	(2,127)	458	27	(26)	1
Public Health	30,960	(30,960)	-	29,588	(29,587)	1	1,372	(1,373)	(1)
Business Services / Orbis	53,861	(29,534)	24,327	54,822	(30,610)	24,212	(961)	1,076	115
Children’s Services	366,046	(274,325)	91,721	372,481	(277,740)	94,741	(6,435)	3,415	(3,020)
Communities, Economy & Transport	123,933	(62,053)	61,880	128,454	(66,348)	62,106	(4,521)	4,295	(226)
Governance Services	8,613	(1,429)	7,184	8,622	(1,511)	7,111	(9)	82	73
Subtotal Planned Budget	**875,219**	**(503,400)**	**371,819**	**904,968**	**(529,810)**	**375,158**	**(29,749)**	**26,410**	**(3,339)**
Covid-19 related									
COVID-19 Related Costs	1,125	-	1,125	39,845	1,371	41,216	(38,720)	(1,371)	(40,091)
Covid-19 Specific Funding	-	(1,125)	(1,125)	-	(27,915)	(27,915)	-	26,790	26,790
Covid-19 General Funding	-	-	-	(467)	(12,834)	(13,301)	467	12,834	13,301
Subtotal Covid-19	**1,125**	**(1,125)**	**0**	**39,378**	**(39,378)**	**0**	**(38,253)**	**38,253**	**0**
Total Services	**876,344**	**(504,525)**	**371,819**	**944,346**	**(569,188)**	**375,158**	**(68,002)**	**64,663**	**(3,339)**
Centrally Held Budgets (CHB)									
Planned Budget									
Treasury Management	19,909	(1,200)	18,709	17,809	(1,200)	16,609	2,100	-	2,100
Capital Programme	-	-	-	-	-	-	-	-	-
Unfunded Pensions	8,423	-	8,423	8,493	-	8,493	(70)	-	(70)
General Contingency	3,980	-	3,980	-	-	-	3,980	-	3,980
Contrib. to Reserves	2,764	-	2,764	2,764	-	2,764	-	-	-
Removed from budgets for one-off use	8,855	-	8,855	8,855	-	8,855	-	-	-
Apprenticeship Levy	600	-	600	641	-	641	(41)	-	(41)
Levies, Grants and Other	1,010	(70)	940	849	(143)	706	161	73	234
Subtotal Planned Budget	**45,541**	**(1,270)**	**44,271**	**39,411**	**(1,343)**	**38,068**	**6,130**	**73**	**6,203**
COVID-19 related									
COVID-19 Related Costs	-	-	-	563	-	563	(563)	-	(563)
Covid-19 Specific Funding	-	-	-	-	(250)	(250)	-	250	250
Covid-19 General Funding	-	-	-	-	(313)	(313)	-	313	313
Subtotal Covid-19	**0**	**0**	**0**	**563**	**(563)**	**0**	**(563)**	**563**	**0**
Total Centrally Held Budgets	**45,541**	**(1,270)**	**44,271**	**39,974**	**(1,906)**	**38,068**	**5,567**	**636**	**6,203**

Revenue budget summary (£000)									
Divisions	Q2 2021/22								
	Planned			Outturn			(Over) / under spend		
	Gross	Income	Net	Gross	Income	Net	Gross	Income	Net
Corporate Funding									
Planned Budget									
Business Rates	-	(77,195)	(77,195)	-	(77,195)	(77,195)	-	-	-
Revenue Support Grant	-	(3,568)	(3,568)	-	(3,568)	(3,568)	-	-	-
Council Tax	-	(311,501)	(311,501)	-	(311,501)	(311,501)	-	-	-
Social Care Grant	-	(17,082)	(17,082)	-	(17,083)	(17,083)	-	1	1
New Homes Bonus	-	(505)	(505)	-	(505)	(505)	-	-	-
Subtotal Planned Budget	**0**	**(409,851)**	**(409,851)**	**0**	**(409,852)**	**(409,852)**	**0**	**1**	**1**
COVID-19 related									
COVID-19 Related Costs	-	-	-	-	(620)	(620)	-	620	620
Covid-19 Specific Funding	-	(6,239)	(6,239)	-	(5,422)	(5,422)	-	(817)	(817)
Covid-19 General Funding	-	-	-	-	(197)	(197)	-	197	197
Subtotal Covid-19	**0**	**(6,239)**	**(6,239)**	**0**	**(6,239)**	**(6,239)**	**0**	**0**	**0**
Total Corporate Funding	**0**	**(416,090)**	**(416,090)**	**0**	**(416,091)**	**(416,091)**	**0**	**1**	**1**
Total	**921,885**	**(921,885)**	**0**	**984,320**	**(987,185)**	**(2,865)**	**(62,435)**	**65,300**	**2,865**
Contribution of TM underspend to capital programme borrowing	-	-	-	2,100	-	2,100	(2,100)	-	(2,100)
Remainder of general contingency to FM reserve	-	-	-	765	-	765	(765)	-	(765)
FINAL TOTAL	**921,885**	**(921,885)**	**0**	**987,185**	**(987,185)**	**0**	**(65,300)**	**65,300**	**0**

Revenue Savings Summary 2021/22					
Service description	2021/22 (£'000) – Q2 Forecast				
	Original Target for 2021/22	Target including items c/f from previous year(s)	Achieved in-year	Will be achieved, but in future years	Cannot be achieved
Savings					
ASC	-	-	-	-	-
BSD/Orbis	136	136	136	-	-
CS	134	134	134	-	-
CET	594	1,608	1,608	-	-
GS	-	-	-	-	-
Total Savings	**864**	**1,878**	**1,878**	**0**	**0**
ASC			-	-	-
BSD / Orbis			-	-	-
CS			-	-	-
CET			-	-	-
GS			-	-	-
Subtotal Permanent Changes [1]			**0**	**0**	**0**
Total Savings & Permanent Changes	**864**	**1,878**	**1,878**	**0**	**0**

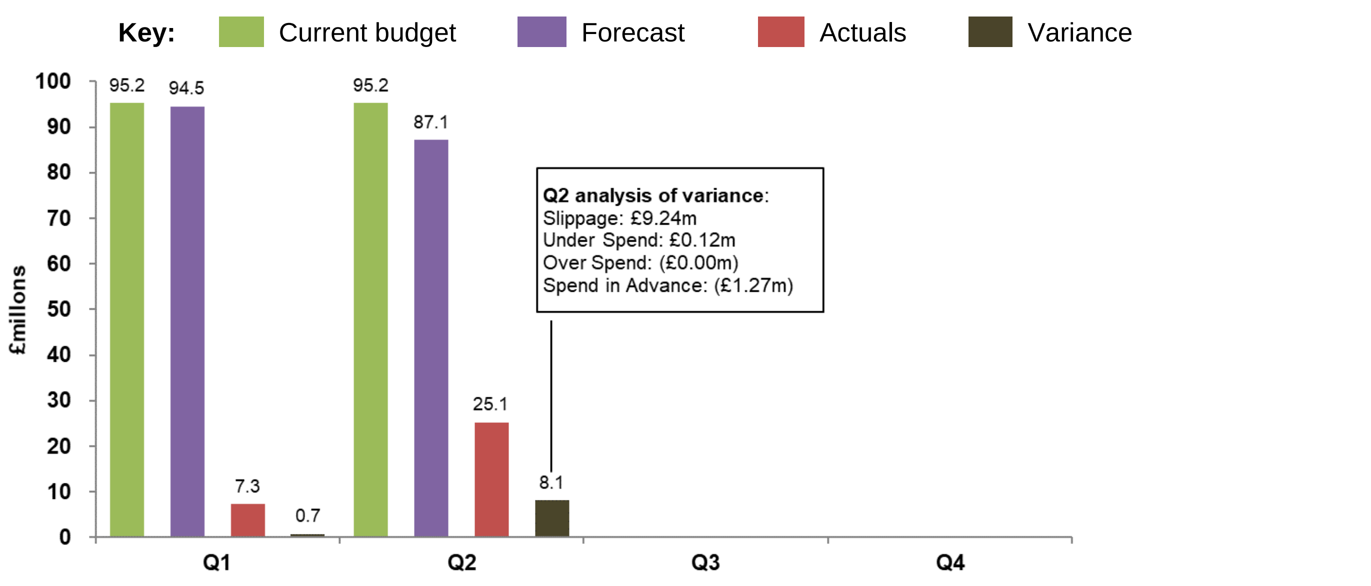
Memo: treatment of savings not achieved in the year (£'000)	Temporary Funding [2]	Part of reported variance [3]	Total
ASC	-	-	0
BSD / Orbis	-	-	0
CS	-	-	0
CET	-	-	0
GS	-	-	0
Total	**0**	**0**	**0**

[1] Where agreed savings are reasonably unable to be achieved other permanent savings are required to be identified and approved via 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).

Capital Programme (gross £ millions) – approved projects



Capital Programme Summary (£000)

	2021/22						
	In year monitoring Q2				Analysis of Variation		
	Budget	Actual to Date	Projected 2021/22	Variation (Over) / Under	(Over) / under spend	Slippage to future years	Spend in advance
Planned Programme							
Adult Social Care	204	10	60	144	-	144	-
Business Services	37,043	11,542	34,491	2,552	122	3,282	(852)
Children's Services	967	307	967	0	-	-	-
Communities, Economy & Transport	56,998	13,281	51,598	5,400	-	5,813	(413)
Gross Expenditure (Planned Programme)	**95,212**	**25,140**	**87,116**	**8,096**	**122**	**9,239**	**(1,265)**
Section 106 and CIL	5,806	-	5,665	141	-	141	-
Other Specific Funding	14,000	-	11,818	2,182	-	2,182	-
Capital Receipts	8,676	-	8,676	-	-	-	-
Formula Grants	27,832	-	26,351	1,481	-	1,481	-

Capital Programme Summary (£000)							
	2021/22						
	In year monitoring Q2				Analysis of Variation		
	Budget	Actual to Date	Projected 2021/22	Variation (Over) / Under	(Over) / under spend	Slippage to future years	Spend in advance
Reserves and Revenue Set Aside	5,697	-	5,194	503	-	503	-
Borrowing	33,201	-	29,412	3,789	122	4,932	(1,265)
Total Funding (Planned Programme)	**95,212**	**0**	**87,116**	**8,096**	**122**	**9,239**	**(1,265)**
Covid-19 Related							
Covid-19 Related Costs	250	-	563	(313)	(313)	-	-
Covid-19 Specific Funding	(250)	-	(250)	-	-	-	-
Covid-19 General Funding	-	-	(313)	313	313	-	-
Total (Covid-19 Related)	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Centrally held budgets (CHB) and Corporate Funding

The Treasury Management Strategy (TMS), 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.

The average level of Council funds available for investment purposes during the Q2 was £313m. The total amount received in short term interest for the quarter to 30 September 2021 was £0.297m at an average rate of 0.38%, compared to £0.310m at an average rate of 0.40% for Q1 2021/22. Whilst the Bank of England base rate remained at 0.10%, market investment returns have proved minimal in nature, such that where possible a number of Local Authority investments have been made to secure a higher fixed return for periods up to 2 years. In seeking investment opportunities, as defined by the TMS, an opportunity has been undertaken to invest within a Fixed Term Bank Deposit that aligns to the United Nations' Sustainable Development Goals (SDGs) - up to £30m has been placed for investment. In the future, inflationary pressures may impact on interest rates, and our advisers are currently forecasting the next rate rise in June 2022, to 0.25%, and staying at that level until at least June 2023.

The majority of the Council's external debt, totalling £228.7m at Q2, is held as long term loans. No long-term borrowing was undertaken in the quarter and no further cost-effective opportunities have arisen during Q2 to restructure the existing Public Works Loan Board (PWLB) or wider debt portfolio.

The Treasury Management budget is currently forecasting to underspend by £2.1m. This is based on the position on the capital programme removing the need to borrow externally in 2021/22, together with the financial information presented above.

Reserves and Balances 2021/22 (£000)					
Reserve / Balance	Balance at 1 Apr 2021	Forecast net use at Q1	Forecast net use at Q2	Movt	Estimated balance at 31 Mar 2022
Statutorily ringfenced or held on behalf of others:					
Balances held by schools	20,512	-	-	-	20,512
Public Health	5,734	(578)	(578)	-	5,156
Other	6,043	406	1,396	990	7,439
Subtotal	**32,289**	**(172)**	**818**	**990**	**33,107**
Service Reserves:					
Capital Programme	12,417	(1,243)	857	2,100	13,274
Corporate Waste	16,113	-	-	-	16,113
Insurance	7,400	(500)	(500)	-	6,900
Subtotal	**35,930**	**(1,743)**	**357**	**2,100**	**36,287**
Strategic Reserves:					
Priority / Transformation	8,026	(804)	8,651	9,455	16,677

Reserves and Balances 2021/22 (£000)					
Reserve / Balance	**Balance at 1 Apr 2021**	**Forecast net use at Q1**	**Forecast net use at Q2**	**Movt**	**Estimated balance at 31 Mar 2022**
Financial Management	50,114	(6,505)	(3,284)[1]	3,221	46,830
Subtotal	**58,140**	**(7,309)**	**5,367**	**12,676**	**63,507**
Total Reserves	**126,359**	**(9,224)**	**6,542**	**15,766**	**132,901**
General Fund	10,000	-	-	-	10,000
Total Reserves and Balances	**136,359**	**(9,224)**	**6,542**	**15,766**	**142,901**

[1] currently excludes the Q2 General Contingency transfer of £0.765m

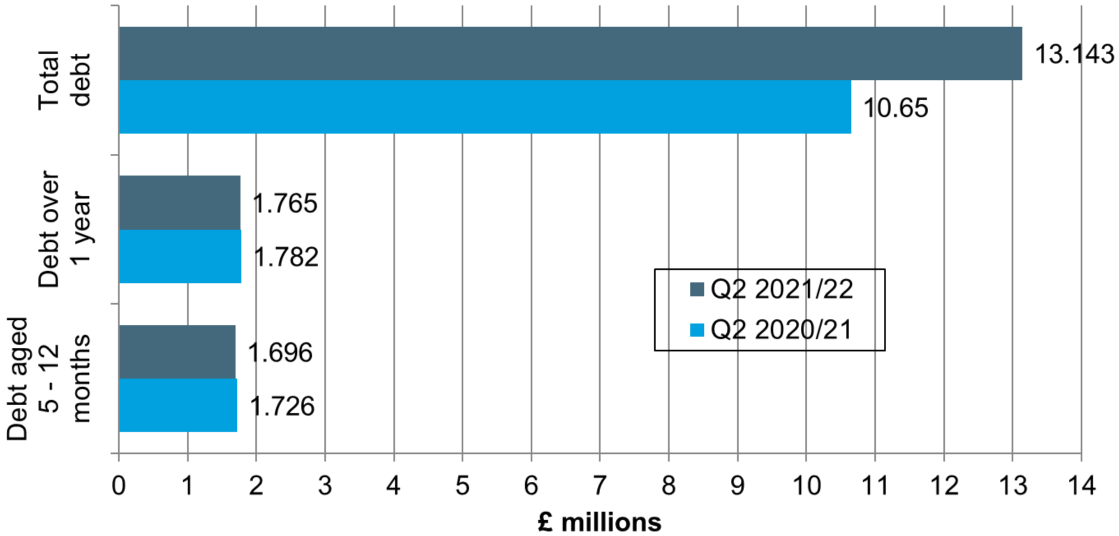
Changes to Fees & Charges

Buzz Active provides outdoor activities from three locations in East Sussex, Bushy Wood, Eastbourne and Cuckmere. It runs 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.

A change to fees for this service has been approved. The main reason for this change is the increased costs of the contracted staffing option available for business continuity to effectively staff the centres, coupled with increases in equipment costs due to a number of factors (COVID-19, Brexit, raw material costs, shipping etc). Benchmarking has been undertaken against similar provision.

The fees have increased between 9.94% and 11.11% with the exception of two Junior Courses for kayak and stand-up paddle boarding holiday tasters which have increased by 36.69%.

Outstanding debt analysis (£ millions)



The value of debt aged over 5 months at Quarter 2 (£3.461m) has decreased compared to the same period last year (£3.508m); however there is an increase of £0.784m compared to the 2020/21 outturn position of £2.677m. This rise in outstanding debt includes an increase of £0.169m due from ASC client contribution and £0.336m due from other local authorities. The increase in total debt between years is due to timing of invoices raised, mainly to Clinical Commissioning Groups.

Aged Debt continues to be a high priority focus area with a continuous improvement approach to continually re-engineer systems and processes. As part of this approach during Quarter 2 a new automated Accounts Receivable invoice request form will be launched. Regular ASC debt case review meetings also continue to ensure that the most appropriate steps are taken to recover debt promptly in consideration of the residents' circumstances and in accordance with the Care Act.

Adult Social Care and Health – Q2 2020/21

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

Adult Social Care (ASC)

Health and social care integration

There are currently extreme pressures across all parts of our health and care system due to the ongoing pandemic and impacts on the workforce across all sectors and care settings. To help mitigate this we are working to ensure a strategic approach to supporting urgent care demand and maintaining system flow to best support local people outside acute hospital settings. Locally we are also exploring additional opportunities for how we can work together to support, maintain and grow our collective workforce.

Preparation has continued for the Health and Care Bill in April 2022, and the specific agreements needed between the NHS and the Council to implement the transition to putting the Sussex Integrated Care System (ICS) on a legal footing from April 2022. This takes account of the need to maintain a strong focus on the needs of our population across commissioning and delivery, and the best use of our collective resources to deliver shared priorities and objectives. Work has taken place on governance arrangements between the Council and the wider Sussex ICS partners setting out a shared vision, principles and operating model whilst maintaining the independence and sovereignty of the Council.

East Sussex is one of the three 'Place' partnerships within the Sussex ICS, and an ICS Place Development Action Plan has been developed. This includes potential place-based integrated commissioning and delivery models, the future roadmap and milestones for the next phase of integration and aligns with our local Place development plans.

Work has also taken place on the Place-led model for improving population health and addressing health inequalities, and the role of Public Health in Place within the ICS to ensure resources and specialist knowledge is utilised to best effect for the population of East Sussex.

The East Sussex Health and Care Partnership Plan 2021/22 was agreed by our Health and Wellbeing Board in September, covering our shared in-year delivery priorities, and the further work to strengthen our system partnership infrastructure. This provides an update of our original East Sussex Health and Social Care Plan which was developed in partnership with stakeholders and finalised in March 2020, and the refreshed Plan sets out the vision, outcomes, priorities and actions that we will be taking this year to strengthen the way we work together for our populations. It covers:

- The agreed shared local priorities we will be focusing on for the East Sussex population, as set out in our existing integration programme covering Children and Young People, Mental Health, Community, Urgent Care and Planned Care and addressing health inequalities and the wider determinants of health.
- The Sussex ICS-wide clinical priorities that will be delivered at Place, covering the five ICS Health Inequality priorities and Mental Health, Long term Conditions, Children and Young People, Primary and Community Care, Urgent Care, Planned Care and Cancer.

The Plan is iterative and will continue to be updated as the detailed financial arrangements for the second half of 2021/22 become clear. Patients, clients, carers and the public will be involved in specific areas of work to ensure it is informed appropriately by insight, experience and views. It also includes a clear focus on improving population health and reducing health inequalities and the role of public health. A copy of the Summary Plan can be found here.

In Q3 the focus will be on delivering the Plan, continuing the implementation of the Sussex ICS arrangements and agreeing the integration roadmap and timetable to further develop our target operating model (TOM) for community health and social care services, including the approach to locality planning and delivery to be taken forward in East Sussex.

Third Sector support

During Q2 activity continued to focus on working with external partners to assist them in adapting to changes in Government COVID-19 guidance and identifying ways to ensure services and activities continue to address the identified local impacts of the pandemic.

Discussions are underway with Sussex Community Foundation to set up a small grant fund for Voluntary Community and Social Enterprise (VCSE) organisations operating in East Sussex, building on the success of the Sussex Crisis Fund. The Council agreed to a £330k allocation from the Contain Outbreak Management Fund (COMF) to Sussex Community Foundation (SCF) to administer and manage this new fund.

Discussions and planning continued with partners on the focus of the Connecting Health Communities programme led by the Institute for Voluntary Action Research (IVAR) in Q2.

Monitoring of the Additional Measures Grants made to 11 VCSE service delivery organisations to provide advice and information on all aspects relating to finance (i.e., income maximisation, benefit eligibility and help to apply, employment rights, dealing with any debt emergencies, budgeting etc.) has shown that the greatest take up of the service has been in Hastings, followed by Wealden. The majority of people accessing the service have stated that their main source of financial and/or debt issues are as a result of a deterioration in health (post COVID-19). Findings from Q1 have been shared with colleagues in the Council and East Sussex CCG to assist in informing possible future commissioning of support.

Third Sector Support are finalising a three-year grant to the East Sussex Community Voice to host and co-ordinate activities of the East Sussex VCSE Alliance that enable the delivery of shared priorities with the Council, wider East Sussex, and Sussex system partners. This proposal will also strengthen the current process of resetting the relationship between our sectors.

The procurement of Healthwatch East Sussex and the Independent Health Complaints Advocacy Service is underway, the new contract will commence on the 1 April 2022 and run for three years with the option to extend for a further two years. The procurement process will be completed in Q3.

Adults are able to take control of the support they receive:

- At the end of Q2, 32.2% of adults and older people were receiving Direct Payments. This equated to a total of 1,497 people.
- At the end of Q2, there are 313 Support With Confidence members **–** 262 Personal Assistants (PA) and 51 businesses (this includes 4 PA businesses). There have been 34 new approvals since April 2021. There are currently 59 live applications in progress **–** 54 PA applications and 5 business applications.

Adults are supported to find and keep safe and affordable accommodation – 2,468 people were supported through housing related floating support 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 – Between April and July 85% of Health Hub Referrals were handled within the correct time scales across all priorities **(ref iii)**. 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 complement. Interviews were to commence in March, but this was put on hold due to the pandemic. This will be picked up again through the Health and Social Care Connect ASCH Project Group.

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, 8,336 people were receiving TECS **(ref i)**. Despite an average of 190 new clients per month during Q2, the total number of connections has reduced slightly compared to Q1. This is due to clients leaving the services, for reasons such as: moving out of county; needs increasing and moving into supported living / care home settings; and people passing away.

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 91.1% of older people discharged from hospital to reablement / rehabilitation services were at home 91 days after their discharge from hospital.
- Between April and September, no further request was made for on-going support for 94.3% people who received short-term services
- Between April and September, 60% of Reablement service users discharged from the Joint Community Rehabilitation Service did not require on-going care

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

Tackling serious and organised crime – In August Sussex Police and the Safer East Sussex Team visited a number of off-licences and railway stations in Uckfield and Crowborough to educate staff about child exploitation with resources from the Children's Society 'Look Closer Campaign'. This was part of wider contextual safeguarding plans led by Children’s Services and is an approach to understanding and responding to young people's experiences of significant harm beyond their families and recognises the impact of the public/social context on young people’s safety. All members of staff were very willing to engage and listen to advice and share information which was very positive.

'Against Exploitation' assemblies were successfully run by SEST with support from Sussex Police at Kings Academy in Ringmer during Q2. The assemblies highlighted tactics criminals use to exploit young people and offered advice and exit strategies for young people who may be at risk of being criminally exploited.

Working to address and prevent serious violent crime – £228,084 of pan-Sussex additional Serious Violence Home Office Funding has been awarded for the SWITCH programme, a new mentoring programme being offered by Albion in the Community. The programme is for care leavers aged 16 to 25 years old, and resident in West Sussex, East Sussex and Brighton & Hove, who have been identified as most at risk of becoming perpetrators or victims of crime. £290,778 of funding has also been awarded for Trauma-Informed multi-agency training across Sussex.

