



AUDIT, BEST VALUE AND COMMUNITY SERVICES SCRUTINY COMMITTEE

TUESDAY, 27 SEPTEMBER 2016

10.00 am COMMITTEE ROOM, COUNTY HALL, LEWES

MEMBERSHIP - Councillor Mike Blanch (Chair)
Councillors John Barnes (Vice Chair), Laurence Keeley, Carolyn Lambert,
Peter Pragnell, Bob Standley and Trevor Webb

A G E N D A

- 1 Minutes of the meeting held on 15 July 2016 (*Pages 3 - 10*)
- 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.

Audit Items

- 5 Internal Audit 2016/17 progress report - Quarter 1 (*Pages 11 - 24*)
Report by the Chief Operating Officer
- 6 Strategic Risk Monitoring 2016/17 - Quarter 1 (*Pages 25 - 30*)
Report by Chief Operating Officer

Scrutiny Items

- 7 Reconciling Policy, Performance and Resources (RPPR) 2017/18 (*Pages 31 - 118*)
Report by the Chief Executive
- 8 Property Policies Update (*Pages 119 - 146*)
A report by the Chief Property Officer.
- 9 Orbis Programme Update (*Pages 147 - 198*)
Report by the Chief Operating Officer and the Orbis Programme Manager
- 10 Scrutiny committee future work programme (*Pages 199 - 204*)

11 Forward Plan (*Pages 205 - 214*)

The Forward Plan for the period to 31 December 2016. The Committee is asked to make comments or request further information.

12 Any other items previously notified under agenda item 4

PHILIP BAKER
Assistant Chief Executive
County Hall, St Anne's Crescent
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19 September 2016

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Agenda Item 1

AUDIT, BEST VALUE AND COMMUNITY SERVICES SCRUTINY COMMITTEE

MINUTES of a meeting of the Audit, Best Value and Community Services Scrutiny Committee held at Committee Room, County Hall, Lewes on 15 July 2016.

PRESENT	Councillors John Barnes (Vice Chair), Kathryn Field, Laurence Keeley, Carolyn Lambert, Peter Pragnell and Bob Standley
LEAD MEMBERS	Councillor Chris Dowling, Lead Member for Community Services Councillor David Elkin, Lead Member for Resources
ALSO PRESENT	Kevin Foster, Chief Operating Officer Russell Banks, Head of Assurance Marion Kelly, Chief Finance Officer Bethan Hampson, Executive Officer Ola Owolabi, Head of Accounts and Pensions Nick Skelton, Assistant Director Communities John Stebbings, Chief Property Officer Matt Scott, Chief Information Officer Stephen Potter, Head of Customer and Library Services Philip Baker, Assistant Chief Executive

1 MINUTES OF THE MEETING HELD ON 15 MARCH 2016

1.1 RESOLVED to approve as a correct record the minutes of the meeting held on 15 March 2016.

2 APOLOGIES FOR ABSENCE

2.1 Apologies for absence were received from Councillor Mike Blanch. It was noted that Councillor Kathryn Field was substituting for him.

3 DISCLOSURES OF INTERESTS

3.1 Councillor Standley declared a personal interest in item 6, as a member of the Pension Committee, but he did not consider this to be prejudicial.

4 URGENT ITEMS

4.1 There were none.

5 REPORTS

5.1 Reports referred to in the minutes below are contained in the minute book.

6 REVIEW OF THE KPMG REPORT TO THOSE CHARGED WITH GOVERNANCE AND STATEMENT OF ACCOUNTS FOR 2015/16

6.1 The Committee considered a report by the Chief Operating Officer which presented the ISA260 report to those charged with governance, ahead of the report being presented to the Governance Committee.

6.2 Philip Johnstone and Scott Walker of external auditors KPMG attended the meeting to present the report and key findings including the unqualified “true and fair” audit opinion and value for money conclusion that the Authority has made proper arrangements to secure economy, efficiency and effectiveness in its use of resources. The external auditors thanked the Finance Team for their dedication in preparing the accounts, which were of a very high standard, ahead of schedule. This assisted the smooth auditing of the accounts, and prepares the Council to meet the revised audit timescale requirements in future years.

6.3 Philip Johnstone highlighted the following points:

- There were no uncorrected or material differences to report.
- One asset previously identified as surplus was still occupied, and so reported as an adjusted audit difference.
- The need for departments to report accurately anything that might affect the classification in the Property Plant and Equipment (PPE) balance.
- The key significant risks remain: accounting for local authority maintained schools; assuring the fair value of PPE; management override of control and fraud risk of revenue recognition.
- With regard to Value For Money, there remains an outstanding objection to the Bexhill Hastings Link Road, which it was hoped would be settled presently and the opinion issued on the 2014/15 accounts, and the Better Care Fund has been added as an area of work as the joint arrangements are new.

6.4 The Committee discussed the following areas in detail:

Accounting for local authority maintained schools

6.5 The schools will remain on the Council’s balance sheet until such time as the Diocese of Chichester can conclusively establish ownership and register their title. The research into title has been protracted owing to the nature of the records and their archiving. The Committee commented on the issue of ownership of school buildings built by the Council on land that it is subsequently established is owned by the Diocese.

Reserves

6.6 The Committee discussed the distinction between Useable and Unuseable reserves. It was clarified that Useable reserves, such as the Schools General Fund, were those earmarked for specific purposes. Unuseable reserves are those that can only be used at the direction of the Secretary of State, such as for the settlement of equal pay claims.

6.7 **RESOLVED** to (1) note the report and its appendices;
(2) confirm that there are no concerns arising from the Independent Auditor’s (KPMG) Report or the management response to it, that need to be brought to the attention of the Governance Committee; and
(3) record their thanks to the Finance Team for their work in assisting with the external audit.

7 REVIEW OF THE KPMG REPORT TO THOSE CHARGED WITH GOVERNANCE AND PENSION FUND ANNUAL REPORT FOR 2015/16

7.1 The Committee considered a report by the Chief Operating Officer which presented the ISA260 report to those charged with governance ahead of the report being presented to the Pension Committee.

7.2 Philip Johnstone and Scott Walker of external auditors KPMG attended the meeting to present the report and key findings, including the unqualified “true and fair” audit opinion. The Committee discussed the duty of the Pension Fund to secure a return for its investors.

7.3 RESOLVED to (1) note the report and its appendices; and (2) confirm that there are no concerns arising from the Independent Auditor’s (KPMG) Report or the management response to it, that need to be brought to the attention of the Pension Committee.

8 INTERNAL AUDIT ANNUAL REPORT AND OPINION 2015/16

8.1 The Committee considered a report by the Chief Operating Officer which provided an opinion on the County Council’s control environment for 2015/16, and the major findings from audit reviews completed during quarter 4. The Head of Assurance confirmed that he was able to provide reasonable assurance that East Sussex County Council has in place an adequate and effective framework of governance, risk management and internal control.

8.2 The Head of Assurance clarified the position in respect of those audit reviews that had been rated as minimal assurance. The ESCC Microsites review had only been recently completed and is scheduled for a follow up review taking into account input from the Information Strategy Board. The Public Health Local Service Agreements review is now rated as substantial assurance at the conclusion of the follow up review. The Head of Assurance also confirmed that the Personnel Support Unit had been instructed as to the need to obtain and retain evidence regarding increased senior leadership salaries in schools.

8.3 The Committee discussed the schools audit programme and the lack of full assurances. The Head of Assurance set out the background to the programme and the training of schools’ senior leaders, and that further reviews will be undertaken to gauge the effectiveness of the training. The Committee suggested that the Dioceses could be engaged more effectively, especially if concerns remained after a follow up review.

8.4 The Chief Information Officer explained the complexity of the issue of Staff Transfers and Leavers which was subject to an opinion of partial assurance. He set out the responses to the audit recommendations, including a weekly scan of access to the Council’s systems, and a suspended account area, into which accounts are moved after 30 days of non-activity. The recruiting manager is then contacted regarding how to proceed.

8.5 Managers were identified as key to the process, in terms of providing accurate and timely information on staff movements, either within the organisation when access to information previously available is no longer appropriate, or on leaving. The Chief Information Officer also set out that as much of the process as possible was automated through HR.

8.6 RESOLVED to (1) note the internal audit service’s opinion on the Council’s control environment; (2) confirm that there are no significant control issues that should be included in the Council’s annual governance statement for 2015/16; and (3) agree that the Council’s system for internal audit has proved effective during 2015/16.

9 INTERNAL AUDIT STRATEGY AND ANNUAL PLAN 2016/17

9.1 The Committee considered a report by the Chief Operating Officer. The Head of Assurance highlighted the work undertaken jointly with Surrey County Council and Brighton & Hove City Council's Internal Audit Teams and the potential for further integration.

9.2 The Committee discussed the auditing of the Community Infrastructure Levy (CIL) and Section 106 Agreements. The Head of Assurance set out that the Plan captured high level assessments of potential risks, with further details once the scope of the audit work had been identified. He further confirmed more work would be done on Contract Management in connection with the procurement transformation.

9.3 RESOLVED to endorse the Council's Internal Audit Strategy 2016/17 and Annual Plan.

10 MONITORING OFFICER'S ANNUAL REVIEW OF THE CORPORATE GOVERNANCE FRAMEWORK

10.1 The Committee considered a report by the Monitoring Officer, which set out the internal controls in place to ensure compliance with the Council's code of corporate governance, to be considered by the Governance Committee at its meeting on 19 July.

10.2 The Monitoring Officer highlighted that the CIPFA guidance was being revised for 2016/17, and that a review had been undertaken of how the Council's current policies and practices align with the new principles.

10.3 The Committee discussed audits of schools, and the powers of intervention the Council holds, with particular concerns where a school which receives an unsatisfactory audit verdict acts as a mentor to other schools. The Head of Assurance set out that audits and any concerns are shared with Governing Bodies and senior school managers, but the Council had limited powers of intervention. The Monitoring Officer agreed to bring the matter to the attention of the Governance Committee when they consider the Assessment.

10.4 RESOLVED to (1) note the report to the Governance Committee and its appendices; and
(2) bring the issue raised at minute 10.3 to the attention of the Governance Committee.

11 STRATEGIC RISK MONITORING - QUARTER 4 2015/16

11.1 The Committee considered a report by the Chief Operating Officer. It was confirmed that the September report would reflect national changes in the political landscape, and that implications of the Referendum result would be addressed through the Reconciling Policy Performance and Resources process.

11.2 RESOLVED to note the report.

12 FORMER ST. ANNE'S SCHOOL SITE, LEWES

12.1 The Committee considered a report by the Scrutiny Panel, established at the March Committee meeting, to examine whether any future scrutiny work was required in respect of the St Anne's site disposal.

12.2 The Committee discussed the length of time the process had taken from the closure of the school in 2005, and the desirability of avoiding a similar situation in future. The Committee suggested a review period should be included in future protracted negotiations, and it was confirmed that the ongoing review of property policies could address this point. The Committee requested that consideration be given to the interaction of the policies with the SPACES programme.

12.3 The Chief Operating Officer confirmed that the community transfer of the St Anne's site was no longer viable, even to previous bidders, and that alternatives were being considered.

12.4 RESOLVED to (1) not carry out any further scrutiny of the process used to dispose of the St Anne's site;
(2) agree in principle to undertake a review of the Community Asset Transfer (CAT) and "Meanwhile Use" policy within the context of the suite of interrelated property policies that exist, with a decision on whether to proceed to be taken in September;
(3) request sight of proposals for the future disposal of St Anne's site before a final decision is taken, but only if it is proposed to dispose of the site at less than market value; and
(4) retain an overview of all related proposed property disposals at less than market value, such as community asset transfers (CATs).

13 PROPERTY INVESTMENT STRATEGY PRESENTATION

13.1 The Committee considered a presentation by the Chief Property Officer, a copy of which is in the Minute Book.

13.2 The Chief Property Officer explained the background to the proposals, including the uncertainty regarding future funding models based on a reliance on Council Tax income and retention of local business rates. An assessment of asset potential by consultants CBRE was highlighted, which showed the distribution of office, industrial, retail and residential assets within the county and immediate surroundings (Brighton, Haywards Heath, Crawley).

13.3 A Property Investment Company, established as a body independent of the County Council, is the most efficient way of enabling the County Council to invest in property outside of the county. Returns generated from that investment could then be re-invested in income generating assets inside the county, to support regeneration and development of the local economy. The Committee discussed the principle of the County Council forming a Property Investment Company, with the potential impacts on competition

13.4 It was confirmed that: any new organisation would be a company limited by guarantee by the County Council; that officers could act as directors of the limited company; and that profits would be returned to the County Council. Surrey County Council runs a property investment team successfully through officers with a full understanding of their assets and markets.

13.5 The Committee suggested areas for exploration, such as health and social care infrastructure including GP practices, integration with the SPACES programme, and retail opportunities for new start-up businesses. Officers were advised to consider the risk profile and return period of any investment. It was clarified by the Chief Property Officer that the principal driver of the Strategy was investment in existing income-producing assets, that could be relied on to provide an income stream for investment in the East Sussex economy.

13.6 It was confirmed that the target for any Property Company would initially be to cover its operating costs and to generate a steady low risk yield, of 1-2% of the value of any asset acquired, which could be relied on in future budgets.

13.7 RESOLVED to broadly welcome the development of a property investment strategy to generate income to continue delivery of the Council's priority of encouraging economic growth. Officers were encouraged to be ambitious while maintaining consciousness of being guardians of tax payers' money.

14 LIBRARY OPENING HOURS PROPOSALS AND LIBRARIES' TRANSFORMATION PROGRAMME UPDATE

14.1 The Committee considered a report by the Director of Communities, Economy and Transport which presented the report to Cabinet and invited the Committee to provide comments to assist the Cabinet.

14.2 The Assistant Director Communities set out the changes to the proposed opening hours, made as a result of the public consultation. The Committee noted that the proposals were based on the evidence, and welcomed the scope of the consultation. It was confirmed that District, Borough and Town Councils would be consulted as part of the next stages of the Libraries Transformation Programme.

14.3 The Committee discussed Seaford Library and the continued provision of the café outlet. The Head of Customer and Library Services confirmed that the loss of the café was temporary, and that the reduced opening hours would not act as a deterrent to any new operators.

14.4 The Committee discussed the re-establishment of the Reference Group, to work alongside officers during the development of the Transformation Programme. The Committee expressed interest in income generation, and ways of developing or replacing the mobile library offer, with particular reference to the pilots undertaken at Old People's Homes. The development of electronic access to the Service, and of the input of volunteers, was promoted by the Chair, in particular in the rural parts of the County.

14.5 The Lead Member for Community Services praised the work of the officers involved in the Programme, the thorough consideration of the consultation responses and the resultant amendments to the proposals. He noted that where opening hours had been changed it was during the quietest parts of the day, so minimising the impact on the public. The Lead Member welcomed the support of the Scrutiny Committee.

14.6 RESOLVED to (1) endorse the report to Cabinet; and (2) re-establish the Committee's Libraries Transformation Programme Reference Group and hold a meeting in September.

15 SCRUTINY COMMITTEE FUTURE WORK PROGRAMME

15.1 The Committee considered the Committee's Work Programme, and discussed the suite of property policies that are under review. The Committee also discussed the Agile Reference Group and the need to finalise a date for the Group to consider the outcomes and legacy indicators of the project.

15.2 RESOLVED to note the Work Programme.

16 FORWARD PLAN

16.1 The Committee considered the Forward Plan.

16.2 RESOLVED to note the Forward Plan.

The meeting ended at 12.35 pm.

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Report to: **Audit, Best Value and Community Services Scrutiny Committee**

Date: **27 September 2016**

By: **Chief Operating Officer, Business Services Department**

Title of report: **Internal Audit Progress Report – Quarter 1 (01/4/16 – 30/6/16)**

Purpose of report: **To provide Members with a summary of the key audit findings, progress on delivery of the audit plan and the performance of the internal audit service during Quarter 1.**

RECOMMENDATIONS

- 1. Members are recommended to consider and agree any action that should be taken in response to the issues raised in any of the audits carried out during Quarter 1;**
 - 2. Identify any new or emerging risks for consideration for inclusion in the internal audit plan.**
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1. Background

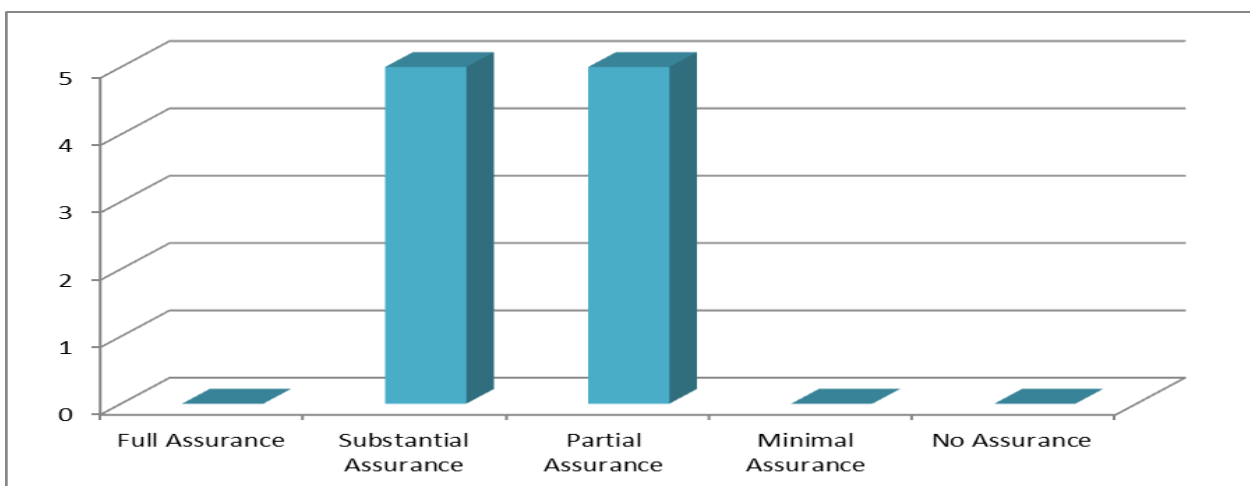
1.1 This progress report covers work completed between 1 April 2016 and 30 June 2016.

2. Supporting Information

2.1 The current annual plan for internal audit is contained within the Internal Audit Strategy and Annual Plan 2016-17. This was prepared after consulting Chief Officers and senior managers and was endorsed by Audit, Best Value and Community Services Scrutiny Committee on 15 July 2016.

3. Conclusion and Reasons for Recommendation

3.1 Key audit findings from final reports issued during Quarter 1 are summarised in Appendix A.



3.2 Overall, of the 10 formal audits completed, 5 received 'substantial assurance' (1 of which was a school) and 5 received 'partial assurance' (1 of which was a school). There were no 'minimal' or 'no assurance' opinions. Of the partial assurance opinions given, it is disappointing to have to report that in two cases (Pension Fund Processes and Systems and Direct Payments), there has been insufficient improvement in control since our previous reviews of these areas.

3.3 Although the same range of internal audit opinions are issued for all audit assignments, it is necessary to also consider the level of risk associated with each area under review when drawing an opinion on the Council's overall control environment. **Taking into account these considerations, the Head of Assurance continues to be able to provide reasonable assurance that the Council has in place an effective framework of governance, risk management and internal control.**

3.4 The overall conclusion has been drawn based on all audit work completed in the year to date and takes into account the management response to recommendations raised and the level of progress in subsequent implementation. This is something which will continue to be monitored and reported on by Internal Audit throughout the year.

3.5 Formal follow up reviews continue to be carried out for all audits where either 'minimal' or 'no assurance' opinions have been given and for all higher risk areas receiving 'partial' assurance. A schedule of all audits where future follow up reviews are planned is provided at the end of Appendix A, which will continue to be updated on an ongoing basis. In addition, arrangements are in place to monitor implementation of all individual high risk recommendations. At the time of writing this report, one high risk recommendation due, relating to a school, remained outstanding beyond the agreed implementation date. A revised implementation date for this has been agreed and this will be monitored to confirm it is actioned accordingly.

3.6 Members will recall that flexibility was built into the audit plan to allow resources to be directed to any new and emerging risks. We continue to liaise with departments to identify these but would also welcome input from the Committee. Details of those reviews added and removed from the plan so far this year are set out at the end of Appendix A.

3.7 Progress against agreed performance targets (focussing on quality / customer satisfaction, compliance with professional standards, and cost / coverage) can be found in Appendix C. All targets, with the exception of one amber score relating to client manager customer satisfaction, have been assessed as on target (green).

KEVIN FOSTER,
Chief Operating Officer

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BACKGROUND DOCUMENTS:
Internal Audit Strategy and Annual Plan 2016-17

Summary of Key Audit Findings

Pensions Fund Processes and System

The review of the East Sussex Pension Fund Processes and Systems is an annual review examining controls over the calculation and payment of pensions, transfers to and from the pension fund and the collection and recording of pension contributions (including contributions from other admitted bodies). This review formed part of the 2015/16 annual audit plan and was finalised during the first quarter of this financial year.

Whilst our review found that the key controls over areas such as the calculation of employee / employer contributions and pensioner payments were in place, a number of weaknesses in the administration of the Fund, undertaken by the Pensions Administration Team, meant that we were still only able to provide an opinion of **partial assurance**, unchanged from that issued in our previous audit of this system.

At the time of the audit, we found that the Pensions Administration Team had not undertaken appropriate action to address known issues associated with backlogs in work and key activities. It is understood that staff shortages and loss of expertise within the service have impacted the ability of the Administration Team to cope with workloads but we been informed that this is now being addressed by management. Workloads are currently mismatched against available resources and improvements need to be made in the routine monitoring of certain tasks.

Particular areas identified requiring further improvement were:

- Undertaking a reconciliation between SAP and the pensions system (Altair) to confirm the accuracy of personal data and in particular, home address information, to ensure annual benefit statements are only sent to the correct addresses;
- Resolving all previous instances where information had been sent to incorrect recipients, including directly contacting all members of the scheme affected by previous errors;
- Ensuring annual benefits statements are issued in a timely manner and in accordance with the guidance issued by the pension regulator;
- Taking urgent action to deal with specific backlogs and outstanding tasks relating to pension lump sum payments, transfer in quotes, combining of pension benefits and other pension choices.

All of the recommendations arising from the review have been agreed with management as part of a formal action plan for improvement and it is our understanding that, in a number of cases, immediate action is being taken to address the weaknesses identified. A full follow up review to confirm the progress made will be undertaken as part our 2016/17 audit plan.

ContrOCC System

A review of the ContrOCC system has been completed as part of the agreed annual audit plan for 2015/16. The ContrOCC system is used to record contractual obligations and control payments to independent sector suppliers of day care, home care, residential and nursing care services. Clients in receipt of these services are required to contribute towards the cost of services received, based on the results of a financial assessment.

Between January and December 2015, average net monthly payments to providers were £10.4m. In the same period, the average net monthly billings were £809,000 (excluding services billed for directly by providers).

Based on the testing carried out as part of our review, we have been able to provide an audit opinion of **substantial assurance** over the control environment within the ContrOCC system. In summary, we found that providers are being paid accurately for services provided and clients are being financially assessed correctly to determine whether they can afford to contribute towards the cost of their care. In addition, we found that many of the issues highlighted in our previous audit in this area had been addressed.

Some further opportunities to strengthen the control environment were, however, identified and these include:

- Ensuring that where the system is subject to a technical upgrade, appropriate evidence of robust testing is maintained in the form of complete user acceptance test scripts;
- Maintaining a register of providers who have repeatedly failed to inform the Council of the death of a client and utilising this to help avoid future repetition. This was an action raised in our last review which has remained outstanding.

A formal action plan incorporating all the recommendations arising from our review, none of which are considered high risk, has been agreed with management.

Direct Payments

A review of the Direct Payments (DP) system was completed as part of the 2015/16 annual plan with the overall objective of ensuring that:

- the assessment process (both care and financial) for clients in receipt of DPs is appropriate and fit for purpose;
- all payments have been properly accounted for and, within the flexibilities of the scheme, used for the purposes intended;
- monitoring processes are robust and proportionate, having regards to the risk and pressure on resources.

DPs are payments made to individuals to meet some or all of their eligible health care and support needs, with all clients offered the option of a DP at either assessment or review stages. DPs are established through an Individual Service Agreement which outlines the weekly amount paid by ESCC and the amount that the client must contribute towards the cost of their care and support. Those choosing to receive the payment have the option to manage their account or may choose to have the account managed by ESCC or an external service provider.

In 2014/15, approximately £20 million was paid out in DPs, across 2,225 clients.

Overall, based on the audit work undertaken, we have provided an opinion of **partial assurance** over the control environment, which has remained unchanged from our previous review of this area in 2014. The main areas where improvement in control is required relate to ensuring that:

- third party managed account providers regularly monitor inactive DP accounts in accordance with the service specification, to prevent excessive balances from being held and ensuring funds are returned promptly where agreements have ceased;
- action is taken promptly by third party managed account providers to recover unpaid client contributions;
- DP accounts are properly monitored to identify all instances where the balances on accounts exceed the 12 week limit, and where this is the case, action is taken to recover funds that are surplus to requirements;

- roles and responsibilities between Adult Social Care and Business Operations, including those relating to the liaison with third party service suppliers, are clarified to ensure all key activities are undertaken effectively. This is particularly important with regard to the frequency of reviews of spend against support plans to ensure care payments are made correctly, any potentially inappropriate use of funds is identified promptly and all client contributions are received;
- For all clients using the new pre-paid cards, a reconciliation is undertaken to ensure that all historic bank account balances have been transferred completely and accurately, taking appropriate corrective action where this is found not to have happened;
- The four outstanding actions from our previous audit of this system are implemented promptly and fully.

It is understood that resourcing has been a factor impacting on many of the weaknesses highlighted above and that work has been undertaken, and is ongoing, to review and document processes in order to identify and implement service improvements and efficiencies. In addition, we recognise that the introduction of pre-paid card accounts in 2014 has given greater visibility to some of the issues identified in this report and which are likely to have been present since the introduction of DPs but have only now become apparent.

All of the recommendations arising from our report have been agreed with management as part of a formal action plan, the majority of which are due to be implemented in the first half of 2016. A formal follow up review by Internal Audit will be carried out later in the year to confirm that this is the case and the control environment has improved sufficiently.

Adult Social Care Procurement

The review of ASC Procurement has been completed as part of the agreed annual audit plan for 2015/16 and forms part of our work supporting the East Sussex Better Together (ESBT) programme. Specifically, this review of procurement by the Contracts and Purchasing Unit (CPU) is a precursor to our future work in that it will serve to provide an understanding of the procurement process and inform our review of commissioning, an area which is currently undergoing significant reform.

The CPU provides advice and support to operational managers and staff in ASC on contract and commissioning arrangements. The Unit manages a diverse range of contracts across all service areas of the department and is responsible for the management of the independent sector market and relationships with contracted care providers.

This audit consisted of a high level review of procurement activity, covering the following control objectives:

- Governance arrangements ensure that procurement activity delivers value for money and outcomes in accordance with ASC service requirements;
- Robust contract arrangements are in place to ensure that expected outcomes are delivered and include adequate provision for contract management;
- Pricing mechanisms are sufficiently well designed to maximise value for money;
- Financial planning arrangements provide a sound basis for managing the budget.

Overall, based on the work carried out, we have been able to provide **substantial assurance** over the control environment, with key controls found to be in place in most areas. Some areas for further improvement were, however, identified, primarily in relation to the following:

- Clarifying the respective roles of the Procurement and Commissioning functions to ensure all key activities are carried out effectively and to help avoid duplication. The potential lack of clarity between the work of these two functions is likely to have contributed to some of the other areas for improvement identified during our review;

- Strengthening risk management arrangements;
- Reviewing and updating key performance indicators;
- Considering the introduction of pricing incentives;
- Introducing the use of benchmarking to help drive service improvement.

All recommendations made have been incorporated into a formal action plan agreed in full with management.

Property Works Pre-Contract Checks

The review of insurance and other pre-contract checks for property works was completed as a result of known instances where property works have commenced and, on one occasion finished, before formal contracts had been put in place. This included works beginning without the necessary pre-contract checks, including contractors' insurance, having been executed.

Robust contract arrangements should be in place to protect ESCC from inadequate workmanship or contractors failing to complete works. In addition, it is important that adequate checks are carried-out on contractors to confirm that they have adequate public liability and, where appropriate, professional indemnity insurance. It is also important to ensure that values of ESCC buildings, increased as a result of building works, are correctly reflected in ESCC's own insurance cover.

This audit consisted of a review of a sample of property related works and found that controls over insurance and other pre-contract checks were not operating effectively. It was, however, clear that many of the weaknesses found had already been identified by management which had begun to take steps to address them, including holding joint workshops between Property and Procurement Teams to clarify respective roles and responsibilities. Consequently, we have been able to provide an opinion of **partial assurance**. The remaining areas where improvement in control is required relate to ensuring that:

- The respective roles and responsibilities between the Property and Procurement Teams are properly understood and defined, especially in light of recent restructures and ongoing integration between ESCC and Surrey County Council;
- Contracts are executed prior to works commencing to enhance the Council's ability to ensure that works are completed on time, to budget and to the required specification;
- The financial soundness of contractors is properly checked in accordance with ESCC Procurement Standing Orders;
- All contractors have appropriate public liability insurance prior to works commencing and that periodic insurance checks are carried out on contractors with which we have term contracts;
- The ESCC Insurance Team is notified when capital works are completed so that their records can be updated and the correct reinstatement value reflected in the Council's insurance policy.

All of the recommendations arising from the review have been agreed with management as part of a formal action plan for improvement and, as referred to above, management had already begun to take action to address them.

Information and ICT E-Safety Controls in Schools

This review, undertaken by Mazars, looked at the effectiveness of information and ICT e-safety controls within a sample of schools, focussing specifically on:

- Operational security;
- Physical security;
- Records management;

- Computer systems;
- Information sharing, and;
- Websites.

Whilst areas of good practice were found during the review, a number of control weaknesses were identified which resulted in an audit opinion of **partial assurance**. Although this is not reflective of all the schools in the sample, there were opportunities for improvement, including the need for schools to:

- Formally define overall responsibility and accountability for information security;
- Establish policy and procedures in relation to freedom of information, breach or loss of personal data, data protection, management and use of CCTV, records management and data sharing with third parties;
- Maintain detailed records of keys and swipe cards and that, where key pad door locks are used, the codes are periodically changed;
- Restrict server rooms to authorised personnel only;
- Ensure spreadsheets and other systems holding personal data are appropriately password protected, that password parameters meet good practice and that user accounts are not shared, and;
- Maintain a register of software licences to ensure these are kept up-to-date and renewed in a timely manner to help prevent breaches in licence terms and conditions.

Each of the schools in the sample has received a separate report which outlines the findings applicable to them. In addition, all of the findings of the review are to be published on the Virtual Schools Bag so that all ESCC schools can benchmark themselves against these and take necessary action where applicable.

Music Service Income

The East Sussex Music Service provides a number of services which include an instrumental teaching scheme in schools, Music Centre activities, a summer school and orchestral and chamber ensemble concerts. In the 2015/16 financial year, the Music Service received £1.2million in fees and charges.

The Music Service uses the system 'Ensemble', which is separate from SAP, the corporate accounting system, to raise and manage its invoices. This system is also used for pupil management and administration.

The main purpose of our audit was to examine arrangements for ensuring that cash and other income collected by the Music Service is accounted for and banked accurately, promptly and securely, and to gain assurance that the Council is correctly billing and receiving all revenues to which it is entitled.

As a result of our work in this area, we have been able to provide an opinion of **substantial assurance** over the key controls in place.

Areas of good practice found during the audit included:

- Invoices are raised regularly for the services provided and at the correct rates;
- Credit notes and refunds are made for appropriate reasons and evidence is retained to support them;
- Cash and cheques are banked on a regular basis, and;
- Reconciliations are taking place on a regular basis between Ensemble and SAP.

A small number of opportunities for improvement were identified, including the need to:

- Expand and/or update the financial procedures for the Music Service, and;
- Ensure that records of cash exchanging hands are always completed.

The recommendations arising from the review were agreed with management who are committed to implementing all the necessary improvements.

Public Health Local Service Agreements – Follow-Up

A review of Public Health Local Service Agreements (PHLSA) was undertaken in 2015/16 which identified a number of significant control issues, resulting in an audit opinion of minimal assurance. Consequently, this follow-up review has been undertaken as part of the agreed audit plan for 2016/17, the main purpose which was to review the extent to which the agreed actions from the original report have been implemented.

