



CABINET

MONDAY, 29 JUNE 2015

10.00 AM COUNCIL CHAMBER - COUNTY HALL

MEMBERSHIP - Councillor Keith Glazier (Chair)
Councillors Nick Bennett, Bill Bentley, Chris Dowling, David Elkin (Vice Chair), Carl Maynard, Rupert Simmons and Sylvia Tidy

A G E N D A

- 1 Minutes of the meeting held on 10 March 2015 (*Pages 3 - 6*)
- 2 Apologies for absence
- 3 Disclosures of interests
Disclosures by all members present of personal interests in matters on the agenda, the nature of any interest and whether the member regards the interest as prejudicial under the terms of the Code of Conduct.
- 4 Urgent items
Notification of items which the Chair considers to be urgent and proposes to take at the appropriate part of the agenda. Any members who wish to raise urgent items are asked, wherever possible, to notify the Chair before the start of the meeting. In so doing, they must state the special circumstances which they consider justify the matter being considered urgent.
- 5 Council Monitoring - end of year 2014/15 (*Pages 7 - 54*)
Report by the Chief Executive
- 6 Reconciling Policy, Performance and Resources: State of the County (*Pages 55 - 92*)
Report by Chief Executive
- 7 South East Seven and South East Devolution Update (*Pages 93 - 108*)
Report by the Chief Executive
- 8 Ashdown Forest Trust Fund 2014/15 (*Pages 109 - 112*)
Report by Chief Operating Officer
- 9 External Audit Plan 2014/15 (*Pages 113 - 142*)
Report by the Chief Operating Officer
- 10 Review of the East Sussex Local Flood Risk Management Strategy's Delivery Plan (*Pages 143 - 162*)
Report by the Director of Communities Economy and Transport
- 11 Any other items considered urgent by the Chair
- 12 To agree which items are to be reported to the County Council

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19 June 2015

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NOTE: As part of the County Council's drive to increase accessibility to its public meetings, this meeting will be broadcast live on its website and the record archived for future viewing. The broadcast/record is accessible at

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CABINET

MINUTES of a meeting of the Cabinet held on 10 March 2015 at County Hall, Lewes.

90. PRESENT - Councillor Glazier (Chair)
Councillors Bennett, Bentley, Dowling, Elkin, Maynard,
Simmons and Tidy

The following members spoke on the items indicated:

- | | | |
|----------------------|---|---|
| Councillor Barnes | - | items 5 and 8 (minutes 93 and 96) |
| Councillor Birch | - | items 8 and 12 (minutes 96 and 99) |
| Councillor Blanch | - | items 5, 8 and 12 (minutes 93, 96 and 99) |
| Councillor Carstairs | - | item 12 (minute 99) |
| Councillor Field | - | item 5 (minute 93) |
| Councillor Hodges | - | items 5 and 12 (minutes 93 and 99) |
| Councillor Stogdon | - | item 5 (minute 93) |

91. MINUTES

- 91.1 The minutes of the meeting held on 27 January 2015 were agreed as a correct record.

92. REPORTS

- 92.1 Copies of the reports referred to below are included in the minute book.

93. COUNCIL MONITORING - QUARTER THREE 2014/15

- 93.1 The Cabinet considered a report by the Chief Executive.

- 93.2 It was RESOLVED to note the latest monitoring position for the Council

Reason

- 93.3 The report sets out the Council's position and year end projections for the Council Plan targets, Revenue Budget, Capital Programme, Savings Plan together with risks for Quarter 3 (October – December 2014).

94. SOUTH EAST SEVEN PARTNERSHIP

- 94.1 The Cabinet considered a report by the Chief Executive.

- 94.2 It was RESOLVED to note the activities and progress of the South East Seven Partnership.

Reason

- 94.3 The report provides an update on progress made and the direction of travel and next steps for the Partnership.

95. SOUTH EAST LOCAL ENTERPRISE PARTNERSHIP BOARD DECISIONS ON THE SOUTH EAST LOCAL ENTERPRISE PARTNERSHIP GOVERNANCE AND DELIVERY REVIEW

95.1 The Cabinet considered a report by the Director of Communities, Economy and Transport.

95.2 It was RESOLVED to:

1) endorse the draft South East Local Enterprise Partnership Board recommendations on the South East Local Enterprise Partnership governance and delivery review and recommend these to the Board for approval; and

2) delegate authority to the Director of Communities, Economy and Transport, in consultation with the Lead Member for Strategic Management and Economic Development, to approve the South East Local Enterprise Partnership Board recommendations in the event that the final recommendations differ from the draft proposals referred to in the report.

Reason

95.3 The Review responds to the need to have a delivery and governance structure within South East Local Enterprise Partnership (SELEP) that Government sees as fit for purpose to deliver the Growth Deal. The report details the Irene Lucas recommendations and reports the SE LEP Board's positive response to these recommendations. Whilst the SELEP report containing the final recommendations has still to be issued by the secretariat it is not anticipated that there will be any significant changes. However, should they differ, Cabinet has agreed to delegate authority to the Director of Communities, Economy and Transport in consultation with the Lead Member for Strategic Management and Economic Development to approve any changes.

96. EAST SUSSEX COUNTY COUNCIL AND SURREY COUNTY COUNCIL PARTNERSHIP

96.1 The Cabinet considered a report by the Chief Operating Officer.

96.2 It was RESOLVED to agree:

1) to the creation of a new business services partnership arrangement with Surrey County Council with effect from 15 April 2015 and pursuant to that, arrangement to place those of its staff employed in the delivery of those functions at the disposal of Surrey County Council;

2) to the establishment of a Joint Committee as the governing model for the partnership with Surrey County Council (set out as option 2 in the Business Case appended as Annex 1) to discharge the functions of the Council which are within the remit of the services in scope with effect from 15 April 2015;

3) that the Joint Committee will comprise up to three Cabinet Members from East Sussex County Council, to be appointed by the Leader, and up to three Members from Surrey County Council;

4) that the Chief Operating Officer prepares the terms of reference and standing orders for the Joint Committee for approval by the Leader;

5) to delegate authority to the Chief Operating Officer to take any action he considers appropriate to give effect to, or in consequence of the above recommendations, including (but not limited to) agreeing the terms of and entering into an Inter Authority Agreement with Surrey County Council; and

6) that the Assistant Chief Executive prepares amendments to the Scheme of Delegation and the Constitution to reflect the changes arising from this report and the Inter Authority Agreement, and submits the revised Scheme and Constitution for approval by the Leader.

Reasons

96.3 The proposed transformative public service partnership will build upon the strength of the existing arrangements, delivering resilient and affordable services to both East Sussex County Council and Surrey County Council. The partnership will deliver significant savings by taking advantage of economies of scale, streamlining processes and reducing duplication. Investment required for transformative change and continuous improvement will become a more affordable proposition than if undertaken by one council alone. In the longer term, the partnership will benefit from growth, delivering further economies of scale for the benefit of each council and their residents. The recommendations satisfy the legal requirements to enable the formation of a Joint Committee, appoint Members to it and to enable staff to be shared with Surrey County Council. Surrey County Council has agreed similar resolutions and taken together these form the foundations of the governance arrangements for the partnership.

97. ITEMS TO REPORT TO THE COUNTY COUNCIL

97.1 The Cabinet agreed that item 5 should be reported to the County Council.
[Note: the item to be reported refers to minute 93]

98. EXCLUSION OF PRESS AND PUBLIC

98.1 It was RESOLVED to exclude the press and public from the meeting for the remaining agenda items on the grounds that if the press and public were present there would be disclosure to them of exempt information as specified in paragraph 3 of Part 1 of the Local Government Act 1972 (as amended), namely information relating to the financial or business affairs of any particular person (including the authority holding that information). It is considered that the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

99. WASTE OPERATIONAL SAVINGS PROGRAMME

99.1 The Cabinet considered a report by the Director of Communities, Economy and Transport.

99.2 It was RESOLVED to:

1) note the savings opportunities being progressed through the Waste Operational Savings Programme;

2) agree, subject to the entering into the Memorandum of Understanding with the Department for Environment, Food and Rural Affairs and agreeing terms to vary the current arrangement for the allocation of Waste Infrastructure Credits, that the Council participates in the Waste Operational Savings Programme;

3) agree to delegate authority to the Director of Communities, Economy and Transport to vary the current arrangement for the allocation of Waste Infrastructure Credits; and

4) agree to delegate authority to the Director of Communities, Economy and Transport to agree the terms of, and enter into a Waste Operational Savings Programme Memorandum of Understanding and to take any other action he considers appropriate to give effect to, or in consequence of, recommendations 2 and 3 above.

Reasons

99.3 There are two savings opportunities of interest that East Sussex County Council and Brighton & Hove City Council do not have the expertise to progress without external support. Defra is offering this support on a 'no win, no fee' basis, but if savings are realised they will take a cut by way of reducing the Waste Infrastructure Grant. The Waste Operational Savings Programme Memorandum of Understanding and Variation Letter for the Allocation of Waste Infrastructure Credits set out the principles for working together and the projects cannot be progressed with Defra's support until they are finalised and signed.

Report to: Cabinet
Date: 29 June 2015
Report by: Chief Executive
Title: Council Monitoring Report – end of year 2014/15
Purpose: To report Council Plan and Finance monitoring for the full year 2014/15

RECOMMENDATIONS

Cabinet is recommended to note the latest monitoring position for the Council.

1. Introduction

1.1 This report sets out the Council's position and year end provisional outturns for the Council Plan targets, Revenue Budget, Capital Programme, Savings Plan, together with Risks at the end of March 2015.

1.2 Broad progress against the Council's four strategic priority outcomes is summarised below and an overview of performance and finance data including the full savings plan is provided in the Corporate Summary at Appendix 1. Strategic risks are reported at Appendix 7. Detailed reports for each department are provided in Appendices 2 to 6.

2. Overview

2.1 The broadband project is delivering speeds which are exceeding expectations. 580 jobs have been created and £4.2m allocated to support business growth in the county. There has been an improvement in the proportion of roads that should be considered for structural maintenance. The opening of the Bexhill to Hastings Link Road has been delayed until later in 2015. In 2014/15, 100% of working age adults and older people receiving our support, and 100% of carers received self-directed support. The number of children with a Child Protection Plan reduced to 469 from 613. 1,684 children are accessing a place with an eligible early years provider, a take up of 78.1% which is 16.1% above the national average. As part of the SE7, we delivered £3m of savings against a target of between £750,000 and £1m, due to additional savings delivered through joint work with Surrey County Council on procurement. Newhaven Library opened 14 March 2015. Our dedicated World War One website has been viewed 45,000 times since launch in August 2014.

2.2 More detail of progress against each of our priority outcomes is set out at paragraph 3 below. 76 performance targets are reported at year end: 51 (67%) were achieved, 21 (28%) were not achieved and 4 (5%) are carried over for reporting in quarter 1 2015/16, because outturn data is not yet available. 46 can be compared to previous years, of these 31 (67%) improved, 3 (7%) showed no change, 8 (17%) deteriorated and 4 (9%) are carried over for reporting at quarter 1 2015/16.

2.3 At the end of the year the gross service overspend was £5.5m, this is an improvement of £0.1m from the £5.6m overspend reported at quarter 3. There are, therefore, no new material variations to report. As previously reported this can be managed within the unused general contingency and the remaining inflation provision for 2014/15. The provisional outturn, subject to external audit, is a significant achievement given the scale of savings that have been delivered. Of the £30.4m savings planned for 2014/15 (net of £0.3m investments), £21.9m were made as planned and there were mitigating savings of £0.6m; a total of £22.5m of savings were delivered, £7.9m below target. In addition, there were slipped savings from 2013/14 of £2.4m, of these £2.0m were achieved in 2014/15, with £0.4m remaining unachieved.

2.4 As reported at quarters 2 and 3 the Agile programme has become more complex as significant changes are being made in the way we deliver services and the planned £3m savings from Agile are not being made in 2014/15 in the way originally planned.

2.5 The value of debt over 5 months at quarter 4 is £2.490m. This is an increase of £434k when compared to quarter 4 2013/14 outturn of £2.056m. This is due to a number of debts which are secured against a property where we are awaiting the issue of an order for sale/possession, these debts would not have been included in the aged debt profile last year.

Joint working is continuing with ASC and Legal team colleagues. The new aged debt reporting continues to be of value in enabling better monitoring to identify areas for focus.

2.6 For 2014-15 the capital programme is reporting a variation of £50.8m against an approved gross budget of £170.5m. At quarter 3 we reported a variation of £30.5m due to slippage on a handful of major projects such as Bexhill Hastings Link Road £6.7m, Hastings Library £6.0m and £9.3m in the School Places Programme due to issues relating to planning deferring expenditure by £2.5m and the remainder of the variation due the budget not being aligned to delivery plans. The additional variation of £20.3m reported at quarter 4 is largely due to slippage on the Broadband scheme of £5.2m due to implementation costs being lower than anticipated allowing for a phase 2 in 2015-16, further slippage on the Bexhill Hastings Link Road of £4.7m due to adverse weather conditions and Terminus Road has incurred slippage of £3.1m as the project is still in development stage and firm cost profiles will not be known until a contractor is appointed.

2.7 The Strategic Risk Register, Appendix 7, has been reviewed and eight risks have been amended. Risk 3 (Care Act) has been amended to reflect the Care Act being enacted on 1 April 2015. Risk 1 (Roads), risk 4 (Health), risk 6 (Local Economic Growth), risk 7 (Schools), risk 8 (Capital Programme), risk 9 (Workforce) and risk 10 (Welfare Reform) all have amended risk control responses. There are no changes to any existing risk scores.

3. Progress against Council Priorities

Driving economic growth

3.1 The entire £4.2m Regional Growth Fund (RGF) has been allocated and 580 jobs created against a target of 486. Projects supported include the expansion of BD Foods in St Leonards, creating 40 new jobs and Airtrace in Eastbourne, creating 15 jobs (Appendix 5).

3.2 A total of 38,565 premises are now able to be connected to improved broadband, exceeding the target of 35,000. The delivered speeds are exceeding expectations; as of December over 15,000 premises were able to receive speeds of 24mbps or above, with only 2,211 able to receive less than this (Appendix 5).

3.3 The contractor of the Bexhill Hastings Link Road was unable to complete the bulk earthworks during 2014 due to wet weather, the amount of archaeology undertaken, and the subsequent winter delays. Following dry weather earth moving activities restarted earlier than envisaged. Remaining works comprise the completion of the countryside section of the scheme including bulk earthworks, landscaping and topsoiling in parallel with finishes to the structures and carriageway construction (Appendix 5).

3.4 The planning application for the Queensway Gateway Road was approved by Hastings Borough Council in February 2015. Following assessment of the business case, an allocation of £15m was approved by SELEP on 20 March 2015. Site clearance work started in March 2015 and the scheme is due for completion in September 2016 (Appendix 5).

3.5 Stage 1 of the Uckfield Town Centre Highway Improvement Scheme was completed in November. This included new street lights and widening footways outside the railway station (Appendix 5).

3.6 21 highways resurfacing schemes have been delivered in quarter 4, treating 5.8 miles of road at a cost of £1.75m. Throughout the year we have completed over 314 resurfacing schemes, which equates to over 120 miles of resurfaced roads and fewer roads requiring structural maintenance (Appendix 5).

3.7 In 2014/15, 41% (£216m) of procurement spend was with local suppliers. We have focused our attention where we can add the greatest value, for example in the construction category, we achieved 70% of procurement spend with local suppliers. We have also introduced the 'Supply to East Sussex' website in collaboration with public sector partners across the county, to provide a 'one stop shop' for communicating contract opportunities to our suppliers, including Small and Medium Enterprises (Appendix 3).

3.8 The percentage of Looked After Children (LAC) making two levels or more of progress between KS1 and KS2 is higher than the national average in writing (90% against a national average of 82%) and in maths (76% against a national average of 75%). 76% of LAC made two levels or more progress between KS1 and KS2 in reading, compared to the national figure of

81%. 23% of LAC made three levels of progress between KS2 and KS4 in English, against a national average of 34.5%. 26.5% made three levels of progress in maths against the national outturn of 26.3%. A high proportion of the cohort has benefitted from additional 1:1 tuition funded by the Pupil Premium, attended the Virtual School's residential revision weekend and received additional support. 12.5% of LAC achieved 5 or more A* - C GCSE's including English and maths against a national average of 12% (Appendix 4).

3.9 Of the 155 eligible care leavers, 12 took up places at university in September 2014 which represents 7.7% against a target of 7%. In 2014/15 6 care leavers took up an apprenticeship, one of which is within the Council. This represents 3% against a target of 10% (Appendix 4).

Keeping vulnerable people safe

3.10 Between January and December 2014 (pending DfT validation) there were 388 people Killed or Seriously injured (KSI) on the roads, an increase of 14.5% on 2013 and 2% higher than the 2005-2009 average. In 2014, 16 people were killed; this is lower than the average of 33 per year for 2005-2009. East Sussex figures mirror national data which identifies that driver/rider error is a main or contributory factor in over 90% of crashes. Public Health has allocated £1m to reduce KSIs in the county, and this will be used to deliver a 3 year programme of targeted activity. We are currently developing the draft programme which will ensure this funding is spent efficiently and effectively, and this will be presented to a joint Economy Transport and Environment and Audit, Best Value & Community Services scrutiny board in the autumn. The programme will focus on the following actions: behaviour change and education, growing and strengthening local partnerships, and development of a better evidence base. In addition there will be a detailed evaluation plan for the programme (Appendix 5).

3.11 Two school safety zones have been completed. A 20mph zone has been created on Steyne Road, Sutton Avenue and a number of side roads in Seaford, creating a safe route for children travelling to and from schools in the area. A further zone has been introduced outside St Andrew's Infant School in Eastbourne. Two School Safety Zones covering Ratton School in Eastbourne and Heathfield Community College have been delayed until 2015/16. These are due to additional survey and liaison work for the Eastbourne scheme and investigation of alternative technology for the Heathfield scheme (Appendix 5).

3.12 The number of care proceedings initiated continues to reduce from 77 in 2013/14 to 67 in 2014/15; we have also supported the courts to improve timeliness of proceedings. Looked After Children admissions in 2014/15 have significantly reduced when compared with 2013/14, a reduction of 16% from 190 in 2013/14 to 159 in 2014/15 (Appendix 4).

3.13 The target to recruit 50 adopters was met and 56 children were placed for adoption against a target of 50, these included placements for three older children who were more difficult to place (Appendix 4).

3.14 The Family Drug and Alcohol Court (FDAC), which is the first in the South East outside of London, sat for the first time in Hastings on 7 April 2015. FDACs work differently to conventional care courts by addressing the entrenched problems of the parents in order to enable the children to remain with them (Appendix 6).

Helping people help themselves

3.15 100% of the total target number, 1015, of families in the Troubled Families programme were turned around by the end of the 3 year programme. Families are considered to be turned around if an adult in the family sustains a job for a minimum period, thereby allowing themselves to come off related benefits, or if the family achieve targeted reductions in antisocial behaviour, under 18's crime, school exclusions or unauthorised absences. 1,294 families received a family support intervention during the programme (Appendix 4).

3.16 East Sussex continues to perform well at providing NHS Health Checks. To quarter 3 this year 16.4% (27,279) of those eligible were offered a health check; this is 27% higher than the same period last year (21,482) (Appendix 2).

3.17 At 31 March 2015 there are 1,874 service entries on 1Space across 1,798 organisations exceeding the target figure for 14/15. There were a total of 43,511 visits to 1Space during 2014/15 (28% repeat visitors and 72% new visitors) a 51% increase on the 14/15 target figure for this period and a gross increase of 71% from 2013/14 (Appendix 2).

3.18 Services for the residents of East Sussex requiring support following welfare reform have been streamlined. Universal Credit goes live in Hastings and Rother in April 2015, with Eastbourne, Lewes and Wealden following in June 2015 (Appendix 6).

Making best use of resources

3.19 We have completed our plans for the final year of the Medium Term Financial Plan 2013/14 - 2015/16 and are now developing our approach for 2016/17 onwards. The Council Plan, Portfolio Plans and Revenue Budget Summary have all been published (Appendix 6).

3.20 We have increased our focus on generating income; significant additional income includes the partnership 'pool' for Non Domestic Rates within East Sussex, covering the County Council, the five Boroughs and District Councils and the Fire and Rescue Service. (Appendix 3).

3.21 We are expanding and embedding our partnership working with Surrey County Council in relation to all Business Services and Legal Services. This will lead to a wide range of benefits including fostering innovation, increased sustainability and improved quality of services, commercial leverage and delivery of broader shared efficiencies (Appendix 3).

3.22 Eight SPACES projects were completed in 2014/15 against the target of three. This includes five co-locations, one disposal and community provision and one land swap. In addition, Wealden District Council is now storing documents at the County Council's Ropemaker Park. The Programme benefits measured to date include £12.9m capital receipts and £2m reduction in revenue costs across the partners (Appendix 3).

3.23 A vastly improved system for managing committee meetings and the associated paperwork has been implemented. The system, called "modern.gov" will provide much easier and more efficient management for all our committee papers. Content will be much easier to find, view and cross reference electronically than is possible with our current system. The system went live on 5 May 2015 (Appendix 6).

3.24 £2.55m of capital receipts were generated in 2014/15 against a target of £4m due to three disposals being delayed. The delays are due to a belated footpath challenge Westfield Down (£560k); a restrictive covenant relating to 14 Westfield Lane (£375k); and purchaser queries on ground conditions at Woollards Field (£540k) (Appendix 3).

3.25 The Citrix project is now complete and this major infrastructure project is a major contributor to our Public Services Network accreditation allowing us to share information across organisational boundaries with our partners (Appendix 3).

3.26 The Sickness Absence outturn for the whole authority (including schools) is 8.31 days lost per FTE employee, which represents an increase of 6.3% since 2013/14. The majority of the increase is in non-schools teams and comparisons with a small group of local authorities indicates that this outturn is higher than average. We will validate the comparability of the data and explore potential learning from approaches to absence and wellbeing. Stress continues to be the primary driver of absences across the organisation (Appendix 3).

Becky Shaw, Chief Executive

How to read this report

This report integrates monitoring for finance, performance and risk. The contents of the report are as follows:

- Cover report
- Appendix 1 Corporate Summary
- Appendix 2 Adult Social Care
- Appendix 3 Business Services
- Appendix 4 Children's Services
- Appendix 5 Communities, Economy and Transport
- Appendix 6 Governance
- Appendix 7 Strategic Risk Register

Cover report, Appendix 1

The cover report and Appendix 1 provide a concise corporate summary of progress against our Council Plan Targets, Revenue Budget, Savings Targets, and Capital Programme.

The cover report highlights a selection of key topics from the departmental appendices, for the four Council priorities:

- driving economic growth;
- keeping vulnerable people safe;
- helping people help themselves; and
- making best use of resources.

More information on each of these topics is provided in the relevant departmental appendix referenced in brackets, e.g. (Appendix 2). More detailed performance and finance data is also available in the departmental appendices.

Departmental Appendices 2 - 6

The departmental appendices provide a single commentary covering issues and progress against key topics for the department (including all those mentioned in the cover report). This is followed by data tables showing progress against Council Plan Targets, Savings Targets, Revenue Budget, and Capital Programme for the department.

For each topic, the commentary references supporting data in the tables at the end of the appendix, e.g. **(ref i)**. The tables include this reference in the 'note ref' column on the right hand side. Where the commentary refers to the Revenue Budget or Capital Programme, it may refer to all or part of the amount that is referenced in the table, or it may refer to several amounts added together.

Strategic Risk Registers Appendix 7

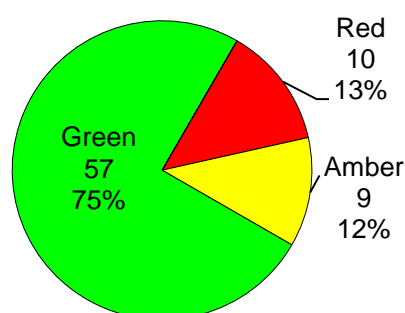
Appendix 7 contains commentary explaining mitigating actions for all Strategic Risks.

Council Monitoring Corporate Summary – end of year 2014/15

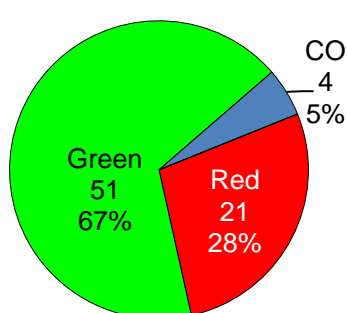
Council Plan performance targets

Priority	Total	Red	Green	Carry Over
Driving economic growth	33	7	26	0
Keeping vulnerable people safe	13	3	8	2
Helping people help themselves	23	7	15	1
Making best use of resources	7	4	2	1
Total	76	21	51	4

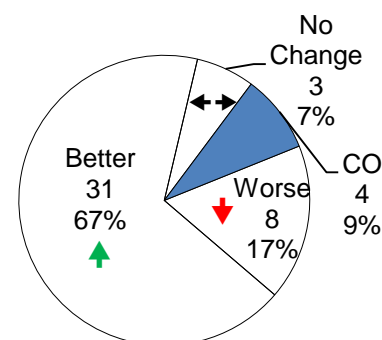
Q3 2014/15



Q4 2014/15



Direction of travel since 2013/14



Council Plan outturn summary all measures

(For targets not achieved commentary is provided in the relevant departmental appendix)

All 76 Council Plan target outturns are reported below. Targets not achieved are highlighted in red; targets achieved are reported below without highlighting; Carry Overs for reporting at Q1 2015/16 are highlighted in blue. Where available, performance improvement relative to 2013/14 is given under Direction of Travel. Those marked NC are where 2014/15 outturns are not comparable with 2013/14 outturns.

Driving economic growth – outturn summary

Dept	Performance Measure	Outturn 2013/14	Target 2014/15	Outturn 2014/15	Direction of Travel
ASC	Proportion of adults with learning disabilities, known to the Council, in paid and voluntary employment	22.9%	22.9%	24.1%	↑
BSD	Percentage increase in procurement spend with local suppliers to support targeted areas of economic growth	42%	Programme in place and progress reported	Supply East Sussex website provides one stop shop for contract opportunities for our suppliers. Targeted engagement through Build East Sussex network	NC
CET	Deliver pedestrian improvements in Terminus Road (Eastbourne) using 'Shared Space' concepts to coincide with opening of the new Arndale Centre	New measure 2014/15	Work with key stakeholders to complete scheme design and award contract	Scheme design continues to progress well. However, contract has not been awarded	NC

Driving economic growth – outturn summary (continued)					
Dept	Performance Measure	Outturn 2013/14	Target 2014/15	Outturn 2014/15	Direction of Travel
CET	Attendance at activities which enable education, research and lifelong learning, both at The Keep and off site	New measure for 2014/15	Establish baseline (anticipate at least 3,000 people)	3,277	NC
CET	In partnership with Learndirect and other funding organisations provide online learning (including skills for life and ICT courses) in libraries	617 courses completed	450 courses completed	431 courses completed	↓
CET	Agree Cultural Destinations Action Plan with Consortium	Engagement events held with the sector to plan actions for 2014/15	March 2015	Action Plan agreed	NC
CET	Deliver major transport infrastructure – Queensway Gateway Road	Road identified as a priority in the SELEP Strategic Economic Plan	Develop scheme design and obtain planning permission	A scheme design has been developed and agreed	NC
CET	Number of additional premises with improved broadband speeds (65,500 by March 2016)	New measure 2014/15	35,000 premises	38,565 premises	NC
CET	Report progress on the level of broadband improvement in the Intervention Area	New measure 2014/15	Report build phase 1 & 2: number of premises with speed (mbps) achieved	As at the end of December over 15,000 premises were receiving speeds of 24mbps or above, with only 2211 receiving less than 24mbps.	NC
CET	Take up of broadband services in the Intervention Area	New measure 2014/15	Report take up during rollout	10.7%	NC
CET	Percentage of businesses and consumers satisfied with Trading Standards support for fair trading	New measure 2014/15	Establish baseline	100%	NC
CET	Deliver major transport infrastructure – Newhaven Port Access Road	ESCC work delayed to mid 2015 while developer completes phase 1	Detailed design work complete	Detailed design delayed due to uncertainties over DfT approval process for LGF (external) funding for schemes.	↔
CET	Number of businesses supported and jobs created or protected via Regional Growth Fund 4 (RGF4)	New measure 2014/15	Begin to allocate RGF4 business grants and loans	£4.2m has been allocated and 580 jobs created	NC

Driving economic growth – outturn summary (continued)					
Dept	Performance Measure	Outturn 2013/14	Target 2014/15	Outturn 2014/15	Direction of Travel
CET	Increase inward investment	2 businesses committed to or relocated to East Sussex	Develop marketing 'brand' for East Sussex with key partners, launch, and develop measures 7 businesses committed to or relocated to East Sussex	Some early work done in relation to brands to set context. 10 business committed to or relocated to East Sussex	↑
CET	Develop and deliver an apprenticeship and work placement programme across the County Council	New measure 2014/15	Complete review of existing programme	The review of the existing programme was approved	NC
CET	Promote the successful recruitment of people with learning / physical disabilities	New measure 2014/15	Develop and pilot support package	Review by National Development Team for Inclusion due to be completed by May 2015/16	NC
CET	Complete the Bexhill to Hastings Link Road	39% complete and on track for completion by May 2015	Continue construction	Construction continued but completion delayed	↓
CET	Percentage of Principal Roads requiring maintenance	7%	8%	5%	↑
CET	Percentage of Non Principal Roads requiring maintenance	9%	9%	9%	↔
CET	Percentage of Unclassified Roads requiring maintenance	25%	22.5%	22%	↑
CS	Percentage of eligible 2 year olds who take up a place with an eligible early years provider	67.3%	70%	78.1%	↑
CS	Percentage of pupils achieving a 'good level of development' at the Early Years Foundation Stage	Academic Year 2012/13: Baseline of 44% established (National average 52%)	Academic Year 2013/14: Meets or exceeds national average	65.8% National average 60%	↑
CS	Average rate of improvement in schools, where support is commissioned or directly provided, towards achieving the expected standard for reading, writing and maths combined at Key Stage 2 (expected standard level 4 or above)	Academic Year 2012/13: Supported schools: 5.5% Other schools: - 0.8%	Academic Year 2013/14: Above average for all other schools	Supported schools: 7.7%. Other schools: 4.0%	↑

Driving economic growth – outturn summary (continued)					
Dept	Performance Measure	Outturn 2013/14	Target 2014/15	Outturn 2014/15	Direction of Travel
CS	Average rate of improvement in schools, where support is commissioned or directly provided, towards achieving the expected standard for English and maths combined at Key Stage 4 (expected standard A*-C at GCSE)	Academic Year 2012/13: Supported schools: 8.4% Other schools: 0.7%	Academic Year 2013/14: Above average for all other schools	Supported schools: 5.9%. Other schools: -7.0%	↓
CS	Percentage of Looked After Children (LAC) making two levels or more of progress between Key Stage 1 and Key Stage 2 in reading	Academic Year 2012/13: East Sussex: 81% national average: 77%	Academic Year 2013/14: Equal to or above the national average for LAC	Ac Year 2013/2014 76% against national average 2013/14 of 81%	↓
CS	Percentage of Looked After Children (LAC) making two levels or more of progress between Key Stage 1 and Key Stage 2 in writing	Academic Year 2012/13: East Sussex: 69% National average: 81%	Academic Year 2013/14: Equal to or above the national average for LAC	Ac Year 2013/2014 90% against national average 2013/14 of 82%	↑
CS	Percentage of Looked After Children (LAC) making two levels or more of progress between Key Stage 1 and Key Stage 2 in maths	Academic Year 2012/13: East Sussex: 75% National average: 74%	Academic Year 2013/14: Equal to or above the national average for LAC	Ac Year 2013/2014 76% against national average 2013/14 of 75%	↑
CS	Percentage of Looked After Children (LAC) making three levels or more of progress between Key Stage 2 and Key Stage 4 in English	Academic Year 2012/13: East Sussex: 46.7% National average: 32.6%	Academic Year 2013/14: Equal to or above the national average for LAC	Ac Year 2013/14 23% against national average 2013/14 of 34.5%	↓
CS	Percentage of Looked After Children (LAC) making three levels or more of progress between Key Stage 2 and Key Stage 4 in maths	Academic Year 2012/13: East Sussex: 36.7% national average: 29.2%	Academic Year 2013/14: Equal to or above the national average for LAC	Ac Year 2013/14 26.5% against national average 2013/14 of 26.3%	↓
CS	The percentage point gap between pupils eligible for Pupil Premium achieving at least level 4 in reading, writing and maths at Key Stage 2, and their peers	Academic Year 2012/13: 22% (national average 18%)	Academic Year 2013/14: 20%	17.9%	↑
CS	The percentage point gap between pupils eligible for Pupil Premium achieving 5+ A*-C grades at GCSE or equivalent, including English and maths, and their peers	Academic Year 2012/13: Baseline of 29% established	Academic Year 2013/14: 26%	27.4%	↑

Driving economic growth – outturn summary (continued)					
Dept	Performance Measure	Outturn 2013/14	Target 2014/15	Outturn 2014/15	Direction of Travel
CS	The percentage of young people in education, training or employment with training (Raising the Participation Age) at academic age 16 (Year 12)	95%	96%	95.6%	↑
CS	The percentage of young people in education, training or employment with training (Raising the Participation Age) at academic age 17 (Year 13)	86%	88%	88%	↑
Keeping vulnerable people safe – outturn summary					
Dept	Performance Measure	Outturn 2013/14	Target 2014/15	Outturn 2014/15	Direction of Travel
ASC	The proportion of people who use services who say that those services have made them feel safe and secure	68.7%	70%	84%	↑
ASC	Number of carers receiving a service as a percentage of clients receiving long term support in a community setting	New measure 2014/15	Establish baseline	81.2%	NC
ASC	Improve safeguarding through completing Performance and Quality Assurance Framework based reviews	New measure 2014/15	Complete 6 team/area reviews	6 team/area reviews	NC
ASC	Implement the new local safeguarding outcome measure	New measure 2014/15	Establish baseline	In total, 203 outcomes were identified of which, 127 (63%) were met, 37 (18%) were partially met and 39 (19%) were not met.	NC
ASC	Percentage of domestic abuse victims reporting improved safety following the delivery of a Multi-Agency Risk Assessment Conference (MARAC) action plan	91%	80%	Carry Over	CO
ASC	The proportion of clients of the Independent Domestic Violence Advisor Service completing user evaluations who state they have benefited from that service	97%	80%	Carry Over	CO
CET	40% reduction in the number of people killed or seriously injured (KSI) on the 2005/09 average by 2020 (no more than 227 KSI casualties)	339	Fewer than 321 KSI casualties	388 KSI's	↓
CET	Percentage of vulnerable consumers satisfied with intervention by Trading Standards to stop mass marketing fraud and doorstep crime	New measure 2014/15	Establish baseline	100%	NC

Keeping vulnerable people safe – outturn summary (continued)					
Dept	Performance Measure	Outturn 2013/14	Target 2014/15	Outturn 2014/15	Direction of Travel
CET	Implement School Safety Zones to cover schools rated as high priority (12 zones by 2016/17)	Requirement for Traffic Regulation Order means construction of Seaford scheme delayed to September 2014	Implement three School Safety Zone schemes (to cover four schools)	2 zones completed	↑
CS	Number of referrals to statutory social care	7,561	5590	3,935	↑
CS	Number of children with a Child Protection Plan	613	502	469	↑
CS	Number of Looked After Children (LAC)	571	522	548	↑
CS	Average time between a child entering care and moving in with its adoptive family, for children who have been adopted (days)	3 year average (2010-13) 539 days (national average 647 days)	Less than or equal to national threshold (547 days)	3 year average (2011-14), 536 days (national average 628 days)	↑
Helping people help themselves – outturn summary					
Dept	Performance Measure	Outturn 2013/14	Target 2014/15	Outturn 2014/15	Direction of Travel
ASC	Number of people receiving support through 'STEPS to stay independent', which supports people aged 65 and over to maintain independence within their own homes	2,044	1,700	2,297	↑
ASC	Number of people referred to the memory assessment service	1,468	1,624	1,995	↑
ASC	Number of memory support service three hour group sessions provided	93	300	271	↑
ASC	Proportion of working age adults and older people receiving self-directed support, so they can have more control over the support they receive	New measure 2014/15	Establish baseline	100%	NC
ASC	Proportion of working age adults and older people receiving direct payments, allowing them to obtain services to meet their identified social care needs	New measure 2014/15	Establish baseline	42%	NC
ASC	Proportion of people who received short-term services during the year, where no further request was made for ongoing support	New measure 2014/15	Establish baseline	89%	NC
ASC	Number of services registered on East Sussex 1Space	1,563	300 additional services	1874	↑

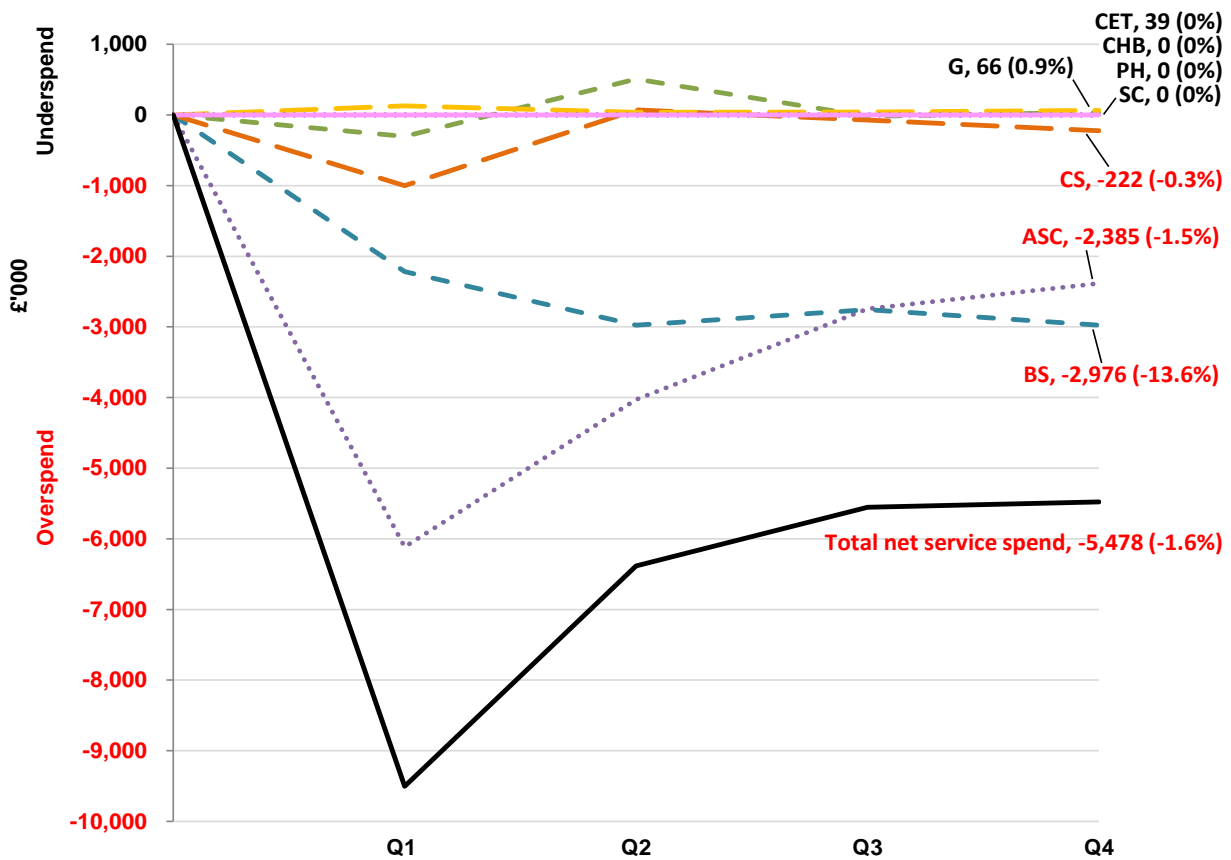
Helping people help themselves – outturn summary (continued)					
Dept	Performance Measure	Outturn 2013/14	Target 2014/15	Outturn 2014/15	Direction of Travel
ASC	Number of people accessing information through East Sussex 1Space	24,054	20% increase on 2013/14 outturn	43,511	↑
ASC	Total number of providers registered with Support with Confidence	132 members	20% increase on 2013/14 outturn (158 members)	141 members	↑
ASC	Percentage of people completing a health trainer intervention who achieve their primary or secondary goal	New measure 2014/15	75%	Carry Over	CO
ASC	Percentage of adults who successfully complete the weight management programme who achieve 5-10% weight loss within 12 weeks	New measure 2014/15	45%	0%	NC
ASC	Percentage of children who successfully complete the weight management programme who achieve their Body Mass Index (BMI) centile target within 12 weeks (maintaining their weight or achieving weight loss)	New measure 2014/15	Ensure a programme is in place for weight management services together with a target of 120 referrals	21 referrals	NC
ASC	Agree an integrated community plan, including the Better Care Fund, which sets out improved social care and health outcomes over the medium term	New measure 2014/15	Establish the outcome measures and investment profile	Outcomes and investment profile, were agreed by NHS England in February 2015.	NC
CET	Provide a range of complementary services in libraries	Timescales for new libraries to open: Seaford (July 2014), Newhaven (February 2015) and Hastings (December 2015)	Two libraries (Seaford & Newhaven) opened with Wi-Fi access installed Review mobile library service and implement agreed changes	Seaford and Newhaven libraries opened. New mobile library schedule introduced in January on a new three weekly rota.	NC
CS	The number of completed Education, Health and Care Plans	83	165	176	↑
CS	Percentage of annual SEN review meetings where the child gave their view and/or participated	85%	85%	88.3%	↑
CS	The proportion of respondents to the feedback surveys who agree that things have changed for the better as a result of getting 1:1 targeted support from early help services	Baseline of 76% established	80%	80%	↑

Helping people help themselves – outturn summary (continued)					
Dept	Performance Measure	Outturn 2013/14	Target 2014/15	Outturn 2014/15	Direction of Travel
CS	Number of households eligible under the Government's Troubled Families programme which are engaged with family key workers (1,015 for the three year period April 2012 – March 2015)	514	216	YTD: 491, 2012-15: 1,294	NC
CS	The percentage of Looked After Children (LAC) participating in education, training or employment with training at academic age 16 (Year 12)	78.1%	84%	80%	↑
CS	The percentage of Looked After Children (LAC) participating in education, training or employment with training at academic age 17 (Year 13)	71.4%	70%	68.8%	↓
CS	Percentage of care leavers who go on to university	4.9%	7%	7.7%	↑
CS	The percentage of Care Leavers who take up an apprenticeship	New measure 2014/15	10%	3%	NC
CS	Number of volunteers undertaking volunteer training in Children's Centres	104	144	195	↑
Making best use of resources – outturn summary					
Dept	Performance Measure	Outturn 2013/14	Target 2014/15	Outturn 2014/15	Direction of Travel
BSD	Service savings achieved	£21.4m	£30.4m	£24.5m	NC
BSD	Capital receipts generated from surplus property no longer required	£1.9m	£4.0m	£2.5m	NC
BSD	Sustainable annual revenue savings achieved through Agile Working	Revised business case approved and implementation underway	To be set in Q4 2014/15 following completion of phase 1A	The target was agreed and amended to 'Delivery of Tranche 1a pilots to evidence Agile enabled benefits, and approval to move the Programme into delivery'.	NC
BSD	Number of working days lost per FTE (Full Time Equivalent) employee due to sickness absence	7.82	6.95	8.31	↓
CET	Household waste re-used, recycled or composted or used beneficially (kg per household)	535 kg/hh	544 kg/hh	Carry Over	CO

Making best use of resources – outturn summary (continued)					
Dept	Performance Measure	Outturn 2013/14	Target 2014/15	Outturn 2014/15	Direction of Travel
CET	The number of services with a new online payment facility	Introduction of online payment facilities delayed to 2014/15	4 new online payment services	Live payments halted because of issues with VAT aspect of some payments	NC
GS	Savings achieved through the SE7 partnership	£1.082m	£750,000 - £1 million	£3.0m	NC

Revenue budget outturn (net £000)

ASC – Adult Social Care, **BS** – Business Services, **CET** – Communities, Economy & Transport,
CS – Children's Services, **G** – Governance, **PH** – Public Health, **SC** – Safer Communities
CHB – Centrally Held Budgets



Capital programme (gross £ millions) – approved projects

Key: ■ Current budget ■ Forecast ■ Actuals ■ Variance

Q4 analysis of variance:
 Slippage: £52.59m
 Under Spend: £1.43m
 Over Spend: £(0.24)m
 Spend in Advance: £(2.41)m
 Acquisitions: £(0.55)



Centrally held budgets

The Treasury Management Strategy, which provides the framework for managing the Council's borrowing requirement, continues to reflect a policy of ensuring minimum risk whilst aiming to deliver secure realistic investment income on the Council's cash balances. Investment rates available in the market have again been broadly stable during the quarter and have continued at historically low levels as a result of the low Bank Rate. The average level of funds available for investment purposes during the quarter was £323m. These funds were available on a temporary basis, and the level of funds available was mainly dependent on the timing of precept payments, receipt of grants and progress on the Capital Programme. The total amount received in short term interest for the year was £2.2m at an average rate of 0.62%.