Partnership work is being developed in areas of Eastbourne identified by Sussex Police as experiencing the greatest harm cause by serious violence, partners include the South East Coast Ambulance Service (SECAmb) and the East Sussex Fire & Rescue Service (ESFRS). An in-depth study at one of these hotspots using Police & SECAmb data suggested a clear link between growing drug distribution and consumption in unpredictable environments and increasing violence. This hotspot accounted for 25% of all serious violence harm committed in a public place in the Devonshire Ward during a 12-month period. This area of Eastbourne was previously identified as being disproportionately impacted by acquisitive crime and received funding from the Home Office Safer Streets Programmes in 2020 to address this problem.

Work is ongoing to improve the resilience of the local area through combining targeted policing activity with support from substance misuse professionals and contacts in the Voluntary, Community & Social Enterprise sector, which is still being expanded in this hotspot. Work is also taking place to analyse the local environment alongside Eastbourne Borough Council to determine what measures can be implemented or improved to increase active deterrence as well as detection.

Reducing Reoffending – In July 2021 Hastings Borough Council (members of East Sussex Trailblazers team) successfully bid to the Ministry of Housing, Communities and Local Government's (now the Department for Levelling Up, Housing and Communities (DLUHC)) Accommodation for ex-Offenders (AFO) scheme, being awarded funding of £255,000 over 2021/22 and 2022/23. The aim of the project is to improve access to the private rented sector for ex-offenders who have left prison within the last 12 months.

The AFO will provide funding for additional tenancy sustainment services (to be delivered through the Rapid Rehousing Pathway service) and dedicated tenancy sustainment and landlord incentive grants. This project will complement the work which is already underway through East Sussex Trailblazers and the Rough Sleeping Initiative, as well as the new housing solutions role within the prison service which is jointly funded by the five local district & borough housing authorities.

East Sussex Trailblazers have applied to the second round of the Ministry of Justice (MOJ) Local Leadership & Integration Fund (LLIF). This includes providing funding towards a Housing Solutions Worker to act as a liaison between prison-leavers, current/future landlords, the DWP and local housing authorities to create a more refined multi-agency approach to finding accommodation and community services for prison-leavers and families. This would be supported by recruiting further nursing and support workers from mental health, substance dependency and tenancy sustainment. If successful, this bid would be further accompanied by a specialist fund created to support homelessness prevention activities which will ensure people on remand, short sentences or recall can sustain their existing tenancies, including paying rent top-ups and clearing arrears. This application followed a series of online provider engagement forums in August and September to explore collaborative opportunities for the LLIF application.

Substance Misuse – An overdose awareness event in Hastings, hosted by the East Sussex Veterans' Hub, proved to be a huge success in giving professionals and members of the public a chance to learn more about overdose prevention, and the way in which the teams will work to support those in recovery. To find out more about overdose prevention training, visit [Help with addiction to crack cocaine or opiates | East Sussex County Council]

Services commissioned through drug and alcohol funding streams continue to support those in recovery from substance misuse disorders in the county. They are working hard to adapt to the current landscape with a number developing hybrid offers of support to meet the needs of their service users.

Domestic Violence and Abuse, Sexual Violence and Abuse Services – The contract for refuges provision has been awarded to Clarion Housing Association from 1 November. Due to ongoing operational issues, the current provider Refuge, have ceased taking all referrals until the end of their contract and referrers have been notified. Referrals will be addressed through the national referral mechanism 'Routes to Support' and should not impact on referrals for East Sussex residents, who often need to be accommodated out of area for their safety. Both the outgoing and incoming providers are working together to ensure a seamless service for current residents of refuges, and recruitment is underway to enable the new provider to start taking referrals in Q4.

The Pan-Sussex Domestic Abuse Partnership Board has been established as required by the Domestic Abuse Act 2021 and the three local authorities (East Sussex, West Sussex and Brighton & Hove) have jointly funded a Community Development Officer to set up a Lived Experience Board to ensure the voices of victim/survivors are amplified at a strategic level. The three authorities are also working together, where possible, to align commissioning intentions with regard to the DLUHC new burdens funding allocation to provide support in safe accommodation for victim/survivors of domestic abuse.

A comprehensive needs assessment has been produced and the draft Domestic Abuse Accommodation Strategy will be published in Q3. To address some of the immediate gaps identified in the needs assessment, the Council has commissioned the co-location of Independent Domestic Abuse Advisors (IDVAs) in Housing Options teams across the county. This team will be complemented by additional IDVAs to support women experiencing domestic abuse who are at risk of rough sleeping in emergency crisis 'respite' accommodation.

Public Health

Number of new service user interventions started through One You East Sussex as part of the Integrated Lifestyle Service – During Q1 (reported a quarter in arrears) 1,288 interventions started **(ref ii)**. Performance continued to improve during Q1, with the service reaching activity targets in most elements. However, overall, activity was still slightly below where we would expect it to be ordinarily. We expect the numbers of people taking up support to rise further as we emerge from the pandemic and we are working with the provider to take advantage of promotion opportunities wherever possible. For example, in vaccination centres during the phase 3 booster programme.

Increase in smoking quits in pregnant women – A key outcome measure for a smoke free pregnancy is smoking at time of delivery (SATOD). As of 2020/21 the East Sussex SATOD is 10.4% compared with 8.9% in the south east and 9.5% for England. There is a national target for England to achieve 6% SATOD by 2022 which is unlikely to be met based on current trajectories. To reduce SATOD one of the key stages in the pathway for pregnant smokers is accessing stop smoking services, the most effective way to quit. In 2018/19 a local systems approach was initiated in East Sussex. Since then, there has been a year-on-year increase in women making both a quit attempt and successfully quitting. Between 2018/19 and 2020/21 there has been a 333% increase in pregnant women successfully quitting smoking.

Personal Assistant Infection Control Advisory Project (PA IPC Project) – The COVID-19 pandemic highlighted how the unregulated social care sector working alone in the East Sussex community, including the Personal Assistant (PA) workforce, experienced difficulties accessing practical and financial support. The PA Infection Control Advisory Project (PA IPC Project) was established to upskill PA infection prevention and control knowledge to ensure best practice within the PA workforce. The Project had a successful submission and shortlisting at the Infection Prevention Conference 2021. The poster provided a dynamic insight into improving infection control knowledge and practice. Since attendance at the conference, expressions of interest have been received from other local authorities and NHS Community Trusts. The PA IPC Project benefits a large proportion of the East Sussex community, PAs, vulnerable residents, the Council and health and care services. The Project has focused on preventative action during COVID-19 and has longer-term aims of continued professional development, increased workforce resilience and reduced community transmission of infectious diseases. An extension has now been agreed to the initial 12-month term due to the success of the project.

Revenue Budget Summary

Public Health

The Public Health (PH) Budget of £32.085m comprises the PH grant allocation of £28.073m, Test, Track and Contain grant allocation £1.095m, Pan Sussex Community mass testing funding £0.030m, ADDER Grant allocation £1.567m and £1.320m drawn from reserves to support in year spending. At the end of Q2, expenditure is less than anticipated by £1.372m due to delivery of services being restricted by COVID-19.

ASC

The net Adult Social Care budget of £186.248m includes growth and demography funding and an inflationary uplift to support the independent sector care market. The budget now reflects the reduction in commitment due to the impact of COVID-19 related excess deaths of clients in local authority care during 2020/21.

The budget is currently forecast to overspend by £0.281m. This comprises an overspend of £0.786m in the Independent Sector and an underspend of £0.505m in Directly Provided Services, the latter mainly due to staffing vacancies.

Capital Programme Summary

The ASC Capital programme is £0.204m for 2021/22. There is slippage of £0.144m against Greenacres. Future expenditure will be required for modifications to the flats.

Performance exceptions (See How to read this report for definition)								
Performance measure	**Outturn 20/21**	**Target 21/22**	**21/22 RAG**				**Q2 2021/22 outturn**	**Note ref**
			Q1	**Q2**	**Q3**	**Q4**		
Priority – Helping people to help themselves								
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	8,486 people receiving TECS	8,500 people receiving TECS	G	A			8,336	i
Number of new service user interventions started through One You East Sussex as part of the Integrated Lifestyle Service	4,673	7,000	G	A			Q1: 1,228 Reported a quarter in arrears	ii
Priority – Keeping vulnerable people safe								
Percentage of Health and Social Care Connect referrals triaged and progressed to required services within required timescales	87%	90%	G	A			85% Data available for April to July	iii

Savings exceptions						
Service description	**2021/22 (£'000) – Q2 Forecast**					**Note ref**
	Original Target For 2021/22	**Target including items c/f from previous year(s)**	**Achieved in-year**	**Will be achieved, but in future years**	**Cannot be achieved**	
Savings						
No savings target	-	-	-	-	-	
	-	-	-	-	-	
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] Where agreed savings are reasonably unable to be achieved other permanent savings are required to be identified and approved via 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 2021/22 (£000)						Note ref
				Projected outturn			(Over) / under spend			
	Gross	Income	Net	Gross	Income	Net	Gross	Income	Net	
Adult Social Care										
Independent Sector										
Planned Budget										
IS - Physical Support, Sensory Support and Support for Memory & Cognition	121,251	(44,907)	76,344	111,954	(39,509)	72,445	9,297	(5,398)	3,899	
IS - Learning Disability Support	67,818	(4,878)	62,940	70,166	(5,692)	64,474	(2,348)	814	(1,534)	
IS - Mental Health Support	12,440	(5,890)	6,550	15,660	(5,959)	9,701	(3,220)	69	(3,151)	
Subtotal	**201,509**	**(55,675)**	**145,834**	**197,780**	**(51,160)**	**146,620**	**3,729**	**(4,515)**	**(786)**	
COVID-19 related										
Covid-19 Related Costs	-	-	-	17,696	-	17,696	(17,696)	-	(17,696)	
Covid-19 Specific Funding	-	-	-	-	(17,696)	(17,696)	-	17,696	17,696	
Covid-19 Tranche Funding	-	-	-	-	-	-	-	-	-	
Subtotal Covid	**0**	**0**	**0**	**17,696**	**(17,696)**	**0**	**(17,696)**	**17,696**	**0**	
Directly Provided Services and Assessment and Care Management										
Planned Budget										
Physical Support, Sensory Support and Support for Memory & Cognition	15,098	(4,876)	10,222	14,567	(4,623)	9,944	531	(253)	278	
Learning Disability Support	7,491	(595)	6,896	7,147	(659)	6,488	344	64	408	
Mental Health Support	3,121	(3,098)	23	3,121	(3,098)	23	-	-	-	
Substance Misuse Support	476	-	476	476	-	476	-	-	-	
Equipment & Assistive Technology	6,205	(3,707)	2,498	6,257	(3,554)	2,703	(52)	(153)	(205)	
Other	130	-	130	110	(4)	106	20	4	24	
Supporting People	6,434	(310)	6,124	6,434	(310)	6,124	-	-	-	
Assessment and Care Management	26,315	(2,543)	23,772	27,880	(4,108)	23,772	(1,565)	1,565	-	
Carers	3,296	(2,635)	661	3,152	(2,491)	661	144	(144)	-	
Management and Support	18,641	(29,309)	(10,668)	18,710	(29,378)	(10,668)	(69)	69	-	
Service Strategy	478	(198)	280	478	(198)	280	-	-	-	
Subtotal	**87,685**	**(47,271)**	**40,414**	**88,332**	**(48,423)**	**39,909**	**(647)**	**1,152**	**505**	
COVID-19 related										
Covid-19 Related Costs	-	-	-	4,608	-	4,608	(4,608)	-	(4,608)	
Covid-19 Specific Funding	-	-	-	-	(4,311)	(4,311)	-	4,311	4,311	
Covid-19 Tranche Funding	-	-	-	-	(297)	(297)	-	297	297	
Subtotal Covid	**0**	**0**	**0**	**4,608**	**(4,608)**	**0**	**(4,608)**	**4,608**	**0**	

Revenue Budget										
Divisions	Planned (£000)			Q2 2021/22 (£000)						Note ref
				Projected outturn			(Over) / under spend			
	Gross	Income	Net	Gross	Income	Net	Gross	Income	Net	
Total Adult Social Care	**289,194**	**(102,946)**	**186,248**	**308,416**	**(121,887)**	**186,529**	**(19,222)**	**18,941**	**(281)**	
Safer Communities										
Planned Budget										
Safer Communities	2,612	(2,153)	459	2,585	(2,127)	458	27	(26)	1	
Subtotal	**2,612**	**(2,153)**	**459**	**2,585**	**(2,127)**	**458**	**27**	**(26)**	**1**	
COVID-19 related										
Covid-19 Related Costs	-	-	-	27	-	27	(27)	-	(27)	
Covid-19 Specific Funding	-	-	-	-	-	-	-	-	-	
Covid-19 Tranche Funding	-	-	-	-	(27)	(27)	-	27	27	
Subtotal Covid	**0**	**0**	**0**	**27**	**(27)**	**0**	**(27)**	**27**	**0**	
Total Safer Communities	**2,612**	**(2,153)**	**459**	**2,612**	**(2,154)**	**458**	**0**	**1**	**1**	
Public Health										
Core Services										
Planned Budget										
Mental Health & Best Start	11,419	-	11,419	10,229	-	10,229	1,190	-	1,190	
Risky Behaviours and Threats to Health	12,252	-	12,252	12,309	-	12,309	(57)	-	(57)	
Health Systems	2,776	-	2,776	2,530	-	2,530	246	-	246	
Communities	1,143	-	1,143	1,032	-	1,032	111	-	111	
Central Support	3,370	-	3,370	3,488	-	3,488	(118)	-	(118)	
Public Health Grant income	-	(28,073)	(28,073)	-	(28,073)	(28,073)	-	-	-	
Public Health CCG and Reimbursement income	-	-	-	-	-	-	-	-	-	
Contribution from General Reserves	-	(1,320)	(1,320)	-	-	-		(1,320)	(1,320)	
Contribution from General Reserves	-	-	-	-	53	53	-	(53)	(53)	
ADDER Grant		(1,567)	(1,567)	-	(1,567)	(1,567)	-	-	-	
Subtotal	**30,960**	**(30,960)**	**0**	**29,588**	**(29,587)**	**1**	**1,372**	**(1,373)**	**(1)**	
COVID-19 related										
Covid-19 Related Costs	1,125	-	1,125	1,125	-	1,125	-	-	-	
Covid-19 Specific Funding	-	(1,125)	(1,125)	-	(1,125)	(1,125)	-	-	-	
Covid-19 Tranche Funding	-	-	-	-	-	-	-	-	-	
Subtotal Covid	**1,125**	**(1,125)**	**0**	**1,125**	**(1,125)**	**0**	**0**	**0**	**0**	
Total Public Health	**32,085**	**(32,085)**	**0**	**30,713**	**(30,712)**	**1**	**1,372**	**(1,373)**	**(1)**	

Capital programme										
Approved project	Total project – all years (£000)		2021/22 (£000)							Note ref
			In year monitor Q2 (£000)				Analysis of variation			
	Budget	Projected	Budget	Actual to date	Projected 2021/22	Variation (over) / under budget	(Over) / under spend	Slippage to future year	Spend in advance	
Planned Programme										
Greenacres	2,598	2,598	154	10	10	144	-	144	-	
House Adaptations for People with Disabilities	2,719	2,719	50	-	50	-	-	-	-	
LD Service Opportunities	5,092	5,092	-	-	-	-	-	-	-	
Total ASC Gross (Planned Programme)	**10,409**	**10,409**	**204**	**10**	**60**	**144**	**0**	**144**	**0**	
Covid-19 Related										
Covid-19 Related Costs	-	-	-	-	-	-	-	-	-	
Covid-19 Specific Funding	-	-	-	-	-	-	-	-	-	
Covid-19 Tranche Funding	-	-	-	-	-	-	-	-	-	
Total ASC (Covid Related)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	

Business Services – Q2 2021/22

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

Summary of successes and achievements – The key role of the Business Services Department (BSD) is to provide support to the wider Council, enabling the organisation to deliver its services to residents and businesses. In Q2, a significant milestone was achieved for two key programmes: contracts were awarded to Oracle for our Modernising Back Office Systems (MBOS) programme, and to MLL Telecom for our South East Grid Network framework, which has collectively secured £4.738m of social value and enables these important programmes to move into the design phase. We are continuing to work on our pilot heat decarbonisation project at Ninfield Primary school, using grant funding secured from the Business, Energy and Industrial Strategy (BEIS) Public Sector Decarbonisation Fund. We have also secured additional resources to support work to look at emissions from our third-party suppliers to reduce the overall carbon emissions from Council activity.

KEY CROSS CUTTING PROGRAMMES

Carbon Reduction – Following consultation with the Climate Emergency Board, it is proposed that we adjust the way in which we monitor our in-year performance for our carbon reduction measure so that this is aligned with the way Green House Gas (GHG) emissions are reported through the Climate Emergency Board. There is a time lag with the data which has meant that historically our exception reporting has been based on the latest three months' worth of data. We propose that we instead report a quarter in arrears so that it is clearer which period we are reporting on; this is the approach we currently take with other corporate measures which have a reporting time lag. In previous quarters we have also included adjustments for differences in weather conditions between the current and previous year when assessing our in-year performance. As our annual target and outturn figures are not adjusted for weather conditions, we propose to use unadjusted figures to assess our in-year performance in future to improve the accuracy of our exception reporting. We reported last quarter that our performance was a 7.1% increase on the same period the previous year, using this new approach the impact of increased heating demand due to lower average temperatures in 2021 is more apparent, our revised Q1 performance would be a 37.4% increase in emissions and the target for the year is not expected to be achieved **(ref ii)**.

Business Services are working closely with the Communities, Economy and Transport department on carbon reduction initiatives to ensure a holistic approach is taken across the Council. A priority for Q2 has been to identify the resources required to accelerate the Council's progress towards net zero, and these were presented to Cabinet in November.

Central government and Health and Safety Executive guidance reinforces that increased ventilation in buildings is crucial to reduce the possibility of the spread of COVID-19. The Council is tracking CO_2 readings in buildings to ensure they remain low, however open windows will impact on keeping carbon emissions to a reasonable level as additional heating is required to keep the buildings at a comfortable temperature. As the colder weather starts to return in Q3, there is likely to be an adverse impact on carbon emissions if ventilation requirements are still in place.

Modernising Systems – The 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 support further developments to increase agile and digital working. In Q2, we selected our solution providers and engagement and planning with these providers has begun. Q2 also saw significant work to resource the programme for the next phase which will support preparations for implementation.

Workstyles – The impact of the pandemic has created a large-scale shift to how organisations operate and has provided an unprecedented opportunity to reimagine how we work in the future. To lock in the benefits we have experienced, Property, IT&D and Human Resources and Organisational Development are working collaboratively to undertake a review of our working practices to develop modern, flexible workspaces that enable hybrid ways of working. During Q2, we appointed a supplier for office furniture and adaptations, as well as undertaking a series of detailed engagements through representative groups for the hub buildings in Eastbourne and Hastings. A set of proposed floor plans have been drawn up with small adaptations to create different types of spaces that support hybrid working and the needs of the service. These will be signed off in Q3, ready for installation of the first phase of changes in Q3 / Q4. New working practices will be driven by business need and will support service delivery, drive efficiency and significantly reduce carbon emissions through a reduced requirement for staff travel through commuting and attendance at meetings.

HUMAN RESOURCES AND ORGANISATIONAL DEVELOPMENT (HROD)

During Q2, a number of HR polices have been formally approved through the Governance Committee, including the new Workstyles Policy, Refer a Friend Scheme and Mandatory Vaccinations Policy with work to implement these now taking place. The employee 'Eyecare Contract' has been extended until February 2023 and this will ensure the continued provision of free eye tests for all staff who use display screen equipment. Work to update the Council's job pages and recruitment process has commenced, and this will support our ability to attract the high calibre staff needed to deliver the Council's services.

Apprenticeships – There have been 123 new apprenticeship starts during Q1 and Q2, which is higher than in the first two quarters of 2019/20, notwithstanding that a great deal of this activity was undertaken while under COVID-19 restrictions. During the pandemic the team worked closely with all apprentices and providers to ensure that they were able to move to online only learning and address any other barriers that arose. In terms of schools, the team worked closely with staff who were at home for a period of months and assisted them in enrolling for training to utilise this time. This contributed to the slight upturn in figures and prevented the loss of any existing learners. Measured against the cumulative 2.3% target for apprentice starts set by the Department for Education, the Council has continued to keep pace by maintaining the 1.1% return from previous years.

The overall spend of the Council's apprenticeship levy remains stable with an average of over £70,000 per month being spent on apprenticeships. This includes the 25% of our annual levy that can be passed on to small and medium employers within the county, as per legislation.

The team has been working with recruiting managers to encourage them to access the Government's Apprentice Incentive Payment, and to date, 14 vacancies have been filled with new apprentices and each department will receive £3,000 per apprentice. This has been particularly useful within Adult Social Care (ASC), with the Joint Community Rehab (JCR) Team taking on five new apprentices using this funding as a recruitment and retention incentive. The scheme will expire in January 2022.

The 'Moving on Up' project offers employers £4,000 per person when taking on an apprentice. The team are again working closely with ASC to get the benefits of this project as it matches work they are already doing to address issues within care and to attract more young people into these roles. In addition to this, work continues on the Kickstart programme, which provides funding for six-month job placements for young people on universal credit and at risk of long-term unemployment. Currently there are 12 'Kickstarters' in full time paid employment within the Council and schools, with more vacancies live and pending.

Attendance Management and Wellbeing – The 2021/22 Q1+2 sickness absence figure for the whole authority (excluding schools) is 3.84 days lost per full-time equivalent (FTE) role, an increase of 5.6% since the same period last year. The year-end estimate for 2021/22 is 8.21 days/FTE, so the target of 9.24 days/FTE is predicted to be met.

Whilst we have seen a marginal increase in absence overall, it is positive to note that we have seen a reduction in our key absence driver, stress. The increase in absence can be largely attributed to days lost due to surgery, which is likely to be a symptom of delays due to COVID-19, from the previous year.

With stress and mental health remaining as our key reason for absence we have continued our commitment to support staff by:

- Using key health awareness campaigns to run bespoke virtual workshops for staff on pertinent health topics including Suicide Prevention, Mental Fitness and Carers Wellbeing.
- Specific work with our Mental Health First Aiders (MHFA) to help them best support staff by providing structured workshops and hosting our first MHFA engagement event to inform our mental health agenda going forward.
- Launching a new staff wellbeing app in partnership with our Employee Assistance Programme. This provides free access to an interactive toolkit, including meditations, fitness programmes and podcasts.

More broadly we have:

- Worked with our wellbeing contractors; occupational health and our absence management provider to host 'Top Tips for Managers' workshops.
- Launched a new interactive e-learning package for employees and managers on 'Menopause in the Workplace' with the aim of improving knowledge and awareness of support available.

Being an employer of choice is key to ensuring the Council is able to attract and retain the high calibre staff it needs. There are a number of initiatives underway that will support this, including:

- The implementation of hybrid working arrangements as part of the Workstyles Review.
- The implementation of recruitment initiatives such as the recently agreed 'Refer a Friend Scheme' and 'Apprenticeship Incentives Policy'.
- The development of a corporate Equality, Diversity and Action plan which includes a number of workforce specific actions to support having a diverse workforce with equality confidence, knowledge and skills.
- The development of leadership and talent management strategies.

<u>PROCUREMENT</u>

Savings achieved through procurement, contract and supplier management activities – The Council has spent £290.000m with 931 local suppliers over the past 12 months, which equates to 68.6% of our total spend. This figure includes our Tier 2 supplier data (i.e., the direct spend with the Council's suppliers that is then sub-contracted by them to a local supplier). The Procurement team continues to promote our contract opportunities to local suppliers, as well as building local supply chain opportunities into our tenders where possible. This focus on spending Council money within our local economy supports the East Sussex Economic Recovery Plan.

At the end of Q2, £4.060m savings were signed off against a target of £2.000m. This breaks down into £0.799m cash-releasing savings (money saved that could be spent on other services) and £3.260m non-cash releasing savings (e.g., a financial saving that does not release cash).