Overall, it is pleasing to report that the majority of recommendations made in the previous review have been implemented, with a substantial improvement in internal control secured as a result. Only a small number of actions remain partially implemented or outstanding and these are considered to be low risk in nature. As a result of the follow-up work undertaken, we have been able to provide a revised opinion of **substantial assurance**. Actions and timescales to address the remaining or revised issues have been agreed in full with management.

Individual School Audits

We are continuing our school work in two main areas:

- Audits in a sample of higher risks schools and follow-ups where poorer audit opinions have been given. This work is delivered by our own internal audit team, and;
- A wider programme of audits of randomly selected schools, delivered through Mazars Public Sector Internal Audit.

As reported previously, the purpose of this wider sample of schools is to assess financial governance in more schools, not just those deemed to be higher risk, and to gauge the effectiveness of a new training programme recently delivered to governors, headteachers and school business managers.

In quarter 1, two school audits were completed as follows:

Higher Risk and Follow Up Audits (Delivered in House)	Location	Type	2016/17 Budget £'000	Opinion
Pevensey and Westham Church of England Primary School Follow-Up	Pevensey	Voluntary Controlled	1,448	Partial (previously minimal assurance)
Pells Church of England Primary School – Follow Up	Lewes	Voluntary Controlled	495	Substantial (previously minimal assurance)

Investigations

Ocklynge School - Theft of Equipment

Following a referral from Personnel and Training (PAT), an investigation was conducted into an allegation that a member of school staff, together with a contractor, had removed items of ICT equipment from the school without apparent authorisation. The school had notified Sussex Police who declined to investigate the incident due to uncertainties over ownership of the equipment concerned.

A fact finding visit was made to the school which involved:

- Conducting informal meetings with members of staff;
- Examining the arrangements for storage of ICT equipment;
- Examining record-keeping in relation to ICT equipment owned by the school;
- Reviewing and securing CCTV footage from the school.

Based on this work, it was established that there was insufficient evidence to be able to identify exactly what property was removed or to confirm formal ownership of all ICT equipment stored in the school. Consequently, it was not possible to conduct an effective investigation into the potential theft.

A memorandum was, however, sent to the school highlighting any findings relevant to the ongoing management investigation into the conduct of a member of school staff and also identifying areas of internal control improvement which could help avoid future repetition.

Additional Audit Reviews

Through discussions with management, the following reviews have been added to the audit plan during the course of the year on the basis of risk (see 3.6 above):

- Broadband Annual Return to BDUK
- Schools Themed Review – Partnerships and Federations
- National Fraud Initiative Pension Investigations
- Homecare Processes
- Pensions Process Integration and Altair System Merge
- New On-line Claims System

Currently, no scheduled audits have been removed from the audit plan.

Audit Areas Scheduled for Future Follow Up

Audit Area	Original Audit Opinion	Date of Planned Follow Up
Compliance with Procurement Standing Orders	Partial Assurance	2016/17
Contract Management	Partial Assurance	2016/17
Pension Process and Systems	Partial Assurance	2016/17
Direct Payments	Partial Assurance	2016/17
Property Pre-Contract Checks	Partial Assurance	2016/17
Management of Staff Transfers and Leavers	Partial Assurance	2016/17
Microsites	Minimal Assurance	2016/17
Information and ICT E-Safety Controls in Schools	Partial Assurance	2016/17

Audit Area	Original Audit Opinion	Date of Planned Follow Up
Special Educational Needs and Disabilities (SEND)	Partial Assurance	2016/17
Western Road County Primary School	No Assurance	2016/17
Shinewater Primary School	Minimal Assurance	2016/17
Northiam CEP School	No Assurance	2016/17
Castledown Primary School	Minimal Assurance	2016/17
Sacred Heart Catholic Primary School	Minimal Assurance	2016/17
Parkside Primary School	Minimal Assurance	2016/17

High Risk Recommendations Overdue

Parkside Community Primary School

One recommendation relating to the above school remains overdue regarding to the need for the school to maintain an up-to-date asset register and for this to be subject to a periodic, independent check. The school is committed to ensuring this happens and time has been set aside in Summer 2016 to implement this.

Internal Audit Performance Indicators

Measure	Source of Information	Frequency	Specific Measure / Indicator	RAG Score	Actual Performance
Client Satisfaction					
Chief Officer/DMT	Consultation / Survey	Annual	Confirmation of satisfaction with service quality and coverage and feedback on areas of improvement.	G	Confirmed through Chief Officer consultations in February / March 2015, where high levels of satisfaction confirmed.
Client Managers	Satisfaction Questionnaires	Each Audit	>89%	A	80%
Section 151 Officer	Liaison Meetings	Quarterly	Satisfied with service quality, adequacy of audit resources and audit coverage.	G	Confirmed through ongoing liaison throughout the year and via approval of audit strategy and plan.
ABV&CSSC	Chairs Briefing and Formal Meetings	Quarterly / Annual	Confirmation of satisfaction with service quality and coverage and feedback on areas of improvement.	G	Confirmed through annual review of effectiveness and feedback from committee as part of quarterly reporting.
Cost/Coverage					
CIPFA Benchmarking	Benchmarking Report and Supporting Analysis Tools (to be reviewed for 2015/16)	Annual	1. Cost per Audit Day; 2. Cost per £m Turnover; equal to or below all authority benchmark average	G	Opportunities to improve benchmarking being explored. Last results available are for 2012, these show: 1. £316 against average of £325 2. £559 against average of £1,004
Local and National Audit Liaison Groups	Feedback and Points of Practice	Quarterly	Identification and application of best practice.	G	On-going via attendance at County Chief Auditors Network, Home Counties Audit Group and Sussex Audit Group.
Delivery of the Annual Audit Plan	Audits Completed	Quarterly	90% of audit plan completed.	G	24.4%

Measure	Source of Information	Frequency	Specific Measure / Indicator	RAG Score	Actual Performance
Professional Standards					
Compliance with professional standards	Self-Assessment against new Public Sector Internal Audit Standards	Annual	Completed and implementation of any actions arising.	G	Self-assessment completed, improvement plan in place and being actioned.
External Audit Reliance	Fundamental Accounting Systems Internal Audit Activity	Annual	Reliance confirmed	G	No matters were raised following the last review of internal audit function by KPMG.

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Report to: **Audit, Best Value and Community Services Scrutiny Committee**

Date: **27 September 2016**

By: **Chief Operating Officer**

Title of report: **Strategic Risk Monitoring**

Purpose of report: **To update the Committee on current strategic risks faced by the Council, their status and risk controls / responses.**

RECOMMENDATION: The Committee is recommended to note the current strategic risks and the risk controls / responses being proposed and implemented by Chief Officers.

1. Background

1.1 Sound risk management policy and practice should be firmly embedded within the culture of the council, providing a proportionate and effective mechanism for the identification, assessment and, where appropriate, management of risk. This is especially important in the current climate where there remains considerable uncertainty about the future.

1.2 Robust risk management helps to improve internal control and support better decision-making, through a good understanding of individual risks and an overall risk profile that exists at a particular time. To be truly effective, risk management arrangements should be simple and should complement, rather than duplicate, other management activities.

2. Supporting Information

2.1 The Council's Strategic Risk Register, which is attached as Appendix 1, is formally reviewed by Departmental Management Teams (DMT's) and Corporate Management Team (CMT) on a quarterly basis. Members should note that this version of the Strategic Risk Register was reviewed by CMT on 31st August 2016 and was presented to Cabinet on 20th September 2016. The following paragraphs summarise the changes made since the risk register was last presented to Audit, Best Value and Community Services Scrutiny Committee.

2.2 Risk 5 (Reconciling Policy, Performance & Resource) has been retitled (previously Resource). Risk 7 (Schools) and Risk 9 (Workforce) have also been amended, whilst Risk 4 (Health), Risk 5 (Reconciling Policy, Performance and Resource), Risk 6 (Local Economic Growth), Risk 7 (Schools) and Risk 9 (Workforce) all have updated risk control measures.

2.3 Risk 4 (Health) has an increased risk score from amber to red and Risk 6 (Local Economic Growth) also has an increased risk score, from green to amber. However, Risk 2 (Ordinary Residence) has a reduced risk score, from red to amber.

2.4 Due to the dynamic nature of the council's strategic risk profile, two risks previously included in the Strategic Risk Register have been removed. These are the risks relating to the 'Care Act', which has been removed because the Care Act programme has been closed, and the risk labelled 'Welfare Reform', since the area to which this risk referred is now part of 'East Sussex Better Together'. A new risk, (Recruitment) has also been added to the Strategic Risk Register for this review.

2.5 We will continue to explore opportunities to further strengthen the Council's risk management arrangements and for mitigating our key strategic risks. It is however, important to recognise that in some cases there is an inherent risk exposure over which the Council has only limited opportunity to mitigate or control.

3. Risk Improvement Activity

3.1 Regular reviews of risk registers continue to be carried out in conjunction with departmental risk coordinators and risk owning managers to ensure that relevant risks are identified and risk controls / responses are effective.

3.2 As part of our plans to help strengthen and embed risk management, some schools risk survey training will be provided for officers who regularly visit schools. The purpose of the training is to assist officers to help identify risks across a full range of areas, including building risks, fire and security, visitor access, potential liability risks and health and safety related risks. This training will be delivered in October by colleagues from the council's property insurance company, Zurich Municipal.

Kevin Foster
Chief Operating Officer

Contact Officers: Russell Banks, Head of Assurance, Tel: 01273 481447
Rawdon Philips, Risk & Insurance Manager, Tel: 01273 481593

Local Member: All

Background documents:
None

Strategic Risk Register - Q1 2016/17			
Ref	Strategic Risks	Risk Control / Response	RAG
4	<p>HEALTH</p> <p>Failure to secure maximum value from partnership working with the NHS. If not achieved, there will be impact on social care, public health and health outcomes and increased social care cost pressures. This would add pressures on the Council's budget and/or risks to other Council objectives.</p>	<p>Implementation of East Sussex Better Together Programme by ESCC and Hastings and Rother CCG and Eastbourne, Hailsham and Seaford CCGs to transform health and social care in the county and deliver the Better Care Fund plan to improve outcomes for East Sussex residents, with robust governance arrangements reporting to County Council and Health and Wellbeing Board. Programme will develop the plan for a clinically and financially sustainable health and social care system in East Sussex. There will also be targeted use of the Better Care Fund to better integrate health and social care and contribute to whole system transformation.</p> <p>In High Weald Lewes Havens the Connecting 4 You Programme has now been established to improve health and social care outcomes for residents. The Programme will have implications for management capacity and for the Medium Term Financial Plan. The RPPR process will be used to manage this risk and associated implications.</p> <p>The Sustainability and Transformation Plan for Sussex and East Surrey (STP) was submitted in June. Work to develop and deliver the plan is ongoing. Nine working groups have been formed covering: Acute provision (including mental health); workforce; primary and community care provision; digital improvement, estates; provider productivity improvement, communication and engagement and governance. The next submission is due mid-September.</p>	R
7	<p>SCHOOLS</p> <p>The implications of the Government's White Paper "Educational Excellence Everywhere", the introduction of the National Funding Formula for schools in 2017 and changes set out in the Schools Causing Concern Guidance could, potentially, increase the risk of underperformance in schools due to the local authority having fewer powers of intervention. This could impact negatively on the Council's reputation as Ofsted holds the local authority to account for the performance of all schools.</p>	<ul style="list-style-type: none"> •Develop and implement a transition plan so the Standards and Learning Effectiveness Service and schools are prepared for the changes to the LA role in education that will take place should the White Paper pass into law and the likely impact on LA funding once the National Funding formula is implemented. This plan includes: <ul style="list-style-type: none"> -Continue to build relationships with academies and sponsors, including the Diocese of Chichester, to ensure a dialogue about school performance, including data sharing. •Continue to work with academies and maintained schools through the Education Improvement Partnerships to develop system leadership, school to school support and to broker partnerships. •Continue to offer direct support to academies to address any performance concerns and investigate the feasibility of full cost recovery for some LA school improvement services. •Where academies do not appear to be accessing appropriate support, bring this to the attention of the Regional Schools Commissioner (RSC), who may exercise his intervention powers. •Continue to build a relationship with the RSC to ensure the work of the RSC and the LA do not duplicate and that schools have the support they need. 	R
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.</p> <p>In April 2015, a high level Capital Programme Management Review was commissioned with a recognition that we need to not only set firm targets for the next year of the programme, but set indicative targets for the following years and start to focus on shaping the 2018-2023 capital programme. The brief set out that there needs to be shift of focus from capital programme 'monitoring' to capital programme 'management' in order to improve forecasting and scheme scheduling and planning.</p>	R
1	<p>ROADS</p> <p>Wet winter weather, over recent years has caused significant damage to many of the county's roads, adding to the backlog of maintenance in the County Council's Asset Plan, and increasing the risk to the Council's ability to stem the rate of deterioration and maintain road condition.</p>	<p>The additional capital maintenance funding approved by Cabinet in 2013 was approved on the basis that additional investment was required to stem the rate of deterioration in road condition and maintain the current condition. Since then an additional £10m has been invested in rural roads, and road conditions remain in line with modelling predictions.</p> <p>The County Council's asset management approach to highway maintenance is maintaining the overall condition of roads, despite recent winter weather. The preventative approach to the maintenance of the counties highway network is being further rolled out across all highway asset types, including highway drainage. The new highways contract commenced on 1st May 2016 placing asset management and customer service at its core to maintain the current condition of the public highway.</p>	A

Strategic Risk Register - Q1 2016/17			
Ref	Strategic Risks	Risk Control / Response	RAG
5	<p>RECONCILING POLICY, PERFORMANCE & RESOURCE</p> <p>Failure to plan and implement a strategic corporate response to resource reductions, demographic change, and regional economic challenges in order to ensure continued delivery of services to the local community.</p>	<p>We employ a robust Reconciling Policy, Performance and Resources (RPPR) process for business planning. We have adopted a commissioning approach which means evaluating need and considering all methods of service delivery, which includes working with partner organisations to deliver services. The Council Plan sets out targets for a 'One Council' approach to deliver our priorities and is monitored quarterly. The plans take account of known risks and pressures, including demographic changes, to design mechanisms to deliver the Council's priorities. The result of the EU referendum has introduced greater uncertainty in the Government's policy direction, legislative process and spending plans. The RPPR process will be used to monitor the situation and keep members informed of any changes which affect the plans in order that mitigating action can be taken.</p>	A
9	<p>WORKFORCE</p> <p>Stress and mental health are currently the top two reasons for sickness absence across the Council, potentially leading to reduced staff wellbeing, reduced service resilience, inability to deliver efficient service and / or reputational issues.</p>	<p>A range of initiatives and interventions to support managers and staff in this area are being taken forward. In particular, we have confirmed our commitment to the mental health 'Time for Change' pledge as well as launching our '5 weeks to wellbeing' campaign.</p> <p>In considering stress absences, new arrangements have been implemented whereby an OH nurse makes direct contact with employees who are off sick with stress to offer support. In addition, a manager who has an employee off sick with stress receives targeted advice and guidance on how to support and manage the absence. More generally, the Lead clinical OH Physician has been commissioned to deliver a session for managers on supporting staff with mental health and stress issues. In addition, a new course 'Resilience through Mindfulness' is now available as part of the corporate training programme to support staff increase their resilience.</p>	A
NEW	<p>RECRUITMENT</p> <p>Inability to attract high calibre candidates, leading to limited recruitment choices therefore lack of the expertise, capacity, leadership and/or innovation required to deliver services and service transformation.</p>	<p>Work with departments is underway to understand key areas of recruitment difficulty. Strategies to address this will include refreshing and publicising more clearly the benefits of working in the public sector and ESCC in particular, as well as understanding the different markets we are competing in. To support this, different talent attraction approaches will be developed ranging from apprentices and interns through to highly experienced individuals.</p>	A
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>Having secured over £20m of Growing Places Funding and £70m of Local Growth Funding (LGF) through Local Enterprise Partnerships (LEP) to deliver infrastructure projects in East Sussex, work has continued to develop a pipeline of projects to capitalise on further funding rounds. Government issued a call to LEPs in March to prepare bids for the 3rd round of LGF, and projects will be submitted at the end of July 2016. Team East Sussex has considered a number of new projects, with a cumulative value of over £30m and they will look to be included in the respective LEP single prioritised submissions. It is anticipated that we will know the outcome of the bids later in the year via the Chancellor's Autumn Statement.</p> <p>Whilst the outcome of the EU referendum clearly signals that in the longer term, we will not be able to secure European funding, it has also placed some uncertainty around availability of funding in the current EU programme period with a pause on the release of EU funding from Government departments on new project submissions until further clarification. This places significant risk on our ability to secure European Social Fund (ESF) skills funding in particular, although it is too early to say precisely what the impact will be. Work will continue on developing partner bids across the SE LEP, currently with European Regional Development Funding (ERDF) for example to support a range of enhanced and extended business support services through the current Business East Sussex (BES) Growth Hub via the project termed South East Business Boost (SEBB); and we look to augment inward investment services with the project termed South East Invest; and also develop specific business support services to the creative sector (project termed South East Creative Cultural and Digital Sector).</p>	A

Strategic Risk Register - Q1 2016/17			
Ref	Strategic Risks	Risk Control / Response	RAG
2	<p>ORDINARY RESIDENCE Risk from other areas placing clients in receipt of social care services in East Sussex, and transferring to ESCC the commissioning, care management and funding responsibility for the individual as a result of a successful Ordinary Residence claim.</p>	<p>Dedicated Ordinary Residence Panel set up. The Panel discusses and agrees strategic and legal responses to Ordinary Residence claims from and to other Local Authorities, and directs reporting content. Panel members contact other Local Authorities directly where appropriate, and instruct Legal Services representation (including Counsel, and applications for Secretary of State determination) on behalf of ESCC.</p> <p>Continued awareness raising for ASC operational staff (and particularly Social Care Direct) in line with published guidance on Ordinary Residence, resulting in earlier case referrals to Ordinary Residence team. Guidance for frontline staff was written and issued followed by panel members visiting all ASC Operational teams to deliver presentation and Q&A. OR Inbox established to provide advice to staff and monitor all known incoming/outgoing OR queries and claims.</p> <p>Regular information gathering and reporting to DMT on all Ordinary Residence case referrals and financial projections.</p>	A

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Report to: **Audit, Best Value and Community Services Scrutiny Committee**

Date: **27 September 2016**

By: **Chief Executive**

Title of report: **Reconciling Policy, Performance and Resources (RPPR)**

Purpose of report: **To provide an overview of the Council's business and financial planning process (Reconciling Policy, Performance and Resources) and the Committee's ongoing role in this process.**

RECOMMENDATIONS:

The Scrutiny Committee is recommended to:

(1) agree key areas of interest/lines of enquiry for scrutiny and to ensure these are reflected in the Committee's future work programme;

(2) establish a scrutiny review board to consider the developing portfolio plans and savings proposals as they emerge in December and to submit scrutiny's final comments on them to Cabinet in January 2017.

1. Background

1.1 The *State of the County* report was agreed by Cabinet on 28 June 2016. The report is an important annual milestone in the Council's ongoing business and financial planning process known as *Reconciling Policy, Performance and Resources* (RPPR). It updated the national and local policy, financial and performance context and provides the background for the development of the updated business and financial plans that will eventually be agreed by the County Council early in 2017. It is available at [State of the County](#).

1.2 The Council is currently in year one (2016/17) of a three year service and financial plan which was agreed by Council in February 2016. This was developed against a background of permanent reduction in the size of the public sector, including councils, and reflects savings of £19.5m in 2016/17, savings of £17.3m in 2017/18 and £27.4m in 2018/19 which are included in the medium term financial plan. This is in addition to savings of £78m over the previous five years, already achieved through a mixture of service change, efficiency and prioritisation. Whilst the County Council still has a net budget of about £369m this year, it was acknowledged that the scale of savings required could not be met without direct impact on front line services for all service areas across the organisation.

1.3 Plans for years two and three (2017/18-2018/19) of the three year programme were less detailed than those for the current year because of the uncertainty about future funding and the need to take account of the effect of current savings plans. The focus for this year is therefore on refining those existing plans, rather than starting from scratch. Cabinet has asked Chief Officers to bring updated savings proposals for 2017/18 - 2018/19 to its meeting in October 2016 for initial consideration. It has also been agreed to extend the planning horizon by an additional two years in order to reflect the planning cycles of our NHS partners (although projections for 2019/20 - 2020/21 will necessarily be indicative only).

2. Scrutiny engagement in RPPR

2.1 Scrutiny's contribution to the RPPR process is vitally important and is threaded through all scrutiny work. Each scrutiny committee, through its regular work programme and specific scrutiny projects, has the opportunity to review the services within its remit on an ongoing basis to identify opportunities for improved performance, efficiency or alternative delivery options. Committees also gain an insight, through all their work, into relative priorities within portfolios, taking into account the Council's overall priority outcomes.

2.2 The insight and evidence gathered through this ongoing work is drawn together and enhanced in specific RPPR sessions which will, ultimately, enable each scrutiny committee to provide commentary and recommendations to be taken into account by Cabinet and Council before a final decision is taken on the updated budget and business plan early in 2017.

2.3 The **September 2016 scrutiny committees** have a particular focus on reviewing current portfolio plans, budget information and existing savings plans to ensure a full understanding of the current context and future pressures.

2.4 The following attachments are provided to support the committee in these tasks:

- **Appendix 1** contains extracts from the Financial Budget Summary 2016/17 for the areas within the remit of this committee to provide the 'big budget picture' (both revenue and capital); the full document is at [Financial Budget Summary](#).
- **Appendix 2** contains the **current portfolio plan(s)** for the functions within the committee's remit.
- **Appendix 3** sets out the **three year savings plans** across the relevant service areas agreed by Council in February 2016 (also reflecting subsequent revisions to public health savings).
- **Appendix 4** sets out the context in which future savings are being made and summarises areas of search for savings agreed in October 2015.

2.5 Based on this information, and Members' wider accumulated knowledge and evidence, the Committee is invited to identify any key areas of interest or lines of enquiry which it will pursue through subsequent RPPR sessions and/or its wider work programme (recommendation 1). It will be helpful to clarify how existing items on the committee's work programme will inform the ongoing RPPR process, and to identify any necessary additions or changes to the work programme arising from this discussion. This includes any additional information or reports required for the November meeting.

2.6 Finally, the scrutiny committee is asked to agree the membership of its RPPR scrutiny review board which will then consider the developing portfolio plans and savings proposals in more detail as they emerge (recommendation 2).

2.7 The **November 2016 scrutiny committees** can explore the more detailed refined savings proposals which will have been considered by Cabinet in October and consider any additional information which was requested in September. Further additions or refinements to the Committee's ongoing work programme can be considered

2.8 The **RPPR scrutiny review boards** meet in December 2016 to agree detailed comments and any recommendations on the emerging portfolio plans and savings proposals to be put to Cabinet on behalf of their parent scrutiny committees. The Chairs of all the scrutiny committees are invited to attend all the scrutiny review boards.

2.9 The **March 2017 scrutiny committees** review the process and their input into the RPPR process and receive feedback on how scrutiny input has been reflected in final plans. Any issues arising can be reflected in the future committee work programme.

2.10 Running alongside this process, whole-Council Member forums will ensure that Members can keep an overview of the emerging picture across all service areas including the impacts of national announcements on our plans. Chief Officers will also provide any briefings required by group spokespersons to assist them in contributing to the RPPR process and future savings and spending plans.

BECKY SHAW
Chief Executive

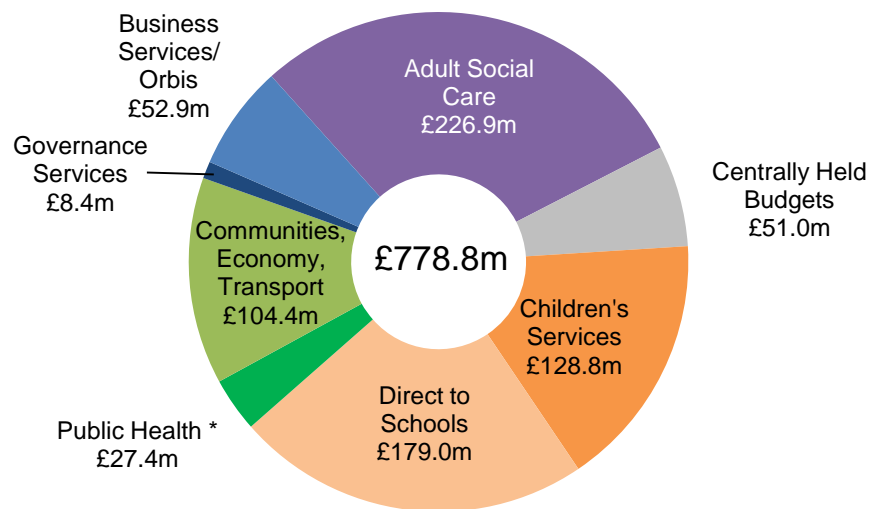
Contact Officer: Jane Mackney, Head of Policy and Performance (01273 482146)

Local Member: All

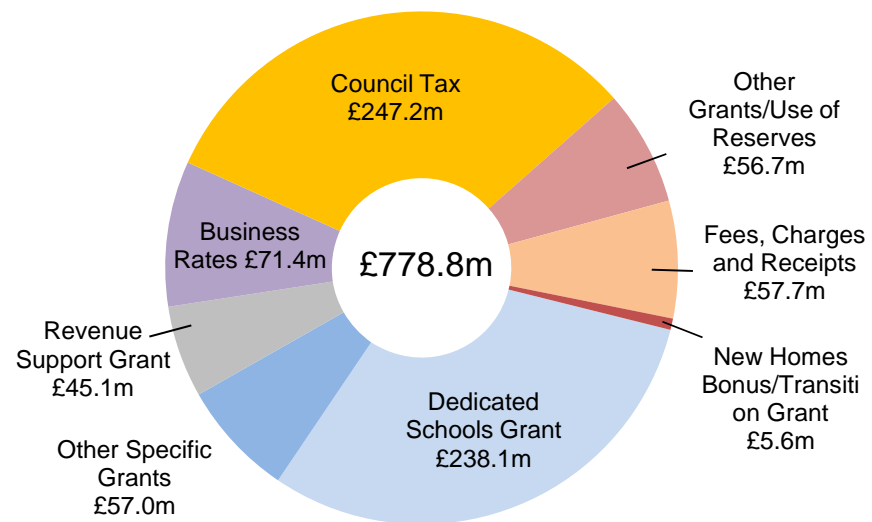
Background Documents: None

Revenue Budget Summary 2016/17 - gross revenue budget

How we will spend your money (gross)



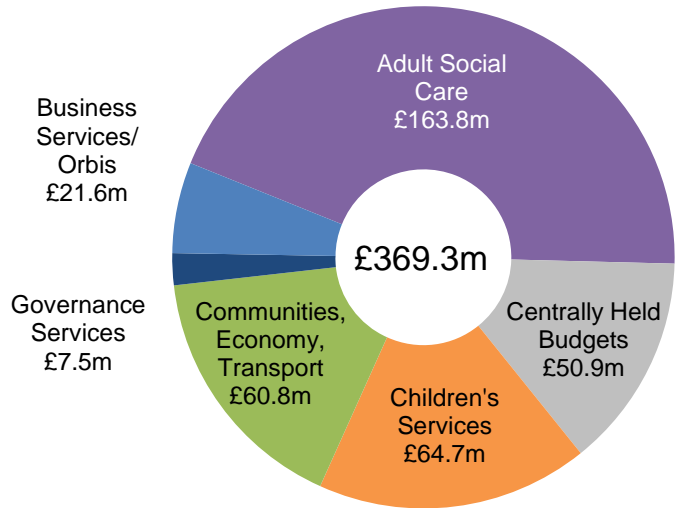
Where the money comes from (gross)



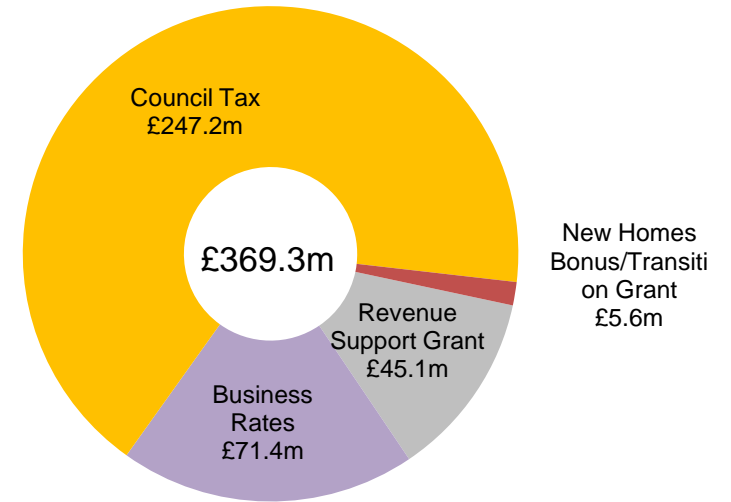
* Additional Public Health grant of £2.474m announced by DoH on 11.02.16

Revenue Budget Summary 2016/17 - net revenue budget

How we will spend your money (net)



Where the money comes from (net)



Revenue Budget Summary 2016/17 - subjective analysis

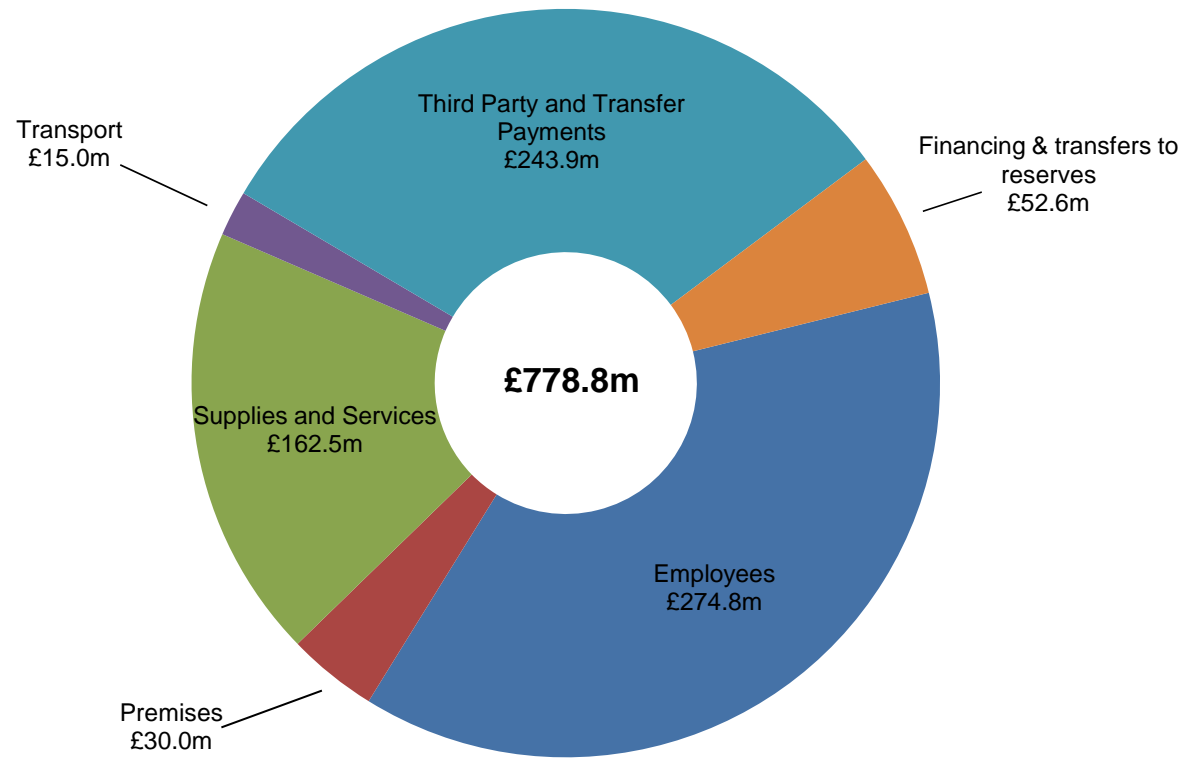
Department	Employees	Premises	Transport	Supplies & Services	Transfers & Third Party Payments	Financing & Transfers to Reserves	Total Expenditure	Government Grants	Other Grants & Contributions	Fees, Charges & Receipts	Planned use of Reserves	Total Income	Net Service Expenditure	Internal Recharges (exp & inc) *	Net Service Expenditure
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Adult Social Care	50,654	1,240	1,180	8,992	164,856	4	226,925	(13)	(30,290)	(33,629)	(225)	(64,157)	162,768	1,015	163,783
Public Health **	1,940	-	15	160	27,734	-	29,849	(28,697)	-	-	(1,495)	(30,192)	(343)	343	-
Business Services / Orbis	374	10,716	180	40,083	1,559	10	52,922	(1,759)	(1,479)	(8,750)	(1,924)	(13,912)	39,010	(17,376)	21,634
Children's Services	198,468	13,559	1,654	47,611	46,529	-	307,820	(262,174)	(3,434)	(5,162)	(2,246)	(273,016)	34,804	29,901	64,705
Communities Economy & Transport	17,338	4,134	11,943	66,141	3,231	1,606	104,393	(4,631)	(14,234)	(9,997)	(877)	(29,739)	74,654	(13,883)	60,771
Governance Services	5,057	343	73	2,621	318	-	8,412	(295)	(438)	(152)	(21)	(906)	7,506	-	7,506
Services	273,831	29,992	15,045	165,607	244,227	1,620	730,321	(297,569)	(49,875)	(57,690)	(6,788)	(411,922)	318,399	-	318,399
Centrally held budgets	-	-	-	-	-	50,971	50,971	(58)	-	-	-	(58)	50,913	-	50,913
Total	273,831	29,992	15,045	165,607	244,227	52,591	781,292	(297,627)	(49,875)	(57,690)	(6,788)	(411,980)	369,312	-	369,312

* The largest element of internal recharges is schools related.