At 31 March 2015, the majority of the Council's external debt was held as long term loans (£269m), and no cost effective opportunities have arisen in this quarter to restructure this. The Council's budgeted cost of external interest, relating to both long and short-term borrowing for the year is £16.6m. The projected outturn is within the budget.

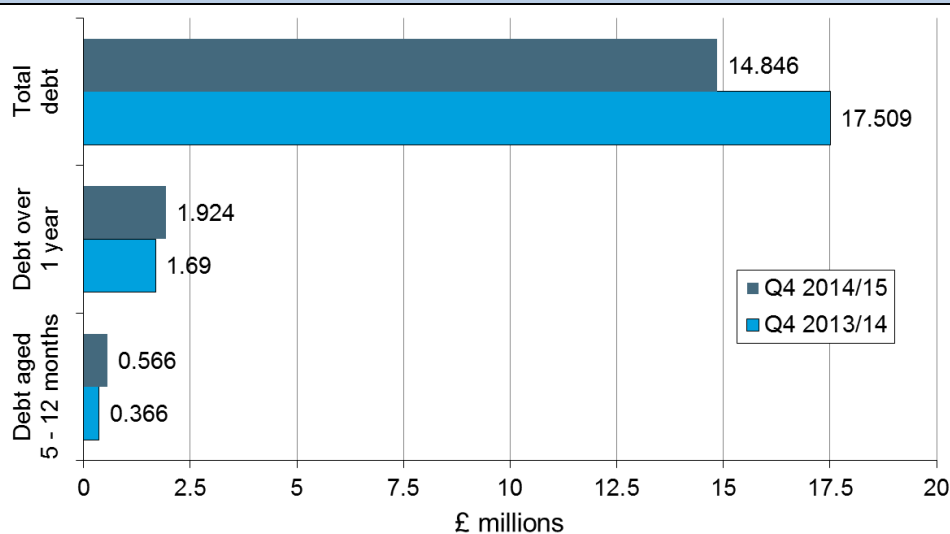
Centrally held budgets include a general contingency and unused inflation provision. This has been used to fund the departmental overspends.

General balances

The target for general balances remains at 2.25% of net expenditure and, currently stands slightly higher at £8.9m as at 31 March 2015. The level of general balances will allow the Council to manage unforeseen financial circumstances without the need to make immediate offsetting savings.

The Schools balances as at 31 March 2015 currently stand at £15.5m.

Outstanding debt analysis (£ millions)



	2013/14 £m	2014/15 £m	Variance £m
Sundry Debtors	1.778	1.952	0.174
Deferred Payments	0.278	0.538	0.260
Total debt	2.056	2.490	0.434

The increase in deferred payments is due to a number of debts which are secured against a property, where we are awaiting the issue of an order for sale/possession. These debts would not have been included in the aged debt profile last year. Joint working is continuing with Adult Social Care and Legal teams. The new aged debt reporting continues to be of value in enabling better monitoring to identify areas for focus. Work continues to review and streamline the debt recovery process to ensure that there are robust systems and processes in place to recover debt promptly. There has been a significant improvement in the amount of debt written off. In 2013/14, total write-offs were £762,750 and this has been reduced to £227,045 for 2014/15. The new deferred payment scheme as per the Care Act came into effect on 1st April 2015 and to date 14 applications have been received. The anticipated increase in the take up of the Deferred Payment Scheme is not expected until next year with the funding reforms.

Revenue savings 2014/15 – summary (£000)

(Green: on track to deliver in the year; Amber: on track to deliver but not in the year: Red: there is no plan for delivery (where slipped) but may be mitigated)

East Sussex County Council Total

Savings description	2013/14	2014/15 (£000)				
	Slipped Target	Target	Achieved	Shortfall/ Slipped to 2015/16	RAG	Mitigation
Savings not achieved	373	4,843	198	(5,018)	R	350
On track to deliver but not achieved in year	1,914	7,777	5,782	(3,909)	A	5
Savings achieved	96	17,823	17,919	-	G	200
Total Council Savings Plan	2,383	30,443	23,899	(8,927)		555

The shortfall in savings achieved in 2014/15 will be mitigated by other one off actions: therefore, this shortfall is carried forward into 2015/16.

Adult Social Care

Savings description	2013/14	2014/15 (£000)				
	Slipped Target	Target	Achieved	Shortfall/ Slipped to 2015/16	RAG	Mitigation
Directly Provided Residential Services – review of Older People's Residential Services	-	200	200	-	G	200
Directly Provided Day Services – review of Older People's Day Services	-	962	962	-	G	-
Telecare Services	-	300	300	-	G	-
Community Based Services – restrict final package of personal care budget to the maximum of the equivalent residential rate	-	570	570	-	G	-
Community Based Services – review of high cost community services to the maximum of the equivalent residential rate	-	1,500	1,500	-	G	-
Community Based Services – review and focus on services to meet personal care needs, in line with personal budgets	-	3,240	1,881	(1,359)	A	-
Community Based Services – reablement services to reduce volume and cost of long term packages of care	-	2,000	2,000	-	G	-
Community Based Services Tender	-	300	300	-	G	-
Supported Accommodation and Extra Care – development of extra care services	-	193	193	-	G	-
Reserves - use of departmental underspend brought forward	-	(1,901)	(1,901)	-	G	-
Total Older People	-	7,364	6,005	(1,359)		200
Review of Learning Disabilities Directly Provided Services – re-provision of current services to meet assessed need	-	250	250	-	G	-
Review of Learning Disabilities Directly Provided Services – re-provision at Gilda Crescent Supported Accommodation	-	250	-	(250)	R	250
Review of Learning Disabilities Directly Provided Services – improving operational efficiencies within LD DPS Residential Services	-	150	150	-	G	-
Community Based Services – review of high cost service contracts	-	700	700	-	G	-
Mental Health – savings from Supported Accommodation developments	36	100	136	-	G	-
Promotions of Telecare Services	-	200	200	-	G	-

Adult Social Care (continued)						
Mental Health – Development of a strategic approach to clients claiming Section 117 status	-	500	500	-	G	-
Community Based Services – review of high cost community services to the maximum of the equivalent residential rate	-	350	350	-	G	-
Community Based Services – review and focus on services to meet personal care needs, in line with personal budgets	1,769	2,605	2,792	(1,582)	A	-
Community Based Services Tender	-	200	200	-	G	-
Development of supported accommodation schemes	-	407	407	-	G	-
Reserves - use of departmental underspend brought forward	-	(1,400)	1,400	-	G	-
Total Working Age Adults	1,805	4,312	4,285	(1,832)		250
Staff Training - Reduction in training for frontline staff	-	100	100	-	R	-
Commissioning Prospectus – reduction in resources available for retendering of services	-	168	168	-	G	-
Physical Disabilities Housing – stop funding special needs housing officers	25	-	25	-	G	-
Supporting People – 15% reduction in community wide floating housing support	-	150	150	-	G	-
Supporting People – reduce the maximum weekly unit cost from £12 to £10 for accommodation based services for older people with on-site support	-	211	211	-	G	-
Supporting People – reduced contract commitments for accommodation based services for older people with care and support needs	-	20	20	-	G	-
Supporting People – 15% reduction in countywide floating housing support	-	520	520	-	G	-
Supporting People – reduction from 3 to 2 in accommodation based services for Young Parents	-	10	10	-	G	-
Supporting People – remove an intensive service with lowest utilisation for Young People at Risk	-	143	143	-	G	-
Supporting People – reduction in funding for Learning Disabilities accommodation services	-	53	53	-	G	-
Supporting People – 15% reduction in Supported Accommodation and Living Service (SAILS)	-	87	87	-	G	-
Supporting People – review countywide Domestic Violence Refuge provision	-	65	65	-	G	-
Supporting People – closure of 1 accommodation based service for 12 clients at a time in Mental Health and Homeless Services	-	101	101	-	G	-
Supporting People – use of underspend in the Supporting People Medium Term Financial Plan	-	(352)	(352)	-	G	-
Carers' Services – NHS Funding for Carers	-	750	750	-	G	-
Strategy and Commissioning – staffing changes arising from the completion of projects and fixed term contracts	-	130	130	-	G	-
Community Services – completion of Community Bridge Builder Project	-	50	50	-	G	-
Total Universal Services	25	2,206	2,231	-		-
Community Engagement and Consultation – review of posts and budget that support community engagement and consultation	-	19	19	-	G	-
Staff training – reduction in training for support staff	-	15	15	-	G	-
Planning Performance & Engagement – reduction in administration support	-	11	11	-	G	-
Resources consolidation - implementation of service consolidation	-	254	254	-	G	-
Total Management & Support	-	299	299	-		-
Total Adult Social Care Savings	Page 324	14,181	12,820	(3,191)		450

Business Services						
Savings description	2013/14	2014/15 (£000)				
	Slipped Target	Target	Achieved	Shortfall / Slipped to 2015/16	RAG	Mitigation
Personnel and Training – service review	-	383	383	-	G	-
Total Corporate Support Services	-	383	383	-		-
CBOSS/SAP – savings against current activities/configurations	-	150	150	-	G	-
E-payslips and other savings	-	26	26	-	G	-
ICT / Print – service review ICT print services	-	96	96	-	G	-
ICT / NGN – next generation network savings delivered	-	26	-	(26)	R	-
ICT – server & data sharing with districts & boroughs via joint contracts	-	80	80	-	G	-
Property/Delivery services – Royal Mail Clean Mail	15	-	15	-	G	-
Property – facilities management maintenance consolidation of contracts	-	100	100	-	G	-
Property/Corporate Accommodation – facilities management annual efficiency saving	-	22	22	-	G	-
Finance / CBOSS – CBOSS contract retender	-	200	200	-	G	-
The Link/PSN	-	500	-	(500)	R	-
All services – consolidation savings transferred from other departments	-	1,377	949	(428)	A	-
Savings from new delivery models following commissioning cycle	-	355	-	(355)	A	-
Agile Working Programme	-	3,000	-	(3,000)	R	-
Total Management & Support	15	5,932	1,638	(4,309)		-
Total Business Services Savings	15	6,315	2,021	(4,309)		-
Children's Services						
Savings description	2013/14	2014/15 (£000)				
	Slipped Target	Target	Achieved	Shortfall/ Slipped to 2015/16	RAG	Mitigation
SEN & Disability – reallocation of SEN agency costs to the Dedicated Schools Grant	-	236	236	-	G	-
SEN – reduction in staffing posts	-	31	31	-	G	-
Disability – reduction in agency foster care and greater use of in-house foster care placements	-	200	200	-	G	-
Total SEN & Disability	-	467	467	-		-
Locality Social Work & Family Assessment – by the end of year three savings achieved by pursuing the THRIVE programme including: i) increased investment in early help services; reduced care proceedings by 10% to 102 per year; reduce court directed external specialist assessments; and reduce number of parent & baby placements to 22 per year	-	309	309	-	G	-
Locality Social Work & Family Assessment – remodel social work capacity	-	297	297	-	G	-
Locality Social Work & Family Assessment – move Duty and Assessment Team (DAT) West	-	80	80	-	G	-
Looked After Children – close the rapid response team and move the work to Family Key Workers	-	120	120	-	G	-
Looked After Children – close Rose Cottage residential home	-	370	370	-	G	-
Draw down from reserves	Page 25	(29)	(29)	-	G	-

Children's Services (continued)						
Locality Social Work & Family Assessment – service reconfiguration	-	123	123	-	G	-
Children's Centres – streamlining the service model for supporting vulnerable young parents and reducing central management costs	-	300	300	-	G	-
Children's Centres – discontinue contract for additional support midwives	-	240	240	-	G	-
Additional investment in Early Help services to assist demand management	--	(287)	(287)	-	G	-
Total Children's Social Care	-	1,523	1,523	-		-
Secondary Behaviour Support – reduce the numbers of children and families supported by the service	-	53	53	-	G	-
Early Help & Commissioning – reduced commissioning capacity including joint commissioning with NHS	-	119	119	-	G	-
Inclusion Support Service (ISS) & Educational Psychology Service – review staffing deployment across service	-	21	21	-	G	-
Targeted Youth Service – reduce provision of targeted 1:1 and specialist services including CAMHS (Child and Adolescent Mental Health Service) and substance misuse	-	229	229	-	G	-
Standards & Learning Effectiveness Service (SLES) – re-prioritisation of resources for school improvement and intervention	-	300	300	-	G	-
Early Years Improvement (SLES) – reduce the number of schools and settings receiving statutory moderation of the Early Years Foundation Stage Profile	-	39	39	-	G	-
Targeted Youth Service – reduce youth offending team and statutory case management	-	91	91	-	G	-
Transport & Admissions – reviews and procedural revisions to facilitate structural change	-	60	60	-	G	-
Transport & Admissions – parental contribution for post 16 SEN where public transport cannot be accessed (except for low income families)	-	15	15	-	G	-
Transport & Admissions – discretionary transport for LAC following change of care placement	-	37	37	-	G	-
Total Learning & School Effectiveness	-	964	964	-		-
Resources – reconfiguration of services following consolidation and service reviews enabled by the Agile programme and new ways of working	-	333	333	-	G	-
Planning & Performance – reconfiguration of services following consolidation and service reviews enabled by the Agile programme and new ways of working	-	164	164	-	G	-
Senior Management Team – secretariat restructure	-	10	10	-	G	-
Legal – bring more counsel work in house for children's social care cases as a result of the service review conducted by Legal Services	-	59	59	-	G	-
Total Management & Support	-	566	566	-		-
Total Children's Services Savings	-	3,520	3,520	-		-

Community, Economy and Transport						
Savings description	2013/14	2014/15 (£000)				
	Slipped Target	Target	Achieved	Shortfall/ Slipped to 2015/16	RAG	Mitigation
Libraries - Review of staff levels - time and motion study conclusions	-	150	75	(75)	A	5
Review of Mobile Library service	120	-	60	(60)	A	-
Libraries – reduce book stock budget	-	100	100	-	G	-
Libraries – service offer changes	-	220	220	-	G	-
Registration – additional income generation	-	50	50	-	G	-
Total Community Services	120	520	505	(135)		-
Total Economy	-	-	-	-		-
Road Safety - reduction in educational activities	-	305	50	(255)	R	100
Road Safety - reducing contribution to Sussex Safer Roads Partnership (SSRP)	-	65	65	-	G	-
Infrastructure Development, Design and Delivery – reorganisation of team roles and responsibilities	-	30	30	-	G	-
Highways Maintenance – preventable maintenance/ reactive maintenance	-	2,100	2,100	-	G	-
Highways Maintenance – Winter gritting efficiency – current winter gritting coverage to be maintained and financial effect of varying winter conditions smoothed	-	200	200	-	G	-
Highways Maintenance – reduce gulley emptying budget, whilst preserving intervention at those areas most likely to represent aflood risk	-	150	-	(150)	R	-
Highways Maintenance – team restructure	-	140	140	-	G	-
Highways Maintenance – condition surveys	-	180	50	(130)	R	-
Highways Maintenance – charges to utility companies	-	400	400	-	G	-
Highways Maintenance – street lighting energy reductions	-	800	800	-	G	-
Passenger Transport – re-commissioning transport services	-	570	570	-	G	-
Total Transport	-	4,940	4,405	(535)		105
Review of Household Waste Recycling Site (HWRS) provision	25	50	25	(50)	A	-
Joint Waste Collection contract – disposal savings	50	50	-	(100)	R	-
Waste Management - leachate tankering and disposal	70	80	32	(118)	R	-
Waste PFI – sharing of facilities and capacity	247	200	-	(447)	R	-
Planning – new income streams	20	30	50	-	G	-
Emergency Planning team structure	6	32	6	(32)	R	-
Environmental Advice – Environment team restructure	-	100	100	-	G	-
Gypsy & Traveller Team revised service offer	-	70	60	(10)	R	-
Rights of Way team	-	60	60	-	G	-
Total Environment	418	672	333	(757)		-
Total CET Savings	538	6,132	5,243	(1,427)		105

Governance						
Savings description	2013/14	2014/15 (£000)				
	Slipped Target	Target	Achieved	Shortfall/ Slipped to 2015/16	RAG	Mitigation
Communications – restructure of service (departmental only)	-	99	99	-	G	-
Communications / Marketing – restructure of service (other departments)	-	56	56	-	G	-
Third Sector – priority outcome change, formalising the implementation of previously agreed priority outcome changes that will not impact on current core funding levels to the sector	-	40	40	-	G	-
Democratic / Scrutiny – team re-organisation including deletion of vacancy and agency staff costs	-	32	32	-	G	-
Policy, Performance and Executive Support Team – a re-organisation of support for corporate policy and performance activity, the Executive and Chairman; including ceasing to have a car for the Chairman	-	87	87	-	G	-
Total Corporate Governance	-	314	314	-		-
Departmental Overheads – underspend carried forward	-	(19)	(19)	-	G	-
Total Management & Support	-	(19)	(19)	-		-
Total Governance Savings	-	295	295	-		-

Adult Social Care and Health – end of year 2014/15

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

2014/15 summary of successes and achievements – For the whole year April 2014 to March 2015 we achieved the following successes. 100% (4,482) of working age adults and older people receiving our support, and 100% (3,297) of carers, received self-directed support. Of these, 42.0% (1,883) of working age adults and older people, and all carers, received their self-directed support through direct payments. 88.8% of people (new clients) who received short-term services to maximise their independence made no further request for ongoing support. 24.1%, (249) of people with a primary support reason of Learning Disability known to Adult Social Care were in paid or voluntary employment. 1,995 people were referred to the Memory Assessment Service; the service has therefore exceeded its target of 1,624 by 371 referrals or 23%. 2,297 people received support through 'STEPS to stay independent', which supports people aged 65 and over to maintain independence within their own homes. The Council was awarded White Ribbon status in quarter 2, due to its level of commitment to increasing awareness on the issue of domestic abuse and violence against women and providing services aimed at reducing the number of crimes and incidents.

Safeguarding Adults – Three team/area based audits of safeguarding activity took place in Quarter 4. This activity completes the target of six team/area based audits in 2014-15. In addition, other safeguarding case auditing took place with a particular focus on initial decision making. A total of 120 individual case files have been examined during this period. The audits considered risk and decision-making across safeguarding interventions from the point of referral through to responses and safeguarding planning. Developmental work in response to the audits has been identified and implemented which includes support from the Safeguarding Development Team to ensure that all decision-making, particularly in relation to threshold decisions and evidencing of mental capacity, is consistent.

East Sussex 1Space – As at 31 March 2015 there are 1,874 service entries on the 1Space website across 1,798 organisations exceeding the target figure for 2014/15. There were a total of 43,511 visits to 1Space during 14/15 (28% repeat visitors and 72% new visitors) - a 51% increase on the target figure and a gross increase of 81% from 2013/14.

Safer Communities – The total number of reported crimes in the county had been on a downwards trajectory for a number of years. However, the last few months have seen the level of reports starting to increase again. A total of 26,792 crimes were reported in East Sussex during 2014/15, compared to 23,186 in the same period in the previous year (+16%). There is now greater encouragement to record public order offences and multiple victims as multiple crimes, increasing the number of crimes recorded. In addition, the Sussex Police and Crime Commissioner and partners are committed to increasing the reporting of domestic abuse and serious sexual offences following recent high-profile cases.

Anti-social behaviour (ASB) and hate crime – Safe from Harm is a victim support service commissioned by the East Sussex Safer Communities Partnership and over the past year 88% of people supported by the service reported an increase in how safe they felt from the beginning of the Safe from Harm intervention to the end. The objectives of the Safe from Harm service is to improve wellbeing, confidence and resilience of people at risk of harm from anti-social behaviour or targeted harassment.

Hate crime third party reporting is being developed in partnership with Citizens Advice Centres across East Sussex.

Domestic violence – The two domestic violence measures monitoring the impact of the Multi-Agency Risk Assessment Conferences (i) and the Independent Domestic Violence Advisor Service (ii) are reported one quarter in arrears and are therefore reported as carry-overs. Performance in each quarter of 2014/15 has exceeded the target so we are confident that the full year target will be achieved.

Health checks – ESCC continues to perform well at providing NHS Health Checks for eligible adults. ESCC is progressing well to ensure that 20% of all eligible adults are offered an NHS Health Check by year end. To Q3 this year: 16.4% (27,279) health checks were offered to those eligible (including the latest Q3 result of 5.0% or 8,276 people). This is 27% higher than the same period last year (21,482).

Support with Confidence – We were unable to reach our target of 158 providers registered with Support With Confidence (SWC) (ref iii). Changes in scheme management arrangements during 2014/15 have had unintended impacts and there have been delays in processing applications. We have initiated a review with our Trading Standards Service of the management options for SWC in 2015/16. Total number of members at end of the 2014/15 financial year is 141.

Approved members this year included:

- The Florence Support Service - garden club and respite short stay service for people with learning disabilities and mental health issues;
- Duo Support Services - a pair of personal assistants offering a holistic and person centred service in and around Rye;
- The Cranbrook Initiative - dementia support and social group including reminiscence sessions, music groups,

discussion groups and organised outings.

Memory Support Service – The Memory Support Service delivered 271 sessions or 90% of target activity in 2014/15. The performance of this service is currently being considered and an update will be provided in Q1. (ref iv)

Weight Management Services – Although the target will not be achieved, performance continues to improve as this new service for adults becomes better established. Of the 76 individuals starting the course, almost half (35) completed the course and of those 77% lost weight. Average weight loss continues to rise with 57% of those completing the course losing up to 3% of their initial weight, 13% losing between 3% and 5% and 9% losing at least 5%. (ref v)

We have not achieved the target we reset in Q3 for children's weight management services. Following a delay in commencing service delivery a formal contract query notice was issued to the provider in November 2014. A remedial action plan was agreed and this continues to be monitored. Low referrals for the children's weight management service led to a number of courses being cancelled during Q3. The main challenge for the provider is to increase awareness of the service in order to drive up referral numbers. (ref vi)

Budget – The outturn position for Adult Social Care is an overspend of £2.385m (ref vii); comprising an overspend of £2.941m in the Independent Sector partially offset by an underspend of £0.566m within Directly Provided Services and Assessment and Care Management. The net budget incorporated savings of £14.2m.

During 2014/15 a number of actions were taken to reduce spend, particularly on individual packages of care at the point of review, coupled with the roll out of weekly funding panels across all services including Neighbourhood Support Teams from May 2014. All actions have significantly contributed to delivering the savings required. There have been significant challenges in reducing care packages, which intensified in the latter half of 2014/15 due to the increased number of people coming out of hospital. This increase in activity created additional demands and pressures across the NHS and Social Care as more people required care and support.

Despite the increasing challenge of delivering the savings, the current trajectory indicates that a balanced budget will be shown by the end of the current RPPR savings plan (2015/16).

Independent Sector

Client Type	Current Budget (£000)			Projected Outturn (£000)			Variation (£000)		
	Gross	Income	Net	Gross	Income	Net	Gross	Income	Net
Older People	74,706	(34,865)	39,841	76,675	(35,855)	40,820	(1,969)	990	(979)
Physical Disabilities	14,343	(2,472)	11,871	15,012	(2,761)	12,251	(669)	289	(380)
Learning Disabilities	39,156	(3,653)	35,503	42,442	(6,194)	36,248	(3,286)	2,541	(745)
Mental Health	6,542	(1,200)	5,342	7,739	(1,560)	6,179	(1,197)	360	(837)
Substance Misuse	297	(41)	256	323	(67)	256	(26)	26	0
Total	135,044	(42,231)	92,813	142,191	(46,437)	95,754	(7,147)	4,206	(2,941)

Public Health budget – The 2014/15 outturn position for Public Health is an underspend of £6.365m, which has been transferred to reserves, within the conditions of Public Health Grant. The underspend arose from:

Planned contributions to Prescribing and Retendering Reserve: £1.250m (to meet risk)

Budgeted underspend (within MTFP) £0.572m

£1.822m

In-year underspend on commissioned services £4.543m (ref viii)

Total Underspend Carried Forward (within MTFP) £6.365m

The risks associated with recommissioning are decreasing but there are other significant risks where the potential financial impact is unknown. Current risks include the possibility of receiving retroactive guidance (we were unexpectedly obliged to meet the full costs of prescribing of drugs for Public Health services even though this was not included in the PCT transfer costs), National Institute for Health and Care Excellence (NICE) appraisals of new and established technologies (i.e. medicinal products, medical devices, diagnostic techniques etc) where there is a legal requirement that local authorities implement recommendations within three months of its date of publication, and insurance cover for medical or clinical malpractice for some providers of public health services now Public Health has transferred from the NHS which had previously been covered within the NHS. Slippage on commissioning plans and a delay in projects that are due to commence now in 2015/16 and staff vacancies that are now beginning to be filled have also contributed to the underspend in 2014/15. The underspend will be used to support one-off projects including addressing Killed and Seriously Injured road casualties, suicide prevention, addressing obesity, school readiness,

pupil absence, Chlamydia screening and HIV testing.

Capital Programme – Capital Programme – There has been slippage on a number of capital scheme projects including: Warwick House (**ref ix**) due to 1.5% retention fees held by ESCC within the construction contract; Social Care Information System project (**ref x**) reflects the revised cashflow for system implementation planned to complete in 2015/16; Older People Service Opportunities (**ref xi**) will see improvement works delivered in 2015/16 due to redefinition of the scheme requirements at Milton Grange and deferral of Firwood House works to avoid impacting on service delivery and clients during the winter, the budget for Greenwood (**ref xii**) will be spent together with funding from the Learning Disability Service Opportunities project (**ref xiii**), to deliver improvements at Sandbanks. For the Supported Accommodation / Extra Care projects: 508 Seaside (**ref xiv**) has been completed and opened from January 2015; Works at Westfield Lane have slipped to 2015/16 due to the need for clarity around the funding streams available to support the development, (**ref xv**) and the completion of Ninfield Road has slipped to July 2015 due to adverse weather delaying work on site, (**ref xvi**). House adaptations – disabilities (**ref xvii**) is demand led expenditure and dependent on specific works to properties, the underspend will slip to 2015/16. The refurbishment of facilities to meet CQC standards is demand led (**ref xviii**), funding will be used in 2015/16.

Performance exceptions (All Red RAG rated targets and carry overs)								
Performance measure	Outturn 13/14	Target 14/15	14/15 RAG				2014/15 Outturn	Note ref
			Q1	Q2	Q3	Q4		
Keeping vulnerable people safe								
Percentage of domestic abuse victims reporting improved safety following the delivery of a Multi-Agency Risk Assessment Conference (MARAC) action plan	91%	80%	G	G	G	CO	Available in quarter 1, 2015/16	i
The proportion of clients of the Independent Domestic Violence Advisor Service completing user evaluations who state they have benefited from that service	97%	80%	G	G	G	CO	Available in quarter 1, 2015/16	ii
Percentage of people completing a health trainer intervention who achieve their primary or secondary goal	New measure	75%	G	G	G	CO	Available in quarter 1, 2015/16	
Helping people help themselves								
Number of providers registered with Support With Confidence is increased to 158 members	132	158	G	G	A	R	141	iii
Number of memory support service three hour group sessions provided	93	300	G	G	A	R	271	iv
Percentage of adults who successfully complete the weight management programme who achieve 5-10% weight loss within 12 weeks is 45%.	New measure	45%	-	G	R	R	0%	v
Percentage of children who successfully complete the weight management programme who achieve their Body Mass Index (BMI) centile target within 12 weeks (maintaining their weight or achieving weight loss)	New measure	120 referrals	-	AD	G	R	21 referrals	vi

Savings exceptions (Green: on track to deliver in the year; Amber: on track to deliver but not in the year: Red: will not be delivered but may be mitigated)							
Savings description	2014/15 (£000)				2015/16 (£000)		Note ref
	Target	Achieved	Shortfall	RAG	Original target	Target including shortfall	
Community Based Services: review and focus on services to meet personal care needs, in line with personal budgets	7,845	4,904	(2,941)	A	5,395	8,336	
All Other Savings	6,336	6,336	-	G	2,248	2,248	
Total ASC	14.181	11.240	(2.941)		7.643	10.584	

Revenue budget										
Divisions	Planned (£000)			2014/15 (£000)						Note ref
				End of year outturn			(Over) / under spend			
	Gross	Income	Net	Gross	Income	Net	Gross	Income	Net	
Older People	89,909	(38,942)	50,967	91,730	(39,815)	51,915	(1,821)	873	(948)	
Physical Disabilities	19,604	(4,733)	14,871	20,163	(4,890)	15,273	(559)	157	(402)	
Learning Disabilities	46,254	(4,652)	41,602	49,254	(7,183)	42,071	(3,000)	2,531	(469)	
Mental Health	8,568	(2,438)	6,130	9,867	(2,851)	7,016	(1,299)	413	(886)	
Other Adults	7,503	(2,480)	5,023	7,365	(2,410)	4,955	138	(70)	68	
Supporting People	11,175	(1,004)	10,171	11,402	(1,231)	10,171	(227)	227	-	
Assessment and Care Management	23,995	(1,276)	22,719	23,726	(1,251)	22,475	269	(25)	244	
Management and Support	10,503	(2,636)	7,867	28,003	(20,144)	7,859	(17,500)	17,508	8	
Service Strategy	742	(225)	517	745	(228)	517	(3)	3	-	
Adult Social Care	218,253	(58,386)	159,867	242,255	(80,003)	162,252	(24,002)	21,617	(2,385)	vii
Safer Communities	661	(251)	410	1,001	(591)	410	(340)	340	-	
Health Improvement services	5,631	(5,631)	-	2,590	(2,590)	-	3,041	(3,041)	-	
Drug and alcohol services	6,382	(6,382)	-	6,316	(6,316)	-	66	(66)	-	
Sexual health services	4,265	(4,265)	-	3,313	(3,313)	-	952	(952)	-	
School nursing services	1,856	(1,856)	-	1,856	(1,856)	-	-	-	-	
NHS Health Checks	880	(880)	-	695	(695)	-	185	(185)	-	
Other programmes and non-contracted services	3,350	(3,350)	-	3,095	(3,095)	-	255	(255)	-	
Contingency and reserves (including underspend)	1,822	(1,822)	-	6,365	(6,365)	-	(4,543)	4,543	-	
Public Health	24,186	(24,186)	-	24,230	(24,230)	-	(44)	44	-	viii

Capital programme									
Approved project	Total project – all years (£000)		2014/15 (£000)						Note ref
			End of year outturn			Analysis of variation			
	Budget	Projected	Budget	Actual	Variation (over) / under budget	(Over) / under spend	Slippage to future year	Spend in advance	
Warwick House	7,339	7,339	1,139	920	219		219		ix
Social Care Information Systems	4,000	4,000	1,786	1,055	731		731		x
OP Service Opportunities	536	536	140	11	129		129		xi
Greenwood	463	463	60	9	51		51		xii
LD Service Opportunities	2,478	2,478	1,156	626	530		530		xiii
ASC PPF IT Infrastructure	317	317	41	41	-				
ASC Economic Regeneration	10	10	-	-	-				
Supported Accommodation/Extra Care Projects:									
Gilda Close, Polegate	604	604	302	302	-				
508 Seaside, Eastbourne	673	673	336	336	-				xiv
Westfield Lane, Hastings	585	585	293	4	289		289		xv
Ninfield Road, Bexhill	410	410	205	-	205		205		xvi
Sidley, Bexhill	790	790	-	-	-				
Battle Road, Hailsham	1,000	1,000	-	-	-				
LD Extra Care	350	350	-	-	-				
Continuing Programme									
House adaptations-disabilities	3,349	3,349	262	213	49		49		xvii
Refurbishment-registration standards	374	374	186	122	64		64		xviii
Total ASC Gross	23,278	23,278	5,906	3,639	2,267	0	2,267	0	

Business Services – end of year 2014/15

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

2014/15 summary of successes and achievements – We are expanding and embedding our partnership working with Surrey County Council (SCC) in relation to all Business Services (and legal services) following Cabinet approval of the business case (10 March 2015). The partnership builds on the success and experience gained from our existing joint working with SCC (the Procurement Partnership and a number of shared transactional services). This will lead to a wide range of benefits including fostering innovation, increased sustainability and improved quality of services, commercial leverage, and delivery of broader shared efficiencies. We have been engaging with staff and customers across both organisations throughout the development of the business case and organisational design phase which commenced during Q3.

BSD overall financial statement – The BSD revenue budget underspent by £24k in 2014/15 excluding unachieved Agile Savings (**ref viii**). This was a result of an overspend in ICT of £529k due to ongoing pressures in the Link budget, incurred due to delays in the implementation of the new network (**ref v**); an underspend of £560k in Property Services, due mainly to non-recurrent slippage in the Buildings Maintenance programme (**ref vi**) used to offset pressures elsewhere in BSD; these were offset by the slippage of £428k (**ref iii**) consolidation savings into 2015/16; and the use of BSD underspend to fund Orbis transformation work of £115k (**ref vii**).

The BSD Capital Programme has slipped by £4.439m in 2014/15. In particular, this is a result of the need to consider all options of the development of a core systems solution (**ref ix**), slippage in the Buildings Maintenance programme across a number of projects (mainly schools) (**ref x**), and slippage of profiled expenditure in the ICT Strategy Implementation Programme. The latter is due to consolidated revision of the agency costs and a delay to the business continuity solution in the Desktop anywhere (Citrix) project and extended procurement timescales against the Core Infrastructure Renewal (SAN upgrade).

Economic Development – Our teams are working closely with external partners and teams across the council to support the Driving Economic Growth priority. The Procurement team continue to engage with local businesses through the Build East Sussex network and supporting events (the most recent event was held during Q4 in March 2015). In 2014/15, 41% (£216m) of procurement spend was with local suppliers. We have focused our attention where we can add the greatest value, for example in the construction category we achieved 70% of procurement spend with local suppliers. We have also introduced the 'Supply to East Sussex' website in collaboration with public sector partners across the county, to provide a 'one stop shop' for communicating contract opportunities to our suppliers, including Small and Medium Enterprises. As part of the Employability and Skills Strategy, the Council will seek to offer more apprentice roles and BSD is sharing our experience and learning from running an apprenticeship programme to support this.

Income generation – During the year we have increased our focus on generating income as part of our response to the financial challenge. Significant additional income has been generated for the Council, such as the partnership establishment of a 'pool' for Non Domestic Rates within East Sussex, covering the County Council, the five Boroughs and District Councils and the Fire and Rescue Service. As previously reported, a Member Income Generation Reference Group has been established to review current income generation activities across the Council and explore potential opportunities (such as a property strategy, advertising/sponsorship and solar panels).

Savings achieved through Procurement – The total savings delivered (through procurement, contract and supplier management activities) and signed off in 2014/15 is £6.9m. £2m of the planned savings would have resulted in significant changes to the Highways maintenance contract. The potentially detrimental impact to the Highways maintenance service made these savings unachievable (pending the re-tender of the contract that is now underway). Going forward we need to consider performance indicators that capture the quality of service improvements as well as savings to reflect the value for money approach applied in the procurement process. £100k of Children's Services savings were not delivered as forecast due to issues in the marketplace threatening security of supply. However, we did achieve £300k additional savings in the Property procurement spend category in Q4. In addition, a further £1.6m in non-cashable efficiencies has been delivered for working age adult placements.

SPACES – Eight partner based projects have been achieved through the partnership in 2014/15 against the target of three. This includes five co-locations, one disposal and community provision and one land swap. In addition, Wealden District Council is now storing documents at the County Council's Ropemaker Park. The Programme benefits measured to date include £12.9m capital receipts and £2m reduction in revenue costs across the partners. These figures include both benefits that have already been delivered and further benefits that have been identified.

Capital Receipts – £2.55m of capital receipts were generated in 2014/15 against a target of £4m (**ref i**) due to three disposals being unexpectedly and unavoidably delayed. The delays are due to a belated footpath challenge Westfield Down (£560k); a restrictive covenant relating to 14 Westfield Lane (£375k); and purchaser queries on ground conditions at Woollards Field (£540k).

Agile – Delivery of Tranche 1a pilots to evidence Agile enabled benefits, and approval to move the Programme into delivery have taken place. Work style analysis was completed for all Lewes based staff (County Hall and Sackville House) by the end of Q3. These work styles together with previous estimates have been used to compile a 15 month roll-out schedule. The schedule has been agreed and will see all affected teams receiving ICT kit and organisation development support to 'go Agile' by the end of 2015/16. Work is now underway to develop a new Performance Measure to track the implementation and associated impact of Agile across the organisation.

In parallel, the refurbishment and office moves to support Agile at County Hall are progressing to programme and the extension of ESSCape café was opened in February 2015. Consultation has also now commenced on the redesign of our hubs at Eastbourne and Hastings to meet Agile standards. In 2015/16 a £201k savings target will be applied to BSD, whilst the remaining £1.2m will be allocated to other service departments (ref iv).

ICT infrastructure – One of the key components of this target was the Citrix project, which is now complete. Microsoft Windows 7 has been deployed to remove Windows XP from the corporate network and office productivity software updated to Microsoft 2010. An isolated solution has been provided for a small number of PCs (approximately 40) that have a requirement to operate business software that is incompatible with the upgraded environment, allowing them to continue to work in a secure way. The successful completion of this major infrastructure project is a major contributor to the reaffirmation of our Public Services Network accreditation allowing us to share information across organisational boundaries with our partners.

Value of debt over 5 months in proportion to debt raised –

	2013/14 £m	2014/15 £m	Variance £m
Sundry Debtors	1.778	1.952	0.174
Deferred Payments	0.278	0.538	0.260
Total debt	2.056	2.490	0.434

The increase in deferred payments is due to a number of debts which are secured against a property, where we are awaiting the issue of an order for sale/possession. These debts would not have been included in the aged debt profile last year. Joint working is continuing with Adult Social Care and Legal teams. The new aged debt reporting continues to be of value in enabling better monitoring to identify areas for focus.

The new deferred payment scheme as per the Care Act came into effect on 1st April 2015 and to date 14 applications have been received. The anticipated increase in the take up of the Deferred Payment Scheme is not expected until next year with the funding reforms.

Work continues to review and streamline the debt recovery process to ensure that there are robust systems and processes in place to recover debt promptly. There has been a significant improvement in the amount of debt written off. In 2013/14, total write-offs were £762,750 and this has been reduced to £227,045 for 2014/15.

Internal audit – 92.6% of the Audit plan has been completed at year end (against a target of 90%) with only a small number of reviews carried forward. All the high risk recommendations due to be implemented by the end of Q4 had been actioned by management.

Sickness Absence – The outturn for the whole authority (including schools) is 8.31 days lost per FTE employee, which represents an increase of 6.3% since 2013/14. The majority of the increase is in non-schools teams and comparisons with a small group of local authorities indicates that this outturn is higher than average. We will validate the comparability of the data and explore potential learning from approaches to absence and wellbeing. Stress continues to be the primary driver of absences across the organisation.

A new course 'Managers Managing Stress' has been commissioned as part of the corporate training package. The course is aimed to equip managers with the confidence, tools and experience to effectively signpost and support employees who are experiencing stress. A new individual stress action plan and policy has just been launched across the organisation, it is anticipated this tool will enable prompt resolution of stress related issues and reduction of absence in this area. A revised Attendance Policy has been drafted which aims to promote improved engagement and enable a more robust and simplified approach to managing absence and this will be launched in 2015/16. Following a successful pilot HR continue to contact managers within the first two weeks of stress related absences to advise to meet with the employee as soon as possible to explore an early resolution of work place issues.

A major reason for the increase in absence levels within ASC and CSD was a rise in time lost due to muscular skeletal issues. In order to effectively target this, a higher level of reporting has been agreed to identify the location of the muscular skeletal ailment, e.g. neck or elbow. This is anticipated to enable more effective analysis and therefore more focused solutions. In addition to this a pilot has commenced in ASC to establish whether a localised provision of physiotherapy will impact on absence levels.

The Council's first Wellbeing Focus Group (6 February 2015) showcased our strong investment in our employees' wellbeing by providing an opportunity to co-create a programme of activity to support attitude and behaviour change; share information on the resources available to support wellbeing; and highlight the actions that staff can

take themselves to support their wellbeing. The Council pledged to take action to reduce mental health discrimination as part of 'Time to Change'. Key themes have now been identified and an action plan has been developed setting out a number of initiatives (to begin in 2015/16).

Performance exceptions (All Red RAG rated targets and carry overs)								
Performance measure	Outturn 13/14	Target 14/15	14/15 RAG				2014/15 outturn	Note ref
			Q1	Q2	Q3	Q4		
Priority – Making best use of resources								
Service savings achieved	£21.4m	£30.4m	A	R	R	R	£24.5m	
Capital receipts generated from surplus property no longer required	£1.9m	£4.0m	G	A	A	R	£2,543,482	i
Number of working days lost per FTE (Full Time Equivalent) employee due to sickness absence	7.82	6.95	A	R	R	R	8.31	ii

Savings exceptions (Green: on track to deliver in the year; Amber: on track to deliver but not in the year: Red: will not be delivered but may be mitigated)							
Savings description	2014/15 (£000)				2015/16 (£000)		Note ref
	Target	Achieved	Shortfall	RAG	Original target	Target including shortfall	
Consolidation Savings	1,377	949	(428)	A	670	1,098	iii
The Link / PSN	526	-	(526)	R	-	526	
Savings from new delivery models following commissioning cycle	355	-	(355)	A	561	916	
ESCC Benefit realisation from the Agile Working Programme	3,000	-	(3,000)	R	201	201	iv
All other savings	1057	1057	-	G	292	292	
Total BSD	6,315	2,006	(4,309)		1,724	3,033	

Revenue budget										
Divisions	Planned (£000)			2014/15 (£000)						Note ref
				End of year outturn			(Over) / under spend			
	Gross	Income	Net	Gross	Income	Net	Gross	Income	Net	
ICT	13,271	(7,759)	5,512	11,978	(5,937)	6,041	1,293	(1,822)	(529)	v
Personnel	3,440	(1,684)	1,756	3,478	(1,724)	1,754	(38)	40	2	
Property	28,346	(19,677)	8,670	26,959	(18,849)	8,110	1,387	(828)	560	vi
Procurement	1,361	(464)	897	1,245	(349)	896	116	(116)	-	
Strategic Finance	11,244	(5,770)	5,474	10,553	(5,160)	5,393	691	(611)	81	
Service Finance	2,675	(853)	1,822	2,330	(745)	1,585	345	(108)	237	
Management & Support	758	(348)	410	1,033	(361)	672	(275)	13	(262)	
Non-Specific	286	(14)	272	236	(14)	222	50	()	50	
SEBS	0	0	0	343	(228)	115	(343)	228	(115)	vii
Total Excl. Agile	61,381	(36,569)	24,812	58,155	(33,367)	24,788	3,226	(3,202)	24	viii
Agile Savings Target	(3,000)	-	(3,000)	-	-	-	(3,000)	-	(3,000)	
Total incl. Agile	58,381	(36,569)	21,812	58,155	(33,367)	24,788	226	(3,202)	(2,976)	

Capital programme									
Approved project	Total project – all years (£000)		2014/15 (£000)						Note ref
			End of year outturn			Analysis of variation			
	Budget	Projected	Budget	Actual	Variation (over) / under budget	(Over) / under spend	Slippage to future year	Spend in advance	
Core Systems Development	1,470	1,470	914	213	701	-	701	-	ix
The Link	2,610	2,610	390	373	17	-	17	-	
SALIX Contract	2,644	2,644	184	80	104	-	104	-	
Carbon Reduction Schemes	1,794	1,794	303	163	140	-	140	-	
AGILE	8,657	8,657	3,822	1,678	2,144	-	2,144	-	
Capital Building Improvements	36,221	36,221	6,457	5,978	479	-	479	-	x
ICT Strategy Implementation	10,565	10,565	3,225	2,371	854	-	854	-	
Total BSD	63,961	63,961	15,295	10,856	4,439	0	4,439	0	

Children's Services – end of year 2014/15

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

2014/15 summary of successes and achievements – 100% of the total target number, 1015, of families in the Troubled Families programme were turned around by the end of the 3 year programme. Families are considered to be turned around if an adult in the family sustains a job for a minimum period, thereby allowing themselves to come off related benefits, or if the family achieve targeted reductions in antisocial behaviour, under 18's crime, school exclusions or unauthorised absences. 1,294 families received a family support intervention during the programme.