A series of key contracts were finalised in Q2:

- The Modernising Back Office Systems (MBOS) Software as a Service (SaaS) contract with Oracle, securing £0.238m of Social Value commitment.
- The South East Grid (SEG) Network Services Framework with MLL Telecom, securing commitment to deliver over £4.500m in social value across East Sussex and Brighton & Hove. The Social Value commitment for East Sussex will be included in the main Council call off contract, which will be finalised and reported in Q3.
- The Floating Support Services contract, which provides a responsive, adaptable service model to support adults at risk of homelessness with a more streamlined pathway to include working age individuals and older people, with stratified levels of support to be given based on need and risk. The model combined what was previously three separate contracts.
- The Hastings and Rother Properties Care & Support Services for people with Learning Disabilities (LD) recommissioning tender, which will deliver cashable savings in the region of £1.200 million over the initial term of the contract, as well as Social Value commitments of £0.370m. This new contract will deliver a flexible model of delivery, enabling some of the properties to transition from Residential Care to Supported Living during the contract term. This supports the Council's commitment to the Transforming Care Agenda for LD clients.

The team continues to support the significant Highways Services re-procurement project. Extensive engagement with the supply chain has been concluded after six phases. This engagement has provided valuable insight into the market and the market preferences, which is informing our tender design. The tender is due to be published in Q3.

A consortium of public sector organisations, central government, and members of the construction industry have been developing a 'Value Toolkit' that will be used for identifying and delivering better value, outcomes, and the whole life cost on construction projects. Our Procurement service are trialling this toolkit on the Grove Park/Beacon Academy project and we are one of the first councils to do so. The Value Toolkit is expected to be formally adopted by Government in early 2022. The project outcomes will include carbon reduction, more targeted social value benefits, and energy efficiency measures, which are being incorporated into the procurement and delivery of the project.

Social Value (SV) – In Q2, a total of 14 contracts were awarded, of which three were out of scope of the Social Value Measurement Charter, which quantifies the economic, social and environmental benefits of Council procurement, as we accessed existing pre-approved lists of suppliers (frameworks) with predefined contractual terms. The 11 in-scope contracts had a total contract value of £30.600m and secured £0.735m in Social Value (2.4%) **(ref i)**. This is below target, in part due to some of our contracts only being reported on an annual basis, meaning a delay in reporting social value on these contracts. We continue to focus on social value in all of our activities to help achieve our annual target of 10%.

The Social Value commitment secured in this quarter includes a wide and varied range of benefits, such as: apprenticeship and work experience opportunities; job opportunities for a range of groups within the community; commitment of the use of a facility for local voluntary and community groups; training for local voluntary groups; mental health education and support to local construction related businesses; CV advice, mock interviews, careers guidance and mentoring to local priority groups; and business support/advice to social enterprises or voluntary groups.

The Council's Social Value Policy is in the process of being drafted and discussed with other departments for feedback. As well as serving to embed Social Value across every service within the authority, this policy will also be the springboard for wider engagement with community groups and contracting authorities, to attempt to align our approaches to delivering Social Value for the benefit of our residents. Place Scrutiny have recently selected Social Value as an area for review in their forward plan.

INTERNAL AUDIT – During Q2, the Annual Internal Audit Report and Opinion for 2020/21 was presented to the Audit Committee, in which a reasonable assurance audit opinion was provided over the Council's control environment. At the same time, the team commenced delivery of the new audit plan for 2021/22, with good progress being made, as summarised in the Q1 Internal Audit Progress Report recently presented to both the Corporate Management Team and Audit Committee. Overall delivery of the plan remains on track.

PROPERTY

Property operations – Q2 saw continued focus on embedding Property's new data platform, with a focus on compliance data, embedding the system with our suppliers and functionality, service delivery and reporting of the Property Help Desk Function. Implementation will continue into Q3 and Q4, with a focus on reporting functions. The aim of the new platform is to provide robust property data on performance of the Council's assets.

Work to prepare for a phased return to the office environment, when it is safe, continues, whilst continuing to support essential services to operate in a COVID-19 secure way in Council buildings.

Property Strategy – The Council's Asset Management Plan 2020-2025 outlines defined work activities and this work has commenced, though some activities were deferred following essential work needed to support services during the pandemic. Property's management team will spend Q3 and Q4 re-prioritising work outlined in the Asset Management Plan.

Property Investment – Property have continued to work on reviewing our property assets, which has produced several projects. In Q2 we have been able to:

- Exchange contracts on disposal of the Grove school site, with legal completion due in Q3.
- Complete the Phase 1 Beacon/Grove Park capital works on time and under budget.
- Lansdowne Children Home – completed and operational.
- Westfield Children Home – completed.
- Ocean House office lease renewed on flexible terms and St Mary's House and St Mark's House office lease negotiations due to be completed in early Q3.
- Work continues on six projects with Salix* funding to deliver carbon reduction from property assets.
  **an executive non-departmental public body, sponsored by the Department for Business, Energy & Industrial Strategy.*

Some property investment opportunities are reliant on outcomes of wider corporate and service transformation plan updates. The three-year capital receipts programme otherwise remains on target and continues to make progress. All projects will be subject to a review and prioritisation assessment as part of the post Covid-19 activities.

Property Strategy (SPACES) – Strategic Property Asset Collaboration in East Sussex (SPACES) is a partnership of public bodies and third sector organisations which aims to improve sharing of the property estate between partners, to save property costs, and to release capital receipts. Following approval of the first SPACES Strategy in May 2021, the programme is developing an Implementation Plan (which will be finalised during Q3), setting out the approach to delivering the partnership's vision in relation to each of the six Strategy Themes.

SPACES has been successful in receiving full funding from the Brownfield Land Release Fund bid submitted in June through One Public Estate (OPE). The overall bid, which was developed in collaboration with relevant local authorities, was awarded the full request of £1,112,000 funding across five projects set to deliver a combined total of over 100 homes.

Furthermore, SPACES continues to deliver a number of public-sector property collaboration projects, including those which have received OPE funding (£1.085m of funding received across OPE Phases 5, 6, 7 and 8). The projects are geographically spread across all East Sussex districts and boroughs, with activities including emergency services colocation, town centre regeneration, office accommodation utilisation across the public sector, provision of new training facilities and housing (including key worker accommodation). SPACES will also work with its members to consider additional OPE rounds and other follow-on funding from the Brownfield Land Release Fund, focused on Self and Custom Build homes.

IT & DIGITAL

IT&D have been focussing on the re-procurement of the South East Grid (SEG) network on behalf of the Link Consortium, which is made up of other public sector partners and hosted by the Council. The re-procurement is putting in place a contract framework that the Council and public sector organisations in the South East can access to enable higher speed digital infrastructure connections and contribute to the provision of ultra-fast data network connectivity throughout East Sussex. In Q2, the SEG Framework was awarded to MLL Telecom. It is a 15 year £400m framework, operated by the Council and available to public sector organisations across the South East of England through to 2036. Work is now underway to finalise the Council call-off contract and commence the transition from the Link public sector network currently used by the Council.

Q2 has also seen the refresh of monitors throughout the estate, replacing outdated models with more energy efficient equipment that, in addition to being compatible with Windows 10, also powers the laptops connected to them minimising the need for additional cables.

BUSINESS OPERATIONS

The service continues to target Purchase to Pay (P2P) performance, which is the percentage of commercial invoices paid within 30 days, with P2P prompt payment levels continuously exceeding the target of 93% with the performance being maintained at an average of 94% throughout Q2. Though still achieving over the target, Q2 has seen a slight decrease of 2% when compared to Q1 which is mainly due to new processes introduced by services during this quarter which created a volume of late payments and resourcing issues which are being addressed by management.

FINANCE

The draft Statement of Accounts was published for public inspection within the statutory deadline of 31 July 2021. Grant Thornton presented their draft audit reports for the Council and the East Sussex Pension Fund (ESPF), with anticipated unqualified audit opinions to the Audit and Governance Committees during September 2021. However, the final audit opinions were not issued by 30 September 2021 deadline; only being provided on 19 October 2021, the second year in succession that the deadline have been missed.

This delay is reflective of the challenges faced by external auditors across local authorities, with only 9% of audits being completed on time. Increased regulatory assurance requirements, together with recruitment and retention issues, means that external audit firms struggle to deliver a timely and quality service. In addition, fees are rising due to the additional assurance now required; East Sussex has seen a 72% increase in fees.

The challenges need to be addressed. The Redmond Review has published 23 recommendations that seek to reset the audit sector; these have yet to be enacted by the Regulators and Government.

Revenue Budget Summary – The 2021/22 Business Services net revenue budget is £24.327m, which includes a £11.484m contribution to the Orbis budget. In respect of COVID-19, BSD has incurred additional costs and lost revenue, creating pressures of £0.658m **(ref iii)**. However, these pressures will be supported by the General COVID-19 grant and so the outturn reflects only the business-as-usual position. The full year estimated outturn is a net underspend of £0.115m **(ref iv)**, with projected underspends in Finance and Property partially offset by a projected overspend in the contribution to the Orbis budget (the latter mainly reflecting salary budget pressures in IT&D and Procurement, and ongoing budget challenges relating to insurance income and claims handling).

Following changes to the scope of the Orbis Partnership, budgets for Finance and HR&OD are, from Q2, fully within the management control of this Council.

Capital Programme Summary – The 2021/22 capital budget is £37.043m and includes the £16.686m Schools Basic Need Programme and the £8.163m Building Improvements programme. The SALIX programme has slippage of £0.267m to manage the programme of work within the annual profile **(ref v)**. The £0.122m underspend on the Property Agile Works **(ref vi)** is being reviewed and may be utilised to support the Workstyles Programme. There is £0.700m slippage on the Special Educational Needs programme **(ref vii)** and £0.222m on Disability Children's Homes **(ref viii)**. The scope of both projects are currently under review with feasibility studies underway. However, the slippage will support future years requirements and be considered as part of the wider Reconciling Policy, Performance and Resources process. Building Improvements is forecasting net slippage of £0.663m **(ref ix)** split between: Schools slippage of £1.481m and Non Schools spend in advance £0.818m which will be reprofiled as part of the annual capital programme refresh. The construction industry is still being impacted by as a result of several major factors including the effects of Brexit and the restrictions on supply due to the global pandemic. The volume of construction projects is rising rapidly, increasing pressure on material availability. Roofing projects are also delayed.

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

Performance measure	Outturn 20/21	Target 21/22	21/22 RAG				Q2 21/22 outturn	Note Ref
			Q1	Q2	Q3	Q4		
Priority – Driving sustainable economic growth								
Economic, social and environmental value committed through contracts, as a percentage of our spend with suppliers	12.6%	≥10.0%	G	A			Q2: 2.4% YTD: 3.3%	i
Priority – Making best use of resources in the short and long term								
Reduce the amount of CO_2 arising from County Council operations	14.6% reduction	13% reduction on 2020/21	A	AD			Suggested amendment to the method of calculating the measure	ii

Savings exceptions						
Service description	2021/22 (£'000) – Q2 Forecast					Note ref
	Original Target For 2021/22	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	-	-	-	-	-	
Planned savings - Orbis	136	136	136	-	-	
	-	-	-	-	-	
Total Savings	**136**	**136**	**136**	**0**	**0**	
			-	-	-	
			-	-	-	
			-	-	-	
Subtotal Permanent Changes [1]			**0**	**0**	**0**	
Total Savings and Permanent Changes	**136**	**136**	**136**	**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 2021/22 (£000)						Note ref
				Projected outturn			(Over) / under spend			
	Gross	Income	Net	Gross	Income	Net	Gross	Income	Net	
Planned Budget										
Business Operations	58	-	58	58	-	58	-	-	-	
Finance	5,894	(3,207)	2,687	6,859	(4,296)	2,563	(965)	1,089	124	
HR & OD	2,071	(909)	1,162	2,070	(909)	1,161	1	-	1	
IT & Digital	6,268	(2,628)	3,640	6,408	(2,768)	3,640	(140)	140	-	
Procurement	39	(119)	(80)	39	(119)	(80)	-	-	-	
Property	28,047	(20,271)	7,776	27,829	(20,136)	7,693	218	(135)	83	
Contribution to Orbis Partnership	11,484	(2,400)	9,084	11,559	(2,382)	9,177	(75)	(18)	(93)	
Subtotal	**53,861**	**(29,534)**	**24,327**	**54,822**	**(30,610)**	**24,212**	**(961)**	**1,076**	**115**	
Covid-19 related										
Covid-19 Related Costs	-	-	-	467	191	658	(467)	(191)	(658)	**iii**
Covid-19 Specific Funding	-	-	-	-	-	-	-	-	-	
Covid-19 Tranche Funding	-	-	-	(467)	(191)	(658)	467	191	658	
Subtotal Covid	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	
Total BSD	**53,861**	**(29,534)**	**24,327**	**54,822**	**(30,610)**	**24,212**	**(961)**	**1,076**	**115**	**iv**

Capital programme										
Approved project	Total project – all years (£000)		2021/22 (£000)							Note ref
			In year monitor Q2 (£000)				Analysis of variation			
	Budget	Projected	Budget	Actual to date	Projected 2021/22	Variation (over) / under budget	(Over) / under spend	Slippage to future year	Spend in advance	
Planned Programme										
SALIX Contract	3,590	3,590	428	561	161	267	-	267	-	**v**
Property Agile Works	9,713	9,713	122	-	-	122	122	-	-	**vi**
Lansdowne Secure Unit - Phase 2	8,988	8,988	314	380	314	-	-	-	-	
Special Educational Needs	3,200	3,200	800	-	100	700	-	700	-	**vii**
Special Provision in Secondary Schools	3,540	3,540	730	752	730	-	-	-	-	
Disability Children's Homes	242	242	242	-	20	222	-	222	-	**viii**
Westfield Lane (delivered on behalf of CSD)	1,200	1,200	466	324	500	(34)	-	-	(34)	
Core Programme - Schools Basic Need	135,524	135,524	16,686	5,012	16,574	112	-	112	-	
Core Programme - Capital Building Improvements	82,902	82,902	8,163	3,231	7,500	663	-	1,481	(818)	**ix**
Core Programme - IT & Digital Strategy Implementation	87,586	87,586	9,068	1,282	8,568	500	-	500	-	
IT & Digital Strategy implementation (utilising automation)	132	132	24	-	24	-	-	-	-	
Total BSD Gross (Planned Programme)	**336,617**	**336,617**	**37,043**	**11,542**	**34,491**	**2,552**	**122**	**3,282**	**(852)**	
Covid-19 Related										
Covid-19 Related Costs	-	-	-	298	298	(298)	-	-	-	
Covid-19 Specific Funding	-	-	-	-	-	-	-	-	-	
Covid-19 Tranche Funding	-	-	-	(298)	(298)	298	-	-	-	
Total BSD (Covid Related)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	

Children's Services – Q2 2021/22

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

Summary of successes and achievements

Back to school

The Standards and Learning Effectiveness Service (SLES) and the Inclusion Special Educational Needs and Disability Service (ISEND) continued to provide support for schools and settings as the autumn term started, alongside new government guidance. All our schools opened fully in September without the requirement to organise teaching in bubbles, pupils to wear face masks or to track and trace close contacts of confirmed cases (which is now done by NHS Test and Trace). Where COVID-19 cases have increased in some schools, settings support has been provided in partnership with Public Health.

The Director of Children's Services, and the Director of Public Health are jointly holding regular meetings with headteachers to discuss any emerging issues and identify any further communications or support that the Council can provide. This has included discussion and support for the vaccine roll-out for 12–15 year-olds in secondary schools. Disruption has been kept to a minimum and schools have remained open despite high levels of infection in some areas.

Leadership training for school leaders

In September SLES ran two leadership training sessions for school leaders. 12 delegates attended the Headteacher Induction session and 20 attended the Aspiring Leaders Programme. Colleagues from across a range of services spoke to the delegates, informing school leaders about the support available from services across the Council. The Aspiring Leaders Programme is an essential tool in building up the pipeline of good school leaders across the county.

Excellence for All 2021-2023

In October the SLES published an updated version of the Excellence for All strategy for 2021-23, which is a partnership strategy with the Primary and Secondary Boards. It is based around three clear ambitions which build on the successes and improvement that schools, settings, and partners have achieved over the last two years. The ambitions are to:

- Support every setting and partnership to strengthen leadership at all levels, enabling leaders who promote excellence for all children and young people.
- Improve literacy and oracy, across all phases, to build on the gains that have been made in the county over recent years and address areas of historically lower achievement.
- Take the innovations in approaches to learning and participation, developed during the pandemic, into our post lockdown work to support the inclusion and wellbeing of children and young people.

These new shared ambitions were developed through a series of collaborative engagement sessions with partners and stakeholders. The Primary and Secondary Boards share a collective responsibility to improve outcomes for all young people in East Sussex and their ongoing priorities align with these ambitions.

Household support grant

In October local authorities were advised that they would receive funding for a new Household Support Grant to support households in the most need with food, energy and water bills from October to the end of March 2022. Working jointly with Adult Social Care, processes have been put in place for working with district and borough and voluntary and community sector partners to provide food vouchers to eligible free school meal (FSM) pupils (2-19 years old). This fast set up has enabled food vouchers to be provided during both the October half term and Christmas break.

Holiday Activity and Food (HAF) winter programme

In November 2020, the government announced funding to provide holiday activities and food to young people eligible for FSM. The provision covers the Easter, summer, and Christmas holidays in 2021. In East Sussex, the Council is coordinating this project and commissioning individual providers to deliver the programme. The summer programme included 71 providers geographically spread across the county, with a focus in the six identified high-need areas (Hastings, Eastbourne, Newhaven, Peacehaven, Bexhill and Hailsham). Places were provided for 3,612 eligible young people.

We are currently developing the winter programme:

- 48 expressions of interest have been received for winter provision.
- 15 have been reviewed by the Hastings Opportunity Area panel so far (13 funded and 2 under further development).
- 33 were reviewed by the main Council grant assessment panel in October (5 are under further development).

- Two of these expressions of interest were from providers who cover both the Hastings area and the rest of East Sussex and were reviewed by both panels.
- If all current expressions of interest are funded that would equate to 1,725 places on individual sessions.
- We have a second application window open, so we are looking to increase this number. We are also looking at a wider range of provision (e.g., blended with online activities, food hampers/activity packs, trips to theatres etc) which are currently not reflected in the above figures for winter.

The Flagship School

The Flagship School in Hastings, a special school for children with autism and associated social, emotional, and mental health needs, opened in September 2021. The school was set up to meet a recognised gap in provision for this group of children and initial parent/carer feedback has been positive. The school initially opened for 24 pupils and will grow to 72 pupils in future years once the new building is complete.

Joint Strategic Needs Assessment of Special Educational Needs and Disability (SEND)

Public Health published a Joint Strategic Needs Assessment of SEND in August. We commissioned the JSNA to identify what is working well and gaps in current provision that need to be addressed. Public Health carried out the analysis and produced the report. The process included statistical analysis and a literature review and consultation including with voluntary and community sector partners. Feedback was received from 62 professionals working in SEND and 725 responses from parents/carers of children and young people with SEND. The report identifies several gaps and makes recommendations for partners to address these, as well as highlighting a number of areas of good practice. The recommendations will inform future commissioning, service delivery and the new SEND Strategy.

Sussex-wide mental health and emotional wellbeing (MHEW) of children and young people: Foundations for our Future

We are working with Sussex NHS Commissioners to develop a system wide approach to supporting the MHEW of children and young people. Following a comprehensive analysis, Children's Services provided Foundations for our Future with the views of children and young people about MHEW services including the mapping of existing services to inform strategic planning for the future. We are currently coordinating invites to workshops with partners in the statutory, voluntary sectors and schools and colleges, which are being organised by the Sussex NHS Programme Director.

Department for Education (DfE) funding

We have been successful in two regional bids as part of the South East Region bid to the DfE for funding from the national social care recovery grant:

- The first bid will extend our Foundations Service, which works with couples/women who have had previous children removed, to pre-birth work.
- The second bid is a piece of work with colleagues in Portsmouth City Council, Kent County Council and Oxfordshire County Council to establish Lifelong Links for children in our care. This will put children back in touch with adults who have been close to them in the past, building a stronger support network around the children.

Post 16 pilot for Looked After Children (LAC)

We have been selected as one of 30 local authorities in the country (three in the South East) to be part of a post 16 pilot, enabling us to provide additional English and Maths tuition and academic coaching to our post 16 LAC in Further Education colleges. We are, therefore, targeting those students who achieved level 3 in English and Maths at GCSE.

Personalised Health Budgets

The Through Care Service (TCS) which supports LAC from the age of 14 to 25, has been selected to pilot the delivery of enhanced support to Care Leavers using Personalised Health Budgets. This model will particularly focus on strengthening emotional health and wellbeing by engaging in community resources and social activities such as gym membership, bus passes etc. The project will be led by the TCS in partnership with a Mental Health Nurse who will join the TCS to strengthen work with this group of young people. Timescales are short and the programme will conclude by March 2022. However, if successful National Health Service England is keen to extend the model locally, and possibly on a national basis.

The percentage of LAC participating in education, training or employment with training at academic age 16 (Year 12)

78% of LAC **(ref i)** are participating in education, training or employment with training (EET) at academic 16 at Q2. This is a 11% increase on the comparable EET figure from last year, but a reduction on the May data. This reduction reflects an increase in the overall number of looked after young people and care leavers in year 12. We continue to work with the Unaccompanied Asylum Seeker Children team and Youth Employability Service to ensure that young people coming into the care system can access education as soon as possible. We are also working with ISEND, to deliver a bespoke package of education for LAC with complex difficulties who are not able to go to school or college at this time or who are awaiting a place in specialist provision.

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)

92.1% of current Year 12 students were participating in education, training or employment with training **(ref ii)** in August 2021 (latest available data)**.** As enrolment data is still being received from post education and training providers, and this will continue into November, the percentage should increase in the coming months.

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

77% of respondents **(ref iii),** 78% of adults and 77% of young people, to the feedback survey agreed that things have changed for the better as a result of getting targeted support from the 0 – 19 Early Help Service. This is lower than the 2021/22 target of 85%. We are working with practice teams to identify the reasons for the drop and implement changes to bring performance back up again.

Looked after Children (LAC)

LAC numbers have remained at a rate of 58.5 per 10,000 children (623 children) during Q2, which is higher than the target rate of 57.6 per 10,000 children (612 children). Of the 623, 51 are Unaccompanied Asylum Seeker Children. There are also more older children entering care due to involvement in County Lines and exploitation. Higher numbers of children are also staying LAC for longer due to significant delays in the court system due to problems with scheduling hearings. Whilst the volume of care proceedings initiated is relatively stable, both our existing and new cases are taking longer to pass through the family courts with current timescales at 40 weeks rather than the previous 30 weeks. This means that there are delays in moving children for example, to a Special Guardianship Order or for very young children to adoptive families.

Revenue Budget Summary – The net budget of £91.721m is currently forecast to be overspent by £3.020m by year end **(ref xi)**. We are forecasting £14.715m costs relating directly to COVID-19, which COVID-19 funding is forecast to offset **(ref x)** and a non-COVID-19 overspend of £3.020m **(ref ix)**.

Overall **non COVID-19 related** forecasted pressures have increased by £0.811m since Q1. This movement is primarily concentrated within Early Help and Social Care, with an additional pressure of £0.302m **(ref vi)**, and in Communication, Planning and Performance for Home to School Transport (HTST), with an increase in forecast costs of £0.499m **(ref viii)**. The HTST increase since quarter 1 is principally due to a reduction in expected savings from re-tendering contracts (£0.513m):

- Increased numbers of children on One School Contracts and reduced route optimisations (£0.503m); and
- 24x7 hand back of two One School Contracts (£0.153m); offset by
- Additional savings from operator route optimisation at St Mary’s Horam (£0.143m).

Within Early Help and Social Care **(ref vi)**, the greatest contributor to the pressure is within the Locality service, £0.361m, due to the need to find countywide homeless placements. There has, however, been some staff cost mitigation due to some delays in recruitment.