** Additional Public Health grant of £2.474m announced by DoH on 11.02.16



GROSS BUDGET - SUBJECTIVE ANALYSIS



Revenue Budgets - Public Health

2015/16 Rebased Net Budget	Employees	Premises	Transport	Supplies & Services	Transfers & Third Party Payments	Financing & Transfers to Reserves	Total Expenditure	Government Grants *	Other Grants & Contributions	Fees, Charges & Receipts	Planned use of Reserves	Total Income	Internal Recharges (exp & inc)	Net Service Expenditure
£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
4,428 Health Improvement Services	-	-	-	39	3,350	-	3,389	-	-	-	-	-	-	3,389
6,382 Drug & Alcohol Services	-	-	-	-	5,189	-	5,189	-	-	-	-	-	-	5,189
4,266 Sexual Health Services	-	-	-	28	4,083	-	4,111	-	-	-	-	-	50	4,161
1,856 School Nursing Services	-	-	-	-	8,508	-	8,508	-	-	-	-	-	-	8,508
881 NHS Health Checks	-	-	-	-	930	-	930	-	-	-	-	-	-	930
(17,813) Other programmes and Non- contracted Services	1,940	-	15	93	5,674	-	7,722	(28,697)	-	-	(1,495)	(30,192)	293	(22,177)
- Total	1,940	-	15	160	27,734	-	29,849	(28,697)	-	-	(1,495)	(30,192)	343	-

* Additional Public Health grant of £2.474m announced by DoH on 11.02.16

Main changes between years	£'000
Rebased Net Budget 2015/16	-
Inflation	-
Savings	-
Other Adjustments	-
Departmental Estimate 2016/17	-

Revenue Budgets - Business Services / Orbis

2015/16 Rebased Net Budget	Employees	Premises	Transport	Supplies & Services	Transfers & Third Party Payments	Financing & Transfers to Reserves	Total Expenditure	Government Grants	Other Grants & Contributions	Fees, Charges & Receipts	Planned use of Reserves	Total Income	Internal Recharges (exp & inc)	Net Service Expenditure
£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
1,515 Business Operations	-	-	-	-	-	-	-	-	-	-	-	-	15	15
5,455 Finance	126	560	178	1,585	20	-	2,469	-	-	(4)	-	(4)	(1,697)	768
5,406 ICT Services	-	-	-	5,956	-	-	5,956	-	(1,347)	(268)	(102)	(1,717)	(3,694)	545
(756) Management & Support	-	-	-	-	-	-	-	-	-	-	-	-	(287)	(287)
1,400 Personnel & Training	11	-	-	177	-	6	194	-	-	(6)	-	(6)	(319)	(131)
833 Procurement	-	-	-	-	-	-	-	-	-	(87)	-	(87)	4	(83)
- Agile	-	-	-	1,772	-	-	1,772	-	-	-	(1,772)	(1,772)	-	-
6,196 Property	237	10,156	2	11,334	1,539	4	23,272	(1,759)	(128)	(8,385)	-	(10,272)	(8,071)	4,929
- Orbis *	-	-	-	19,259	-	-	19,259	-	(4)	-	(50)	(54)	(3,327)	15,878
20,049 Total	374	10,716	180	40,083	1,559	10	52,922	(1,759)	(1,479)	(8,750)	(1,924)	(13,912)	(17,376)	21,634

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Main changes between years	£'000
Rebased Net Budget 2015/16	20,049
Insurance Premium allocation	362
Inflation	724
Savings	(312)
Other Adjustments	(1,250)
Property	1,000
ICT	500
Provisional pay award & NI allocation	561
Departmental Estimate 2016/17	21,634

* The above figures shown for Orbis do not reflect the subjective headings but reflect the cost to ESCC of the services provided by Orbis.

Revenue Budgets - Communities, Economy & Transport

2015/16 Rebased Net Budget	Employees	Premises	Transport	Supplies & Services	Transfers & Third Party Payments	Financing & Transfers to Reserves	Total Expenditure	Government Grants	Other Grants & Contributions	Fees, Charges & Receipts	Planned use of Reserves	Total Income	Internal Recharges (exp & inc)	Net Service Expenditure
£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Community Services														
(218) Registration	1,140	33	23	43	-	-	1,239	-	(10)	(1,423)	-	(1,433)	9	(185)
507 Road Safety	788	1	31	187	-	-	1,007	(123)	(33)	(74)	-	(230)	(30)	747
803 Trading Standards	667	-	17	156	-	-	840	-	(10)	(42)	(44)	(96)	19	763
62 Travellers Sites	175	55	3	126	-	-	359	-	(92)	(106)	(101)	(299)	8	68
122 Emergency Planning	232	-	4	7	-	-	243	-	(84)	-	-	(84)	2	161
1,276 Subtotal	3,002	89	78	519	-	-	3,688	(123)	(229)	(1,645)	(145)	(2,142)	8	1,554
Customer & Library Services														
5,616 Libraries	3,810	1,348	45	1,087	-	3	6,293	-	(176)	(629)	(99)	(904)	(77)	5,312
587 Archives & Record	655	530	1	785	-	-	1,971	-	(1,115)	(101)	-	(1,216)	6	761
421 Customer Care	139	-	2	15	-	-	156	-	-	-	-	-	2	158
6,624 Subtotal	4,604	1,878	48	1,887	-	3	8,420	-	(1,291)	(730)	(99)	(2,120)	(69)	6,231
Transport & Operational Services														
325 Passenger Services	501	-	1	9,522	-	-	10,024	(426)	(244)	(28)	(26)	(724)	8	9,308
- Home to School and ASC Transport	139	-	10,589	1,081	-	-	11,809	(17)	-	(132)	-	(149)	(11,671)	(11)
305) Parking	656	-	5	2,330	98	653	3,742	-	(226)	(4,342)	(87)	(4,655)	(3)	(916)
25,951 Waste	300	326	8	37,665	3,008	-	41,307	(2,996)	(11,574)	(931)	-	(15,501)	5	25,811
603 Other Transport & Operational Services	1,494	130	1,145	300	3	100	3,172	(50)	(82)	(400)	-	(532)	(1,919)	721
35,574 Subtotal	3,090	456	11,748	50,898	3,109	753	70,054	(3,489)	(12,126)	(5,833)	(113)	(21,561)	(13,580)	34,913

Revenue Budgets - Communities, Economy & Transport

2015/16 Rebased Net Budget	Employees	Premises	Transport	Supplies & Services	Transfers & Third Party Payments	Financing & Transfers to Reserves	Total Expenditure	Government Grants	Other Grants & Contributions	Fees, Charges & Receipts	Planned use of Reserves	Total Income	Internal Recharges (exp & inc)	Net Service Expenditure
£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Highways														
1,882	Asset & Network Management	1,474	70	5	1,196	-	850	-	(75)	(137)	-	(212)	37	3,420
5,730	Maintenance & Minor Works	57	-	-	9,728	19	-	-	-	-	(63)	(63)	(30)	9,711
950	Structures	35	22	-	67	-	-	-	-	-	-	-	(16)	108
3,697	Lighting & Signals	24	1,485	-	196	-	-	-	(12)	(12)	-	(24)	(1)	1,680
408	Other Highways	121	-	2	195	-	-	-	(1)	-	(208)	(209)	(72)	37
12,667	Subtotal	1,711	1,577	7	11,382	19	850	-	(88)	(149)	(271)	(508)	(82)	14,956
Planning & Environment														
300	Environment	283	70	4	50	76	-	-	-	(197)	-	(197)	3	289
458	Planning	1,375	-	21	463	-	-	(112)	(94)	(1,023)	(115)	(1,344)	(41)	474
22	High Weald	312	16	5	79	-	-	(243)	(170)	(9)	-	(422)	42	32
780	Subtotal	1,970	86	30	592	76	-	(355)	(264)	(1,229)	(115)	(1,963)	4	795
680	Economic Development, Skills & Growth	1,581	48	20	540	27	-	(664)	(110)	(411)	(134)	(1,319)	(171)	726
206	Management & Support	1,380	-	12	323	-	-	-	(126)	-	-	(126)	7	1,596
58,807	Total	17,338	4,134	11,943	66,141	3,231	1,606	104,393	(4,631)	(14,234)	(9,997)	(877)	(29,739)	60,771

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Main changes between years	£'000
Rebased Net Budget 2015/16	58,807
Waste Disposal	792
Inflation	2,861
Savings	(3,117)
Other Adjustments	910
Provisional pay award & NI allocation	519
Departmental Estimate 2016/17	60,771

Revenue Budgets - Governance Services

2015/16 Rebased Net Budget	Employees	Premises	Transport	Supplies & Services	Transfers & Third Party Payments	Financing & Transfers to Reserves	Total Expenditure	Government Grants	Other Grants & Contributions	Fees, Charges & Receipts	Planned use of Reserves	Total Income	Internal Recharges (exp & inc)	Net Service Expenditure
£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
2,624 Corporate Governance	1,696	1	48	938	8	-	2,691	-	(27)	(3)	(21)	(51)	35	2,675
Corporate Support														
1,219 Communications	1,110	-	4	162	-	-	1,276	-	(46)	(27)	-	(73)	(67)	1,136
1,795 Legal	1,870	-	14	198	-	-	2,082	-	(287)	(122)	-	(409)	23	1,696
3,014 Subtotal	2,980	-	18	360	-	-	3,358	-	(333)	(149)	-	(482)	(44)	2,832
Community Services														
908 Coroners	189	330	4	399	-	-	922	-	(9)	-	-	(9)	1	914
571 Third Sector	65	-	1	561	310	-	937	(295)	(69)	-	-	(364)	1	574
1,479 Subtotal	254	330	5	960	310	-	1,859	(295)	(78)	-	-	(373)	2	1,488
463 Senior Management & Organisational Development	127	12	2	363	-	-	504	-	-	-	-	-	7	511
7,580 Total	5,057	343	73	2,621	318	-	8,412	(295)	(438)	(152)	(21)	(906)	-	7,506

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Main changes between years	£'000
Rebased Net Budget 2015/16	7,580
Inflation	19
Savings	(180)
Other Adjustments	(64)
Provisional pay award & NI allocation	151
Departmental Estimate 2016/17	7,506

Capital programme - current programme and resources

Capital Programme	Total Budget	Total Previous Years Spend	2015/16	2016/17	2017/18	Remaining Budget Total
	£'000	£'000	£'000	£'000	£'000	£'000
Gross Expenditure	698,747	335,304	150,064	128,592	84,787	363,443
Scheme Specific Income	(141,885)	(41,196)	(33,695)	(30,572)	(36,422)	(100,689)
Net Expenditure	556,862	294,108	116,369	98,020	48,365	262,754
Adult Social Care	23,518	15,080	5,079	2,592	767	8,438
Business Services	67,270	29,411	13,740	13,410	10,709	37,859
Children's Services	115,430	47,324	32,732	27,448	7,926	68,106
Communities, Economy & Transport	492,372	243,482	98,363	85,142	65,385	248,890
Governance	157	7	150			150
Net Expenditure by Department	698,747	335,304	150,064	128,592	84,787	363,443
Current Funding Assumptions			2015/16	2016/17	2017/18	Total Resource
			£'000	£'000	£'000	£'000
Capital Reserves			29,418			29,418
Contributions from Revenue Reserves set aside			1,233	1,050		2,283
Section 106			2,395			2,395
Non Specific Grants			55,259	27,524	31,890	114,673
Capital Receipts (including VPN)			5,526	5,043	3,750	14,319
Revenue Contributions			14,979	6,000	6,000	26,979
New Homes Bonus				2,999		2,999
Departmental Contributions			232			232
Borrowing			7,327	55,404	6,725	69,456
			116,369	98,020	48,365	262,754

Capital programme - Business Services

Business Services	Total Budget	Total Previous Years Spend	2015/16	2016/17	2017/18	Remaining Budget Total
	£'000	£'000	£'000	£'000	£'000	£'000
Core Back Office Services (formerly CBOSS)	1,470	769	80	621		701
The Link	2,718	2,701	17			17
SALIX Contract	2,644	1,934	379	331		710
Solar Panels	103		103			103
Property Agile Works	9,029	3,373	3,535	2,121		5,656
Core Programme - Capital Building Improvements	40,267	15,438	7,203	8,027	9,599	24,829
Core Programme - ICT Strategy Implementation	11,039	5,196	2,423	2,310	1,110	5,843
Gross Expenditure	67,270	29,411	13,740	13,410	10,709	37,859
Scheme Specific Income	(2,085)	(1,375)	(379)	(331)		(710)
Net Expenditure	65,185	28,036	13,361	13,079	10,709	37,149

Capital programme - Communities, Economy & Transport

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Communities, Economy & Transport	Total Budget	Total Previous Years Spend	2015/16	2016/17	2017/18	Remaining Budget Total
	£'000	£'000	£'000	£'000	£'000	£'000
New Archive and Record Office - "The Keep"	20,236	19,906	330			330
Rye Library	87	21	66			66
Hastings Library	8,846	1,793	1,022	6,031		7,053
Newhaven Library	1,754	1,597	157			157
Southover Grange (formerly The Maltings Library Refurbishment	1,200	54	836	310		1,146
Newhaven Household Waste Recycling Site	2,041	2,036	1	4		5
Travellers Site Bridies Tan	1,348	1,314	34			34
Broadband	25,600	4,334	17,023	4,243		21,266
Bexhill & Hastings Link Road	124,326	94,108	25,459	1,384	3,375	30,218
BHLR Complementary Measures	1,800	213	722	820	45	1,587
Exceat Bridge Maintenance	500		80	420		500
Reshaping Uckfield Town Centre	2,500	787	930	783		1,713

Capital programme - Communities, Economy & Transport

Communities, Economy & Transport	Total Budget	Total Previous Years Spend	2015/16	2016/17	2017/18	Remaining Budget Total
	£'000	£'000	£'000	£'000	£'000	£'000
Economic Growth & Strategic Infrastructure Programme						
Economic Intervention Fund	7,945	2,061	1,614	1,763	2,507	5,884
Regional Growth Fund	4,000	2,142	1,858			1,858
Catalysing Stalled Sites	916		100	816		916
EDS Upgrading Empty Commercial Property	500		120	380		500
EDS Incubation Units	1,500			900	600	1,500
North Bexhill Access Road	16,603		5,403	7,200	4,000	16,603
Queensway Gateway Road	6,084		3,084	3,000		6,084
Newhaven Flood Defences	1,500		400	700	400	1,500
Sovereign Harbour/Site Infrastructure	1,700		700	1,000		1,700
Swallow Buisness Park	1,400		1,250	150		1,400
A22/A27 Junction Improvement Package	4,500				4,500	4,500
Newhaven Port Access Road	23,219	170	344	22,705		23,049
Street Lighting Invest to Save	920	903	17			17
LSTF - ES Coastal Towns	2,561	1,684	877			877
LSTF - Travel Choices Lewes	1,196	1,081	115			115
Eastbourne and Hastings Light Reduction	3,704	3,657	47			47
Lewes Station Bridge	1,118	234	884			884

Capital programme - Communities, Economy & Transport

Communities, Economy & Transport	Total Budget	Total Previous Years Spend	2015/16	2016/17	2017/18	Remaining Budget Total
	£'000	£'000	£'000	£'000	£'000	£'000
Eastern Depot Development	1,586	190	300	1,096		1,396
Newhaven Swing Bridge	1,528	927	566	35		601
Waste Leachate Programme	250			250		250
North East Bexhill Roundabout	1,206	338	868			868
Integrated Transport - LTP plus Externally Funded						
Hastings & Bexhill Junction Walking & Cycling Package	6,250		250	750	5,250	6,250
Eastbourne Town Centre Movement & Access Package	6,300		150	2,800	3,350	6,300
Eastbourne/South Wealden Walking & Cycling Package	8,850		850		8,000	8,850
Hastings & Bexhill Junction Improvement Package	6,400		400		6,000	6,400
Hailsham/Polegate/Eastbourne Sustainable Transport Corridor	2,350				2,350	2,350
Other Integrated Transport Schemes	47,310	33,072	5,029	4,709	4,500	14,238
Speed Management	2,803	2,698	90	15		105
Terminus Road Improvements	3,250	106	950	2,194		3,144

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Capital programme - Communities, Economy & Transport

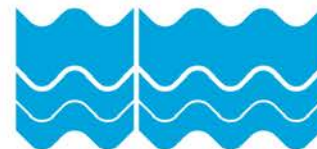
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Communities, Economy & Transport	Total Budget	Total Previous Years Spend	2015/16	2016/17	2017/18	Remaining Budget Total
	£'000	£'000	£'000	£'000	£'000	£'000
Pebsham S106	200	62	138			138
Core Programme - Highways Structural Maintenance	103,038	43,744	23,027	18,250	18,017	59,294
Core Programme - Bridge Assessment Strengthening	16,945	14,045	575	1,145	1,180	2,900
Core Programme - Street Lighting - Life Expired Equipment	7,902	5,289	869	861	883	2,613
Core Programme - Rights of Way Surface Repairs and Bridge Replacement Programme	4,617	3,351	410	428	428	1,266
Gross Expenditure	492,372	243,482	98,363	85,142	65,385	248,890
Scheme Specific Income	(123,313)	(32,025)	(25,035)	(29,831)	(36,422)	(91,288)
Net Expenditure	369,059	211,457	73,328	55,311	28,963	157,602

Capital programme - Governance

Governance	Total Budget	Total Previous Years Spend	2015/16	2016/17	2017/18	Remaining Budget Total
	£'000	£'000	£'000	£'000	£'000	£'000
Case Management System/Committee Management System	115	7	108			108
ICT for Members	42		42			42
Gross Expenditure	157	7	150	0	0	150
Scheme Specific Income						
Net Expenditure	157	7	150	0	0	150

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Resources

Portfolio Plan 2016/17 – 2018/19

June 2016

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Our Priorities and Operating Principles

Our Priorities

The Council has set four priority outcomes:

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

Operating Principles

The Council has agreed three operating principles:

- ❖ **Strategic commissioning:** using an evidence-based approach to assess and meet the needs of local people in the most effective way. We will specify and deliver appropriate services to secure the best outcomes and value for money for residents.
- ❖ **One Council:** working as a single organisation both through the processes we use, and how we work. We will work in a well connected way across Council teams so we harness all our energy and resources towards achieving our priorities and remove duplication. We will judge our success against outcomes for the whole population and the organisation (and whole local public sector) not against the interests of a particular group, team or department.
- ❖ **Strong partnerships:** recognising we are one part of a wider system, we will work effectively with partners across East Sussex and the region as well as with the wider public sector to ensure we learn from others, secure best value for money and maximise impact for our residents.

Portfolio Policy

Policy Overview by Lead Member

1.1 The Resources Portfolio covers the professional support services that enable all Portfolios to plan, manage and deliver their services to residents. The Portfolio provides strategic leadership, professional support and advice for business operations, finance, information and communication technology (ICT), personnel and training, procurement, property and capital investment, and legal services. Focus is directed to both 'day to day' operating activity and on facilitating the important Council-wide change programmes which will be vital to achieving the Council's priority outcomes.

1.2 Nationally and locally there is a high level of change to the way that public sector services are delivered and the level of funding available to local authorities. Based on information currently available, the Council will need to make further savings of £20 million in 2016/17 and between £70 – 90m by 2019. In this context, the Resources Portfolio has a responsibility to provide cost-effective back office functions to ensure maximum resources are directed to front-line services, whilst delivering robust and sustainable services to enable other Portfolios to make the changes and savings required.

1.3 We plan to provide our services in innovative ways ensuring they are customer focused while meeting the financial challenge. The Business Services Department was launched in September 2013 following the consolidation of the resources functions from across the Council to develop consistent and efficient best practice within back office services. Between 2013/14 and 2015/16, the Business Services Department has delivered nearly £7m savings. In 2015, Cabinet agreed for us to expand and embed our partnership working with Surrey County Council (SCC) for all Business Services through the Orbis partnership. This approach is aligned with the Council's Operating Principles. As set out in the Orbis Business Plan (agreed by Cabinet on 13 October 2015), we plan to achieve savings that would not have been possible without the partnership and benefit from improved operational resilience from the greater range of skills that exist across both councils. Through Orbis, we will also explore opportunities to work with other partners to expand the partnership and to increase commercial leverage as the compelling alternative public sector provider.



Lead Member: Councillor David Elkin

Delivering the Priority Outcomes

Driving economic growth

2.1 A number of activities are planned to ensure that we use our influence to drive economic growth across the county, including:

- We are committed to using our spend on goods, works and services to deliver greater social value to the county's communities. We aim to deliver social value by considering economic, social and environmental well-being in relation to our procurement processes, stakeholder engagement and contract implementation across the supply chain. We aim to increase our spend with local suppliers and increase the percentage of new contracts that include an Employability and Skills Plan.
- A new five year capital programme (for the period from April 2018 to March 2023) will be approved by the Council in 2016. The current programme includes schemes that help deliver the Council's priorities, with particular focus on economic development.
- Our expertise in personnel and training will support the Council's Employability and Skills Strategy.
- We will develop a Property Investment Strategy to generate a revenue income in addition to enhancing local economic and social activities through a clear and targeted investment approach.

Making best use of our resources

2.2 We have an important role to play in making the best use of our resources, both in terms of reducing the cost of operation to provide cost-effective services and enabling other Portfolios to make the changes and savings required:

- Partnership working will enable both East Sussex County Council (ESCC) and our partner organisations to make best use of resources. Our services will be delivered through the Orbis partnership and we will continue to focus on other key partnerships, such as SPACES (Strategic Property Asset Collaboration in East Sussex), 3SC (3 Southern Counties) Devolution, East Sussex Strategic Partnership and South East 7 where this provides the best way of meeting the Council's priorities.
- We will work with Members to explore and implement opportunities for income generation (for example, a Property Investment Strategy), which along with savings will help meet the financial challenge facing the Council.
- We will offer Procurement support by developing further category strategies for our spend, and working with colleagues across the Council to embed a high-quality and consistent approach to contract management to ensure value for money.
- Our most important resource is our employees, so our People Strategy has been developed to help achieve the changes required with an emphasis on supporting and developing our managers and staff to enable them to respond to the changing and challenging environment in which the Council is operating. Our wellbeing programme aims to support reductions in sickness absence.
- In support of the Council's wider cost saving and partnership agendas, facilities and ICT services continue to be enhanced and optimised.

Resources

Forward Plan

3.1 We will provide our services in innovative ways to provide customer focused services to communities and reduce the cost of operation to contribute to meeting the financial challenge facing the Council. We will support the important Council-wide change programmes (such as East Sussex Better Together) which will be vital to achieving the Council's priority outcomes. We will both utilise agile capabilities in the way we work, and support the Council as a whole to adopt mobile and flexible working practices. Our forward plan for the next three years is set out below.

Orbis

3.2 As set out in the Policy Overview, all Business Services will be provided through the Orbis partnership. Through our expertise, innovation and passion, we will deliver value to customers and residents. This decision is built on the successful collaboration between East Sussex and Surrey County Councils, established through a joint procurement function in 2012, and the provision of shared transactional services since April 2013.

3.3 Orbis will provide seamless and resilient business services, whilst achieving savings for the partnered authorities, which will be used to sustain services for the residents of East Sussex and Surrey. Bringing together services will create sufficient scale to drive shared efficiencies, enable us to share skills and knowledge, and invest in technology that could otherwise be prohibitively expensive for each organisation alone. The integration will provide the two Councils with a flexible business services resource with the public service ethos and expertise we need to respond to local priorities.

3.4 On 15 April 2015, the partnership officially launched Orbis, which included the brand and vision, and the new Orbis Leadership Team (managing Business Services functions at ESCC and SCC). The first meeting of the Orbis Joint Committee took place on 29 June 2015, at which their terms of reference were agreed. The Orbis Business Plan was co-created by a number of key stakeholders (including Cabinet and Scrutiny Members, Orbis Staff, customers and Trade Unions). The Personnel and Training service was selected as a 'pathfinder' pilot for an integrated service to undertake a detailed, early redesign and become the 'proof of concept' that the integrated services are effective; the outcomes of the pilot are contained in the business plan. The key sections of the business plan are: story so far and the Target Operating Model; three year roadmap; and benefits case (including benefits, costs and investment).

3.5 There are clear financial benefits to be delivered from integrating services across Orbis. Initially these will be delivered from management de-layering and removal of duplication, as services integrate, but longer term we will see greater benefits from detailed process improvement and technology enablement. Proposals developed within the business plan indicate that ongoing savings of £8.3m per year for Orbis (£2.4m for ESCC) can be delivered by 2018/19. Further opportunities for growth are expected as the partnership expands its external customer base and generates additional income.

3.6 In addition to the financial benefits expected from the partnership, there are non-financial benefits that Orbis will aim to achieve over the next three years, these include:

- Improved client management and customer experience through process reengineering and better use of technology;
- Better insight for decision making and investment due to improved systems and information management;
- Increased staff motivation and attraction of top talent through Orbis-wide people engagement and development work; and

- Incremental growth by attracting additional partners and customers and adding additional services to the Orbis offering.

3.7 Business change and transition will be delivered in a phased approach over a three year period. Each service will progress in different ways moving towards an integrated service by 2019.

Business Operations

3.8 During 2015 the majority of the high volume transactional operations within Business Services were moved into a new service called 'Business Operations', a jointly managed service within Orbis. Business Operations is divided into three divisions:

- Operations - covering Human Resources transactions, Procurement transactions and Finance transactions;
- Continuous Improvement - responsible for process and technology improvement projects; and
- Commercial Growth - a team with responsibility for seeking, implementing and maintaining commercial client opportunities.

3.9 The aim of Business Operations is to provide efficiencies of scale through better use of technology, processes and excellent people practices. We measure our efficiencies in relation to lower unit costs, increased operational quality and higher customer satisfaction. We plan to expand Business Operations further by attracting new organisational clients through the commercial function. To date the service undertakes work for over 500 organisations, including recently agreed contracts with three London Boroughs.

3.10 During the coming years we plan to expand our scale across both our Lewes and Kingston sites to provide greater benefits to our partner organisations.

ICT

3.11 Following the successful modernisation of the Council's ICT infrastructure (such as the Link data network and corporate telephony solution; and replacement Storage Area Network which will pave the way to cloud-based infrastructure services) and the introduction of Citrix to aid workplace mobility, there will be a strategic focus on developing digital capabilities. Our focus on digital capabilities will equip the Council to better respond to the financial and demand pressures it is facing by introducing new ways of conducting service redesign; delivering IT projects; and enabling greater resident self-service/self-sufficiency. We will initially focus on four initiatives to demonstrate how digital capabilities can support our priorities, for example through the redesign of the school admissions and appeals process. The ICT Strategy will be refreshed as a framework of interconnected IT and Digital capabilities, and will be updated on an ongoing basis to ensure alignment to the Council's strategic and operational priorities.

3.12 The first phase of the Agile transformation process was completed at the end of 2015/16 with the deployment of Agile technology. The implementation of enhanced Information Management capabilities is set to continue for several months into 2016/17, including physical storage (at Ropemaker Park) and electronic collaborative tools (via SharePoint). During 2016/17 ICT will work with departments to enable them to harness the potential of Agile technology to support modern working practices and the delivery of service efficiencies. This will better equip us to deliver new partnership working and improve existing ways of working such as reducing reliance on paper at meetings.

3.13 Information Governance is to do with the way organisations 'process' or handle information. The Information Governance Toolkit is a tool which allows organisations to assess themselves against Department of Health Information Governance policies and standards. Compliance with the legal rules and guidance demonstrates that organisational

practice can be trusted to maintain the confidentiality and security of personal information. Following the achievement of compliance in 2014/15 (increased from 22% to 72%) and 2015/16 (75%), we are now working to improve practice to retain and exceed minimum compliance levels.

3.14 A major priority of the Orbis IT and Digital service during the 2016/17 – 2018/19 will be to join up technologies so that officers from Surrey and East Sussex County Councils can work seamlessly across the geography of the Orbis partnership. There are three interconnected areas of development:

- Foundation IT services, which includes joining up networks and integrating email and other foundation infrastructure services on which the business has a fundamental dependency in order to be able to function;
- The Business Solutions Platform (the strategy and solutions to support the Council's core finance, procurement and human resource requirements);
- Business Services IT, supporting the specific applications that the Orbis services rely upon in order to be able to deliver their services.

As service integration commences, the IT and Digital roadmap will identify solutions needed for Orbis partners to work using shared IT systems in the short term with medium and long term strategies for working together in an optimised manner.

Finance

3.15 In addition to providing strategic advice on the Council's financial position and supporting managers to effectively manage budgets across the organisation, we have set ourselves targets to achieve an unqualified external audit of accounts and manage the levels of debt raised. We also aim to handle insurance claims within legal timeframes and enable more than 95% of high risk internal audit recommendations within timescales.

3.16 The Council annually receives income and contributions from various external sources, totalling in the region of £783m during 2015/16 (further detail available in the [Budget Summary 2015-16, page 12](#)). The Income Generation Programme is in place to review all the sources of income to ensure that the Council is both optimising all these sources and maximising the income it receives. The Programme is looking to stimulate a more commercial culture within the Council and to exploit any opportunities identified for opening up new streams of income. Examples include the installation of solar panels on corporate buildings, generating advertising income from Council assets (such as the website, roundabouts and other highways structures), and Buzz Active (our new outdoor activity leisure provider for schools). To date the Programme has generated £1.3m in additional annual income, with further benefits expected to accrue over the next few years.

3.17 The existing capital programme runs to 31 March 2018. In 2016, the Council will approve a new five year programme of schemes to support the Council's priorities (for the period from April 2018 to March 2023). In April 2015, a Capital Programme Management Review took place with a recognition that we need to set firm targets for the next year of the programme, set indicative targets for the following years, and start to focus on shaping the 2018-2023 capital programme. We will shift our focus from capital programme 'monitoring' to capital programme 'management' in order to improve forecasting and scheme scheduling and planning. The governance and management of the capital programme is being developed during 2015/16 so that the next programme (2018-2023) incorporates strengthened practices.

Personnel & Training

3.18 Our People Strategy has been developed to help achieve the changes required over the next three to five years. The People Strategy is developed around the four themes of Leadership and Management; Performance Development and Reward; Employee Engagement and Recognition; and Employee Health, Wellbeing and Inclusion. The emphasis is on supporting and developing our managers and staff to enable them to respond to the changing and challenging environment in which the Council is operating.

3.19 A new Learning Management System was launched in January 2016. The focus in 2016/17 will be on the development of a 'Leadership and Management Capability Framework', along with the implementation of a revised Appraisal process. The Leadership and Management Capability Framework will determine what a 'good' leader/manager looks like through set of expected management and leadership standards in support of the Council's strategic priorities and operating principles. These will facilitate the collation of objective evidence based feedback on performance and behaviour, which will help define development conversations.

3.20 We have a wellbeing programme in place, which includes a number of initiatives and activities to support reductions in sickness absence and the achievement of the Council Plan target of 9.24 or below working days lost per full time equivalent employee due to sickness absence in non-school services. Initiatives include:

- a revised Stress Action Plan and Policy;
- more detailed levels of reporting in relation to musculoskeletal absence to better identify the reasons for absence;
- the implementation of a Wellbeing Action Plan (developed from a Cross Council Wellbeing Forum); and
- pilot of a 'mindfulness' programme for leaders managing change which, if successful, will be rolled out across the Council.