80% of respondents to the feedback survey agreed that things had changed for the better as a result of getting 1:1 targeted support from early help services which met the target of 80%. The number of volunteers undertaking volunteer training in Children's Centres rose to 195 this year, which exceeded the target by 41.

1,684 children are accessing a place with an eligible early years provider, a take up of 78.1% which is 16.1% above the national average. East Sussex is joint 4th out of the South East authorities for the take up of 2 year old funding and joint 3rd against our statistical neighbours.

At the end of Q4 the number of children with a Child Protection (CP) Plan is 469 against a target of 502. This has been achieved by implementing the CP action plan. This included challenging the ongoing high levels of children with CP Plans and agreeing ways to reduce the number of children with a CP Plan safely, for example, working with Independent Reviewing Officers and Child Protection Advisers to reinforce other robust planning mechanisms to safeguard children. Many of these children remain Children in Need (CIN) and continue to be supported by social workers with robust CIN plans.

50 adopters were recruited against a target of 50 and 56 children were placed for adoption against a target of 50. This included the placement of three older children who had been more difficult to place and therefore had been waiting longer. For the period 2011 to 2014 the average time between a child entering care and moving in with its adoptive family, for children who have been adopted, was 536 days for East Sussex against a national figure of 628 days. 41 new foster carer households were approved offering 62 additional placements in 2014/15.

The THRIVE Programme won in both the Business Transformation and the Children's Services categories at the Local Government Chronicle Awards on Wednesday 11 March.

The proportion of academic age 16-18 year olds where we do not know if they are in education, training or employment has reduced from 5.8% in 2013/14 to 4.9% in 2014/15. 96% of young people at academic age 16 and 88% of young people at academic age 17 are participating in education, training or employment with training.

The percentage point gap between pupils eligible for Pupil Premium achieving 5 A*-C grades at GCSE or equivalent, including English and maths, and their peers – The gap has narrowed in East Sussex by 1.9% and is lower than the national average of 27.5%, however, the outturn of 27.4% is above the target of 26% (**ref iii**). Low attainment of pupils eligible for Pupil Premium at Key Stage 4 remains an area of concern and intervention. The Standards and Learning Effectiveness Service continues to commission additional support from an advisory head teacher to work with targeted secondary schools in raising the achievement of pupils eligible for Pupil Premium. This targeted work demonstrated a positive impact in 2013/14 project schools.

Looked After Children (LAC) Attainment – The percentage of LAC making two levels or more of progress between KS1 and KS2 is higher than the national average in writing (90% against a national average of 82%) and in maths (76% against a national average of 75%). 76% of LAC made two levels or more progress between KS1 and KS2 in reading (**ref i**), compared to the national figure of 81%. 23% of LAC made three levels of progress between KS2 and KS4 in English (**ref ii**) against a national average of 34.5%. 26.5% made three levels of progress in maths against the national outturn of 26.3%. A high proportion of the cohort has benefitted from additional 1:1 tuition funded by the Pupil Premium, attended the Virtual School's residential revision weekend and received additional support. 12.5% of LAC achieved 5 or more A*- C GCSE including English and maths against a national average of 12%.

Number of Looked After Children (LAC) – The number of care proceedings initiated continues to reduce from 77 in 2013/14 to 67 in 2014/15, we have also supported the courts to improve timeliness of proceedings. LAC admissions in 2014/15 have significantly reduced when compared with 2013/14, a reduction of 16% from 190 in 2013/14 to 159 in 2014/15.

The number of LAC is 548 (52.2 per 10,000 of the 0-17 population) against a year-end target of 522 (**ref iv**). Whilst the rate per 10,000 is higher than the THRIVE target it is below the IDACI expected rate (a measure in terms of population profiles and deprivation levels) of 57.4 and the 2014 England average of 60.

As reported in previous quarters, there have continued to be a number of significant financial pressures in Children and Families (**ref ix**): on LAC and Residence Orders / Special Guardianship Orders (ROs/SGOs) (£2.1m), principally due to budgets having been set on the basis of previous years' budgets rather than known activity. Looking ahead,

detailed modelling has been carried out to forecast future costs alongside a systematic review of all LAC care plans and placements to consider whether the current care plan and placement is appropriate or whether there is an option to either return home or to a less expensive placement. Progress against this continues to be reviewed monthly by senior managers.

LAC participation – The percentage of academic age 17 (year 13) LAC participating in education, training or employment is 69% (22/32), narrowly missing the target of 70% (**ref vi**). At academic age 16 (Year 12) 80% (40/50) are participating in education, training or employment with training, against targets of 84% (**ref v**). All children who are not engaging have been referred to Youth Employability Service Advisors who have offered opportunities to re-engage or a range of support services. This is a snapshot taken at 31 March; the highest proportion achieved over the year was 86% for 16 and 75% for 17yr olds.

Care Leavers – Of the 155 eligible care leavers, 12 took up places at university in September 2014 which represents 7.7% against a target of 7%. In 2014/15 6 care leavers took up an apprenticeship, one of which is within the Council. This represents 3% against a target of 10%. Young people completing college courses will start to look for apprenticeships and they will be supported by the Youth Employability Service (**ref vii**).

Home to School Transport (HTST) – Within Communication, Planning & Performance (**ref xi**) the pressure on the HTST budget has continued in the quarter, with the outturn spend being in line with Q3's forecast. Work is on-going for 2015/16 to review spend and mitigate on-going pressures. 71 families took up a Personal Transport Budget (PTB) against a target of 50. A review of all active PTBs concluded that, with a very small number of historic exceptions, all PTBs are either neutral or positive in regards to budget savings compared with the provision of hired transport for the individual children.

Revenue budget – At Q4 the department's outturn is an overspend of £0.222m (**ref xii**). We continued to take a holistic approach to the budget, managing pressures in some parts principally Children's and Families (**ref ix**) through mitigations in others. Savings and mitigations that have been identified (for example additional income from Troubled Families Payment by Results (PbR) grant or one-off underspends from across the department) are being held under Central Resources (**ref viii**). The outturn (**ref xii**) was £0.148m worse than forecast at Q3 principally due to the costs of pupils educated at other local authorities being unexpectedly higher than in 2013/14 and from an increase in Early Year payments as a result of increasing 3-year old take-up of places (**ref x**).

Capital budget – At Q4, several of the projects have continued to experience slippage into 2015/16, principally in the Basic Needs Programme (**xviii**), Mobile Replacement Programme (**xiv**) and Early Years 2 Year Old's grant work (**ref xvii**) following changes to the planning requirements, and revisions to the scope and design of projects. However, some work, on temporary accommodation (**ref xvi**) has proceeded earlier than originally planned.

The Academies programme (**ref xiii**) was completed in Q4 and the large contingency was not required, saving £1.018m against the budget.

Etchingham (**ref xv**) is complete with £0.475m to come from the Diocese from the sale of the old school site.

The remaining projects are broadly proceeding to plan.

Performance exceptions (All Red RAG rated targets and carry overs)								
Performance measure	Outturn 13/14	Target 14/15	14/15 RAG				2014/15 Outturn	Note ref
			Q1	Q2	Q3	Q4		
Priority – Driving economic growth								
Percentage of LAC making two levels or more of progress between KS1 and KS2 in Reading	Ac. Year 12/13 reading 81% Nat. ave: 77%	Equal to or above the national average for LAC	A	A	A	R	Ac Year 13/14 reading: 76% National ave 12/13 81%	i
Percentage of LAC making three levels or more of progress between KS2 and KS4 in English	Ac. Year 12/13 English 46.7% Nat. ave: 32.6%	Equal to or above the national average for LAC	G	R	R	R	Ac Year 13/14 English: 23% National ave 12/13 34.5%	ii
The percentage point gap between pupils eligible for Pupil Premium achieving 5 A*-C grades at GCSE or equivalent, including English and maths, and their peers.	Baseline of 29% established	26%	G	G	R	R	Ac Year 13/14 27.4%	iii
Priority – Keeping vulnerable people safe								
Number of Looked after Children	571	522	R	A	R	R	548	iv
Priority – Helping people help themselves								
Percentage of LAC participating in education, training or employment at academic age 16 (Year 12)	78.1%	84%	G	G	G	R	80%	v
Percentage of LAC participating in education, training or employment at academic age 17 (Year 13)	71.4%	70%	G	G	G	R	68.8%	vi
Percentage of care Leavers who take up an apprenticeship	New Measure	10%	G	AD	R	R	3%	vii

Savings exceptions (Green: on track to deliver in the year; Amber: on track to deliver but not in the year: Red: will not be delivered but may be mitigated)							
Savings description	2014/15 (£000)				2015/16 (£000)		Note ref
	Target	Achieved	Shortfall	RAG	Original target	Target including shortfall	
All savings	3,520	3,520	-	G	6,040	6,040	
Total CSD	3,520	3,520	-		6,040	6,040	

Revenue budget										
Divisions	Planned (£000)			2014/15 (£000)						Note ref
				End of year outturn			(Over) / under spend			
	Gross	Income	Net	Gross	Income	Net	Gross	Income	Net	
Central Resources	11,196	(2,784)	8,412	12,004	(6,155)	5,849	(808)	3,371	2,563	viii
Early Help & Commissioning	16,016	(4,911)	11,105	15,858	(4,943)	10,915	158	32	190	
Children's & Families	46,834	(12,086)	34,748	50,758	(13,763)	36,995	(3,924)	1,677	(2,247)	ix
Learning & School Effectiveness	70,222	(56,796)	13,426	69,123	(55,295)	13,828	1,099	(1,501)	(401)	x
Communication, Planning & Performance	19,933	(5,414)	14,519	20,419	(5,574)	14,845	(486)	160	(326)	xi
Schools	207,782	(207,782)	-	207,782	(207,782)	-	-	-	-	
Total CSD	371,983	(289,773)	82,210	375,944	(293,512)	82,432	(3,961)	3,739	(222)	xii

Capital programme									
Approved project	Total project – all years (£000)		2014/15 (£000)						Note ref
			End of year outturn			Analysis of variation			
	Budget	Projected	Budget	Actual	Variation (over) / under budget	(Over) / under spend	Slippage to future year	Spend in advance	
Mercread Centre	867	809	63	5	58	58	-	-	
Academies	46,249	45,231	1,599	581	1,018	1,018	-	-	xiii
Lansdowne	9,015	9,030	134	149	(15)	(15)	-	-	
Mobile Replacement Programme	7,381	7,381	5,898	4,529	1,369	-	1,397	(28)	xiv
Etchingham school	6,888	6,900	5,101	5,588	(487)	(12)	-	(475)	xv
Temporary Accommodation	2,283	2,283	2,283	2,822	(539)	-	-	(539)	xvi
Early Years 2 Year Old's Grant	2,109	2,109	1,986	659	1,327	-	1,327	-	xvii
Universal Infant Free School Meals	985	985	985	540	445	-	445	-	
Basic Need Programme	52,480	52,480	15,850	6,589	9,261	-	9,261	-	xviii
School Delegated Capital	2,151	2,151	2,151	2,151	-	-	-	-	
Other Projects	30,292	30,399	1,779	1,429	350	(108)	617	(159)	
Total CSD Gross	160,700	159,758	37,829	25,042	12,787	941	13,047	(1,201)	

Communities, Economy & Transport – end of year 2014/15

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

2014/15 summary of successes and achievements – The South East Local Enterprise Partnership (SELEP) secured £442.2m of Government funding to boost economic growth as part of the Growth Deal. The Newhaven Port Access Road has been allocated £10m from the Coast to Capital Growth Deal; subject to Department for Transport (DfT) approval. Following approval of the planning application work has begun on the Queensway Gateway Road. Stage 1 of the Uckfield Town Centre Highway Improvement Scheme was completed in November. This included new street lights and widening footways outside the railway station. The Broadband Project is delivering speeds which are exceeding expectations. The Regional Growth Fund (RGF) has allocated its entire £4.2m fund and the job creation figure is now 580 against a target of 486. Projects supported include the expansion of BD Foods in St Leonards, which created 40 jobs, and Airtrace in Eastbourne, creating 15 jobs. The new Seaford facility, incorporating a library, day service for older people and supported living for adults with learning disabilities, opened in August 2014, and Newhaven Library opened in March 2015.

Road Condition – In 2014/15 the Council began a £70m four year investment plan to maintain principal and non-principal roads to at least their 2013/14 level while improving the state of unclassified roads. £20m was committed for structural maintenance in 2014/15 with £5m targeted at unclassified roads. The percentage of roads that should be considered for structural maintenance, at the end of Q4, are: principal roads 5% (down from 7), non-principal roads 9% (unchanged), and unclassified roads 22% (down from 25%). 21 schemes of resurfacing were delivered in Q4, treating 5.8 miles of road at a cost of £1.75m. Throughout the year we have completed over 314 resurfacing schemes, which equates to over 120 miles of resurfaced roads. Savings targets applied in 2014/15 for condition surveys and gullies will roll forward into 15/16, as they were not achieved (**ref ix, x**). Once the asset plan and inventory are complete, some additional savings may be achieved for condition surveys. The gulley emptying is completed on a risk basis, and the level of savings has been affected by the recent bad winter.

Bexhill to Hastings Link Road – The contractor was unable to complete the bulk earthworks during 2014 due to wet weather, the amount of archaeology undertaken, and the subsequent winter delays, therefore the link road will now open later in 2015 than expected. The financial slippage to 15/16 is £4.8m (**ref xii**) and the corporate contingency for the Link Road will now be used in 15/16. Following dry weather the contractor has re-mobilised earth moving activities earlier than envisaged. Remaining works comprise the completion of the countryside section of the scheme including bulk earthworks, landscaping and topsoiling in parallel with finishes to the structures and carriageway construction. The landscape planting along the opened section of the road is largely complete, however, the bulk of the remaining landscape planting will overrun into winter 2015 and spring 2016, this will require an amendment to the planning conditions to separate the road opening date from the scheme completion date.

Queensway Gateway Road – This road will connect Queensway with Sedlescombe Road North (the A21) in northern Hastings/St Leonards to provide access to business development sites, boosting local job creation, and improving local traffic flows. The planning application was approved by Hastings Borough Council in February 2015. Following assessment of the business case, an allocation of £15m was approved by SELEP on 20 March 2015. Site clearance work started in March 2015 and the scheme is due for completion in September 2016.

Newhaven Port Access Road – The detailed design of the road had been delayed due to uncertainties over the DfT approval process for Local Growth Fund (LGF) funding for schemes. The detailed design is likely to be complete in 2015/16 (**ref ii and xiv**).

Terminus Road – The scheme design continues to progress well with all key parties and stakeholders, including Network Rail and the Enterprise Centre, involved in the design process. Completion of the detailed design is expected in spring 2015, with construction predicted to commence in autumn 2015. The contract has not been awarded so the measure is red, although this is expected to happen in Q1 2015/16 (**ref iii and xvi**).

Inward Investment – Locate East Sussex is responsible for raising the profile of the county as a business location and highlighting commercial property opportunities to companies looking to grow. 93 influential public and business figures have been recruited to provide backing for the county as a place for business. In Q4 a further 3 companies have committed to relocating to East Sussex creating 7 jobs. Over the course of the year this brings the total to 10 companies creating 41 jobs.

Cultural Destinations – The East Sussex Cultural Destinations Consortium has agreed The Cultural Destinations Action Plan. This includes development of a new cultural trail, visitor research and further incentives for sustainable travel options. Discussions with funders, including Arts Council England and participating partners, have begun.

Broadband – A total of 38,565 premises are now able to connect to improved broadband, exceeding the target of 35,000. The delivered speeds are exceeding expectations; as of December over 15,000 premises were able to receive speeds of 24mbps or above, with only 2,211 able to receive less than this. Data for Q4 will be available in Q1 2015/16. We have been working with BT to deliver ahead of schedule and under budget; £5.3m of funding will be carried forward

into 2015/16 for delivery of the next phase; delivering broadband into hard to reach parts of the county (ref xiii).

Road Safety – Figures for January to December 2014 (pending DfT validation) show that there were 388 people Killed or Seriously Injured (KSI) on the roads, an increase of 14.5% compared to 2013. Compared to the 2005-2009 average, KSIs in East Sussex are 2% higher. In 2014, there were 16 fatal casualties; significantly lower than the average of 33 per year for 2005-2009. East Sussex figures mirror national data which identifies that driver/rider error is a main or contributory factor in over 90% of crashes. Public Health has allocated £1m to reduce KSIs in the county, and this will be used to deliver a 3 year programme of targeted activity. We are currently developing the draft programme which will ensure this funding is spent efficiently and effectively, and this will be presented to a joint Economy, Transport & Environment and Audit, Best Value & Community Services scrutiny board in the autumn. The programme will focus on the following actions: behaviour change and education, growing and strengthening local partnerships, and development of a better evidence base. In addition there will be a detailed evaluation plan for the programme.

The Sussex Safer Roads Partnership (SSRP), the Community Safety Partnership and Local Road Safety Groups also continue to provide a consistent, targeted approach to educating road users, especially those identified as being from high priority groups such as 16-24 year olds. We are also investigating a number of measures relating to road safety:

- Upon validation of the crash statistics by the DfT we will be assessing which sites might be considered for work as part of our annual Local Safety Scheme.
- The Sussex Safer Road Partnership (SSRP) will be discussing what the priority areas are, confirmation of these priority areas will influence our targeted education programmes delivered in conjunction with the SSRP.
- We have identified a number of roads to be progressed as part of our Route Study programme.
- Public Health has provided an additional £125,000, to continue with our speed limit reduction programme which is prioritised towards the highest risk roads. (ref iv).

£150,000 of the £305,000 savings target for Road Safety has been achieved in 2014/15 with £155,000 carried forward as a savings target in 2015/16 (ref viii). Road Safety Education savings are unachieved in part, as the savings were initially allocated without recognising the income generated by activities. CET will review where mitigations for these savings can be made and look to move the saving in due course.

School Safety Zones – Against a target of implementing three school safety zones two have been completed. A 20mph Zone has been created on Steyne Road, Sutton Avenue and a number of side roads in Seaford, creating a safe route for children travelling to and from schools in the area. A further zone has been introduced outside St Andrew's Infant School in Eastbourne. Two School Safety Zones covering Ratton School in Eastbourne and Heathfield Community College have been delayed until 2015/16. In Eastbourne additional survey and liaison work has been undertaken after representations from the Steering Group for the scheme and the Local Member. In Heathfield The Traffic Signals team are currently investigating alternative technology to address safety issues on the existing puffin crossing on the B2096, after the original proposals were not acceptable to the safety audit team (ref v).

Trading Standards – 101 scam victims of mass marketing fraud were visited in quarter 4. All the victims visited have been identified as having responded to scam mail. This makes a yearly total of 232 victims visited. The two Council Plan measures, to establish baselines around fair trading and mass marketing fraud, are both showing customer satisfaction at 100%. The Rapid Action Team was called out to 10 rogue trader/doorstep crime incidents in the last quarter, a total of 28 incidents for the year. Officers have attended events at the request of local banks to inform staff and consumers about the dangers of financial fraud scams. We are now in talks with a local bank to see if an event can be arranged each month in the more rural areas of the county.

Libraries – The new Seaford library opened to the public on 26 August 2014 with its official opening on 6 October 2014. Newhaven library also opened 14 March 2015. In the first week of opening, issues increased significantly from the same week the previous year, 1,543 compared to 553. There were 99 new members signed up and Wi-Fi is available. There were 5,959 new or renewed library memberships in Q4 bringing the yearly total to 26,579, exceeding the target by 1,579. As yet, the contract for the Hastings Library renovations has not been agreed; as a result, the capital funding will move into 2015/16 (ref xv).

Online learning in libraries – There were 68 course completions in Q4 bringing the yearly total to 431, this is below the target of 450. Some learners did not complete their courses in the timeframe anticipated (ref i).

Online Payments Systems – Technical issues with VAT coding delayed the implementation of online payments for Historic Environment Record searches, Passenger Transport Services, Rights of Way and Transport and Development Control licences. This has now been resolved and we are awaiting a target date for roll out of these online payments from ICT. The Council Plan measure is marked red for year 2014/15 as live payments were not available at the end of March (ref vi).

Waste – The end of year recycling and reuse forecast is 1kg per household (hh) short of the 544kg/hh target, but represents an increase on the 2013/14 outturn (ref vii); the definitive outturn position is to be reported in July 2015.

Savings of £57,000 were achieved in 2014/15 against targets for household waste recycling sites (HWRS) and leachate management (see summary of savings at Appendix 1). At the end of 2014/15 there is a £715,000 shortfall

against the savings plans for 2013/14 and 2014/15; there are no new targets for 2015/16. £354,000 of savings are expected to be achieved in 2015/16 from: a new agreement that we will not pay for Waste Electrical and Electronic Equipment (WEEE) tonnes; full year effect of HWRS part closures; a change in accounting for waste going to landfill; diversion of waste from landfill during Energy Recovery Facility (ERF) annual maintenance; and reduction in landfill tax increases. A £361,000 savings shortfall is, therefore, forecast for the end of 2015/16 due to: lower than expected electricity income from the ERF; delays in securing income from non-contract waste; unachieved savings both from the Waste Collection Partnership Joint Contract and from working across the SE7; and failure to gain planning permission for reception tanks at Pebsham to support disposal of leachate. Any balance unachieved will be funded from the Corporate Waste Reserve (ref xi).

A review is being undertaken to look at alternative methods of managing the waste reserve to achieve revenue savings. An update will be provided once an approach has been agreed.

Performance Exceptions All Red RAG rated targets and carry overs								
Performance measure	Outturn 13/14	Target 14/15	14/15 RAG				2014/15 outturn	Note ref
			Q1	Q2	Q3	Q4		
Priority – Driving economic growth								
In partnership with Learndirect and other funding organisations provide online learning (including skills for life and ICT courses) in libraries	617 courses completed	360 courses completed Amended at Q1 to 450	AD	G	G	R	431 courses completed	i
Deliver major transport infrastructure – Newhaven Port Access Road	ESCC work delayed to mid 2015 while developer completes phase 1	Detailed design work complete	G	G	G	R	Detailed design delayed due to uncertainties over DfT approval process for LGF (external) funding for schemes.	ii
Promote the successful recruitment of people with learning / physical disabilities	New measure 2014/15	Develop and pilot support package	G	G	R	R	Review by National Development Team for Inclusion due to be completed by May 2015/16	
Deliver pedestrian improvements in Terminus Road (Eastbourne) using ‘Shared Space’ concepts to coincide with opening of the new Arndale Centre	New measure 2014/15	Work with key stakeholders to complete scheme design and award contract	G	G	G	R	The scheme design continues to progress well. However contract has not been awarded so measure is red,	iii
Priority – Keeping vulnerable people safe								
40% reduction in the number of people killed or seriously injured (KSI) on the 2005/09 average by 2020 (no more than 227 KSI casualties)	339	Fewer than 321 KSI casualties	A	R	R	R	388 KSI (awaiting final DfT validation)	iv
Implement School Safety Zones to cover schools rated as high priority (12 zones by 2016/17)	Requirement for Traffic Regulation Order means construction of Seaford scheme delayed to September 2014	Implement three School Safety Zone schemes (to cover four schools)	G	G	G	R	2 zones completed	v

Performance exceptions All Red RAG rated targets and carry overs								
Performance measure	Outturn 13/14	Target 14/15	14/15 RAG				2014/15 outturn	Note ref
Priority – Making best use of resources								
The number of services with a new online payment facility	Introduction delayed to 2014/15	4 new online payment services	A	G	G	R	Live payments halted because of issues with VAT aspect of some payments	vi
Household waste re-used, recycled or composted or used beneficially (kg per household)	535 kg/hh	544 kg/hh	G	G	G	CO	543kg/hh (provisional data, outturn should be finalised in July 2015.)	vii

Savings exceptions (Green: on track to deliver in the year; Amber: on track to deliver but not in the year: Red: will not be delivered but may be mitigated)							
Savings description	2014/15 (£000)				2015/16 (£000)		Note ref
	Target	Achieved	Shortfall	RAG	Original target	Target including shortfall	
Road safety, reduction in educational activities	305	150	(155)	R	-	155	viii
Highways condition surveys	180	50	(130)	R	-	130	ix
Highway gullies reduction	150	-	(150)	R	-	150	x
Libraries flexible arrangements	150	80	(70)	A	-	70	
Waste	380	57	(323)	R	-	323	xi
Emergency Planning	32	-	(32)	R	-	32	
Travellers	70	60	(10)	R	-	10	
All other savings	4,865	4,865	-	G	2,242	2,242	
Total CET	6,132	5,262	(870)		2,242	3,112	

In addition to the savings exceptions above, there were slipped savings from 2013/14 of £0.5m. Of these £0.1m were achieved in 2014/15 with £0.4m remaining unachieved, and so further slipped into 2015/16.

Revenue budget										
Divisions	Planned (£000)			2014/15 (£000)						Note ref
				End of year outturn			(Over) / under spend			
	Gross	Income	Net	Gross	Income	Net	Gross	Income	Net	
Management and Support	5,272	(729)	4,543	6,568	(2,032)	4,536	(1,296)	1,303	7	
Customer and Library Services	11,704	(3,421)	8,283	12,282	(3,387)	8,895	(578)	(34)	(612)	
Communities	5,003	(2,222)	2,781	4,994	(2,202)	2,792	9	(20)	(11)	
Transport & Operational Services	71,715	(35,225)	36,490	73,310	(37,477)	35,833	(1,595)	2,252	657	
Highways	32,589	(7,843)	24,746	33,336	(8,496)	24,840	(747)	653	(94)	
Economic Development	5,676	(1,660)	4,016	6,867	(2,827)	4,040	(1,191)	1,167	(24)	
Planning and Environment	3,417	(2,438)	979	2,859	(1,996)	863	558	(442)	116	
Total CET	135,376	(53,538)	81,838	140,216	(58,417)	81,799	(4,840)	4,879	39	

Capital programme

Capital programme									
Approved project	Total project – all years (£000)		2014/15 (£000)						Note ref
			End of year outturn			Analysis of variation			
	Budget	Projected	Budget	Actual to date	Variation (over) / under budget	(Over) / under spend	Slippage to future year	Spend in advance	
Bexhill to Hastings Link Road	108,808	104,017	37,659	32,868	4,791	-	4,791	-	xii
Bexhill Hastings Link Road Corporate Contingency	4,717	-	4,717	-	4,717	-	4,717	-	
Broadband	25,600	20,325	9,086	3,811	5,275	-	5,275	-	xiii
Newhaven Port Access Road	13,219	13,162	165	108	57	-	57	-	xiv
Hastings Library	9,916	3,949	6,018	51	5,967	-	5,967	-	xv
Terminus Road Improvements	3,250	106	3,235	91	3,144	-	3,144	-	xvi
Reshaping Uckfield Town Centre	2,500	2,306	981	787	194	-	194	-	
BHLR Complimentary Measures	1,800	913	988	101	887	-	887	-	
Southover Grange (formerly The Maltings)	1,200	654	1,148	52	1,096		1,096	-	
North East Bexhill Roundabout	1,178	1,178	338	338	-	-	-	-	
Eastern Depot Development	1,441	1,441	1,409	45	1,364	-	1,364	-	
Eastern Area Highways Depot/Rationalisation of Highway Depots	145	145	-	-	-	-	-	-	
LSTF - ES Coastal Towns	2,107	1,684	1,738	1,315	423	-	423	-	
Newhaven Swing Bridge	1,238	945	1,075	782	293	-	293	-	
The Keep - phase 1 & 2	20,636	19,906	986	256	730	-	730	-	
Newhaven Library	1,754	1,647	1,042	935	107	-	107	-	
Lewes Station Bridge	863	697	400	234	166	-	166	-	
LSTF - Travel choices for Lewes	1,253	1,081	813	641	172	1	171	-	
Waste Leachate Programme	250	-	250	-	250	-	250	-	
Pebsham S106	200	62	200	62	138	-	138	-	
Newhaven S106	75	75	75	75	-	-	-	-	
Bexhill Library Refurbishment	245	245	3	3	-	-	-	-	
Rye Library	52	21	33	2	31	-	31	-	
Newhaven Household Waste Recycling Site	2,041	2,036	6	1	5	-	5	-	
Core Programme - Highway Structural Maintenance	96,771	96,994	25,770	25,993	(223)	-	-	(223)	
Integrated Transport - LTP plus Externally Funded	47,667	46,572	3,790	2,695	1,095	357	738	-	
Street Lighting - Life Expired Equipment	5,318	5,289	875	846	29	-	29	-	
Rights of Way Surface Repairs and Bridge Replacement Programme	3,333	3,351	328	346	(18)	-	-	(18)	
Eastbourne and Hastings Light Reduction	3,704	3,657	1,727	1,680	47	-	47	-	

Capital programme

Capital programme									
Approved project	Total project – all years (£000)		2014/15 (£000)						Note ref
			End of year outturn			Analysis of variation			
	Budget	Projected	Budget	Actual to date	Variation (over) / under budget	(Over) / under spend	Slippage to future year	Spend in advance	
Street Lighting Invest to Save	920	903	17	-	17	-	17	-	
Economic Intervention Fund	5,500	5,817	-	953	(953)	-	-	(953)	
RGF Grant	4,000	2,142	3,335	1,477	1,858	-	1,858	-	
EDS Incubation Units	1,500	1,400	100	-	100	-	100	-	
Bridge Assessment Strengthening	14,050	14,045	1,235	1,230	5	-	5	-	
Sovereign Harbour, Eastbourne	750	800	750	800	(50)	(50)		-	
Inward Investment Capital Grant Fund	700	714	60	74	(14)	-	-	(14)	
Enviro21 Innovation Park - Renewable Energy	530	530	530	530	-	-	-	-	
Library Refurbishment Programme	1,983	1,955	159	131	28	-	28	-	
EDS Upgrading Empty Commercial Property	500	500	-	-	-	-	-	-	
Speed Management	2,718	2,698	286	266	20	-	20	-	
External Contributions	2	2	-	-	-	-	-	-	
Travellers Site Bridies Tan	1,348	1,314	34	-	34	-	34	-	
Robertsbridge Travellers Site	-	-	-	-	-	-	-	-	
Proposed S228 Adopt Saxonwood	-	50	-	50	(50)	(50)	-	-	
Total CET	395,782	365,328	111,361	79,629	31,732	258	32,682	(1,208))	

Note: Property Acquisitions

Expenditure on the acquisition of property is not budgeted for as a part of the Capital Programme, to protect the Council's intentions and negotiation position. To maintain the principle of investing in recycling capital resource all acquisition expenditure is funded directly from capital receipts generated from selling other assets within the property portfolio. The Southover Grange scheme above involved a building swap. The valuation of the new building (Southover Grange) was £550K and has been reported as an acquisition and therefore is not included in the project figures above.

Governance – end of year 2014/15

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

2014/15 summary of successes and achievements – We have completed our plans for the final year of the Medium Term Financial Plan 2013/14 - 2015/16 and are now developing our approach for 2016/17 onwards. The Council Plan, Portfolio Plans and Revenue Budget Summary have all been published. As part of the SE7, we delivered £3m of savings against a target of between £750,000 and £1m. The developing strength of public information campaigns during the year saw good results in awareness, behaviour-change and value for money. For instance half of all residents said they were aware of the Winter Essentials campaign, which promoted preparedness for winter. The Council's engagement with its staff was supported by effective internal communications which saw more than 450 separate news and feature items run on the intranet over the year. Our dedicated World War 1 website has been viewed 45,000 times since it was launched in August 2014.

Reconciling Policy, Performance and Resources (RPPR) – RPPR began with the State of the County report in July. We published our Annual Report in September, providing an overview of what we achieved in 2013/14. The new style report had more case studies than previous years and focused more on what our services do in practice. Whole Council Forums were held in July, October and January to help shape proposals. Consultation and engagement meetings took place with Business Rate Payers, Young People, and wider partners including older people and trade unions. The Council Plan, revenue budget, capital programme, and savings plans for 2015/16 were agreed by the County Council in February. The Council Plan was published at the end of March, Portfolio Plans and the Revenue Budget Summary were published in April. We have completed our plans for the final year of the Medium Term Financial Plan 2013/14 - 2015/16 and begun to develop our approach for 2016/17 onwards.

Supporting democracy – We have supported a total of 164 meetings (excluding scrutiny reviews); 685 school admission appeals and 4 school exclusion reviews this year (including this quarter). Training and induction on "Working in a Political Environment" was provided to over 30 staff. The 'lunchtime seminar' format held in County Hall has attracted an increasing audience and the half-day courses have proved as popular as ever. A training session for all Councillors regarding their role and responsibilities in relation to outside bodies was held in March.

Court proceedings – In February we brought a successful prosecution on behalf of Trading Standards for animal cruelty and animal welfare breaches. The defendant was given a sixteen week suspended custodial sentence and was disqualified from keeping farm animals for life. In March the team brought a successful prosecution for fraudulent misuse of a blue badge (disabled parking); more cases are in progress. As well as bringing 72 sets of care proceedings to conclusion, with a median duration of 26.86 weeks in line with the new statutory timescale for proceedings of 26 weeks, the team also successfully undertook its first Forced Marriage case involving a vulnerable young adult who lacked the capacity to consent to marriage. We undertook 14 public protection proceedings for Sussex Police including Sexual Offences Prevention Orders and Sexual Risk Orders.

The Family Drug and Alcohol Court – The Family Drug and Alcohol Court (FDAC), which is the first in the South East outside of London, sat for the first time in Hastings on 7 April 2015. FDACs work differently to conventional care courts by addressing the entrenched problems of the parents in order to enable the children to remain with them. East Sussex was the Local Authority best placed to take forward setting up the FDAC due to the existence of the Safeguarding With Intensive Family Treatment (SWIFT) service.

Debt and Contributions – Over the last year we recovered over £1.25m debt owed to ESCC. We also completed s106 planning agreements which have secured a total of £1.8m in contributions.

South East 7 (SE7) – Work throughout Q4 has focused on positioning the SE7 to be ready to start engaging and working with the new government after the General Election in May. This is progressing well and the SE7 Leaders' Board will consider and finalise an options paper at their meeting on 15th May 2015. The Q4 outturn has identified that the Council has delivered £3m of savings through working with SE7 partners on a range of projects. This is significantly larger than the original target of £750,000 to £1m and this is a result of a number of collaborative procurement activities which have matured within the financial year and are delivering higher than expected benefits. A focus of the Council's work with SE7 partners over the coming months will be the further development of the Orbis partnership between East Sussex and Surrey County Council.

Engagement and Transparency – A vastly improved system for managing committee meetings and the associated paperwork has been implemented. The system, called "modern.gov", is used by over 200 local authorities and will provide much easier and more efficient management for all our committee papers. From the perspective of the public and Members, meeting papers together with an array of other useful information about Members, attendance at meetings and democracy will be much easier to find, view and cross reference electronically than is possible with our current system. The system went live on 5 May 2015.

The development of new leaner and more effective website content, as part of the Content Management System migration project, saw a reduction in pages of well over half as a result of better design and architecture, making essential information and transactions for residents easier to find and use. For example, the numbers of pages

relating to Adult Social Care were reduced by over 60%, with the new pages being focussed on essential, easy to navigate content. The project remains on course to complete its first phase at the end of June. Phases 2 and 3, to update associated web applications, are expected to be complete by the end of October.

Legal Case Management System – Legal Services are replacing their existing separate electronic bundling and time recording systems with a comprehensive case management system that will facilitate Agile working. Commissioning the system has been delayed slightly so as to ensure that the new system is fully compatible with the one currently used by Surrey CC.

Joint Legal Service with Surrey CC – Preliminary work took place to facilitate the formation of a single Legal Service for both East Sussex and Surrey County Councils. This included the first joint management team meeting and the formation of a joint project board.

Legal training – In 14/15 we provided training for; HR colleagues; appeal panel councillors; representatives of voluntary organisations (in conjunction with Hastings Volunteer Action); social workers for public law proceedings; and conducted a mock employment tribunal held at County Hall for county and police staff.

External Legal Work – Over the last year we provided legal services to Sussex Police, the Office of the Sussex Police and Crime Commissioner, District and Borough Councils, the Sussex Inshore Fisheries and Conservation Authority and the Brecon Beacons National Park Authority.

Social Enterprise activity – We have continued to support Economic Development and in particular assisting Team East Sussex (our local board for the South East Local Enterprise Partnership) in developing their understanding of the Social Enterprise Sector and building links with the local network, Social Enterprise East Sussex. Throughout the year we have supported teams to explore the Social Enterprise (SE) model as a new way for developing and delivering services. The two most successful SEs that have emerged from the Council, are Wheels to Work and East Sussex Community Voice.

Welfare reform – Services for the residents of East Sussex requiring support following welfare reform have been streamlined. Universal Credit goes live in Hastings and Rother in April 2015, with Eastbourne, Lewes and Wealden following in June 2015. Emerging trends show a significant increase in requests for private lettings in East Sussex from outside the county, with financial incentives being offered to private landlords if they let to the prospective tenants from areas of London. This will continue to be monitored alongside the streamlined services and the service offer changed should it be deemed necessary.

Health & Wellbeing Board (HWB) – The Health and Wellbeing Strategy is in its final year and the next strategy will need to be drafted over the coming months before implementation in April 2016. Work is being carried out to research different approaches to the strategy before work begins on reworking this document and its action plan. The annual report for 2014/15 is elsewhere on the Cabinet agenda.

World War 1 Commemorations – The project, launched in August 2014, to collaborate with all those who are interested in or want to learn more about the role East Sussex and its residents during World War 1 (WW1).

The project's successes this year include:

- the interactive WW1 website (www.eastsussexww1.org.uk) viewed 45,000 times since launch. It hosts over 110 stories and events; 70% of which have been submitted or contributed to by the public;
- the progression of Recording Remembrance, our sister website (www.recordingremembrance.org.uk/help) set up in collaboration with SE7 partners to record all war memorials across the county. So far, sixty-eight completed records of war memorials in East Sussex have been uploaded to the national archive to be publically available;
- increased presence on social media with the WW1 Twitter profile now connecting with over 700 followers who are regularly making contact to share their WW1 stories;
- discussions with Borough, District, Parish and Town Councils to facilitate the laying of the commemorative paving stones in Eastbourne, Hailsham, Lewes and Seaford between 2015 and 2018 to honour the WW1 Victoria Cross recipients from East Sussex in the town where they were born or raised. The first paving stone is due to be laid in Lewes on 30 July 2015;
- the digitisation of newspaper microreels from WW1, which will be showcased 100 years on in an easily-accessible format on the website. The digital scans will be launched on the website in Q1 2015/16; and
- the continued conversion of selected website stories and content into educational resources for local schools. This process is being undertaken in discussion with teaching representatives from the project's Publication Board.

Performance exceptions (All Red RAG rated targets and carry overs)								
Performance measure	Outturn 13/14	Target 14/15	14/15 RAG				2014/15 Outturn	Note ref
			Q1	Q2	Q3	Q4		
There are no exceptions at Q4.								