COVID-19 related pressures have decreased marginally by £0.105m since Q1 due to a reduction of anticipated short term staffing requirements as we return to more normalised ways of working.

Within the above outturn position, the department forecasts to achieve all of its £0.134m **(ref iv)** of planned savings for 2021/22.

Capital Programme Summary – The Capital Programme for Children’s Services for 2021/22 is £0.967m **(ref xii)** and we are forecasting spend to be in line with this.

Performance exceptions (See How to read this report for definition)								
Performance measure	Outturn 20/21	Target 21/22	21/22 RAG				Q2 2021/22 outturn	Note Ref
			Q1	Q2	Q3	Q4		
Priority - Driving sustainable economic growth								
The percentage of LAC participating in education, training or employment with training at academic age 16 (Year 12)	87%	80%	G	A			78%	i
The percentage of young people meeting the duty of RPA (Raising the Participation Age) by either participating in education, training or employment with training or undertaking re-engagement provision at academic age 16 (Year 12)	95%	93%	G	A			92.1%	ii
Priority – Helping People Help Themselves								
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	91%	85%	G	A			77%	iii

Savings exceptions						
Service description	2021/22 (£'000) – Q2 Forecast					Note ref
	Original Target For 2021/22	Target including items c/f from previous year(s)	Achieved in-year	Will be achieved, but in future years	Cannot be achieved	
Savings						
Early Help	134	134	134	-	-	
Total Savings	**134**	**134**	**134**	**0**	**0**	
			-	-	-	
Subtotal Permanent Changes [1]			**0**	**0**	**0**	
Total Savings and Permanent Changes	**134**	**134**	**134**	**0**	**0**	iv

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] Where agreed savings are reasonably unable to be achieved other permanent savings are required to be identified and approved via 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 2021/22 (£000)						Note ref
				Projected outturn			(Over) / under spend			
	Gross	Income	Net	Gross	Income	Net	Gross	Income	Net	
Planned Budget										
Central Resources	3,125	(1,412)	1,713	1,932	(1,412)	520	1,193	-	1,193	v
Early Help and Social Care	71,322	(12,624)	58,698	74,186	(12,549)	61,637	(2,864)	(75)	(2,939)	vi
Education and ISEND	98,276	(5,500)	92,776	101,496	(8,205)	93,291	(3,221)	2,705	(516)	vii
Communication, Planning and Performance	23,943	(5,425)	18,518	25,487	(6,210)	19,277	(1,543)	785	(758)	viii
DSG non Schools	-	(79,984)	(79,984)	-	(79,984)	(79,984)	-	-	-	
Schools	169,380	(169,380)	-	169,380	(169,380)	-	-	-	-	
Subtotal	**366,046**	**(274,325)**	**91,721**	**372,481**	**(277,740)**	**94,741**	**(6,435)**	**3,415**	**(3,020)**	**ix**
Covid-19 related										
Covid-19 Related Costs	-	-	-	14,715	-	14,715	(14,715)	-	(14,715)	
Covid-19 Specific Funding	-	-	-	-	(4,288)	(4,288)	-	4,288	4,288	
Covid-19 Tranche Funding	-	-	-	-	(10,427)	(10,427)	-	10,427	10,427	
Subtotal Covid	**0**	**0**	**0**	**14,715**	**(14,715)**	**0**	**(14,715)**	**14,715**	**0**	**x**
Total CSD	**366,046**	**(274,325)**	**91,721**	**387,196**	**(292,455)**	**94,741**	**(21,150)**	**18,130**	**(3,020)**	**xi**

Capital programme										
Approved project	Total project – all years (£000)		2021/22 (£000)							Note ref
			In year monitor Q2 (£000)				Analysis of variation			
	Budget	Projected	Budget	Actual to date	Projected 2021/22	Variation (over) / under budget	(Over) / under spend	Slippage to future year	Spend in advance	
Planned Programme										
House Adaptations for Disabled Children's Carers	1,106	1,106	160	(9)	160	-	-	-	-	
Schools Delegated Capital	25,218	25,218	760	286	760	-	-	-	-	
Conquest Centre redevelopment	356	356	47	30	47	-	-	-	-	
Total CSD Gross (Planned Programme)	**26,680**	**26,680**	**967**	**307**	**967**	**0**	**0**	**0**	**0**	**xii**
Covid-19 Related										
Covid-19 Related Costs	-	-	-	-	-	-	-	-	-	
Covid-19 Specific Funding	-	-	-	-	-	-	-	-	-	
Covid-19 Tranche Funding	-	-	-	-	-	-	-	-	-	
Total CSD (Covid Related)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	

Communities, Economy & Transport – Q2 2021/22

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

Summary of successes and achievements – 39 highway improvement schemes were completed in Q2, to maintain and improve the condition of the county's roads. 5,473 potholes were repaired in Q2, with 4,165 of these being carriageway potholes; the remainder were primarily footway potholes. Amongst the carriageway potholes, 94.1% of these were completed within the required timescales.

The East Sussex Local Cycling and Walking Infrastructure Plan was approved by Cabinet on 30 September outlining a plan for investment into sustainable modes of transport, and the transport infrastructure improvements to the Newhaven Ring Road were completed in July 2021.

For the return of pupils to school in September, the Transport Hub organised the transport of 4,500 children. This year was more challenging than usual with a large scale retender project encompassing transport arrangements for 20% of children with Special educational needs and disabilities (SEND); the removal of COVID-19 funding for additional transport capacity across the network; and a larger than normal intake of new SEND children. The team also had to manage one operator handing back contracts for transporting over 100 SEND children the week before the return to school because they were let down by one their vehicle suppliers. The team worked with alternative providers to ensure all of the affected children were taken to school on the first day successfully. COVID-19 arrangements have all ceased and transport has been reorganised to reflect the removal of many restrictions. The larger intake of SEND children has been accommodated despite some ongoing issues with available suppliers, exacerbated by fuel and staff shortages for transport contractors.

Around £126m is being invested into East Sussex as a result of the East Sussex Economy Recovery Plan to support the survival, reset, recovery and growth of businesses in the county. Detailed updates on each of the six missions which make up the recovery plan can be found on the Council's website.

The registration team have been working in Q2 to catch up with the backlog of ceremonies brought about by COVID-19 delays. There has also been a focus on returning as many of the services offered to business as usual as possible. Death registrations are currently up to date, whilst the birth backlog resulting from lockdown is now back down to the level seen prior to the pandemic. There is a plan to return to face-to-face Group Citizenship Ceremonies in a limited way in Q3. Non-statutory appointments and ceremonies are now taking place, and all Register Office ceremony rooms are open to the public at normal capacity.

4,860 children registered for the Summer Reading Challenge, which encourages primary school children to read during the summer holidays, during Q2. The Service had 25 events for children over the holidays including interactive drama, writing and drawing sessions with an environmental message, author led events and events at four schools in areas of high need.

249 further premises were connected to improved broadband speeds in Q2 as part of the Council's project to improve connectivity throughout the county. Data for the number of premises connected in Q2 will not be available until Q3 (reported a quarter in arrears). Amongst premises that had been connected to improved speeds at the end of August 2021, overall take-up was 76%.

The Government launched Bus Back Better, a new bus strategy, in March this year. It aims to rejuvenate local bus services, making them attractive for passengers, cheaper, easier to understand and use, faster and more reliable, and greener. The strategy also places new requirements on Local Transport Authorities to develop Bus Service Improvement Plans (BSIP) and set up Enhanced Partnerships with local bus operators. Following approval of the Lead Member for Transport and Environment to develop an Enhanced Partnership for East Sussex, we carried out engagement with bus operators, local interest groups and the wider community to develop proposals for a BSIP.

Employability and Skills – 25 schools have signed up to the Employability Passport, which asks people to reflect on the skills they have and how they meet employer's needs, which has resulted in 194 pupils being registered. The Council has also continued to develop the resources available on the Careers East Sussex web portal, including labour market information that can be used by both schools and adults to guide retraining. An East Sussex Virtual Work Experience package has also been produced, with over 1,300 students taking part in virtual work experience during Q1 and Q2. The Careers Hub continued to support schools to achieve an average of 5.2 Gatsby benchmarks, which provide a framework for schools to improve their careers provision, in Q2. The Skills East Sussex (SES) board met in Q2 to develop the new SES priorities for 2022 – 2025. SES is also commissioning research to provide evidence of the skills required across sectors in East Sussex, including the Green Economy, to 2030.

Cultural investment and recovery – The Sussex Tourism and Culture Recovery Group report, produced by Blue Sail, on the proposed pan-Sussex approach to Tourism, was approved by the Council's Corporate Management Team in Q2, and is now progressing for Lead Member approval. Work began in Q2 to build a pan-Sussex tourism leadership group to include: an action plan; communications plan; creation of the Sussex Tourism leadership group; and readiness to respond to national developments such as the outcome of the Destinations Management

Organisations review and/or funding opportunities. The governance review of Culture East Sussex (CES), by Cultural Associated Oxford, has agreed the vision and mission for CES, the structure for the Cultural Investment Framework; the Terms of Reference and the categories for membership are now being developed.

Business Support and job creation – Businesses were helped by business support programmes to create or safeguard 45 jobs in Q2. Locate East Sussex helped 12 businesses to remain within, or relocate to, East Sussex.

Road Safety – Three further schemes to improve the road safety infrastructure in the county were completed in Q2, bringing the total completed so far in 2021/22 to eight. A further 21 schemes have been instructed and are waiting to be scheduled within the East Sussex Highways programme of works. As part of the national Bikeability scheme, which helps to prepare people for cycling safely on the road, we delivered 73 courses to 646 individuals at participating Schools and the Cycle Centre at Eastbourne Sports Park during Q2. We also delivered 22 Wheels for All sessions at the sports park, which are aimed at adults and children with disabilities and differing needs and helps them to cycle in a safe and structured environment.

Trading Standards – There were 33 positive interventions to protect vulnerable people in Q2, including visiting nine vulnerable people at home to install call blockers to try and prevent them from falling victim to telephone scams. Trading Standards also supported a lady who was scammed out of more than £20,000. Our officer was able to identify £7,042 of money in an account associated with the scam and this was refunded by Barclays Bank. We were concerned that the remaining money should not have been released by Nationwide Building Society under terms of the Banking Protocol (where they are meant to question such withdrawals) and therefore supported the consumer through a claim via the Financial Ombudsman. This resulted in £13,345 being refunded, meaning that the total amount lost by the consumer was returned to her. 26 delegates received business training in Q2, whilst 57 businesses received bespoke advice from Trading Standards.

Environment Strategy – The East Sussex Environment Board has drafted an East Sussex Climate Emergency Road map, which is being reviewed by Team East Sussex and other partners, with the intention to produce a final version by the end of Q3. The road map includes a strategy for the development of a county-wide electric vehicle charge point network.

Progress has been made in delivering a number of solar photolvoltaic (pv) schemes on Council owned properties. This follows the award of just under £500,000 of Government funding earlier in the year. In Q2, planning permission was secured for pv installations at Sackville House and County Hall and a contractor has been appointed to undertake the installations.

Corporate Climate Emergency Plan – The Council has secured an additional £192k to carry out feasibility studies into the possibility of decarbonising the heating at a number of buildings, with heating representing the largest part of the Council’s carbon footprint. We have also submitted another bid to decarbonise the heating at Herstmonceux primary school, we expect to hear the result of this bid in January 2022.

Libraries – Learning Services are now operating a hybrid model offering face to face and online sessions for their teaching accredited courses in English and Maths as well as employability skills. Where individuals don’t have their own devices we are operating a loan scheme for the duration of the course. 14 people passed online learning courses, including IT, English and Maths, in our libraries in Q2. Family Learning are mainly delivering a face to face learning model at this time. 179 people enrolled on Family Learning programmes at East Sussex libraries in Q2, 24 of these enrolments were in Family English, Maths and Language (FEML), whilst 155 were in Wider Family Learning (WFL) programmes. The availability of IT For You sessions, which offer free 60 minute one-to-one computer sessions with volunteers, was expanded from two libraries to nine across the county during Q2, with 460 sessions delivered during the quarter.

Rights of way – 80% of high priority maintenance works were completed within each two-week period during Q2. This was slightly lower than planned due to more reactive vegetation clearance taking place, and poor weather in August delaying bridge installations.

Waste – 58.19% of household waste was re-used, recycled or used beneficially in Q1 (reported a quarter in arrears), above the target for the year of 54.71%. Collected waste and recycling is higher than forecasted because of the continuing high numbers of people working from home. This has however had a knock-on effect on the amount of household waste collected in Q1 (reported a quarter in arrears), with 995kg/hh collected against a target for the year of 985kg/hh.

Revenue Budget Summary – The revenue budget is £61.880m and is projected to overspend by £226k. There is £1.762m of COVID-19 costs and lost income, and £495k of Contain Outbreak Management Fund (COMF) expenditure. Both are offset with COVID-19 tranche and COMF funding. The largest area of underspend is in Transport and Operational Services. This is made up of the Waste Service underspend of £1.159m, mainly relating to reducing household waste disposal costs pre COVID-19, which will be partly offset in future years through an increase in household waste due to expected continuation of residents homeworking. Some of the Waste Service underspend will be redirected to enable CET to develop economic pipeline projects. Concessionary Fares are also underspending based on the agreement to pay operators at pre COVID-19 levels and prices which are currently lower than budgeted, although the pending review of the concessionary fares process may change this position **(ref i)**. The overspend in Planning and Environment includes the decision to fund £812k of decarbonisation work **(ref ii)**. The Department will continue to monitor the requirement for making planned reserve draws into revenue as there may be the opportunity to manage within current resources and avoid unnecessary drawdowns from the corporate reserves.

Capital Programme Summary – The CET capital programme has a gross budget of £57.248m. There is slippage of £5.813m, spend in advance of £413k and an overspend of £15k. The most significant slippage is in the Broadband project, where although the build is still progressing well, Openreach have been unable to provide evidence of connection to a number of properties at the contractual milestone points, which prevents them from billing for these properties **(ref iii)**. The UTC Maritime and Sustainable Technology Hub is slipping due to delays in signing off the lease agreement **(ref iv)**. There are a number of consultation and design delays on the Hastings and Bexhill Movement and Access Package **(ref vi)**. The work with British Rail on the Riding Sunbeams Solar Railways scheme is taking longer than planned **(ref v)**. There is £265k of COVID-19 and COMF cost, which will be offset with COVID-19 tranche and COMF funding.

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

Performance measure	Outturn 20/21	Target 21/22	21/22 RAG Q1	21/22 RAG Q2	21/22 RAG Q3	21/22 RAG Q4	Q2 2021/22 outturn	Note Ref
No exceptions								

Savings exceptions

Service description	2021/22 (£'000) – Q2 Forecast: Original Target For 2021/22	Target including items c/f from previous year(s)	Achieved in-year	Will be achieved, but in future years	Cannot be achieved	Note ref
Savings						
Archives and Records	104	118	118	-	-	
Library Services	240	240	240	-	-	
Parking	-	1,000	1,000	-	-	
Household Waste	250	250	250	-	-	
Total Savings	**594**	**1,608**	**1,608**	**0**	**0**	
			-	-	-	
			-	-	-	
			-	-	-	
Subtotal Permanent Changes [1]			**0**	**0**	**0**	
Total Savings and Permanent Changes	**594**	**1,608**	**1,608**	**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 2021/22 (£000)						Note ref
				Projected outturn			(Over) / under spend			
	Gross	Income	Net	Gross	Income	Net	Gross	Income	Net	
Planned Budget										
Management and Support	6,056	(3,285)	2,771	6,058	(3,287)	2,771	(2)	2	0	
Customer and Library Services	7,154	(3,143)	4,011	6,608	(2,405)	4,203	546	(738)	(192)	
Communities	4,440	(2,042)	2,398	4,764	(2,177)	2,587	(324)	135	(189)	
Transport & Operational Services	84,531	(46,832)	37,699	87,083	(50,644)	36,439	(2,552)	3,812	1,260	i
Highways	15,470	(2,663)	12,807	15,781	(2,845)	12,936	(311)	182	(129)	
Economy	3,352	(2,074)	1,278	3,290	(1,839)	1,451	62	(235)	(173)	
Planning and Environment	2,930	(2,014)	916	4,870	(3,151)	1,719	(1,940)	1,137	(803)	ii
Subtotal Planned Budget	**123,933**	**(62,053)**	**61,880**	**128,454**	**(66,348)**	**62,106**	**(4,521)**	**4,295**	**(226)**	
Covid-19 related										
Covid-19 Related Costs	-	-	-	1,077	1,180	2,257	(1,077)	(1,180)	(2,257)	
Covid-19 Specific Funding	-	-	-	-	(495)	(495)	-	495	495	
Covid-19 Tranche Funding	-	-	-	-	(1,762)	(1,762)	-	1,762	1,762	
Subtotal Covid	**0**	**0**	**0**	**1,077**	**(1,077)**	**0**	**(1,077)**	**1,077**	**0**	
Total CET	**123,933**	**(62,053)**	**61,880**	**129,531**	**(67,425)**	**62,106**	**(5,598)**	**5,372**	**(226)**	

Capital Programme Summary (£000)										
Approved Programme	Total project – all years (£'000)		2021/22 (£'000)							Note Ref
			In year monitor Q2				Analysis of variation			
	Budget	Projected	Budget	Actual to date	Projected 2021/22	Variation (over) / under budget	(Over) / under spend	Slippage to future year	Spend in advance	
Planned Programme										
The Keep	1,091	1,091	97	-	14	83	-	83	-	
Libraries	5,140	5,140	370	20	370	-	-	-	-	
Broadband	33,800	33,800	2,364	699	1,109	1,255	-	1,255	-	iii
Bexhill and Hastings Link Road	126,247	126,247	1,660	714	1,660	-	-	-	-	
BHLR Complementary Measures	1,800	1,800	97	(97)	(68)	165	-	165		
Economic Intervention Fund	8,884	8,884	388	73	221	167	-	167	-	
Economic Intervention Fund - Loans	3,000	3,000	375	153	375	-	-	-	-	
Stalled Sites Fund	916	916	100	-	75	25	-	25	-	
EDS Upgrading Empty Commercial Properties	500	500	-	-	-	-	-	-	-	
Fast Track Business Solutions GBF	3,500	3,500	3,500	-	3,500	-	-	-	-	
Observer Building GBF	1,713	1,713	778	222	778	-	-	-	-	
Restoring Winter Garden GBF	1,600	1,600	1,324	529	1,324	-	-	-	-	
UTC Maritime and Sustainable Technology Hub GBF	1,300	1,300	1,300	-	500	800	-	800	-	iv
Charleton Access Road GBF	89	89	89	89	89	-	-	-	-	
Sussex Innovation Falmer, Covid Secure Adaptions GBF	200	200	200	156	200	-	-	-	-	

Capital Programme Summary (£000)										
Approved Programme	Total project – all years (£'000)		2021/22 (£'000)							Note Ref
			In year monitor Q2				Analysis of variation			
	Budget	Projected	Budget	Actual to date	Projected 2021/22	Variation (over) / under budget	(Over) / under spend	Slippage to future year	Spend in advance	
Creative Hub, 4 Fisher Street, Lewes GBF	250	250	107	89	107	-	-	-	-	
Riding Sunbeams Solar Railways GBF	2,527	2,527	2,527	50	1,820	707	-	707	-	v
Bexhill Enterprise Park North	1,940	1,940	1,940	-	1,940	-	-	-	-	
Skills for Rural Businesses - Post Brexit	4,413	4,413	3,113	37	3,113	-	-	-	-	
Sidney Little Road Business Incubator Hub	500	500	381	-	381	-	-	-	-	
Bexhill Creative Workspace	960	960	369	(355)	369	-	-	-	-	
Eastbourne Fishermen Quayside and Infrastructure Development	1,440	1,440	1,440	506	1,440	-	-	-	-	
SALIX Decarbonisation	343	343	257	66	257	-				
Newhaven Port Access Road	23,271	23,271	459	136	459	-	-	-	-	
Real Time Passenger Information	2,963	2,963	139	(14)	139	-	-	-	-	
Hastings and Bexhill Movement & Access Package	9,488	9,488	2,325	323	1,571	754	-	754	-	vi
Eastbourne/South Wealden Walking & Cycling Package	7,150	7,150	525	69	482	43	-	43	-	
Hailsham/Polegate/Eastbourne Movement & Access Corridor	2,350	2,350	456	31	276	180	-	180	-	
Eastbourne Town Centre Movement & Access Package	3,486	3,486	1,637	57	1,544	93	-	93	-	
Other Integrated Transport Schemes	55,877	55,877	3,574	2,046	3,270	304	-	304	-	
Community Match Fund	1,500	1,500	106	(3)	100	6	-	6	-	
Emergency Active Travel Fund	177	177	6	21	6	-	-	-	-	
Emergency Active Travel Fund Tranche 2	1,456	1,456	1,443	343	1,443	-	-	-	-	
Exceat Bridge	2,633	2,633	551	(1)	329	222	-	222	-	
Queensway Depot Development	1,956	1,956	818	33	300	518	-	518	-	
Hailsham HWRS	150	150	146	-	5	141	-	141	-	
Core Programme - Highways Structural Maintenance	379,257	379,272	16,812	5,115	16,512	300	-	300	-	
Core Programme - Bridge Assessment Strengthening	26,103	26,103	1,249	438	1,662	(413)	-	-	(413)	
Core Programme - Street Lighting - Life Expired Equipment	24,759	24,759	1,713	305	1,713	-	-	-	-	
Core Programme - Street Lighting - SALIX scheme	2,961	2,961	1,636	1,150	1,636	-	-	-	-	
Core Programme - Rights of Way Bridge Replacement Programme	8,748	8,748	627	281	577	50	-	50	-	
Total CET Gross (Planned Programme)	**756,438**	**756,453**	**56,998**	**13,281**	**51,598**	**5,400**	**0**	**5,813**	**(413)**	
Covid-19 Related										
Covid-19 Related Costs	-	-	250	265	265	(15)	(15)	-	-	

APPENDIX 14

Capital Programme Summary (£000)										
Approved Programme	Total project – all years (£'000)		2021/22 (£'000)							Note Ref
			In year monitor Q2				Analysis of variation			
	Budget	Projected	Budget	Actual to date	Projected 2021/22	Variation (over) / under budget	(Over) / under spend	Slippage to future year	Spend in advance	
Covid-19 Specific Funding	-	-	(250)	(250)	(250)	-	-	-	-	
Covid-19 Tranche Funding	-	-	-	(15)	(15)	15	15	-	-	
Total CET (Covid Related)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	

Governance Services – Q2 2021/22

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

Reconciling Policy, Performance and Resources (RPPR) – The Annual Report was published on our website in November. The report highlights the work done by the Council, and our partners, to support communities in East Sussex during the pandemic, as well as our progress against our priorities in 2020/21. The draft Portfolio Plans for 2022/23 – 2024/25 will be reviewed by the Scrutiny Committee RPPR Boards in December, before publication in March. County Council approved the creation of a £8.9m reserve in October 2021, made up of money made available due to the impact of COVID-19 and additional funding from Government. Proposals to use the reserve for one-off investments in highways and climate change were considered by Cabinet in November.

The Chancellor announced £4.8bn of additional funding for local authorities over the next three years in the Government's Autumn Budget and Spending Review on 27 October 2021. The details of which programmes this money is available for, what formula the Department for Levelling Up, Housing and Communities will use to distribute the money, and what other commitments are included with the funding are currently being assessed. The Government also announced the ability for local authorities to raise an additional Adult Social Care Council Tax precept, and changes to Business Rates for 2022/23. Full details are expected to be provided in the provisional Local Government Finance Settlement in December.

Transport for the South East (TfSE) – Work continues on the technical programme, with the Area Studies and the Freight Strategy progressing well. The Partnership Board approved the Future Mobility Strategy in July 2021 and this is available on the TfSE website.