3.21 Work is taking place to determine the affect the new National Living Wage (announced by the Chancellor in the 2015 summer budget) will have on our existing pay and reward strategy. We will work alongside departments and the Trade Unions to ensure the full implications are understood and accounted for, both in terms of costs and impact on the existing grading structure.

Procurement

3.22 We will provide an efficient procurement service as Orbis partners, to deliver best value for the Council, other customers and ultimately for residents. Our Category Management approach will be used to support services to develop their business needs and offer a range of commercial options to promote quality and innovation, whilst delivering significant savings. Our category strategies will continue to be supported by well researched commercial insight into markets and suppliers. We will work with colleagues across the Council to embed a high-quality and consistent approach to contract management, to ensure all our contracts perform to expected quality and continue to offer value for money right through to renewal.

3.23 As referenced above, we will use the Council spend to deliver greater social value in the county. We are increasing our spend with local suppliers to support local economic growth (target of at least 50% by 2017/18), and we are increasing the percentage of relevant new contracts that include an Employability and Skills Plan (70% by 2017/18 target). We have launched the 'Supply to East Sussex' website, giving local suppliers better access to contract opportunities from the public sector. We will work actively to encourage suppliers to offer local communities new social value initiatives.

3.24 Working alongside Business Operations, we will review and re-design our sourcing and purchasing activities to deliver a streamlined, easy to use service and improve our customers' experience. We are in the process of rolling out electronic invoicing to become the norm for all our SAP-based spending, reducing process costs.

Property

3.25 The Strategic Property Asset Collaboration in East Sussex (SPACES) partnership includes public sector and voluntary bodies in East Sussex and Brighton & Hove. The SPACES vision is to improve sharing of the property estate between partners and to work together to maintain and enhance services to our communities, save property costs, and to release capital receipts. Projects being considered include land and building swaps, joint capital investments into new builds that can benefit from shared resources in ongoing operations, and joint strategies for storage and archiving. During 2015/16, 14 projects were delivered, reducing revenue expenditure by over £180,000 across the relevant partners involved in the projects. Capital receipts of £400,000 were made available for delivery in the year, making a total of more than £3.5m of capital receipts delivered within the programme (and a further £9.9m identified). We have mapped the available properties across East Sussex and considered where partners might relocate and co-locate services to best serve the public.

3.26 The Council is developing a Property Investment Strategy, to generate a revenue income in addition to enhancing local economic and social activities through a clear and targeted investment approach. Discussions and workshops are being organised to start to shape the direction of the investment strategy through Member engagement. As the approach, scope and scale of investment is clarified by Members, officers will develop clear documentation with an expectation of a strategy being in place within 12 months.

3.27 The Children's Services forecasting model, as detailed in the Education Commissioning Plan, predicts an increase in pupil numbers and so demand for school places. We will work with Children's Services to meet the Council's statutory obligation to ensure there are sufficient school places across the county. In the longer term this will mean delivering projects to provide places in Secondary and Special Schools across the 2018 - 2023 capital programme. In the immediate term this means completing delivery of the current Primary School 'Basic Need' capital programme 2014/15 - 2017/18 comprising £61m spend across 15 schools. Successful delivery of the programme requires productive collaborations to be established with maintained schools and Academy Trusts.

3.28 We are working with partners within the South East (Surrey, Hampshire, Eastbourne and Reading Councils) in the development of a common Property Asset Management System (PAMS). PAMS allows us to capture consistent information on one system and manage the estate more efficiently by measuring our property performance against comparable organisations. It also links our estates, maintenance and capital and revenue works functions in one place, allowing us to make better use of our property resources.

Services to Schools

3.29 During the last year we have been developing our strategy for selling services to schools and academies in the context of the continually evolving educational landscape. Based on an extensive research and engagement programme we have concluded that not only have we secured a significant proportion of the available East Sussex market with high levels of customer satisfaction, but there are market opportunities outside the East Sussex boundary that we could grow into.

3.30 Our services have an excellent reputation for representing value for money and offering a great customer experience. We are in a strong position in terms of expertise in this particular market sector and our emerging strategy is consequently one of growth, aligned

with the broader Orbis aspirations. Schools, while now having considerable freedoms from their Local Authority tend to continue to value a public service ethos. Successfully joining this with commercial competencies will be critical. The business plan underpinning the strategy seeks to establish the conditions for success that the service will need in the coming year.

3.31 We will be working with Children's Services and Orbis colleagues to ensure that we respond appropriately to any implications of the Education White Paper 'Educational Excellence Everywhere'.

Legal Services

3.32 Legal services works in supporting departments across the Council to help them to achieve the Council's priority outcomes and to make the best use of resources by ensuring the Council acts properly and avoids legal challenge. Below are some examples of the contributions it makes to our priority outcomes.

3.33 Legal Services plays an important role in assisting to keep vulnerable people safe. This includes pursuing Care Proceedings for Children's Services and making applications to the Court of Protection for Adult Social Care in relation to mentally incapacitated persons. For Trading Standards, Legal Services have pursued successful prosecutions against rogue traders who have targeted vulnerable people and have helped the National Trading Standards Scams Team (which is hosted by the Council) in their fight against the targeting of vulnerable elderly people.

3.34 In the next year work will continue on the formation of Orbis Public Law, creating a single legal service with Surrey County Council, West Sussex County Council and Brighton & Hove City Council. This will add resilience, improve efficiency and save costs. It will allow us to build centres of excellence in specialist areas of legal work, reducing spend on external resource and generating income by providing services to other public bodies.

Performance data and targets

Performance Measures CP = Council Plan HWS = Health & Wellbeing Strategy	2014/15 Outturn	2015/16 Target	2015/16 Outturn	2016/17 Target	2017/18 Target	2018/19 Target
Unqualified external audit of accounts	Achieved	Achieved	Achieved	Achieved	Achieved	Achieved
The percentage of high risk internal audit recommendations addressed by management	100%	95%	96.43%	95%	95%	95%
Final revenue outturn within tolerances of budget allocation	0%	-1% overspend/ +4% underspend	0.9% underspend (£3.3m)	-1% overspend/ +4% underspend	-1% overspend/ +4% underspend	-1% overspend/ +4% underspend
Value of unsecured debt over 5 months	£2.490m	≤ 2014/15 outturn	£2.190m	≤ 2015/16 outturn	≤ 2016/17 outturn	≤ 2017/18 outturn
Percentage of insurance claims handled (to first decision stage) within legal time frames	N/A	90%	99.3%	90%	90%	90%
Percentage of staff satisfied that the IT tools provided are the right ones to do their job	N/A	Establish baseline	79%	80%	To be set in 2016/17	To be set in 2016/17
Availability of IT infrastructure to support and enable the business to function	N/A	90%	99%	99%	99%	99%
Retain and exceed compliance with Government Information Governance standards; to protect and enable the organisation to access its business information more flexibly and to share it securely with its partners (minimum standard 70%)	72%	≥ 72%	75%	≥ 72%	≥ 72%	≥ 72%
Number of working days lost per FTE (Full Time Equivalent) employee due to sickness absence in schools	6.77	6.17	6.67	6.17	6.17	6.17
Number of working days lost per FTE (Full Time Equivalent) employee due to sickness absence in non-school services CP	10.23	9.24	9.09	9.24	9.24	9.24
The proportion of Return to Work Interviews conducted within 7 days of employee returning to work	74.8%	87%	75.8%	90%	90%	90%
Increase the percentage of Council procurement spend with local suppliers CP	G (41%)	45%	46%	48%	≥ 50%	≥ 50%
Percentage of new and relevant County Council procured contracts awarded following a tender process, that include an Employability and Skills Plan CP	N/A	60%	42%	65%	70%	To be set in 2017/18
Organisational-wide savings achieved through procurement, contract and supplier management activities.	R (£6.9m)	£6.9m	£6.9m	£6.5m	To be set in 2016/17	To be set in 2017/18
Develop an asset investment strategy based on a balanced portfolio approach CP	N/A	Strategy in place and income targets set	Timeline reviewed and revised completion date set for September 2016	Asset investment strategy developed and approved	To be set when strategy approved	To be set when strategy approved
Cost of occupancy of corporate buildings per sq metre CP	N/A	Establish baseline	A baseline has been established £150 / sq metre	£147 / sq metre (2% reduction on 2015/16 baseline)	2% reduction on 2016/17 costs	2% reduction on 2017/18 costs
Reduce the amount of CO ₂ arising from County Council operations through improved energy efficiency	4.4% reduction	3% reduction on 2014/15	5.7% reduction on 2014/15	3% reduction on 2015/16	3% reduction on 2016/17	3% reduction on 2017/18
Fully implement the new Atrium Property Asset Management System (PAMS)	R	Required Atrium modules implemented	R	All required statutory maintenance managed on Atrium	All Statutory maintenance completed within target dates	N/a

Revenue Budget £000			
Revenue Breakdown	2014/15 Budget	2015/16 Budget	2016/17 Budget
Gross Budget (A)	41,614	38,950	38,154
Government Grants (B)	(1,759)	(1,759)	(1,759)
Fees and Charges (C)	(12,199)	(9,961)	(8,872)
Other Income (D)	(5,168)	(4,924)	(3,682)
Net Budget (A-B-C-D)	22,488	22,306	23,841

Capital Programme £000						
Project	Description		Total for Scheme	Previous Years	2016/17 Budget	2017/18 Budget
Core Programme - Capital Building Improvements	Investment to improve and develop the Council's buildings	Gross & Net*	40,898	22,251	9,048	9,599
Core Programme - ICT Strategy Implementation	Investment in information systems and technology	Gross & Net*	11,039	7,879	2,050	1,110
Core Back Office Services	Procurement of core back office systems	Gross & Net*	1,470	847	623	0
Property Agile Works	Introduction of Agile working across the Council	Gross & Net*	9,029	5,790	3,239	0
SALIX Contract	Funding in energy efficient projects to be repaid from energy savings	Gross	2,644	2,264	380	0
		Net	559	559	0	0
The Link	Provision of network, telecommunications and IT services for all public sector organisations across Sussex.	Gross & Net*	2,718	2,649	69	0
Case Management System/Committee Management System	Legal case management system	Gross & Net*	115	83	32	0

*Fully funded by ESCC.

Strategic Management and Economic Development

Portfolio Plan 2016/17 – 2018/19

August refresh 2016

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Our Priorities and Operating Principles

Our Priorities

The Council has set four priority outcomes:

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

Operating Principles

The Council has agreed three operating principles:

- ❖ **Strategic commissioning:** using an evidence-based approach to assess and meet the needs of local people in the most effective way. We will specify and deliver appropriate services to secure the best outcomes and value for money for residents.
- ❖ **One Council:** working as a single organisation both through the processes we use, and how we work. We will work in a well connected way across Council teams so we harness all our energy and resources towards achieving our priorities and remove duplication. We will judge our success against outcomes for the whole population and the organisation (and whole local public sector) not against the interests of a particular group, team or department.
- ❖ **Strong partnerships:** recognising we are one part of a wider system, we will work effectively with partners across East Sussex and the region as well as with the wider public sector to ensure we learn from others, secure best value for money and maximise impact for our residents.

Portfolio Policy

Policy Overview by Lead Members

1.1 These are very challenging times for the Council. Over the last three years we have met that challenge, making savings of almost £70m while improving services and delivering major infrastructure projects that will bring lasting benefits to the county. But the challenge is getting even greater and we are now entering a new phase of fundamental and permanent change to the nature of East Sussex County Council. The size of the public sector is reducing while demand for our services is increasing, with social care services needing to provide for many more elderly people. Our financial resources are limited and yet we need to make savings of £70 – 90m in the next three years (2016/17–2018/19), while the options to make those savings are restricted.

1.2 We will respond with strong leadership, stating clearly our priorities and what the Council will and will not do. We will strengthen our integrated planning approach, working as One Council to make the most of all opportunities to achieve our ambitions for East Sussex. We will stay focused on four overarching priority outcomes: driving economic growth; keeping vulnerable people safe; helping people help themselves; and making best use of resources.

1.3 Our three operating principles will ensure that we take an evidence based approach to meet the needs of local people, work together to be as efficient and effective as possible, and work in partnership to deliver added value for money and improved outcomes for East Sussex. We will continue our work with health partners to design and deliver systems across health and social care that will provide sustainable high quality services. In partnership with all councils in Surrey and West Sussex, the East Sussex Fire and Rescue Service (ESFRS), Local Enterprise Partnerships (LEPs) and other partners, we have formed Three Southern Counties (3SC) to submit a devolution bid to central Government. Devolution has the potential to give local people more control over key areas such as skills and infrastructure which will improve their quality of life.

1.4 We will continue our drive to create a strong economy, which will help our communities to be more resilient, and businesses to be competitive and sustainable. Greater prosperity will improve the quality of life for all residents. East Sussex is a great place to live, work and visit and is an excellent business location. We will build on the county's economic strengths and its unique characteristics to drive economic growth in the business sectors with the most potential. We aim to give all children the opportunity to go to a good or outstanding school and for them to progress well into further education, training or employment. We aim to maximise employment and productivity rates throughout the county.

1.5 Supporting people to improve and protect their health and wellbeing and those of others is important to build personal and community resilience and reduce the demand on the health and social care system. Public health services can help by providing evidence of need and effectiveness and by implementing initiatives which help to reduce health inequalities.



Councillor Keith Glazier
Lead Member for Strategic Management
and Economic Development



Councillor Rupert Simmons
Lead Member for Economy

Delivering the Priority Outcomes

Driving economic growth

2.1 The Council is committed to improving the prosperity of the county by creating the right conditions for growth. We have established programmes that support businesses, such as Locate East Sussex, the inward investment service for businesses seeking to move into the area or expand; and Business East Sussex (BES), the Growth Hub for the county, which provides business support and advice. Our first contract to roll out faster, more reliable broadband will complete at the end of June 2016 and we have signed a second contract with BT to push coverage and speeds even further. Economic growth will benefit the residents of the county but can also provide the Council with more resources, and control over a greater proportion of our resources.

2.2 A significant amount of investment is being made to improve the infrastructure of the county; in particular the Bexhill Hastings Link Road (BHLR (Combe Valley Way)), has opened up land for new housing and business development, the benefit of which will be seen in the next few years. Funding worth over £71.4m has been agreed for infrastructure projects in East Sussex as part of the Growth Deals agreed with the South East Local Enterprise Partnership (SELEP) and the Coast 2 Capital (C2C) LEP.

2.3 A strong and vibrant economy means a better quality of life for people in East Sussex and will help our communities to become more self-sufficient and better able to support themselves. This is particularly the case with promoting employability and skills, which benefits both employers and residents. Our Employability and Skills Strategy guides our approach by ensuring that our leadership, commissioning, recruitment and training activities promote a higher skilled workforce.

2.4 East Sussex enjoys a rich and varied heritage and local culture that provides employment for a significant number of people and attracts many visitors. We aim to expand and promote cultural tourism to raise the profile of East Sussex and attract more visitors and businesses to the county.

Helping people help themselves

2.5 Public health services aim to protect and improve people's health and wellbeing and to reduce health inequalities. Focusing on prevention, early intervention and helping people help themselves will help people to stay well and independent. Public Health works closely with Public Health England and NHS England and as part of a wider partnership of Council services for Social Care, Clinical Commissioning Groups, and NHS providers, to deliver the best outcomes for local people through our East Sussex Better Together (ESBT) programme and work with High Weald Lewes Havens as part of their Connecting for You programme.

Making best use of our resources

2.6 Strategic Management and Economic Development provides the leadership for the Reconciling Policy, Performance and Resources (RPPR) process that guides the Council in setting priorities and allocating resources. It determines what we are trying to achieve for each priority outcome and sets the targets in the Council Plan to drive our ambitions forward. Our decisions are taken within the democratic framework of the Council's Constitution. Democratic Services and scrutiny help ensure that Members are well informed and fully engaged in the process of developing policy and decision making across all priorities. Our devolution bid will give the Council more power to make decisions over how public money is spent in the county, and a significant focus of the bid is on promoting economic growth.

Corporate Governance and Support

Forward Plan

Strategic Leadership

3.1 The Council's focus for 2016/17 will be on delivering the four priority outcomes, making the necessary savings to our budget, and developing the future shape of the Council. We predict the need to save between £70 – 90m during the new Medium Term Financial Plan, 2016/17–2018/19, as funding reduces and demand for our services increases. These financial restrictions coupled with our ambitions for East Sussex mean the targets we set ourselves may be very challenging, but our aim is still to achieve 80 – 90% of Council Plan targets, ensuring that we deliver for local people. We will actively assess progress against the Council Plan Targets, Revenue Budget, Capital Programme, and Risks, remaining open and accountable to local people and responding positively to any risks, challenges and opportunities that arise.

Strategic Context

3.2 We will continue work to address the fundamental and permanent change to the nature of the Council and its role as a provider of both public services and local strategic leadership. The shift to a smaller public sector means a lasting reduction to the Council's funding and a smaller, more strategic Council. This change needs to be managed together with a range of other developments including the outcome of devolution deals, the ongoing integration of health and social care services, and the probability of new and extended responsibilities for the Council. The next five years will see the entire nature of local government funding changed with the ending of all central Government grants and full local funding through council tax and business rates.

3.3 We need to provide strong, clear leadership that is always open, transparent and democratically accountable. We need to be clear about our priorities, the consequences of the choices we make and specify exactly what the Council will and will not do in the future.

3.4 Our RPPR process provides an integrated One Council approach to meeting these challenges, supporting strong strategic decision making and delivering good sustainable services. Our approach includes:

- management of resources (revenue and capital);
- activity and performance based decision making;
- clear accountability for delivery; and
- consistent portfolio and corporate risk management.

3.5 In order to rise to the challenge of the next planning period (2016/17–2018/19) we will build on our strengths in integrated policy and performance based resourcing and strengthen our thinking and application consistently across the whole (One) Council.

3.6 The principles for the initial One Council approach are:

- taking a collective view about our priorities and investment choices. We will use strategic commissioning disciplines to direct our activities to maximise the delivery of the agreed priority outcomes. This approach enables us to be business-like and to test comparative returns on investment so we can be confident we are making best use of resources. It will also help ensure savings in one area do not give rise to unforeseen consequences in another area;
- building on the existing plans that maximise efficiency, exploit technology and make the best use of all our assets;
- ensuring we choose the right partners, especially those who will deliver system change and make best use of resources;

- maximising East Sussex resources through strong partnership working, income generation, lobbying and exploring new ways of working;
- removing management and support costs wherever possible to maximise the resources available to the front line;
- recognising which areas offer more flexibility and the considerable areas where flexibility is limited in the short-term;
- sustaining investment in activity that will most help manage demand;
- mobilising and encouraging communities to help achieve their priority outcomes;
- enabling staff, residents and communities to be creative and courageous, helping them to work through uncertainty; and
- being open and transparent to provide clarity about priorities and consequences, specifying clearly what the Council will do.

Future Council

3.7 While the decisions to be made through the ongoing RPPR process will shape the future operating model of the Council, we expect to retain direct control over:

- support and operation of the democratic and governance core functions;
- safeguarding and case management for adults and children;
- responsibility for our Looked After Children;
- school standards assurance, school place planning and managing admissions;
- client roles for waste, highways and community services; and
- strategic overview of plans for achievement of our priority outcomes and ensuring effective partnership working.

3.8 We will work with partners to:

- commission integrated services for health, social care and public health (all ages including Special Educational Needs and Disability); through ESBT in the east of the county;
- deliver Support Services (Orbis) capability for the public sector and partners;
- commission economic development and skills projects and strategies;
- commission community services; and
- deliver services, where strategic commissioning has demonstrated direct delivery by the Council, alone or in partnership, is the best option.

3.9 As these plans progress and are implemented, we expect there to be a much smaller Council core. This will reflect both reducing resources and best use of resources by moving to delivery through new structures developed with partners and communities to best meet future need.

Devolution

3.10 Members and officers from across the Three Southern Counties (3SC) partnership have continued to develop the “asks” and “offers” set out in the 3SC Prospectus which was submitted to Government in September 2015. An initial meeting with Government to commence formal discussions took place in January 2016 and this has been followed by a series of thematic discussions with various Government departments to explore and develop how each of the elements of the Prospectus could form part of a 3SC devolution deal. A meeting with officials from HM Treasury and the Department for Communities and Local Government in June 2016 confirmed the strengths of the 3SC proposals and indicated Ministerial support for the direction of travel.

3.11 As the discussions progress and the devolution proposals are developed further, the link between the 3SC “asks” and “offers” (grouped broadly into six workstreams: fiscal and investment, housing and planning, infrastructure, public service transformation, skills and

governance) is becoming stronger and the single, compelling narrative for 3SC devolution is becoming more persuasive.

3.12 A Communications and Engagement Strategy has been agreed to support the development of the devolution deal to ensure partners, Members, residents and MPs are engaged and updated on progress.

3.13 Activity to consider the governance arrangements required to deliver a devolution deal continues to be planned and will be finalised when the detail of a deal is known.

3.14 The East Sussex Borough and District Councils and representatives from East Sussex Fire and Rescue Service and the South East Local Enterprise Partnership are engaging with and contributing to the development of the 3SC devolution deal.

3.15 The 3SC and Greater Brighton Economic Board are working together and collaborating, where appropriate, to progress the development of the respective deals.

3.16 Any decisions affecting East Sussex County Council will be taken through the established decision making processes.

Strategy Summary

3.17 We are entering a new phase of fundamental and permanent change to the nature of East Sussex County Council and we will require a new Council model that best fits our new role. It is not yet possible to be definitive about that future shape for the Council or the other components of the whole system in the county, but we are clear about our approach and how we will ensure the right outcome. We will strengthen and build partnerships, make best use of resources, be careful in taking on new and extended responsibilities, capitalise on opportunities, and stay focused on the wellbeing and prosperity of local people when making decisions and progressing this work.

Democratic services

Combined Democratic Services and Scrutiny team

3.18 Member Services is developing its combined Democratic Services and Scrutiny roles within the integrated team and is focusing on expanding support to Members. The 'Modern.Gov' agenda management system is now established enabling easier access to information for Members and the public, with reduced printing and postage costs.

3.19 Member Services will continue to develop systems and support to make the Council's decision making and scrutiny processes as smooth, efficient and transparent as possible while operating within the Council's Constitution.

Members' ICT strategy and the Networked Councillor

3.20 The Members' ICT Reference Group met in February and April 2016 and endorsed a series of initiatives arising from the results of an earlier ICT questionnaire. A series of training workshops has been held for Members focussing on the use of their equipment to access committee papers in support of the Council's 'paperless meetings' policy which began in May 2016; So far 22 Members have received group or individual training. A further successful training workshop in the use of social media to assist Members to work more effectively in their communities was taken up by 4 Members in May; with further courses planned for the future.

3.21 A Twitter account, previously developed by the Scrutiny team, is to be adapted for use as an extension to the publicity for the Council's meetings, supplementing the webcasts. We are working closely with Communications in developing this new Twitter role to give residents and businesses clearer sight of our decision-making and the opportunity to discuss and ask questions.

Boundary review

3.22 A review of county electoral divisions in East Sussex is underway and will end in September 2016 with the new arrangements going live in time for the County Council elections in May 2017. The Boundary Commission will consult on its draft electoral division pattern for East Sussex between March and June 2016. The Commission has indicated that the number of councillors on East Sussex County Council will increase from 49 to 50.

Elections

3.23 The next County Council elections are to be held on 4 May 2017. Preparations will begin over the coming months:

- Events will be held in the autumn of 2016 to enable anyone thinking of standing for election to find out what being a county councillor involves
- We will begin working closely with district and borough colleagues to prepare the election timetable and ensure that appropriate arrangements for conducting the election are put in place in good time

The induction programme for new councillors is already in development.

Supporting officers

3.24 We have continued to promote a broad understanding of the political environment in which the Council operates amongst the workforce. A continuing priority this year will be raising staff awareness of the decision making process through induction sessions and the popular 'Working in a Political Environment' training course. This programme increasingly attracts interest from external organisations for which understanding how the Council operates is becoming more important.

Communications

3.25 Communications will support the Council's four priority outcomes by:

- keeping residents informed of news and services that affect them;
- initiating and supporting digital transformation to make better use of resources;
- supporting services in redesigning and presenting their public offer; and
- enhancing the reputation of the Council, especially in the county it serves.

3.26 We will accelerate the move towards a fully digital communications service, speaking to residents and partners in ways that are leaner, easier to use and allow us to be more targeted and efficient. We will increase our skills, allowing us to make better use of digital techniques and technologies on behalf of the whole Council.

3.27 We will run public campaigns, on behalf of services, in support of priorities such as; to recruit more adopters and foster carers; to improve public health; to encourage reading among schoolchildren; and to keep people safe on the roads. Applying digital insight and know-how will make these campaigns more targeted and cost-effective.

3.28 We will continue to use national and local media to inform people of the Council's services, but this work will increasingly be integrated with social media and other forms of direct communication with residents.

3.29 We will use our expertise, from design and digital, to marketing and editorial, to aim at high professional standards in every area of the Council's communications.

Performance data and targets

Performance Measures CP = Council Plan	2014/15 Outturn	2015/16 Target	2015/16 Outturn*	2016/17 Target	2017/18 Target	2018/19 Target
Council Plan targets met that are available for reporting at year end	67%	80% – 90%	74%	80% – 90%	80% – 90%	80% – 90%
Ensure RPPR delivers a One Council approach and strong, transparent processes	We have begun to develop our approach for 2016/17 onwards	Implement RPPR process for 2016/17 onwards	RRPR process implemented	Develop RPPR process for 2018/19 onwards	Implement RPPR process for 2018/19 onwards	Implement RPPR process for 2018/19 onwards
Improve support to Members in their various roles	Programme continually developed	Agree a Member support and training package based on a 'halfway term' needs analysis	Members' ICT project established with training workshops underway	Agree a Members' ICT strategy and a Member induction programme before County elections in May 2017	Implement an effective induction programme for the new Council	Keep members ICT requirements and their overall training and support needs under review
Percentage of residents informed or very informed about County Council services and benefits	62%	62%	57%	65%	67%	70%
Percentage of residents satisfied or very satisfied with the way the County Council runs local services	46%	47%	50%	50%	50%	53%
Number of post-campaign evaluations completed for all Council marketing campaigns	10	Evaluations completed for 10 campaigns	11	Evaluations completed for 10 campaigns	Evaluations completed for 10 campaigns	Evaluations completed for 10 campaigns

Revenue Budget £000			
Revenue Breakdown	2014/15 Budget	2015/16 Budget	2016/17 Budget
Gross Budget (A)	4,030	3,986	3,936
Government Grants (B)	0	0	0
Fees & Charges (C)	(3)	(45)	(30)
Other Income (D)	(46)	(96)	(94)
Net Budget (A-B-C-D)	3,981	3,845	3,812

Capital Programme £000						
Project	Description		Total for Scheme	Previous Years	2016/17 Budget	2017/18 Budget
ICT for Members	Replacement of laptops & equipment	Gross & Net*	42	0	42	0

Economy

Forward Plan

Economic Growth

4.1 The Council is committed to supporting and improving the local economy by creating the right conditions for growth. A growing and prosperous economy will improve the quality of life for residents and help make our communities more resilient. To help drive economic growth we've developed a number of strategies and investment plans that will support businesses, promote the development of skills, and address infrastructure problems across the county. Our plans are set out in our East Sussex Growth Strategy which details the focus for future actions, and the Implementation Plan which provides detail on projects and activities to deliver the strategy.

4.2 The Government's spending review on 25 November 2015 included an announcement that Newhaven would be designated as an enterprise zone. Up to eight sites in the town will benefit, with new space unlocked for investment creating or sustaining 2,000 jobs and opening up 55,000sqm of new workspace.

4.3 Calls for projects have now taken place for the different EU Funding streams across SELEP. A bid for an extension to the core Growth Hub offer across the SELEP area, South East Business Boost (SEBB), has received approval, in principle, from the managing authority in central government. This is currently in negotiation and is likely to go forward for consideration by the European Structural Investment Fund (ESIF) Committee at its next meeting in early July. The Business East Sussex (BES) offer will be considerably increased as a result of the SEBB project, enabling targeted support to help growth until 2020. Large-scale projects to increase innovation and tackle carbon reduction (KEEP+ and LOCASE) have also been approved and will begin to be rolled out across the SELEP area from early 2016/17. Targets are set within the SELEP area as a whole and through our partnerships and BES we will look to maximise the impact on East Sussex.

4.4 The first call for the European Agricultural Fund for Rural Development resulted in one East Sussex project being invited to submit a full application. Work is underway between SELEP and the Managing Authority to develop relevant future calls: the next is likely to be in summer 2016. Rural funding for the LEADER programme was launched with Plumpton College, the lead partner for the Wealden and Rother Rural (WARR) Local Action Group (LAG) within East Sussex, in October 2015. The targets over the five year programme are to provide support to 64 projects, which will create 75 Full Time Equivalent jobs, establish 11 new businesses and create 45 new visitor accommodation bed spaces.

4.5 We will continue to work with our SELEP partners to deliver the Government's Local Growth Fund (LGF) which aims to boost business productivity in the region. Team East Sussex, our locally federated board to SELEP will continue work to create new jobs, homes and commercial spaces in the county. As a part of SELEP we will also continue to lobby the Government on a number of shared strategic priorities such as skills, housing and Gatwick Airport.

4.6 In 2014/15 we agreed a Local Growth Deal with Government, as part of the SELEP, which allocated almost £71.4m towards local projects to boost the economy. In 2015/16, the following LGF projects were started, committing £11.35m to boost the infrastructure of the county:

- Queensway Gateway Road (Seachange development)
- North Bexhill Gateway Road (Seachange development)
- Eastbourne/South Wealden Walking and Cycling Package
- Newhaven Flood Defences

- Swallow Business Park
- Sovereign Harbour and site infrastructure package

4.7 The implementation of a number of these projects will continue in 2016/17 as well as the Hailsham/Polegate/Eastbourne Movement and Access corridor works, Eastbourne town centre movement and access improvements and Bexhill Enterprise Park site infrastructure. We will continue to develop business cases to unlock LGF monies for 2017/18 onwards.

4.8 The construction of the next phase of the Newhaven Port Access Road, which will extend the road from the Pargut roundabout across the railway and Mill Creek to the harbour mouth, is programmed to start construction in 2016/17. The £23m scheme is being funded by £10m from the LGF and £13m from the Council's Capital Programme.

4.9 As a part of the Growth Deal the Council was given additional funds to set up a Growth Hub to offer business support. In October 2015 we officially launched the BES website which signposts businesses to the support they need, including both local and national provision. We also recruited a new Business Support Navigator who will be the first point of contact at the Growth Hub and will assess each company's needs and advise them on how to access the correct support. A further £117k of SEEDA Legacy funding is also available until 2020 to maintain the core BES service.

4.10 A SELEP-wide European Regional Development Fund (ERDF) expression of interest, led by Southend Borough Council, was submitted to the Managing Authority and has been given approval to develop a full application by the middle of 2016. This will contain additional elements to expand the BES offer based on gaps identified in collaboration with stakeholders over the last two years. Targets will be set as part of that bid. Further work on developing the detail of additional BES services (within and beyond the ERDF bid) has been tasked to the BES Steering Group, which met for the first time on 6 November 2015. A maximum £750k of Council funding is available to match fund the ERDF bid for further development of BES.

4.11 In 2015/16 we launched a new £1.3m annual programme of grants and loans to provide East Sussex businesses with funding, and support job creation. East Sussex Invest (ESI) 4 follows on from ESI3 and is funded from the Council's capital programme and recycled funds from ESI3 loans. The programme is run in partnership with Locate East Sussex (LES). By the end of 2015/16 £809,000 of funding had been approved to 33 businesses which will create or protect 150 jobs. In 2016/17 we have committed a further £1.3m to the programme which will further support the economy of the county. We are in discussions with boroughs and districts to investigate placing a leaflet or information within their council tax / business rates notifications, which will help promote the project to local businesses.

4.12 Further grants and loans are also available to business through Locate East Sussex, our inward investment service for the county, which is administered on behalf of the Council by the Let's Do Business Group (LDBG). Locate is the one-stop shop for businesses seeking to move into the area, expand or access funding for growth. The success of the service is measured by the number of businesses it supports and the number of jobs it helps to safeguard or create. In 2015/16 13 businesses either committed to or relocated to the county with the support of Locate East Sussex. The contract with LDBG has been extended for an additional year until May 2017.

Employment and Skills

4.13 The Employability and Skills Strategy, adopted in 2014, is now embedded within much of the Council's mainstream activity and Service Plans. Skills East Sussex (the local employment and skills board) will continue to operate, as will its sector focused and thematic task groups. Considerable work will be required to continue employer-school engagement, and to stimulate the uptake of apprenticeships in the county in line with economic growth priorities.