Savings exceptions (Green: on track to deliver in the year; Amber: on track to deliver but not in the year: Red: will not be delivered but may be mitigated)							
Savings description	2014/15 (£000)				2015/16 (£000)		Note ref
	Target	Achieved	Shortfall	RAG	Original target	Target including shortfall	
All savings are green and will be achieved	295	295	-	G	195	195	
Total Governance	295	295	-	G	195	195	

Revenue budget										
Divisions	Planned (£000)			2014/15 (£000)						Note ref
				End of year outturn			(Over) / under spend			
	Gross	Income	Net	Gross	Income	Net	Gross	Income	Net	
Corporate Governance	3,574	(7)	3,567	3,496	(71)	3,425	78	64	142	
Corporate Support	3,907	(755)	3,152	3,859	(716)	3,143	48	(39)	9	
Management and Support	1,222	(541)	681	3,925	(3,159)	766	(2,703)	2,618	(85)	
Total Governance	8,703	(1,303)	7,400	11,280	(3,946)	7,334	(2,577)	2,643	66	

Capital programme									
Approved project	Total project – all years (£000)		2014/15 (£000)						Note ref
			End of year outturn			Analysis of variation			
	Budget	Projected	Budget	Actual	Variation (over) / under budget	(Over) / under spend	Slippage to future year	Spend in advance	
Case/Committee Management Systems	115	115	115	7	108		108		
ICT for Members	42	42	42	0	42		42		
Total Governance	157	157	157	7	150		150		

Strategic Risk Register – end of year 2014/15			
Ref	Strategic Risks	Risk Control / Response	RAG
1	<p>ROADS</p> <p>Severe winter weather, over recent years, caused significant damage to many of the county's roads including an unprecedented number of potholes. We know that this is likely to lead to a backlog in repairs, an increased number of potholes and an increased number of liability claims causing reputational damage and increasing financial risk to the Council.</p>	<p>The four year capital funding commitment made by Cabinet has been targeted at improvement of the condition of the unclassified (U) network. With the first year of the 4 year funding period now delivered, improvements in condition have already been achieved. The unclassified network has improved in line with the asset plan, building resilience into the local network whilst maintaining the good condition of Principal and Non-Principal roads achieved through previous programmes of investment.</p> <p>Longer term investment commitment and the implementation of an Asset Managed system of prioritisation for road maintenance ensure that the burden on revenue funding for reactive maintenance is minimised over the long term. The Asset Management plan has been effective in delivering maintenance reducing the length of roads requiring structural maintenance. Funding secured in 2014 from the DfT has been used to deliver long term solutions to problems occurring as a result of the extreme weather of 2013/14. The winter of 2014/15 has been less severe enabling the service to sustain performance gains arising from this additional investment.</p> <p>The highway claims process continues to be reviewed and developed to eliminate duplication and inefficiency and strengthen effective defence. Through improved coordination between internal highway and insurance teams and the use of new reporting tools, the time taken to undertake claims processing activity has been reduced, delivering improved response times to claimants.</p> <p>Improvements to contract rates and processes are also anticipated through the future highways maintenance contract which is expected to commence in May 2016.</p>	R
2	<p>ORDINARY RESIDENCE</p> <p>Risk from other areas placing clients in receipt of social care services in East Sussex, and transferring to ESCC the commissioning, care management and funding responsibility for the individual as a result of a successful Ordinary Residence claim.</p>	<p>Dedicated Ordinary Residence Panel set up. The Panel discusses and agrees strategic and legal responses to Ordinary Residence claims from and to other Local Authorities, and directs reporting content. Panel members contact other Local Authorities directly where appropriate, and instruct Legal Services representation (including Counsel, and applications for Secretary of State determination) on behalf of ESCC.</p> <p>Continued awareness raising for ASC operational staff (and particularly Social Care Direct) in line with published guidance on Ordinary Residence, resulting in earlier case referrals to Ordinary Residence team. Guidance for frontline staff was written and issued followed by panel members visiting all ASC Operational teams to deliver presentation and Q&A. OR Inbox established to provide advice to staff and monitor all known incoming/outgoing OR queries and claims.</p> <p>Regular information gathering and reporting to DMT on all Ordinary Residence case referrals and financial projections.</p>	R

Strategic Risk Register – end of year 2014/15			
Ref	Strategic Risks	Risk Control / Response	RAG
3	<p>CARE ACT</p> <p>Failure to implement the additional duties, demands and other direct implications for the whole social care system (including those relating to independent providers and health partners) arising from the Care Act, within existing and reducing resources, whilst continuing to meet current statutory duties, (including delivery of social care services, including Safeguarding; social care funding; contributions to meet the cost of care (Dilnot report); increased duties in respect of carers and the provision of information and advice and the introduction of the Better Care Fund across health and social care); which could lead to:</p> <p>Significant financial pressure on budgets</p> <p>Significant staffing pressure</p> <p>Increased exposure to legal challenge</p> <p>Increased reputational exposure</p>	<p>Care Act governance arrangements established with CMT oversight and workstreams identified for each aspect of the Act.</p> <p>Close working with ADASS to ensure, where possible, regional implementation solutions can be sought to minimise duplication and variation. Representation on ADASS workstreams and close working with the regional lead are being developed.</p> <p>Joint working with East Sussex Clinical Commissioning Groups to develop the Better Care Fund is in place and implementation is on schedule.</p> <p>Current programmes of work are cognisant of Care Act implications, where known, and are being planned and delivered accordingly. E.g. social care information system; review of internet content; care pathway business process redesign; Better Together - health and social care integration programme.</p>	R
4	<p>HEALTH</p> <p>Programme established to transform health and social care in East Sussex and deliver the Better Care Fund plan to improve outcomes for East Sussex residents. Failure to deliver programme will impact on social care, public health and health outcomes and increase social care cost pressures.</p>	<p>Implementation of East Sussex Better Together Programme by ESCC and all East Sussex Clinical Commissioning Groups, with robust governance arrangements reporting to County Council and Health and Wellbeing Board. Programme will include review of needs and available resources, wide engagement with stakeholders and residents and evidence of best practice, to develop a plan for a clinically and financially sustainable health and social care system in East Sussex. There will also be targeted use of the Better Care Fund to better integrate health and social care and contribute to whole system transformation. Risks are being reassessed following the outcome of the General Election in May.</p>	A
5	<p>RESOURCE</p> <p>Failure to plan and implement a strategic corporate response to resource reductions, demographic change, and regional economic challenges in order to ensure continued delivery of services to the local community.</p>	<p>We employ a robust Reconciling Policy, Performance and Resources (RPPR) process for business planning. We have adopted a commissioning approach which means evaluating need and considering all methods of service delivery, which includes working with partner organisations to deliver services. The Council Plan sets out targets for a 'One Council' approach to deliver our priorities and is monitored quarterly. Over the coming year the outcome of the General Election may affect our plans.</p>	A

Strategic Risk Register – end of year 2014/15			
Ref	Strategic Risks	Risk Control / Response	RAG
6	<p>LOCAL ECONOMIC GROWTH</p> <p>Failure to deliver local economic growth, and failure to maximise opportunities afforded by Government proposal to allocate Local Growth Funding to South East Local Enterprise Partnership, creating adverse reputational and financial impacts.</p>	<p>Following the success in East Sussex in funding against local projects in Growth Deal Round 1 (£54.58m + £11.5m C2C to Newhaven), round 1 was extended with additional money on offer. Under this extension East Sussex was provisionally allocated £5.7m for 3 priority projects – Bexhill Enterprise Park (£2.6m), Swallow Business Park in Hailsham (£1.4m), and Sovereign Harbour in Eastbourne (£1.7m). A pan-LEP Coastal Communities project, led by Hastings BC, additionally gained part-funding of £2m. When this new funding is to be available from is still being finalised.</p> <p>Following the SE LEP area launch of the 2015/16 Skills capital fund of £11m, Sussex Downs College (Lewes) put in a bid for £160k to help deliver refurbished science facilities and was successful. There will be a 2nd round 15/16.</p> <p>The first limited round of EU funds was launched 23rd March; stakeholders have been made aware of the opportunity which in this round only relates to ERDF (business support) and EAFRD (rural business support). The main round (to include ESF) is expected to be in July 2015. Note that EU Funds do not come under the SE LEP Board but are allocated to the SE LEP area under the European Structural Investment Fund Sub Committee which works to the national Growth Board. Both SE LEP and ESCC have representatives on the Sub Committee, however it is advisory only.</p>	A
7	<p>SCHOOLS</p> <p>An increasingly diverse set of education providers could lead to fragmentation and increase the risk of underperformance. This would impact negatively on standards and which in turn will impact on the local economy, the cost of health and social care.</p> <p>There is potential reputational risk to the Council from the underperformance or failure of educational providers, such as academies.</p>	<p>The LA has a duty to champion educational excellence for all children:</p> <ul style="list-style-type: none"> •Relationships with academies continue to be built and we are working with sponsors, including the Diocese of Chichester, to find appropriate academy solutions for schools. •Academies are included in the Education Improvement Partnerships and alliances. •Academies are all party to data sharing agreements and are sharing targets and progress data with us. •Performance data continues to be analysed for all schools so that the LA maintains an overview of the performance of all pupils in the County. •The LA offers direct support to academies to address any performance concerns that become apparent through data analysis or other intelligence gathering; this includes support from consultant headteachers for secondary academies. •Where academies do not appear to be accessing appropriate support, LA brings this to the attention of the DfE who would exercise their intervention powers 	A
8	<p>CAPITAL PROGRAMME</p> <p>Failure to deliver capital programme outcomes on-time and on-budget, impacting on the Council's ability to support local economic growth.</p>	<p>The Council has a five year capital programme in place which reflects Council priorities. This is updated annually and monitored as part of the Reconciling Policy, Performance and Resources (RPPR) process. A further review to strengthen and improve the overall governance arrangement for the effective management and delivery of the programme is being established to ensure best practice is being followed. The Bexhill Hastings Link Road is a complex and significant project within the capital programme and there are risks of further increased costs and delivery risks.</p>	A

Strategic Risk Register – end of year 2014/15			
Ref	Strategic Risks	Risk Control / Response	RAG
9	WORKFORCE Under-informed and under-motivated workforce results in adverse impact on service delivery / performance and ability to successfully deliver service transformation / corporate change programme.	We have worked effectively in partnership with Trade Unions throughout. Building on the feedback from the employee engagement sessions run in 2013/14 and subsequent manager engagement events, we have developed the People Strategy. The People Strategy will help achieve the people changes needed over the next 3-5 years in the context of future savings requirements and business improvements. The emphasis is on supporting and developing our managers and staff to enable them to respond positively to the changing environment. In addition, the Corporate Management Team web-chat provides a quarterly opportunity to engage with a broader cross section of the workforce and respond to staff queries and issues.	A
10	WELFARE REFORM Welfare reform leading to sub-optimal outcomes for East Sussex community. Impact on working age adults with the potential increased demand on services. Direct financial pressure on the County Council along with implications on spending within the wider local economy.	Work with the District and Borough Councils to understand the impact of changes to the Council Tax Benefit scheme for East Sussex. Any potential financial impact is reflected through the Reconciling Policy, Performance and Resources (RPPR) process. We are working in partnership through the Financial Inclusion Partnership and the Targeted Welfare Reform Project which provides information on the changes to partners and the public across East Sussex. Universal Credit will begin to be rolled out in the Rother and Hastings area on 20th April 2015 for single people. Funding from the Government for the Discretionary East Sussex Support Scheme, which helps people on benefits in crisis, has been secured for 2015/16 following the withdrawal of the Government's proposal to cease funding from April 2015. The money will be used to continue fund a reduced scheme for two years, which will help to protect those in most need, against a background of great uncertainty about future funding.	A

Report to: **Cabinet**

Date: **29 June 2015**

By: **Chief Executive**

Title of report: **Reconciling Policy, Performance and Resources - State of the County**

Purpose of report: **To begin the Reconciling Policy, Performance and Resources (RPPR) process for 2016/17 and beyond**

RECOMMENDATIONS:

Cabinet is recommended to:

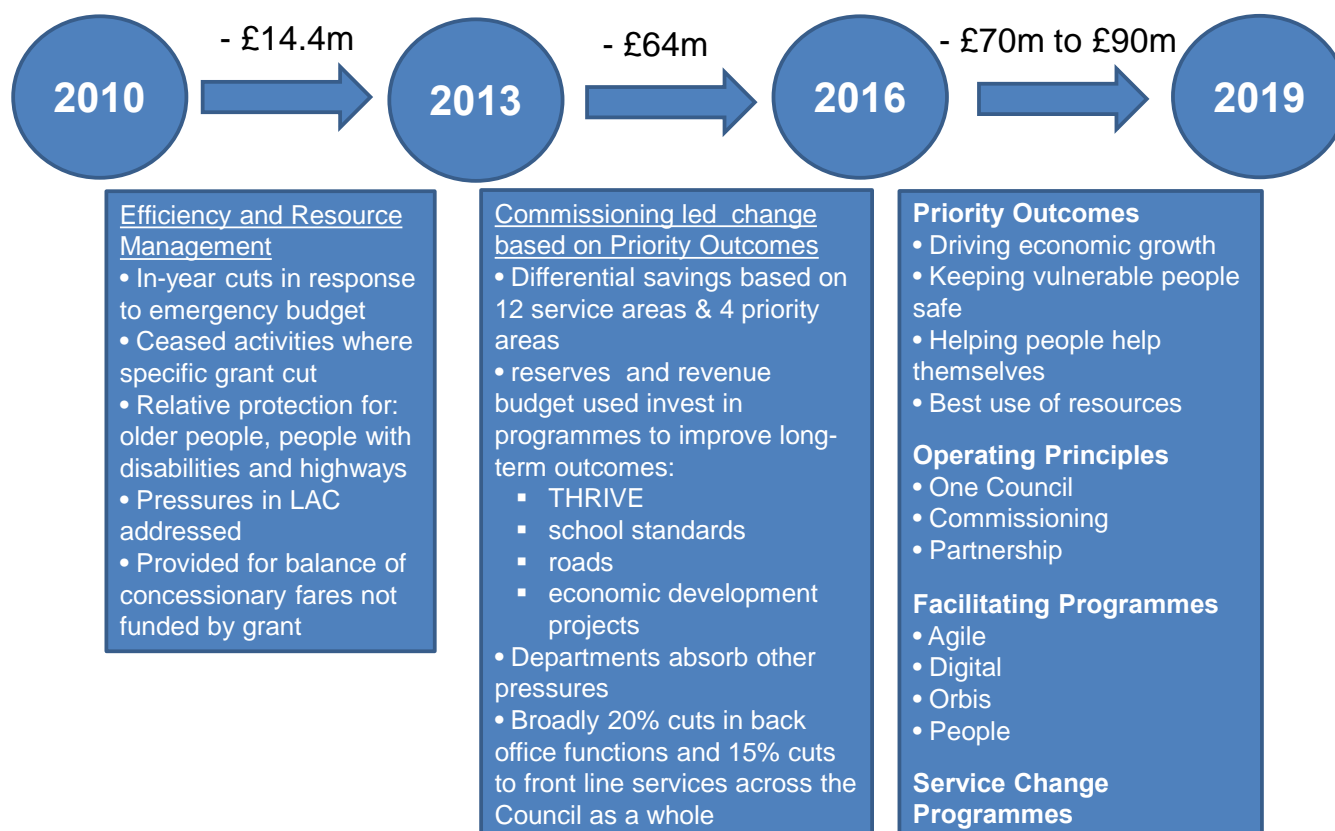
- i) Agree to the development of a three year business and financial plan based on existing priority outcomes and operating principles;**
 - ii) Note that the anticipated financial context for the period 2016/17-2018/19 is a savings requirement of £70m-£90m, subject to any announcements which affect financial plans in the budget on 8 July 2015, with plans to be developed for savings of £20m-£25m in 2016/17 for initial consideration by Cabinet in October;**
 - iii) Note the evidence base on demographics and the policy and resources outlook set out in the report and in Appendix 2 and 3;**
 - iv) Agree the proposed areas of search for savings proposals for consideration by Cabinet in October, as set out in paragraphs 4.12-4.16 and 6.4;**
 - v) Note the developing proposals for lobbying communications and engagement as set out in paragraph 7;**
 - vi) Agree the revised Capital Programme in Appendix 4; and**
 - vii) Note the progress made in identifying capital pressures and potential resources in Appendix 4.**
 - viii) Recommend the County Council agree the amendments to the Treasury Management Strategy set out in Appendix 5 to facilitate investment in a wholly local government owned municipal bond agency**
-

1. Background

1.1 The State of the County report begins our Reconciling Policy, Performance and Resources process, the business and financial planning cycle, for the period 2016/17-2018/19. The Council's current medium term financial plan runs to the end of the current financial year.

1.2 The last five years have seen the County Council make savings of £78m. The diagram below shows how those savings were achieved through a mixture of service change, efficiency and prioritisation. During this period we have been able to make differential savings across priorities and have used reserves to invest in some areas. Whilst the County Council will still have a net budget of about £350m next year, the need to make savings of £20m-£25m in 2016/17 and a total of £70m-£90m up to 2018/19, will bring a new scale of challenge which cannot be met without direct impact on front line services for all service areas across the organisation.

Our Journey



1.3 The next three year's programme will be developed and implemented against a background where public expenditure as a proportion of GDP will become the lowest it has been since World War 2. With some areas of Government spending being protected (such as Health), unprotected departments (such as Communities and Local Government) will face some very deep cuts. For the County Council, this will mean statutory services will need to be provided at a reduced level and some services that the public value will have to cease if we are to manage within our means. This may increase the risks to some of the more vulnerable people in the community. Research shows that the public considers the period of austerity to be over and there is a danger that they will see Local Government as the cause of the cuts rather than Central Government.

1.4 The next three years will be unprecedented both in the scale of Government grant reductions and uncertainty about the effects of the Care Act (the latter of which means that the financial position of the Council's largest service is hard to predict but is likely to be in the range indicated above). These savings are in addition to the £78m reduction in spending the Council made between 2010 and 2015. Savings to date have been achieved by ceasing activities where specific Government grants were cut, applying Lean methodologies and working in partnership where this is more efficient and provides better value for money. This has allowed the Council to make differential savings, providing relative protection to or investment in priorities such as older people's services, highways and Looked After Children, and taking higher levels of savings in back office and non-priority areas. Clear targets for the areas of investment and for delivery of the priority outcomes are set out in the Council and in Lead Members' Portfolio Plans. It is not possible to achieve the next round of savings through efficiency and without affecting front line services, when so much has already been achieved in this way and the scale of the savings is so large.

2. Council Priority Outcomes

2.1 Last year, Members agreed a more focused approach to the Council Plan and agreed some broad outcomes which indicate success in delivery of our four priorities. These outcomes provide a focus for decisions about spending and savings and will direct work across the Council. The outcome that “the Council makes the best use of resources” is a test that will be applied to all our activities. The four priority outcomes are set out in more detail in Appendix 1, but fall under the following headings:

- Driving economic growth;
- Keeping vulnerable people safe;
- Helping people help themselves; and
- Making best use of resources.

3. Development of the Council’s Medium Term Plans

3.1 The Council’s current Medium Term Plan runs to the end of 2015/16 and was agreed by County Council in February 2014. The Council has, in the past, been able to develop detailed plans for a rolling three year period, which has enabled longer-term service change to be achieved in support of our priorities and the savings necessary to achieve a balanced budget to be made.

3.2 The next Medium Term Planning period, the three years between 2016/17 and 2018/19 will see demand for services continue to rise due to demographic pressures. The changes expected which will affect our services are set out in Appendix 2. The key changes are:

- A 1% rise in the overall population, with reductions in the absolute numbers and proportions of young people and working age adults;
- An increase in the number and proportion of older people, with the largest percentage rise in people aged over 85;
- Potential need for 7,500 new jobs to meet the increase in the workforce as the retirement age increases and to provide employment for those currently on Jobseekers’ Allowance; and
- Whilst the overall number of young people will decrease (as the population of 0-4 and 16-17 falls), there will be an increase in the number of primary age pupils in the middle of the period and a need for additional primary school places to provide places and choice in the areas where new housing growth is providing pressures on places. This bulge in the primary school population will feed through to secondary schools and there will be a need for additional places in the following three years.

3.3 The national and local context in which the Council’s plans will need to be made is set out in Appendix 3. Broadly, the Government’s long-term aim of reducing tax as a percentage of GDP, coupled with low productivity in the economy, means that public expenditure will continue to fall as a percentage of GDP until 2020. The lower ratio of GDP to spend tends to become locked into Government plans and is therefore likely to continue beyond 2020. With less money, the state will therefore need to have a smaller role in society. With spending commitments and priority being given to the NHS, to some aspects of welfare spend (such as pensions) and to defence, savings in other “unprotected” areas will need to be greater. As an unprotected area, spend and, therefore, the services Local Government can provide will inevitably continue to decline.

3.4 The Office of Budget Responsibility has said that the plans set out in the Conservative party’s manifesto imply cuts of more than 5% in 2016-17 and in 2017-18. A number of the Government’s manifesto promises could involve additional costs for the Council, but there is unlikely to be additional funding available to meet any costs, as the Conservative party manifesto set a target of saving £13bn from Government departments. A new Comprehensive Spending Review is anticipated to take place over the summer and will be published in October 2015. It will set out detailed spending plans for each Government department. The detailed provisional settlement for the Council is expected in December 2015, but the current planning assumption is that the Council will lose £46m in Government funding over the next three years.

3.5 The Government has also announced an emergency budget for 8 July 2015. The budget is expected to introduce measures to reduce the deficit by addressing the country's poor productivity record, to introduce changes to welfare provision and may begin the cuts required of unprotected Government departments. The Chancellor's speech to Parliament on 5 June 2015 indicated that there were likely to be in-year cuts to Local Government services, for example, Public Health.

3.6 The effects of the Care Act add to the difficulty of making firm predictions about the level of savings required (see paragraph 4.9 below) and there will be some opportunities to increase the Council's income (see paragraphs 4.3 and 4.4 below). However, taking all these changes together, it is estimated that the Council will have a net budget of just over £350m in 2016/17 to spend on services. This will require savings of £20m-£25m in 2016/17. Savings for the period 2016/17-2018/19 are expected to need to total £70m-£90m. These savings are in addition to those the Council has made over the last five years which total £78m. Services have, in the main, absorbed inflationary and service pressures, which mean that the savings made were much higher in real terms. Chief Officers may also need to take measures to implement any in-year cuts to Local Government spending introduced as part of the budget in July.

4. Meeting our Strategic Challenge

4.1 The key elements which will help us meet the strategic challenge we face, and progress against them, is set out below.



Cross-Council Facilitating Programmes

4.2 A summary of the progress on our cross-Council facilitating programmes which will help us to work most effectively in future years is set out below:

i) **Community Resilience** – work is underway throughout all services on early intervention to help avoid more costly interventions later. Work in the next year will concentrate on developing a strategy to work with the communities to reduce demand for public service through increased self-help.

- ii) **People Strategy** – the approved strategy is being implemented, along with a new learning management system due to be launched in September, with a stronger focus on health and wellbeing and the personnel performance management system currently under review.
- iii) **Agile** – activity on the Property and IT phase of the work continues, with a supporting programme aimed at helping staff to manage in an Agile environment.
- iv) **Digital** – linked to our Agile programme, our Digital Strategy has a number of elements which support our service change programmes. These will help us to share information with others, work more efficiently and support and enable channel shift to allow more services to be delivered digitally and to reduce costs.
- v) **South East Business Services** – work is progressing towards the creation of a joint business services partnership with Surrey County Council (SCC), now known as Orbis, following agreement by Cabinet. The services covered will include: personnel, finance, procurement, property and ICT. Work is also underway to develop a legal services partnership with SCC aligned with the Orbis programme.

Maximising control and independence

4.3 **Income Generation** - work is underway to ensure the Council maximises its income under four themes:

- core finance and funding;
- fees and charges;
- cultural change; and
- commercial strategy.

4.4 In relation to core finance, additional income will be generated through the Business Rates Pooling agreement, the increase in Council Tax base (estimated at 1% per annum), increased income from Business Rates from new developments and rises in Council Tax. The assumption officers have made about increases in Council Tax of 1.95% per annum could be subject to change, following any revised Government ceiling on Council Tax increases without a referendum. An Investment Strategy for Property is also under development.

4.5 The Local Government Association (LGA) has created a Municipal Bonds Agency (MBA) which it believes will allow councils to raise funds at significantly lower rates than those offered by the PWLB. It is an independent company with the sole aim of reducing financing costs for councils through arranging lending at competitive interest rates. It is envisaged that the company will fund lending through any or all of the following:

- Raising money on the capital markets through issuing bonds
- Arranging lending or borrowing directly from local authorities
- Sourcing funding from other third party sources, such as banks, pension funds or insurance companies.

4.6 The County Council is not able to issue its own bonds due to the stringent capital market requirements including an initial sum of £250m+ needed to get a market rate. The MBA would, however, be able to raise finance in bulk from the capital markets by issuing bonds and lending to local authorities. The current indication is that around 60 local authorities have pledged support. The County Council is giving consideration to whether to participate in the scheme and a report will be taken to the Lead Member shortly for decision. The Council is currently in negotiations to determine the level of its participation in the scheme.

4.7 Taking part in setting up the agency does not commit the Council to borrowing, but could give early access to potentially cheaper borrowing if required.

4.8 There are other benefits that arise from the creation of the MBA including:

- Reduced exposure to shifting government lending policies through increased competition and diversity of lending sources.
- The creation of a centre of expertise at the intersection between capital markets and local government finance.

- The opportunity to access European Investment Bank (EIB) funding for future Council infrastructure development. EIB rates are lower than PWLB rates, but cannot usually be accessed by local authorities, because, in most cases, the EIB will only lend money for specific projects worth £250 million or more (in some cases the EIB will help to finance £150 million projects) for which it will provide up to half the funding.
- There is the possibility that the Council may receive dividend income in the future.

4.9 The proposals are grounded in the prudential code, but there are a number of risks associated with the formation of the MBA. These are:

- The company has not started to operate and is an unproven concept;
- It may not be possible to raise the required level of capital or further capital may be required;
- The demand for borrowing may not materialise;
- The PWLB may reduce its margins making the company an unattractive prospect;
- If the company has to be wound up, assets remaining in the company will be distributed to the value of cash investments – the value of any investment may not therefore be realised.
- In the event of any local authority becoming bankrupt, the Council's liability will be limited to the proportion of its investment.

4.10 In order to participate in the scheme Council will need to agree amendments to its Treasury Management Strategy. The recommended amendments are set out in Appendix 5.

4.11 **Devolution** - work is also underway to ensure we fully exploit any opportunities that devolution may offer to make the most of the public funding that is available for the benefit of the people of East Sussex. Proposals in the Cities and Local Government Bill are predicated on a mayoral model. The Council is working with SE7 partners to develop a devolution ask and offer which will be based on the circumstances in the south east and which seeks a more flexible governance model to take account of a large two-tier area. More details of the developing SE7 proposal are set out in Appendix 3 paragraph 1.4.

Service Change Programmes

4.12 In response to changes in legislation and in preparation for the scale of savings anticipated during the next planning period, a number of service change streams have been developed. It will be through these change streams, supported by the cross-Council facilitating programmes, that services will be reshaped in a way that will help them become sustainable in the future.

4.13 **Skills** - the work in relation to skills has the following two main streams:

- ensuring the County Council, as an employer, is playing its part to assist young people and vulnerable groups into employment, linked to its workforce plan and future workforce needs; and
- facilitation between schools, colleges and employers to ensure that the county has the workforce it needs, equipped with appropriate skills, both for current employment opportunities and in future growth sectors.

4.14 **Children's Services Future Operating Model** - the Thrive Programme has successfully reduced the number of children coming into care and the length of time they spend in care. The savings needed in the next planning period and the changing relationships with schools as they become more autonomous, means that we need to develop a radical new operating model for Children's Services, which delivers our priority outcomes as effectively as possible against the background of diminishing resources and influence over schools. The review of service design aims to:

- commission integrated services working closely with partner agencies;
- ensure the right people work with the right children, families and settings in the right way for the right amount of time;

- work better together with Adult Social Care and NHS for the benefit of the whole population; and
- mobilise communities and other partners to help children, young people and families.

4.15 East Sussex Better Together and the Care Act - a more detailed explanation of the work we are carrying out on East Sussex Better Together (ESBT) and the Care Act is set out in Appendix 3, paragraphs 3.1 to 3.9. The rising numbers of older people needing help, the additional duties arising from the Care Act and its effect on market inflation in the care sector would place considerable strain on our ability to meet all substantial and critical need without additional funding. Service development through the better integration with the NHS via the ESBT Programme will help to mitigate this strain, provided the Government continues to support a shift from acute to community care. The additional savings likely to be required during the next planning period could mean the ability to meet our statutory duties is jeopardised. With half our budget spent on services for Adults, however, it will not be possible to protect the budget, whilst continuing to meet our other duties.

4.16 Highways Contract Re-let - Members will be aware that the highways contract re-let, which will be completed for the start of the 2016/17 financial year, and which will have taken an outcomes focus to services, is expected to deliver savings of just over £1m. This will leave the Council with a new role in relation to highways, managing the contract and the asset, but with delivery of the contracted outcomes the responsibility of the contractor.

5. Capital Programme

5.1 A summary of the changes to the Capital Programme following the closure of the 2014/15 accounts and a review of the programme's overall deliverability is attached at Appendix 4.

5.2 The review of the programme has identified changes to the profile of individual schemes including slippage, to ensure alignment with delivery timescales. In addition, there is a reclassification of £0.9m within the building improvement project to revenue and additional budget requirement for the Schools Access Initiative Programme of £0.2m due to the current budget allocation ending in 2014/15 and our need to ensure that we accommodate children with specific needs in "mainstream" schools. The Council has capital contingency to fund this cost.

5.3 The Council has a contingency to mitigate programme risks outlined in detail at Appendix 4 paragraph 2.7. Following a review, this stands at £12.9m (£10m agreed at the February meeting of the County Council less the £1.2m used and adding the additional resources of £4.1m).

6. RPPR next steps

6.1 Through the RPPR process, we will bring forward proposals for savings across the next three financial years to reshape the organisation and deliver the savings required by commissioning services which will deliver our priority outcomes as far as possible, in partnership with others, where this will yield better outcomes for local people. Where the services commissioned are delivered by others, arrangements will need to ensure that democratic accountability for use of budgets and outcomes is protected.

6.2 Whilst the existing service change, facilitating and income generation programmes identified above will help to ensure that the Council delivers its services in the most efficient way possible and that it maximises the use of all the resources available to it, they cannot deliver the scale of savings likely to be required during the next three years. We will continue to make sure we learn from best practice elsewhere, benchmark our services for value for money and take efficiency savings where these are available. However, the scale of the savings we have already made and the size of the task ahead means that our service offer will need to fundamentally change and reduce. Some services will need to cease and statutory services will need to be delivered in a tightly targeted way. This means that some people who access them

now may not be able to do so in the future. This will bring increased risk to the Council and to those we serve.

6.3 The Council has identified its key outcomes against the four priority areas which will help officers bring forward prioritised and targeted savings plans (Appendix 1). The facilitating programmes contribute to and our commissioning approach will help to deliver a One Council approach to achieving the outcomes identified by Members.

6.4 Our priority outcomes and operating principles are being used to shape the work already underway in relation to the elements in the strategic challenge diagram. Chief Officers have used them to identify areas of search for savings in the next year. These are:

- Adult Social Care – integrating work with health to take a single view of health and care requirement; developing our digital systems to maximise efficiency and reduce the cost of advice and assessment; review return on investment in preventive services to focus on those which give the greatest return in terms of reduced need for long term care;
- Children's Services - integrated services with partner agencies; ensuring the right people work with the right children, families and settings in the right way for the right amount of time; integrated work with Adult Social Care and NHS; and mobilising communities and other partners to help children, young people and families as part of our community resilience work and increased digitalisation of service access.
- Review the Capital Programme to ensure we are making the right choices between revenue and capital to meet basic need in the county;
- Communications model redesign;
- Commissioning strategy for community based services such as libraries and children's centres;
- Review of corporate financing arrangements; and
- Highways contract re-let and review of winter maintenance policy and routes.

6.5 Cabinet is also asked for its views on any additional areas of search it would like to see investigated.

6.5 Cabinet is asked to agree that Chief Officers develop plans over the summer for the delivery of savings of £70m-£90m in the next three years, subject to any amendment required following the Government's emergency budget in July, with more detailed proposals for savings of £20m-£25m to be brought to Cabinet in October.

7. Engagement, Communications and Lobbying

7.1 Engagement and communications will take place on both the Council's overall position and specific proposals as they emerge with the public, partners, staff and stakeholders. The Council will seek to lobby through national, local and regional networks and direct with decision makers on issues affecting the county to get the best possible outcomes for local people.

Becky Shaw
Chief Executive

Priority Outcomes

Our Priority Outcomes



State of the County 2015 – Demographic Outlook

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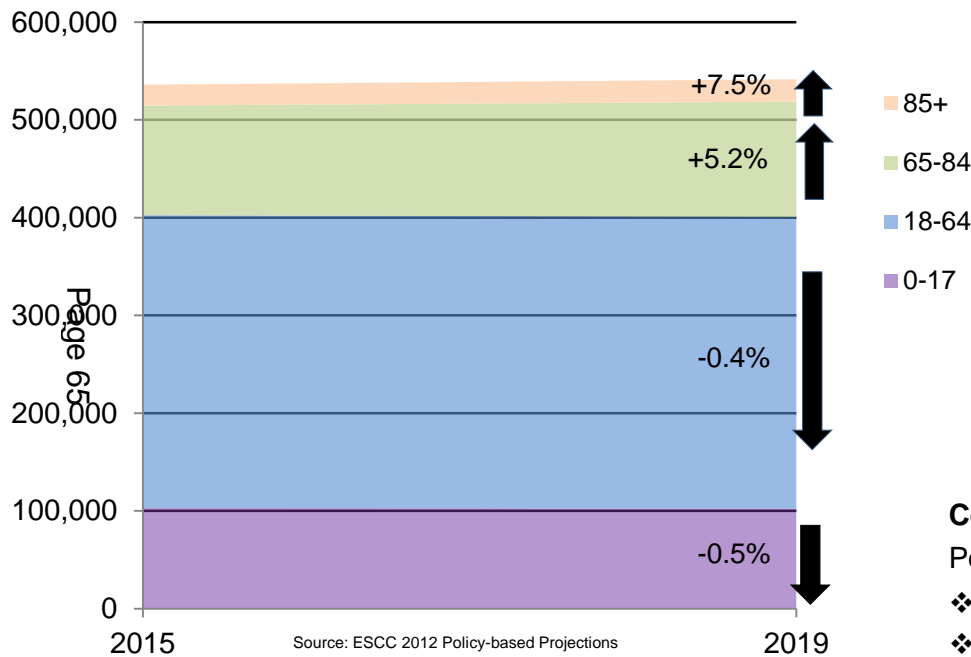


June 2015

East Sussex population growth

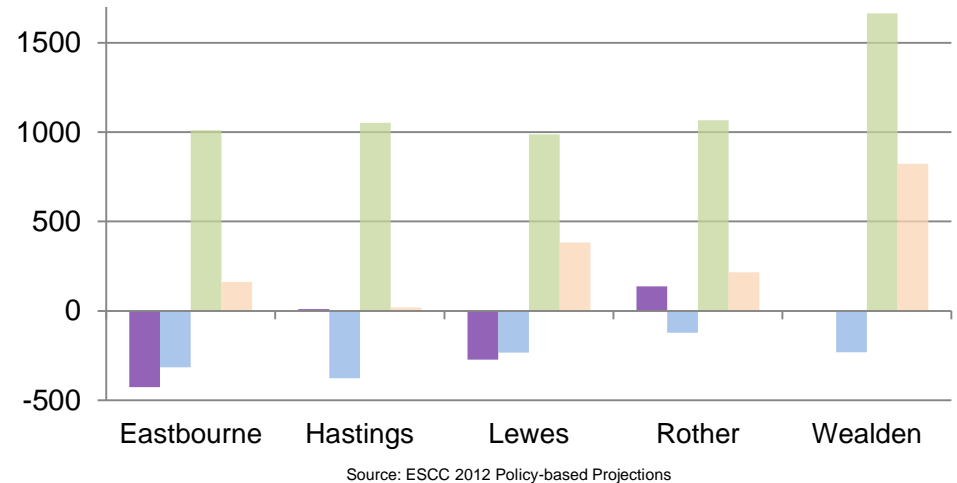
Population 2015	+	Births	-	Deaths	+	Migration in	-	Migration out	=	Population 2019
536,100		20,500		24,700		204,600		194,900		541,600
										Up 5,500 (1%)

Projected East Sussex Population Change



Age band	2015	2019	No. change	% change
85+	21,382	22,989	+1,607	+7.5
65-84	112,128	117,913	+5,785	+5.2
18-64	299,522	298,241	-1,281	-0.4
0-17	103,023	102,473	-550	-0.5
Total	536,055	541,616	5,561	+1.0

Projected population change by District 2015 - 2019



Compared to 2015 by 2019 there will be:

Population:

- ❖ 5,500 more people living in East Sussex (+1%), with all growth among ages 65+
- ❖ 830 more people aged 85+ in Wealden, +14.5%; but just 20 more in Hastings
- ❖ Little change in child numbers, following the birth rate peak in 2010/11
- ❖ A general decrease in working age population aged 18-64

Households:

- ❖ 243,400 households in the county an increase of 2.2% from 238,200 in 2015
- ❖ 58,900 households with dependent children, an increase of 2.9% from 2015
- ❖ A 1.8% increase in the number of one person households to 80,400
- ❖ 2.23 people per household compared to 2.25 in 2015

Housing and Infrastructure

Planned Development and Key Infrastructure in East Sussex – March 2015

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Wealden Key infrastructure

- A27/A22 junction improvements
- A27 improvements
- Uckfield Town Centre accessibility improvements
- Hailsham/Polegate accessibility package
- Hailsham/Polegate/Eastbourne Sustainable Transport Corridor
- South Wealden walking and cycling package
- Additional early years, primary and secondary school provision including new primary and nursery schools in Hailsham, Uckfield and Polegate and new secondary school facility in Hailsham.

Countywide:

Next Generation Access Broadband for 65,500+ premises

Rother Key infrastructure

- Bexhill Hastings Link Road
- North Bexhill Access Road
- A21 improvements
- Bexhill junction capacity, town centre access and walking and cycling improvement packages
- Bexhill and Hastings bus access improvement package
- Additional early years, primary and secondary school provision including a new primary and nursery school in Bexhill.
- HS1 extension (subject to funding)

Wealden

Housing: 9,440 dwellings 2006-2027
Per annum: 450
Employment floor space: 128,695 m² 2006-2027

Rother

Housing: 5,700 dwellings 2011-2028
Per annum: 335
Employment floor space: 100,000 m² 2011-2028

Lewes

Housing: 5,600 dwellings (2010-2030)
Per annum: 280
Employment floor space: 74,000 m² (2012- 2031)

Hastings

Housing: 3,400 dwellings 2011-2028
Per annum: 200
Employment floor space: 70,000 m² 2008-2028

Lewes Key infrastructure

- Newhaven Port Access Road
- Newhaven Ring Road, junction and capacity improvements
- Newhaven area walking and cycling package
- A27 improvements
- Brighton/Peacehaven/Newhaven bus corridor Phase 2
- A26/B2192 (Earwig Corner) improvements
- Lewes town junction and cycle route 90 improvements
- Newhaven Flood defences
- Additional early years, primary and secondary school provision including a new primary and nursery school in Newhaven.

Eastbourne

Housing: 5,022 dwellings (2006-2027)
Per annum: 239
Employment floor space: 43,000 m² (2012-2027)

Eastbourne Key infrastructure

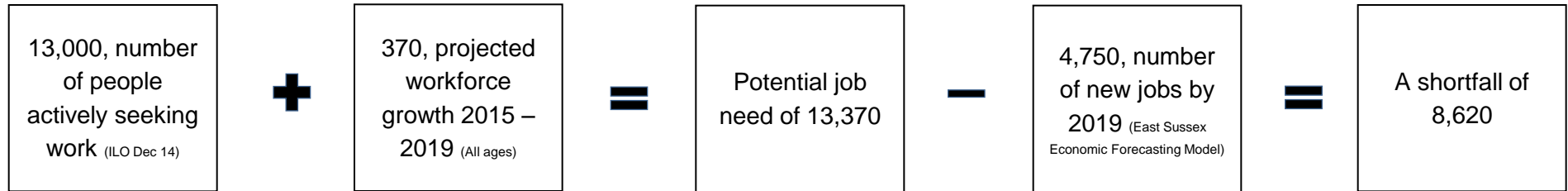
- A27/A22 junction improvements;
- A27 improvements
- Eastbourne town centre access and walking & cycling improvement packages; bus access & improvement package;
- Hailsham/Polegate/Eastbourne Sustainable Transport Corridor
- Additional early years, primary and secondary school provision

Hastings Key infrastructure

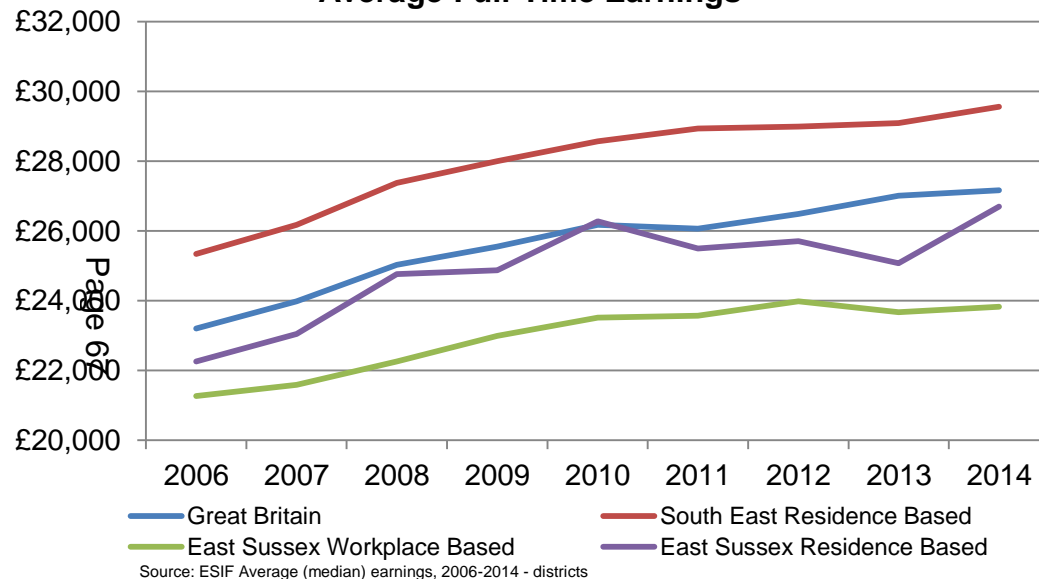
- Bexhill Hastings Link Road
- Queensway Gateway Road
- Hastings junction capacity improvement package
- Junction capacity, town centre access and walking and cycling improvement packages
- Hastings and Bexhill bus access improvement package
- Additional early years, primary and secondary school provision
- HS1 extension (subject to funding)

Source: Borough and District Council Local Plans
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Driving Economic Growth



Average Full-Time Earnings



Full-time earnings

- ❖ £26,697 average full-time wage for residents of East Sussex in 2014
- ❖ 1.7% less than the national average
- ❖ 9.7% less than the South East average
- ❖ Projected to increase to around £29,000 by 2019
- ❖ 6.2% fewer people worked full time in East Sussex in 2013 than nationally
- ❖ This is projected to increase to around 7% by 2019
- ❖ In 2014 Rother workplaces had the lowest average full-time wages in Britain at £379 per week

Source: ESIF workplace based jobs, ESIF: Average (median) earnings, workplace-based, 2006-2014 - districts

Gender and Employment

- ❖ 48.3% of women worked part-time in 2011 and 15.6% of men
- ❖ Both above national and regional figures, national 43.4%/14.6%, South East 43.8%/13%
- ❖ 29.8% less, amount women who work in East Sussex earn on average compared to equivalent men
- ❖ Nationally the difference is 35.1%. South East difference 37.2%
- ❖ 8.9% of women in East Sussex are self-employed
- ❖ This is above both the South East, 7.3%, and National, 6.2%, averages
- ❖ For men the East Sussex figure is 20.7%, again above both the South East, 16.3%, and Nationally, 14.7%

Source: ESIF Economic activity by age and sex in 2011 – wards

Average median earnings workplace based (Full-time)

	2008	2010	2012	2014
Eastbourne	£24,716	£25,811	£25,185	£25,967
Hastings	£20,127	£21,535	£23,516	£23,621
Lewes	£22,369	£23,934	£25,550	£26,280
Rother	£20,753	£20,857	£22,265	£19,762
Wealden	£22,578	£23,881	£23,151	£22,161

Source: ESIF Dataset: Average (median) earnings, workplace-based, 2006-2014 – districts, http://www.ons.gov.uk/ons/dcp171778_385428.pdf

Driving Economic Growth

Earnings and home ownership affordability 2014 - 2019

- ❖ Average East Sussex wage 2014 - £20,231
- ❖ Average East Sussex house price January 2014 - £183,317
- ❖ Projected average East Sussex wage 2019 - £21,750
- ❖ Projected average East Sussex house price 2019 - £245,000

Based on full and part time workers, median residence based

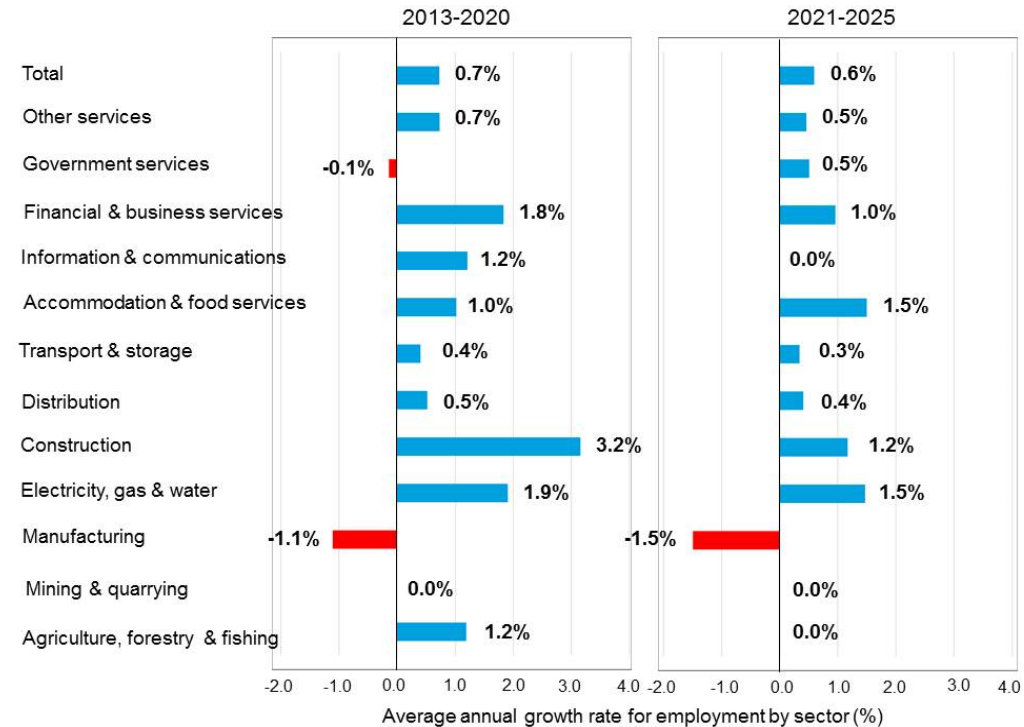
House Price Multiplier	2006	2008	2010	2012	2014	2016	2018	2019
						Projections		
National	8.38	8.87	7.63	7.49	7.69	8.29	8.92	9.26
South East	9.53	10.22	8.94	8.72	9.29	10.28	10.95	11.29
East Sussex	9.53	10.07	8.56	8.65	9.06	10.08	10.87	11.29

Source: ESIF House Price Index, 2001 – 2014 – County and ESIF Average (median) earnings, residence-based, 2006-2014 - districts

Employment growth

- ❖ Between 2015 and 2019 the county is projected to create 4,750 new jobs; an increase of +0.5% on average per annum
(East Sussex Economic Forecasting Model)
- ❖ Growth sectors include: finance and business services, accommodation and food services, and construction
- ❖ Limited growth/decline in manufacturing, and government services
- ❖ The East Sussex Growth Strategy highlights emerging high growth and innovative sub-sectors including: engineering; health & social care; digital, media and creative
- ❖ There are around 1,500 companies identified with potential for growth which may be accelerated with our intervention