The procurement process for the Strategic Investment Plan (SIP) has been completed, with a request for quotation issued in September 2021. The successful bidder has been announced as a consortium of Steer and KPMG. The SIP will form the final element of the Transport Strategy and will be the blueprint for strategic infrastructure investment in the South East for the next 30 years.

Work looking at TfSE's future role, powers, structure, and governance is underway to inform the next stage of the partnership's development. It is being carried out by Arup consultants, and was presented to the Partnership Board on 18 October, with the final recommendations due to be agreed in January 2022.

A series of briefing sessions with Chair and Board members are underway during the autumn as part of ongoing stakeholder engagement activities.

Corporate Lobbying – In Q2 we contributed to national lobbying by the Society of County Treasurers and County Councils Network (CCN) on priorities for local authorities in the Spending Review. This lobbying emphasised the need for a sufficient total quantum of funding to be allocated to the sector to meet demand for services, particularly in social care, and to reduce the reliance on Council Tax increases to fund persistent service pressures. It also called for Government to complete and implement the Fair Funding Review at the earliest possible opportunity to ensure allocation of funding is based on evidenced need.

We also contributed to development of other areas of advocacy by the CCN, including on policy priorities for devolution and County Deals, and strategic planning. The Leader continues to represent the Council on the CCN's Executive as spokesperson for Children's and Young People's issues, which provides additional opportunities to steer the Network's national advocacy. The Leader also continued to take all opportunities to raise local issues and priorities with our local MPs in Q2 and promoted the interests and needs of East Sussex in two ministerial engagements: a joint East Sussex councils meeting with the Housing Minister to discuss delivery of local plans; and a visit from the Minister for Children and Families to summer holiday activities in the county.

The Chief Executive continues to be involved in national policy development as representative for the South East region on a national grouping of local authority Chief Executives. In Q2, this work included providing opportunities for local authorities across the region to engage with senior Government officials on the approach to the settlement of Afghan refugees.

Supporting democracy – During Q2 we supported 32 meetings including: one County Council meeting; two Cabinet meetings; 11 Lead Member meetings; 6 Scrutiny Committee and Review Board meetings; 12 other committees and panels. We also published agendas for a further 19 meetings. The majority of meetings continued to be held in person as legally required, with the benefit of new hybrid meeting technology allowing supporting officers and external attendees to attend virtually where possible. The second phase of the Member induction programme continued in Q2 with a specific focus on training for matters such as: Property Plant and Equipment valuation; Road Safety; Corporate Parenting and the authority's role regarding Looked After Children; and Traffic Regulation Orders. A survey was also undertaken in Q2 seeking the views of Members on the Member induction programme. The positive results of the survey were considered by the Member Reference Group and will help inform the ongoing Member training and development programme.

During Q2 scrutiny committees commenced a review and reset of their respective work programmes to help ensure a focus on priority areas. In addition to the September meetings of the scrutiny committees work included the first meeting of the People Scrutiny Committee's loneliness and isolation scrutiny reference group. Work undertaken by the Health Overview and Scrutiny Committee included meetings of a review board established to consider a proposal relating to the redesign of inpatient mental health services in East Sussex, with the board's final report considered at the committee's September meeting.

Q2 also saw significant work undertaken by the East Sussex School Appeals Service to complete the main round of school appeals. Hearings during this period continued to be delivered remotely in line with temporary national regulations. Significant support was provided to independent volunteer panel members, parents and admission authorities, which enabled full participation. The majority of appeals were heard by the end of the summer term as originally planned. 72 appeals were received in the period July to September and 11 virtual appeal hearings took place. We continue to ensure the service is accessible to all and have received no complaints during Q2.

Legal Services – During Q2, the service assisted Trading Standards in securing three convictions for fraud in relation to unfair trading, which resulted in one offender receiving a 21-month custodial sentence and the other a Community Order consisting of 250 hours unpaid work, an order to attend 10 Rehabilitation Activity Sessions and an order to pay £1k compensation to the victim. A date for the sentencing of the third offender, who remains in custody, has yet to be set. The Service assisted Income Recovery in securing the recovery and repayment of debts totalling £17k.

In Q2, the service also advised in relation to 74 Court of Protection cases (compared to 68 in Q1), 25 matters involving safeguarding vulnerable adults (compared to 26 in Q1) and 35 Deprivation of Liberty Applications in the Court of Protection (compared to 36 in Q1). Deprivation of Liberty Safeguards is the procedure prescribed in law to authorise a patient or resident's deprivation of liberty, when they lack capacity to consent to their care and treatment and the arrangements are necessary to keep them safe from harm.

During Q2 Legal Services continued to advise and assist in pre-proceedings and court applications for care proceedings, with the priority always to keep children within their family, when it is safe to do so, and for public law applications to be a last resort where it is a necessary and proportionate response to achieve the best outcome for the child. In Q2, the service advised in relation to 51 families involved in pre-proceedings (compared to 48 in Q1) and there were 71 live care proceedings (compared to 76 in Q1). The service has also provided advice and assistance in relation to a wide range of other children's matters, such as private law applications, secure accommodation, deprivation of liberty and judicial reviews. In September / October 2021, together with Children's Services, the service provided training to social workers on statement writing and the Public Law Working Group recommendations with the aim of achieving further best practice in East Sussex.

During Q2, Legal Services completed 22 planning and highways agreements and secured financial contributions to the Council of £191,750 together with the delivery of additions and improvements to the highway network across the county. We also advised on 24 new contract and procurement matters and on 37 new property transactions, including the completion of the sale of the Seven Sisters Country Park to the South Downs National Park Authority.

Coroner Services – During Q2, 525 deaths were reported to the Coroner, averaging 175 deaths per month (compared to an average of 166 deaths per month in Q1). Of those deaths reported to the Coroner in Q2, 94 went to inquest compared to 97 in Q1. In Q2, 79 inquests were closed compared to 89 in Q1. Although fewer inquests were closed in Q2, the Coroner has been addressing some of the more complex inquests, which had been delayed due to COVID-19. Non-paper inquests are now being heard on a hybrid basis with some family and witnesses attending court, whilst others are attending remotely.

Regulation of Investigatory Powers Act (RIPA) – No applications were made during Q2 under the Regulation of Investigatory Powers Act 2000 or the Investigatory Powers Act 2016.

Local Government Ombudsman (LGO) complaints – 15 decisions were issued in Q2. Seven cases 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 eight fully investigated, four cases related to Adult Social Care (ASC) and four to Children's Services (CS). Two were closed with no fault found and six were closed with the complaint partly or fully upheld as follows:

ASC – The client complained about the care her late mother received when she was in a care home funded by the Council. The Ombudsman found fault with the care provider who did not give medication properly. Further fault was found in that the care home did not monitor the client's mother adequately following a fall and did not keep adequate records. The Council has agreed to apologise, waive 50% of the charges and review placements at the care home.

ASC – The client complained about the way that the Council and Sussex Partnership NHS Foundation Trust handled her care needs assessments and direct payments in 2018 and 2019. The Ombudsman found fault with some aspects of the social care and s.117 review process but not with the other issues the client raised. The Council and the Trust have agreed to apologise to the client, arrange an independent assessment of her needs when they are due to be reviewed and take action to ensure others are not similarly affected.

ASC – The client complained that the Council misled her and her son about his contributions towards his non-residential care costs. The Ombudsman found fault with how the Council charged the client's son without any notice in 2017. The Council has reduced the debt by the £630 overcharged contributions and agreed to make a £150 payment to the client for the time and trouble in pursuing complaint.

CS – The client complained about the Council's actions during and following a child protection investigation, including:

- Supplying incorrect information to the police.
- Wrongly banning him from attending child protection meetings.
- Damaging his relationship with his children.
- Working with his former partner's family but not speaking to members of his own.
- Including inaccurate and generally biased information in its risk assessment reports.
- Taking too long to complete risk assessments.

The Ombudsman's only finding of fault was that the Council delayed in sharing its initial risk assessment with him. The Council has agreed to apologise for distress caused by this.

CS – The client complained that the Council failed to properly consider that her son's Education, Health and Care Plan named their preferred college as the education provider, when deciding if she had shown it was necessary for the Council to provide transport for her son. The Council was found at fault in making its decision but in offering an apology, considering a fresh appeal, and providing details on a low-income mileage allowance scheme the Ombudsman found the Council had offered a proportionate remedy.

CS – The client, who is the special guardian of a child, complained about the Council's decision to refuse to allow her to supervise contact between the child and their father. She also complained that the Council has refused to plan to enable her to supervise contact in the future. The Ombudsman found fault with how the Council made its decision that it was inappropriate for family members to supervise contact. The Council has agreed to apologise for its flawed decision making and to complete a family assessment and reconsider whether it is appropriate for family to supervise contact between the child and the father.

Effective publicity and campaigns – A new fostering campaign boosted traffic to the website and increased enquiries during Q2. The new social media campaign reached 374,648 people and resulted in 7,171 views of the enquiry form and 58 forms submitted – an increase in forms submitted of almost 100% on Q1. Facebook advertising is part of an on-going integrated campaign across a range of channels, including radio, an advertising van, roundabouts and other external sites.

During Q2 4,860 children signed up to the summer reading challenge – a slight increase on the last pre-COVID-19 year (2018 when it was 4,800). 2,798 finished the challenge and 1,102 children who joined reading challenges became new library members (a 60% increase compared to 2019). The campaign included media work, newsletters and a social media campaign – a Facebook advert ran for a week, reached 31,993 people and was clicked on by 1,092 people a rate of 3.4% (industry experts suggest a successful campaign is anything with more than a 2% click-through rate).

Media and information work – There were 472 media stories about the Council in Q2, of which 143 were positive and 212 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 37 press releases, generating 107 stories. 126 media enquiries were handled.

While a small number of media enquiries still related to COVID-19 in Q2, more enquiries were received relating to road safety issues and home to school transport concerns. There was coverage of the latest budget press release and the potential investment of more than £8 million, efforts to introduce wildflower verges and a programme of preservation treatment for county roads.

Web activity – The main council website had just over 2.4 million page views during Q2, from almost 740,000 visits. This included almost 84,000 views of our Coronavirus pages. The intranet had 1.4 million page views from almost 515,000 visits during Q2. Users now have the option to reject analytics cookies on our new website, which means they are not recorded in the data, so we are seeing an apparent, though misleading, fall in traffic.

South East 7 (SE7) – In Q2, the SE7 partnership continued to provide a forum for authorities to share intelligence on, and test understanding of, fast moving national policy developments; and to take advantage of opportunities for joint working across councils and with other regional partners.

SE7 Leaders met remotely in Q2 and considered a request from Kent County Council and South East Coast Ambulance Service (SECAmb) to appoint a new Local Authority Governor to represent the upper-tier local authorities covering the SECAmb area. It was agreed that Surrey County Council would take forward the appointment of a representative for the region for the next three years through their usual external body appointments process. SE7 Leaders also discussed the opportunities and uncertainties facing local authorities following the Government's announcement of new opportunities for devolution through County Deals and Leaders agreed to continue to monitor the situation and share plans and thinking ahead of publication of the Levelling Up White Paper.

SE7 Chief Executives continue to meet regularly and met with the Catalyst South Local Enterprise Partnership Chief Executives in Q2 to discuss priorities for the group and areas of potential joint working to support regional economic development and recovery from region-specific COVID-19 impacts, such as on airport towns.

Work to support the SE7 partnership in Q2 included securing Louise Marix Evans (consultant at Quantum Strategy and advisor to the Climate Change Committee) to join the October Joint Leaders and Chief Executives Board as an expert speaker on net zero. We also monitored the outcome of the Cabinet reshuffle to understand changes impacting SE7 MPs to inform future lobbying and communication efforts. Collective lobbying work to ensure the needs and interests of the South East are represented in national policy development is ongoing.

Partnership with West Sussex County Council (WSCC) – The collaboration has continued to provide a range of benefits, especially in response to the COVID-19 pandemic and sharing of best practice in many Council services. As we move into the recovery phase, collaborative working will become increasingly important, especially for economic recovery/development and transport and infrastructure planning. The Governance Committee, on 30 September 2021, agreed to endorse the continuation of the partnership arrangements on a permanent basis, subject to the termination provisions in the arrangement.

Health and Wellbeing Board (HWB) – The HWB met on 13 July and 30 September. Preparation has continued for the Health and Care Bill, and the specific agreements needed between the NHS and the Council to implement the Sussex Integrated Care Systems on a legal footing from April 2022, whilst maintaining a strong focus on the needs of our population. In September the HWB endorsed the East Sussex Health and Care Partnership Plan, setting out delivery priorities for 2021/22; further work to strengthen our system partnership infrastructure and a clear focus on improving population health and reducing health inequalities; and the role of public health. The agenda for the September meeting also included reports on the health and wellbeing inequalities of residents at Kendal Court, Newhaven, and homeless people accommodated by Brighton and Hove City Council in temporary accommodation in East Sussex; the East Sussex Outbreak Control Plan; and the Annual Reports from the Director of Public Health and the Safeguarding Adults Board.

Revenue budget summary – The GS budget is currently £7.184m and is projected to have a small underspend of £73k. The £130k additional cost of running the elections in a COVID-19 environment will be funded from general COVID-19 tranche funds.

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

Performance measure	Outturn 20/21	Target 21/22	21/22 RAG Q1	21/22 RAG Q2	21/22 RAG Q3	21/22 RAG Q4	2021/22 outturn	Note ref
There are no Council Plan targets								

Savings exceptions

Service description	2021/22 (£'000) Original Target For 2021/22	Target including items c/f from previous year(s)	Achieved in-year	Will be achieved, but in future years	Cannot be achieved	Note ref
Savings						
There are no targeted savings in 2021/22	-	-	-	-	-	
	-	-	-	-	-	
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] Where agreed savings are reasonably unable to be achieved other permanent savings are required to be identified and approved via 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 2021/22 (£000)						Note ref
				Projected outturn			(Over) / under spend			
	Gross	Income	Net	Gross	Income	Net	Gross	Income	Net	
Planned Budget										
Corporate Governance	5,237	(1,045)	4,192	5,115	(1,055)	4,060	122	10	132	
Corporate Support	3,376	(384)	2,992	3,507	(456)	3,051	(131)	72	(59)	
Subtotal	**8,613**	**(1,429)**	**7,184**	**8,622**	**(1,511)**	**7,111**	**(9)**	**82**	**73**	
Covid-19 related										
Covid-19 Related Costs	-	-	-	130	-	130	(130)	-	(130)	
Covid-19 Specific Funding	-	-	-	-	-	-	-	-	-	
Covid-19 Tranche Funding	-	-	-	-	(130)	(130)	-	130	130	
Subtotal Covid	**0**	**0**	**0**	**130**	**(130)**	**0**	**(130)**	**130**	**0**	
Total Governance	**8,613**	**(1,429)**	**7,184**	**8,752**	**(1,641)**	**7,111**	**(139)**	**212**	**73**	

Capital programme										
Approved project	Total project – all years (£000)		2021/22 (£000)							Note ref
			In year monitor Q2 (£000)				Analysis of variation			
	Budget	Projected	Budget	Actual to date	Projected 2021/22	Variation (over) / under budget	(Over) / under spend	Slippage to future year	Spend in advance	
Planned Programme										
No current programme for Governance	-	-	-	-	-	-	-	-	-	
Total GS Gross (Planned Programme)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	
Covid-19 Related										
Covid-19 Related Costs	-	-	-	-	-	-	-	-	-	
Covid-19 Specific Funding	-	-	-	-	-	-	-	-	-	
Covid-19 Tranche Funding	-	-	-	-	-	-	-	-	-	
Total GS (Covid Related)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	

Strategic Risk Register – Q2 2021/22

Ref	Strategic Risks	Risk Control / Response and Post Mitigation RAG score	RAG
16	**COVID-19** 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.	Services have changed and adapted to the changing situation and Government guidance. We have reviewed and adjusted services in line with the removal of restrictions. Members of staff who can work remotely are continuing to do so and risk assessments have been undertaken for all staff working in buildings or with service users, with appropriate protective measures in place. Looking after the most vulnerable people in our community is our absolute priority and we continue to work with our Borough and District partners to support those who need additional help through the Community Hubs. We have received additional funding from the Government to undertake a range of new activities and support which is not expected to continue after the autumn. We are closely monitoring our COVID-19 spend. We are also monitoring impacts on the economy and wider community and implementing recovery plans with our partners. The medium and long-term impact of COVID-19 is being factored into our Reconciling Policy, Performance and Resource (RPPR) finance and business planning. We have a Local Outbreak Plan to prevent, where possible, and respond to and contain local outbreaks, with specific measures for high-risk areas. We are supporting NHS partners with delivery of the local vaccination programme and are also supporting community testing. The Corporate Management Team meets 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. Case numbers have risen slightly since the beginning of September and we expect additional pressures as we move into the autumn from flu and other viruses as people begin to mix more. To mitigate risk to our workforce CMT has agreed that most staff should continue to work remotely until January at the earliest. Where staff, members and the public do access the Council's buildings, risk-assessed measures are in place to minimise risk. We continue to closely monitor the situation and plan for different scenarios. Extensive co-ordination and lobbying are taking place at Member and officer level through SE7, CCN and other arrangements.	**Red**

Ref	Strategic Risks	Risk Control / Response and Post Mitigation RAG score	RAG
12	**CYBER ATTACK** 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. Cyber attacks are growing more frequent, sophisticated, and damaging when they succeed. The COVID-19 pandemic has increased the need to carry out many additional functions virtually and remotely. Changes in working practice give rise to more requests to relax security controls, with services more likely to take risks on the technology they procure and how they use it.	Most attacks leverage software flaws and gaps in boundary defences. IT&D use modern security tools to assure our security posture: Monitoring network activity and identifying security threats; 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 against them; Ongoing communication with the Security industry to find the most suitable tools and systems to secure our infrastructure. IT&D continues to invest in new tools, which use pre-emptive technology to identify threats and patterns of abnormal behaviour. 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 General Data Protection Regulation (GDPR) training and workshops to cascade vital skills and increase awareness of responsibilities under GDPR legislation. Services hosted in ISO 27001 accredited Orbis Data Centres.	Red
4	**HEALTH** Failure to secure maximum value from partnership working with the National Health Service (NHS). If not achieved, there will be impact on social care, public health and health outcomes and increased social care operational and cost pressures. This would add pressures on the Council's budget and/or risks to other Council objectives, as well as shared system objectives in the context of our Integrated Care System across workforce and patients who are medically ready for discharge (MRD) from hospital or community beds.	Preparation has continued for the Health and Care Bill in April 2022, and the specific agreements needed between the NHS and East Sussex County Council to implement the Sussex Integrated Care Systems (ICS) on legal footing from April 2022. This takes account of the need to maintain a strong focus on the needs of our population across commissioning and delivery, as well as managing risks for effective use of Council and collective resources to deliver statutory responsibilities, population health priorities and objectives, this includes the role of Public Health within the ICS and the place led model required to ensure resources and specialist knowledge is utilised to best effect for the population of East Sussex. The East Sussex Health and Care Partnership Plan 2021/22 has now been agreed, setting out the shared in-year delivery priorities and the further work to strengthen our system partnership infrastructure. Work has also taken place on proposed governance arrangements between the Council and the wider Sussex ICS partners. Further work will take place in Q3 to ensure that it is appropriate for the Council to sign off. Challenges with system pressure have increased during Q2 across all areas of the system including primary care, community, social care, mental health and acute, urgent care and ambulance services driven by both demand and workforce pressures compounded by some Covid-19 outbreaks. Risk mitigation has included: •Close system working and daily calls to manage placements and packages of care for individuals •A focus on MRD and improving patient flows, with a review of Pathway 1 (discharge to own home with package of care) options and use of D2A funding confirmed for the remainder of the second half of the year and to support Winter Planning •Developing a 12-18 month system plan to support sustained improvement in MRD and patient flow and delivery of elective plans across all care settings •Further work will look at joint action on workforce to aid recruitment into the care sector	Red

Ref	Strategic Risks	Risk Control / Response and Post Mitigation RAG score	RAG
5	**RECONCILING POLICY, PERFORMANCE & RESOURCE** 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.	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. 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. The Coronavirus pandemic has had, and will continue to have for a long time, profound impacts on our communities and services. We continue to operate in 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. 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 likely long-term impact of COVID-19 on the Council's expenditure and income.	Red

Ref	Strategic Risks	Risk Control / Response and Post Mitigation RAG score	RAG
15	**CLIMATE** Failure to limit global warming to below 1.5°C above pre-industrialisation levels, which requires global net human-caused emissions of carbon dioxide (CO_2) 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.	Climate change adaptation: we are following national adaptation advice, including working with partners on flood risk management plans, a heatwave plan and drought plans. Climate change mitigation: we must reduce our own operation carbon footprint by an average of 13% per year to stay within our carbon budget; and to achieve net zero carbon emissions from the County Council's own activities as soon as possible, and by 2050 at the latest. Our Climate Emergency Officer continues to work with teams across East Sussex County Council (ESCC) to deliver the corporate climate emergency plan covering 2020-22. The main focus is on buildings, which made up 79% of carbon emissions in 2020/21. Internal oversight of progress is via the corporate Climate Emergency Board. In quarter 2: 1) The annual carbon reduction target of 13% for Scope 1 and 2 emissions is likely to be missed in 2021-22, as energy usage has increased compared with 2020-21, primarily because schools have returned to normal. Electricity and heating related carbon emissions for quarter 1 2021/22 are up 27% compared with the same quarter in 2020-21. 2) Work continues on delivery of grant funded projects, but supply chain capacity and material price rises have caused delays and cost increases. 3) An additional £192k of external funding has been secured to help develop site feasibility heat plans, which means ESCC will be well prepared to bid for future low carbon heating funding. 4) A Carbon Asset Management delivery group is being established with officers from Property and Communities, Economy & Transport to support the development of a project pipeline, identify funding, risks and measurement of outcomes. The group will feed into the corporate Climate Emergency Board. 5) Internal capacity has been focused on the development of an investment proposal, to be considered by Cabinet in Q3. The proposal will make the case for a range of initiatives, including additional internal capacity, to strengthen the Council's progress towards net zero.	Red

Ref	Strategic Risks	Risk Control / Response and Post Mitigation RAG score	RAG
1	**ROADS** 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. 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.	While additional funding over the last few years has helped maintain road condition the latest condition and funding modelling shows renewed deterioration over the next 10 years if further investment is not introduced into road maintenance. This reflects the changing climate with wetter, cool but prolonged winters and with the increasing frequency of heavy downpour events during the summer months which deteriorate roads faster. Further investment is currently being considered through the RPPR process to maintain condition at current levels and to help mitigate these factors over the next 10 years. Our contractor has adapted the service to ensure the workforce can work in a safe environment and has continued to successfully deliver the service on the ground or from home, with a full reactive service and capital programme delivered this year. Contract staff are beginning to implement hybrid working arrangements. Staff absence due to COVID related illness or self-isolation has remained very low and has had no significant impact on the service but clearly, in an ever-changing situation and coming into winter, the risk remains. East Sussex County Council staff managing the Highways contract have successfully worked from home with no impact and will start to implement hybrid working in line with the corporate approach and timescales.	Amber
7	**SCHOOLS** Impact of weak leadership in schools on outcomes for children and young people Failure to secure adequate leadership within East Sussex Schools, leading to: • reduced outcomes for children • poor Ofsted reports and reputational damage Failure to accelerate progress and improve attainment for all key groups of pupils • poor Ofsted reports • reputational damage Resulting in: • negative impacts on employability • undermining capacity for economic growth • increased pressures on services provided by social care and health.	Continuing to secure high-quality leadership and governance across all our schools, colleges and settings is a high priority for the Standards and Learning Effectiveness Service (SLES) performance improvement plan. To achieve this, we are taking forward a number of actions: • Working with partnership networks to provide support and challenge for the recruitment, development and performance of high-quality school leaders. • Recognising governance expertise through Local Support Governors and increasing capacity for governor to governor support • Working with the existing Academy Chains within East Sussex, to ensure appropriate solutions for schools in East Sussex. • Continuing to support the East Sussex recruitment and retention strategy with a focus on leadership. • Accelerating the work to develop partnerships between schools that cannot secure adequate leadership alone and explore the options for partnership or school re-organisation of schools that are unable to deliver a high-quality education to their pupils. • Working with Primary Board, Secondary Board, East Sussex Learning Collaborative Network and Teaching School Hub to support the development of outstanding leaders. • Working with Teaching Schools Alliances and Education Improvement Partnerships to support the development of outstanding leaders. • Working with the primary and secondary board to implement the schools causing concern guidance. • Working 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. **These mitigations do not take account of COVID impacts/measures.**	Amber