4.14 Having secured funding from the Careers & Enterprise Company in 2015/16, work will continue until July 2016 to support all 29 secondary schools in East Sussex to develop an employer led careers strategy.

4.15 The Council's own apprenticeship programme is underway, with a programme of work readiness courses, work experience and a streamlined application process for an apprenticeship with the Council a key area for workforce development. The programme has proved an initial success in 2015/16, with 49 young people undertaking work readiness training, and 56 starting an apprenticeship with the Council. In 2016/17, a further 80 young people will participate in work readiness provision and at least 56 will undertake an apprenticeship with the Council or one of its partners. In 2016/17 a traineeship programme, focussing on supporting young people Not in Education, Employment or Training (NEET) and Looked After Children, and an internship programme will be added to the workforce development skills initiatives.

4.16 Following an evaluation of the Jobs Hub in Eastbourne, five libraries across the county will offer a Hub service in partnership with local careers advice organisations. Librarians in each library will be trained in Information Advice and Guidance so that they are qualified to offer careers advice via the new Hubs.

Broadband

4.17 Faster and more reliable broadband will improve access to services, jobs and education, and is a key driver of economic growth in the county. The Council's original contract with BT, signed in May 2013, for a programme of infrastructure improvements (2013-2016) has been a success with over 66,000 premises able to be connected to Next Generation Access (fibre) infrastructure by the end of 2015/16. To build on this success, the Council signed a new contract with BT in June 2015 to provide a further programme of works from 2016–2018 which will increase speeds and coverage to over 5,000 additional premises.

4.18 East Sussex has again been successful in securing funding from the Department of Culture, Media and Sport (DCMS) to deliver improved digital skills to support business growth, linked to the faster more reliable broadband infrastructure installed by the project. This is one of only 16 projects nationally to secure funding. It builds on the success of the first project which saw 47 female entrepreneurs take advantage of a mixed modular package of digital skills, business skills and personal development programmes through the Swift project.

Infrastructure

4.19 The infrastructure of East Sussex has many contrasting strengths and weaknesses. The county is close to London and Gatwick and has strong links to mainland Europe but suffers from slow road and train times. New developments are sometimes constrained by poor transport links which is why many of our major infrastructure projects are about 'unlocking' land to enable economic growth from housing and commercial development to take place.

4.20 The most significant of our infrastructure projects is the BHLR which is now open. The road will help to regenerate one of the most deprived areas in the South East and deliver many benefits to East Sussex. This includes £1 billion of investment over 25 years, with the creation of up to 2,000 new homes and 60,000sqm of business space. There is a significant amount of complementary work to do now the road is open; including the construction of greenways and landscaping.

4.21 The SELEP and C2C growth deals committed £71.4m to transport and infrastructure projects in East Sussex up to 2021. These projects include:

A21/A259 Bexhill/Hastings growth corridor:

- Queensway Gateway Road (Seachange development)
- North Bexhill Access Road (Seachange development)
- Bexhill Enterprise Park – site infrastructure
- Hastings and Bexhill walking and cycling package
- Hastings and Bexhill junction capacity improvements

A22/A27 Eastbourne/South Wealden growth corridor:

- A22/A27 junction improvements
- Hailsham – Polegate – Eastbourne Movement and Access corridor package
- Eastbourne and South Wealden walking and cycling package
- Eastbourne town centre access and improvement package
- Sovereign Harbour Innovation Park, Eastbourne – site infrastructure
- Swallow Business Park, Hailsham – site infrastructure

Newhaven Clean Tech and Maritime Growth Corridor:

- Newhaven Port Access Road
- Newhaven Flood Defences

4.22 We have plans to construct a new Port Access Road and with the Environment Agency to improve flood defences in Newhaven. In addition to the £13m in the Council's capital programme, a further £10m of LGF money has been allocated towards the Port Access Road. The Department for Transport (DfT) rather than C2C LEP will make the final decision on releasing the LGF money; a business case is currently being developed and will be submitted for approval in 2016/17 with construction also commencing next year. The road is scheduled to open in 2018.

4.23 The Newhaven flood defence scheme has secured £3m of Local Growth Deal funding - £1.5m each from SELEP and C2C LEP - and over £10m from the Environment Agency, and has the capacity to unlock 167,200sqm of workspace creating 6,000 jobs.

4.24 Following the outcome of the A27 feasibility improvement study, £75m has been made available in the DfT's 'Roads Investment Strategy: Investment Plan' for small scale improvements and sustainable transport measures on the A27 between Lewes and Polegate. Highways England (formerly the Highways Agency) and the DfT have commissioned consultants to develop proposals using the available funding, and the consultants will be engaging with the Council and other stakeholders over the next year on potential options. The A27 Reference Group, which brings together the local MPs, local authority leaders, and the business community are advocating that a more comprehensive solution for the A27 east of Lewes is required. The intention is the improvements would support the planned and further potential housing and employment space particularly in the south Wealden area around Hailsham and Polegate. To support the case for improvements we will be commissioning consultants to undertake a study of the wider economic and regenerative benefits that an improved A27 would bring to East Sussex.

4.25 The North Bexhill Access Road will connect the BHLR with the A269 and unlock new development land in the North Bexhill area. The business case for the scheme has been approved by SELEP, releasing the funds to build the scheme. Planning permission was granted on 11/02/2016, with construction due to commence in 2016, and the road scheduled to open in 2018.

4.26 As well as a number of larger infrastructure schemes we are also implementing small and medium sized projects which will improve accessibility, traffic movement and road safety. These schemes make up the Local Transport Capital Programme, which is guided by our Local Transport Plan 2011–2026. The first Implementation Plan covered the period 2011/12 to 2015/16; our second Implementation Plan will cover the period 2016/17 to 2020/21. In 2016/17 we plan to build phase 1 of the Hailsham/Polegate/Eastbourne Movement and Access corridor improvements which will help the movement of all road users on journeys between the three towns as well as support the delivery of the planned housing, 10,000 new homes, and employment space, 80,000sqm, in the Eastbourne and South Wealden area.

4.27 Work has begun on a £6m scheme of pedestrian improvements to Terminus Road in Eastbourne to compliment the development of the Arndale Centre. The work, which is being funded from the Local Growth Fund, the Eastbourne parking surplus, the Borough Council, Network Rail and development contributions, will improve the pedestrian environment, using ‘shared street space’ principles, as well as introducing cycle lanes to improve safety. Construction is due to continue in 2016/17 with a projected completion date of summer 2017.

4.28 A £3m scheme, fully funded from development contributions, to improve the transport infrastructure in Uckfield town centre is being implemented to mitigate some of the impacts of the recent and planned developments in the town. Construction of stage 1, Bell Lane to Framfield Road, was completed in November 2014. Stage 2, Uckfield High Street from Bell Lane to Church Street, is due to begin in 2016. In addition to these improvements, a new railway station car park was opened in summer 2015 and Luxford Field car park is being refurbished by Wealden District Council.

4.29 Community Infrastructure Levy (CIL) is a planning charge placed on development to help fund infrastructure across the whole planning authority area. Where it has been introduced it has replaced most aspects of Section 106 (s106) agreements other than site specific requirements. Eastbourne introduced their CIL in April 2015 with Lewes following in December 2015. The CILs for Wealden and Rother have now commenced. The South Downs National Park have consulted on their draft CIL charging schedule and plan to introduce it during 2016/17. Because of development viability issues, Hastings currently does not intend to introduce a CIL and will continue to collect development contributions through s106 agreements. Once the CIL monies become available, we will be bidding to the CIL charging authorities to secure monies to deliver Council infrastructure required to support the housing and employment growth identified in their Local Plans

4.30 Whilst the Council does not have a statutory responsibility for rail, we work with and lobby Government, the rail industry, and other relevant parties for improvements to rail services and infrastructure serving the county, which supports the Council’s key objective of delivering economic growth.

4.31 Our Rail Strategy, ‘Shaping Rail in East Sussex’, and supporting Action Plan identified two main priorities for improving rail infrastructure and services in the county to improve connections to employment, education and training, and support economic growth. These are improvements (electrification/dual tracking) to the Marshlink line between Hastings and Ashford and electrification of the Uckfield line between Hurst Green and Uckfield.

4.32 East Sussex, Hastings and Rother, on behalf of the Hastings & Rother Taskforce, commissioned a study to identify whether a strategic economic case existed for extending the high speed rail Javelin (HS1) services from London St Pancras to Hastings and Bexhill. The report, published in October 2015, identified that running high speed rail services will be a significant boost to the Bexhill/Hastings area, has the potential to ‘super charge’ the local economy, and will generate significant economic and regenerative benefits to the local area by 2044. We will be feeding this information into Network Rail’s Kent Route Study, which looks at the long term rail infrastructure requirements in the study area to 2044, as well as

lobbying Government direct for funding to help bring the scheme forward for delivery in Network Rail's Control Period 6 (2019 – 2024).

4.33 In addition a study has been commissioned by the DfT to look at improving rail links between London and the south coast including upgrades to existing routes, consideration of the Brighton Mainline corridor, and re-examination of the previous Lewes – Uckfield reinstatement proposals. We are feeding into the study and making the case for both the improvements to the Brighton Mainline, the electrification of the Uckfield line between Uckfield and Hurst Green and the future reinstatement of the line between Lewes and Uckfield to support the growth plans of the county

4.34 In January 2015, a clear majority of County Councillors supported a second runway at Gatwick Airport on the basis of the economic benefits to East Sussex and job creation in the county, whilst recognising appropriate action by Gatwick was needed to provide the necessary infrastructure and mitigate noise, environmental or other negative impacts on the residents of East Sussex. The Airports Commission concluded in July 2015 that a third runway at Heathrow was the preferred option for providing the additional runway capacity. The Government is currently considering the Commission's findings and is due to make a decision in the next few months.

4.35 Notwithstanding the outcome of the Government's decision, the majority of strategic road improvements on the A23/M23 & M25 corridors and rail improvements on the Brighton Mainline identified as critical to support a second runway, are already identified as committed schemes in Highways England's and Network Rail's respective investment programmes. This will be supported by investment from DfT, Network Rail and the C2C LEP in redeveloping Gatwick railway station to double the size of the concourse and improve access to all platforms.

Culture

4.36 The SELEP Creative Economy Network (CEN) is seeking to deliver a LEP wide £6m business support programme in partnership with Arts Marketing Association, ACAS, Creative and Cultural Skills, Crafts Council and Creative United. Financial match is being applied for via the ERDF and the Arts Council England Creative Growth Fund (bid submitted).

4.37 The CEN is also seeking to develop a skills programme in partnership with Creative and Cultural Skills. In parallel with this we will deliver the Artsworld Bridge funded Cultural Education Challenge with a particular focus on Hastings and St Leonards. The Challenge seeks to align cultural provision for young people with key health, education and skills targets and will be supported by Skills East Sussex (SES) and the East Sussex Cultural Advisory Board (ESCAB).

4.38 To underpin future cultural tourism initiatives the Council will be commissioning desk based research to collate data on visitor behaviour and seeking recommendations. We will also be aiming to increase the amount of location filming in the county.

Performance data and targets

Performance Measures CP = Council Plan	2014/15 Outturn	2015/16 Target	2015/16 Outturn*	2016/17 Target	2017/18 Target	2018/19 Target
Deliver Cultural Destinations Action Plan as resources are secured CP	Action Plan agreed	Secure investment to deliver action plan	Tourism South East commissioned to undertake county-wide visitor data stock take	Continue to grow Coastal Cultural Trail	Deliver Coastal Cultural Trail (if funding secured)	Deliver Coastal Cultural Trail (if funding is secured)
Agree Employer led skills development programme for SELEP Cultural Sub Group [tbc depending on availability of funding]	New measure	Agree action plan	Employer led skills development programme agreed and continuing to apply for funding sources	Secure investment to deliver action plan	Deliver action plan	Deliver action plan
Establish the East Sussex Growth Hub as the new 'one stop shop' for business support in the county CP	New measure	Initial Business East Sussex (BES) service set up by end June 2015 Set targets with service provider June 2015	BES website and service established	Additional funding secured and the Growth Hub - Business East Sussex service extended and enhanced	To be set 2016/17	To be set 2017/18
Number of businesses supported and jobs created or protected via East Sussex Invest 4 CP	£4.2m has been allocated with 573 jobs due to be created	Continue to monitor ESI 3 funding. Launch new ESI 4 funding of £1.3m May. 28 businesses supported and 43 jobs created as per contracts	£809k of funding provided to 33 businesses creating or protecting 150 jobs	Support 55 businesses create or protect 86 jobs as per contracts	Support 55 businesses create or protect 86 jobs as per contracts	Support 55 businesses create or protect 86 jobs as per contracts
Increase inward investment CP	10 businesses committed to or relocated to East Sussex	12 businesses committed to or relocated to East Sussex (NB year runs May - May 2016/17)	13 business committed or relocated to East Sussex	12 businesses committed to or relocated to East Sussex (NB year runs May - May 2017/18)	To be set 2016/17	To be set 2017/18
Deliver the new Employability and Skills Strategy: East Sussex business sector skills evidence base developed CP	New measure	First tranche of priority sectors identified	First tranche of priority sectors identified	Deliver sector specific campaigns through Skills East Sussex	To be set pending discussions re future skills strategy for the Council	To be set pending discussions re future skills strategy for the Council
Number of new apprenticeships with the County Council (ESCC and schools) CP	16 ESCC 16 Schools	Workforce planning review to identify target number of apprenticeships	Target set at 56 Achieved 57	56	To be set pending discussions re future skills strategy for the Council	To be set pending discussions re future skills strategy for the Council
Number of young people completing work readiness courses with the County Council CP	New measure	60	49	80	To be set pending discussions re future skills strategy for the Council.	To be set pending discussions re future skills strategy for the Council
Percentage of apprentices retained in their apprenticeship placement and/or moving into alternative training or paid employment CP	New measure	60%	93%	80%	To be set pending discussions re future skills strategy for the Council	To be set pending discussions re future skills strategy for the Council

Performance Measures CP = Council Plan	2014/15 Outturn	2015/16 Target	2015/16 Outturn*	2016/17 Target	2017/18 Target	2018/19 Target
Number of additional premises with improved broadband speeds (5,000 by end of 2017/18) CP	38,565 premises to 31.12.2014	30,500 premises	66,453	1,835	3,440	Contract ends 2017/18
Report progress on the level of broadband improvement in the Intervention Area CP	Over 15,000 premises receiving speeds of 24mbps or above (at 31.12.2014).	Report build phase 3 – 9: number of premises with broadband speed achieved	Of the 66,453 premises, 82% able to receive speeds of 24 mbps or above	Report progress on the level of broadband improvement in the Intervention Area	Report progress on the level of broadband improvement in the Intervention Area	Contract ends 2017/18
Take up of broadband services in the Intervention Area	10.7% at 31.12.2014	Report take up during rollout	27.8%	Report Take up of broadband services in the Intervention Area	Report Take up of broadband services in the Intervention Area	Report Take up of broadband services in the Intervention Area
Complete the Bexhill to Hastings Link Road CP	Construction continued but completion delay	Road constructed and open for use 2015	Road constructed and open for use December 2015	Complete all additional works	Monitor impact	No target set road complete
Deliver major transport infrastructure – Queensway Gateway Road CP	A scheme design has been developed and agreed	Commence construction	Enabling works commenced	Secure funding via the Local Enterprise Partnership	Monitor impact	Monitor impact
Deliver major transport infrastructure – Newhaven Port Access Road CP	Detailed design delayed due to uncertainties over DfT approval process for LGF (external) funding	Business case approved	The Business Case has been delayed due to difficulties in agreeing its scope with DfT	Construction commenced	Construction complete and monitor impact	To be set 2016/17
Deliver major transport infrastructure – North Bexhill Access Road	New measure	Develop proposals for North Bexhill Access with Seachange Sussex	Planning application approved February 2016. Land acquisition and ecological works have begun	Secure funding via the Local Enterprise Partnership	Complete construction and monitor impact	Monitor Impact
Complete key local transport scheme improvements in growth priority areas (Hastings/Bexhill, South Wealden / Eastbourne and Newhaven)	(i) Hastings High Street deferred until Q4 2015-16 (ii & iii) A259 Peacehaven-Newhaven cycleway and Newhaven Interchange completion delayed to Q1 of 2015-16	(i) Hastings - Old Town High Street Ped Improvement Scheme (ii) Bexhill A259 Bus Lane	Construction of Hastings Old Town completed in Q4. Detailed Design work on Bexhill A259 Bus Lanes complete but implementation will be delayed until 2016-17	(i) Hailsham /Eastbourne Sustainable Transport Corridor – Phase 1	Bexhill Town centre movement and access improvements	Bexhill and Hastings Movement and Access corridor Improvements
Deliver pedestrian improvements in Terminus Road (Eastbourne) using 'Shared Space' concepts to coincide with opening of the new Arndale Centre CP	The scheme design continues to progress well. However contract has not been awarded	Commence the contract procurement process	Contract prepared ready for tender process to commence in spring 2016	Continue Construction	Construction complete summer 2017	To be set 2016/17

Revenue Budget £000			
Revenue Breakdown	2014/15 Budget	2015/16 Budget	2016/17 Budget
Gross Budget (A)*	3,635	2,507	2,057
Government Grants (B)	(1,233)	(1,287)	(664)
Fees & Charges (C)	(587)	(587)	(411)
Other Income (D)	(1,151)	(165)	(244)
Net Budget (A-B-C-D)	664	468	738

*Includes an allocation of net CET management & support budget.

Capital Programme £000						
Project	Description		Total for Scheme	Previous Years	2016/17 Budget	2017/18 Budget
Bexhill and Hastings Link Road	Construction of a major road to link Bexhill and Hastings	Gross	124,309	116,670	3,957	3,682
		Net	122,723	115,084	3,957	3,682
Newhaven Port Access Road	Phase 2 of the development of the port access road in Newhaven	Gross	23,219	270	5,205	17,744
		Net	13,219	270	5,205	7,744
Broadband	To make high speed broadband available across the county	Gross & Net*	25,600	17,297	8,303	0
Terminus Road Improvements	Provision of shared space and improvements to Eastbourne shopping centre	Gross	6,250	470	5,275	505
		Net	2,500	470	2,030	0
Reshaping Uckfield Town Centre	Will deliver: additional car parkings spaces; improved pedestrian environment; improvement to traffic signals; improved facilities at bus station and bus stops.	Gross	2,500	963	1,537	0
		Net	0	0	0	0
BHLR Complementary Measures	To resolve access and other issues following the construction of the Bexhill to Hastings link road	Gross & Net*	1,800	989	766	45
Integrated Transport - LTP plus Externally Funded	Programme of works to improve the integration of road and other transport links	Gross	52,770	37,465	6,355	8,950
		Net	26,937	21,439	3,098	2,400
Economic Growth & Strategic Infrastructure Programme	To enable significant economic growth across the county that will unlock strategic infrastructure sites improving connectivity, business growth, homes and jobs.	Gross	38,257	12,198	16,301	9,758
		Net	11,943	3,006	4,051	4,886
LSTF - ES Coastal Towns	Provision of sustainable transport options	Gross	2,467	2,097	370	0
		Net	2,008	1,917	91	0
LSTF - Travel Choices Lewes	Provision of sustainable transport options	Gross & Net*	1,196	1,194	2	0

*Fully funded by ESCC.

Public Health

Forward Plan

5.1 Health is determined by a complex interaction between individual characteristics, lifestyle and the physical, social and economic environment. These determinants of health can be grouped into layers of influence (Figure 1). The different layers of influence do not operate in isolation, but interact in complex relationships. Some are fixed and little can be done to change them, whilst others are amenable to change.

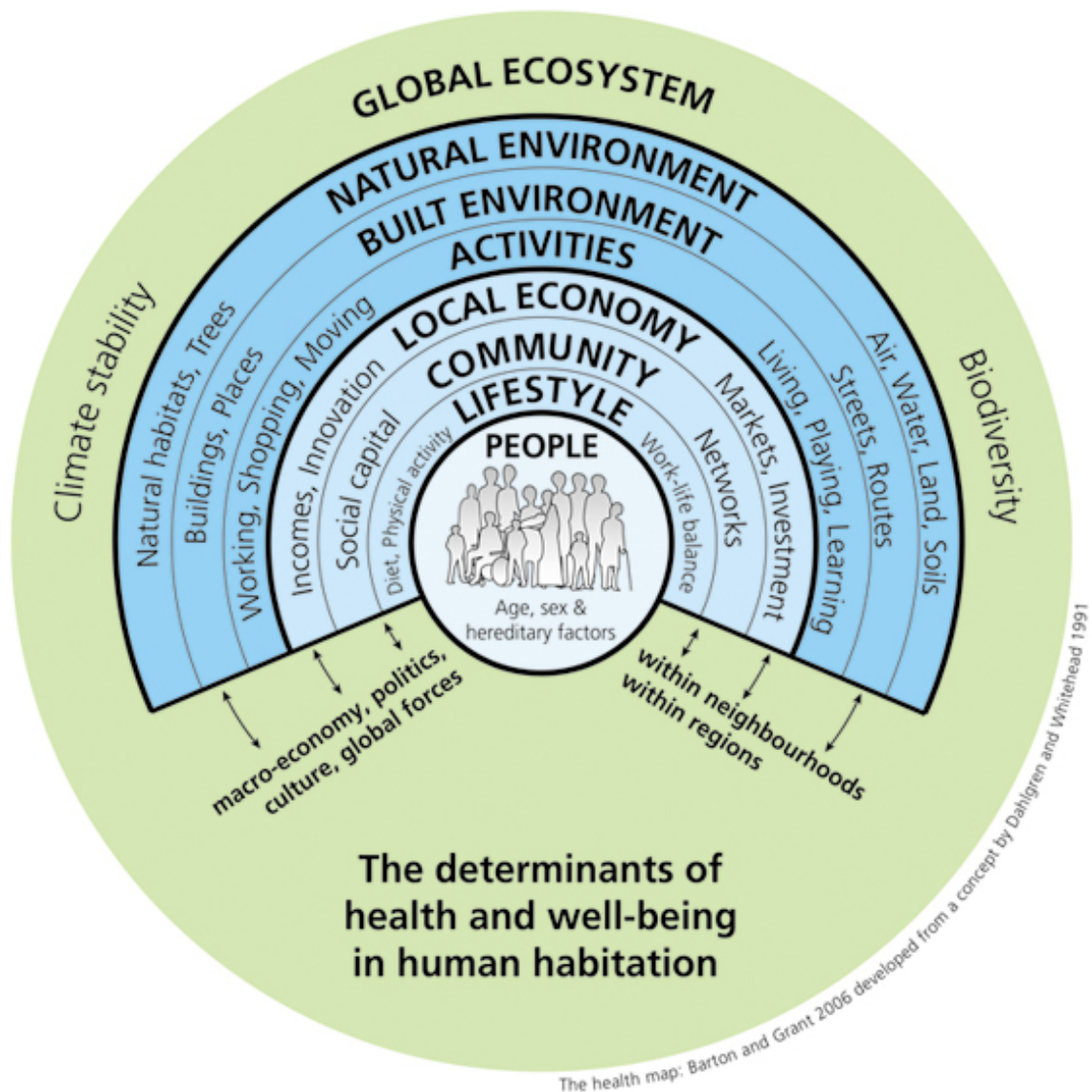


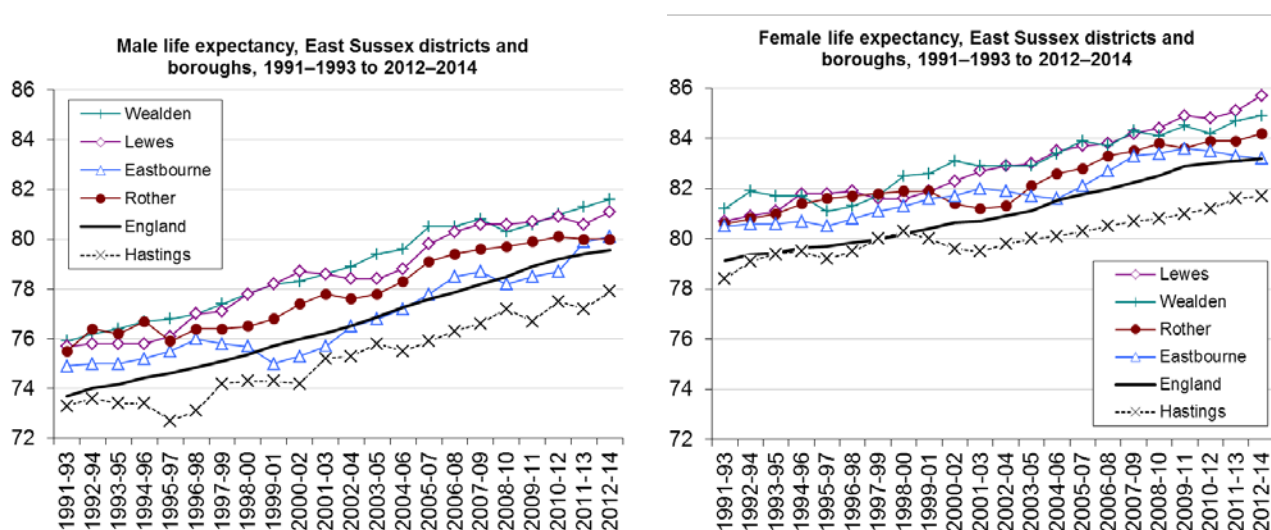
Figure 1: The main determinants of health

5.2 East Sussex has significant strengths and performs better than the national average for many indicators in the Public Health Outcomes Framework (see www.eastsussexisna.org.uk). Our residents generally enjoy a high quality of life and a better life expectancy than the national average but there are differences and inequalities within and between different parts of the county.

5.3 The gap between the districts and boroughs with the highest and lowest male life expectancy has decreased from 4.1 years to 3.7 years between 2011/13 and 2012/14 (the most recent data available). Over the same period the gap in female life expectancy has increased from 3.5 years to 4.0 years. All districts and boroughs have seen an increase in

both male and female life expectancy with the exception of Rother for males where it remained the same and a slight reduction in Eastbourne for females (Figure 2). Life expectancy in Hastings remains significantly lower than England for both males and females.

Figure 2: Male and Female life expectancy, East Sussex District and boroughs, 1991–1993 to 2010–2012



Source: Office for National Statistics, Nov 2015

5.4 Within the county and all the districts and boroughs there is a gap in life expectancy between the most and least deprived areas (Table 1).¹ In East Sussex the gap in life expectancy between the most and least deprived areas is 8.2 years for males and 6.0 years for females. The gap in male and female life expectancy has remained relatively constant over the previous reporting periods. Except for Rother, the life expectancy gap for males continues to be the largest, particularly in Hastings where it is 10.4 years.

Table 1: Gap in life expectancy within districts and boroughs

Local Authority	East Sussex	Eastbourne	Hastings	Lewes	Rother	Wealden
Gap in life expectancy for males (years)	8.2	6.3	10.4	5.7	7.8	4.9
Gap in life expectancy for females (years)	6.0	2.3	5.2	4.1	8.5	4.4

Three years pooled data 2011-13 using IMD 2010

5.5 Public Health provide and commission a number of services, some of which are set nationally and are mandated services, and others which are based on the needs of people locally.

5.6 A report by the Director of Public Health on the health of the population has to be published annually. Public Health provides a specialist expertise, advice and technical support service to the local authority, Clinical Commissioning Groups (CCGs) and other key partners. For CCGs, the Council provides this as a mandated service via a memorandum of understanding. Public Health informs and supports the development of strategic plans and commissioning intentions through the Joint Strategic Needs & Assets Assessment (JSNAA),

¹ The gap in life expectancy at birth between the most and least deprived areas within the local authority is given by the 'Slope Index of Inequality' (SII). It is calculated by grouping Lower Super Output Areas (LSOAs) within each local authority into deciles based on the Index of Multiple Deprivation (IMD) score.

public health intelligence, analysis and interpretation, evidence reviews, evaluation and audit, needs and assets assessment, health impact assessment and health equity audits.

5.7 The Council has to provide a mandated health protection service. Public Health have a statutory responsibility to ensure that plans are in place and take steps to protect the health of people from all hazards, ranging from relatively minor outbreaks and contaminations, to full-scale emergencies, and to prevent as far as possible those threats emerging in the first place. It is responsible for the exercise by the Council of any of its functions that relate to planning for, and responding to, emergencies involving a risk to public health. In addition, our assurance and scrutiny role provides strategic challenge to other organisations, and the team acts as a quality and risk assurance conduit for local health protection, immunisation and screening services and hospital acquired infections.

5.8 The role of Public Health is to continue to promote, protect and improve health and wellbeing, and reduce health inequalities within East Sussex.

5.9 Looking forward, the financial challenges remain and we know that as demand for both health and social care services continue to increase we need to change the way we organise these services in East Sussex, to better meet the needs of our community.

5.10 The Council received an initial Public Health Grant allocation of £24.067m in 2015/16. Additional funds of £3.5m were received to fund the part-year costs of transferring the commissioning of services for children aged 0-5 years from NHS England to the Council from October 2015. This gave a total allocation of £27.567m for 2015/16. However, in June 2015, the Chancellor of the Exchequer announced a package of savings, to be made across government in 2015/16, which included £200 million from the 2015/16 public health grant realised by a 6.2% reduction per local authority (£1.706m from ESCC). This reduced the level of grant to £25.861m.

5.11 The 2016/17 base grant allocation, including the full year impact of the services for children aged 0-5, was £31.036m. Following public consultation on the grant allocation formula and changes to the national funding level for Public Health, the 2016/17 grant allocation has been confirmed at £28.697m for 2016/17; a reduction of £2.339m. This reduction in funding will be met from the use of unallocated resources plus efficiencies within a number of commissioned services, at no detriment to overall service delivery. The Public Health Grant ring-fence remains for two years until the end of 2017/18. The indicative allocation for 2017/18 is £27.990m, a further reduction of £707,000, Public Health will continue to commission services within this reduced financial envelope.

5.12 East Sussex's four health and social care commissioning organisations, (the three CCGs and the Council) together spend around £935 million every year on services for local people. We all need to work together to make sure we spend 100% of that £935 million, funded by taxpayers, more effectively so that every penny really counts. We want to reduce our reliance on acute services and invest much more in high quality primary and community services to ensure this support is more readily available for local people.

5.13 East Sussex Better Together (ESBT) is our programme to help us work together so we can ensure high quality and affordable care now and for future generations. Our shared vision is that within three years there will be a fully integrated health and social care economy in East Sussex that makes sure our population receives proactive, joined up care and support for everyone to live as independently as possible.

5.14 At a time of major transformation in East Sussex, developing an asset based approach presents a key opportunity. It involves mobilising the skills and knowledge of individuals and the connections and resources within communities and organisations, rather than focusing on problems and deficits. The approach aims to empower individuals, enabling them to rely less on public services. Growing Community Resilience in East Sussex, The Annual Report of the

Director of Health 2014-15 made recommendations for supporting community resilience in East Sussex, including making sure that ESBT takes full account of the opportunities of this approach. The latest annual report for 2015/16 builds on this by focusing on the need to develop and strengthen personal resilience to underpin and support growing community resilience.

Service review and re-commissioning programme

5.15 Following on from the successful transfer of Public Health in 2013/14, a three-year review and commissioning/re-commissioning programme was agreed, to:

- de-commission services that were no longer a priority, could not demonstrate positive impacts towards our aims, or did not represent value for money;
- specify and re-commission services aligned with the mandated services, the priorities set out in the Council Plan and the Health and Wellbeing Strategy; and
- routinely evaluate the effectiveness of services and adjust to changing local circumstances and need.

5.16 The first phase of this programme was completed by April 2014 and new providers have been providing specialist smoking cessation, Health Trainers, weight management services and Alcohol Intervention and Brief Advice (IBA) training from April 2014. The second phase was completed by April 2015 and included reviewing and re-specifying services provided by GPs and pharmacies including NHS Healthchecks; commissioning a range of support for schools and early years settings to enable whole school approaches to health improvement; commissioning a range of services and support from the voluntary sector through the commissioning grants prospectus; commissioning an extension to the lottery funded asset based programme 'Chances4change'; commissioning a winter home check service and awareness raising services to contribute to addressing excess winter mortality; supporting the Reaching Rio workplace health challenge; reviewing and re-specifying the child accident prevention service; and delivering a range of health promotion campaigns.

5.17 In 2015/16 specialist sexual health services were re-commissioned jointly with NHS England to enable the continuation of the provision of an integrated sexual health and HIV service. The new contract commenced in April 2016.

5.18 In 2016/17 work will continue to ensure that public health services meet the needs of local people, and to maximise outcomes by aligning commissioning across the health and social care system as part of ESBT.