East Sussex employment forecasts: growth by sector to 2025



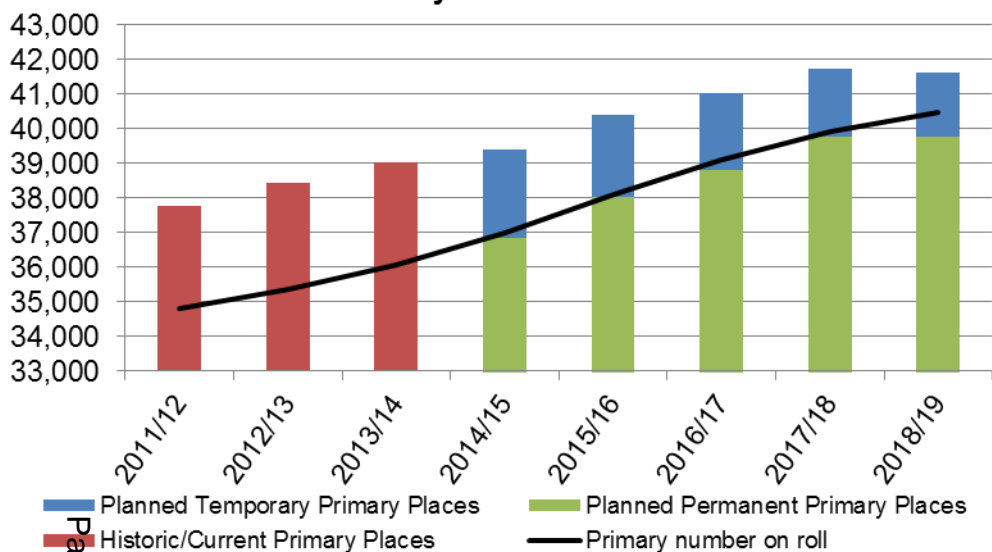
Source: East Sussex Economic Forecasting Model, Cambridge Econometrics, September 2014

Science Technology Engineering Maths (STEM) skills

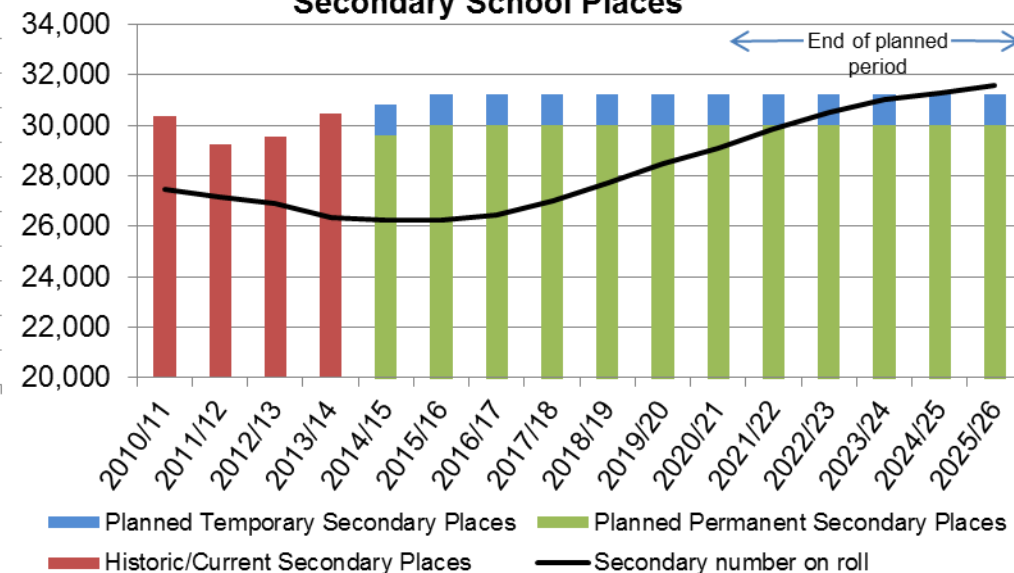
- ❖ Local advanced manufacturing and engineering sector is high value and optimistic about the potential for growth
- ❖ Some hard to fill vacancies in professional and skilled occupations
- ❖ STEM graduate employees boost growth and innovation in many industries
- ❖ Lack of interest in engineering apprenticeships and lack of awareness of successful local engineering businesses amongst young people
- ❖ Need to promote STEM careers at early age, especially to female students
- ❖ University Technical College Harbourside, Newhaven opening Sept 2015 and Advanced Engineering Centre, Brighton construction 2015

Driving Economic Growth - School places needed by 2019

Primary School Places



Secondary School Places



Source: ESCC Education Commissioning Plan 2014 – 2018 and Schools, pupils and their characteristics: January 2014, SFR15/2014

Primary School Places

- ❖ Additional capacity is planned to meet forecast shortfalls in local areas: 2200 extra places by 2018/19 compared to 2014/15
- ❖ Includes additional temporary places to meet short-term demand
- ❖ Total numbers on roll expected to fall from around 2021/22
- ❖ Post 2021/22 increases still likely in some local areas

Secondary School Places

- ❖ Total number of places is fewer than primary as many 16 – 17 year old students don't attend school sixth forms
- ❖ Secondary numbers expected to peak around 2025/26
- ❖ Capacity in some local areas forecast to be exceeded before 2020
- ❖ Current capital programme ends 2017/18; after this more places will be needed

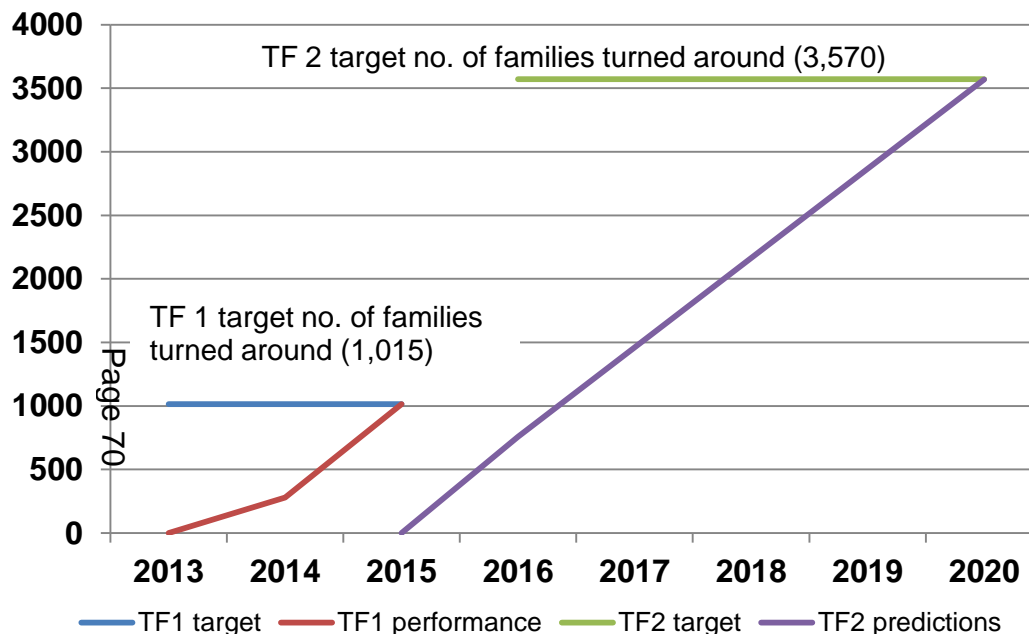
Projected change in youth population

	2015	2016	2017	2018	2019	% Change 2015 - 2019	2020	2021	2022	2023	2024	2025	% Change 2020 - 2025
0-3	21,906	21,702	21,561	21,358	21,111	-3.6	20,915	20,756	20,599	20,455	20,316	20,178	-3.5
4-10	41,032	41,638	41,706	41,760	41,536	+1.2	41,379	41,047	40,521	40,133	39,854	39,574	-4.4
11-15	28,340	28,145	28,408	28,999	29,576	+4.4	29,931	30,567	30,896	31,068	30,972	30,943	+3.4
16-17	11,746	11,218	10,835	10,454	10,250	-12.7	10,546	10,612	10,860	11,227	11,391	11,470	+8.8

Source: ESIF

Keeping Vulnerable People Safe and Helping People Help Themselves - Children

Troubled Families

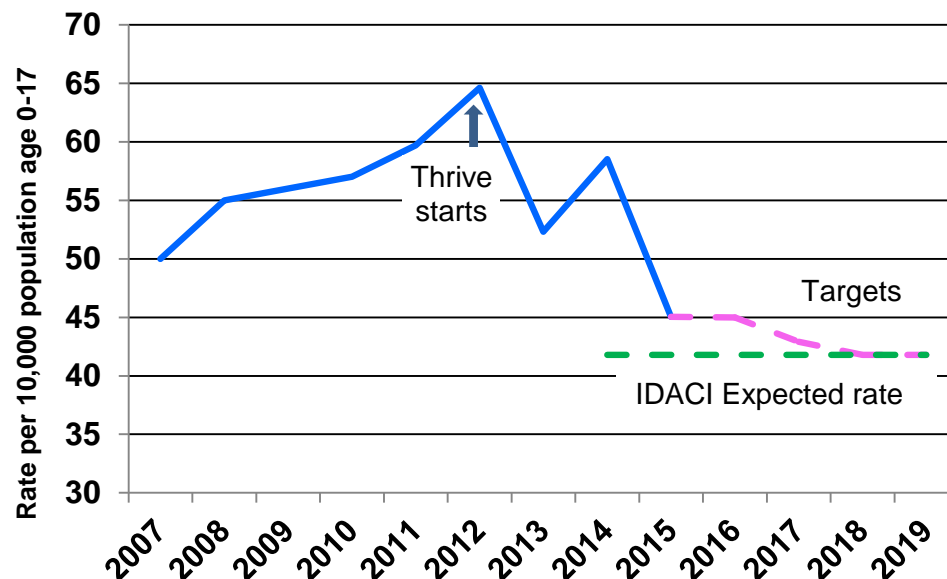


Source: Dept for Communities and Local Government

Troubled families results

- ❖ The Troubled Families programme (TF1) was launched in March 2012 as a 3 year programme
- ❖ The expanded Troubled Families programme (TF2) was announced in August 2014 to run from 2015-2020.
- ❖ Troubled Families work is a core element of Children's Services delivery
- ❖ Payment by results targets are linked to successful family outcomes
- ❖ Successful family outcomes impact positively on all priority outcomes and reduce demand for other services

Child Protection Plans



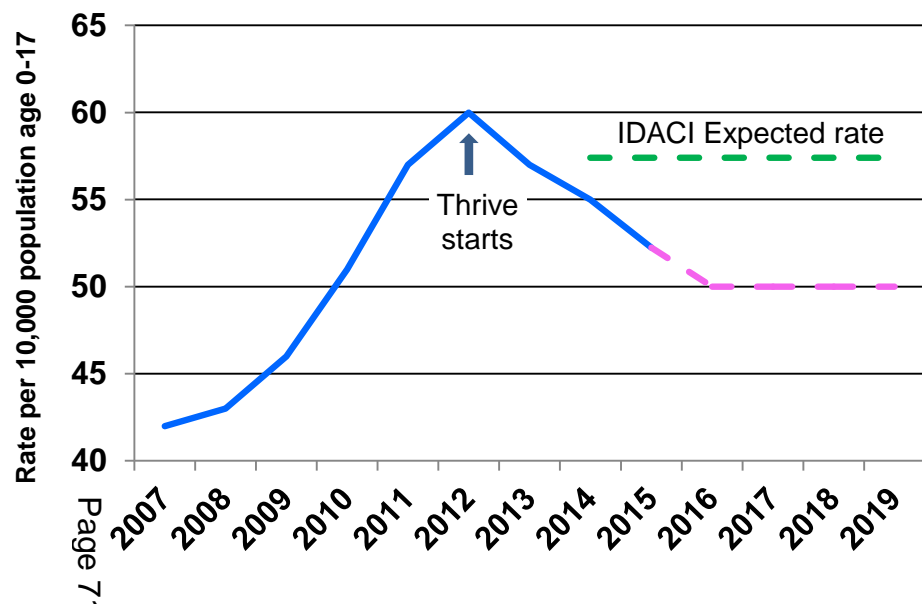
Source: Children in Need Census 2014, SFR43/2014, Dept for Communities and Local Govt, and South East Sector Led Improvement Social Care Benchmarking

Child Protection (CP) Plans

- ❖ Before Thrive the number and rate of CP Plans were rising each year
- ❖ Projected rate was unsustainable
- ❖ East Sussex is still above the expected rate based on the index of child deprivation (IDACI)
- ❖ The target is to reach the IDACI expected rate by 2018
- ❖ Number of CP Plans 2015: 469, rate 45 per 10,000 is above expected rate benchmarked for child deprivation (IDACI)
- ❖ Target is to reach and maintain IDACI expected rate from 2018 a drop of 36 (-7.7%) CP Plans (Number of CP Plans 433, rate 42 per 10,000)

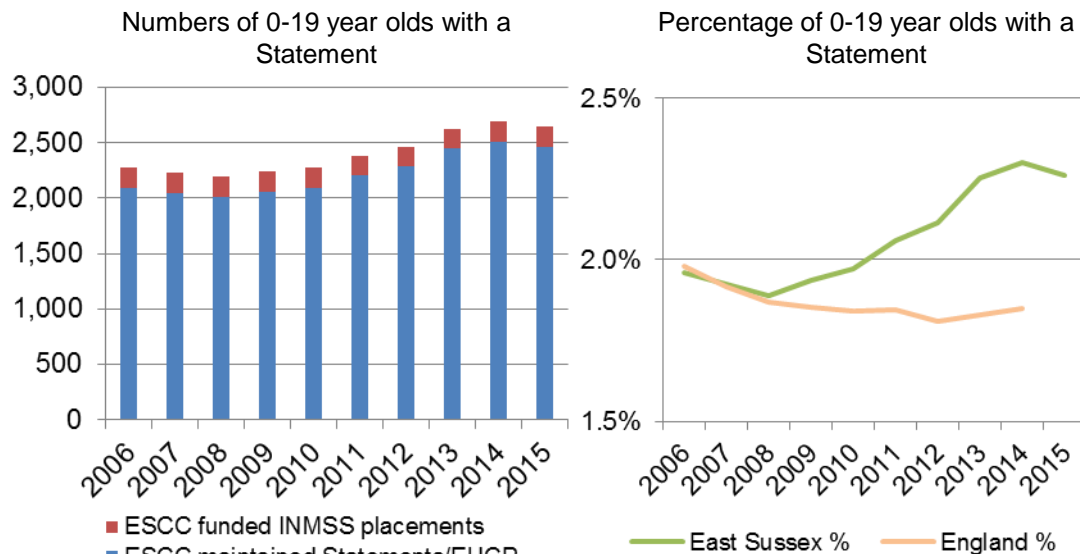
Keeping Vulnerable People Safe and Helping People Help Themselves - Children

Looked After Children



Source: Children looked After return 2014, SFR36/214, Dept for Communities and Local Govt and South East Sector Led Improvement Social Care Benchmarking

East Sussex Statements and EHC Plans



Source: Special educational needs in England: January 2014, SFR36/2014

Looked after Children (LAC)

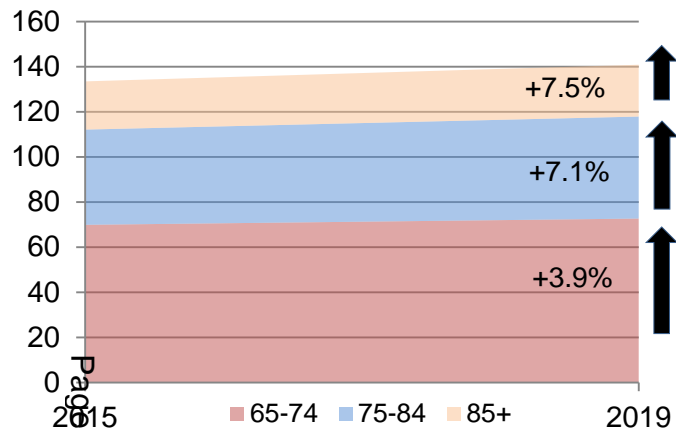
- ❖ Before Thrive LAC numbers were rising year on year and the budget was unsustainable
- ❖ By 31 March 2015 LAC numbers had been reduced to 548 (52 per 10,000 children) from 620 in 2012
- ❖ The average cost per LAC in East Sussex is £736, compared to the national average of £921 and comparison group average of £1,023
- ❖ Indicative targets to be confirmed with a focus more on costs than numbers of LAC. Target rate of 50 per 10,000 is 518 LAC by 2019, 30 fewer (-5.5%)

Special Educational Need and Disability

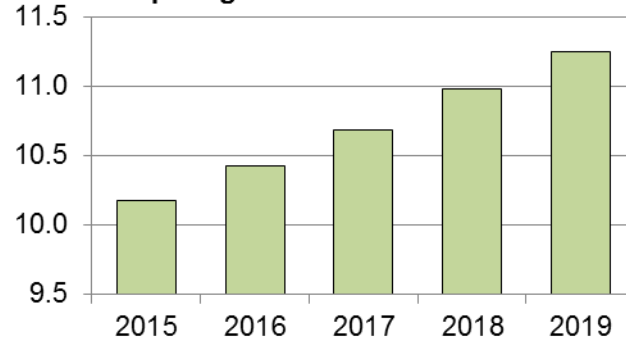
- ❖ Since September 2014 Education, Health & Care Plans (EHCP) replace a statement of SEN, for new assessments
- ❖ Council funded high cost placements at Independent and Non-Maintained Special Schools (INMSS) have remained around 180 since 2006
- ❖ All statements of SEN/EHCP maintained by the Council increased by 23% from 2,193 (in 2008) to 2,690 (in 2014). 2015 now shows a 2% decrease to 2,645. Majority of provision funded by a local authority (primarily ESCC) or from within a schools own delegated budget.
- ❖ ESCC Statement of SEN/EHCP as a percentage of population aged 0-19 (2.26% in 2015) is lower than the previous year but continues to be above that for England (1.85% in 2014)

Keeping Vulnerable People Safe and Helping People Help Themselves – Older People

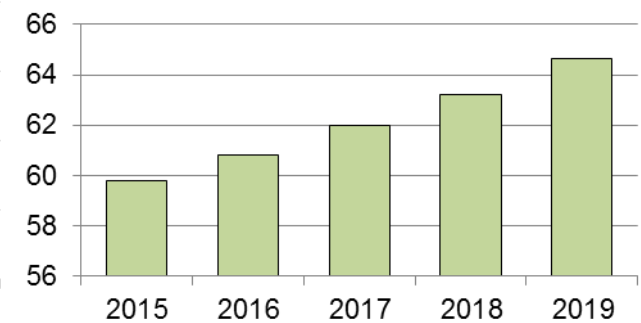
Increase in Older People (65+) '000



People aged 65+ with dementia '000



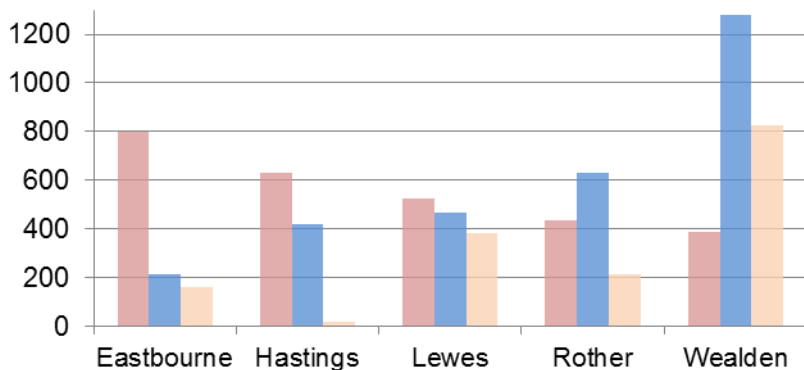
People aged 65+ with a limiting long-term illness in East Sussex '000



Source: POPPI, <http://www.poppi.org.uk>

Older People

Change to 65+ population by District



Sources: ESIF Population projections policy-based

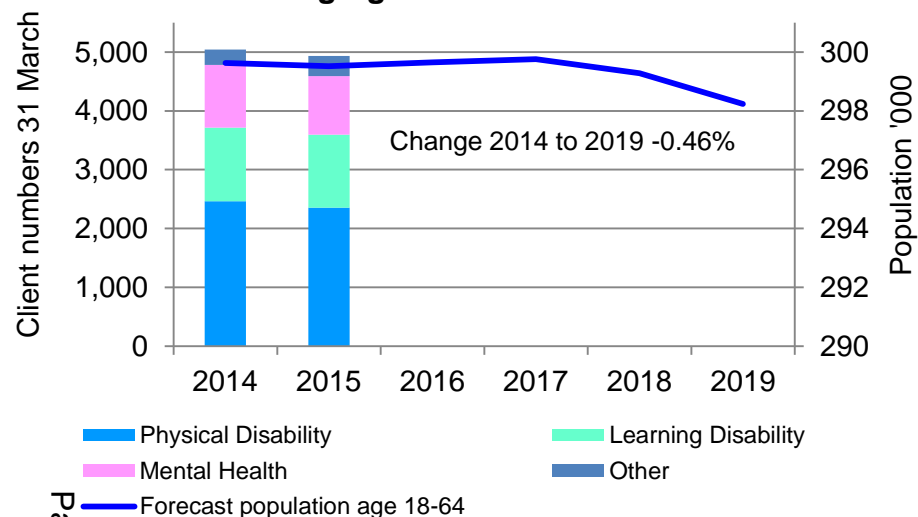
2014/15 Service provision	65+ Physical Disability	65+ Mental Health	65+ Learning Disability	65+ Substance Misuse	65+ Other Vulnerable People	Total Clients
Community Based Services	9,530	835	70	10	185	10,630
Residential Care	1,235	390	105	5	40	1,835
Nursing Care	1,085	210	20	0	15	1,410

❖ By 2019 there will be:

- A countywide increase in people aged 65+ of 7,392 (5.5%), from 133,500 to 140,900
- Wealden: more people 75 - 84, 1,300 (10.4%) and 85+, 800 (14.5%)
- Eastbourne: more people 65 - 74, 800 (6.7%)
- Hastings: little change to 85+ population, but 420 (8.2%) more people 75 - 84
- Rother 630 (7%) more people 75 - 84
- Lewes 380 (9.5%) more people 85+
- ❖ Estimated over 10,000 people with dementia in 2015; 5,384 have a formal diagnosis. There will be over 1,000 (+10.6%) more by 2019
- ❖ Memory Assessment Service expect over 2,100 referrals in 2015/16
- ❖ Up to 46% of 65+ people with a limiting long-term illness, up 4,880 (+8.2%)
- ❖ Care Act changes expected to mean 9,000 more social care and financial assessments for self funding people 65+ by 2016/17
- ❖ Of the 9,000, 1,700 expected to be eligible for Council funded care and support, and 5,500 may become eligible if they reach the self funding cap

Keeping Vulnerable People Safe and Helping People Help Themselves -Working Age Adults

Working Age Adult Social Care Clients



Working Age Adults

- ❖ The population of all people aged 18-64 is forecast to fall by 2019
- ❖ Changes following the introduction of the Care Act show no significant difference to the number of working age adults accessing services
- ❖ Client groups changed in 2015/16 from Physical Disability, Learning Disability, Mental Health and other to those in the box below. This makes comparisons looking back difficult

New client groups

Number of working age adults receiving long-term support

2014/15 service provision	18 – 64 Physical Disability	18 - 64 Mental Health	18 - 64 Learning Disability	18 - 64 Substance Misuse	18 - 64 Other Vulnerable People	Total Clients
Community Based Services	2,245	960	850	120	100	4,275
Residential Care	115	100	425	5	10	655
Nursing Care	45	20	10	0	0	75

	2014/15
Physical Support	1225
Sensory Support	33
Support with Memory and Cognition	35
Learning Disability Support	1033
Mental Health Support - Mental Health Support	503
Social Support	114
Total	2981

Carers

- ❖ In the 2011 Census 59,400 people said they provided unpaid care for someone because of long-term physical or mental ill health or disability, or problems related to old age
- ❖ 13,100 people provided care for more than 50 hours a week
- ❖ 5,640 carers currently supported
- ❖ Carers are eligible for support if they meet three conditions:
 - Their needs are caused by providing necessary care for an adult
 - As a result their physical or mental health is at risk of deteriorating OR they are unable to achieve specified outcomes
 - As a consequence there is, or is likely to be, a significant impact on the carer's wellbeing
- ❖ The Care Act removes the following requirements:
 - That carers undertake regular and substantial care
 - That the cared for person has eligible needs
- ❖ As a result of these changes, projections suggest an additional 6,500 carers assessments by 2019/20

Safeguarding

- ❖ The Care Act introduced statutory duties on councils for adult safeguarding: including:
 - Establishing a Safeguarding Adults Board
 - Making safeguarding enquiries a corporate duty
 - Making Safeguarding Adult Reviews mandatory
 - Placing duties to co-operate over the supply of information
 - Placing duties on local authorities to find advocacy support for those who need it
- ❖ Over 3,000 concerns a year are expected, resulting in more than 800 safeguarding enquiries

National and Local Outlook

1. New Government

1.1 A Conservative majority Government was returned at the general election. Legislation announced in the Queen's speech on 27 May 2015 included:

Childcare Bill

1.2 The Bill had its first reading in the House of Lords on 1 June. It will give families where all parents are working an entitlement to 30 hours a week of free childcare for three and four year-olds for 38 weeks of the year (equivalent to the school year). There is no promise of additional funding for providers and Local Authorities who manage the existing scheme and there may be issues about ensuring sufficient places are available to ensure the scheme increases the number of parents who wish to return to work.

Cities and Local Government Devolution Bill

1.3 This Bill was published on 28 May and will provide the legal basis to implement the Government's "northern powerhouse" ambitions, which will devolve powers to cities with elected "metro mayors" and will empower towns and counties by building on the Growth Deals. The Bill will give generic powers to any elected mayor in a combined authority of Councils in major English cities – especially in economic and policing powers, including taking on the role of Police and Crime Commissioners. The Bill will also give permission for Councils within an area to streamline their governance. There is some measure of flexibility in the Bill in relation to governance arrangements, but authorities not adopting a mayoral model may not benefit from all the devolution offers being made by the Government.

1.4 The SE7 has begun to consider the case it could put forward to Government for a transfer of a package of freedoms and flexibilities. The case for devolution would build upon the existing SE7 framework and arrangements as a long-established partnership, with a proven track record and a strong and well-recognised brand (both nationally and locally). A SE7 devolution bid would fit with the Conservative manifesto pledge to "strengthen and improve devolution for each part of our United Kingdom in a way that accepts that there is no one-size-fits-all solution". Development of the SE7 specific devolution and governance models are critical to ensure the offer/ask is received well. The relationship of most of the SE7 area to London is critical and will form a cornerstone of the devolution bid. The case for devolution will not focus solely on savings: it is primarily about the best possible outcomes and service provision for residents. An initial SE7 initial devolution framework is being develop to comprise fiscal devolution over the following areas:

- road and rail infrastructure;
- social care and health;
- employment and skills; and
- infrastructure for the future.

Buses Bill

1.5 The Bill will allow combined authorities with directly-elected mayors to take on responsibility for local bus services, promoting an integrated transport system. The legislation will provide the option to franchise bus services.

Education and Adoption Bill

1.6 The Bill was published on 3 June 2015 and contains new powers for the Secretary of State and Regional Schools Commissioners to intervene more rapidly in schools rated "Inadequate" or as "Requiring Improvement". Schools that are unable to achieve "Good" within an acceptable timescale will be turned into academies. The legislation also contains measures to encourage Councils to join together to create regional adoption agencies.

Enterprise Bill

1.7 This Bill will extend and simplify the Primary Authority scheme, which allows a business to get advice on regulation from a single local Council and that advice must be respected by all other councils. The legislation also introduces business rates appeals reform and allows for the Valuation Office Agency to share information with local government. The Bill is intended to cut red tape by “at least £10bn” in Whitehall and from independent regulators. The legislation will also create a Small Business Conciliation Service and cap the redundancy payments made to public sector workers.

Full Employment and Welfare Benefits Bill

1.8 Some of the social security changes outlined in the Conservative manifesto will be contained in this Bill, amounting £1.5bn of the £12bn a year saving in benefits proposed in the manifesto.

1.9 The four main elements of the Bill are:

- a reduction in the household benefit cap from £26,000 to £23,000;
- a two year freeze on the majority of working-age benefits, including unemployment benefit, child benefit and tax credits, from 2016-17;
- the removal of automatic entitlement to housing support for 18 to 21-year-olds; and
- the creation of duties to report on the progress of Government policies such as the Troubled Families Initiative, full employment and apprenticeships.

1.10 The Bill will remove the link between median earnings and benefits will therefore widen the gap between those in an out of work.

1.11 Jobseekers' Allowance for 18 to 21 year-olds will be replaced with a Youth Allowance, time-limited to six months, after which individuals will be required to undertake an apprenticeship, training or community service. Jobcentre Plus support will be provided in schools to supplement careers advice. The Bill also creates duties on Ministers to report annually on job creation and apprenticeships.

Housing Bill

1.12 The Bill will extend the right-to-buy scheme to 1.3m Housing Association tenants in England. Councils will be required to sell the most valuable homes from their remaining stock. The proceeds will be used to build replacement affordable homes on a one-for-one basis.

1.13 The Government is targeting 200,000 new starter homes across Britain, which will go on sale to first-time buyers under 40 at a 20% discount below the open market value. The Government is focusing its building strategy on brownfield land. It will set up a statutory register, with the aim of getting development plans in place on 90% of suitable brownfield land by 2020. It also promises to speed up the planning system to push through housebuilding projects.

National Insurance Contributions Bill/Finance Bill

1.14 Legislation will be introduced to prevent the Government increasing income tax rates, VAT or national insurance for five years after the election. These three main taxes raise 60% of revenues.

1.15 Legislation will also ensure that people working 30 hours a week on the minimum wage pay no income tax on their earnings, by raising the personal allowance.

Health and Social Care

1.16 Whilst no bill was proposed, a promise was given to provide seven-day access to the NHS in England, £8bn extra funding by 2020 and new standards for mental health services.

Draft Public Services Ombudsman Bill

1.17 This will merge the existing Parliamentary and Health Service Ombudsman with the Local Government and potentially the Housing Ombudsmen's offices.

2. Other Conservative Party Manifesto commitments

2.1 The key points of the Conservative party's manifesto as they relate to our services and service users, not covered in the Queens speech are:

2.2 Children and Schools

- At least £7.5m to be invested each year in relationship support to help families stay together.
- Open at least 500 new free schools, resulting in 270,000 new school places and continue to expand the academies, free schools, studio schools and University Technical Colleges programme.
- The amount of money following children into school will be protected; as the number of pupils increases, so will the amount of money in schools.
- Introduce regional adoption agencies working across Local Authority boundaries to match children with the best parents for them.
- Training programmes for children's social work such as Frontline will be expanded.

2.3 Crime and Justice

- The role of Police and Crime Commissioners to be developed and enable Fire and Police Services enabled to work more closely together.

2.4 Employment and Business

- Introduce a workplace entitlement for those who work for a big company and the public sector to volunteering leave for three days a year, on full pay.

2.5 Energy and the Environment

- Invest £300m in cutting light pollution from new roads.
- Support the safe development of shale gas, and ensure that local communities share the proceeds through community benefit packages and create a Sovereign Wealth Fund for the North of England to allow the area to benefit from fracking which take place there.

2.6 Governance and Public Sector

- Continue to reduce Government spending by 1% each year in real terms for the first two full financial years of the next Parliament (the same rate as over the last five years).
- Commit to move into surplus in 2018-19.
- Scale-up social impact bonds and payment-by-results in the future, focusing on youth unemployment, mental health and homelessness.
- Barnett Formula will be retained and seek agreement with the Scottish Government on how to adjust the block grant following the devolution of tax powers.
- Find £13bn from departmental savings.
- Pilot allowing local Councils to retain 100% of growth in business rates, so they reap the benefit of decisions that boost growth locally.
- Deliver more bespoke Growth Deals with local Councils, where locally supported, and back Local Enterprise Partnerships to promote jobs and growth.

2.7 Transport

- A number of commitments to road and rail infrastructure in the north and midlands and south west.

2.8 Welfare and Pensions

- Make an addition £12bn welfare savings, on top of the £21bn of savings in the last Parliament.
- Review how best to support those suffering from long-term yet treatable conditions, such as drug or alcohol addiction, or obesity, back into work.
- Provide significant new support for mental health, benefiting thousands of people claiming out-of-work benefits or being supported by Fit for Work.

- Increase the State Pension by at least 2.5%, and introduce a single-tier pension to replace the Pension Credit.
- Commitment to maintain all current pensioner benefits including free bus passes, prescriptions and TV licences, and implement the “temperature test” so that expats in hot countries will no longer receive Winter Fuel Payments.

3 Existing Legislation

Care Act 2014

3.1 The majority of the provisions in the Care Act came into force in April 2015. The Act aims to achieve fundamental reform by simplifying and clarifying over sixty years of legislation in the area of social care. The Care Act also introduces a new cap on care costs from April 2016, along with more generous charging thresholds. The key changes introduced through Part 1 of the Act are set out below:

General duties	<ul style="list-style-type: none"> • To promote wellbeing • To prevent, delay or reduce development of care and support needs • To cooperate with relevant partners • Duties apply equally to carers
Funding reform (from 2016)	<ul style="list-style-type: none"> • Duty to operate a cap on care costs (expected to be £72,000 for people aged 25 and over) achieved through independent personal budgets and care accounts • No contribution for people up to the age of 25 with eligible care and support needs • New legal basis for charging • Increase in the capital threshold at which people receive help with their care at home from £23,250 to £27,000 • Increase in the capital threshold at which people receive help with their residential care costs from £23,250 to £118,000
Deferred payments	<ul style="list-style-type: none"> • New national scheme • Councils will be able to charge interest on loans and apply administration charges to ensure they run on a cost neutral basis
Changes to eligibility and assessment	<ul style="list-style-type: none"> • National minimum eligibility threshold • New requirements when an adult moves • Extension of ordinary residence rules to extra care and supported housing • New safeguarding duties including a duty to make enquiries, or ask others to, for adults with care and support needs who may be at risk of abuse or neglect • New responsibilities for care and support in prisons • Duty to carry out assessments for all carers who provide “necessary care” regardless of whether the person they care for is eligible for care and support • Duty to assess young people, and carers of children, who are likely to have needs as an adult where it will be of significant benefit, to help them plan for the adult care and support they may need, before they (or the child they care for) reach 18 years • New duties towards young carers • New legal right to a personal budget and direct payment
Commissioning	<ul style="list-style-type: none"> • Duty to join up care and support with health and housing particularly where this delivers better care and promotes wellbeing and where it can prevent, reduce or delay needs for care and support • Duty to ensure there is a wide range of good quality care and support services available that enable local people to choose the care and support services they want • Duty to ensure needs are met if a provider fails

Advice and information	<ul style="list-style-type: none"> • Councils will be required to provide comprehensive information and advice about care and support services in their area and what process people need to use to get the care and support that is available (including health and housing) • Duties to provide advice and information to clients and carers who do not meet the eligibility threshold • Duty to tell people where they can get independent financial advice about how to fund their care and support • Duty to arrange for independent advocates for people who have significant difficulty being involved in care and support processes and no one else appropriate to support them
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3.2 Part 2 of the Act covers Care Standards: Quality of services; Care Quality Commission; Increasing the independence of the Care Quality Commission; Performance ratings; False or misleading information and Regulated activities. Part 3 covers Health Education England, the Health Research Authority and Trust special administration.

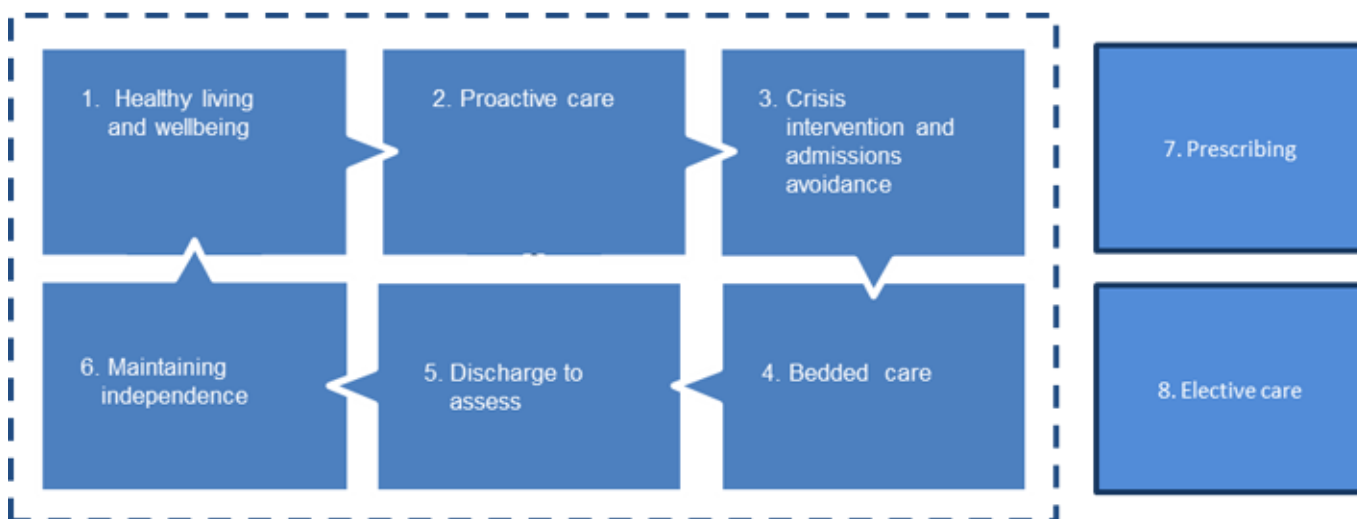
3.3 The reforms set out in the Act will have a significant financial impact on the Council. There is the potential for increased demand from people who are currently funding their own care and there is likely to be an increase in demand for carers' assessments as a result of changes to eligibility and contact with more self-funders.

3.4 The Act introduces a number of risks and uncertainties for the Council, these are:

- Increased costs and pressures of carrying out more needs and financial assessments (and reviews) that will be required to establish eligibility of people who are paying for their own care and want to set up a care account.
- Systems development and administration.
- Increased demand from carers.
- Changes to the eligibility criteria.
- Loss of income and increased costs when the cap is introduced.
- Increase in means tested thresholds.
- Introduction of a national deferred payment scheme.
- Potential negative impact on the local care market and Local Authority negotiated nursing and care home fees.

East Sussex Better Together

3.5 East Sussex Better Together (ESBT) is the shared programme of work which the Council and the three Clinical Commissioning Groups partners in East Sussex have established to agree integrated commissioning plans which will enable health and social care system to change and become sustainable over the next few years. The aim of ESBT is to develop a fully-integrated local health and social care system that ensures patients receive proactive, joined-up care, supporting them to live as independently as possible and achieving the best outcomes. To this end a framework known as the 6+2 box model of care has been developed. The six boxes below describe the services and support required throughout the whole cycle of a patient's care. Two further boxes, prescribing and elective care will also be the subject of efforts to improve the quality and affordability of services.



3.6 The elements in each box are:

- Healthy living and wellbeing - preventing ill health, promoting independence and improving awareness of and access to services and activities that support healthy lifestyles.
- Proactive care - helping patients with long-term conditions and illnesses, to stay healthy and independent for as long as possible, by providing integrated health and social care services which help people avoid having to go to hospital.
- Crisis intervention and admissions avoidance - ensuring the right services are in the right place at the right time to help people regain their independence and wellbeing quickly following a period of illness.
- Maintaining independence - supporting users of health and social care services, and their carers, to live independent lives.
- Discharge to assess - ensuring patients in hospitals and care homes are discharged as quickly as possible to an appropriate place, with a package of care to support their recovery.
- Bedded care - making sure that people who require in-hospital care receive the best possible services.
- Prescribing - research shows 50% of people don't take their medicines as prescribed. Across East Sussex, £90m is spent on medicines prescribed by local GPs. This means up to £45m of this might not be making the difference it should to the health of local people. The aim is to bring together clinicians and pharmacists to develop ways of working with local patients to ensure they receive effective medicines as and when they need them.
- Elective care - streamlining planned treatment to ensure local people have choice and are able to make informed decisions about their care.

3.7 The 6+2 model has been developed into the four key workstreams set out below:

- Providing streamlined points of access for health and social care services - better integration will help to provide higher quality services and deliver financial savings through improved co-ordination and reduced double handling and handoffs between services. It will improve response times for assessments and interventions. It is anticipated that this will lead to reductions in avoidable emergency admissions and re-admissions, shorter stays in acute settings and fewer emergency nursing home placements. The first phase of this programme covering points of access for adults with physical health needs, long term conditions, or who are vulnerable or frail launched at the beginning of the financial year. A review of access points for mental health and children's services is also being conducted.
- Development of integrated community health and social care teams in localities - a new delivery model for community based services is being developed. This new model will be shaped around locally defined communities with integrated health and social care teams.
- GP-led access for urgent care and support - this will be a local system, providing access that responds to public needs, is easy to navigate and use. It will provide access at the right level of "need" or "contact". More activity will take place in community based services, with a focus on self-care as appropriate. It is anticipated that the new pathway and model of urgent care provision will be implemented in autumn 2016.

- Healthy living and wellbeing (including helping people to manage long-term conditions) - an improved and more co-ordinated approach to promoting individual and community resilience linked to the development of integrated community health and social care teams, including more devolved commissioning and strengthening of local partnerships. There will also be specific projects to support vulnerable people and patients to take control of their own care and to manage the support they receive.

3.8 The work of the ESBT programme is supported by a pooled budget of £42m in East Sussex. The Better Care Fund is a national Department of Health policy objective, which realigns specific health and social care funding, to deliver enhanced community-based health and social care services. The 2015/16 BCF includes funding for:

- Protecting adult social care services that benefit health services: £9.7m
- Disabled Facilities Grants to District and Boroughs: £3.1m
- Care Act implementation: £1.5m
- Supporting and developing carers services: £4.7m
- Capital investment: £1.4m
- Maintaining reablement services: £0.9m
- Funding to develop preventive and community based services: £20.9m

3.9 Through ESBT there is a commitment across all health and social care partners to use the BCF to support integration. There is a more significant recognition by all partners that the scale of the challenge faced in East Sussex requires a broader level of transformation to deliver a clinically and financially sustainable health and social care system. These challenges include a significant reduction in Local Government funding, budget deficits and constraints in the health economy and the need to shift health investment from acute to community and primary care. It is difficult to assess what the financial impact for ESCC and the wider East Sussex health economy will be but initial projections indicate a potential cost of up to £20m a year.

Extension of Foster Care to 21

3.10 A new legal duty was introduced in December 2013 for local authorities to provide financial support for every care leaver who wants to stay with their foster carers beyond the age of 18 - giving local authorities £40m over the next 3 years to put in place the support arrangements. From the age of 18, young people are not legally “in care” and “looked after” and therefore fostering arrangements and legislation relating to children placed with foster carers no longer apply. In circumstances where a young person remains with their former foster carers after their eighteenth birthday, the arrangement will therefore be an “age 18 and older” or “Staying Put” arrangement. The “Staying Put” initiative is designed to ensure young people can remain with their former foster carers until they are 21 so that they are able to move successfully into their adult lives. Details of how much Government grant ESCC will receive is still to be confirmed.

3.11 ESCC has been successfully implementing this way of working in advance of Government legislation. Support has been provided to Looked After Children, by ESCC, after the age of 18 through the Leaving Care Service and when a young person legally becomes an adult, the status of their placement changes from a foster placement to a supported lodgings placement. ESCC currently supports 18 young adults (aged 18+) in this way, while they complete a programme of training, further or higher education and move into work. A system of payment is still provided to the carer that is generally in line with payments for supporting vulnerable adult.