Ref	Strategic Risks	Risk Control / Response and Post Mitigation RAG score	RAG
New	**SAFEGUARDING OF CHILDREN AND YOUNG PEOPLE** Failure to recruit and retain an effective children's social care workforce leads to poor quality safeguarding practice, failing to prevent harm to children and young people, impacting on the Council's strategic objective of keeping vulnerable people safe.	Ensure social workers are well supported with manageable caseloads, strong supervision and effective support for wellbeing and development. Maintain the current strong East Sussex County Council reputation for providing high quality services and good support for social workers. This is extremely important in a highly competitive market for good social workers.	Amber
New	**DATA BREACH** A breach of security/confidentiality leading to destruction, loss, alteration, unauthorised disclosure of, or access to, personal data. This includes breaches that are the result of both accidental and deliberate causes. A personal data breach is a security incident that has affected the confidentiality, integrity or availability of personal data regardless of whether information has been accessed, altered or disclosed via electronic or manual means. Risks to individuals, reputational damage, fines from the Information Commissioner's Officer (ICO), compensation claims.	Policy and guidance procedures in place to support practice. Staff training to develop awareness. Technical security measures operated by Information Technology and Digital (IT&D), including access control.	Amber

Ref	Strategic Risks	Risk Control / Response and Post Mitigation RAG score	RAG
8	**CAPITAL PROGRAMME** Against a background of diminishing resources, 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. 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.	The Council maintains a 20-year capital strategy and 10-year capital programme (currently 9 years due to the Spending Review 2020 setting budgets for 2021/22 only, providing no certainty over future years capital grants, and risks to long term local government financing) to provide rigour and support strategic direction. The development and delivery of the capital programme is overseen by a Capital Strategic Asset Board (CSAB), a cross departmental group consisting of officers from each service department, finance, property and procurement. Governance arrangements continue to be reviewed and developed in support of robust programme delivery of the basic need programme. The Schools (and capital maintenance) Sub Board, which in part focuses on future need for schools' places, continues to inform the CSAB of key risks and issues within the 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. The CSAB also proactively supports the seeking and management of all sources of capital funding, including grants; capital receipts; S106; Community Infrastructure Levy (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. Additionally, following review, CIL and S106 targets have been reduced. Officers will proactively monitor funding announcements, including central government capital grants following the Spending Review 2021, and seek to minimise the impact on delivery of the capital programme, ensuring that there is sufficient liquidity to meet funding requirements. There are a number of risks and uncertainties regarding the capital programme over the current Medium Term Financial Plan period and beyond. The impact of Covid-19 and post European Union trading arrangements increases the risk to external funding, supply chain issues and excess inflation being incurred on materials. As part of the Reconciling Policy, Performance and Resources (RPPR) process at February 2021, an ongoing capital risk provision of £7.5m was approved, providing the flexibility to react to emerging risks. It represents the ability to borrow for these risks and is managed through ensuring there is Treasury Management capacity, rather than representing funds that are within the Council's accounts. Its utilisation, subject to CSAB approval and adherence to financial regulations, would therefore require additional borrowing and be reported through the RPPR and quarterly monitoring process. CSAB continue to look to manage down the historical levels of programme slippage. Following a review of the programme's annual ambition (against historical deliverability and project risk), in 2021/22 a risk factor has been applied to help mitigate slippage.	**Amber**

Ref	Strategic Risks	Risk Control / Response and Post Mitigation RAG score	RAG
9	**WORKFORCE** Stress and mental health are currently the top two reasons for sickness absence across the Council, potentially leading to reduced staff wellbeing, reduced service resilience, inability to deliver efficient service and/or reputational issues. An inability to attract high calibre candidates could lead to limited recruitment choices and therefore lack of the expertise, capacity, leadership and/or innovation required to deliver services and service transformation.	The 2021/22 Q1+2 sickness absence figure for the whole authority (excluding schools) is 3.84 days lost per FTE, an increase of 5.6% since the same period last year. The year-end estimate for 2021/22 is 8.21 days/FTE, so the target of 9.24 days/FTE is predicted to be met Whilst we have seen a marginal increase in absence overall, it is positive to note that we have seen a reduction in our key absence driver, stress. The increase in absence can be largely attributed to days lost due to surgery, which is likely to be a symptom of delays due to Covid-19, from the previous year. With stress and mental health remaining as our key reason for absence we have continued our commitment to support staff by: • using key health awareness campaigns to run bespoke virtual workshops for staff on pertinent health topics including Suicide Prevention, Mental Fitness and Carers Wellbeing. • specific work with our Mental Health First Aiders (MHFA) to help them best support staff by providing structured workshops and hosting our first MHFA engagement event to inform our mental health agenda going forward. • launched a new staff wellbeing app in partnership with our Employee Assistance Programme. This provides free access to an interactive toolkit, including meditations, fitness programmes and podcasts. More broadly we have: • worked with our wellbeing contractors; occupational health and our absence management provider to host 'Top Tips for Managers' workshops. • launched a new interactive e-learning package for employees and managers on 'Menopause in the Workplace' with the aim of improving knowledge and awareness of support available. Being an employer of choice is key to ensuring the Council is able to attract and retain the high calibre staff it needs. There are a number of initiatives underway that will support this, including: • the implementation of hybrid working arrangements as part of the Workstyles Review • the implementation of recruitment initiatives such as the recently agreed 'Refer a Friend Scheme' and 'Apprenticeship Incentives Policy' • the development of a corporate Equality, Diversity and Action plan which includes a number of workforce specific actions to support having a diverse workforce with equality confidence, knowledge and skills • the development of leadership and talent management strategies	**Amber**

Ref	Strategic Risks	Risk Control / Response and Post Mitigation RAG score	RAG
14	**POST EUROPEAN UNION (EU) TRANSITION** The United Kingdom has left the EU with a negotiated outcome. However, there are likely to be areas of disruption, when paperwork checks on imports begin on 1st January 2022 and physical checks on imported goods begin on 1st July 2022. Key areas at risk of disruption are: •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 Small and Medium-sized Enterprises, supply chain disruption, 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 Personal Protective Equipment, and •Delivery of Council Services.	The risks have reduced until the revised implementation dates for import checks in January 2022 and July 2022. HGV traffic remains lower than usual at Newhaven and East Sussex County Council continues to monitor the situation at Newhaven and is ready to react, should disruption look likely. 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. The Trading Standards team is working with Environmental Health colleagues and UK Border Force to smooth the impact of Government border policy on the capacity required to support new border enforcement arrangements at Newhaven Port. Provision of facilities at the port is being arranged and memoranda of understanding drawn up to facilitate effective joint working. Planning will also be informed by the Government Protocol and Border Group, of which the Director of Communities, Economy and Transport is a member. These relationships will continue until the newly revised import check dates and will then be reviewed again. Close working continues with the Sussex Chamber of Commerce to ensure clear advice is provided to Small and Medium Size enterprises engaged in import/export activity. Impacts on the local economy are monitored through Business East Sussex, although this is complex because of the challenge of disentangling COVID and Brexit impacts. The Sussex Resilience Forum has run exercises to support multi-agency emergency planning for the implications of additional border controls. The Chief Executive is a representative for the South East on the Department for Levelling Up, Housing and Communities group of nine regional chief executives, which provides a direct channel of communication into the Ministry on local and regional issues emerging from the end of the transition period.	Green
6	**LOCAL ECONOMIC GROWTH** 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.	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 European Funding (EU) for complementary economic development programmes supporting businesses to grow, including: South East Business Boost (SEBB); Low Carbon across the South East (LoCASE); TRANSFORM Apprenticeships; South East Creative, Cultural & Digital Support Programme (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. Government issued a funding call in mid-June through the Getting Building Fund programme for pipeline projects to create jobs and deliver over the next 18 months, with East Sussex securing £11.2m on 8 projects in late July. All 8 projects were approved by SELEP in October/November and we are now confirming their grant agreements, with several commencing delivery. We have been actively working with partners in developing projects and submitting proposals to a number of recent funds, including: the Green Homes Fund (secured a further £1m); Future High Streets (secured £5m); Stronger Towns Fund (Hastings awarded £24.3m and Lewes awarded	Green

Ref	Strategic Risks	Risk Control / Response and Post Mitigation RAG score	RAG
		£19.3m); the SELEP COVID-19 Skills and Business Support Fund (secured £500k) and the Local Skills Improvement Plan (LSIP) for Sussex. The COVID-19 outbreak in early March 2020 is seemingly changing the funding landscape, and alongside the impacts of leaving the European Union, is having an impact on major funding decisions from Government. We officially launched in September 2020 the East Sussex Economy Recovery Plan, called 'East Sussex Reset'. The plan identifies deliverable actions in the short term, alongside more aspirational asks, and has already aligned and secured new monies totalling £125m investment into East Sussex. It has and will continue to be an important bidding document to Government and into the SELEP, with the new SELEP Recovery and Renewal Strategy approved in March 2021. Both documents will look at ways to address the recent Government policy and Budget announcements (3 March 2021), that have a clear focus on the green revolution (net zero carbon reduction); the new £4bn Levelling Up Fund (LUF); and the new one year £220m UK Community Renewal Fund pilot (UKCRF), which is a precursor to the larger UK Shared Prosperity Fund officially launching in 2022. The prospectuses for both were launched in March 2021. As a result, East Sussex County Council (ESCC) is the lead authority responsible for co-ordinating and appraising bids to the UKCRF and provided its submission on the 18 June deadline amounting to 11 x projects of circa £5m. On the LUF, ESCC submitted a transport package for Exceat Bridge of £8m, while four of the local Borough and District Councils (except Hastings) have submitted major capital funding bids under this first round for town centre/regeneration and cultural investment by the 18 June deadline. Outcomes on both programmes have been delayed and are now expected in early autumn, with ESCC then directly leading on overseeing the implementation of the UKCRF programme and the LUF Exceat Bridge; whilst contributing to the development of business cases to secure resources towards the four Borough and District bids submitted to LUF.	

East Sussex County Council

APPENDIX 17

Looked After Children’s Annual Progress Report 2020-21

Teresa Lavelle-Hill

Head of Service for LAC

Who did we look after?

The data shows a snapshot as of 31st March 2021.

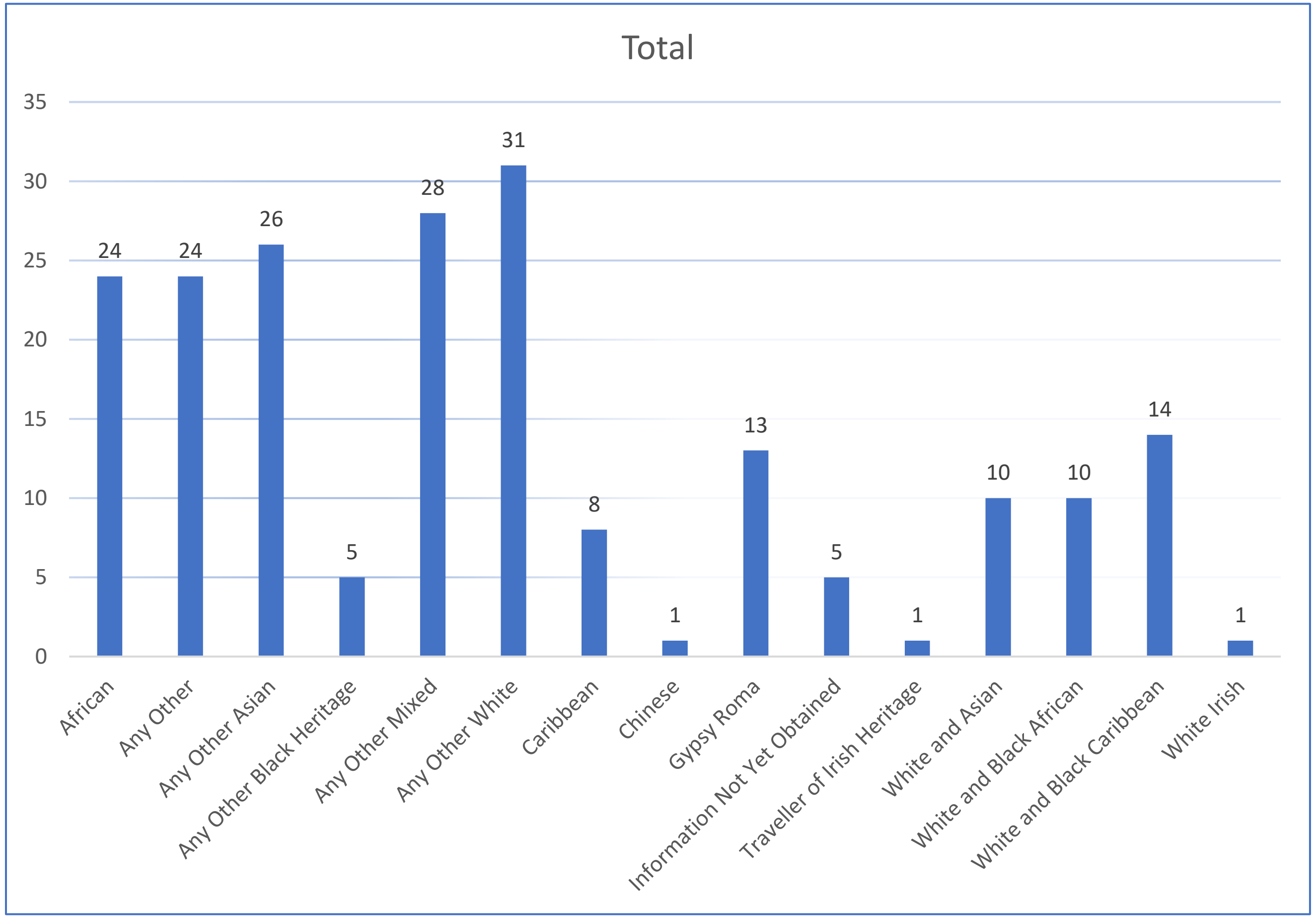
At year end we were looking after 343 boys and 268 girls.

- Overall, there were more children in care than the previous year. This is due in part to an increase of an additional 22 unaccompanied asylum seeking children (UASC) in our care as compared to the previous year.
- This is also because we had more children come into our care than left our care.
- In addition to the snapshot year end figure, there is also the 'churn' figure, which is made up of the number of children moving in and out of care during the year. When added to the year end figure, this shows an increase of 22, as compared with 2019/20. In total there were 782 children allocated to social workers and worked with during 2020/21.

Statistics	2019-2020	2020-2021
Looked After Children	592	611
Children coming into care	179	209
0-5 year olds admitted to care	75	83
6-12 year olds admitted to care	38	49
13+ admitted to care	66	77
Children leaving care	177	178
0-12 year olds leaving care	64	91
13+ leaving care	105	87

Who did we look after

26% of our children looked after during 2020/21 identified as being of a minority ethnic background or of mixed heritage. This includes children who are Unaccompanied Asylum Seekers.



Our Unaccompanied Asylum Seeking Children (UASCs)

- East Sussex County Council were caring for 54 UASC under 18 during 2020/21 plus 62 care leavers aged 18+ .
- Our UASC were mainly male, 90% were aged 16 or over but our youngest was aged only 13.
- In the last year, 12 young people came into our care via the National Transfer Scheme and the remainder have been spontaneous arrivals found either by the Police within East Sussex or at Newhaven Port.
- The majority of these children are Kurdish (predominately Iranian) followed by Sudanese. These groups have taken over from Vietnamese being the predominant nationality. We also have children from Eritrea, Afghanistan, Mali, Somali, Ethiopia, Albania, Kuwait, Libya, Syria and Egypt.

Statistics	2019/20	2020/21
UASC in care	32	54

Children with disabilities

- The number of children with severe disabilities in our care remains similar to previous years.
- At 31st March 2021, there were 23 LAC allocated to social workers from the Children's Disability Service (CDS), with 18 aged 15 or less and with 5 aged 16- 18.
- In addition, there are a significant number of other children in our care with a wider range of disabilities and allocated to other social work teams, including those who present with an autistic spectrum condition or who have other neuro diversity needs.
- Only 5 of the CDS children are living outside East Sussex. This number has reduced over the past few years.
- 8 CDS children were living with ESCC foster carers and 1 with independent agency foster carers. 5 were living in ESCC children’s homes and 8 were living in independent children's homes. Some of these children are with us full time and some with us for significant packages of respite to support their families.
- 1 child was living in a residential school due to behavioural needs arising from an ASC diagnosis.

Where our children are living

Decrease in	Decrease in children placed with ESCC foster carers
Decrease in	Decrease in children placed for adoption.
Increase in	Increase in children 16+ living with our supported accommodation providers including with our in-house supportive lodgings providers.
Increase in	Increase in children living in agency children's homes.

Data shows a snapshot, with the key weekly care costs

Placement Type	2019-20	2020-21
With foster carer	447	426
Of these: In house carers	293	265
Kinship carers	62	65
Agency carers	92	96
Placed for Adoption	30	23
Supported Accommodation/ Supported Lodgings	30	57
ESCC Children's Homes	19	14
Agency Children's Homes	38	57
Agency Special Schools	0	1
Placed with Parents	20	22
Independent Living	3	7
Youth custody/secure unit	4	3
Hospital/NHS establishment	1	1
Absconded	0	0
Total	**592**	**611**

19/20 Total spend £31.9m

- In house foster carers £343/ week
- Kinship foster carers £149/ week
- Agency foster carers £964/ week
- ESCC Children's homes £3,132/ week
- Agency Children's homes £4,084/ week

20/21 Total spend £32.3m

- In house foster carers £379/ week
- Kinship foster carers £146/ week
- Agency foster carers £1,000/ week
- ESCC Children's homes £3,066/ week
- Agency Children's homes £4,230/ week

+ Supported accommodation mainly under block contracts for young people 16-18 at £985-£3,060/ week in the 2 years.

How well did we do in 2020-21?

Indicator Ref	Description	2020/21 Value		2019/20 England	2019/20 Value		2018/19 England	2018/19 Value	
NI 58	Emotional & Behavioural Health of children in care	14.2	⬆	14.1	14.5	⬇	14.2	14.4	⬆
Adoption 1	Percentage of children who ceased to be looked after who were adopted	15.8%	⬆	11.7%	15.3%	⬇	12.0%	16.0%	⬇
Adoption 2	Average time between an LA receiving court authority to place a child and the LA deciding on a match with an adoptive family (3 year average)	274 days	⬇	175 days	248 days	⬇	178 days	197 days	⬆
NI62 Placements 1	Number of children looked after with 3 or more placements during the year	13.3%	⬇	11.0%	13.0%	⬇	10.0%	12.0%	⬇
NI63 Placements 2	% of LAC under 16 who've been lac for 2.5 years or more & in the same placement for 2 years or placed for adoption	64.1%	⬆	68.0%	62.8%	⬇	69.0%	70.1%	⬇
Placements 3	% of LAC at 31st March placed outside LA boundary and more than 20 miles from where they used to live	17.3%	⬇	16.0%	15.2%	⬇	15.0%	13.0%	⬇

Where performance has improved/increased it is shown with a green arrow ⬆ *and where it has dipped with a red arrow* ⬇

How well did we do in 2020-21? (continued)

Indicator Ref	Description	2020/21 Value		2019/20 England	2019/20 Value		2018/19 England	2018/19 Value	
Leaving Care 1 * *see note below*	% of former relevant young people aged 19-21 who were in education, employment or training	46.3%	↓	53.0%	52.8%	↑	52.0%	52.0%	↑
Leaving Care 2 * *see note below*	% of former relevant young people aged 19-21 who were in suitable accommodation	87.8%	↑	85.0%	78.8%	↓	85.0%	79.9%	↑
Leaving Care 3 * *see note below*	% of former relevant young people aged 17-18 who were in education, employment or training	68.7%	↓	64.0%	76.3%	↑	64.0%	65.0%	↓
Leaving Care 4 **see note below*	% of former relevant young people aged 17-18 who were in suitable accommodation	95.5%	↓	90.0%	97.4%	↑	88.0%	91.0%	↑
Thrive PI 9	Rate of Children looked after per 10,000 population aged under 18	57.5	↓	66.7	55.7	↑	65.0	56.0	↑
Health 1	Percentage of children who had their teeth checked by a dentist	32.6%	↓	86.0%	91.2%	↓	85.0%	94.0%	↑
PAF C81	Final warnings, reprimands and convictions of lac	1.8%	↑	3.0%	2.6%	↓	3.0%	2.0%	↑

Where performance has improved/increased it is shown with a green arrow ↑ and where it has dipped with a red arrow ↓

** Leaving Care Indicators–calculated using data collected at the time of each young person's 17^{th}, 18^{th}, 19^{th}, 20^{th} or 21^{st} birthday*

How well did we do in 2020-21 - Summary

- Overall performance has continued to remain strong with little change in most of our performance indicators despite the impact of Covid-19. **Note – the national data for 20/21 England is not yet published so performance when compared to the 2020/21 national data for England may look different.**
- The rate of LAC has increased from 55.5 in 2019/20 to 57.5 per 10,000 population in 20/21. Although this is well below the national average for England of 66.7 for 2019/20, it is higher than the rate for our statistical neighbours for 2019/20 which is 50.5.
- Suitable accommodation for our Care Leavers aged 2019/21 has improved markedly from last year and now stands at 87.8% compared to an England average of 85%.
- The emotional and behavioural health of children in care (as measured vis the Strengths and Difficulties Questionnaire - SDQ scores) has improved slightly and the average score per child is 14.2 which is a reduction of 0.3.
- Performance on timely placements for children with a plan for adoption, children with 3 or more placement moves and children placed outside of ESCC boundaries have all been more challenging. This largely reflects the impact of Covid-19 on care planning and court timescales and a lack of enough placement options for children. It is also a reflection of the wider national picture.
- 25% of our foster carers felt unable to take placements during the pandemic and so the number of children that we have placed with ESCC foster carers has reduced to 265 from 293 in 2019-20
- Health indicators have also been adversely affected by Covid-19 and the complete lack of access to dental appointments. The percentage of children who had a dental check drastically reduced from 91% in 2019/20 to 32.6% in 2020/21. Due to Covid-19, dentists were closed during the first lockdown with practices reopening from July 2020 but offering a limited number of appointments. The last 2 months of data shows an improvement in the percentage of our children having dental checks
- Similarly, Covid-19 has impacted on the number of our Care Leavers aged 19-21 who are in education, employment and training which has fallen from 53% to 46% and now stands below the England average.