Delivering on key Public Health priorities

5.19 ESBT co-ordinates work across health and social care to deliver improved outcomes for local people. Reducing the need and demand for more intensive health and social care interventions by focusing on effective primary prevention is a key part of ESBT. The work streams outlined below contribute to delivering against this ambition by: supporting and enabling people to take action to reduce their own risk of developing health problems, making healthy choices the easiest choice; bringing together partners to address the contributing factors and barriers to health; supporting everyone across health, social care and more widely to make improving health part of their role and embedding prevention across the whole system.

Community Resilience Work stream

5.20 The Director of Public Health's Annual Reports 2014/15 and 2015/16, set out the evidence of effective approaches for growing and utilising community and personal resilience to bring about improved health outcomes for local people. The East Sussex CCGs, together with the Council, also identified community resilience as an important work stream in delivering against the aspirations of ESBT.

5.21 A Community Resilience Steering Group has been established with membership drawn from across the health, social care and voluntary sector. The purpose of the group is to establish a vision for how community resilience will be strengthened in East Sussex as part of ESBT; and to scope, and then oversee the development and delivery of, a system that will achieve that vision.

5.22 The objectives of the work stream is to: recognise and work with the diversity of communities and work in partnership with them to increase the impact that communities make to maintaining and improving health and wellbeing; reduce dependence on statutory sector services for low level interventions; contribute to embedding primary, secondary and tertiary prevention across all health and social care activity; prevent people of all ages at highest risk from developing health and social care needs and to prevent or slow down the progression of people with existing health and social care needs to higher intensity services.

5.23 A plan and process has been agreed to enable development of a set of county wide strategic priorities and processes, for developing and agreeing localised approaches in each locality. A participatory approach that enables communities and those that work in them to have a voice and enter into dialogue with service providers and commissioners to build a consensus on a vision, core principles and strategic priorities will be used. Priorities will be reflected in plans at locality level that can be adapted according to local context.

5.24 Central to this work is the establishment of Link Workers to support health and social care teams to work with communities and the voluntary and community sector to build community resilience. These posts will play a key role in taking the work forward in localities, guided by the strategic priorities, They will build on community strengths and resources, ensure inclusion of those most affected by health and social inequalities, and identify and build connections between local organisations, groups and businesses, facilities, and health and social care teams.

5.25 The Chances4Change East Sussex and Building Stronger Bridges programmes, which have been piloting asset based approaches to building resilience, have been extended.

5.26 Comprehensive evaluation approaches and the development of key performance indicators will enable the success of the programme to be measured.

Self-Care, Self-Management, Assistive Technology and Primary Prevention (SSAP)

5.27 Self-Care, Self-Management, Assistive Technology and Primary Prevention (SSAP) is another new work stream in ESBT that brings together partners across the health and social care system. As part of this a Primary Prevention work stream has been developed.

SSAP Primary Prevention work stream

5.28 The objectives of primary prevention work stream are to:

- ensure that self-care approaches to primary prevention are embedded across the health and social care system;
- agree priorities for self-care primary prevention and co-ordinate activity to address these;
- ensure interventions focus on the least intensive intervention for level of need to ensure maximum outcome;
- ensure parity of esteem for physical and mental health outcomes;
- ensure that investment of resource in primary prevention is underpinned by evidence of what works and considers individual preferences e.g. through population segmentation;
- ensure that NICE guidance relating to primary prevention is identified and shared with relevant sectors; and
- make primary prevention everyone's business.

Priority focus areas

5.29 The Primary prevention work-stream will focus on bringing together partners who have a role in shaping the system which influences and informs individual's ability to lead healthy lifestyles to make the healthy choice the easiest choice and enable people to make the small changes which can have a big impact on health outcomes. The work stream focuses on the following four themes:

- Workforce (what individuals can do in the course of their everyday role, and the skills they need to do this);
- Environment/setting (shaping the places that impact on health);
- Services and support (the help that people can get to make changes); and
- Communications/behaviour change (Ensuring that we communicate effectively with individuals to influence and inform change).

5.30 The programme of work will focus on solutions that:

- enable people to make positive choices;
- reduce barriers to primary prevention self-care;
- match the level of intervention with the level of need for the best possible outcome (least possible intervention);
- are underpinned by an assessment of what's most likely to work; and
- make best use of existing services and resources to make prevention everyone's business.

5.31 The work stream commenced with a multi-agency primary prevention workshop in December 2015 attended by a range of partners from across health, social care, district and borough councils and the voluntary and community sector. Partners contributed to developing comprehensive ambitions for the programme.

5.32 The work stream will incorporate, as sub-groups, two existing topic based work streams which focus on primary prevention - Tobacco Partnership and Healthy Weight Partnership.

Tobacco control

5.33 A multi-agency partnership led by Public Health to address the harms of tobacco use in East Sussex has been established, this is now a sub group of the ESBT Primary Prevention work stream. The partnership identified three key strands of tobacco control, and evidence based interventions to address tobacco use are being developed and implemented by or with support and technical advice and guidance from the public health division, across the partnership. The strands are; helping smokers to stop smoking, protecting families and communities from exposure to second hand smoke, and preventing people from starting smoking and cross cutting actions. Examples of activity to support achievement for each strand are set out below:

5.34 Stop smoking services sit within the overall tobacco control programme forming part of the wider action to reduce local smoking prevalence. Specialist stop smoking services have been re-commissioned and additional services have been commissioned from General Practices and pharmacies to increase access to services. Broadly speaking, effectiveness of services is measured in terms of total numbers of smokers successfully quitting smoking at 4-week follow up and, more specifically, also the numbers of smokers in particular high risk groups such as pregnant women or those from a routine or manual background successfully quitting. A series of smoking cessation campaigns have been undertaken including 'Stoptober' and New Year campaigns. Focussed work by the CCG's through their Health Inequalities plans has been supported by the health improvement team and General Practices have written to smokers on their practice list and reminded them of the benefits of stopping smoking and the help that's available.

5.35 Protecting families and communities from exposure to second hand smoke: Reducing exposure to other people's tobacco smoke is an important element in protecting children and young people from the health harms of tobacco. A programme of communications to support changes in legislation prohibiting smoking in cars when children are present has been undertaken.

5.36 A review of maternal smoking has been undertaken and actions identified to support women (and their partners) to stop smoking during pregnancy and beyond. The tobacco partnership adopted the findings of the report and has included them in the partnership action plan. Hastings and Rother CCG has been supported by Public Health to include targeted action to address maternal smoking through the services it commissions in its health inequalities plan.

5.37 Preventing people from starting smoking and cross cutting actions: Joint work has been undertaken with Trading Standards to raise awareness of the harms of illegal and illicit tobacco, and to encourage people to report people selling illegal tobacco to crime stoppers. Public health funds have been utilised to undertake additional illicit tobacco control work resulting in the seizure of illegal and illicit tobacco and the prosecution of perpetrators.

5.38 A schools based programme to inform young people about the health harms of smoking and enable influential peers to inform others has been commissioned and is being delivered in targeted schools across East Sussex.

Physical activity and healthy eating

5.39 A multi-agency healthy weight partnership has been established to oversee and co-ordinate actions to increase physical activity, support healthy eating and address obesity, and this is now a sub group of the ESBT Primary Prevention work stream. This 'systems' approach aims to make healthy choices the easiest choice, target support to those who need it most and harness the efforts of all agencies to improve health. As well as preventative measures, the situation of those who are already overweight or obese also needs to be considered as a crucial element of any strategy. The number of overweight and obese adults and children is rising so it is imperative that effective services are available to help them meet the personal challenge of reducing their BMI and maintaining a healthy weight.

5.40 Targeted weight management services commissioned for adults and children in 2014 continue to seek to recruit more people into their services by working to improve referral pathways. Health Trainers, a 1:1 evidence based behaviour change service was re-commissioned and the new provider commenced offering services from April 2014. Health Trainers continue to draw their workforce from local communities who know about the problems people in their communities face. A range of targeted volunteer led support has been funded through the East Sussex Commissioning Grants prospectus e.g. volunteer health walks, older peoples active ageing support. A training programme to enable front line staff to raise physical activity with their clients/service users was commissioned and delivered to priority staff groups.

5.41 Advice and support has been provided across the partnership including support to the CCGs to develop commissioning plans for Tier 3 weight management services, and to district and borough authorities to develop an Eat Out Eat Well scheme to offer healthier choices in restaurants, cafés and canteens. Partnership work with Active Sussex, the local County Sports Partnership, is focussing on how volunteer sports clubs can recruit more people from priority communities and support them to participate in sport, and how local businesses can be engaged in health improvement activity.

Substance misuse

5.42 The East Sussex Drug and Alcohol Action Team (DAAT) is the multi-agency partnership that addresses drug and alcohol issues locally. Specialist substance misuse treatment

services have been re-commissioned and the provider, Crime Reduction Initiatives (CRI), has been providing the new Support and Treatment for Adults in Recovery (STAR) service since April 2014. Drug and alcohol treatment services commissioned from General Practices and pharmacies have been reviewed and a range of community based treatment and harm reduction services are available across the county. An East Sussex Recovery Alliance has been established which offers a range of recovery support run by and for people with drug and alcohol issues. New peer led recovery services have been commissioned through the East Sussex Commissioning Grants Prospectus. Substance misuse treatment services are commissioned by the Strategic Commissioning Manager in the Adult Social Care Joint Commissioning Team.

5.43 The DAAT Board and the Alcohol Steering Group has worked with a range of stakeholders to produce a five year alcohol strategy (2014-2019) to help make East Sussex healthier and safer. The strategy sets out three priorities to address alcohol related harm in East Sussex:

- develop individual and collective knowledge, skills and awareness towards alcohol;
- provide early help interventions and support for people affected by harmful drinking; and
- create better and safer socialising

5.44 Examples of activity against the plan include commissioning Alcohol Information and Brief Advice training for frontline staff, development of a cross-agency communications plan and a co-ordinated plan for campaigns across the year, including awareness of the health harms of alcohol as part of Dry January. A pilot community centred approach to addressing alcohol related harm is being commissioned following a successful bid to Public Health England.

5.45 Partnership work in Hastings is delivered by the Community Alcohol Partnership (CAP) in line with the CAP delivery plan.

Mental health

5.46 An evidence review of effective approaches to mental health promotion has been carried out and this will inform recommendations for all partners working to promote good mental health. This uses a 'Five Ways to Wellbeing' approach which brings together the evidence based actions and activities that people can take to improve and protect their mental health, these are: Connect, Be Active, Take Notice, Keep Learning and Give.

5.47 Activities to deliver against the plan include: co-ordinated campaigns that reduce the stigma associated with mental health problems; activity to improve the physical health of people with diagnosed mental health problems; support to parents to promote good mental health in children and young people; whole school approaches which promote and develop resilience in young people; skilling up frontline workers to promote good mental health; programmes which support and enable people to get involved in their communities; and support and encouragement to employers to promote good mental health in their workplaces.

5.48 The multi-agency East Sussex Suicide Prevention Group and the Beachy Head Risk Management Group co-ordinate activities to address suicide in East Sussex. An East Sussex suicide prevention plan is in place and has prioritised the following activities for 2016/17:

- audit coroner's records and undertake analysis in order to monitor trends and inform work priorities;
- work with GPs and Primary Care services to encourage referral to specialist voluntary agencies and provide them with educational opportunities/training on managing suicide risk; and
- work with A&E staff to audit management of self-harm and provide tailored training and learning opportunities.

5.49 In addition, a specific project that received time-limited funding to help tackle high suicide rates was developed in 2012/13. This resulted in five interrelated work streams which are ongoing. The Beachy Head Risk Management Group assists with delivery and is ongoing (see paragraph 5.67).

Promoting the health of older people

5.50 Work to promote the health of older people is co-ordinated through the Older People's Partnership Board and the Safety Prevention Access Choice and Early Intervention (SPACE) partnership group. The SPACE action plan identifies priority actions to improve the health of older people. These include:

- addressing fuel poverty through co-ordinated efforts to raise awareness of the health impact of cold homes, support people to access the help that's available through the Winter Home Check Service and training front line workers to identify fuel poverty and refer clients for help;
- supporting older people to lead a healthier lifestyle through targeted support such as Active Ageing groups, Healthy Living Clubs, accessing green and outdoor spaces, targeted health walks, and advice on information on healthy eating;
- ensuring older people drink at safe levels through training front line workers to identify people who are drinking at increasing risk levels, provide brief advice, and refer people on to services;
- supporting and encouragement to older people to remain active and participate in their communities; and
- promote and amplify the national Dementia Friends Campaign

NHS Health Checks

5.51 NHS Health Checks is a mandated public health service. It aims to help prevent heart disease, stroke, diabetes, kidney disease and certain types of dementia. Everyone between the ages of 40 and 74, who has not already been diagnosed with one of these conditions or have certain risk factors, will be invited (once every five years) to have a check to assess their risk of heart disease, stroke, kidney disease and diabetes and will be given support and advice to help them reduce or manage that risk.

5.52 Following work to increase coverage across the county all GP practices are now signed up to offer NHS Health Checks to their patients. To improve patient experience and increase uptake of the check most practices now offer the Health Check in a single appointment rather than two visits. NHS Health Checks have exceeded annual targets and ensured that 21.8% of the eligible population (over 36,000) were offered a Health Check and 10.9% (over 18,000) received one (annual targets were 20% and 9.6% respectively). Health Checks help to reduce the risk of developing largely preventable conditions such as heart disease, diabetes, stroke and kidney disease.

Promoting the health of children and young people

5.53 Following a review of interventions to promote the health of children and young people the programme has been divided into two work streams: School Age and Early Years. The majority of activities in these work streams seek to improve the ability, skills and confidence of organisations, staff and volunteers that are in contact with children and young people to incorporate health promotion into their routine work. A range of support and services to enable schools and early years settings to contribute to improving the health of children and young people has been commissioned, this includes; a Personal, Social and Health Education (PSHE) support programme for schools, advice and training for nurseries, child minders and children's centres on healthy eating and physical activity and an accident prevention training programme. Specialist public health advice has been provided to a range

of partner organisations and within the council to support public health outcomes for children and young people.

5.54 From October 2015, local authorities took over responsibility from NHS England for commissioning public health services for the 0-5 Healthy Child Programme (HCP). This includes health visiting and targeted services for teenage mothers (Family Nurse Partnership).

5.55 The HCP is a national public health programme, based on best knowledge/evidence to achieve good outcomes for all children. The transfer of 0-5 commissioning has joined-up with commissioning already undertaken by the council, of public health services for children and young people aged 5-19, (and up to age 25 for young people with Special Educational Needs and Disability). This will enable joined up commissioning from 0 to 19 years old, improving continuity for children and their families.

5.56 Services commissioned under the HCP are commissioned by Children's Services in the Council.

Oral public health

5.57 Since April 2013 local authorities have been responsible for improving the oral health of their communities and commissioning dental public health services, specifically oral health surveys and oral health promotion.

5.58 Oral health is important for general health and wellbeing. Poor oral health can affect someone's ability to eat, speak, smile and socialise normally. In recognition of the importance of oral health the Public Health Outcomes Framework (PHOF) has a key performance measure for dental health, the severity of tooth decay in children aged five years – decayed/missing/filled teeth.

5.59 We continue to support regional research into alternative approaches for collecting information on child oral health to provide the best intelligence on oral health within the county.

5.60 Informed by local networks and the sharing of best practice and evidence with Public Health England and other upper tier local authorities we will develop a comprehensive oral health promotion programme. This will be underpinned by the findings of our local oral health needs assessment.

Building social capital

5.61 A range of low level health improvement services that develop and use social capital have been commissioned through the East Sussex Commissioning Grants Prospectus. Many projects funded in this way are based on co-production approaches enabling voluntary organisations to benefit from technical support from the specialist health improvement team to refine their health improvement projects. Outcome areas included in the Prospectus are:

- supporting people to lead healthier lifestyles, e.g. Health Walks, Healthy Living Clubs for older people and child accident prevention have been funded;
- developing and embedding ways of working with communities that enable local people to participate in improving their own and their community's health, e.g. Village Agents, Neighbourhood Champions and Healthy Lifestyle Volunteers have been funded; and
- increasing the knowledge, skills and ability of staff and volunteers to raise health improvement issues with their clients or community, e.g. a Making Every Contact Count behaviour change training programme for voluntary and community sector staff and volunteers has been funded.

5.62 The Chances for Change projects originally funded by the national lottery in Hastings and Eastbourne have been extended across the county and programmes commissioned by

Public Health are available in each District and Borough. These projects are developing and testing ways of working with local communities and supporting them to increase locally led health improvement opportunities, which enable local people to have an active role in their communities to address barriers to good health.

Public health campaigns

5.63 An annual calendar of public health campaigns has been developed and delivered. Campaigns have covered a range of public health priority areas including smoking cessation, alcohol, physical activity, sexual health and staying well in winter/fuel poverty.

5.64 Public Health also amplifies Public Health England campaigns locally and examples include the 'Be Clear on Cancer' campaign. These campaigns aim to improve early diagnosis of cancer by raising public awareness of signs and/or symptoms of cancer, and to encourage people to see their GP without delay. Examples include 'Blood in Pee' and awareness of breast cancer in women over 70 years of age.

Public health capacity development

5.65 Developing partners' ability to deliver health improvement interventions as part of their routine work is a key role of public health. Health improvement networks across the county enable best practice to be disseminated across organisations.

5.66 Specific training to support partners to deliver health improvement programmes has been commissioned including Alcohol Identification and Brief Advice; smoking cessation; Making Every Contact Count (MECC) for voluntary sector workforce (see targets); suicide prevention training; training to promote behaviour change to improve physical activity for front line staff working with people at risk of developing mental health issues; and support to Hastings and Rother CCG to incorporate developing behaviour change skills for front-line health care staff into their action plan to address health inequalities.

Specific public health projects receiving time-limited funding

5.67 Progress against the Public Health Outcomes Framework was reviewed and areas where East Sussex is a significant outlier compared with England were identified. To support improvement against these indicators, and improve the health of local people, four focussed projects were developed to receive time-limited funding. These projects are outlined below and continue to be progressed:

- Safer Streets: to address the high rates of people killed and seriously injured on roads in East Sussex, work is underway with CET and wider partners on developing a behaviour change approach to speed reduction and implementing 20 mph speed limits in appropriate areas.
- Tobacco Control: to address high rates of smoking and smoking related disease in parts of East Sussex, targeted tobacco control work has been undertaken to reduce access to illegal and illicit tobacco and inform people of the harms associated with it.
- Obesity: additional resource is enabling the development of a triage tool to support people to access the most appropriate health improvement support for their level of need and behavioural/motivational preferences. Support available ranges from self-care information for those who prefer this to supporting access to targeted services such as Health Trainers and Weight Management. Additional support to develop the children's workforce and improve health outcomes for children and young people has also been supported.

- Suicide Prevention: additional resource has enabled East Sussex to work towards reducing the suicide rate, which is significantly higher than that for England. Five interrelated work streams were established:
 - An infrastructure assessment of Beachy Head has been conducted and the resultant report has made a number of recommendations which are now being taken forward or given further consideration.
 - A contract for training has been awarded and a number of training courses are being delivered to front-line staff and volunteers.
 - A counselling service is in place and both individual and group support is being provided to those affected by suicide.
 - A non-statutory service 'Place of Calm', that aims to support people immediately after a suicidal crisis, is being piloted for one year.
 - Beachy Head Chaplaincy Team, a voluntary on-site crisis intervention service, is being given help with IT systems and processes, and communications.

Key re-commissioned/commissioned services for delivery from April 2016

Specialist sexual health services

5.68 Access to quality sexual health services improves the health and wellbeing of both individuals and populations. Sexual ill health is not equally distributed within the population. Some groups at higher risk of poor sexual health face stigma and discrimination, which can influence their ability to access services. The Public Health White Paper 'Healthy Lives, Healthy People: Our Strategy for Public Health in England', highlights a commitment to work towards an integrated model of service delivery to allow easy access to confidential, non-judgemental sexual health services.

5.69 From April 2013, Local Authorities have been mandated to commission comprehensive open access sexual health services (including free sexually transmitted infections (STI) testing and treatment, notification of sexual partners of infected persons and free provision of contraception).

5.70 Integrated specialist sexual health and HIV services have been re-commissioned jointly with NHS England through an open tender process. The new contract for provision of sexual health services will commenced in April 2016. Open access services, in which people can be tested and treated for sexually transmitted infections quickly and confidentially, encourage people to come forward for testing, treatment and partner notification, ensure that infections are diagnosed rapidly and prevent onward infection which is why it is important to monitor access to services. Almost 100% of first attendances at GUM clinics were offered an appointment within two days and over 97% were seen within two days of contacting the service which validates the use of a 'drop in' model that provides swift access to services.

5.71 Pathways for the provision of sexual health services have been reviewed with service models which promote treatment closer to home and in services appropriate to the level of need have been developed. In light of this sexual health services commissioned from General Practices and pharmacies have been reviewed and new service specifications developed which enable GPs and pharmacies to provide a comprehensive range of sexual health services to their patients without the need to attend a specialist service where this is not required. Service provision and acceptability for young people has also been reviewed and additional GP practice led 'Circle Room' services have been developed to improve access for young people.

5.72 Chlamydia is the most prevalent sexually transmitted infection in England. Due to the national drive to work towards a higher diagnosis rate, the local chlamydia screening programme continues to work proactively to increase the number of positive diagnoses made. The more positive diagnoses made and prompt treatment given, the better the long-

term health gains will be, both for individuals and the health and social care community. A comprehensive action plan has been written and the actions agreed with service providers to increase the rate of positive tests.

Performance data and targets

Performance Measures CP = Council Plan measure	2014/15 Outturn	2015/16 Target	2015/16 Outturn*	2016/17 Target	2017/18 Target	2018/19 Target
Health Trainers % of people completing a health trainer intervention who achieve their primary or secondary goal	77%	85%	89%	85%	85%	85%
Weight Management % of children who successfully complete the programme who achieve their BMI centile target within 12 weeks (maintaining their weight or achieving weight loss)	32 referrals	50%	58%	50%	50%	50%
NHS Health Checks (CP) % of the eligible population offered an NHS Health Check	26.2%	20%	21.8%	20%	20%	20%
NHS Health Checks Take up of NHS Health Checks by those eligible	12.3%	9.6%	10.9%	10%	10%	10%
Smoking Cessation (CP) Number of persons attending East Sussex NHS Stop Smoking Services who quit smoking four weeks after setting a quit date	3,287	3% increase on 2014/15 outturn	2,041 (60% of target)	2,102	3% increase on 2016/17 outturn	3% increase on 2017/18 outturn
Smoking Cessation Number of persons from routine and manual groups attending East Sussex NHS Stop Smoking Services who quit smoking four weeks after setting a quit date	902	5% increase on 2014/15 outturn	498 (53% of target)	523	5% increase on 2016/17 outturn	5% increase on 2017/18 outturn
Smoking Cessation Number of pregnant women attending East Sussex NHS Stop Smoking Services who quit smoking four weeks after setting a quit date	123	5% increase on 2014/15 outturn	54 (42% of target)	57	5% increase on 2016/17 outturn	5% increase on 2016/17 outturn
Access to Genito-Urinary Medicine (GUM) clinics % of first attendances at a GUM service who were offered an appointment within two days	99.7%	98%	99.9%	98%	98%	98%
Access to Genito-Urinary Medicine (GUM) clinics (CP) % of first attendances seen within 2 working days	97.5%	95%	96.9%	95%	95%	95%
Chlamydia rates Rate of positive tests for Chlamydia in young people aged 16 to 25 years per 100,000 population	2013/14 1828	2,200	1,616	2,300	2,300	2,300
Public Health campaigns Support and amplify six campaigns to improve the health of the local population	New measure 2016/17	New measure 2016/17	New measure 2016/17	6	6	6
Making Every Contact Count (MECC): increase the number of health and social care staff and voluntary sector organisations trained to deliver brief interventions and advice to promote, encourage and help people make healthier choices.	New measure 2016/17	New measure 2016/17	New measure 2016/17	Develop target and methodology	To be set 2016/17	To be set 2016/17

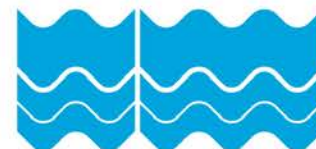
Revenue Budget £000			
Revenue Breakdown	2014/15 Budget	2015/16 Budget	2016/17 Budget
Gross Budget (A)	24,627	25,861	30,192
Government Grants (B)	(24,507)	(25,861)	(28,697)
Fees & Charges (C)	0	0	0
Other Income (D)	(120)	0	(1495)
Net Budget (A-B-C-D)	0	0	0

Capital Programme £000					
Project	Description	Total for Scheme	Previous Years	2016/17 Budget	2017/18 Budget
Project name	No Projects	Gross			
		Net			

*Fully funded by ESCC

Net Revenue Budget Summary

Net Revenue Budget £000			
Service Area	2014/15 Budget	2015/16 Budget	2016/17 Budget
Corporate Governance & Support	3,981	3,845	3,812
Economy	664	468	738
Public Health	0	0	0
TOTAL	4,645	4,313	4,550



Community Services

Portfolio Plan 2016/17 – 2018/19

June refresh 2016

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Our Priorities and Operating Principles

Our Priorities

The Council has set four priority outcomes:

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

Operating Principles

The Council has agreed three operating principles:

- ❖ **Strategic commissioning:** using an evidence-based approach to assess and meet the needs of local people in the most effective way. We will specify and deliver appropriate services to secure the best outcomes and value for money for residents.
- ❖ **One Council:** working as a single organisation both through the processes we use, and how we work. We will work in a well connected way across Council teams so we harness all our energy and resources towards achieving our priorities and remove duplication. We will judge our success against outcomes for the whole population and the organisation (and whole local public sector) not against the interests of a particular group, team or department.
- ❖ **Strong partnerships:** recognising we are one part of a wider system, we will work effectively with partners across East Sussex and the region as well as with the wider public sector to ensure we learn from others, secure best value for money and maximise impact for our residents.

Portfolio Policy

Policy Overview by Lead Member

1.1 The Community Services Portfolio Plan covers a range of services which are important to many communities within East Sussex, such as libraries, register offices, supporting the voluntary and community sector, road safety, and trading standards. These services enrich and empower local communities and make a significant contribution to the quality of life in the county. They are often located at the heart of local communities, making them well placed to engage with the public and understand their needs and aspirations, while playing a vital role in keeping vulnerable people safe.

1.2 One of the main challenges currently facing community services is the significant financial pressures affecting the whole of the public sector. 2016/17 is the first year of a new three year Medium Term Financial Plan (MTFP); over the previous plan, which ran from 2013/14 – 2015/16, we have saved almost £70m. We expect that over the new MTFP we will need to save at least as much again, and possibly as much as £90m. The increasing financial challenges we face as an organisation make it vital that we work with local communities, the voluntary and community sector, and other partners to maximise the use of resources in a way that's financially sustainable and encourages individuals and the wider local community to help themselves as much as possible.

1.3 East Sussex is geographically mixed with urban and rural communities and there is also an ageing population. Together this can make it difficult for many people to access services in person. The internet offers new ways for people to contact us and access services remotely; we provide courses to help people to use the internet at our libraries helping to make online services more accessible. We will consult and engage with local communities to understand their views and needs, which will influence how we overcome the challenges we face.

1.4 Residents and users value the services detailed in this portfolio plan; although change is inevitable, due to the changing demographic nature of the population and the savings the Council is required to make, it also presents us with an opportunity to improve our services and increase their contribution to delivering the Council's four priority outcomes.



Councillor Chris Dowling

Lead Member for Community Services

Delivering the Priority Outcomes

2.1 The services in the Community Services Portfolio play a major role in delivering the priority outcomes. This section summarises how actions in this portfolio plan contribute towards achieving these outcomes.

Driving economic growth

2.2 We continue to make capital investments to modernise and improve our library and register office buildings. This has the dual benefit of both lowering running costs and, in the case of register offices, helping to attract people wishing to get married or form a civil partnership to the county, which generates an important source of income for the Council as well as benefitting local businesses.

2.3 Trading Standards supports business across the County, advising, inspecting and sampling to help businesses comply with the law and to “get it right first time.” The service offers a number of business seminars and training sessions to support small and medium sized enterprises or start-ups in relevant or new areas of law.

2.4 Community Services also support economic growth by promoting learning and skills for employment. We offer a number of online training courses and activities in our libraries, many of which focus on skills which are relevant in the workplace.

Keeping vulnerable people safe

2.5 Our Trading Standards Team play a key role in both helping people help themselves and keeping vulnerable people safe. The Rapid Action Team (RAT) responds to requests for help and intercedes to protect consumers from rogue traders, while The National Trading Standards Scams Team, which is hosted by East Sussex, is at the forefront of the fight against mass marketing fraud.

2.6 Our Gypsy & Traveller Team support the Gypsy and Traveller community in four permanent sites and one transit site across the county. They work in partnership with District and Borough Councils to provide accommodation, and help signpost the community to appropriate benefits, health care or social care.

Helping people help themselves

2.7 Our work to improve road safety is a key component in helping people help themselves. We can't tackle this issue on our own so we work with partners such as the Sussex Safer Roads Partnership to encourage responsible behaviour by drivers, motorcyclists, pedestrians and all road users and help communities to tackle any road safety issues. The Keep, our state of the art archive facility, offers educational activities that promote an interest in local history. Our libraries offer a diverse range of services as part of the four 'universal offers'; health, reading, digital and information.

2.8 Our Emergency Planning Team support communities during a crisis, like flooding. They work across the county with partner agencies such as District & Borough Councils and blue light services to coordinate a joint response to emergencies and build community resilience.

Making best use of our resources

2.9 We have begun work to provide more of our services online, such as work to publish our Freedom of Information requests on the internet and introducing online payments for a number of teams. These changes should reduce the need for telephone and face to face communication with our customers, helping us to maximise our efficiency and make best use of our resources, whilst giving people more flexibility in how they request services and information.

Forward Plan

Library Service

3.1 We have begun work on the research and assessment that will lead to a draft Strategic Commissioning Strategy for our entire Library and Information Service. The Strategy will consider all aspects of the services that our libraries currently provide and the outcome of this Strategy will determine the future nature and configuration of the library service in East Sussex.

3.2 The development of the draft Strategy will be guided by priority outcomes that will be agreed early in the commissioning process. A needs assessment will be carried out to inform the draft Strategy, which will enable the Council to understand the contribution that the Library and Information Service can make to achieving the Council's priority outcomes. By focussing on outcomes, not the existing service, it will enable us to make the best possible use of resources, and develop a modern and sustainable library service. In order to secure the best outcomes the Council needs to have an open mind about how services are delivered. The development of the Strategy will provide the opportunity to explore alternative operating models that may be viable future options for the delivery of the strategic priorities for libraries in East Sussex.

3.3 To understand the needs of our residents we have completed approximately 4,000 surveys of library customers. We will also be using information from our library management system which tells us, for example, how often people visit the library and what they borrow, among other things. Work will also be commissioned to study how far people travel to access the library. All of this information will help inform our proposed changes, which will be presented as the draft Strategic Commissioning Strategy.

3.4 We received planning and listed building consent for our planned refurbishment of Hastings Library, with the work providing more public space, an increased number of public access computers and Wi-Fi throughout the building. The work will also see the children's library, which is currently based at another location, incorporated into the main library. The construction work began in spring 2016 and is expected to take around 12 months. The projected cost of the improvements is £6.5m.

3.5 In 2013 The Society of Chief Librarians established four 'universal offers' that all libraries should be expected to provide; health, reading, digital and information. Our digital offer includes trained staff who can help customers to access digital information. We offered a Summer Reading Challenge as part of our reading offer in 2015, with just under 9,000 children taking part. We offer books on prescription as part of our health offer; these are self-help books on a range of common mental health conditions including anxiety and depression. They are recommended by local practitioners and freely available in libraries. People can choose a book themselves from the book list or library shelves; alternatively a GP or other practitioner can prescribe a book to them. These offers will continue in 2016/17 with a new Summer Reading Challenge to encourage more children to enjoy and benefit from reading.

3.6 In partnership with learndirect and other funding organisations we have continued to provide online learning courses in our libraries. Courses range from literacy and numeracy to computer skills and can lead to City and Guilds qualifications. These courses are one way that libraries contribute to the local economy by helping people to learn new skills which make them more employable. The courses are proven to help people into employment, with 18% of our unemployed learners finding a job after taking a course in 2014/15, the latest data available. The success of our learners has also been recognised by learndirect with two of them winning regional awards over the last two years.