4. Economic Development

4.1 Work continues with the South East LEP and Team East Sussex and it is anticipated that the Government will wish to continue with the LEPs as one of its key economic delivery vehicles. Kent County Council has been uncomfortable about the shape of the South East LEP and would prefer a LEP on its own boundaries, but signals from the Government before the election were that the number of LEPs may be reduced, so any proposal which increases the number is unlikely to find favour. The new Secretary of State has indicated that any change to

LEP boundaries would need to be by consensus and that an emphasis would be placed on the views of businesses.

4.2 In January 2015 the Department for Business, Innovation and Skills announced an “expansion” to the original Growth Deal, with SE LEP gaining a further £46.1m of funding for 13 additional projects. East Sussex has provisionally been allocated £5.7m for 3 priority projects – Bexhill Enterprise Park (£2.6m), Swallow Business Park in Hailsham (£1.4m), and Sovereign Harbour in Eastbourne (£1.7m). A pan-LEP Coastal Communities project (led by Hastings Borough Council) also gained part-funding of £2m.

4.3 For those East Sussex projects confirmed in the first round of Growth Deal funding allocated last year in July 2014, we have the following four projects starting in 2015-16 - Queensway Gateway Road; Hailsham-Polegate-Eastbourne sustainable transport corridor; Eastbourne and South Wealden walking and cycling package; and Newhaven Flood Defences. The Queensway Gateway now has planning permission and funding of £15m will begin to be drawn down.

4.4 The new Skills East Sussex partnership has begun meeting to bring together businesses and education providers in order to help ensure that young people in the county are better equipped with the skills that business need both currently and in the future. Work is being carried out to assess the skills available and any gaps in provision in the key growth areas in the community. Detailed work has been carried out on the construction sector and on employers needs for Science, Technology, Engineering and Maths (STEM) skills, with a particular focus on the engineering sector.

4.5 The East Sussex Invest (ESI) programme continues to inject £1.3m of capital annually into generating business growth and job creation through the provision of grants and loans to businesses. The money can be used for one-off capital projects such as upgrading or extending premises, buying new equipment or machinery or developing software. Previous rounds of ESI supported 130 businesses, creating 580 new jobs with an investment of £4.2m that has levered in £17m of match funding from local businesses.

4.6 The new Catalysing Stalled Sites (CaSS) capital fund of £916,000 will unlock stalled commercial and housing site opportunities across the county. There are a number of sites across East Sussex that have remained undeveloped for decades for a number of reasons and the funding will be applied to undertake feasibility studies, viability / business plans and in some cases carrying out practical works. The capital investment will crucially bring forward sites much sooner for delivery, contributing to local plan targets and enabling a continued pipeline of projects ready to secure further Local Growth Fund resources from central government.

5. Financial Outlook

5.1 Whilst there have been some indications of the Government’s plans, much of the detail will not be available until after future announcements. There will be an Emergency Budget on 8th July 2015; the new Comprehensive Spending Review (CSR) is anticipated to take place over the summer and will be published in October 2015 and the detailed provisional Local Government Settlement (LGS) will be in December 2015. Much of the detail will not therefore be available until late 2015. The Government has previously chosen to take a greater proportion of its savings from Local Government rather than other areas of public service and there is no reason to believe that there will be any change in this policy.

5.2 The projections in the Medium Term Financial Plan are set out in Appendix 3, Annex 1. It is still estimated that savings of £70-£90m will be needed over the next three year planning period, with approximately £20m - £25m required in 2016/17 but it must be noted that there is no significant additional data on which to base projections. The projections will be updated as more data becomes available following the Emergency Budget (8th July), CSR (October 2015) and the LGS (December 2015).

5.3 The projections in the Medium Term Financial Plan include two big unknowns: Revenue Support Grant (RSG) and the Care Act.

5.4 Firstly, the continued reduction in the RSG: there has been a funding reduction of £42m since 2012/13 and it is estimated that the reduction in RSG will be £46m over the next three years, reducing to nil by 2019/20. However, the pace of Government spending reductions will remain unclear until further announcements are made. It should be noted that these estimates reflect the Coalition Government's spending plans as no new intelligence is available. Before the election, the Conservative Party pledged that they would achieve an overall budget surplus in the next parliament provided that the recovery is sustained. The Institute for Fiscal Studies have noted that, "...it is unclear when exactly in the next parliament they plan to achieve this target." Until further announcements are made, there is no better intelligence upon which to revise assumptions.

5.5 Further assumptions which underlie estimates of the projected deficit are as follows:

- **Business Rates:** the Council's share of business rate income is increased each year by the Retail Price Index for the preceding September. Using the Office for Budget Responsibility March 2015 projections, increases of 2016/17 1%, 2017/18 2.25% and 2018/19 3% have been included. For 2015/16, the countywide pooling scheme has resulted in benefits of £0.9m. The projections will be updated for 2016/17-2018/19 later in the year. At this stage, no allowance has been made for any surpluses or deficits on the collection funds operated by the Borough and District Councils;
- **Other Specific Government Grants:** it is likely that there will be further reductions to specific grants. Planning assumptions are that reductions in specific grants will be borne by the services supported by those grants. There are relatively few specific grants remaining. There is a risk that the Public Health Grant (of £24m in 2015/16) will be rolled into the RSG and therefore may diminish in the same way with significant impact on the service should there be no mitigating policy;
- **Funding Capital Programme** – the current working assumption is that there will be a revenue contribution to the capital programme of £7.5m. This may not be sufficient and members may wish to adjust it when the capital programme pressures are known;
- **New Homes Bonus:** it is assumed that there will be no changes to the existing scheme. It is transferred to the capital reserve to fund economic growth activities rather than supporting general service expenditure. There is a risk that the scheme will be withdrawn and this will have an impact on the capital programme;
- **Council Tax:** following three years of accepting the Council Tax freeze grant offered by Government, Council Tax was increased by 1.95% for both 2014/15 and 2015/16. This increase enabled the Council to maximise the control it has over its funding so that it can manage its own business as far as possible. For 2016/17-2018/19, an annual increase of 1.95% has been assumed. The Localism Act 2011 placed a duty on Local Authorities to hold a referendum if they wished to raise their Council Tax above the limit that applies to them – the limit is currently 2% although this could change given the current levels of inflation. At this stage, no allowance has been made for any surpluses or deficits on the collection funds operated by the Borough and District Councils;
- **Council Tax Base:** as billing authorities, the Borough and District Councils are responsible for estimating the number of properties which form the tax base. For 2015/16, the tax base increased by 1.5%. For 2016/17-2018/19, an annual increase of 1% has been assumed;
- **Inflation:** our planning assumptions include provision of 2016/17 £7.209m, 2017/18 £7.25m and 2018/19 £7.74m for pay awards (2% for each year) and inflationary increases;

- National Insurance: currently, employees who are paying into a contracted out occupational pension scheme do not receive the state second pension and pay a lower rate of national insurance contributions. This practice will cease from April 2016 and both employers and employees will pay increased national insurance contributions. This is projected to cost an additional £2.5m per annum;
- Adult Social Care Growth and Demography: this has been calculated using an average of information from three sources – LG Futures model, PWC model and in-house data on the independent sector;
- Independent Living Fund (ILF): this is an external public agency which will close on 30 June 2015. At this point funding will be transferred to Local Authorities, but not ring-fenced to match the payments to individual fund users. The key issue is whether the funding is based on local authority assessed costs of care as opposed to services previously supported by ILF. It is estimated that the budget pressure may be in the region of £850,000;
- Extension of Foster Care to 21: £3.3m by March 2019.

5.6 The projected deficit, therefore, before allowing for the risks and implications of the Care Act is £51.5m (note 1 MTFP).

5.7 The impact of the Care Act 2014 has been projected using information modelled by an independent public sector finance company who has advised the Department of Health, and local assumptions with regard to any Government funding. The assumptions are:

5.8 The low risk funding pressure by 2018/19 will be in the region of £13.6m. This is based on the following assumptions:

- The number of self-funders will be 8,900, of which 5,500 will be eligible for an assessment and of which 1,700 will be eligible for some level of ASC funded support.
- We may need to assess up to 2000 Carers.
- Additional pressure from increased care costs will be £6.2m.
- Working Age Adults – loss of income from changed regulations - £2m.
- Increased staffing costs to meet the assessment and care management responsibilities for additional clients - £4.6m.
- Other costs – including information and guidance, advocacy, safeguarding - £0.8m.

5.9 ASC currently supports 9,500 clients with long term care and support needs (excluding one-off equipment etc.). The potential impact of the Care Act is, as a minimum, 1,700 additional clients; which represents an 18% increase in clients supported.

5.10 The funding assumptions are:

- Care Support within Prisons - £0.1m (from initial grant regulations).
- Better Care Fund - £2.7m. Based on current guidance and funding included within the BCF Pooled Budget. The funding supports additional costs of carers, safeguarding, information and advice and advocacy.
- New Burdens Funding - £8.3m. This is assuming that the funding support 65% of Care Act pressures.
- Total assumed funding - £11.1m.

5.11 The minimum risk associated with the Care Act based on the assumptions above is £2.5m (£13.6m less £11.1m – note 2 MTFP).

5.12 The unknown factors relating to the Care Act:

- Change in self-funder numbers eligible for assessment and ongoing care and support has a significant impact on financial risk.
 - High Risk - £18.8m – (note 3 MTFP).

- Impact on the Market – it is likely that the implementation of the Care Act will have a significant impact on the residential care market although the Government has not acknowledged this to date and has not accepted that this will need to be funded (note 4 MTFP).
- New Burdens Funding – there is a risk that this funding will be withdrawn over time (note 5 MTFP).
- Timescales for implementation: there is speculation that the 1 April 2016 implementation will be delayed – 6 months or a year?
- Whatever funding is made available by the Treasury, if it is not released as a specific grant, there will be limited benefit if it is just rolled into a diminishing RSG.

5.13 Finally, the detailed implications of the new Government's spending plans will not be known until late 2015; there could be numerous issues which will directly affect Local Government funding – (note 6 MTFP).

East Sussex County Council		APPENDIX 3 ANNEX 1			
Medium Term Financial Projections					
	15/16	16/17	17/18	18/19	
	Estimate	Estimate	Estimate	Estimate	
	£million	£million	£million	£million	
RESOURCES					
Business Rates	(70.785)	(71.875)	(73.651)	(76.031)	
Revenue Support Grant	(65.093)	(47.453)	(32.261)	(18.561)	
Council Tax *	(231.775)	(233.967)	(240.915)	(248.069)	
New Homes Bonus	(2.497)	(2.999)	(3.104)	(3.129)	
TOTAL RESOURCES	(370.150)	(356.294)	(349.931)	(345.790)	
PLANNED EXPENDITURE					
Net Service Expenditure	309.734	309.734	325.219	334.083	
Pay Award/Inflation		7.209	7.250	7.740	
NI - Abolition of Contracted Out		2.500			
New Pressures					
- Adult Social Care Growth & Demography		3.244	0.714	0.722	
- Extension of Foster Care to 21		1.700	0.900	0.700	
- Independent Living Fund		0.832			
NET SERVICE EXPENDITURE	309.734	325.219	334.083	343.245	
Treasury Management	30.566	30.566	30.566	30.566	
Funding Capital Programme - base contribution/CERA	13.400	7.500	7.500	7.500	
Funding Capital Programme - New Homes Bonus	2.497	2.999	3.104	3.129	
General Contingency	3.500	3.260	3.190	3.150	
Contribution to balances and reserves	4.542	0.648	0.648	0.648	
Pensions	5.479	6.299	7.429	8.559	
Levies	0.432	0.441	0.450	0.459	
TOTAL CORPORATE EXPENDITURE	60.416	51.713	52.887	54.011	
TOTAL PLANNED EXPENDITURE	370.150	376.932	386.970	397.256	
DEFICIT PRE CARE ACT	0.000	20.638	37.039	51.466	1
Care Act Implementation - Low Risk		2.320	2.462	2.477	
Total including Care Act Implementation	0.000	22.958	39.501	53.943	2
Increased volume of assessment & care packages - High Risk		18.400	18.600	18.800	
Total including high risk volumes	0.000	41.358	58.101	72.743	3
Impact on the Market		?	?	?	
Total including Impact on the Market	0.000	41.358	58.101	72.743	4
If New Burdens funding @ 65% ceases				8.312	
Total including loss of New Burdens funding	0.000	41.358	58.101	81.055	5
Other risks including loss of Public Health Grant			?	?	
POTENTIAL DEFICIT	0.000	41.358	58.101	81.055	6

* - for 2015/16 this includes the collection fund surplus for 2014/15, which was taken account of in Council Tax setting for 2015/16

APPENDIX 4

Capital Programme Update

1. Background

1.1 The Council approved the current Capital Programme on the 10th February 2015, as part of setting the 2015/16 budget.

1.2 For 2014-15, the Capital Programme is reporting a variation of £50.8m against an approved gross budget of £170.5m. This is due to slippage on a handful of major projects such as £9.5m on Bexhill Link Road as a result of adverse weather conditions, £6m due to a delay on Hastings Library in order to allow the project plans to be reviewed to prevent an overspend, £9.3m in the School Places Programme due to issues relating to planning deferring expenditure by £2.5m and the remainder of the variation due the budget not being aligned to delivery plans, £5.2m on the Broadband scheme due to implementation costs being lower than anticipated allowing for a Phase 2 in 2015-16 and Terminus Road has incurred slippage of £3.1m as the project is still in development stage and firm cost profiles will not be known until a contractor is appointed.

2. Capital Programme Review and Update

2.1 Significant work has been undertaken during the year and a review of the programme management is ongoing to address the robustness of the Capital Programme governance and deliverability of the projects within identified timeframes.

2.2 The review since February 2015 has identified a number of impacts as follows:

- Reprofitting of existing schemes including slippage from 2014-15 to ensure alignment with delivery timescales;
- Reclassification of building improvement project expenditure to “revenue” and a corresponding reduction of the programme and revenue budget funding (net nil impact); and
- Additional budget requirement for Schools Access Initiative Programme.

2.3 These findings are summarised in the table below. The overall programme detail showing the changes in the schemes and projects is set out in Appendix 4, Annex 1.

Capital Programme 2015-16 to 2017-18	£m
Current Approved Gross Capital Programme (2015 to 2018) as at February 2015	303.1
Add:	
Approved Variations post February 2015	3.4
2014-15 Slippage	52.6
2015-15 Spend in Advance	-2.4
Review Recommendations:	
Scheme reclassified as revenue	-0.9
Additional Budget Requirement	0.5
Total Gross Programme	356.3
Less:	
Scheme Specific Resources	-102.8
Proposed Capital Programme (NET)	253.5

Committed and Uncommitted Schemes

2.4 The Capital Programme can be classified between contractually committed and schemes approved by members, where the contract has not been let. Prior to year-end, the contractually committed figure amounted to £103.2m. There have been a number of movements since the last programme review, and additional slippage identified at year-end would increase the committed figure to £134.7m.

2.5 The additional budget requirement of £0.19m for Schools Access Initiative is also committed, thereby increasing the overall committed figure to £134.9m.

Additional Resources

2.6 After financing of the 2014/15 capital expenditure and programme review the following table sets out the current resources for the period to 2017/18 therefore leaving £4.1m of additional available resources.

Capital Programme Resources	£m
Current Capital Programme Net Funding	253.5
Add Additional Resources	
DfT Transport Grant allocation over planned estimate	0.5
DfE Schools Condition Grant Allocation over planned estimate	1.8
Additional contribution to reserve (HCIP repayment & saving from reduced borrowing)	0.9
Additional Non Specific Grant & S106 Income	0.1
2014-15 Underspend	0.8
Total Resources	257.6

Capital Programme Contingency

2.7 At the meeting of the County Council in February 2015, approval was given for a £10m contingency to be held to manage risk. This contingency was approved to cover the following:

- Inflationary pressures on construction costs;
- Uncertainty about delivery of projects in the programme (eg. Bexhill to Hastings Link Road and Highways procurement);
- Unknown requirements; and
- Uncertainty regarding the level of Government grants.

2.8 Of the agreed £10m contingency approved in February, £8.8m remains. Draws on the contingency to date have been as follows:

Project	£m	Approval
2014-15 Draws		
The Grove	0.5	Capital Board 09.10.14
Etchingham	0.5	Capital Board 13.03.15
2015-16 Draws		
Schools Access Initiative Confirmed Need	0.2	Capital Board 14.05.15
Total	1.2	

2.9 Including the available additional resources (set out in paragraph 2.6 above), there is £12.9m of contingency available to manage risk in the future.

2.10 In line with the Treasury Management Policy and the Capital Strategy, the reduced requirement for Minimum Revenue Provision as a result of a reduction in borrowing to support the Capital Programme, has enabled a further reduction in the Capital Programme borrowing to £92m (from the previously reported £94m).

3. Looking Ahead

3.1 There will be a new five year Capital Programme from 2018-19. Early work has taken place to identify and quantify our core need requirements from 2018-19 onwards. Our core need is currently estimated at £414m and is outlined below:-

- Schools places (primary, secondary and special) - £229m;
- Highways Programme (structural maintenance core contract, bridge strengthening and street lighting) - £122m;
- Highways Rights of Way and bridge replacement programme - £2m;
- Property building improvements (priority works) - £40m; and
- ICT Strategy - £21m.

3.2 Against a backdrop of reducing Government grants, consideration is being given to the available level of revenue contributions, potential use of S106, Community Infrastructure Levy developer contributions, capital receipts and maximising the potential from our asset base.

3.3 Initial estimates of our core need requirements were discussed at the Capital Board in May 2015. A review of the Capital Programme to produce a robust profile for future planning has taken place whilst consideration of our future resource position is ongoing.

CAPITAL PROGRAMME 2015-16	15/16	16/17	17/18	Total Remaining Budget
	£'000	£'000	£'000	£'000
2015/16 County Council Feb 15	139,275 (23,588) 115,687	71,621 (23,617) 48,004	92,217 (42,250) 49,967	303,113 (89,455) 213,658
Add: Approved Variations Post February 2015	3,415 (2,493)	10 (10)		3,425 (2,503)
Add: 2014/15 Slippage	50,178 (10,514)			50,178 (10,514)
Updated 15/16 Opening Position	192,868 (36,595) 156,273	71,631 (23,627) 48,004	92,217 (42,250) 49,967	356,716 (102,472) 254,244
Capital Programme Review - Recommendations				
<u>Schemes Reclassified as Revenue</u>				
Capital Building Improvements expenditure reclassified as Revenue	(918)			(918)
<u>Additional Budget Requirements</u>				
Schools Access Initiatives	190			190
Agile Reclassification of Expenditure from Revenue to Capital	333 (333)			333 (333)
<u>Scheme Reprofiles</u>				
ASDC 2012/13	(15)	15		
Early Years 2yr Old Grant	(100)	100		
Mobile Replacement Programme (formerly Battle & Langton)	(150)	150		
Core Programme - Schools Basic Need	(12,837)	17,053	(4,216)	
Bexhill Hastings Link Road Corporate Contingency	662	405	(1,067)	
BHLR Complementary Measures	(45)		45	
Economic Growth & Strategic Infrastructure Programme	(1,900)	(150)	(28,100)	(30,150)
LEP Funding (SELEP)	600		28,100	28,700
S106 Contributions - Various	657	150		807
Integrated Transport	1,900	150	28,100	30,150
S106 Contributions - Various	(657)	(150)		(807)
LEP Funding (SELEP)	(600)		(28,100)	(28,700)
Mobile Replacement Programme - Hankham	(1)			(1)
Mobile Replacement Programme - All Saints	(37)			(37)
Mobile Replacement Programme - Chantry	(6)			(6)
Mobile Replacement Programme - Dudley	(115)			(115)
Mobile Replacement Programme (formerly Battle & Langton)	159			159
Core Programme - Schools Basic Need	(539)			(539)
Temporary Accommodation	539			539
Bexhill Primary Places	(25)			(25)
Bexhill Grant - 94077	25			25
Eastbourne Primary Places Phase 2	(2,349)			(2,349)
Basic Need 10/11 - 94113	2,122			2,122
St Mary Magdalen	(2,162)			(2,162)
Basic Need 10/11 - 94113	2,162			2,162
Core Programme - Schools Basic Need	4,536			4,536
Bexhill Grant - 94077	(25)			(25)
Basic Need 10/11 - 94113	(4,284)			(4,284)
Bexhill and Hastings Link Road	4,717			4,717
Bexhill Hastings Link Road Corporate Contingency	(4,717)			(4,717)
Capital Programme Revised Profile	179,988	89,354	86,979	356,321
Income	(36,928)	(23,627)	(42,250)	(102,805)
Net	143,060	65,727	44,729	253,516

2015/16 Treasury Management Strategy (extract)

1. Amendment to the 2015/16 Treasury Management Statement

- 1.1 Minor but important amendments are required to the Council's Treasury Management Strategy to permit the investment in shares in the Municipal Bonds Agency. The technical name for this type of investment is 'Non-Specified'.
- 1.2 It is important to note that the amendments will not enable the Council to make investments in shares where the sole purpose is to speculate on increasing share values.
- 1.3 It is proposed that the following sentences will be **deleted** from the Treasury Management Strategy (para 5.17):- *'Non-Specified investments are any other type of investment (i.e. not defined as specified above). The identification and rationale supporting the selection of these other investments and the maximum limits to be applied are set out in Table 4 below. Non specified investments would include any sterling investments'*.
- 1.4 The following sentences will be **added** to the Treasury Management Strategy (para 5.17: *'The Council may make an investment in the form of shares in the municipal bonds agency (Local Capital Finance Company Limited) where the primary purpose is to support the Council's priorities rather than to speculate on the capital sum invested. With the exception of the municipal bonds agency investment, only investments where there is no contractual risk to the capital invested and where the rate of return justifies their use will be entered into.'*

Non-Specified investments are any other type of investment (i.e. not defined as specified above). The identification and rationale supporting the selection of these other investments and the maximum limits to be applied are set out in Table 4 below. Non specified investments would include the purchase of shares in the municipal bonds agency (Local Capital Finance Company Limited).'

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Report to: **Cabinet**
Date: **29 June 2015**
By: **Chief Executive**
Title of report: **South East Seven (SE7) and South East Devolution Update**
Purpose of report: **To provide an update on the progress of the SE7 partnership and the initial devolution work with partners and Government**

Cabinet is recommended to:

Note the progress of the partnership and the initial work on devolution for the South East.

1. Position Statement

1.1 The last SE7 Leaders' Board meeting of Leaders and Chief Executives took place on 15 May 2015 and the notes of the meeting are attached as Appendix 1. The meeting had a specific focus on the decentralisation and devolution agenda with discussion on national policy shifts and the implications and opportunities for the SE7 partnership.

1.2 Following agreement at the previous meeting, Tony Travers, Director at London School of Economics, attended the meeting to deliver a presentation (a copy of the presentation is attached with the minutes at Appendix 1) on the challenge facing the public sector over the next five years, with a specific focus on:

- Future public expenditure and the consequence for Local Government; and
- The evolution of Government policy towards "sub-national Government".

1.3 The key points of Tony's presentation and the discussion were as follows:

- The Government's financial plans signal a continued period of reducing monies for the public sector, with Local Government taking a continued, larger share of the burden.
- The policy shift towards devolution represents an opportunity for Local Government to build strong cases for local freedoms and flexibilities.
- The SE7 offer/ask to Government would be better received if it were to be seen as providing a solution to or taking on a Central Government challenge.

1.4 The Board was in agreement that the SE7 is well-positioned to build a case for a transfer of a package of freedoms and flexibilities. A case for devolution could build upon the existing SE7 framework (namely a coalition of the willing where two or more councils can collaborate on shared priorities) and arrangements as a long-established partnership, with a proven track record and a strong and well-recognised brand (both nationally and locally). Any devolution activity would be predicated on strong relationships within the two-tier areas of the SE7 and would be an alternative to a change to Unitary Authorities.

1.5 The Board also considered the work undertaken by the Chief Executives' Board (with the support of KPMG) to explore the specific devolution opportunities for the SE7. Caroline Haynes, Director at KPMG, set out the context and options for the SE7. The key points of the discussion were as follows:

- A SE7 devolution offer would fit with the Conservative manifesto pledge to "strengthen and improve devolution for each part of our United Kingdom in a way that accepts that there is no one-size-fits-all solution". Development of a SE7-specific devolution offer and governance model is critical to ensure the proposal is received well by

Government and is locally appropriate for the SE7 (i.e. to reflect that the SE7 is not a city region and that the mayoral model would not be appropriate).

- The relationship of most of the SE7 area to London was considered critical and infrastructure within the SE7 was noted as an essential component of a SE7 offer.

2. Next Steps

2.1 It was agreed that a coalition of willing SE7 authorities would be formed, who would work at pace to progress this activity. The case for devolution will not focus solely on savings: it is primarily about the best possible outcomes and service provision for residents. The group would develop a SE7 framework for fiscal devolution of the following:

- road and rail infrastructure;
- digital infrastructure;
- adult social care and health;
- employment and skills; and
- support to local businesses.

2.2 Since the meeting, East Sussex, Surrey and West Sussex County Councils have, agreed to explore with Government what powers and freedoms can be devolved to this part of the South East. The three councils are clear on the crucial role that partners, especially Borough and District Councils, will play in the shaping of a successful devolution offer. Further detail of the initial offer to Government is set out in the letter to the Secretary of State for Communities and Local Government, Rt. Hon. Greg Clark MP, at Appendix 2.

2.3 As the devolution discussion develops with Government and partners over the coming weeks and months, further updates will be provided to Members. Where decisions need to be made which impact ESCC, formal endorsement will be sought through Reconciling Policy, Performance and Resources and other relevant governance mechanisms.

2.4 A communications and stakeholder engagement strategy will be developed to ensure the devolution offer can be shared and communicated in the most effective way.

2.5 A number of additional activities will also be progressed by the SE7:

- Collaboration with the Behavioural Insights Team will continue and an update will be shared with the Leaders' Board at the next meeting in September; and
- The Chief Executives' Board will consider the review by Louise Casey into the Rotherham Child Sexual Exploitation case at their next meeting and any lessons will be shared at a future meeting of the Leaders' Board.

Becky Shaw
Chief Executive

Contact Officer: Lee Banner

Tel no. 01273 481857



SOUTH EAST SEVEN (SE7) MEETING

Friday 15 May 2015

Attendance

Members

- Cllr. Keith Glazier, Leader, East Sussex County Council (Chairman)
- Cllr. Roy Perry, Leader, Hampshire County Council (Vice-Chairman)
- Cllr. Paul Carter CBE, Leader, Kent County Council
- Cllr. John Simmonds, Deputy Leader, Kent County Council
- Cllr. Alan Jarrett, Deputy Leader, Medway Council
- Cllr. John Furey, Cabinet Member for Highways, Transport and Flooding, Surrey County Council
- Cllr. Louise Goldsmith, Leader, West Sussex County Council

Officers

- Becky Shaw, Chief Executive, East Sussex County Council
- Lee Banner, Policy Officer, East Sussex County Council
- Indea Cadman-Rivers, Policy Development Officer, East Sussex County Council
- Gary Smith, Assistant Director: Adult Social Care, Hampshire County Council
- David Cockburn, Head of Paid Service, Corporate Director of Strategic and Corporate Services, Kent County Council
- Neil Davies, Chief Executive, Medway Council
- David McNulty, Chief Executive, Surrey County Council
- Gill Steward, Chief Operating Officer, West Sussex County Council

Visitors

- Caroline Haynes, Director, KPMG
- Professor Tony Travers, Director, London School of Economics

Apologies

- Penny Thompson, Chief Executive, Brighton & Hove City Council
- Andrew Smith, Chief Executive, Hampshire County Council
- Cllr. David Hodge, Leader, Surrey County Council

1.	Introduction and Minutes of last meeting
1.1	Cllr. Glazier welcomed everybody to the meeting and everyone introduced themselves.
1.2	The Board AGREED the minutes of the last meeting of 13 January 2015.
1.3	It was confirmed that that the Chief Executives' Board is continuing to liaise with the Behavioural Insight Team (BIT) and progress will be reported to the Leaders' Board.
1.4	The Chief Executives' Board is considering the review by Louise Casey into the Rotherham Child Sexual Exploitation case at their next meeting in June and any lessons will be shared at a future meeting of the Leaders' Board.
2.	General Election: Reflections and Implications (a) Guest Speaker – Professor Tony Travers, London School of Economics, to share his reflections (b) Opportunity to discuss implications
2.1	<p>Tony Travers delivered a presentation entitled 'The challenges facing the public sector over the next 5 years' which focused on:</p> <ol style="list-style-type: none"> 1. Predicted public expenditure in the future and the direct consequence on Local Government; and 2. The evolution of government policy towards "sub-national government" with specific focus on policies regarding cities and Scotland. <p>A PDF of the presentation is circulated with the notes of this meeting.</p>
2.2	<p>As part of the first section of his presentation, Tony set out the following points:</p> <ul style="list-style-type: none"> • The Chancellor of the Exchequer is planning on running national spending at a level lower (via reducing public spending) than tax receipts (approximately 36% - amongst the lowest in Europe) in order to mitigate and pay off the national deficit and produce a surplus over the course of this Parliament. • As the Coalition Government protected a number of the Departmental Expenditure Limits (DELs - eg. Health, Education, Welfare) and unprotected other DELs (eg. Local Government, Defence, Transport), the burden of reducing the deficit was not experienced equally. The result of the General Election in May 2015 reinforces the split between the protected and unprotected categories and the contributions that will be required over the course of the Parliament towards the deficit reduction. Less money will be available for the public sector as a whole but the channelling of more money to protected areas means that unprotected areas will experience a disproportionately large reduction. Local authorities' spending in England has reduced since 2009. It is predicted that Local Government spending is to fall by 40%-45% between 2009/10 and 2020. • It was acknowledged that National Non-Domestic Rates are currently under review and this may impact business rates. • The need to consider more joint working and working with the private sector will become more important. • The upcoming Spending Review and the budget (July 2015) will shed more light on the financial context for the public sector.
2.3	The second part of the presentation focused on decentralisation and devolution policy and Tony set out the following:

	<ul style="list-style-type: none"> • The Government has decided that the economy needs to be rebalanced and when comparing GVA per head for the southern regions: South East, East and London, they have been growing at a higher rate, comparative to the rest of the country. In the current context of devolution for Scotland and Wales, devolution for England also needs to be considered. The approach should be viewed as a “levelling up” of the northern regions, rather than the “levelling down” of the southern regions. • Jim O’Neil has been appointed as a Treasury Minister in David Cameron’s Government reshuffle. This appointment to “make devolution and the Northern Powerhouse happen” is evidence for current and future discussion focused on spending and control for cities with an elected Mayor. • The first wave of “City Deals” was launched in March 2015, with Greater Manchester’s (GM) the first to be published at the Budget. Eight deals with the wider economic areas of all the “core cities” outside London have now been concluded. • It was recognised that in order to support urban areas in growing faster, a small number of northern cities/city regions should be focused on. • The current Government is placing a great emphasis on elected Mayors in exchange for new powers (including transport [and the ability to implement a bus franchising system]; a city-wide planning function; and housing functions). Although the Mayor in the GM model is elected, this is within a power-sharing agreement with the Local Government Leaders, assuming joint leadership. Greater responsibility for skills and the Police and Crime Commissioner role may also be devolved to Local Government. In the run up to the General Election, the Chancellor also confirmed that he was willing to hand over some control of the NHS to GM. It was suggested that, by partially devolving the NHS to cities, the argument, in terms of social care, and other Local Government councils wanting devolution becomes a lot more powerful.
2.4	<p>The SE7 Leaders were in agreement that the political arguments and strategic choices have to be considered, as well as economic objectives, when considering devolution. Any bids for devolution should be conducted as part of a symbiotic relationship as opposed to at the expense of another region.</p> <p>The tactics of approaching Government regarding devolution were discussed. It was acknowledged that the SE7 devolution “ask” to Government would be better received if it is seen to be providing a solution to a government challenge or to take on a matter which is considered difficult for Central Government.</p> <p>Cllr. Glazier thanked Tony Travers for his attendance and contribution to the discussion and debate.</p>
3.	The SE7 Case for Devolution and Communications Strategy
3.1	<p>Caroline Haynes was welcomed to the meeting. KPMG has worked with the SE7 Councils to develop the SE7 Case for Devolution.</p> <p>A number of the key points raised by Caroline include:</p> <ul style="list-style-type: none"> • It was acknowledged that, although the case for SE7 devolution is strong, there needs to be greater agreement and clarity regarding next steps. The purpose of the discussion was to act as a starting point for decisions and

	<p>actions.</p> <ul style="list-style-type: none"> • The Conservative Government pledged in their manifesto to “strengthen and improve devolution for each part of our United Kingdom in a way that accepts that there is no one-size-fits-all solution”. This is key for the SE7 in developing a devolution and governance model that works for the seven councils. • The unique context of the SE7 region was presented. The SE7 is the third largest economic region in GVA in the UK (with London and Northwest in first and second) and the difference with the Northwest has lessened during recent times. The importance of the SE7’s proximity with airports and travel links and active enterprises was recognised. KPMG suggested that with the SE7 economy growing faster than the UK as a whole, the case for devolution must focus on the capitalisation of this important foundation since more control would allow SE7 to better reach its growth potential. • The SE7 “growing pains” were discussed with a huge rise in population of the SE7 in the last decade. Over 700,000 people have left London and moved to the SE7 area in the last 10 years and the same number is due to move again in next seven years. This will result in greater social requirements including infrastructure needs. In the SE7 area, more schools places will be required; adult social care spending in the SE7 region is the same as London but with 50% of population, due to the high numbers of older residents. 12% of the total Adult Social Care spending in England is in the SE7. • Infrastructure was noted as a salient issue considering the substantial rise in usage of the railways in the South East and the disproportionate resources invested. It was understood that should this begin to impinge on London’s success, this issue will be of increasing political and economic importance. • The connection to and link with the four LEPs across the SE7 area was raised.
3.2	<p>The SE7 initial devolution framework comprises fiscal devolution over the following areas:</p> <ul style="list-style-type: none"> • road and rail infrastructure; • social care and health; • employment and skills; and • infrastructure for the future.
3.3	<p>Although detailed work is to be conducted, there needs to be some consideration about “entering the conversation” early, allowing SE7 partners to be recognised in the conversation and navigate challenges.</p> <p>Leaders AGREED that the SE7 should move quickly to state the case for devolution to the new Government and that the Chief Executives’ Board should continue to develop the work.</p> <p>It was AGREED that a coalition of willing authorities would be formed, who would work at pace to progress this work (although this doesn’t permanently exclude any authorities). The Case for Devolution would not focus on savings: it is primarily about the best possible outcomes and service provision for residents and solving at local level significant challenges for Government.</p> <p>Governance arrangements are still to be decided and the initial importance is</p>

	<p>to provide a strategic case for councils to work together in the SE7 area, which then, in turn, allows opportunities to arise.</p> <p>It was AGREED that the SE7 would ensure that the County Councils Network and the South East Strategic Leaders would be kept informed of this work.</p> <p>It was AGREED that West Sussex County Council will continue to lead the discussion and work on devolution.</p> <p>Surrey County Council AGREED to co-ordinate the communication and stakeholder engagement plan.</p> <p>Cllr. Glazier thanked Caroline Haynes for her attendance and contribution to the discussion.</p>
4.	Next Meeting
4.1	The date of the next meeting of SE7 Leaders' Board is 10.30am - 12.30pm, 18 September 2015, Sofitel Gatwick.

The challenges facing the public sector over the next 5 years

Tony Travers
London School of Economics

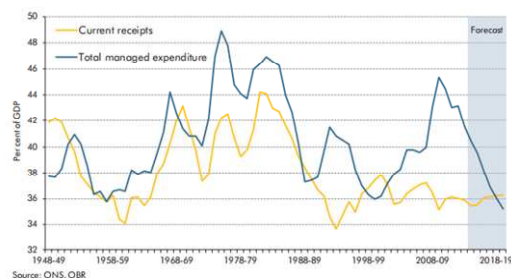
Slide 2

UK public finances in the longer-term

- Many governments run deficits, and not only for 'Keynesian', counter-cyclical, reasons
- Politicians now find themselves, because of their weakened position, offering 'Sweden's public services with American taxes'
- UK tax receipts are stuck at 37-38% of GDP
- No deficit (or a surplus) means spending cannot exceed receipts

Slide 3

Taxation and public expenditure as % of GDP



Source: Office for Budget Responsibility, *Economic and fiscal outlook Charts and Tables*, March 2014, Chart 1.1

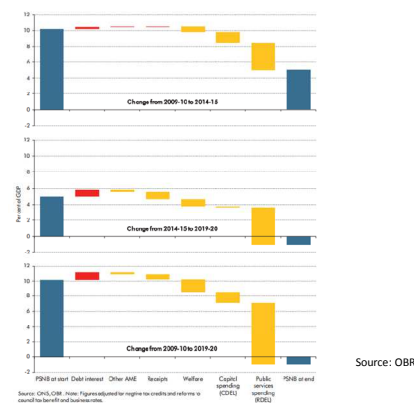
Slide 4

Cutting the UK deficit

- A small part of public expenditure has borne most of the effort to reduce the deficit
- Borrowing up, welfare spending up, 'protected' spending up, interest charges up
- 'Unprotected' services such as local government, police, Home Office and capital investment have been sharply cut
- The General Election has not changed any of the underlying factors
 - Indeed, the protected services are now protected to 2020

Slide 5

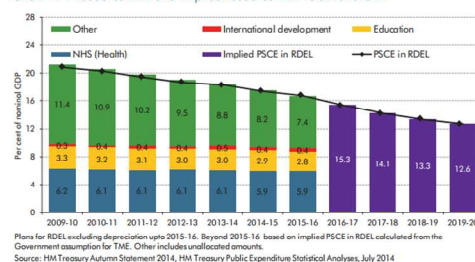
Sources of deficit reduction



Slide 6

The future of 'unprotected' expenditure: Coalition plans (2015)

Chart 4.4: Resource DEL and implied resource DEL relative to GDP



Slide 7

The State is changing: more welfare and less of everything else

- The NHS is increasing within the State, as is welfare and education
- Defence, Business, Home Office, Justice, Transport and local government all now in long-term decline
- Reducing public expenditure to 37% or even 35% of GDP will further raise the share of welfare within public expenditure

Slide 8

Public expenditure as % of GDP

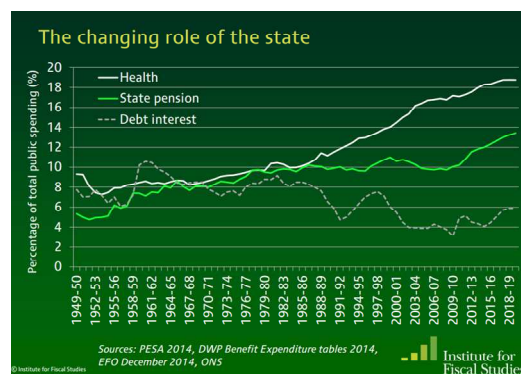
	1975-76	1990-91	2000-01	2009-10	2013-14	2018-19 Con	2018-19 Lab
Health	5.2	4.7	5.4	8.2	7.9	8	8
Education	6.2	4.8	4.6	6.2	5.5	5	6
Social protection	9.0	11.7	12.8	15.6	15.4	15.5	15.5
All other services	26.1	18.0	11.5	17.0	15.0	7.5	9.5
TOTAL	46.5	39.2	34.3	47.0	43.8	36	39
Defence	5.4	3.8	2.6	2.6	2.2	?	?
Housing	4.2	1.0	0.5	1.1	0.7	?	?

Sources: (i) *The Government's Expenditure Plans 1981-82 to 1983-84*, Cmnd 8175, Tables 1.2; 1.7; 2.10 and 2.11
 Spending for Scotland, Wales and Northern Ireland has to be added to England to create UK
 (ii) *Public Expenditure Statistical Analyses 2014*, Table 4.4
 (iii) *Budget 2015*, HM Treasury, Table 2.3

Note: Some difference in definitions in 1975-76 compared to all later years. But impact marginal

Slide 9

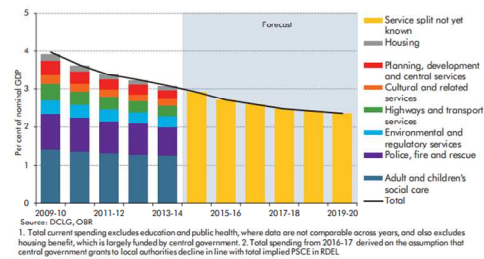
The changing composition of the UK State (IFS)



Slide 10

OBR's projection of local government current expenditure, England

Chart 4.5: Local authority current spending in England



Slide 11

Local government current expenditure 2009-10 to 2018-19 (cumulative, projected)

England	2009-10	2018-19	% change	
			cash	real
Highways & transport	6541	3110	-52.5	-59.7
Social care	20963	21885	+4.3	-11.4
- Children's	6396	7571	+18.4	+0.5
- Adults	14567	14313	-1.7	-16.6
Housing	2715	1346	-50.4	-57.9
Culture, env't, planning	11083	7105	-35.9	-45.6
- Cultural	3465	2083	-42.8	-49.0
- Environment	5308	4383	-17.4	-29.9
- Planning	2310	642	-72.2	-76.6
Police	12022	9502	-21.0	-32.9
Fire & rescue	2177	1971	-9.5	-23.2
Central services	3771	2700	-28.4	-39.2
Total - cash	59272	47623	-19.7	
Total - real	59272	40418		-31.8

Sources: (i) (2013-14 expenditure figures taken from DCLG Local authority revenue expenditure and financing statistics 2009-10; (ii) 2018-19 expenditure figures estimated by applying annual average cash percentage changes for each service from 2009-10 to 2013-14 to the period 2013-14 to 2018-19. Note: service-by-service figures scaled to fit total; (iii) GDP deflator: (i) Public Expenditure Statistical Analyses 2014, Table F2 and OBR, Economic and Fiscal Outlook charts and tables – March 2014, table accompanying Chart 3.27;

Slide 12

The future

- Budget 2015: local government spending to fall by 40% to 45% between 2009-10 and 2020
- A Labour-led government would moderate this somewhat
- Real chance the LG fall will have to continue so as to fund the NHS, schools, international development and other 'protected' provision
- Unless tax were to rise, but national politicians are incapable of raising tax other than for the 'very rich'
 - 50p income tax rate above £150,000; Mansion Tax, Non-doms
- Where next for the State?
 - More regulation of the private sector
 - More joint working with the private sector
 - Greater leverage of private capital to deliver public objectives



Mr. Greg Clark
 Secretary of State
 Department for Communities and Local Government
 2 Marsham Street
 London
 SW1P 4DF

11th June 2015

Dear Mr. Clark,

A proposal for devolution – Sussex and Surrey

We, the Leaders of the three County Councils of Sussex and Surrey are keen to meet with you and Treasury colleagues to explore our thoughts about a set of offers to the Government. We believe that, by working with us and our local partners differently, we will deliver continued economic growth and tackle the "growing pains" caused by our area's success.

As you are already aware the South East 7 (SE7) partnership of seven south east councils formed in 2010 has delivered fundamental service reform and significant savings. SE7 commissioned a report on the post-recession local economy. This work, called the "Cost of Success", highlights the critical role the economy of the South East plays in the economic growth of the UK and identifies the impacts growth and population change, especially migration from London, have on public services and on infrastructure. It clearly identifies the risk that constraints to growth in our area could inhibit the continued recovery of the UK economy, especially in and around London. Sussex and Surrey, at the heart of SE7, are the partners who are ready and willing to seize the opportunity the Government's commitment to City and County Devolution provides and to move forward with you at pace.

Sussex and Surrey

At the geographic and economic heart of the SE7 area is a well-developed partnership between the three County Authorities of Surrey, East Sussex and West Sussex. Our combined GVA (2013) is £63.5 million which is bigger than both the whole of Wales (£52 million) and Greater Manchester Combined authority (£56 million). Our population (2,507,900) is comparable to that of the combined authority of Greater Manchester (2,714,900). Sharing support for the new administration's ambition to deliver growth, the three Counties have committed to formalising their partnership under the banner of SE7 and to develop our existing strong relations with our borough and district councils and other local partners to develop a new model of public service delivery for our area. We believe we can develop a robust and effective alternative to structural change. We have the full support of our other SE7 colleagues. Our commitment to SE7 remains and it will

evolve, as will our complex partnership landscape, to ensure our focus is on delivery with appropriate accountability.