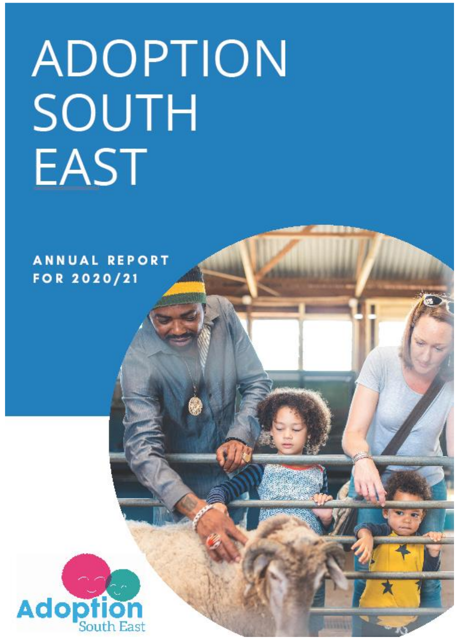
Adoption South East (ASE)Regional Adoption Agency

- Despite the pandemic, ASE went live on 1st April 2020 with ESCC leading it which was a huge achievement.
- The global pandemic posed huge challenges for family finding and linking. Despite this, the 4 Local Authorities (Surrey, ESCC, WSCC and Brighton and Hove) agencies met weekly to consider all children and available adopters in order to identify potential links.
- As a result of the pandemic, ASE had to be creative when linking and matching children. The majority of the work took place on MS TEAMS and included adult contact as well as meeting children. Rigorous risk assessments were in place to support contact.
- When they could go ahead, care proceedings continued to be protracted causing significant delays to the plans for children. However, adopters and foster carers worked very closely together, self-isolating with families to minimise contact with others prior to introductions.
- ASE now have an ethnically diverse group of adopters to consider for children.
- A mandatory 'Fostering to Adopt Workshop' (F2A) has led more adopters to consider fostering for adoption. with both babies and older children. being placed in this way.

Family finding and linking for East Sussex children	2020-2021
Number of children adopted (AO's)	27
Number of children approved for adoption	26
Number of relinquished children	1
Number of 2 sibling groups matched	2
Number of 3 sibling groups matched	0
Number of 4 sibling groups matched	0
Number of children matched (outside of ASE)	3
Number of children matched within ASE	22
Number of children placed for F2A	8

Adoption Recruitment and Post Adoption Support

Please see Adoption South East Annual Report for 2020/21



Fostering Recruitment and Retention

The data provided is a snap shot as of 31st March 2021.

- There were 20 fostering households approved during 2020/21 offering 30 placements.
- The number of enquiries was significantly reduced compared to 2019/20.
- 2 fostering households transferred from agency foster care to become East Sussex foster carers bringing children with them and creating a saving of £40K per year.

Recruitment	Households		
	2020-2021	2019-2020	2018-2019
Enquiries	227	268	266
Screening calls	92	114	118
Initial visits	42	71	70
Skills to foster training (STF)	37	21	29
Applications for assessment	53	35	35
Closed	7	7	3
Withdrew	13	6	11
Total allocated but did not progress	20	13	14
Approvals	20	22	21
Placements	30	39	36
Conversion rate Enquiry to approval	9%	8.2%	7.9%
Conversion rate Screening call to approval	22%	19.2%	17.8%
Conversion rate Initial visit to approval	48%	31%	30%

SUPPORTIVE LODGINGS

- Supportive lodgings providers offer accommodation for our older children and also for homeless young people aged 16 to 21.
- As of 31st March 2021, East Sussex Fostering Service had 55 approved providers offering a total of 82 places.
- There were 7 new household approved offering 8 placements during 2020/21.
- 57 children and young people were living in supportive lodgings during 2020/21.
- 8 ‘hybrid’ providers (approved as both supportive lodgings providers and registered foster carers) provided stability and continuing care for children aged 14+.

Placement Support Service

- During Covid-19 the team adjusted regularly to ensure that the most vulnerable children and their carers continued to receive face to face support on a risk assessed basis.
- The Placement Support Service supported 131 children during 2020/21.

Placement Support - 84 support packages

Special Placement Scheme - 5 support packages

Mother & Baby – 2 support packages

Through Care Team - 35 support packages

Attachment - 1 support package

Edge of care - 3 support packages

Agency - 1 support package

Despite all the challenges and difficulties during the Pandemic, the commitment and sensitivity of the placement support workers has been outstanding’

‘Our PSW’s are very caring people when P was in hospital, they called many times to offer their help and have a chat, thank you

Placement support has always been a lifeline and the level of support they gave to me and D was truly exceptional, I couldn’t have continued without it’.

CHILDREN IN CARE COUNCIL (CICC)

The CICC operated creatively during the pandemic ensuring young people's voices continued to be heard.

- The CICC contributed to projects being delivered through schools, youth services and agencies working with young people.
- A CICC young person led a project inspecting the mental health support provided to students in schools in East Sussex.
- Members of the CICC remained in touch with younger children in care during lockdown to help them feel less isolated. This small project will be developed into an official Buddy Scheme.
- The CiCC continued to attend Placement Support holiday activities. 13 issues raised by children in care were taken forward by the CICC with relevant professionals.
- The CiCC had a Zoom call with Anne Longfield, Children's Commissioner for England, with discussion around the impact of lockdown on their mental health, education and what support they were receiving.
- The CiCC gave input into training for professionals working with young people. Themes include the role of the CICC and the work they are doing, the impact of loss and separation, and the impact that inappropriate language can have on children in care.
- https://www.youtube.com › watch

Our Children's Homes

Hazel lodge
St Leonards-on-Sea

- Judged as 'Outstanding' by Ofsted in June 2019.
- The Manager left and an Acting Manager was appointed.
- The Manager and team worked incredibly hard during lockdown to keep the home open and safe.
- The children enjoyed appropriate socially distanced activities and trips out of the area.

Brodrick House
Eastbourne

- Continuing 'Outstanding' judgement by Ofsted.
- A new Manager and Deputy Manager were appointed.
- Staff undertook impressive work throughout the Covid-19 lockdown to keep the home open and safe.
- Successful and very positive outcomes for the children. eg one young person reached the summit of Snowdon which was a personal goal.
- Young people continued with their education throughout lockdown and made impressive progress.

Homefield Cottage
Seaford

- Judged 'Good' by Ofsted.
- Children responded to new boundaries during lockdown and outcomes were very positive.
- Children enjoyed the summer 'staycation' involving planned activities and decoration of the garden.
- A new kitchen was installed.
- Following lockdown some young people moved on to semi-independent placements and new children arrived.

Our Children's Homes (continued)

The Bungalow
Eastbourne

- Registered for 7 children aged 7 - 19 and 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 with their families.
- The Bungalow received and Ofsted judgement of 'Good' in 2020.

Lansdowne Secure Children's home
Hailsham

- Judged as 'Good' by Ofsted in February 2020.
- New interim manager was appointed after the departure of the RHM and Deputy Manager.
- The extension of the building works were further delayed due to Covid 19, impacting on the physical environment and meaning reduced numbers of children.
- Despite Covid 19 significantly impacting on the majority of the workforce , Lansdowne was able to stay open albeit caring for a reduced number of children with very complex needs.

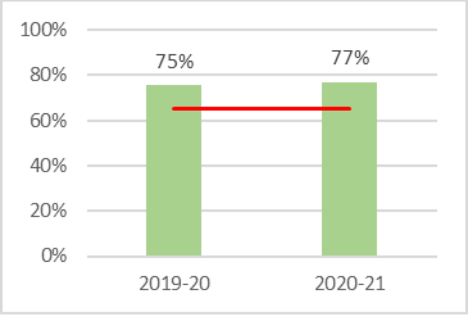
Acorns
Bexhill-on-Sea

- Continued to provide full-time care for 2 young people , both having a high level of complex needs.
- Staff worked closely with colleagues in the Positive Behaviour Support Services and the Child Adolescent Mental Health Service.
- Judged as 'Good' by Ofsted in October 2019. An Interim Ofsted Inspection in January judged as 'Declined effectiveness'.

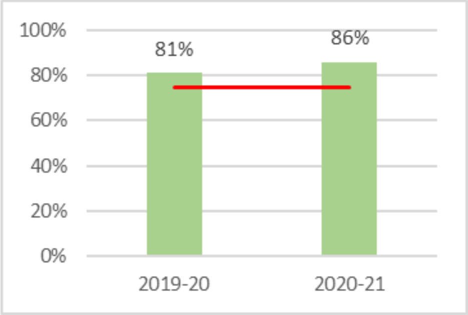
The health of our children

- We built on excellent performance in 2019/20 to achieve both targets again in 2020/21.
- During 2020/21, 77% of Initial Health Assessments were undertaken within 20 days against a target of 65%, and 86% achieved within 25 days against a 75% target.
- 84-86% of Review Health Assessments are being achieved consistently with robust systems in place to remind staff to organise these in a timely manner.
- 89% of children that have been looked after for more than 12 months have been immunised.

% Initial Health Assessments (IHAs) Within 20 Days



% Initial Health Assessments (IHAs) Within 25 Days



The mental and emotional wellbeing of our children

- A Pan Sussex whole system review of Emotional Wellbeing and Mental Health access and support for children and young people was commissioned by the 3 Sussex local authorities, the Clinical Commissioning Group (CCG) and Sussex Partnership Foundation Trust (SPFT) culminating in the Foundations For Our Future report published in March 2020 with 20 recommendations.

- Those children and young people who need more extensive and specialised help, including LAC, are identified in the iTHRIVE model which was adopted as part of this review.

- Looked After Children's Mental Health Services (LACMHS) largely operated via online clinics during the pandemic but face to face provision was offered to young people in crisis.

- There were 44 consultations to children and their networks, 89 drop in consultations to professionals working with LAC, and one therapeutic parenting group.

- The number of cases opened to LACMHS at any one time varied from 104 (1st quarter) to 57 (4th quarter) because of staff shortages and a period of recruitment in the final quarter.

- The Adopted Children's Mental Health Service (ADCAMHS) worked with 72 children, young people and their families providing bespoke treatment and support packages. These packages included specialist consultations, assessments and therapeutic interventions.

Education of our children
Headline data

- All statutory educational assessments, tests and regulated qualification grades were determined by teaching staff for the second year running. Data will not be published and will only be used to identify key patterns/trends.
- The National Looked after Children's data set will not be available for any robust comparative work. The ESCC Virtual School has collected individual results, with many young people able to celebrate particular successes. GCSE's results were particularly pleasing. The percentage of students achieving a level 4 or above in both English and Maths was significantly higher than last year. The percentage of our students achieving five GCSEs at level 5 and above is now higher than the percentage that achieved five GCSEs including English and Maths at level 4 and above in 2019.
- Post 16 results enabled 10 Care leavers to go to university in September. Many others achieved the level 2 qualifications needed to progress on to level 3 courses.
- School attendance for Looked After Children during lockdown remained good with staff and Foster Carers working hard to reduce barriers to attendance.
- In terms of exclusions, 0% of the Looked after Children cohort had permanent exclusions, 4.53% had at least 1 fixed term exclusion (now called suspension), 3.34% had 1 exclusion and 1.19% had more than one exclusion. 89% of those excluded are in secondary school. There is no national comparable published data on exclusions.

Education of our children During the Covid-19 pandemic

- Virtual School participated in the Vulnerable Children at Risk Steering Group. This was formed to assess and manage risk to all vulnerable children during lockdown.
- Teaching interventions delivered to Children in Care virtually, against agreed targets.
- Dedicated language teaching provision for newly arrived Unaccompanied Asylum Seekers.
- Designated Teacher training delivered on line included pre-recorded training resources and live discussions.
- Foster Carer training ‘Carers as Coaches’ was delivered virtually – tackling challenging behaviour and improving young people’s wellbeing, pro-social skills and academic success.
- Alternative provision was commissioned via a range of providers for young people with complex behaviours – Jamie’s Farm, Eggtooth Project, one to one interventions etc.
- Mental Health and Wellbeing Conference was held.
- Newsletter for Designated Teachers and Foster Carers went out regularly.

Education of our children

Future developments

- Virtual Headteacher to take on strategic role to promote the educational outcomes of any child 0-18 years who has, or previously has had a Social Worker.
- Post 16 pilot to enhance the educational outcomes for young people 16 + and developments in FE provision.

The Through Care Team (TCT)
What we have achieved in 2020/21

- The TCT kept in close contact with our young people during the Covid-19 lockdowns, offering virtual visits and weekly group activities e.g. art and cookery lessons. As soon as it was safe to do so, face to face meetings resumed outdoors.
- Young people had access to laptops and Wi-Fi in order to continue with their education, facilitate their access to employment and to keep in touch with their families.
- Development of our corporate grandparenting role through an enhanced safeguarding plan for parents and babies, emotional support via support groups, and financial support for essential baby equipment.
- Placement Support Workers continued to work closely with our young people who were isolated in their own accommodation or who were struggling to maintain their placement.
- A specific Placement Support Worker was appointed with a focus on prevention of homelessness/rough sleeping and on our hardest to reach young people.

The Through Care Team
What we have achieved in 2020/21 (continued)

- Our Care Leavers Council met throughout the year on virtual platforms and were involved in significant research undertaken by the University of Sussex regarding the impact of Covid-19 restrictions on the care experienced by young people.
- The housing pathway was extended to include more commissioned providers providing intensive support and offering more choice to our most vulnerable young people.
- Peer mentors received training and a pilot scheme will be launched in the autumn 2021.

The Through Care Team
Future Developments

- Extend the local offer to our young people to include affordable/free access to leisure activities including local gyms and subsidised travel on public transport.

- Work to increase the quality of private rented accommodation provision for those Care Leavers who have exhausted options through traditional housing pathways, including the development of a rent guarantor scheme.

- To work with CAMHS and Adult Mental Heath Services to improve therapeutic intervention to our older young people, particularly those who are experiencing the impact of trauma and for those who require tier 4 services.

Our Unaccompanied Asylum Seeking Children (UASC)

Developments 2020/21

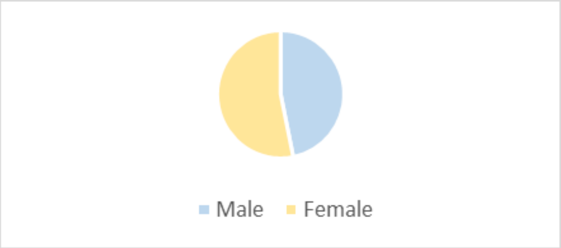
- Specialist training was delivered to foster carers and professional network regarding the challenges and needs of this cohort.
- Pilot scheme with the Home Office to offer timely Virtual Interviews for asylum claims.
- Collaboration with Sussex Police on a national operation to protect UASC and treat them as victims of crime. The aim has been to reduce numbers of children who are re-trafficked or drawn into Modern Day Slavery.
- A toolkit has been developed for County Councillors.
- Additional ESOL language provision has been made available at Eastbourne Campus with effect from September 2021.
- A bespoke mental health service has been commissioned from the Refugee Council.
- Partnership with Diversity Recourse International to assist linking young people into existing resources, building safer community networks and supporting identity and cultural needs of this cohort.
- Accommodation pathways have been enhanced.
- The ESCC Specialist UASC Team has been expanded. Staff have consolidated their knowledge and understanding and have improved relationships with external agencies e.g. Immigration Solicitors, Interpreters, Therapists and Charities.
- During lockdown, virtual one to one support and group sessions were provided alongside online education provision.

Our unaccompanied Asylum Seeking Children (UASC) (continued)

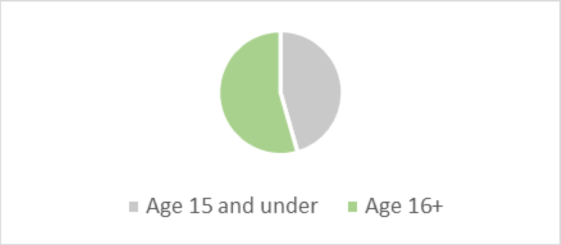
- **Next steps**
  - To review the staffing complement of the Specialist Team.
  - Face to face support groups re-established – understanding life in the UK.
  - Extend training offer to Local Children's Safeguarding Partnership
  - To collaborate with the Fostering Service to extend diversity of the fostering offer.

Our Children who went missing

In 20/21, 79 LAC went missing, of these, 37 were male and 42 were female



43 of the 79 missing LAC were aged 16 and over, while the other 36 were aged 15 and under



60 of the missing LAC went missing more than once

In 2020/21 there were 639 missing episodes in total for all children throughout the year, 556 episodes of children being missing for less than 24 hours, 50 episodes of children being missing for between 24 to 48 hours, 20 episodes where children were missing between 2 and 4 days and 13 episodes where they were missing for 5 days or more.

All these children were tracked by Sussex Police and by Children Services staff and offered Return Home Interviews . Risk assessments were regularly reviewed on high profile children who went missing and, where necessary formal strategy discussions were held in line with safeguarding procedures

Our children who are at risk of criminal exploitation

- The Multi-Agency Child Exploitation (MACE) operational group continued to meet monthly each side of the county to consider referrals of all exploited children who were deemed to be at the highest risk. Referrals to the group were screened through a multi-agency screening hub with processes tightened in line with feedback from the Joint Targeted Area Inspection (JTAI).
- As of the end of March 2021, there were 15 children subject to East Sussex MACE operational oversight and therefore categorised as being at high risk of exploitation. 4 of these children were East Sussex LAC, and all were female. 2 of these children were deemed to be a risk of sexual exploitation and 2 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 of this group of children. The criminal exploitation of children connected to ‘County Lines’ (drugs) activity remained a significant issue in East Sussex, with changes during Covid-19 focusing on increased criminal exploitation in the Hastings area. There continued to be a number of contextual safeguarding responses particularly focusing on older children and place based interventions.

Our children who offend

- The Youth Offending Team (YOT) worked with 14 looked after children during 2020/21.
- Children who were not previously in the care system become LAC when they are remanded to the care of ESCC and/or when they are remanded to secure accommodation such as a Young Offenders Institution because they have been charged with a serious offence. For children who were not previously LAC before the remand, their LAC status ceases once they are sentenced.
- A snapshot of the looked after status of open cases showed that the YOT were working with 2 looked after children on March 31st 2021 which equates to 2% of the YOT caseload. LAC 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 a Pan Sussex protocol in place which has been agreed with Sussex Police and which focusses on keeping LAC out of the criminal justice system as far as possible and when appropriate.

Participation
How we listen to what our children think and say

- 95% of all My Voice Matters Meetings were held early or on time in 2020/21 which is up from 92% the previous year despite the challenges of the pandemic.
- Only 13% of reviews were delayed by more than 4 weeks. The majority of reviews were delayed in the child's best interest or because an essential party was unable to attend.
- A review of administrative support processes in quarter 2 of 2021-22 should further reduce the number of late or ineffective reviews in the future.

Participation
Children and Young People make their voices heard in lots of different ways

- In 2020/21, 95% of children aged 4+ participated in some way in their My Voice Matters meetings, up from 91% on the previous year.
- Social Workers have demonstrated skill and creativity in gathering children's views including the use of alternative communication methods to fully consult children wherever possible.
- More children are chairing their meetings and asking questions about their plans.
- The My Voice Matters letter means that children receive the meeting outcome in their own/age related appropriate language or in their preferred communication style

The role of our elected members

All elected members in ESCC are Corporate Parents for the children in our care and those young people moving into adulthood as care leavers. This means that they should consider the needs of these children and young people as they fulfil their roles across the Council and ask themselves the question 'would this be good enough for my child?

The Corporate Parenting Panel met virtually three times during 2020/21 to continue to scrutinise the performance of all services in relation to LAC and care leavers. The panel meeting for the April 2020 panel was cancelled due to the pandemic. The reports set out below were presented and considered:

24th July 2020
- The launch of Adoption South East, the Regional Adoption Agency.
- Annual Progress Report of East Sussex Adoption Service.
- Annual Progress of East Sussex Fostering Service.
- LAC Statistics.
- The impact of the Covid-19 pandemic on Corporate Parenting Services.
- Update on Residential Homes.

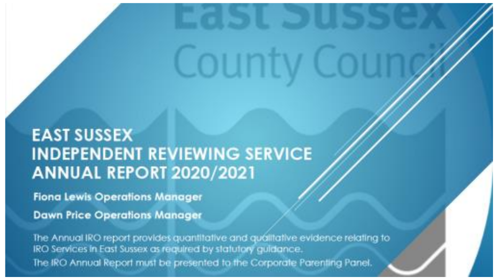
30th October 2020
- Regulation 44 Inspection reports for the following Children's Homes: Acorns (Dorset Road), Brodrick House, Hazel Lodge, Homefield Cottage, Lansdowne Secure Unit and The Bungalow.
- Annual Report of services for LAC 2019/20.
- Independent Reviewing Service Annual Report.
- Virtual School Annual Report 2019/20.
- Looked After Children Health Report.
- LAC Statistics.

29th January 2021
- Annual Report of the East Sussex Foster Carer Association (ESFCA).
- LAC Statistics.
- Ofsted Inspection reports for the following Children's Homes: The Bungalow, Lansdowne Secure Unit and Acorns.
- Regulation 44 Inspection reports for the following Children's Homes: Acorns, Brodrick House, Hazel Lodge, Homefield Cottage, Lansdowne Secure Unit and The Bungalow.

Priorities for 2021/22

- Improve options for all our children- adoption, fostering and residential.
- To complete the building works of Lansdowne Secure Children's Home and the opening of a new children's home in Hastings.
- To embed good practice in meeting the identity needs of our children, young people and their families.
- To enhance the 'local offer' for our Care Leavers.
- To develop a Lifelong Links project with regional colleagues to build stronger support networks for LAC and care leavers.
- To contribute to the Pan Sussex whole system review of Emotional Wellbeing and Mental Health for children and consolidate the partnership between Adult Social Care (ASC) and Children's Services to improve mental health pathways for Care Leavers aged 18 to 25.
- To develop best practice for post adoption support across Adoption South East.
- To contribute to a new, integrated multi-agency service to support families with children who are 'on the edge of care' to build family resilience and prevent children entering care or promote a return home or to extended family members where possible.

Children’s Services Annual Reports 2021/21



Virtual School Annual Report 2020-21

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Appendix 18

TREASURY MANAGEMENT POLICY AND STRATEGY 2022/23

East Sussex County Council

CONTENTS

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 2022/23

The strategy for 2022/23 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, DLUHC MRP Guidance, the CIPFA Treasury Management Code and DLUHC 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 2021 and forecast at the end of the financial year is shown in **Table 1** below:

Table 1	Actual at 30 November 2021			Forecast to 31 March 2022		
	£'000	% of portfolio	Average Rate	£'000	% of portfolio	Average Rate
Investments						
Banks	174,000	55%	0.26%	160,000	55%	0.30%
Local Authorities	80,350	25%	0.66%	70,000	24%	0.60%
Money Market Funds	59,650	18%	0.04%	55,000	19%	0.10%
CCLA Pooled Property Fund	5,000	2%	3.80%	5,000	2%	3.75%
Total Investments	**319,000**	**100%**	**0.38%**	**290,000**	**100%**	**0.40%**
Borrowing						
PWLB loans	222,000	95%	4.67%	220,000	95%	4.65%
Market loans	12,900	5%	4.00%	12,900	5%	4.00%
Total external Borrowing	**234,900**	**100%**	**4.64%**	**232,900**	**100%**	**4.62%**

2. BORROWING STRATEGY

The capital expenditure plans of the Council are set out in the Capital Strategy Report being considered by Full Council on 8 February 2022. 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 under borrowed. 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 £32m expected to be funded via borrowing in the 2021/22 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 £32m at 31 March 2022 to £40m by 31 March 2023.

2.1 Borrowing Strategy for 2022/23

The Council's Capital Programme 2022/23 to 2024/25 forecasts £258m of capital investment over the next three years with £132m met from existing or new resources. The increase in the Council's borrowing need over this period is therefore £126m as shown in **Table 2** below.

2021/22 Projected £m	Table 2	2022/23 Estimate £m	2023/24 Estimate £m	2024/25 Estimate £m	Total £m
88	Capital Expenditure	102	77	79	258
	Financed by:				
(56)	New & existing resources	(62)	(39)	(31)	(132)
32	**Borrowing Need**	**40**	**38**	**48**	**126**

Table 3 below shows the actual expected external borrowing against the capital financing requirement, identifying any under or over borrowing.