3.7 The internet is a crucial means of accessing information and training online, which can help people to improve their skills, increase their job prospects and complete essential transactions online. We will continue to provide internet sessions on library computers, which for some people is their only means of accessing the web. We are developing a project for 2016/17 which will aim to increase the number of digitally included people, those who are able to use online services and have the means to do so, with a focus on those of working age to help them move closer to the job market. We will provide individual IT support sessions and help people to access job search sessions, as well as providing information, advice and guidance for people making career or education choices. We have also made specialist software, My Work Search, available in all libraries to help with job searching.

Customer Services

3.8 The number of requests for information under the Data Protection, Environmental Information Regulation (EIR) and Freedom of Information (FOI) Acts has been increasing for a number of years. To manage the demand, we began a project to publish our FOI and EIR responses on our website so the public can see information that we have previously released. We are expecting to have this service operational in 2016.

Archives

3.9 The Keep provides a state of the art archive facility to residents, with both a traditional and full electronic catalogue with an online search facility. We provide educational activities for all ages and use our collections to promote learning and engagement, participating in projects with schools and the community to bring people closer to their historical archives.

3.10 As part of our work to commemorate the centenary of the start of World War One (WW1), and the part played by the people of East Sussex, we created a website, (www.eastsussexww1.org.uk), which includes stories, pictures and links to archived information stored in The Keep. We have so far laid two commemorative paving stones which act as a permanent memorial to the local men who were awarded the Victoria Cross during WW1. The ceremonies to unveil the stones were coordinated in partnership with Lewes District Council and Seaford Town Council and were both a great success. A further ceremony in Eastbourne is planned for July 2016, with the final one in Hastings in 2018.

3.11 Utilising the work that has been done on WW1 we have put together a number of educational resources which teachers can use to help their classes learn about the war. Some of the first stories included in the resource focus on East Sussex war heroes, and work will be continuing to update and expand the packs.

Voluntary and Community Sector

3.12 During 2016/17 we will be recommissioning generic infrastructure support and development services that will be available to all voluntary and community organisations throughout East Sussex and inclusive of all protected characteristics. The recommissioning will also include strategic representation, liaison, and partnership working that will provide an accountable and effective voice for voluntary and community organisations across the county, and opportunities for engagement between the voluntary and community sector and the statutory sector. In addition to this we will provide resources for the continued development and delivery of Volunteer Centre functions across East Sussex.

3.13 During 2016/17 we will be recommissioning Healthwatch East Sussex and Independent Health Complaints Advocacy for 1 April 2017 onwards. The commissioning intention will be to maintain the momentum that has been achieved during the last four years, but also build improved systems for capturing the issues and concerns of service users across the county, and further develop relationships with the statutory sector and their commissioned service providers.

3.14 Internally we will continue to provide advice and support to develop and shape new third sector service delivery as part of the work to secure the Council's priority outcomes and operating principles. Included in this will be advice and support to the East Sussex Better Together (EBST) programme partners, Public Health, the Clinical Commissioning Groups, Adult Social Care, and Children's Services. We will continue to lead the process of promoting and monitoring the principles of Compact working between the voluntary and community sector and the statutory sector. We will work on developing the role of social enterprises in ways which help to meet the Council's priority outcomes and operating principles, and liaise with the emerging East Sussex Social Enterprise Partnership and individual partners.

Registration Services

3.15 We have now moved the Hastings Register Service to the Town Hall. This has provided a new town centre location for birth and death registrations and marriages as well as citizenship ceremonies, replacing the old office in Bohemia Road with a more attractive and accessible building. The service began operating from the new premises in March 2016.

3.16 Countywide the Registration Service is targeted annually to bring in over £1.4m worth of income; the bulk of this is derived from registering and conducting marriages, the licencing of Approved Marriage Premises, and the production and re-production of statutory copy certificates, such a birth certificates. Conversely, the service must provide a comprehensive offering for the registration of births, still-births and deaths at no cost to the customer, and the authority receives no funding from central government to pay for this. The service is also tasked with taking notices of marriage from couples who live in the county and sharing data with the Clinical Commissioning Groups, the Office of National Statistics and the District & Borough Councils.

3.17 In addition to the statutory functions, the Registration Service also provides renewals of vows ceremonies, exchange of ring ceremonies, commitment ceremonies, naming ceremonies, a nationality checking service, a settlement checking service, civil funerals, change of name deeds and the sale of commemorative certificates. Bi-annually the Registration Service conducts a month-long anonymous customer satisfaction survey on birth and death informants – the most recent survey, conducted in June/July 2015, showed 100% of customers who responded said they were either 'Very Satisfied' or 'Satisfied' with their experience.

3.18 In 2014 we acquired Southover Grange, a Grade II* listed 16th century manor house in Lewes, in a building swap with Lewes District Council. The building had previously been used for marriage ceremonies and registration services, but the layout and facilities of the building restricted access for people with limited mobility making it unfit for purpose. A £1.2m scheme of improvements has been devised which will make the necessary changes for ceremonies and services to return there. Listed building consent has been granted and construction work began in April 2016. The building is expected to be ready to open for ceremonies and registrations by January 2017.

Road Safety

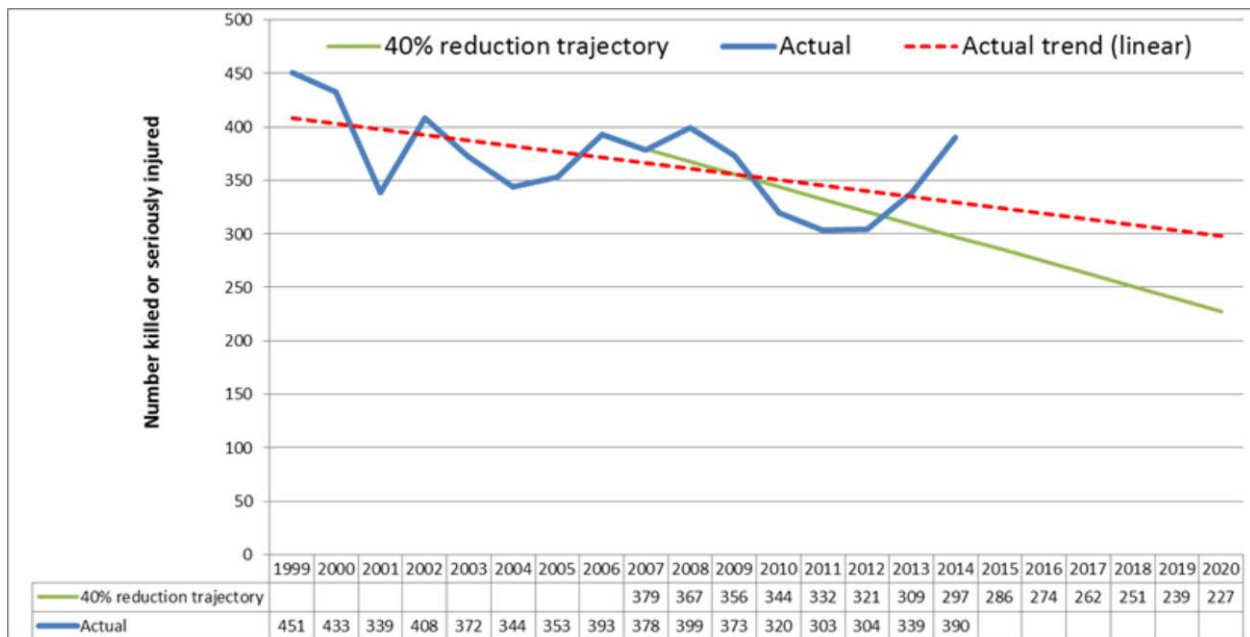
3.19 Traffic collisions on the roads can have a terrible human cost and our primary concern is to help save lives and reduce crashes. We aim to create a safer environment for all road users, reduce collisions and life changing injuries, and minimise the chance of fatalities. This can only be done in partnership with organisations in the Sussex Safer Roads Partnership and other interested bodies, such as the Police and Crime Commissioner, to significantly improve the safety of our roads. A crucial element of any improvement in safety will be increasing responsible behaviour from all road users.

3.20 Our annual performance targets reflect the progress we need to make this decade to achieve our 2020 goals of:

- A 40% reduction in the number of people Killed or Seriously Injured (KSI) by 2020, compared with the 2005-2009 average
- A 40% reduction in the total number of casualties by 2020, compared with the 2005-2009 average

3.21 For East Sussex, a 40% reduction in KSI casualties based on the average of 2005 to 2009 would seek to reduce KSI casualties to 227 by 2020, a reduction of 152 KSI from the average of 379 in 2005-2009. The table below shows the level of reductions required to meet the 40% reduction in KSIs by 2020.

Figure 1: Actual and 40% target rate of KSIs



3.22 Since the forecasts were set by the Department for Transport (DfT), all local authorities in Sussex have shown an increase in KSIs between 2011 and 2014, although 2015 has seen a fall in the numbers. During this period a number of similar local authorities have also seen an increase, for example Suffolk and Norfolk. Following a discussion between senior officers at West Sussex, Brighton & Hove and East Sussex council's regarding the current DfT forecasts and the 40% target, it has been agreed that the Sussex Safer Roads Partnership will be asked to undertake a review of the current KSI targets for Sussex and recommend an alternative approach.

3.23 As detailed in figure 1, the number of KSI in East Sussex has been increasing over the last few years, after falling to a low of 303 in 2011. However preliminary data for 2015 shows a reduction from the increase in 2014. Both casualties of all severity and fatalities have been lower than the baseline period. We will continue work to reduce the number of casualties, of all severity, on the county's roads through both physical road safety improvements and education of road users. Of the total number of casualties, 2,062, reported on East Sussex roads in 2015, 329 or 16% were recorded on the Trunk Road network which is the responsibility of Highways England (HE). The number of KSI on HE roads (59 of 348) represents 17% of the East Sussex total.

3.24 Analysis has shown that nationally over 90% of KSIs are due to human error. Although the causation factors behind this figure are wide and varied, in East Sussex over the three years 2012 to 2014, nine of the ten most frequent contributory factors in collisions that resulted in a KSI were directly related to road user behaviour, such as failing to look properly

or being careless. To try and tackle this Public Health has committed an extra £1m to work with partners to reduce KSI in the county. This will be allocated to the East Sussex Road Safety Programme, which will focus on the provision of additional road safety interventions to target identified high risk groups and roads.

3.25 We are planning to implement two School Safety Zones in 2016/17 which will help to reduce the risk of crashes around schools. The zones can combine a number of traffic calming measures such as signage and a 20mph speed limit.

Trading Standards

3.26 Our Trading Standards Service has an important role to play in promoting a safe and fair trading environment and in protecting the residents of East Sussex, particularly the vulnerable. The service supports economic growth by targeting rogue traders who inhibit legitimate businesses, and by engaging with local businesses to guide them through the regulatory framework.

3.27 Our RAT plays a key role in keeping vulnerable people safe by intervening to disrupt rogue trading. They also work proactively in hotspots of doorstep crime to advise and protect residents. The team's intervention can often save vulnerable residents thousands of pounds which they otherwise may have lost to unscrupulous or unreliable traders.

3.28 The Council's Trading Standards Department hosts the National Trading Standards Scams Team. It is estimated that mass marketing mail scams cost British consumers around £3.5bn a year. The team work in partnership with agencies across the country to disrupt the operations of the perpetrators of scams and return money to the victims.

3.29 Work has been ongoing to improve the Buy with Confidence scheme, the Council's approved list of local businesses that are committed to trading fairly. In order to make the best use of resources a number of councils have now adopted the new national website, <https://www.buywithconfidence.gov.uk/find-a-business/>. The new website ensures that local residents have access to reliable and authorised tradespeople that have been vetted by their local trading standards services. It also widens consumer choice by allowing them to access approved businesses that they may need, but who may not be located within their county. Although local background vetting of members is still carried out, the day-to-day management of the scheme members is now run through Hampshire Trading Standards.

3.30 Trading Standards are working in partnership with Check a Trade to provide consumers with access to approved traders they can trust. Trading Standards plans to work with Check a Trade to promote these businesses and raise awareness with consumers of using approved traders.

External Funding

3.31 Our External Funding Team plays an important role in helping voluntary and community organisations identify and apply for funding from a wide range of external sources. We will work with the voluntary sector to help organisations identify sources of funding, quality check their draft applications, provide training on bid writing and share best practice.

3.32 Given the considerable pressure local government funding is under we will be seeking new and diverse ways of funding services that matter most to local residents. One way to do this is to increase the amount of income that we get from external sources, particularly European funding. Our Corporate Funding Strategy is supporting staff in optimising resources and is resulting in more staff being aware of the support and funding opportunities available. We plan to deliver more training and offer more targeted support to maximise the take up of funding opportunities.

Performance data and targets

Performance Measures CP = Council Plan	2014/15 Outturn	2015/16 Target	2015/16 Outturn*	2016/17 Target	2017/18 Target	2018/19 Target
Modernise Hastings Library	New measure	Commence construction /refurbishment	The Registration Service has relocated to Hastings Town Hall and preparatory works on Hastings Library have commenced	Refurbishment and modernisation works completed	No target set after 2016/17	No target set after 2016/17
Modernise and refurbish Southover Grange for Registration services	New measure	Commence construction /refurbishment	Construction work has commenced	Refurbishment and modernisation works completed	No target set after 2016/17	No target set after 2016/17
Develop and implement a Strategic Commissioning Strategy for the Libraries Service	New measure	Undertake needs assessment	Needs assessment has begun, including survey of 2,000 library users	Complete needs assessment and identify strategic priorities	Produce and consult on Strategic Commissioning Strategy, amend as required	Implement Strategic Commissioning Strategy
In partnership with Learndirect and other funding organisations provide online learning (including skills for life and ICT courses) in libraries CP (subject to contract)	431 courses completed	270 courses completed	376 courses completed	250 courses completed (subject to contractual review, Q2 2016/17)	To be set 2016/17	To be set 2017/18
Number of sessions on library computers (the People's Network)	327,450 sessions	327,000 sessions	317,977 sessions	300,000 sessions	327,000 sessions	330,000 sessions
Publish responses to Freedom of Information (FOI) requests on our website	Responses should be available online from the summer of 2015	Publish FOI responses on website	An investigation into identifying and procuring case management software is underway	Publish FOI responses on website	No target set after 2016/17	No target set after 2016/17
Freedom of Information (FOI) responses provided within timescales	96%	≥ 96%	93%	≥ 94%	To be set 2016/17	To be set 2017/18
Number of customer orders for original material at The Keep	13,424 orders	Minimum 14,000 orders	14,576	14,000 orders	14,000 orders	14,000 orders
Number of onsite service users at The Keep	8,012 users	>8,500 users	6,332	6,500 users	6,500 users	6,500 users
Number of visits to The Keep website	79,666 user visits; 568,324 page views	80,000 users visits; 580,000 page views	84,738 user visits, 575,870 page views	85,000 users visits; 580,000 page views	85,000 users visits; 580,000 page views	85,000 users visits; 580,000 page views
Attendance at activities which enable education, research and lifelong learning, both at The Keep and off site	3,277	Attendance of at least 3,000	4,747	Attendance of at least 4,000	Attendance of at least 4,000	Attendance of at least 4,000
The number of Weddings and Civil Partnerships where one or both are residents of East Sussex	1540 weddings /CPs	Sustain level at 2014/15	1,555	Sustain 2015/16 level	To be set pending 2016/17 outturn	To be set pending 2017/18 outturn
The number of Weddings and Civil Partnerships where neither are residents of East Sussex	815 weddings /CPs	Sustain level at 2014/15	878	Sustain 2015/16 level	To be set pending 2016/17 outturn	To be set pending 2017/18 outturn
40% reduction in the number of people killed or seriously injured (KSI) on the 2005/09 average by 2020 (no more than 227 KSI) CP	388 provisional	Fewer than 305 KSI casualties	348	Fewer than 289 KSI casualties	Fewer than 273 KSI casualties	Fewer than 257 KSI casualties
40% reduction in the total number of casualties on the 2005/09 average by 2020 (no more than 1,354 casualties)	1,760	Fewer than 1,667 casualties	2062	Fewer than 1,605 casualties	Fewer than 1543 casualties	Fewer than 1481 casualties

Performance Measures CP = Council Plan	2014/15 Outturn	2015/16 Target	2015/16 Outturn*	2016/17 Target	2017/18 Target	2018/19 Target
Implement School Safety Zones to cover schools rated as high priority CP	2 zones completed	Implement School Safety Zones at four schools	2 zones completed	Implement School Safety Zones at two schools	Implement School Safety Zones at two schools	To be set 2016/17
The number of businesses and professionals receiving advice and support through training workshops and bespoke advice CP	New measure	180	477	210	240	180
The number of positive interventions for vulnerable people who have become the target of rogue trading or financial abuse CP	New measure	New Measure	NA	80	To be set in 2016/17	To be set in 2017/18

Revenue Budget £000			
Revenue Breakdown	2014/15 Budget	2015/16 Budget	2016/17 Budget
Gross Budget (A)*	13,546	14,868	14,500
Government Grants (B)	(440)	(418)	(418)
Fees & Charges (C)	(2,590)	(2,704)	(2,445)
Other Income (D)	(868)	(1,895)	(1,841)
Net Budget (A-B-C-D)	9,648	9,851	9,796

*Includes an allocation of net CET management & support budget.

Capital Programme £000						
Project	Description		Total for Scheme	Previous Years	2016/17 Budget	2017/18 Budget
New Archive and Record Office - "The Keep" - Phase 1 & 2	Build New Archive Building	Gross	20,207	20,120	87	0
		Net	13,249	13,172	77	0
Rye Library	Refurbishment of Rye Library	Gross	87	31	56	0
		Net	52	31	21	0
Hastings Library	Expansion and refurbishment of Hastings Library	Gross & Net*	8,846	2,603	6,243	0
Newhaven Library	New Library in Newhaven	Gross & Net*	1,754	1,650	104	0
Southover Grange (formerly The Maltings)	Refurbishment of Southover Grange for Registration Service	Gross & Net*	1,200	156	1,044	0
Library Refurbishment	General refurbishment of libraries	Gross & Net*	1,983	1,635	348	0
Speed Management	Programme of works to reduce speed in rural towns and villages	Gross & Net*	2,948	2,826	122	0

*Fully funded by ESCC

Public Health			Gross budget	Savings					Protected characteristics								
Service description	Description of savings proposal	Impact assessment	2015/16	2016/17	2017/18	2018/19	3 year total	Age	Disability	Gender / Transgender	Ethnicity	Marriage / Civil Partnership	Pregnancy /Maternity	Religion / Belief	Sexual Orientation	No significant relevance	
			£'000	£'000	£'000	£'000	£'000										
Management and Support																	
Support for one-off Public Health initiatives which is used where performance against the Department of Health Public Health Outcomes Framework requires improvement.	Reduction in funds for one-off initiatives to improve health and wellbeing as evaluated against the Department of Health Public Health Outcomes Framework.	None	3,210	1,646			1,646										y
Overheads	Refined budget from the original allocation plus improved allocation of budget against cost centres since transfer has helped to better define future costs.	None	340	75			75										y
Partnerships - Creating Healthy Communities	These are community interventions to improve health through physical activity and healthy eating. The reductions arise as contracts cease, e.g. community health and veg and so the immediate impact is limited.	A reduction in physical activity and health eating may lead to a shift in the impact and result in an increase in demand for health and social care services.	508	64			64										y
Smoking Cessation	Contract value for specialist service decreased when recommissioned to release resource for wider tobacco control.	A reduction in wider tobacco control activity which may lead to an increase in smoking related diseases impacting on demand for health and social care services.	1,198	152			152										y
Smoking Cessation	This is an estimated saving through better management of prescribing activity.	A potential cost pressure remains if there is an increased demand for smoking cessation services which in turn increases prescribing cost.	500	95			95										y
Emergency Planning and Infection Control	Reflects a reduction from the original allocation and closer to actual spend in 2014/15. The new Health Protection Specialist role which will cover infection control work.	None	62	88			88										y
Sexual Health	Reductions associated with savings against out of area recharges. Overestimate of budget and savings and reduced costs from tariff recharge	None expected	4,380	219			219										y
				2,339	0	0	2,339										

Business Services			Gross budget	Savings				Protected characteristics									
			2015/16	2016/17	2017/18	2018/19	3 year total	Age	Disability	Gender / Transgender	Ethnicity	Marriage / Civil Partnership	Pregnancy / Maternity	Religion / Belief	Sexual Orientation	No significant relevance	
Service description	Description of savings proposal	Impact assessment	£'000s	£'000	£'000	£'000	£'000										
<p>Orbis Business Services partnership will deliver seamless and resilient business services, whilst providing savings to both authorities (East Sussex and Surrey County Councils).</p> <p>Bringing together services will create sufficient scale to drive shared efficiencies, enable us to share skills and knowledge, and invest in technology that could otherwise be prohibitively expensive for each organisation alone. Financial savings are based on management de-layering, process improvement and reduction of duplication.</p> <p>Orbis is expected to grow by bringing on public sector partners, and from the pursuit of income opportunities through the provision of services to public sector clients (on a contractual basis or by means of specific delegation of function). The 'compelling alternative'.</p> <p>The partnership incorporates the following services:</p> <ul style="list-style-type: none"> • Personnel and Training (PAT); • Property and Capital 	<p>The savings proposals per year show the aggregate sum relating to the ESCC one-third share. A two-thirds share is attributable to SCC; however, it is important to remember that the one-third/two-thirds split cannot be disentangled as the proposals reflect the integrated service design.</p> <p>Phased changes to the Senior Management structure. Integrating and reducing, where appropriate, the layers of managerial hierarchy. The phasing allows for capacity retention during the first two years, with all savings expected to be delivered by 18/19.</p> <p>Phased changes to other staff costs that are based on both: existing operational delivery plan; together with (from 17/18 onwards) services that are currently being re-designed through the Orbis 'area for search' programme. These proposals will focus primarily on process improvement and the reduction of duplication of activity.</p> <p>Process Improvement - Making processes more efficient and effective through</p>	<p>The first year will focus on:</p> <ul style="list-style-type: none"> - stability of service; - embedding new senior management structures; - supporting other departments in the delivery of the change agendas; - planning and implementing the integration of all Orbis services <p>Key factors for delivery of the Orbis Business Plan by the end of 18/19 include:</p> <ul style="list-style-type: none"> - Clarity on level of interrogation of each function; - Recognising the needs of each partner, including agreement to changes in service offer as a result in service design (in line with the Target Operating Model). - Removal of cultural inertia and resistance to 'location based' support i.e. support will be provided by Orbis staff irrespective of whether they are based in Lewes, Kingston or elsewhere. <p>Technology requirements and transitional/programme support to enable changes.</p> <p>Some initial modest growth proposals of currently offered services have been included. These will be dependent on being able to develop a 'marketable' offer through the business plan and a requirement for sufficient commercial skills to deliver new business. At this stage no assumptions of benefits arising from on boarding new public sector partners has been included. Again, that will be a feature of the forward-looking 'compelling alternative' Orbis strategy.</p>	£21.562m ESCC share of the Orbis operating budget	312	981	1,396	2,689										

Business Services			Gross budget	Savings				Protected characteristics							
			2015/16	2016/17	2017/18	2018/19	3 year total	Age	Disability	Gender / Transgender	Ethnicity	Marriage / Civil Partnership	Pregnancy / Maternity	Religion / Belief	Sexual Orientation
Service description	Description of savings proposal	Impact assessment	£'000s	£'000	£'000	£'000	£'000								
	<i>Savings attributable to the ESCC Pension Fund arising from using the same benefit levers and are mainly delivered through the Business Operations area.</i>			126	0	0	126								y
	Total savings delivered by Orbis			438	981	1,396	2,815								

Governance Services			Gross budget	Savings £'000 per year				Protected characteristics							
			2015/16	2016/17	2017/18	2018/19	3 year total	Age	Disability	Gender / Transgender	Ethnicity	Marriage / Civil Partnership	Pregnancy /Maternity	Religion / Belief	Sexual Orientation
Service description	Description of savings proposal	Impact assessment	£'000	£'000	£'000	£'000	£'000								
Comms	Service redesign and some income generation	To be assessed as part of a service review.		115	75	54	244								y
Legal Services	Income generation	Additional income generation from review of pricing and greater scale through partnership working.		25	25	50	100								y
Senior Management & Organisational Development				40			40								
				180	100	104	384								

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**Appendix 4 – Context and areas of search
(section 7 of 28 June 2016 Cabinet State of the County report)**

7. RPPR next steps

7.1 Through the RPPR process, proposals will be brought forward for savings across the next three financial years, on the basis of the plan agreed by Council in 2016 to reshape the organisation and deliver the savings required by commissioning services which will deliver the priority outcomes as far as possible, and in partnership with others where this will yield better outcomes for local people. Where the services commissioned are delivered by others, arrangements will be made to ensure that democratic accountability for use of budgets and outcomes is protected.

7.2 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 required during the next three years. The Council will continue to make sure it learns from best practice elsewhere, benchmarks its services for value for money and take efficiency savings where these are available. However, it will be necessary to continue to make savings of a scale that cannot avoid impact on front line services, which will bring increased risk to the Council and to those served.

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

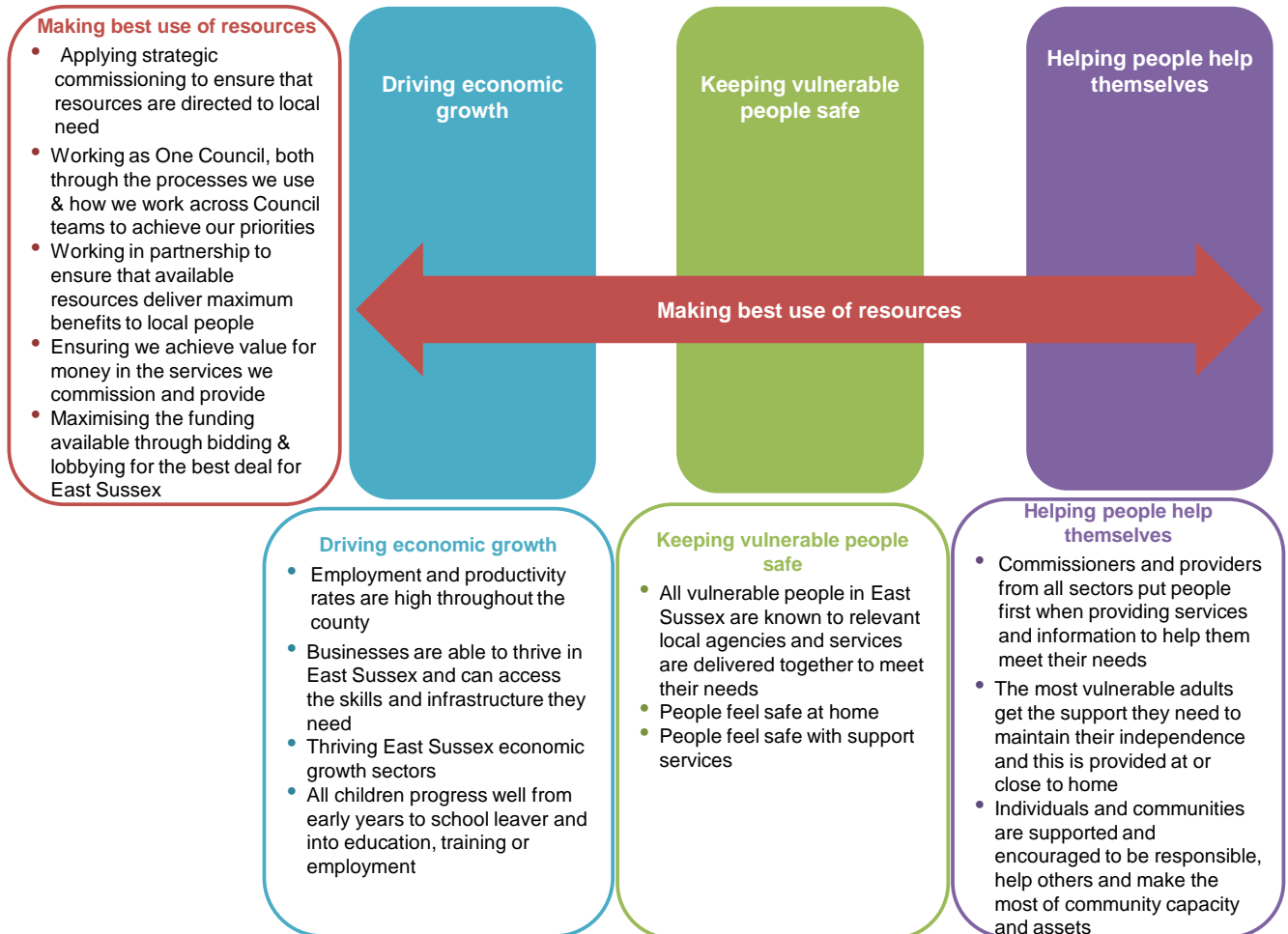
7.4 The priority outcomes and operating principles are being used to shape the work already underway in relation to the elements in the strategic challenge diagram (Annex 1(b)). Chief Officers used the priority outcomes to identify areas of search for savings agreed in October 2015. These are:

- Adult Social Care – integrating work with health to take a single view of health and care requirement;
- 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 the community resilience work and increased digitalisation of service access;
- Review the Capital Programme to ensure the right choices are being made between revenue and capital to meet basic need in the county; and
- Commissioning Strategy for community based services, such as libraries.

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

7.6 Whilst planning will continue on the current savings assumptions over the summer, there remains significant uncertainty in some key areas. For example, the implications of accepting the Government’s four year funding offer are not yet clear, the new arrangements for localisation of business rates are at a very early stage of development by Government and plans in Adult and Children’s Social Care are dependent on integration with health, the full implications of which are being developed and are yet to be considered by Members. Focused work will continue over the summer on a number of aspects of the MTFP and Members will be updated in September. At that point, it is hoped that there will be greater certainty about what level of additional savings will be necessary. More detailed services and savings plans will be considered in October. It is not recommended, at this stage, that further savings are sought to meet the funding gap given the significant unknowns.

a) Priorities and Delivery Outcomes



b) Strategic challenge diagram

One Council Strategic Challenge 2016 onwards



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Report to: Audit, Best Value and Community Services Scrutiny Committee

Date of meeting: 27 September 2016

By: Chief Operating Officer

Title: Updates to Property Policies

Purpose: To outline the updates to the suite of Property Policies with a focus on highlighting the changes that have been made to Property Disposal Policy following recommendation by the Lead Member for Resources.

RECOMMENDATIONS

1) To note the updates to the suite of Property Policies including the changes that have been made to the Property Disposal Policy following recommendation by the Lead Member for Resources.

1 Background

1.1 The Council's Property Policies outline the parameters and pledges for each of the functions within Property and Capital Investment, namely: Acquisitions (Policy A), Lease & Rent (Policy B), Property Risk and Compliance Policy (Policy C), Building Maintenance (Policy D) Sustainable Building Policy (Policy E), Disposal Policy (Policy F), Community Asset Transfer Policy (Policy G), and Carbon Management Strategy (Policy H).

1.2 All policies have recently been updated to reflect changes in legislation, changes to staff and structure and statistical data (Energy Policy).

1.3 The policies reference and are in line with the Property Asset Management Plan 2013-18.

1.4 In addition to the standard updates mentioned at paragraph 1.2, the Lead Member for Resources recommended a revision to the Disposal Policy with reference to Meanwhile use of a property, which has been included in the updated version.

2 Supporting information

2.1 The focus of this report is to highlight the changes that have been made to the Property Disposals Policy following recommendation by the Lead Member for Resources. These specific changes are detailed below.

2.2 The full suite of Property Policies (listed at paragraph 1.1) are attached as a background document for reference only (see Background Documents).

Amendments to the Property Disposals Policy (see Appendix 1, Policy F) in line with Lead Member for Resources recommendations (at the Lead Member Resources meeting on 24 September 2015)

2.3 Additional 'Pledge' (page 10, Appendix 1 Policy F):

- 'We will consider interim uses where this does not conflict with longer term disposal plans, is at nil cost to the council, in order to ensure best use of resources, reduce costs and where possible stimulate local economies.'

2.4 Addition to the 'Explanations of Late Bids and Other Considerations' section (Point 'g' on page 19 of Appendix 1 Policy F):

- 'Offering the preferred bidder a period of exclusivity can enable the purchaser to confidently proceed with the sale, through the removal of the threat of another purchaser making a late bid.'

3. Conclusion and reasons for recommendations

3.1 To note the updates to the suite of Property Policies including the changes that have been made to the Property Disposal Policy following recommendation by the Lead Member for Resources.