The proposal

At the heart of our proposal for a new relationship with the Government is a huge appetite for effective delivery closer to the our residents, communities and businesses; for sharing risk in an operating model that is less reliant on central state funding whilst securing sustainable funding for local public services; and delivering revenue that will support growth initiatives in other key economic areas. It recognises;

- The power and critical role of the South East within the UK economy.
- The area's role as the major source of funding of government spending in the UK.
- The need to balance strong economic growth and an increasing population with the preservation of our beautiful environment.
- The strong record of competence and effective delivery.
- The importance of giving the people of the South East a fairer deal.

We also see a need for a different approach to devolution – one that emphasises scale and the need for a wider collaborative approach to deliver value for money, sustainable public services and to remove barriers to further growth. Together we can ensure that the right decisions are made in the right places to guarantee that the current contribution to our nation's success and finances is not only continued but also expanded to its full potential. Our three counties are special places with a strong sense of identity and place. They are achieving the delicate and fundamental challenge of balancing strong growth and preserving a beautiful environment. However, their ability to sustain that crucial balance needs us all to work differently. We operate to simple and powerful principles:

- one place one budget
- to grow at scale you operate at scale
- strategic interventions need planning over time not annual bidding rounds
- strong local governance produces better value and outcomes

Our offer

We have identified a number of concrete offers that we believe will enable us to achieve the delicate and fundamental challenge of balancing strong growth and the environment and to deliver significantly improved public service solutions for our local people. They focus on the following initial areas:

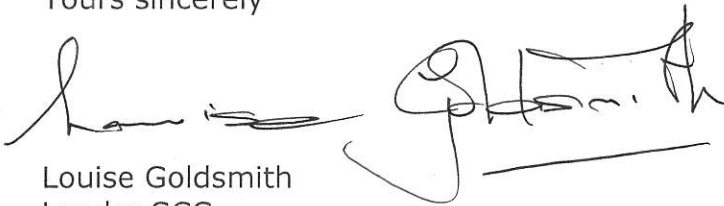
- Infrastructure and transport – ways of driving speedier and more locally informed decisions about transport and major infrastructure planning especially around Gatwick and A27, but including rail and road planning.
- Digital and broader infrastructure for the future – both the 5G plans and the more significant aspects of funding and intervention to manage the physical environment.

- Health and adult social care – recognising the key role social care plays in determining the success of the NHS locally – focusing on the care market, the skills resources and the oversight mechanisms to support it as well as service planning with CCGs.
- Employment and skills – to extend the success of the Troubled Families programme and to promote apprenticeships through new grant criteria.
- Support to local small businesses – mechanisms for reducing red tape and better managing the local and national regulatory agenda.
- Fiscal devolution – identifying ways of better distributing available funds to support local planning and interventions across the area.

There will be other areas for discussion – especially as our dialogue with partners develops. We are committed to working with the Government and our local partners, especially the District and Borough Councils across the area, to explore these and other areas and are keen to meet to start discussion as soon as possible.

We look forward to hearing from you.

Yours sincerely



Louise Goldsmith
Leader SCC



Keith Glazier
Leader ESCC



David Hodge
Leader WSCC

cc George Osborne

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Report to: Cabinet

Date of meeting: 29 June 2015

By: Chief Operating Officer

Title: Ashdown Forest Trust

Purpose: To inform Cabinet of the movements on the Trust Fund during 2014/15 and the closing position at 31 March 2015.

RECOMMENDATIONS

Cabinet is recommended to note the report and the Ashdown Forest Trust's Income and Expenditure Account for 2014/15 and Balance Sheet as at 31 March 2015.

1 Background

- 1.1 The Ashdown Forest Trust, a registered charity, was set out by a declaration of Trust in 1988. East Sussex County Council is the trustee and agrees grants made to the Ashdown Forest Conservators, from the Ashdown Forest Trust Fund.

2 Supporting Information

- 2.1 The Trust's Income and Expenditure Account and Balance Sheet are set out in the attached Appendix A. The Income and Expenditure Account shows an annual deficit in 2014/15 of £18,694. The movement from the previously projected surplus of £1,768 is mostly attributable to the £21,000 grant payment for the refurbishment of the Ashdown Forest Visitor's Centre. This was approved by Cabinet and payment was made at the end of the financial year. There has also been a slight reduction in the audit fees that were estimated earlier in the year.
- 2.2 The main source of income was the rent from the Royal Ashdown Forest Golf Club, currently £70,000 per annum. A rent review took place at the end of 2014 and it was agreed that there would not be any increase in the rent payable. This decision was based on market evidence, which identified that the current rent was in line with the market and therefore a rent increase would be unreasonable. This will be reviewed every five years under the terms of the lease. The majority of the expenditure relates to the £65,100 annual grant paid to the Conservators of the Ashdown Forest.
- 2.3 In 2013/14, the Trust made an operating surplus of £176, when no one-off payments were approved but audit fees were more costly. The table in Appendix A shows the year on year movement in individual income and expenditure items.
- 2.4 The accumulated General Reserve totalled £155,470 at 31 March 2015.
- 2.5 A formal annual report and statement of accounts will be compiled in accordance with the Charity Commission's Statement of Recommended Practice (SORP). These

accounts will be independently examined before being submitted to the Charity Commission by 31 January 2016.

3 Conclusion and Reasons for Recommendation

- 3.1 The Trust made an operating deficit of £18,694 during 2014/15. The General Reserve as at 31 March 2015 amounts to £155,470. This fund is available to finance expenditure which meets the Trust's objectives.
- 3.2 Cabinet is recommended to note the final accounts for the Ashdown Forest Trust.

Kevin Foster
Chief Operating Officer

Contact Officer: Marie Nickalls
Tel. No. 01273 337649
Email: marie.nickalls@eastsussex.gov.uk

LOCAL MEMBERS

Councillors Galley, Stogdon, Tidy and Whetstone

Appendix A

	ASHDOWN FOREST TRUST	
	Income and Expenditure Account for the year ended 31 March 2015	
2013/14	Income	2014/15
£		£
	Fees	0
(70,000)	Rent of Golf Course	(70,000)
(871)	Bank Interest	(860)
(70,871)		(70,860)
	Less Expenditure	
65,100	Conservators of Ashdown Forest - Grant	86,100
5,595	Fees	3,454
(176)	(Surplus)/Deficit	18,694
	Balance Sheet as at 31 March 2015	
2013/14		2014/15
£		£
1,200,000	Fixed Assets: Land and Buildings	1,200,000
	Current Assets:	
178,745	Cash at Bank	157,970
	Current Liabilities:	
(4,481)	Sundry creditors	(2,400)
1,374,264		1,355,570
	Representing:	
	Reserves	
1,200,100	Endowment Fund	1,200,100
174,164	General Reserve	155,470
1,374,264		1,355,570

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Report to: **Cabinet**

Date: **29 June 2015**

By: **Chief Operating Officer**

Title of report: **External Audit Plan 2014/15**

Purpose of report: **To inform the Cabinet of the content of the Council's external audit plan for 2014/15**

RECOMMENDATIONS

The Cabinet is recommended to approve the External Audit Plan for 2014/15.

1. Background

- 1.1 The Plan confirms the 2014/15 core external audit fee as £111,429. This is unchanged from the 2013/14 fee. The fee is based on a number of assumptions, including the Council providing the auditors with complete and materially accurate financial statements, with good quality supporting working papers, within agreed timeframes.

2. Supporting Information

- 2.1 The attached East Sussex County Council (ESCC)'s external audit plan sets out in more detail the work the external auditors will conduct in order to audit the Council's 2014/15 accounts. The Plan now reflects any relevant issues that have arisen as a result of the audit of the 2013/14 account and other work carried out by KPMG e.g. the Value for Money assessment.
- 2.2 KPMG initial risk assessment has not identified any significant risks that are specific to the Council. Areas of audit focus either due to their size, level of judgement or their influence on other balances within the financial statements are:
- Accounting for Local Authority Maintained Schools;
 - Fraud risk from management override of controls;
 - Fraud risk over revenue recognition.

3. Conclusion and reasons for recommendations

- 3.1 KPMG overall audit approach remains similar to last year with no fundamental changes. Officers will continue to liaise with KPMG to ensure that their work is delivered as efficiently and effectively as possible and that internal and external audit plans are complementary and make best use of audit resources. The External Audit Plan was considered by Audit, Best Value and Community Services Scrutiny Committee at its meeting on 17 March 2015.

KEVIN FOSTER
Chief Operating Officer

Contact Officer: Ola Owolabi, Head of Accounts and Pensions
Tel. No. 01273 482017
Email: Ola.Owolabi@eastsussex.gov.uk

Local Member(s): All
Background Documents
None

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cutting through complexity

External Audit Plan 2014/15

East Sussex County Council

March 2015

The contacts at KPMG in connection with this report are:

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Report Sections	Page	Appendices	Page
■ Introduction	2	1. Independence and objectivity requirements	22
■ Headlines	3		
■ Our audit approach	4	2. Quality assurance and technical capacity	23
■ Key financial statements audit risks	10	3. Assessment of Fraud Risk	25
■ VFM audit approach	13		
■ Audit team, deliverables, timeline and fees	18	4. Transfer of Audit Commissions functions	26

This report is addressed to the Authority and has been prepared for the sole use of the Authority. We take no responsibility to any member of staff acting in their individual capacities, or to third parties. The Audit Commission has issued a document entitled *Statement of Responsibilities of Auditors and Audited Bodies*. This summarises where the responsibilities of auditors begin and end and what is expected from the audited body. We draw your attention to this document which is available on the Audit Commission's website at www.audit-commission.gov.uk.

External auditors do not act as a substitute for the audited body's own responsibility for putting in place proper arrangements to ensure that public business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.

If you have any concerns or are dissatisfied with any part of KPMG's work, in the first instance you should contact Philip Johnstone, the appointed engagement lead to the Authority, who will try to resolve your complaint. If you are dissatisfied with your response please contact Trevor Rees on 0161 246 4000, or by email to trevor.rees@kpmg.co.uk, who is the national contact partner for all of KPMG's work with the Audit Commission. After this, if you are still dissatisfied with how your complaint has been handled you can access the Audit Commission's complaints procedure. Put your complaint in writing to the Complaints Unit Manager, Audit Commission, 1st Floor, Fry Building, 2 Marsham Street, London, SW1P 4DF or by email to complaints@audit-commission.gsi.gov.uk. Their telephone number is 03034448330.

**This document describes
how we will deliver our audit
work for East Sussex County
Council.**

Scope of this report

This document supplements our *Audit Fee Letter 2014/15* presented to you on April 29 2014. It describes how we will deliver our financial statements audit work for East Sussex County Council ('the Authority'). It also sets out our approach to value for money (VFM) work for 2014/15

We are required to satisfy ourselves that your accounts comply with statutory requirements and that proper practices have been observed in compiling them. We use a risk based audit approach.

The audit planning process and risk assessment is an on-going process and the assessment and fees in this plan will be kept under review and updated if necessary

Statutory responsibilities

Our statutory responsibilities and powers are set out in the *Audit Commission Act 1998* and the Audit Commission's *Code of Audit Practice*.

The Audit Commission will close at 31 March 2015. However, our audit responsibilities under the *Audit Commission Act 1998* and the *Code of Audit Practice* in respect of the 2014/15 financial year remain unchanged.

The *Code of Audit Practice* summarises our responsibilities into two objectives, requiring us to audit/review and report on your:

- *financial statements (including the Annual Governance Statement):* providing an opinion on your accounts; and
- *use of resources:* concluding on the arrangements in place for securing economy, efficiency and effectiveness in your use of resources (the value for money conclusion).

The Audit Commission's *Statement of Responsibilities of Auditors and Audited Bodies* sets out the respective responsibilities of the auditor and the Authority.

The Audit Commission will cease to exist on 31 March 2015. Details of the new arrangements are set out in Appendix 4. The Authority can expect further communication from the Audit Commission and its successor bodies as the new arrangements are established. This plan restricts itself to reference to the existing arrangements.

Structure of this report

This report is structured as follows:

- Section 2 includes our headline messages, including any key risks identified this year for the financial statements audit and Value for Money arrangements Conclusion.
- Section 3 describes the approach we take for the audit of the financial statements.
- Section 4 provides further detail on the financial statements audit risks.
- Section 5 explains our approach to VFM arrangements work.
- Section 6 provides information on the audit team, our proposed deliverables, the timescales and fees for our work.

Acknowledgements

We would like to take this opportunity to thank officers and Members for their continuing help and co-operation throughout our audit work.

Audit approach	<p>Our overall audit approach remains similar to last year with no fundamental changes. Our work is carried out in four stages and the timings for these, and specifically our on site work, have been agreed with Marion Kelly, Chief Finance Officer and her team.</p> <p>Our audit strategy and plan remain flexible as risks and issues change throughout the year. We will review the initial assessments presented in this document throughout the year and should any new risks emerge we will evaluate these and respond accordingly.</p>
Key financial statements audit risks for the Council	<p>We have completed our initial risk assessment for the financial statements audit and have identified the following significant risks:</p> <ul style="list-style-type: none"> ■ Accounting for Local Authority Maintained Schools – Accounting for school assets owned by third parties ■ Fraud risk from management override of controls (required by ISAs) ■ Fraud risk over revenue recognition (required by ISAs) <p>This risk and other areas of audit focus are described in more detail on pages 10 to 12. We will assess these risk areas as part of our interim work and conclude this work at year end.</p>
VFM audit approach	<p>We have completed our initial risk assessment for the VFM conclusion and have identified the following risk:</p> <ul style="list-style-type: none"> ■ Expenditure relating to the Bexhill – Hastings Link Road project <p>This is described in more detail on pages 13 to 17. We will assess these risk areas as part of our interim work and conclude this work at year end.</p>
Audit team, deliverables, timeline and fees	<p>We have refreshed our audit team this year with Philip Johnstone replacing Tamas Wood as the Engagement Director and Charlotte Goodrich replacing Samantha Maloney as the Engagement Manager. Scott Walker will continue as the Assistant Manager for the audit.</p> <p>Our main year end audit is currently planned to commence on 8 June 2015. Upon conclusion of our work we will present our findings to you in our <i>Report to Those Charged with Governance (ISA 260 Report)</i>.</p> <p>The planned fee for the 2014/15 audit is £111,429 for the audit of the Authority financial statements. This is unchanged from the position set out in our <i>Audit Fee Letter 2014-15</i>.</p>

Section three

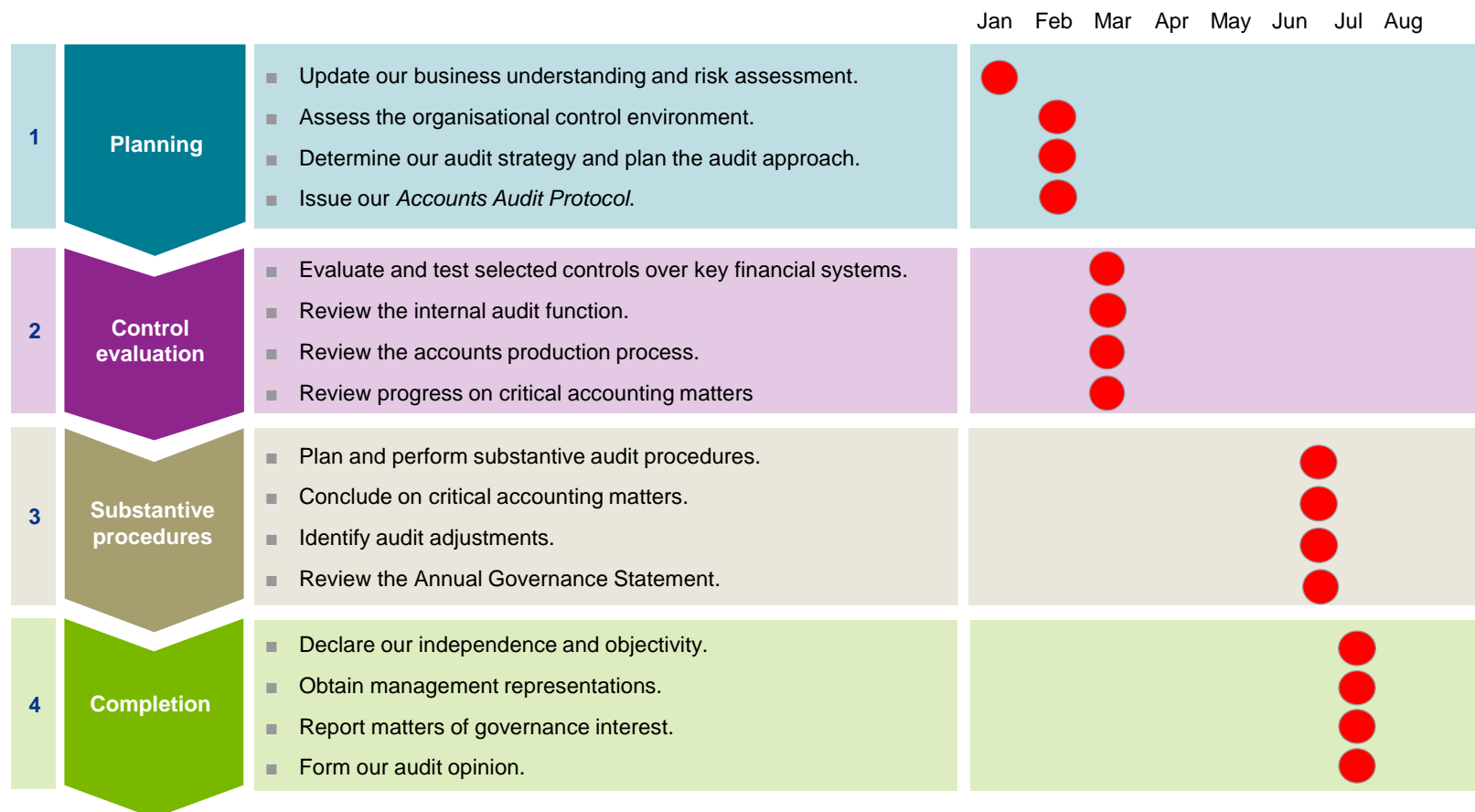
Our audit approach

We undertake our work on your financial statements in four key stages during 2015:

- **Planning**
(February to March).
- **Control Evaluation**
(March).
- **Substantive Procedures**
(June to July).
- **Completion** (July).

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We have summarised the four key stages of our financial statements audit process for you below.



During February and March 2015 we complete our planning work.

We assess the key risks affecting the Authority's financial statements and discuss these with officers.

We assess if there are any weaknesses in respect of central processes that would impact on our audit.

Our planning work takes place in February and March 2015. This involves the following aspects:

Planning

- Update our business understanding and risk assessment including fraud risk.
- Assess the organisational control environment.
- Determine our audit strategy and plan the audit approach.
- Issue our *Accounts Audit Protocol*.

Business understanding and risk assessment

We update our understanding of the Authority's operations and identify any areas that will require particular attention during our audit of the Authority's financial statements.

We identify the key risks including risk of fraud affecting the Authority's financial statements. These are based on our knowledge of the Authority, our sector experience and our ongoing dialogue with Authority staff. Any risks identified to date through our risk assessment process are set out in this document. Our audit strategy and plan will, however, remain flexible as the risks and issues change throughout the year. It is the Authority's responsibility to adequately address these issues. We encourage the Authority to raise any technical issues with us as early as possible so that we can agree the accounting treatment in advance of the audit visit.

We liaise regularly with the finance team to consider issues and how they are addressed during the financial year end closedown and accounts preparation.

Organisational control environment

Controls operated at an organisational level often have an impact on controls at an operational level and if there were weaknesses this would impact on our audit.

In particular risk management, internal control and ethics and conduct have implications for our financial statements audit. The scope of the relevant work of your internal auditors also informs our risk assessment.

Audit strategy and approach to materiality

Our audit is performed in accordance with International Standards on Auditing (ISAs) (UK and Ireland). The Engagement Lead sets the overall direction of the audit and decides the nature and extent of audit activities. We design audit procedures in response to the risk that the financial statements are materially misstated. The materiality level is a matter of professional judgement and is set by the Engagement Lead.

In accordance with ISA 320 (UK&I) '*Audit materiality*', we plan and perform our audit to provide reasonable assurance that the financial statements are free from material misstatement and give a true and fair view. Information is considered material if its omission or misstatement could influence the economic decisions of users taken on the basis of the financial statements.

Further details on assessment of materiality is set out on page 6 of this document.

When we determine our audit strategy we set a monetary materiality level for planning purposes.

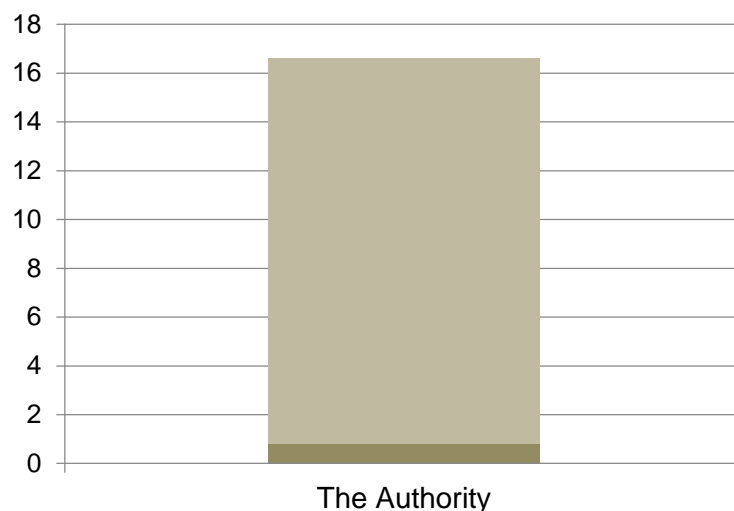
For 2014/15 we have set this at £16.5 million for the Authority based on the prior year financial statements.

We will report all audit differences over £0.8 million for the Authority to the Scrutiny Committee for Audit, Best Value and Community Services.

Materiality

The assessment of what is material is a matter of professional judgment and includes consideration of three aspects: materiality by value, nature and context.

- Material errors by value are those which are simply of significant numerical size to distort the reader's perception of the financial statements. Our assessment of the threshold for this depends upon the size of key figures in the financial statements, as well as other factors such as the level of public interest in the financial statements.
- Errors which are material by nature may not be large in value, but may concern accounting disclosures of key importance and sensitivity, for example the salaries of senior staff.
- Errors that are material by context are those that would alter key figures in the financial statements from one result to another – for example, errors that change successful performance against a target to failure.



Materiality for planning purposes has been set at £16.5 million, which equates to approximately 2 percent of gross expenditure.

We design our procedures to detect errors in specific accounts at a lower level of precision.

Reporting to the Audit Committee

Whilst our audit procedures are designed to identify misstatements which are material to our opinion on the financial statements as a whole, we nevertheless report to the Audit Committee any misstatements of lesser amounts to the extent that these are identified by our audit work.

Under ISA 260(UK&I) '*Communication with those charged with governance*', we are obliged to report uncorrected omissions or misstatements other than those which are 'clearly trivial' to those charged with governance. ISA 260 (UK&I) defines 'clearly trivial' as matters that are clearly inconsequential, whether taken individually or in aggregate and whether judged by any quantitative or qualitative criteria.

ISA 450 (UK&I), '*Evaluation of misstatements identified during the audit*', requires us to request that uncorrected misstatements are corrected.

In the context of the Authority, we propose that an individual difference could normally be considered to be clearly trivial if it is less than £0.8 million for the Authority.

If management have corrected material misstatements identified during the course of the audit, we will consider whether those corrections should be communicated to the Audit Committee to assist it in fulfilling its governance responsibilities.

During March 2015 we will complete our interim audit work.

We work with your finance team and the pensions team to enhance the efficiency of the accounts audit.

We will report any significant findings arising from our work to the Scrutiny Committee for Audit, Best Value and Community Services.

Our on site interim visit will be completed during March. During this time we will complete work in the following areas:

Control Evaluation

- Evaluate and test controls as appropriate over key financial systems identified as part of our risk assessment.
- Review the work undertaken by the internal audit function on controls relevant to our risk assessment.
- Review the accounts production process.
- Review progress on critical accounting matters.

Controls over key financial systems

We update our understanding of the Authority's key financial processes where our risk assessment has identified that these are relevant to our final accounts audit and where we have determined that this is the most efficient audit approach to take. We confirm our understanding by completing walkthroughs for these systems. We then test selected controls that address key risks within these systems. The strength of the control framework informs the substantive testing we complete during our final accounts visit.

Review of internal audit

During our audit we will seek to place reliance on the Authority's high level controls, and as part of our assessment of the overall control environment we will review and discuss the work carried out by Internal Audit.

Where any internal audit findings suggest weaknesses in key controls that could impact on significant account balances, we will adjust our approach to reflect these findings and where necessary perform additional testing to ensure that we can gain sufficient, appropriate audit evidence over those significant associated balances. We don't plan to rely directly on the work of Internal Audit.

Critical accounting matters

We will discuss the work completed to address the specific risks we identified at the planning stage. Wherever possible, we seek to review relevant workings and evidence and agree the accounting treatment as part of our interim work.

If there are any significant findings arising from our interim work we will report these to the Authority in advance of the year end financial statements audits of the Council.

During June and July 2015 we will be on site for our substantive work. We will conduct our work on the Pension Fund at the same time.

We complete detailed testing of accounts and disclosures and conclude on critical accounting matters, such as specific risk areas. We then agree any audit adjustments required to the financial statements.

We also review the Annual Governance Statement for consistency with our understanding.

We will present our ISA 260 Report for the Authority's audit to the Scrutiny Committee for Audit, Best Value and Community Services in September 2015.

Our final accounts visit on site has been provisionally scheduled for June and July for the Authority. During this time, we will complete the following work:

Substantive Procedures

- Plan and perform substantive audit procedures over the significant balances contained within the Authority financial statements.
- Conclude on critical accounting matters.
- Identify and assess any audit adjustments.
- Review the Annual Governance Statement.

Substantive audit procedures

We complete detailed testing on significant balances and disclosures. The extent of our work is determined by the Engagement Lead based on various factors such as our overall assessment of the Authority's control environment, the effectiveness of controls over individual systems and the management of specific risk factors.

Critical accounting matters

We conclude our testing of key risk areas identified at the planning stage and any additional issues that may have emerged since.

We will discuss our early findings of the Authority's approach to address the key risk areas with Marion Kelly, Chief Finance Officer, and her team in July 2015, prior to reporting to the Scrutiny Committee for Audit, Best Value and Community Services.

Audit adjustments

During our on site work, we will meet with Ola Owolabi, Head of Accounts and Pensions on a weekly basis to discuss the progress of the audit, any differences found and any other issues emerging.

At the end of our on site work, we will hold a closure meeting, where we will provide a schedule of audit differences and agree a timetable for the completion stage and the accounts sign off.

To comply with auditing standards, we are required to report uncorrected audit differences to the Scrutiny Committee for Audit, Best Value and Community Services. We also report any material misstatements which have been corrected and which we believe should be communicated to you to help you meet your governance responsibilities.

Annual Governance Statement

We are also required to satisfy ourselves that your Annual Governance Statement complies with the applicable framework and is consistent with our understanding of your operations. Our review of the work of internal audit and consideration of your risk management and governance arrangements are part of this.

We report the findings of our audit of the financial statements work in our *ISA 260 Report*, which we will issue in July 2015.

In addition to the financial statements, we also review the Authority's Whole of Government Accounts pack.

We may need to undertake additional work if we receive objections to the accounts from local electors.

We will communicate with you throughout the year, both normally and informally.

Whole of government accounts (WGA)

We are required to review your WGA consolidation and undertake the work specified under the approach that is agreed with HM Treasury and the National Audit Office. Deadlines for production of the pack and the specified audit approach for 2014/15 have not yet been confirmed.

Elector challenge

The Audit Commission Act 1998 gives electors certain rights. These are:

- the right to inspect the accounts;
- the right to ask the auditor questions about the accounts; and
- the right to object to the accounts.

As a result of these rights, in particular the right to object to the accounts, we may need to undertake additional work to form our decision on the elector's objection. The additional work could range from a small piece of work where we interview an officer and review evidence to form our decision, to a more detailed piece of work, where we have to interview a range of officers, review significant amounts of evidence and seek legal representations on the issues raised.

The costs incurred in responding to specific questions or objections raised by electors is not part of the fee. This work will be charged in accordance with the Audit Commission's fee scales.

Reporting and communication

Reporting is a key part of the audit process, not only in communicating the audit findings for the year, but also in ensuring the audit team are accountable to you in addressing the issues identified as part of the audit strategy. Throughout the year we will communicate with you through meetings with Chief Finance Officer, the Head of Accounts and Pensions and the Scrutiny Committee for Audit, Best Value and Community Services. Our deliverables are included on page 19.

Independence and objectivity confirmation

Professional standards require auditors to communicate to those charged with governance, at least annually, all relationships that may bear on the firm's independence and the objectivity of the audit engagement partner and audit staff. The standards also place requirements on auditors in relation to integrity, objectivity and independence.

The standards define 'those charged with governance' as 'those persons entrusted with the supervision, control and direction of an entity'. In your case this is the Governance Committee.

KPMG LLP is committed to being and being seen to be independent. APB Ethical Standard 1 *Integrity, Objectivity and Independence* requires us to communicate to you in writing all significant facts and matters, including those related to the provision of non-audit services and the safeguards put in place, in our professional judgement, may reasonably be thought to bear on KPMG LLP's independence and the objectivity of the Engagement Lead and the audit team.

Appendix 1 provides further detail on auditors' responsibilities regarding independence and objectivity.

Confirmation statement

We confirm that as of February 2015 in our professional judgement, KPMG LLP is independent within the meaning of regulatory and professional requirements and the objectivity of the Engagement Lead and audit team is not impaired.

In this section we set out our assessment of the significant risks or other key areas of audit focus of the Authority's financial statements for 2014/15.

For each significant risk area and area of audit focus, we have outlined the impact on our audit plan.

Professional standards require us to consider two standard risks for all organisations. We are not elaborating on these standard risks in this plan but consider them as a matter of course in our audit and will include any findings arising from our work in our *ISA 260 Report*.

- Management override of controls – Management is typically in a powerful position to perpetrate fraud owing to its ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Our audit methodology incorporates the risk of management override as a default significant risk. In line with our methodology, we carry out appropriate controls testing and substantive procedures, including over journal entries, accounting estimates and significant transactions that are outside the normal course of business, or are otherwise unusual.
- Fraudulent revenue recognition – We do not consider this to be a significant risk for local authorities as there are limited incentives and opportunities to manipulate the way income is recognised. We therefore rebut this risk and do not incorporate specific work into our audit plan in this area over and above our standard fraud procedures.

Appendix 3 covers more details on our assessment of fraud risk.

The table below sets out the significant risks we have identified through our planning work that are specific to the audit of the Authority's financial statements for 2014/15.

We will revisit our assessment throughout the year and should any additional risks present themselves we will adjust our audit strategy as necessary.


Significant risks that ISAs require us to raise	Impact on audit
<p>Fraud risk from management override of controls</p> <p>Audit areas affected</p> <ul style="list-style-type: none"> ■ All 	<p>The risk</p> <p>ISA 240 requires us to communicate the fraud risk from management override of controls as significant, because management is typically in a unique position to perpetrate fraud due to their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. We have not identified any specific additional risks of management override relating to this audit.</p> <p>Our proposed audit work</p> <p>Our audit methodology incorporates the risk of management override as a default significant risk.</p> <p>In line with our methodology, we will carry out appropriate controls testing and substantive procedures, including over journal entries, accounting estimates and significant transactions that are outside the normal course of business, or are otherwise unusual.</p>

Section four

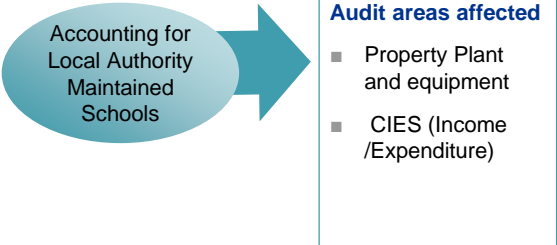
Key financial statements audit risks

This section sets out the significant risks that ISA's require us to raise for the Authority.

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Significant risks that ISAs require us to raise	Impact on audit
	<p>The risk</p> <p>Professional standards require us to make a rebuttable presumption that the fraud risk from revenue recognition is a significant risk.</p> <p>Our proposed audit work</p> <p>We do not consider this to be a significant risk for local authorities as there are limited incentives and opportunities to manipulate the way income is recognised. We therefore rebut this risk and do not incorporate specific work into our audit plan in this area over and above our standard fraud procedures.</p>

This section sets out the significant audit risks to the Authority.

Significant audit risk	Impact on audit
 <p>Audit areas affected</p> <ul style="list-style-type: none"> ■ Property Plant and equipment ■ CIES (Income /Expenditure) 	<p>The risk</p> <p>LAAP Bulletin 101 <i>Accounting for School Assets used by Local Authority Maintained Schools</i> issued in December 2014 has been published to assist practitioners with the application of the Code in regard to accounting for Local Authority maintained schools. The challenges relate to school assets owned by third parties such as church bodies and made available to school governing bodies under a variety of arrangements. This includes assets used by Voluntary-Aided (VA) and Voluntary-Controlled (VC) Schools as well as Foundation Schools.</p> <p>Authorities will need to review the agreements under which assets are used by VA/VC and Foundation schools and apply the relevant tests of control in the case of assets made available free of charge, or risks and rewards of ownership in the case of assets made available under leases. This is a key area of judgement and there is a risk that Authorities could omit school assets from, or include school assets in, their balance sheet.</p> <p>Particular risks surround the recognition of Foundation School assets which may or may not be held in Trust. Authorities should pay particular attention to the nature of the relationship between the Trustees and the school governing body to determine whether the school controls the Trust and the assets should therefore be consolidated into their balance sheet.</p> <p>Our proposed audit work</p> <p>As part of our audit, we will discuss with the Authority the latest guidance and review the judgements it has made in this regard. This will include:</p> <ul style="list-style-type: none"> - Determining whether the Authority has identified all relevant maintained schools within its area and undertaken a review of the agreements underpinning the use of school assets by VA, VC and Foundation schools; and - Considering the Authority's application of the relevant accounting standards to account for these schools and challenging its judgements where necessary.

Our approach to VFM work follows guidance provided by the Audit Commission.

Background to approach to VFM work

In meeting their statutory responsibilities relating to economy, efficiency and effectiveness, the Commission's *Code of Audit Practice* requires auditors to:

- plan their work based on consideration of the significant risks of giving a wrong conclusion (audit risk); and
- carry out only as much work as is appropriate to enable them to give a safe VFM conclusion.

To provide stability for auditors and audited bodies, the Audit Commission has kept the VFM audit methodology unchanged from last year. There are only relatively minor amendments to reflect the key issues facing the local government sector.

The approach is structured under two themes, as summarised below.

Specified criteria for VFM conclusion	Focus of the criteria	Sub-sections
The organisation has proper arrangements in place for securing financial resilience .	<p>The organisation has robust systems and processes to:</p> <ul style="list-style-type: none"> ■ manage effectively financial risks and opportunities; and ■ secure a stable financial position that enables it to continue to operate for the foreseeable future. 	<ul style="list-style-type: none"> ■ Financial governance ■ Financial planning ■ Financial control
The organisation has proper arrangements for challenging how it secures economy, efficiency and effectiveness .	<p>The organisation is prioritising its resources within tighter budgets, for example by:</p> <ul style="list-style-type: none"> ■ achieving cost reductions; and ■ improving efficiency and productivity. 	<ul style="list-style-type: none"> ■ Prioritising resources ■ Improving efficiency and productivity

We will follow a risk based approach to target audit effort on the areas of greatest audit risk.

Overview of the VFM audit approach

The key elements of the VFM audit approach are summarised below.



Each of these stages are summarised further below.

VFM audit stage	Audit approach
VFM audit risk assessment	<p>We consider the relevance and significance of the potential business risks faced by all local authorities, and other risks that apply specifically to the Authority. These are the significant operational and financial risks in achieving statutory functions and objectives, which are relevant to auditors' responsibilities under the <i>Code of Audit Practice</i>.</p> <p>In doing so we consider:</p> <ul style="list-style-type: none"> the Authority's own assessment of the risks it faces, and its arrangements to manage and address its risks; information from the Audit Commission's VFM profile tool ; evidence gained from previous audit work, including the response to that work; and the work of other inspectorates and review agencies.

Section five

VFM audit approach (continued)

Our VFM audit will draw heavily on other audit work which is relevant to our VFM responsibilities and the results of last year's VFM audit.

We will then form an assessment of residual audit risk to identify if there are any areas where more detailed VFM audit work is required.

VFM audit stage	Audit approach
Linkages with financial statements and other audit work	<p>There is a degree of overlap between the work we do as part of the VFM audit and our financial statements audit. For example, our financial statements audit includes an assessment and testing of the Authority's organisational control environment, including the Authority's financial management and governance arrangements, many aspects of which are relevant to our VFM audit responsibilities.</p> <p>We have always sought to avoid duplication of audit effort by integrating our financial statements and VFM work, and this will continue. We will therefore draw upon relevant aspects of our financial statements audit work to inform the VFM audit.</p>
Assessment of residual audit risk	<p>It is possible that further audit work may be necessary in some areas to ensure sufficient coverage of the two VFM criteria.</p> <p>Such work may involve interviews with relevant officers and/or the review of documents such as policies, plans and minutes. We may also refer to any self assessment the Authority may prepare against the characteristics.</p> <p>To inform any further work we must draw together an assessment of residual audit risk, taking account of the work undertaken already. This will identify those areas requiring further specific audit work to inform the VFM conclusion.</p> <p>At this stage it is not possible to indicate the number or type of residual audit risks that might require additional audit work, and therefore the overall scale of work cannot be easily predicted. If a significant amount of work is necessary then we will need to review the adequacy of our agreed audit fee.</p>
Identification of specific VFM audit work	<p>If we identify residual audit risks, then we will highlight the risk to the Authority and consider the most appropriate audit response in each case, including:</p> <ul style="list-style-type: none"> ■ considering the results of work by the Authority, inspectorates and other review agencies; and ■ carrying out local risk-based work to form a view on the adequacy of the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources.

Where relevant, we may draw upon the range of audit tools and review guides developed by the Audit Commission.

We have completed our initial risk assessment and have identified one risks to our VFM conclusion at this stage. We will update our assessment at year end. We will conclude on the results of the VFM audit through our ISA 260 Report.

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VFM audit stage	Audit approach
Delivery of local risk based work	<p>Depending on the nature of the residual audit risk identified, we may be able to draw on audit tools and sources of guidance when undertaking specific local risk-based audit work, such as:</p> <ul style="list-style-type: none"> ■ local savings review guides based on selected previous Audit Commission national studies; and ■ update briefings for previous Audit Commission studies. <p>The tools and guides will support our work where we have identified a local risk that is relevant to them. For any residual audit risks that relate to issues not covered by one of these tools, we will develop an appropriate audit approach drawing on the detailed VFM guidance and other sources of information.</p>
Concluding on VFM arrangements	<p>At the conclusion of the VFM audit we will consider the results of the work undertaken and assess the assurance obtained against each of the VFM themes regarding the adequacy of the Authority's arrangements for securing economy, efficiency and effectiveness in the use of resources.</p> <p>If any issues are identified that may be significant to this assessment, and in particular if there are issues that indicate we may need to consider qualifying our VFM conclusion, we will discuss these with management as soon as possible. Such issues will also be considered more widely as part of KPMG's quality control processes, to help ensure the consistency of auditors' decisions.</p>
Reporting	<p>On the following page, we report the results of our initial risk assessment.</p> <p>We will report on the results of the VFM audit through our <i>ISA 260 Report</i>. This will summarise any specific matters arising, and the basis for our overall conclusion.</p> <p>If considered appropriate, we may produce a separate report on the VFM audit, either overall or for any specific reviews that we may undertake.</p> <p>The key output from the work will be the VFM conclusion (i.e. our opinion on the Authority's arrangements for securing VFM), which forms part of our audit report.</p>

We have identified a number of specific VFM risks.

In most cases we are satisfied that external or internal scrutiny provides sufficient assurance that the Authority's current arrangements in relation to these risk areas are adequate.

We will carry out additional risk-based work in the following areas:

- **Bexhill – Hastings Link Road**


In line with the risk-based approach set out on the previous page, we have:

- assessed the Authority's key business risks which are relevant to our VFM conclusion;
- identified the residual audit risks for our VFM conclusion, taking account of work undertaken in previous years or as part of our financial statements audit;

- considered the results of relevant work by the Authority, the Audit Commission, other inspectorates and review agencies in relation to these risk areas; and
- concluded to what extent we need to carry out additional risk-based work.

Below we set out our preliminary findings in respect of those areas where we have identified a residual audit risk for our VFM conclusion,

We will report our final conclusions in our *ISA 260 Report 2014/15*.

Key VFM risk	Risk description and link to VFM conclusion	Preliminary assessment
	<p>In 2014/15 the Authority has made substantial expenditure towards the construction of the Bexhill – Hastings Link Road project. Of this, £18m has been funded by the Department for Transport, and the remaining funded by the Authority. Total expenditure over the life of this project are £113m.</p> <p>We note that we have received a formal objection from an elector regarding this scheme, in which the objector raises a concern regarding the appropriateness of the project management arrangements and approval processes within the Council, and the wider value for money of the scheme.</p> <p>This is relevant to both the financial resilience and economy, efficiency and effectiveness criteria of the VFM conclusion.</p>	<p>Specific risk based work required: Yes</p>

Your audit team has been drawn from our specialist public sector assurance department. Contact details are shown on page 1.

The audit team will be assisted by other KPMG specialists as necessary.



Philip Johnstone
Director

"My role is to lead our team and ensure the delivery of a high quality, valued added external audit opinion.

I will be the main point of contact for the Pensions and the Scrutiny Committee for Audit, Best Value and Community Services and Executive Directors."



Charlotte Goodrich
Manager

"I am responsible for the management, review and delivery of the whole audit and providing quality assurance for any technical accounting areas. I will work closely with Philip to ensure we add value. I will liaise with Marion Kelly Chief Finance Officer and Ola Owolabi, Head of Accounts and Pensions."



Scott Walker
Assistant Manager

"I will be responsible for the on-site delivery of our work. I will liaise with the Finance and Internal Audit Teams. I will also supervise the work of our audit assistants."

At the end of each stage of our audit we issue certain deliverables, including reports, statements and opinions.

Our key deliverables will be delivered to a high standard and on time.

We will discuss and agree each report as appropriate with the Authority's officers prior to publication.

Deliverable	Purpose	Committee dates
Planning		
External Audit Plan	<ul style="list-style-type: none"> ■ Outlines our audit approach. ■ Identifies areas of audit focus and planned procedures. 	March 2015
Control evaluation and Substantive procedures		
Report to Those Charged with Governance (ISA 260 Report)	<ul style="list-style-type: none"> ■ Details the resolution of key audit issues. ■ Communicates adjusted and unadjusted audit differences. ■ Highlights performance improvement recommendations identified during our audit. ■ Comments on the Authority's value for money arrangements. 	July 2015
Completion		
Auditor's Report	<ul style="list-style-type: none"> ■ Provides an opinion on the Authority's accounts (including the Annual Governance Statement). ■ Concludes on the arrangements in place for securing economy, efficiency and effectiveness in your use of resources (the VFM conclusion). 	July 2015
Whole of Government Accounts	<ul style="list-style-type: none"> ■ Provide our assurance statement on the Authority's WGA pack submission. 	September 2015
Annual Audit Letter	<ul style="list-style-type: none"> ■ Summarises the outcomes and the key issues arising from our audit work for the year. 	November 2015

We will be in continuous dialogue with you throughout the audit.