2021/22 Estimate £m	Table 3	2022/23 Estimate £m	2023/24 Estimate £m	2024/25 Estimate £m
237	External Debt at 1 April	233	263	292
(4)	Expected change in Debt	30	29	38
233	**External Debt at 31 March**	**263**	**292**	**330**
255	CFR* at 1 April	280	313	342
32	Borrowing need (Table 2)	40	38	48
(7)	MRP	(7)	(7)	(10)
280	**CFR* at 31 March**	**313**	**344**	**380**
47	**Under / (Over) borrowing**	**50**	**52**	**50**

**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 £126m 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.

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	2022/23	2023/24	2024/25
	£m	£m	£m
Maturing Debt	6	4	5
Debt Subject to early repayments options	6	6	6
Total debt at risk of maturity	**12**	**10**	**11**

Officers continue to review the need to borrow taking into consideration the potential increases in borrrowing 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 2022/23 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). The Department for Levelling Up, Housing and Communities (DLUHC) 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; The Council is recommended to approve the following MRP Statement for 2022/23 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 charge an MRP over the life of the loan.

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 DLUHC 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:

- DLUHC'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 2022/23

Investments will be made with reference to the core balance and cash flow requirements and the outlook for interest rates.

Bank Rate is likely to remain low for a considerable period with moderate increases forecasted over the next 24 months. Link Asset Services (LAS) forecast assumes that investment earnings from money market-related instruments will be below 1.00% 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:

2021/22	2022/23	2023/24	2024/25

0.25%	0.75%	1.00%	1.25%

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. Further investment in property funds was paused during 2020/21 due to a combination of factors. The main consideration, was the uncertain environment of the UK property market coming out of the COVID pandemic. 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 2021/22 as a result of the economic impact and market uncertainty that remains as a result of the COVID pandemic.

In 2021/22 two fixed term bank deposits totalling £30m were placed with Standard Chartered that are ringfenced within a sustainable lending ESG framework. These investments are assigned to sustainable assets with the aim of addressing the UN sustainable development goals. The offering fulfils the key principle of security, liquidity and yield and is consistent with the banks current other fixed term deposit rates.

Table 5 below summarises the changes since the approved 2017/18 strategy. No further changes are proposed for 2022/23. 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	2022/23
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 DLUHC 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, DLUHC, 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 2022/23 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 thecreditworthiness 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+ soverign rating from three rating agencies:

Y	*P*	*B*	*O*	*R*	*G*	*N/C*
Up to 5yrs	*Up to 2yrs*	*Up to 1yr*	*Up to 1yrs*	*Up to 6 months*	*Up to 100 days*	*Not to be used*

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
Banks – part nationalised	UK	▪ TDs ▪ Deposits on Notice	N/A	£60m	12 Months

Table 7	Country/ Domicile	Instrument	Min. Credit Criteria/LAS colour band	Max. Amount	Max. maturity period
		▪ Certificates of Deposit (CDs)			
Banks	UK	▪ TDs ▪ Deposits on Notice ▪ CDs	Blue	£60m	12 Months
			Orange	£60m	12 Months
			Red	£60m	6 Months
			Green	£60m	100 Days
Building Societies	UK	▪ 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	Liqiuid
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+*	▪ 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

*** 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 2022/23 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 19 November 2021 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 DLUHC 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 2022/23 if required and bought 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.

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	35.56	6	6	60
Bank of Scotland	UK	A+	F1	a	5	A1	P-1	A+	A-1	42.64	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	A1	P-1	A+	A-1	39.03	12	12	60
Barclays Bank	UK	A+	F1	a	5	A1	P-1	A	A-1	53.97	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	65.21	6	6	60
Standard Chartered Bank	UK	A+	F1	a	5	A1	P-1	A	A-1	38.03	6	6	60
Nationwide Building Society	UK	A	F1	a	5	A1	P-1	A+	A-1	-	6	6	60
Handlesbanken	UK	AA	F1+	-	1	-	-	AA+	A-1+	-	12	12	60
Non UK Counterparties:													
Australia & New Zealand Banking Group	Australia	A+	F1	a+	1	Aa3	P-1	AA-	A-1+	32.55	12	12	60
Commonwealth Bank of Australia	Australia	A+	F1	a+	1	Aa3	P-1	AA-	A-1+	32.65	12	12	60
National Australia Bank	Australia	A+	F1	a+	1	Aa3	P-1	AA-	A-1+	34.66	12	12	60
Westpac Banking Corp.	Australia	A+	F1	a+	1	Aa3	P-1	AA-	A-1+	35.62	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
National Bank of Canada	Canada	A+	F1	a+	5	Aa3	P-1	A	A-1	-	6	6	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)
Swedbank AB	Sweden	A+	F1+	a+	5	Aa3	P-1	A+	A-1	-	12	12	60
ABN AMRO Bank	Netherlands	A	F1	a	WD	A1	P-1	A	A-1	-	6	6	60
Rabobank	Netherlands	A+	F1	a+	WD	Aa2	P-1	A+	A-1	-	12	12	60
ING Bank NV	Netherlands	AA-	F1+	a+	WD	Aa3	P-1	A+	A-1	27.05	12	12	60
UBS	Switzerland	AA-	F1+	a+	5	Aa2	P-1	A+	A-1	40.06	12	12	60
Credit Suisse	Switzerland	A	F1	a-	5	A1	P-1	A+	A-1	61.45	6	6	60
DZ Bank	Germany	AA-	F1+	-	WD	Aa2	P-1	A+	A-1	-	12	12	60
Danske Bank	Denmark	A	F1	a	5	Aa2	P-1	A	A-1	33.66	6	6	60

Yellow	***Purple***	***Blue***	***Orange***	***Red***	***Green***	***No Colour***
Up to 5yrs	*Up to 2yrs*	*Up to 1yr (semi nationalised UK banks)*	*Up to 1yr*	*Up to 6 months*	*Up to 100 days*	*Not to be used*

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 December 2021

UK. The Monetary Policy Committee (MPC) voted 8-1 to raise Bank Rate by 0.15% from 0.10% to 0.25% and unanimously decided to make no changes to its programme of quantitative easing purchases due to finish in December 2021 at a total of £895bn.

The MPC disappointed financial markets by not raising Bank Rate at its November meeting. Until Omicron burst on the scene, most forecasters, therefore, viewed a Bank Rate increase as being near certain at this December meeting due to the way that inflationary pressures have been comprehensively building in both producer and consumer prices, and in wage rates. However, at the November meeting, the MPC decided it wanted to have assurance that the labour market would get over the end of the furlough scheme on 30th September without unemployment increasing sharply; their decision was, therefore, to wait until statistics were available to show how the economy had fared at this time.

On 10th December we learnt of the disappointing 0.1% m/m rise in GDP in October which suggested that economic growth had already slowed to a crawl even before the Omicron variant was discovered in late November. Early evidence suggests growth in November might have been marginally better. Nonetheless, at such low rates of growth, the government's "Plan B" COVID-19 restrictions could cause the economy to contract in December.

On 14th December, the labour market statistics for the three months to October and the single month of October were released. The fallout after the furlough scheme was smaller and shorter than the Bank of England had feared. The single-month data were more informative and showed that LFS employment fell by 240,000, unemployment increased by 75,000 and the unemployment rate rose from 3.9% in September to 4.2%. However, the weekly data suggested this didn't last long as unemployment was falling again by the end of October. What's more, the 49,700 fall in the claimant count and the 257,000 rise in the PAYE measure of company payrolls suggests that the labour market strengthened again in November. The other side of the coin was a further rise in the number of vacancies from 1.182m to a record 1.219m in the three months to November which suggests that the supply of labour is struggling to keep up with demand, although the single-month figure for November fell for the first time since February, from 1.307m to 1.227m.

These figures by themselves, would probably have been enough to give the MPC the assurance that it could press ahead to raise Bank Rate at this December meeting. However, the advent of Omicron potentially threw a spanner into the works as it poses a major headwind to the economy which, of itself, will help to cool the economy. The financial markets, therefore, swung round to expecting no change in Bank Rate.

On 15th December we had the CPI inflation figure for November which spiked up further from 4.2% to 5.1%, confirming again how inflationary pressures have been building sharply. However, Omicron also caused a sharp fall in world oil and other commodity prices; (gas and electricity inflation has generally accounted on average for about 60% of the increase in inflation in advanced western economies).

Other elements of inflation are also transitory e.g., prices of goods being forced up by supply shortages, and shortages of shipping containers due to ports being clogged have caused huge increases in shipping costs. But these issues are likely to clear during 2022, and then prices will subside back to more normal levels. Gas prices and electricity prices will also fall back once winter is passed and demand for these falls away.

Although it is possible that the Government could step in with some fiscal support for the economy, the huge cost of such support to date is likely to pose a barrier to incurring further major economy wide expenditure unless it is very limited and targeted on narrow sectors like hospitality, (as announced just before Christmas). The Government may well, therefore, effectively leave it to the MPC, and to monetary policy, to support economic growth – but at a time when the threat posed by rising inflation is near to peaking.

This is the adverse set of factors against which the MPC had to decide on Bank Rate. For the second month in a row, the MPC blind-sided financial markets, this time with a surprise increase in Bank Rate from 0.10% to 0.25%. What's more, the hawkish tone of comments indicated that the MPC is now concerned that inflationary pressures are indeed building and need concerted action by the MPC to counter. This indicates that there will be more increases to come with financial markets predicting 1% by the end of 2022. The 8-1 vote to raise the rate shows that there is firm agreement that inflation now poses a threat, especially after the CPI figure hit a 10-year high this week. The MPC commented that "there has been significant upside news" and that "there were some signs of greater persistence in domestic costs and price pressures".

On the other hand, it did also comment that "the Omicron variant is likely to weigh on near-term activity". But it stressed that at the November meeting it had said it would raise rates if the economy evolved as it expected and that now "these conditions had been met". It also appeared more worried about the possible boost to inflation form Omicron itself. It said that "the current position of the global and UK economies was materially different compared with prior to the onset of the pandemic, including elevated levels of consumer price inflation". It also noted the possibility that renewed social distancing would boost demand for goods again, (as demand for services would fall), meaning "global price pressures might persist for longer". (Recent news is that the largest port in the world in China has come down with an Omicron outbreak which is not only affecting the port but also factories in the region.)

On top of that, there were no references this month to inflation being expected to be below the 2% target in two years' time, which at November's meeting the MPC referenced to suggest the markets had gone too far in expecting interest rates to rise to over 1.00% by the end of the year.

These comments indicate that there has been a material reappraisal by the MPC of the inflationary pressures since their last meeting and the Bank also increased its forecast for inflation to peak at 6% next April, rather than at 5% as of a month ago. However, as the Bank retained its guidance that only a "modest tightening" in policy will be required, it cannot be thinking that it will need to increase interest rates that much more. A typical policy tightening cycle has usually involved rates rising by 0.25% four times in a year. "Modest" seems slower than that. As such, the Bank could be thinking about raising interest rates two or three times next year to 0.75% or 1.00%.

In as much as a considerable part of the inflationary pressures at the current time are indeed transitory, and will naturally subside, and since economic growth is likely to be weak over the next few months, this would appear to indicate that this tightening cycle is likely to be comparatively short.

As for the timing of the next increase in Bank Rate, the MPC dropped the comment from November's statement that Bank Rate would be raised "in the coming months". That may imply another rise is unlikely at the next meeting in February and that May is more likely. However, much could depend on how adversely, or not, the economy is affected by Omicron in the run up to the next meeting on 3rd February. Once 0.50% is reached, the Bank would act to start shrinking its stock of QE, (gilts purchased by the Bank would not be replaced when they mature).

The MPC's forward guidance on its intended monetary policy on raising Bank Rate versus selling (quantitative easing) holdings of bonds is as follows: -

- Raising Bank Rate as "the active instrument in most circumstances".
- Raising Bank Rate to 0.50% before starting on reducing its holdings.
- Once Bank Rate is at 0.50% it would stop reinvesting maturing gilts.
- Once Bank Rate had risen to at least 1%, it would start selling its holdings.

Prospect for Interest Rates

The Council has appointed Link Group as its treasury advisor and part of their service is to assist the Council to formulate a view on interest rates. Link provided the following forecasts on 20th December 2021. These are forecasts for certainty rates, gilt yields plus 80 bps.

Link Group Interest Rate View 20.12.21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25
BANK RATE	0.25	0.25	0.50	0.50	0.50	0.75	0.75	0.75	0.75	1.00	1.00	1.00	1.00	1.25
3 month ave earnings	0.20	0.30	0.50	0.50	0.60	0.70	0.80	0.90	0.90	1.00	1.00	1.00	1.00	1.00
6 month ave earnings	0.40	0.50	0.60	0.60	0.70	0.80	0.90	1.00	1.00	1.10	1.10	1.10	1.10	1.10
12 month ave earnings	0.70	0.70	0.70	0.70	0.80	0.90	1.00	1.10	1.10	1.20	1.20	1.20	1.20	1.20
5 yr PWLB	1.40	1.50	1.50	1.60	1.60	1.70	1.80	1.80	1.80	1.90	1.90	1.90	2.00	2.00
10 yr PWLB	1.60	1.70	1.80	1.80	1.90	1.90	2.00	2.00	2.00	2.10	2.10	2.10	2.20	2.30
25 yr PWLB	1.80	1.90	2.00	2.10	2.10	2.20	2.20	2.20	2.30	2.30	2.40	2.40	2.50	2.50
50 yr PWLB	1.50	1.70	1.80	1.90	1.90	2.00	2.00	2.00	2.10	2.10	2.20	2.20	2.30	2.30

Over the last two years, the coronavirus outbreak has done huge economic damage to the UK and to economies around the world. After the Bank of England took emergency action in March 2020 to cut Bank Rate to 0.10%, it left Bank Rate unchanged at its subsequent meetings until raising it to 0.25% at its meeting on 16th December 2021.

As shown in the forecast table above, the forecast for Bank Rate now includes five increases, one in December 2021 to 0.25%, then quarter 2 of 2022 to 0.50%, quarter 1 of 2023 to 0.75%, quarter 1 of 2024 to 1.00% and, finally, one in quarter 1 of 2025 to 1.25%.

Significant risks to the forecasts

- Mutations of coronavirus render current vaccines ineffective, and tweaked vaccines to combat these mutations are delayed, or cannot be administered fast enough to prevent further lockdowns. 25% of the population not being vaccinated is also a significant risk to the NHS being overwhelmed and lockdowns being the only remaining option.
- Labour and supply shortages prove more enduring and disruptive and depress economic activity The Monetary Policy Committee tightens monetary policy too late to ward off building inflationary pressures.
- The Monetary Policy Committee acts 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.
- The Monetary Policy Committee tightens monetary policy too late to ward off building inflationary pressures.
- The Government acts too quickly to cut expenditure to balance the national budget.
- UK / EU trade arrangements – if there was a major impact on trade flows and financial services due to complications or lack of co-operation in sorting out significant remaining issues.

- Longer term US treasury yields rise strongly and pull gilt yields up higher than forecast.
- Major stock markets e.g., in the US, become increasingly judged as being over-valued and susceptible to major price corrections. Central banks become increasingly exposed to the "moral hazard" risks of having to buy shares and corporate bonds to reduce the impact of major financial market selloffs on the general economy.
- Geopolitical risks, for example in Iran, North Korea, but also in Europe and Middle Eastern countries; on-going global power influence struggles between Russia/China/US. These could lead to increasing safe-haven flows.

The balance of risks to the UK economy: -

- The overall balance of risks to economic growth in the UK is now to the downside, including residual risks from Covid and its variants - both domestically and their potential effects worldwide.

Forecasts for Bank Rate

It is not expected that Bank Rate will go up fast after the initial rate rise as the supply potential of the economy is not likely to have taken a major hit during the pandemic: it should, therefore, be able to cope well with meeting demand after supply shortages subside over the next year, without causing inflation to remain elevated in the medium-term, or to inhibit inflation from falling back towards the MPC's 2% target after the spike up to around 5%. The forecast includes four increases in Bank Rate over the three-year forecast period to March 2025, ending at 1.25%. However, it is likely that these forecasts will need changing within a relatively short timeframe for the following reasons: -

- We do not know how severe an impact Omicron could have on the economy and whether there will be another lockdown or similar and, if there is, whether there would be significant fiscal support from the Government for businesses and jobs.
- There were already increasing grounds for viewing the economic recovery as running out of steam during the autumn and now into the winter. And then along came Omicron to pose a significant downside threat to economic activity. This could lead into stagflation, or even into recession, which would then pose a dilemma for the MPC as to whether to focus on combating inflation or supporting economic growth through keeping interest rates low.
- Will some current key supply shortages spill over into causing economic activity in some sectors to take a significant hit.
- Rising gas and electricity prices in October and next April and increases in other prices caused by supply shortages and increases in taxation next April, are already going to deflate consumer spending power without the MPC having to take any action on Bank Rate to cool inflation.
- On the other hand, consumers are sitting on over £160bn of excess savings left over from the pandemic so when will they spend this sum, in part or in total.
- It looks as if the economy coped well with the end of furlough on 30th September. It is estimated that there were around 1 million people who came off furlough then and there was not a huge spike up in unemployment. The other side of the coin is that vacancies have been hitting record levels so there is a continuing acute shortage of workers. This is a potential danger area if this shortage drives up wages which then feed through into producer prices and the prices of services i.e., a second-round effect that the MPC would have to act against if it looked like gaining significant momentum.
- We also recognise there could be further nasty surprises on the Covid front beyond the Omicron mutation.

- If the UK invokes article 16 of the Brexit deal over the dislocation in trading arrangements with Northern Ireland, this has the potential to end up in a no-deal Brexit.

In summary, with the high level of uncertainty prevailing on several different fronts, we expect to have to revise our forecasts again - in line with whatever the new news is.

It should also be borne in mind that Bank Rate being cut to 0.25% and then to 0.10%, were emergency measures to deal with the Covid crisis hitting the UK in March 2020. At any time, the MPC could decide to simply take away such emergency cuts on no other grounds than they are no longer warranted, and as a step forward in the return to normalisation. In addition, any Bank Rate under 1% is both highly unusual and highly supportive of economic growth.

Forecasts for PWLB rates and gilt and treasury yields

Since the start of 2021, we have seen a lot of volatility in gilt yields, and hence PWLB rates. As the interest forecast table for PWLB certainty rates above shows, there is forecast to be a steady, but slow, rise in both Bank Rate and gilt yields during the forecast period to March 2025, though there will doubtless be a lot of unpredictable volatility during this forecast period.

While monetary policy in the UK will have a major impact on gilt yields, there is also a need to consider the potential impact that rising treasury yields in America could have on our gilt yields. As an average since 2011, there has been a 75% correlation between movements in US 10-year treasury yields and UK 10-year gilt yields. This is a significant UPWARD RISK exposure to our forecasts for longer term PWLB rates. However, gilt yields and treasury yields do not always move in unison.

There are also possible downside risks from the huge sums of cash that the UK populace have saved during the pandemic; when savings accounts earn little interest, it is likely that some of this cash mountain could end up being invested in bonds and so push up demand for bonds and support their prices i.e., this would help to keep their yields down. How this will interplay with the Bank of England eventually getting round to not reinvesting maturing gilts and then later selling gilts, will be interesting to monitor.

There is likely to be exceptional volatility and unpredictability in respect of gilt yields and PWLB rates due to the following factors: -

- How strongly will changes in gilt yields be correlated to changes in US treasury yields (see below). Over 10 years since 2011 there has been an average 75% correlation between movements in US treasury yields and gilt yields. However, from time to time these two yields can diverge. Lack of spare economic capacity and rising inflationary pressures are viewed as being much greater dangers in the US than in the UK. This could mean that central bank rates will end up rising earlier and higher in the US than in the UK if inflationary pressures were to escalate; the consequent increases in treasury yields could well spill over to cause (lesser) increases in gilt yields. There is, therefore, an upside risk to forecasts for gilt yields due to this correlation. The Link Group forecasts have included a risk of a 75% correlation between the two yields.
- Will the Fed take action to counter increasing treasury yields if they rise beyond a yet unspecified level.
- Would the MPC act to counter increasing gilt yields if they rise beyond a yet unspecified level.

- How strong will inflationary pressures actually turn out to be in both the US and the UK and so put upward pressure on treasury and gilt yields.
- How will central banks implement their new average or sustainable level inflation monetary policies.
- How well will central banks manage the withdrawal of QE purchases of their national bonds i.e., without causing a panic reaction in financial markets as happened in the "taper tantrums" in the US in 2013
- Will exceptional volatility be focused on the short or long-end of the yield curve, or both.

The forecasts are also predicated on an assumption that there is no break-up of the Eurozone or EU within the forecasting period, despite the major challenges that are looming up, and that there are no major ructions in international relations, especially between the US and China / North Korea and Iran, which have a major impact on international trade and world GDP growth.

The balance of risks to medium to long term PWLB rates: -

There is a balance of upside risks to forecasts for medium to long term PWLB rates.

A new era – a fundamental shift in central bank monetary policy

- One of the key results of the pandemic has been a fundamental rethinking and shift in monetary policy by major central banks like the Fed, the Bank of England and the ECB, to tolerate a higher level of inflation than in the previous two decades when inflation was the prime target to bear down on so as to stop it going above a target rate. There is now also a greater emphasis on other targets for monetary policy than just inflation, especially on 'achieving broad and inclusive "maximum" employment in its entirety' in the US, before consideration would be given to increasing rates.
- The Fed in America has gone furthest in adopting a monetary policy based on a clear goal of allowing the inflation target to be symmetrical, (rather than a ceiling to keep under), so that inflation averages out the dips down and surges above the target rate, over an unspecified period.
- The Bank of England has also amended its target for monetary policy so that inflation should be 'sustainably over 2%' before starting on raising Bank Rate and the ECB now has a similar policy.
- For local authorities, this means that investment interest rates and very short term PWLB rates will not be rising as quickly or as high as in previous decades when the economy recovers from a downturn and the recovery eventually runs out of spare capacity to fuel continuing expansion.
- Labour market liberalisation since the 1970s has helped to break the wage-price spirals that fuelled high levels of inflation and has now set inflation on a lower path which makes this shift in monetary policy practicable. In addition, recent changes in flexible employment practices, the rise of the gig economy and technological changes, will all help to lower inflationary pressures.
- Governments will also be concerned to see interest rates stay lower as every rise in central rates will add to the cost of vastly expanded levels of national debt; (in the UK this is £21bn for each 1% rise in rates). On the other hand, higher levels of inflation will help to erode the real value of total public debt

Investment and borrowing rates

- **Investment returns** are expected to improve in 2022/23. However, while markets are pricing in a series of Bank Rate hikes, actual economic circumstances may see the MPC fall short of these elevated expectations.

- **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 and still remain at historically low levels. The policy of avoiding new borrowing by running down spare cash balances has served local authorities well over the last few years.

- On 25.11.20, the Chancellor announced the conclusion to the review of margins over gilt yields for PWLB rates which had been increased by 100 bps in October 2019. The standard and certainty margins were reduced by 100 bps but a prohibition was introduced to deny access to borrowing from the PWLB for any local authority which had purchase of assets for yield in its three-year capital programme. The current margins over gilt yields are as follows: -.

- **PWLB Standard Rate** is gilt plus 100 basis points (G+100bps)
- **PWLB Certainty Rate** is gilt plus 80 basis points (G+80bps)
- **PWLB HRA Standard Rate** is gilt plus 100 basis points (G+100bps)
- **PWLB HRA Certainty Rate** is gilt plus 80bps (G+80bps)
- **Local Infrastructure Rate** is gilt plus 60bps (G+60bps)

PRUDENTIAL AND TREASURY INDICATORS 2022/23 to 2024/25

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 2022/23 to 2024/25 are set out in **Table A** below:

Table A	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate
Capital Expenditure £m (gross) Council's capital expenditure plans	£102m	£77m	£79m
Capital Financing Requirement £m* Measures the underlying need to borrow for capital purposes (including PFI & Leases)	£403m	£427m	£458m
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	4.43%	4.67%	4.52%

** From 2022/23, 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 2022/23 to 2024/25 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	2022/23 Estimate	2023/24 Estimate	2024/25 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.	£433m	£457m	£488m
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.	£413m	£437m	£468m
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%

ANNEX D

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 polices, 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.

ANNEX E

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.