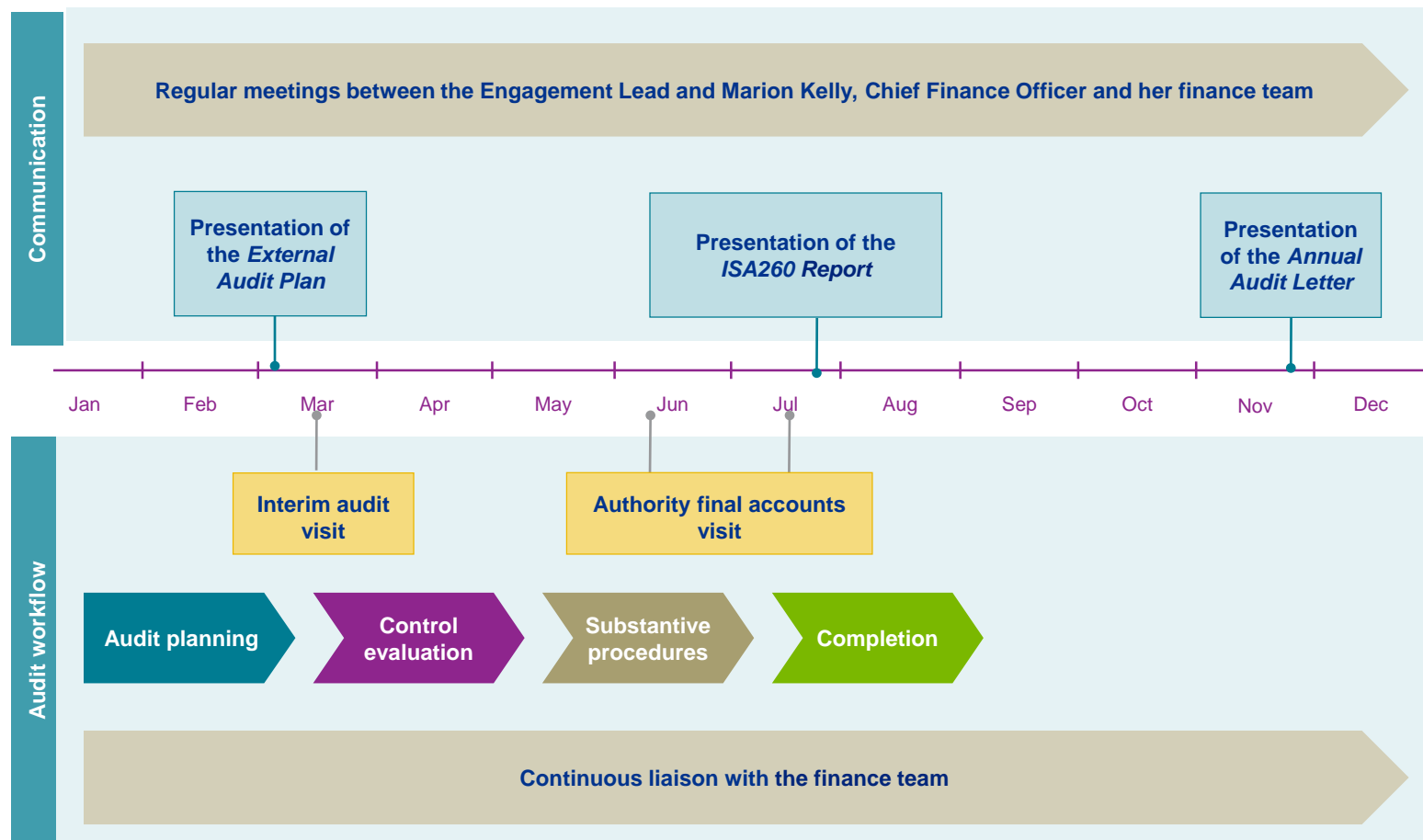
Key formal interactions with the Scrutiny Committee for Audit, Best Value and Community Services are:

- March – External Audit Plan;
- July – ISA 260 Report;
- November – Annual Audit Letter.

We work with the finance team throughout the year.

Our main work on site will be our:

- Interim audit visits during March.
- Final accounts audit during June and July.



Key: ● Audit Committee meetings.

The main fee for 2014/15 audit of the Authority is £111,429. The fee has not changed from that set out in our *Audit Fee Letter 2014/15* issued in April 2014.

Our audit fee remains indicative and based on you meeting our expectations of your support.

Meeting these expectations will help the delivery of our audit within the proposed audit fee.

Audit fee

Our *Audit Fee Letter 2014/15* presented to you on April 29 2014 first set out our fees for the 2014/15 audit. We have not considered it necessary to make any changes to the agreed fees at this stage.

Element of the audit	2014/15 (planned)	2013/14 (actual)
Financial statements and Value for Money conclusion audit fee	£111,429	£111,429

Our main audit fee includes our work on the VFM conclusion and our audit of the Authority's financial statements. The fee for 2014/15 is £111,429. This is unchanged from the 2013/14 fee.

Audit fee assumptions

The fee is based on a number of assumptions, including that you will provide us with complete and materially accurate financial statements, with good quality supporting working papers, within agreed timeframes. It is imperative that you achieve this. If this is not the case and we have to complete more work than was envisaged, we will need to charge additional fees for this work. In setting the fee, we have assumed:

- the level of risk in relation to the audit of the financial statements is not significantly different from that identified for 2013/14;
- you will inform us of any significant developments impacting on our audit;
- you will identify and implement any changes required under the *CIPFA Code of Practice on Local Authority Accounting in the UK 2014/15* within your 2014/15 financial statements;
- you will comply with the expectations set out in our *Accounts Audit Protocol*, including:
 - the financial statements are made available for audit in line with the agreed timescales;
 - good quality working papers and records will be provided at the start of the final accounts audit;

- requested information will be provided within the agreed timescales;
- prompt responses will be provided to queries and draft reports;
- internal audit meets appropriate professional standards;
- internal audit adheres to our joint working protocol and completes appropriate work on all systems that provide material figures for the financial statements and we can place reliance on them for our audit; and
- additional work will not be required to address questions or objections raised by local government electors or for special investigations such as those arising from disclosures under the Public Interest Disclosure Act 1998.

Meeting these expectations will help ensure the delivery of our audit within the agreed audit fee.

The Audit Commission requires us to inform you of specific actions you could take to keep the audit fee low. Future audit fees can be kept to a minimum if the Authority achieves an efficient and well-controlled financial closedown and accounts production process which complies with good practice and appropriately addresses new accounting developments and risk areas.

Changes to the audit plan

Changes to this plan and the audit fee may be necessary if:

- new significant audit risks emerge;
- additional work is required of us by the Audit Commission or other regulators; and
- additional work is required as a result of changes in legislation, professional standards or financial reporting requirements.

If changes to this plan and the audit fee are required, we will discuss and agree these initially with Marion Kelly, Chief Finance Officer.

This appendix summarises auditors' responsibilities regarding independence and objectivity.

Independence and objectivity

Auditors are required by the Code to:

- carry out their work with independence and objectivity;
- exercise their professional judgement and act independently of both the Commission and the audited body;
- maintain an objective attitude at all times and not act in any way that might give rise to, or be perceived to give rise to, a conflict of interest; and
- resist any improper attempt to influence their judgement in the conduct of the audit.

In addition, the Code specifies that auditors should not carry out work for an audited body that does not relate directly to the discharge of the auditors' functions under the Code. If the Authority invites us to carry out risk-based work in a particular area, which cannot otherwise be justified to support our audit conclusions, it will be clearly differentiated as work carried out under section 35 of the Audit Commission Act 1998.

The Code also states that the Commission issues guidance under its powers to appoint auditors and to determine their terms of appointment. The Standing Guidance for Auditors includes several references to arrangements designed to support and reinforce the requirements relating to independence, which auditors must comply with. These are as follows:

- Auditors and senior members of their staff who are directly involved in the management, supervision or delivery of Commission-related work, and senior members of their audit teams should not take part in political activity.
- No member or employee of the firm should accept or hold an appointment as a member of an audited body whose auditor is, or is proposed to be, from the same firm. In addition, no member or employee of the firm should accept or hold such appointments at related bodies, such as those linked to the audited body through a strategic partnership.

- Audit staff are expected not to accept appointments as Governors at certain types of schools within the local authority.
- Auditors and their staff should not be employed in any capacity (whether paid or unpaid) by an audited body or other organisation providing services to an audited body whilst being employed by the firm.
- Firms are expected to comply with the requirements of the Commission's protocols on provision of personal financial or tax advice to certain senior individuals at audited bodies, independence considerations in relation to procurement of services at audited bodies, and area wide internal audit work.
- Auditors appointed by the Commission should not accept engagements which involve commenting on the performance of other Commission auditors on Commission work without first consulting the Commission.
- Auditors are expected to comply with the Commission's policy for the Engagement Lead to be changed on a periodic basis.
- Audit suppliers are required to obtain the Commission's written approval prior to changing any Engagement Lead in respect of each audited body.
- Certain other staff changes or appointments require positive action to be taken by Firms as set out in the standing guidance.

We continually focus on delivering a high quality audit.

This means building robust quality control procedures into the core audit process rather than bolting them on at the end, and embedding the right attitude and approaches into management and staff.

KPMG's Audit Quality Framework consists of seven key drivers combined with the commitment of each individual in KPMG.

The diagram summarises our approach and each level is expanded upon.

At KPMG we consider audit quality is not just about reaching the right opinion, but how we reach that opinion. KPMG views the outcome of a quality audit as the delivery of an appropriate and independent opinion in compliance with the auditing standards. It is about the processes, thought and integrity behind the audit report. This means, above all, being independent, compliant with our legal and professional requirements, and offering insight and impartial advice to you, our client.

KPMG's Audit Quality Framework consists of seven key drivers combined with the commitment of each individual in KPMG. We use our seven drivers of audit quality to articulate what audit quality means to KPMG.

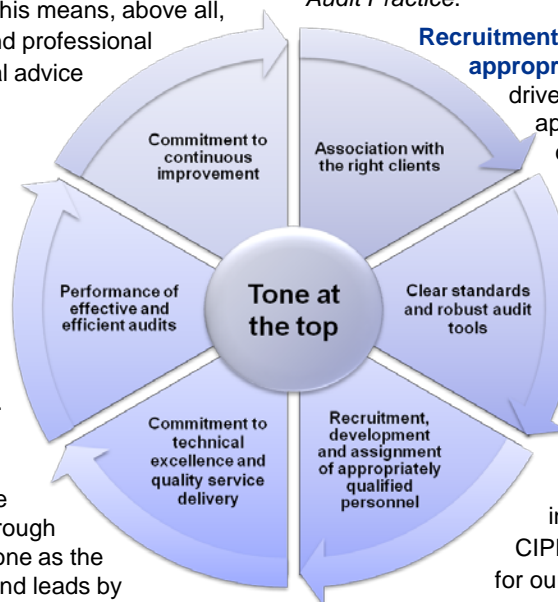
We believe it is important to be transparent about the processes that sit behind a KPMG audit report, so you can have absolute confidence in us and in the quality of our audit.

Tone at the top: We make it clear that audit quality is part of our culture and values and therefore non-negotiable. Tone at the top is the umbrella that covers all the drives of quality through a focused and consistent voice. Philip Johnstone as the Engagement Lead sets the tone on the audit and leads by example with a clearly articulated audit strategy and commits a significant proportion of his time throughout the audit directing and supporting the team.

Association with right clients: We undertake rigorous client and engagement acceptance and continuance procedures which are vital to the ability of KPMG to provide high-quality professional services to our clients.

Clear standards and robust audit tools: We expect our audit professionals to adhere to the clear standards we set and we provide a range of tools to support them in meeting these expectations. The global rollout of KPMG's eAudit application has significantly enhanced existing audit functionality. eAudit enables KPMG to deliver a highly

technically enabled audit. All of our staff have a searchable data base, Accounting Research Online, that includes all published accounting standards, the KPMG Audit Manual Guidance as well as other relevant sector specific publications, such as the Audit Commission's *Code of Audit Practice*.



Recruitment, development and assignment of appropriately qualified personnel:

One of the key drivers of audit quality is assigning professionals appropriate to the Authority's risks. We take great care to assign the right people to the right clients based on a number of factors including their skill set, capacity and relevant experience.

We have a well developed technical infrastructure across the firm that puts us in a strong position to deal with any emerging issues. This includes:

- A national public sector technical director who has responsibility for co-ordinating our response to emerging accounting issues, influencing accounting bodies (such as CIPFA) as well as acting as a sounding board for our auditors.
- A national technical network of public sector audit professionals is established that meets on a monthly basis and is chaired by our national technical director.
- All of our staff have a searchable data base, Accounting Research Online, that includes all published accounting standards, the KPMG Audit Manual Guidance as well as other relevant sector specific publications, such as the Audit Commission's *Code of Audit Practice*.
- A dedicated Department of Professional Practice comprised of over 100 staff that provide support to our audit teams and deliver our web-based quarterly technical training.

We continually focus on delivering a high quality audit.

This means building robust quality control procedures into the core audit process rather than bolting them on at the end, and embedding the right attitude and approaches into management and staff.

Quality must build on the foundations of well trained staff and a robust methodology.

Commitment to technical excellence and quality service delivery:

Our professionals bring you up- the-minute and accurate technical solutions and together with our specialists are capable of solving complex audit issues and delivering valued insights.

Our audit team draws upon specialist resources including Forensic, Corporate Finance, Transaction Services, Advisory, Taxation, Actuarial and IT. We promote technical excellence and quality service delivery through training and accreditation, developing business understanding and sector knowledge, investment in technical support, development of specialist networks and effective consultation processes.

Performance of effective and efficient audits: We understand that how an audit is conducted is as important as the final result. Our drivers of audit quality maximise the performance of the engagement team during the conduct of every audit. We expect our people to demonstrate certain key behaviors in the performance of effective and efficient audits. The key behaviors that our auditors apply throughout the audit process to deliver effective and efficient audits are outlined below:

- timely Engagement Lead and manager involvement;
- critical assessment of audit evidence;
- exercise of professional judgment and professional scepticism;
- ongoing mentoring and on the job coaching, supervision and review;
- appropriately supported and documented conclusions;
- if relevant, appropriate involvement of the Engagement Quality Control reviewer (EQC review);
- clear reporting of significant findings;
- insightful, open and honest two-way communication with those charged with governance; and
- client confidentiality, information security and data privacy.

Commitment to continuous improvement: We employ a broad range of mechanisms to monitor our performance, respond to feedback and understand our opportunities for improvement.

Our quality review results

We are able to evidence the quality of our audits through the results of Audit Commission reviews. The Audit Commission publishes information on the quality of work provided by KPMG (and all other firms) for audits undertaken on behalf of them (<http://www.audit-commission.gov.uk/audit-regime/audit-quality-review-programme/principal-audits/kpmg-audit-quality>).

The latest Annual Regulatory Compliance and Quality Report (issued June 2014) showed that we are meeting the Audit Commission's overall audit quality and regularity compliance requirements.

We are required to consider fraud and the impact that this has on our audit approach.

We will update our risk assessment throughout the audit process and adapt our approach accordingly.

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Managements responsibilities

- Adopt sound accounting policies.
- With oversight from those charged with governance, establish and maintain internal control, including controls to prevent, deter and detect fraud.
- Establish proper tone/culture/ethics.
- Require periodic confirmation by employees of their responsibilities.
- Take appropriate action in response to actual, suspected or alleged fraud.
- Disclose to Scrutiny Committee for Audit, Best Value and Community Services and auditors:
 - any significant deficiencies in internal controls.
 - any fraud involving those with a significant role in internal controls.

KPMG's identification of fraud risk factors

- Review of accounting policies.
- Results of analytical procedures.
- Procedures to identify fraud risk factors.
- Discussion amongst engagement personnel.
- Enquiries of management, Scrutiny Committee for Audit, Best Value and Community Services, and others.
- Evaluate controls that prevent, deter, and detect fraud.

KPMG's response to identified fraud risk factors

- Accounting policy assessment.
- Evaluate design of mitigating controls.
- Test effectiveness of controls.
- Address management override of controls.
- Perform substantive audit procedures.
- Evaluate all audit evidence.
- Communicate to Scrutiny Committee for Audit, Best Value and Community Services and management.

KPMG's identified fraud risk factors

- We will monitor the following areas throughout the year and adapt our audit approach accordingly.
 - Revenue recognition.
 - Management override of controls.

Appendix 4: Transfer of the functions of the Audit Commission

The Audit Commission will be writing to audited bodies and other stakeholders in the coming months with more information about the transfer of the Commissions' regulatory and other functions.

From 1 April 2015 a transitional body, Public Sector Audit Appointments Limited (PSAA), established by the Local Government Association (LGA) as an independent company, will oversee the Commission's audit contracts until they end in 2017 (or 2020 if extended by DCLG). PSAA's responsibilities will include setting fees, appointing auditors and monitoring the quality of auditors' work. The responsibility for making arrangements for publishing the Commission's value for money profiles tool will also transfer to PSAA.

From 1 April 2015, the Commission's other functions will transfer to new organisations:

- responsibility for publishing the statutory Code of Audit Practice and guidance for auditors will transfer to the National Audit Office (NAO) for audits of the accounts from 2015/16;
- the Commission's responsibilities for local value for money studies will also transfer to the NAO; and
- the National Fraud Initiative (NFI) will transfer to the Cabinet Office.



cutting through complexity™

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Report to	Cabinet
Date of Meeting	29 June 2015
By	Director of Communities, Economy and Transport
Title	Review of the East Sussex Local Flood Risk Management Strategy's Delivery Plan
Purpose	To report to Cabinet on progress of the Delivery Plan 2013-14 of the Local Flood Risk Management Strategy and seek approval of a draft Delivery Plan 2015-16.

RECOMMENDATIONS: The Cabinet is recommended to:

- (1) note the progress made on delivering the actions set out in the Local Flood Risk Management Strategy Delivery Plan 2013-14 (Appendix 1);**
 - (2) agree the proposed draft Delivery Plan 2015-16 (Appendix 2); and**
 - (3) authorise the Lead Member for Transport and Environment to approve future updates of the Delivery Plan.**
-

1. Background Information

1.1 This report provides an update on progress in managing local flood risk in East Sussex. It proposes an updated Delivery Plan to support the adopted East Sussex Local Flood Risk Management Strategy (LFRMS). These revised actions align with the service objectives of the Flood Risk Management Team, other County Council services and our external partners, (reflecting our strategic coordinating role).

2. Supporting Information

2.1 The Flood and Water Management Act (2010) designated the County Council as a Lead Local Flood Authority (LLFA) and as a Risk Management Authority (RMA) in its Highway Authority role. The focus of the LLFA role is on localised flooding (i.e. surface water, groundwater and ordinary watercourse flooding). The Act conferred a number of duties upon the County Council amongst which the development, adoption and implementation of a LFRMS is one. A copy of the LFRMS and its supporting documentation can be found on the East Sussex County Council (ESCC) website and in the Cabinet Room.

2.2 The Strategy (amongst the first in the country) was developed in partnership with key stakeholders and subject to extensive consultation and stakeholder engagement. It was adopted at the 23 July 2013 meeting of Cabinet, and sets the framework for the County Council's LLFA role and its RMA partners. The Strategy was supported by a Delivery Plan for the calendar years 2013 -14, which outlines actions which are currently undertaken by the RMAs in East Sussex and other key partners, to address local flooding issues.

2.3 The accompanying Delivery Plan was to be reviewed and updated annually. Given the adoption of the Strategy in the summer of 2013 it was considered appropriate to report after one full calendar year had passed. Significant progress has been made in delivering the actions identified in the Plan notably the completion of the seven named surface water management plans (SWMPs) and an additional three which will collectively inform the review of the LFRMS.

2.4 Appendix 1 indicates that a number of actions have been completed and good progress is being made on long term and ongoing actions. The actions completed are projects which have a specified end date, whilst the remainder of the actions and their objectives are primarily of a strategic and 'ongoing' nature, such as supporting ESCC Member representation on the Southern Regional Flood and Coastal Committee; the development, and ongoing maintenance of an asset register, and

establishing local partnerships to deliver the recommendations and actions arising from Surface Water Management Plans.

2.5 Good progress has been made in improving our understanding of the local flood risks in East Sussex. However, it is evident that much more work is needed to have a complete understanding of local flood risk issues, and therefore how they might be managed. By the spring/summer of 2015 we will have completed (and published) studies to understand the flood risk in all of the 14 hotspots identified in the Strategy. This information will be utilised in the work about to take place to update and review the LFRMS by 2016.

2.6 A draft Delivery Plan 2015-16 is attached as Appendix 2. Many of the actions listed are ongoing actions carried forward. Other actions have been revised, for example, in light of the Government's change in approach to the Sustainable Drainage Systems (SuDS) issue. With the exception of the leadership of local partnerships to oversee the delivery of Surface Water Management Plans, all actions relate to existing service objectives or commitments of those organisations identified with a role to play.

2.7 Despite the progress made in this new service area, Government has begun to reduce the Local Services Support Grant for the Lead Local Flood Authority role. For the 2015/16 financial year the grant was cut by 30% (some £60,000 or 25% of the FRM base budget). This downward pressure on budgets will inevitably limit our ability to deliver the LFRMS.

2.8 The overwhelming majority of actions do not represent a new pressure on existing budgets. Actions relating to sustainable drainage systems (SuDS) and our new statutory consultee role on major planning applications will be supported by a new burdens grant, but from the 2016/17 financial year this funding will reduce dramatically. Allied with increasing cuts to our local services support grant, this represents a significant medium term financial pressure for ESCC in meeting its Lead Local Flood Authority obligations. We will continue to monitor work loads and develop more efficient ways of working as our new role develops. However, should resources be insufficient to meet our statutory obligations it will be necessary to consider this further.

2.9 Cabinet adopted the LFRMS in 2013 as a new policy document. It is proposed that authority to agree updates to the Delivery Plan should be delegated to Lead Member Transport and Environment.

3. Conclusion and Reason for Recommendation

3.1 The adopted LFRMS commits the County Council to regular reviews of the Delivery Plan. In accordance with this commitment, Cabinet is asked to note progress on the Delivery Plan 2013-14 and agree the proposed Delivery Plan for 2015-16. Cabinet is also requested to delegate authority for agreement of future reviews of the Delivery Plan to Lead Member Transport and Environment.

RUPERT CLUBB

Director of Communities, Economy and Transport

Contact Officer: Nick Claxton

Tel. No. 01273 481407

Email: nick.claxton@eastsussex.gov.uk

LOCAL MEMBERS

All

BACKGROUND DOCUMENTS

The East Sussex Local Flood Risk Management Strategy 2013 – 2016

Progress Report
East Sussex Local Flood Risk Management
Strategy
Delivery Plan 2013 – 2014

**EAST SUSSEX LOCAL FLOOD RISK MANAGEMENT STRATEGY
OBJECTIVES**

- i. Establish and maintain effective partnerships with key organisations and local communities in order to develop collective knowledge, share best practice and secure funding for local flood risk management measures;
- ii. Improve the evidence base and understanding of local flood risk to ensure that limited resources are targeted in the areas of highest risk and vulnerability;
- iii. Empower local communities and land owners to take actions in order to be prepared for and limit the impacts of flooding;
- iv. Avoid increasing flood and coastal erosion risk by encouraging best practice for the maintenance of assets and preventing inappropriate development; and
- v. Work in partnership to deliver cost-effective flood and coastal erosion risk management measures which take a catchment wide approach and contribute to wider social, economic and environmental benefits.

Delivery Plan 2013 – 2014: progress update

The following table sets out the actions and the associated progress made by the risk management authorities in East Sussex and other key partners towards realising the objectives of the Local Flood Risk Management Strategy as detailed in the delivery plan for the 2013 – 2014 period.

Objective

i Establish and maintain effective partnerships with key organisations and local communities in order to develop collective knowledge, share best practice and secure funding for local flood risk management measures

Actions	Status/Progress
Ensure continued engagement and progress reporting with key partners on flood and coastal erosion risk management issues through the East Sussex Flood Partnership (ESFP)	The ESFP was not meeting its core objectives and had become a technical officer group sharing information and experience. Options to revitalise the ESFP have been developed and reviewed internally. The preferred option is a new forum with wider partner and stakeholder engagement and to empower local communities.
Periodically review partner roles, responsibilities and statutory duties	Ongoing – One review of the Strategy and Defra review of FWMA
Develop and agree a protocol between flood risk management team, the highway authority, emergency planning, planning development control and transport development control to ensure that roles and responsibilities are defined and that flood risk management is an integral part of the delivery of services	Completed – not carried forward to the revised delivery plan.
Establish procedural arrangements for approving sustainable drainage applications between East Sussex County Council and local planning authorities	All administrative and back office procedures are well developed. However, the change in direction by central government requires new actions and the deletion of this. Not carried forward to the revised delivery plan
Regional liaison on flood risk matters with southern lead local flood authorities through the South East Seven	Ongoing – The SE7 produced SuDS planning guidance for South East of England. The guidance was launched in Brighton with an East Sussex workshop held in Uckfield.
Regional liaison on flood risk matters through the Southern Regional Flood and Coastal Committee	Ongoing – Continue to support member attending meetings.

Actions	Status/Progress
<p>Review the scope of the Lewes Integrated Urban Drainage Study Partnership and formalise partnership arrangements</p> <p>Continued engagement with the Development Control Forum on the integration of sustainable drainage systems, drainage matters and the planning system</p>	<p>Completed – Scope to incorporate SWMP actions and look to wider Lewes district.</p> <p>Ongoing – increased momentum with the recent announcement that SuDS will be considered as part of the planning system from April 2015.</p> <p>The change in central government policy and its imminent implementation requires new actions to be identified and the removal of this.</p> <p>Not carried forward to the revised delivery plan.</p>
<p>Assess the potential for securing resilience partnership funding for local flooding hotspots</p>	<p>Ongoing – ESCC led submission of schemes to the Environment Agency's regional six year Medium Term Plan. This will be reviewed annually.</p>
<p>Identify opportunities for surface water drainage improvements which additionally contribute to the management of sewer flooding</p>	<p>Ongoing – specific examples include Winchelsea Beach, Park Rise, and Eastbourne. However, a qualification to this is to ensure that a full condition survey of below ground assets is conducted to ensure works are targeted and effective.</p>
<p>Work with catchment-based partnerships to align flood risk management measures with catchment priorities as and when the opportunity arises</p>	<p>Ongoing – For example discussions held with TRUck regarding contributions to East Sussex water fair.</p>
<p>Identify opportunities for joint working on the delivery of flood risk management objectives</p>	<p>Ongoing – Identified opportunities for joint working with EA, LDC, WSCC and other departments within ESCC. For example: awareness raising, asset management data for highways, closer working with planning service.</p> <p>Reworded to better reflect local circumstances</p>
<p>In relinquishing its role as an internal drainage board in East Sussex, the Environment Agency will work with communities, land owners and local authorities to establish alternative arrangements</p>	<p>Ongoing – Timeframe has been extended to April 2015 for submission of proposed scheme to DEFRA and April 2016 for the establishment of a new board if supported.</p> <p>Evidence has been reviewed and challenged by the local authorities with support from the County Council.</p> <p>Special levy payers (the districts and boroughs) have considered cabinet reports recommending a way forward.</p>

ii Improve the evidence base and understanding of local flood risk to ensure that limited resources are targeted in the areas of highest risk and vulnerability

Actions	Status/Progress
<p>Continue to develop local flood authority resources and capacity to fulfil statutory requirements</p>	<p>Ongoing – Resources developed to support new role in the planning system.</p> <p>Held planners training session in Brighton</p> <p>Developing increased understanding of local flood risk from the completion of SWMPs</p> <p>Entering into partnerships such as the Forest Row Flood Network to develop greater community capacity.</p>

Develop a comprehensive flood investigation procedure, so that flood events are investigated where it is deemed necessary and appropriate	Completed – Drafted position statement regarding ordinary watercourse consenting and enforcement, flood investigations and drainage approval, outlining criteria for taking enforcement action and that triggering an investigation. Not carried forward to the revised delivery plan
Undertake Eastbourne Town Centre Surface Water Assessment	Ongoing – Project realigned to fit with town centre highway improvements (and Bourne Stream project), providing technical and data support to the highway authority. Carried forward but redefined in light of changing circumstances
Undertake Uckfield Town Centre, Surface Water Assessment	Ongoing – Surface water assessment completed. Supporting the design and delivery of the highways improvement works. Carried forward but redefined in light of changing circumstances
Bexhill Phase 1 Surface Water Management Plan (SWMP)	Completed – not carried forward to the revised delivery plan
Crowborough Phase 1 SWMP	Completed – not carried forward to the revised delivery plan
Forest Row Phase 1 SWMP	Completed – not carried forward to the revised delivery plan
Heathfield Phase 1 SWMP	Completed – not carried forward to the revised delivery plan
Seaford Phase 1 SWMP	Completed – not carried forward to the revised delivery plan
Peacehaven Phase 1 SWMP	Completed – not carried forward to the revised delivery plan
Newhaven Phase 1 SWMP	Completed – not carried forward to the revised delivery plan
Develop and maintain a consistent approach to recording and designating flood assets, including information regarding their significance to flood and coastal erosion risk management, their condition and ownership	Ongoing – Data gathering exercise commenced. Software option scoping underway.
Develop and maintain a consistent approach: for capturing flood incident data; and to ensure format compatibility in relation to the recording of flood assets and consents	Ongoing – Work commenced in late summer 2014 to develop incident spreadsheet/GIS. Awaiting EA role out of AIMS.
Review the East Sussex Preliminary Flood Risk Assessment (PFRA)	Ongoing – Work commenced on flood incident record to inform review of PFRA due to be submitted by June 2017.

iii Empower local communities and land owners to take action in order to be prepared for and limit the impacts of flooding

Actions	Status/Progress
Develop a targeted communications strategy to improve awareness and understanding of local flood risk, related responsibilities and to catalyse action	Ongoing – Developed riparian ownership awareness raising campaign with the EA and WSCC. Communications strategy based on outputs from recently completed SWMPs to target communication to SWMP hotspots. Action redefined in revised delivery plan to better reflect experience and current circumstances.
Promote transparency and public accountability of risk management authority activities through East Sussex County Council's Scrutiny Committee process and develop indicators to assess progress	Ongoing – Reported to CET Scrutiny Committee (17/03/14) on the impact of the 2013/14 winter period on the county highway network and progress on delivering the LFRMS.
Community groups to identify local flood risk issues and to progress potential flood risk solutions	Ongoing

iv Avoid increasing flood and coastal erosion risk by encouraging best practice for the maintenance of assets and preventing inappropriate development

Actions	Status/Progress
Develop guidance and procedures which help to achieve sustainable outcomes: 1) Updated guidance for the scoping of consent and sustainable drainage applications in relation to Water Framework Directive (WFD) Assessment 2) Produce regional sustainable drainage and master planning guidance for developers 3) Produce local sustainable drainage guidance for developers	1) Government clarification – No WFD assessment needed for SuDS. Still awaiting guidance for OWC. Not carried forward to revised delivery plan 2) Completed – SE7 guide for master planning published early 2014 (Water.People.Places). Not carried forward to revised delivery plan 3) Work recommenced , as recent government statement now allows project to be completed.
Assess the need for capacity building for local planning authority teams across East Sussex - develop a programme to address any identified needs	Ongoing – Training opportunities delivered when resources allow. Now we have certainty on the government's view on SuDS this allows us to develop a detailed programme. However, with the development of our local guide, the SE7 regional guidance and the web tool, there will be ample resources for the development industry and planners to draw upon.

v Work in partnership to deliver cost-effective flood and coastal erosion risk management measures which take a catchment wide approach and contribute to wider social, economic and environmental benefits

Actions	Status/Progress
Where practicable and appropriate take steps to further the conservation and enhancement of the natural environment, regardless of designation, in relation to flood and coastal erosion risk management measures and works	Ongoing – For example addressed in local and regional SuDS guidance.
Progress Bourne Stream Improvements Scheme	Ongoing – Scope of project changed due to the lack of data on the Stream's function and its relationship with other assets. Focus is now on data collection and the development of a management plan which all Risk Management Authorities can sign up to.
Work with partners to implement the actions arising from the surface water management plans for: 1) Hastings; and 2) the Eastbourne Area.	Ongoing – Monitoring group for the SWMP yet to be established. However, partners have completed SuDS scheme at Hollington Primary School. Ongoing – Bourne stream investigations, town centre assessment and Eastbourne park (see below). Stakeholder group established and monitoring and updating of the action plan is ongoing.
Review of Eastbourne Park Flood Storage Scheme boundaries and capacities	Ongoing – Commenced 2014.
Implement Nevill Estate Drainage Improvements	Completion delayed. Difficulties with the contractor as prevented progress. Recent events have shown that the problems affecting the highway and the foul water network have not been fully addressed by works within the estate. Discussions between the Highway Authority, Southern Water, Lewes DC and the Flood Risk Management team are ongoing.
Work with partners to implement the actions arising from the Lewes Integrated Urban Drainage Study	Ongoing
Continue Broyleside, Ringmer, Flood Alleviation Scheme	Ongoing – we have reached the options appraisal stage. Following the recent flooding of the area we are now in discussions with the EA and Lewes DC to see how swiftly improvements can be delivered.
Progress Crowhurst Surface Water Flood Relief Scheme	Ongoing – Surface water study completed. Highway and Environment Agency assessments also complete. The combination of all three has provided the evidence base for the EA to successfully bid for £160 000 to deliver flood alleviation in

Actions	Status/Progress
	the parish.
Commence Meeching Valley, Surface Water Alleviation Scheme	<p>Ongoing although funds were initially allocated for a three year project this was reduced to a single year's allocation due to the impact of the 13/14 winter on coastal and flood defences and the subsequent need to redirect funding to urgent repairs within the region.</p> <p>Survey and soak away clearance work is largely complete – However, resources only allow the completion of an options assessment, not the delivery of a solution.</p>

East Sussex Local Flood Risk Management Strategy

Draft Delivery Plan 2015 - 2016

A shaded action denotes a new action, or one revised due to changing circumstances.

Abbreviations

AOP	Adur and Ouse Partnership	SCC	Southampton City Council
BHCC	Brighton and Hove City Council	SRF	Sussex Resilience Forum
Defra	Department of Environment, Food and Rural Affairs	SDNPA	South Downs National Park Authority
EA	Environment Agency	SWMP	Surface Water Management Plan
EBC	Eastbourne Borough Council	SE7	South East Seven
ESCC	East Sussex County Council	SuDS	Sustainable Drainage Systems
FWMA	Flood and Water Management Act 2010	SW	Southern Water
HBC	Hastings Borough Council	TRUck	Trees on the River Uck
HCC	Hampshire County Council	UMIDB	Upper Medway Internal Drainage Board
IDD	Internal Drainage District	WDC	Wealden District Council
KCC	Kent County Council	WFD	Water Framework Directive
LDC	Lewes District Council	WSCC	West Sussex County Council
LGA	Local Government Association		
MC	Medway Council		
NE	Natural England		
NFF	National Flood Forum		
OWC	Ordinary Watercourse Consent		
PFRA	Preliminary Flood risk Assessment		
RDC	Rother District Council		
REACT	Rye Emergency Action Community Team		
RFCC	Regional Flood and Coastal Committee		
RMA	Risk Management Authority		
RMAIDB	Romney Marsh Area Internal Drainage Board		
SALC	Sussex Association of Local Councils		

Draft Delivery Plan 2015 – 2016

The following table sets out the actions that will be progressed by the risk management authorities in East Sussex and other key partners. These actions will help work towards achieving the Local Flood Risk Management Strategy's objectives.

The tables over the following pages identify the lead and supporting partners who will deliver each action as well as the timescales over which the actions will be achieved.

Objective i.	Actions	Lead Partner(s)	Supporting Partner(s)	Time frame
Establish and maintain effective partnerships with key organisations and local communities in order to develop collective knowledge, share best practice and secure funding for local flood risk management measures	Ensure continued engagement and progress reporting with key partners and stakeholders on flood and coastal erosion risk management issues through the establishment of an East Sussex Flood Network.	ESCC EA SALC	All other RMAs, SDNPA, local flood groups	Ongoing
	Periodically review partner roles, responsibilities and statutory duties	ESCC	All other RMAs SDNPA	On review of the Strategy
	Regional liaison on flood risk matters with southern lead local flood authorities through the South East Seven	WSCC	ESCC, KCC, HCC, BHCC, SCC, MC	Three - Six monthly meetings
	Regional liaison on flood risk matters through the Southern Regional Flood and Coastal Committee	EA	All relevant LLFAs including ESCC	Ongoing
	Prepare for and develop new statutory consultee role on drainage and local flood risk matters. Provide advice and support to planning authorities.	ESCC	All planning authorities	2015 and onwards
	Working in partnership with local stakeholders to explore opportunities for delivering local schemes. Assess the potential for securing resilience partnership funding for local flooding hotspots	EBC, HBC, LDC, RDC, WDC	ESCC EA Southern RFCC	Ongoing

Objective i.	Actions	Lead Partner(s)	Supporting Partner(s)	Time frame
Establish and maintain effective partnerships with key organisations and local communities in order to develop collective knowledge, share best practice and secure funding for local flood risk management measures	Work with catchment-based partnerships to align flood risk management measures with catchment priorities as and when the opportunity arises	Existing Catchment Partnerships e.g. AOP	All other RMAs, SDNPA	Ongoing
	In relinquishing its role as an internal drainage board in East Sussex, influence the Environment Agency programme to dissolve the Ouse, Cuckmere and Pevensey Levels IDD, with a view to securing appropriate alternative arrangements.	ESCC	EA, EBC, HBC, LDC, RDC, WDC, SDNPA, NE	April 2016
	Identify opportunities for surface water drainage improvements which additionally contribute to the management of sewer flooding	SW	ESCC, EA, EBC, HBC, LDC, RDC, WDC	Ongoing
	Review and consult on new Flood Risk Management Strategy	ESCC	All other RMAs	Complete by autumn 2016

Objective ii.	Actions	Lead Partner(s)	Supporting Partner(s)	Time Frame
Improve the evidence base and understanding of local flood risk to ensure that limited resources are targeted in the areas of highest risk and vulnerability	Continue to develop lead local flood authority resources and capacity to fulfil statutory requirements	ESCC, Defra, EA, LGA	All other RMAs SDNPA	Ongoing
	Provide technical drainage advice on highway improvements to Eastbourne Town Centre	ESCC Flood Risk Management	ESCC Highway Authority EBC, SW, EA	2015 - 16
	Provide technical drainage advice on highway improvements to Uckfield Town Centre	ESCC Flood Risk Management	ESCC Highway Authority WDC, SW, EA	2015 - 16
	Develop and publish Hailsham and Hellingly Phase 1 Surface Water Management Plan	ESCC	WDC, EA, SW	summer 2015
	Develop and publish Rye Phase 1 Surface Water Management Plan	ESCC	RDC, EA, SW, RMAIDB, REACT	summer 2015
	Develop and publish Battle Phase 1 Surface Water Management Plan	ESCC	RDC, EA, SW, RMAIDB	summer 2015
	Develop and maintain a consistent approach to recording and designating flood assets, including information regarding their significance to flood and coastal erosion risk management, their condition and ownership	ESCC	All other RMAs	Ongoing from 2014
	Develop and maintain a consistent approach: 1) for capturing flood incident data; and 2) to ensure format compatibility in relation to the recording of flood assets and consents	1) ESCC 2) EA	All other RMAs SDNPA	Ongoing from 2014
	Complete the review of the East Sussex Preliminary Flood Risk Assessment	ESCC	All other RMAs SDNPA	June 2017

Objective iii.	Actions	Lead Partner(s)	Supporting Partner(s)	Time Frame
Empower local communities and land owners to take action in order to be prepared for and limit the impacts of flooding	Develop and implement an overarching communications plan, identifying key work areas.	ESCC, WSCC, EA	All other RMAs	2014 - 15
	Raise awareness of the new SuDS requirements within Local Planning Authorities (where necessary).	District and Borough Councils	ESCC	Ongoing from January 2015
	Promote awareness of householder responsibilities and legal obligations of riparian ownership	ESCC	EA, WSCC	Ongoing
	Promote transparency and public accountability of risk management authority activities through East Sussex County Council's Scrutiny Committee process.	ESCC	All other RMAs	Ongoing
	Community groups to identify local flood risk issues and to progress potential flood risk solutions	Local Flood Groups SALC	ESCC, EA EBC, HBC, LDC, RDC, WDC, SDNPA, SRF Action in Rural Sussex NFF	Ongoing
	Support district and boroughs in awareness raising projects within local communities.	ESCC, EA	EBC, HBC, LDC, RDC, WDC	Ongoing

Objective iv.	Actions	Lead Partner(s)	Supporting Partner(s)	Time Frame
Avoid increasing flood and coastal erosion risk by encouraging best practice for the maintenance of assets and preventing inappropriate development	Provide technical advice to Local Planning Authorities in response to statutory consultations on the local flood risk and drainage aspects of planning applications	ESCC	EA	Ongoing
	Advise Local Planning Authorities on local flood risk and drainage matters as part of planning policy development.			
	Engage with riparian owners to ensure they undertake their responsibilities such as the maintenance of watercourses	ESCC	EA, WSCC, EBC, LDC, HBC, WDC, RDC, RMAIDB, UMIDB	Ongoing
	Produce local sustainable drainage guidance for developers.	ESCC	EBC, HBC, LDC, RDC, WDC and SDNPA	Summer 2015
	Assess the need for capacity building for local planning authority teams across East Sussex – develop a programme to address any identified needs	ESCC	EBC, HBC, LDC, RDC, WDC, SDNPA	Ongoing
	Develop and publish a web based sustainable drainage tool for developers and planners	ESCC	EBC, HBC, LDC, RDC, WDC and SDNPA	Summer 2015

Objective v.	Actions	Lead Partner(s)	Supporting Partner(s)	Time Frame
Work in partnership to deliver cost-effective flood and coastal erosion risk management measures which take a catchment wide approach and contribute to wider social, economic and environmental benefits	Produce Bourne Stream Management Plan	ESCC	EBC, SW, EA	April 2016
	Work with partners to implement the actions arising from the surface water management plans for: Hastings the Eastbourne Area	HBC EBC	ESCC, SW, EA ESCC, SW, EA, WDC	Ongoing Ongoing
	Forest Row Phase 1 Surface Water Management Plan – Action Plan Monitoring	Forest Row Parish Council	WDC, ESCC, Highways, SW, UMIDB	Ongoing
	Crowborough Phase 1 Surface Water Management Plan – Action Plan Monitoring	Yet to be confirmed	WDC, ESCC Flood Risk Management and Highways, SW	Ongoing
	Heathfield Phase 1 Surface Water Management Plan- Action Plan Monitoring	Yet to be confirmed	WDC, ESCC Flood Risk Management and Highways, SW	Ongoing
	Seaford Phase 1 Surface Water Management Plan- Action Plan Monitoring	Yet to be confirmed	LDC, ESCC Flood Risk Management and Highways, SW, EA	Ongoing
	Peacehaven Phase 1 Surface Water Management Plan – Action Plan Monitoring	Yet to be confirmed	LDC, ESCC Flood Risk Management and Highways, SW, EA	Ongoing
	Newhaven Phase 1 Surface Water Management Plan – Action Plan Monitoring	Yet to be confirmed	LDC, ESCC Flood Risk Management and Highways, SW, EA	Ongoing
	Bexhill Phase 1 Surface Water Management Plan Action Plan Monitoring	Yet to be confirmed	RDC, ESCC Flood Risk Management and Highways, SW, EA	Ongoing
	Review of Eastbourne Park Flood Storage Scheme boundaries and capacities - Consultants commissioned to develop scoping documents.	EBC	ESCC, EA	Ongoing
	Work with partners to implement the actions arising from the Lewes Integrated Urban Drainage Study	LDC	ESCC, EA, SW	Ongoing

Objective v.	Actions	Lead Partner(s)	Supporting Partner(s)	Time Frame
Work in partnership to deliver cost-effective flood and coastal erosion risk management measures which take a catchment wide approach and contribute to wider social, economic and environmental benefits	Continue Broyleside, Ringmer, Flood Alleviation Scheme	LDC, ESCC	SW, EA	2012 - 15
	Commence Meeching Valley, Surface Water Alleviation Scheme	LDC, ESCC	SW, EA	2013 - 17
	Coordinate and lead local stakeholder activity on developing and delivering solutions to ongoing sewer flooding in Winchelsea Beach	ESCC	SW, EA, RMAIDB, RDC, Icklesham Parish Council, Private land owners	2016
	Develop and implement a flood alleviation scheme for Crowhurst	EA	ESCC, RDC, Crowhurst Parish Council	2017
	Work with the Highway Authority to develop a strategy to manage highway drainage assets.	ESCC Highways	ESCC Flood Risk Management	Ongoing

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