Kevin Foster
Chief Operating Officer

Contact Officer: Tina Glen, Head of Property Operations

Tel. No. 01273 335819

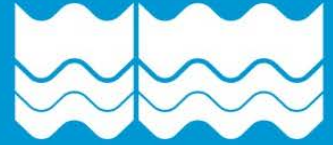
Email: tina.glen@eastsussex.gov.uk

Appendices

Appendix 1 Property Disposals Policy, Policy F

BACKGROUND DOCUMENTS

Property Policies A - H



Property Disposals Policy

July 2016

F

Property Policies Pack 2016 update

Amendments history sheet

Issue Number	Changes Made	Issue Date
1	Policy written	2007
2	Update	2010
3	Update	2013
4	Update	2014
5	Update	July 2016

Policy name: Disposals Policy

Policy Reference in the Pack: F

Date created: June 2013

Sent for Review: 4/7/16

Deadline for update:

Name of Responsible Property Manager:

Have any changes been made? Yes

If Yes:

Name of Officer reviewing	Paragraph name or Page umber	Nature of changes made
Chris Reed	Various	Updates as per Member advice
Graham Glenn	various	To reflect updated guidance (Oct 15 re Crichel Down) , Personnel changes and Officer Titles - Includes amendment to "interim use" as per Member approved policy

Contents

1 Introduction

2 Policy

Appendices

Appendix F13 - Guidance

- Disposal by Private Sale
- Disposal by Public Auction
- Disposal by Informally Negotiated Tender
- Disposal by formal Tender
- Disposal by Exchange of Land
- Exceptions
- Late Bids & Other Considerations
- Achievement of best consideration where Land or Property has Redevelopment Potential

Appendix F14 - Formal Tender Procedure

Appendix F15 - Equality Impact Assessment

Appendix F16 - Crichel Down Rules

1 Introduction

Scope & Purpose

The identification and disposal of surplus property, and the consequential reinvestment of capital receipts, has been and remains a central plank of the County's capital strategy and asset management planning process.

Their availability, and funding, also has an important impact on the County's cash flow and borrowing requirements. In this context it is recognised that all County property is a corporately owned resource, even though occupied by a specific service.

When property assets become surplus and are no longer required for the day to day provision of service a number of options need to be considered such as;

- Effective and efficient management for their re-use within the Council;
- A relevant use by the Community;
- A disposal to help facilitate the capital programme's aims whilst minimising any ongoing maintenance and revenue implications.

This policy and guidance document supports the Council's management of the disposal of those assets that are surplus to its requirements and therefore the capital receipts that will be generated to contribute towards funding the Council's capital programme.

For the purposes of this policy, a disposal of land means land and/or building(s). A disposal is either a freehold disposal by sale or exchange of land in perpetuity, or by the granting of a lease for a period greater than 7 years. Leases of 7 years or less are not covered by this policy document. This policy is only intended for East Sussex County Council disposals, it does not apply when the Council acts on behalf of other parties.

The purpose of this document is to make the Council's policies, guidance and procedures transparent and public. It is intended for use by Council officers and to inform developers and members of the public.

Best Value and Section 123 Local Government Act 1972

It is important that each land disposal is treated on its own merits and nothing in this document will bind the Council to a particular course of action in respect of a land disposal. Alternative methods of disposal, not specifically mentioned in this policy, may be used where appropriate, subject to obtaining proper authority, (Appendix 1). The Council's actions in disposing of land are subject to statutory provisions, in particular to the overriding duty on the Council under section 123 of the Local Government Act 1972 to obtain the best consideration that can be reasonably obtained for the disposal of land. This duty is subject to certain exceptions that are set out in a government document, referred to in this policy as 'the General Disposal Consent' - see below.

In this Policy and Guidance document:

“the General Disposal Consent” means the 'Local Government Act 1972 : General Disposal Consent (England) 2003'

<https://www.gov.uk/government/publications/disposal-of-land-for-less-than-the-best-consideration-that-can-reasonably-be-obtained-circular-06-2003>

"the Guidance" means the 'Local Government Ombudsman's Guidance on Good Practice 5 : Disposal of Land.' November 1995

General Disposal Consent 2003

The General Disposal Consent makes provision for the Council to dispose of land at less than full market value, known as an 'under-value'. Specified circumstances must apply as follows:-

- a. The Council considers that the purpose for which the disposal is being made is likely to contribute to the promotion or improvement of the economic, social or environmental wellbeing of the whole or part of its area, or any person resident or present in its area.
- b. The difference between the unrestricted or market value of the land to be disposed of and the consideration for the disposal does not exceed £2 million.

For example, land may be sold at an under-value for only affordable housing rather than all residential types, as long as the difference between the consideration obtained for development for affordable housing and the land's unrestricted value for all residential types is less than £2 million.

The Council must still comply with its duty to obtain best consideration for the restricted value. So, using the above example, the Council must ensure that it achieves the best consideration that may be reasonably obtained for land restricted to development for only affordable housing.

The Council must also comply with normal and prudent commercial practices including obtaining the view of a professionally qualified valuer as to the value with voluntary restrictions imposed. If the Council wishes to dispose of land for less than best consideration, and is not covered by the General Disposal Consent, the Council can resolve to do so, but will require the formal consent of the Secretary of State for Communities and Local Government. Such disposals can also be subject to a challenge that the Council is needlessly foregoing receipts and it is therefore essential that such disposals only take place in clear furtherance of Council priorities.

<https://www.gov.uk/government/publications/disposal-of-land-for-less-than-the-best-consideration-that-can-reasonably-be-obtained-circular-06-2003>

Community Transfers

If it is considered that an asset is used for social, community and public purposes and the benefits of that service are deemed to outweigh the value of continuing ownership by the County Council on behalf of all Council Tax payers, then the Council may consider the transfer of the asset to a community group. Any such transfer should be in accordance with the Council's Community Asset Transfer policy.

If the surplus property has been registered as an "asset of community value", the Council has to ensure that there is opportunity for a Community Right to Bid prior to any disposal process commencing as specified in this policy paper.

2 Policy

Policy Statements

The Council will dispose of land in accordance with:-

- Key Council Priorities
- Statutory provisions;
- The policies and procedures recorded in its Constitution;
- The Council's Disposal Procedure;

Our Principles

The Council's Property Asset Management Plan 2012/13 identified the following four key principles that will underpin our management of all property assets in the ownership of East Sussex County Council. By adopting these principles we will strive to rationalise the estate, reduce backlog maintenance and provide fit for purpose buildings which are efficiently used and support service delivery. The adoption of this policy will support these principles as follows;

Principle 1 – Improve or replace

Out of scope

Principle 2 - Release

The authority needs to streamline its estate in order to be able to provide fit for purpose buildings to support service delivery. This means releasing buildings which are not fit for purpose and where the investment in improvement is not viable. The capital receipt from disposal can fund replacement or improvement to other properties and other capital assets or maximising the community use to support core priorities.

Priority – Review Our Assets

Challenges

- Understand the evolving demands on property and review the service delivery model to identify poorly performing properties which are inadequate or surplus to service delivery needs.
- To ensure that all properties currently identified as surplus are disposed of in the agreed timescales to achieve best value.
- To reduce unnecessary maintenance spend by identifying and subsequently disposing of property no longer considered fit for purpose investing those receipts in our existing properties to increase the standard of our properties overall.

Pledges

- To provide accurate building performance information to feed into a comprehensive property review process
- To report property performance information to Cabinet on an annual basis

Priority – Disposal of assets

Challenges

- To ensure that all properties currently identified as surplus are disposed of in the most suitable manner to achieve best value
- To balance competing priorities for surplus assets
- To investigate the potential increase of the disposal value by making targeted improvements

Pledges

- To hold an accurate and up to date record of surplus properties and expected capital receipts.
- To dispose of properties no longer required as effectively as possible

Principle 3 – Reduce our Carbon Footprint

Challenges

- To identify the least efficient properties
- To ensure disposal properties are compliant with all existing and future energy requirements

Pledges

- We will dispose of the least efficient properties taking into account service needs.
- Where letting space, we will look to ensure Energy Performance Certificate ratings are above any mandatory levels.

Principle 4 – Work in Partnership & empower our communities

Challenges

- To ensure the community has been fully consulted before and during the disposal process and that equality issues have been fully addressed

Pledges

- We will make detailed option appraisals to ensure we have assessed each disposal reflects the needs of the community.

- To work strategically with our partners to ensure that we learn from our common experience and share best practice.
- ***We will consider interim uses where this does not conflict with longer term disposal plans, is at nil cost to the council, in order to ensure best use of resources, reduce costs and where possible stimulate local economies.***

Our approach to Disposals

When a property is declared surplus to the service, we ensure that it will not be suitable to any other of the county's service departments, and ensure that its disposal will support the Council's key priorities as adopted in the Council Plan 2013/14. These key priorities are:

1. **Driving Economic Growth**
2. **Keeping vulnerable people safe and free from harm**
3. **Helping People helping themselves**
4. **Making best use of resources**

Before placing any property on the open market a process of consultation is undertaken with our partners such as Strategic Property Asset Collaboration in East Sussex and other community interests groups. We will also consult with the local member in accordance with practices summarised in the section entitled Council procedures below.

We will review opportunities to enhance disposal receipts by investigating potential alternative uses, and partners whereby a number of mechanisms can be put in place to ensure any future enhancement of value is properly shared with the Council.

When ESCC sells or leases a property in its ownership, the Property Department will complete an Equality Impact Assessment (EIA) to ensure any impact or results from such disposal or letting does not unintentionally disadvantage or discriminate against any group or individual as identified in the Equality Act 2010 (See Appendix F15).

Summary of Land Disposal Types

The Council may consider one of the following options for the disposal of an interest in land.

- **Freehold Transfer** - Disposal of the freehold interest in land means the complete transfer of all rights and responsibilities of continuing to hold that property. Although the transfer may be subject to certain claw back or overage restrictions that seek to secure further payments in the event of excess development profits being secured.

- Leasehold Transfer – The grant of a lease, the term of which is to be determined, where the Council wishes to retain control of a surplus asset or where the income stream is assessed to be of greater value than the foregone capital receipt that may be achieved through its sale.
- Grant of Licence - A licence is the grant of a right by the licensor to the licensee to use the subject land in a certain prescribed manner. A licence differs from a lease in that the freeholder retains paramount control of the land and that a licence may be revoked at short or immediate notice.
- Grant of Easement – An easement (also known as a Deed of Grant) provides similar access rights for installing and maintaining infrastructure equipment, but for a one off payment and it provides permanent access. An easement can also be registered at the Land Registry in order to ensure that future owners of the land adhere to it.

The grant of a licence will remain the preferred route when considering interim uses, so there is no conflict with longer term disposal plans.

Summary of Marketing Methods

The Council will usually use one of five means to dispose of land. Further guidance upon when it will be appropriate to use any particular means of disposal is contained in Part C below. The usual means of disposal are:-

- Private Sale - a sale of land negotiated with one or a small number of purchasers. The land may or may not have been marketed as available for sale. A binding legal agreement is created on 'exchange of contracts' between the Council and the purchaser.
- Public Auction - a sale of land by open auction available to anyone. The sale will be advertised in advance. A binding legal agreement is created upon the acceptance of a bid by the auctioneer.
- Informal Negotiated Tender - a sale of land after a public advertisement that requests informal offers or bids that meet a given specification or set of objectives. The Council may then negotiate further or more detailed terms with one or more individuals submitting the most advantageous bid or bids. A binding legal agreement is not created until the exchange of contracts between the authority and the chosen bidder.
- Formal Tender - a sale of land by a process of public advertisement and tenders submitted by a given date in accordance with a strict procedure. A binding legal agreement is created upon the acceptance of a tender by the Council.
- Exchange of Land - a transaction involving the exchange of Council owned land with another land owner. The land acquired by the Council will meet at least one of its corporate objectives and will be 'equal' in value to the land exchanged or there can be an equality payment made by either party.

For further details in respect of any of the above please see Appendix F13.

Council Procedures

The following procedures relate to the disposal of land:-

- Approvals for declaring land surplus to the Council's requirements, and authorising its disposal will be obtained in accordance with procedures set out in Part 3 of the Constitution (Responsibility for Functions).
- The processes followed by the Council in disposing of land and buildings.
- Local Members are consulted on all property disposals at an early stage including when the land is in the process of being declared surplus. It is recognised that local members, because of their local knowledge of the district that they represent, will be able to contribute to the discussion as to the value or otherwise of continued retention of the asset and also provide valuable market intelligence such as potential special purchasers. Therefore engagement should be sought and encouraged at an early stage of the disposal process.
- The final decision to dispose of a property and at what terms will be at the discretion of the Lead Member for Resources as advised by the Chief Property Officer in accordance with the scheme of delegation.
- Decisions to approve the terms of any disposal of land are made by either the Chief Property Officer, under Delegated Authority, or in conjunction with the Lead Member for Resources, or on some major projects the Chief Operating Officer. This can be exercised according to the following financial criteria:
- The Chief Property Officer, under Delegated Authority of the Chief Operating Officer where the payment from the other party does not exceed £250,000 (in case of a lump sum payment) or £25,000 per year (in respect of an annual rental).
- The Chief Operating Officer, in consultation with the Lead Member for Resources where the payment from the other party exceeds £250,000 (in case of a lump sum payment) or £25,000 per year (in respect of an annual rental).
- Where a property has been previously acquired through or under the threat of compulsory purchase means and is now surplus to Council requirements consideration of the Crichel Down rules may apply and is set out in Appendix F16.

Appendix F13

Guidance

Disposal by private treaty

The main characteristics of a sale by private treaty are

- 1) The timescales for completion of the transaction are not fixed until exchange of contracts
- 2) Offers are made subject to Contract
- 3) Offers are, or may, not all be received at the same
- 4) It is usual for the asking price to be quoted

The steps involved in a private treaty sale will usually include the following:-

- i) Openly advertising the property for sale through an agency or direct advertising media;
- ii) Taking offers from interested parties
- iii) Identifying preferred offers, which may or may not be based on the financial offer
- iv) Negotiation of bids to ensure best value,

In this case, the Council will normally consider the highest bid as representing the best consideration that can be reasonably obtained, subject to ensuring any conditions attached to bids are reflected in the final evaluation. The process for disposal by private treaty can still include a closing date and be by way of sealed bids if considerable interest is anticipated.

If land is to be sold by private treaty without being marketed, then reasons justifying a private treaty sale must be recorded in writing. In some circumstances the Council may seek an independent valuation to verify that 'best consideration' is being obtained. Examples here may include special purchaser situations.

A private sale without the asset being openly marketed may be justified where:

- a) the land to be disposed of is relatively small in size and an adjoining or closely located landowner(s) is (are) the only potential or likely purchaser(s);
- b) the nature of the Council's land ownership and that of the surrounding land ownership is such that the land must be sold to adjoining or surrounding landowners if best consideration is to be obtained;
- c) the Council's corporate objectives and best consideration can best be achieved by a sale to a particular purchaser;
- d) the sale is to a non-profit making organisation and the role of that organisation is conducive to the improvement of public services and facilities available within East Sussex;
- e) the purchaser has a particular interest in purchasing the premises or a particular association with the premises and where open marketing of the

- premises may lead that particular purchaser to reduce the value of their offer for the premises or withdraw their interest in the premises altogether;
- f) the purchaser has a particular interest in purchasing the site or a particular association with the site and where in the opinion of the Lead Member for Resources open marketing of the site may cause undue hardship or unrest for that particular purchaser or where the sale of the premises to a party other than that particular individual would substantially and detrimentally affect the normal operation of the business associated with the premises;
 - g) the disposal is as a result of the Right to Buy scheme.
 - h) the Crichel Down Rules, which are commended but not binding on a local authority, apply and the Council has decided to sell the land to the person from whom it acquired the land. Specific procedures relating to the disposal of property where Crichel Down Rules do apply is set out in Appendix F16 of this policy document.

A legally binding agreement will not be reached until either contracts for the lease or sale of land are exchanged or a development agreement is signed.

Disposal by public auction

Sale by public auction may be appropriate where there is no obvious potential purchaser and where speed and best price can be publicly demonstrated.

The authority of either the Chief Property Officer or the Lead Member for Resources will be required, providing the reasons for a sale by public auction.

An auction reserve is used to ensure that a property is not sold below certain agreed levels. Prior to the sale it will therefore be necessary for the Chief Property Officer, Chief Operating Officer or nominated senior officer to determine the auction reserve to be applied in accordance with the scheme of delegated authorities for the Council. A Council Officer shall attend the auction to act on behalf of the Council.

The contract for sale or lease must be ready for exchange at the auction.

The binding contract will be made on the acceptance of the highest bid providing it has reached the reserve price. Contracts for the sale or lease will immediately be signed and exchanged.

Disposal by informal / negotiated tender

A disposal by informal / negotiated tender differs from a formal tender in that neither the Council nor the successful bidder is legally obliged to enter into a contract for the disposal of the land. The informal process allows the Council to identify a preferred bidder with whom it may then negotiate further detailed terms or proposals for the development of the land concerned.

The Council may, as a part of the disposal process, still request best and final offers for a sale, or informal development proposals for land that either meet a given specification, or a request for proposals. This process is particularly useful for large or complex development or regeneration sites requiring development and where proposals need to be developed in co-operation with a specific or identified bidder in order to meet the Council's corporate objectives and achieve the best consideration that can be reasonably obtained.

Although not a formal tender, after the closing date, all bids are recorded by the relevant case officer.

A binding legal agreement is not created until the exchange of contracts for sale or lease or the signing of a development agreement.

This method is suited to sales where there are uncertainties, particularly around town planning, and allows for use of conditional contracts, including clauses which can allow for further sums to become payable upon grant of planning permission at different points in the future. It is therefore essential that officers considering disposal of property by informal or formal tender consult with the relevant planning and transport authority to ensure that if the disposal is dependent upon a planning consent that there is reasonable prospect of that consent being approved.

Disposal by formal tender

A sale of land by formal tender may be appropriate where:

- a) the land ownership is not complex;
- b) legal documentation for contracts/transfer are in place together with statutory searches and replies to standard enquiries;
- c) there are no uncertainties as to grant of a planning consent; and
- d) the Council is seeking obligations to be placed on the successful tenderer which are clear and capable of specification in advance.

Alternatively, this method can be considered where all matters to enable a tenderer to come to a firm price and raise funding for the purchase are in place and available as part of the tender package. For example, where the disposal of land is to a developer with an obligation to build industrial units for lease.

Other situations which may benefit from this type of sale are land or property sales which have attracted intense local interest from several local parties with a particular interest, or where late bids have, or are considered likely to be made.

This method can provide a well organised, transparent way of achieving completion when a timeframe is essential, but is often more costly and a longer lead in period is required.

Formal tenders will not be appropriate where the land ownership position is complex or the development proposals for the land are insufficiently identified or otherwise incapable of detailed specification at the pre-tender stage. This is particularly so where a detailed planning permission is required, such as a listed property or property in a

Conservation Area. Therefore prior to the commencement of a formal tender process advice of the relevant planning and transport authority will be sought.

Authority to use this method will be by either the Lead Member for Resources, the Chief Property Officer or other Senior Director in all cases, reasons for justifying a sale by formal tender must be recorded in writing. The formal Tender Procedure to be adopted in such cases (subject to any amendments agreed by the Assistant Chief Executive) is set out in Appendix F14. Any exceptions to this procedure must be authorised and recorded.

With a formal tender process a legally binding relationship is formed when the Council accepts a tender in writing. It is essential therefore, that every aspect of the disposal is specified in the tender documents. The tender documents should include a contract for sale or lease which should be completed with the tenderer's details, the tender price, include a deposit cheque to preclude withdrawal of the tender prior to acceptance and be signed by the tenderer. It will be released unconditionally to the Council on submission of the tender.

Sale of land by formal tender will require a detailed specification to be drawn up. This needs to specify the land to be sold, any requirements to be met by the tenderer and any obligations that must be met.

The Council will place a public advertisement stipulating the property for sale. Those who have expressed their interest will then be invited to submit their tender bids, in accordance with the tender procedure outlined. Details are included under Appendix F14.

Disposal by exchange of land

Disposal by exchange of land will be appropriate when it will achieve best consideration for the Authority and is advantageous to the Council and other parties to exchange land in their ownerships.

Authority for a disposal of land by exchange with another land owner for alternative land will be by either the Lead Member for Resources, or the Chief Property Officer under Delegated Authority. In either case, reasons for justifying this manner of disposal must be recorded in writing. A binding legal agreement will be created when a contract is exchanged for the exchange.

The exchange will usually be equal in value. However, an inequality in land value may be compensated for by an equality payment or by other means where appropriate. For example, where the Council in exchange for a larger piece of land receives a smaller piece of land but the recipient of the larger plot agrees to build industrial units on the Council's smaller area to equalise the consideration. In such circumstances the Council may seek an independent valuation to verify that 'best consideration' will be obtained.

Exceptions

Other methods of disposal may be used where circumstances warrant. A notable exception to the standard methods of disposal is the Council supporting government policy in the transfer of maintained schools to Academies who self-determine on conversion.

The Council typically transfer the Council's land under a 125 year lease at a peppercorn rent in accordance with the Academies Act 2010. Whilst a long lease is preferable, the Department for Education (DfE) recognises that at times parties will seek to enter into local agreements. The expectation is still however that all land and facilities used wholly or mainly for the purpose of the converting school will transfer and be made available for Academy use.

The following link provides DfE Land Transfer Advice (Version 10.1, dated April 2013):

https://www.gov.uk/government/uploads/.../land_transfer_advice_april_2013.pdf

Late bids and other considerations

The Guidance from the Local Government Ombudsman recognises the problem caused to local authorities by 'late bids'. The Guidance says that difficulties are less likely if Councils ensure that exchange of contracts take place as quickly as possible after the decision to sell (or lease) is made. It suggests that local authorities should be allowed to sell at an agreed price within a reasonable period of reaching a 'subject to contract' agreement.

In the context of the methods of land disposal dealt with in this document, a late bid may occur:-

- a) in the case of a private sale, after a sale or lease has been agreed, but before exchange of contracts
- b) in the case of a public auction, after the auction has been closed, but the reserved price not having been met
- c) in the case of a formal tender, after the closing date for tenders, but before acceptance by the Council of the successful tender
- d) in the case of an informal or negotiated tender, after receipt of bids, but before exchange of contracts or signing of a development agreement
- e) in the case of disposal by exchange, after a sale or lease has been agreed, but before exchange of contracts

Each 'late bid' must be considered in the context of the individual circumstances at the time. The Council's approach to 'late bids' will vary depending upon the method of land disposal used. In each case, its overriding duty will be to obtain the best consideration that it can reasonably obtain (subject to any exceptions in the General Disposal Consent). The Council's approach to late bids is as follows:

- a) The Council discourages the submission of late bids in all cases when it is disposing of land. It will attempt to minimise problems by aiming for early exchange of contracts.

- b) Where land is being disposed of by way of formal tender, bids received after the deadline for tenders, will be recorded as late, together with the time and date of receipt. The Lead Member for Resources should decide whether to consider late bids after taking advice from the Chief Operating Officer.
- c) Except as provided in " b" above, until the Council has entered a legally binding contract or agreement with another person it will consider late bids unless there are good commercial reasons for not doing so. This should be explained to any purchaser when a disposal of land by private sale or negotiated/informal tender is agreed.
- d) Consideration of a late bid does not mean that it will necessarily be accepted even if it is the 'highest' bid. The Council will take into account the likelihood of the late bid proceeding to completion in a timely manner and the possibility of late bids being used as a spoiling or delaying tactic.
- e) Subject to the above, the Council may, in appropriate circumstances, ask both the late bidder and other interested parties, to submit their best and final bids in a sealed envelope by a set deadline.
- f) A decision on whether to accept a late bid for a private sale, informal tender or by exchange are to be made either by the Lead Member for Resources or the Chief Property Officer, or such senior Director.
- g) *Offering the preferred bidder a period of exclusivity can enable the purchaser to confidently proceed with the sale, through the removal of the threat of another purchaser making a late bid.***

A last minute bid may be rejected for sound commercial reasons. For example, if there is no real certainty of it leading speedily to a contract or is suspected as a spoiling bid.

The Council will at all times bear in mind that the overriding duty, unless a specific decision has been made to take advantage of certain exceptions as mentioned in the General Disposal Consent in order to further corporate objectives is to obtain best consideration.

In considering what amounts to 'monetary value' in terms of best consideration to be obtained, the creation of jobs or desirable social outcomes, although desirable, cannot be quantified by the Council.

Where land or property is sold at a restricted value in accordance with the General Disposal Consent or with the consent of the Department for Communities and Local Government, provision shall be incorporated into the contract and transfer requiring that any difference between the price paid and the full unrestricted value (as assessed by the Chief Property Officer) shall be repaid to the Council should the land not be developed so as to provide for the non-monetary benefits which the Council sought to achieve. This refund of the effective land subsidy shall be referred to as "claw back".

The Courts and the Ombudsman have both accepted that Councils must be able to "draw a line" under the disposal process at some point and have further indicated that provided Councils follow due process, they will not interfere with decisions.

Achievement of best consideration where land or property has redevelopment potential

Where in the opinion of the Chief Property Officer land has potential for redevelopment which will enhance its disposal value, outline planning consent for such development will be obtained prior to disposal. Prior to any application property officers will consult with the appropriate planning and transport development control officers to ensure that any such application is likely to be approved and is in accordance with partner's core strategies.

Where the form of development which will maximise value cannot readily be identified it will be appropriate to market the land with bids invited subject to grant of planning consent for a specified form of development, on agreement by the Chief Property Officer.

Contracts for the sale of land will include a restrictive covenant limiting development of the land to that specified in the outline planning consent or the form of development proposed in any bid made subject to the grant of planning consent.

Should any revised planning consent be obtained subsequent to a disposal which increases the value of the property sold, the County Council will not agree to waive or vary any covenant restricting the form of development without receipt of best consideration reflecting the increase in land value accruing. This uplift in land value maybe by an "overage" provision or a mechanism for "claw back".

Appendix F14

Formal Tender Procedure

- a) No tenders shall be invited unless Public Notice has been given in at least one local newspaper giving details of the property and the proposed transaction, and inviting interested persons to apply to tender within a period of not less than 28 days.
- b) Where an agent has been appointed to act on the Council's behalf, their name and address will also be given, and they will be required to acknowledge and comply with the County Councils Procurement Standing Orders.
- c) Interested parties will then be provided with property particulars and details of the tender process.
- d) All tenders must be delivered in the envelope provided or in a sealed envelope addressed to the Assistant Chief Executive, bearing the words "Tender for" and the address of the land or property for sale, but without any name or mark indicating the sender. Applicants who wish to make their offers by post must do so by Recorded Delivery.
- e) No bid shall be accepted that is not specific, or made in reference to another bid, such as £100 over the highest bid.
- f) The Council will make it clear that it does not bind itself to accept the highest tender or indeed, any tender.
- g) Tender envelopes will remain unopened in the custody of the Assistant Chief Executive until the appointed time for opening.
- h) All tenders will be opened together after the Closing Date has expired by one senior officer nominated by the Assistant Chief Executive and another officer. This may be a representative of Chief Operating Officer, if this is considered appropriate by the Assistant Chief Executive.
- i) The Assistant Chief Executive will maintain a record of tenders received.
- j) Any tenders received after the expiration of time for tendering, or which contravene any provision of the tendering conditions or instructions will only be opened with the authority of the Assistant Chief Executive after consultation with the relevant Lead Cabinet Member.

Appendix F15

Equality Impact Assessment

(Form to be completed before the sale or Letting of a Council Property is completed – and placed on Estates’ File)

The Council must have due regard to its Public Sector Equality Duty when making all decisions at member and officer level. An EIA is the best method by which the Council can determine the impact of a proposal on equalities, particularly for major decisions. However, the level of analysis remains proportionate to the relevance of the duty to the service or decision.

Application: all freehold sales and lettings of 3 years or more.

Purpose

- To ensure that all prospective purchasers or lessees are treated fairly and given equal opportunity to participate in the bidding process.
- To ensure no individual or group are intentionally or unintentionally prevented from participating in the bidding process on grounds of ethnicity, race, gender, age, sexual orientation or disability.
- If selling at auction, to make sure reasonable measures are taken to ensure the auction room is accessible to everyone, as far as is reasonably practicable.
- When selecting a bidder or lessee, to consider the impact, if any, the decision could have on the unsuccessful bidder or lessee, to ensure they are not intentionally or unintentionally disadvantaged by the Council’s decision.

Tick as appropriate

No	Assessment	Yes	No	N/A
1.	Have all individuals or groups been treated on an equal basis without favour during the sale / letting process?			
2.	Was any individual or group prevented from participating in the sale / letting process on account of their ethnicity, race, gender, age, sexual orientation or disability?			
3.	In selecting your purchaser /lessee, are you aware of any impact your decision might have on any unsuccessful bidder or lessee which might result in their being disadvantaged?			
4.	If selling at auction, was the auction room reasonably accessible to all potential bidders, including those with a disability?			

If answering “No” to Q. 1 and Q 4, or “Yes” to Q. 2 and Q.3 – please complete a separate sheet giving reasons for your answer.

Signed.....**Date**.....

Estate Surveyor: Name.....

Appendix F16

Crichel Down Rules

In 2015 the Department for Communities and Local Government updated a circular entitled “Compulsory Purchase and the Crichel Down Rules” which prescribed the way in which all Government departments and executive agencies that are subject to a power of direction from a Minister must manage the disposal of land previously acquired by use of compulsory powers. Local authorities, that are not subject to a ministerial power of direction, are not subject to such a prescription but are still recommended to also follow the rules.

In particular the General Rule of these guidelines states that “where a department wishes to dispose of land to which the Rules apply, former owners will, as a general rule, be given the first opportunity to repurchase the land previously in their ownership, provided that its character has not materially changed since acquisition.”

It is recommended that the Council has regard to these rules when disposing of land, which was formerly acquired by compulsory means subject to the following guidance.

**“Guidance on compulsory purchase, and the Crichel Down Rules for the disposal of surplus land acquired by, or under the threat of, compulsion”
Oct 2015**

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/472726/151027_Updated_guidance_for_publication_FINAL2.pdf

Stage 1 Identification of land

Crichel Down rules relate to land that has been compulsorily acquired by the Council and is no longer required. Subject to the following exceptions:

- Agricultural land acquired before the 1st April 1935.
- Agricultural land acquired on or after the 30 October 1992 which becomes surplus to requirements more than 25 years after its acquisition.
- Non Agricultural land which becomes surplus and available for disposal more than 25 years after its acquisition.
- Land that has materially changed since acquisition.
- Land where boundaries of agricultural land has been obliterated.

The date of acquisition is the date of the conveyance, transfer or vesting declaration.

There is also an exception in relation to the disposal of small areas of land where the attempted identification of an absent former owner who has now disposed of his/her interest in land adjacent to the subject property would be out of proportion to the value of the land. Only where the current market value of the subject is likely to exceed the value of £25,000 will the Council be obliged to take steps as specified within the Rules to identify a previous owner.

Despite these exceptions it is acknowledged it may still be appropriate to first offer to the adjacent landowner unless there are overriding local circumstances or best value may not be achieved.

Recent guidance indicates that the Rules will not apply where land is to be transferred to another body which is to take over some or all of the functions or obligations of the authority that currently owns the land. In this case the transfer itself does not constitute a “disposal” for the purpose of the Rules. Disposals for the purposes of Private Finance Initiative/Private Public Partnership projects also do not fall within the Rules and the position of any land surplus once the project has been completed would be subject to the Private Finance Initiative/Private Public Partnership contract.

Stage 2 Consultation

Consultation shall take place within Communities, Economy & Transport and other departments to declare the land surplus in consultation with the Lead Member for Resources.

Local Authorities as previously stated are not under a statutory obligation to comply with the Criche Down rules. Therefore any compliance with these rules will be at the discretion of Chief Property Officer in consultation with the Lead Member for Resources.

For instance where it is concluded that there is an overriding local or community interest such as a disposal to a parish council, registered charity or other properly constituted body where best value may not be achieved then upon the direction of the Chief Property Officer disposal may proceed to such a body even when it was not the former owner of the property.

If you would like a copy of the strategy in a different format, such as large print, Braille or a different language, please contact us.

Tina Glen
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Report to: Audit, Best Value and Community Services Scrutiny Committee

Date of meeting: 27 September 2016

By: Chief Operating Officer

Title: Orbis Programme Update

Purpose: To provide a progress update on developments in relation to the Orbis Partnership.

RECOMMENDATIONS

The Committee is asked to:

- 1) note the report and its appendices to review progress in delivering the Orbis Business Plan.
 - 2) discuss and propose options for future scrutiny of the Orbis programme.
-

1 Background

- 1.1 Orbis is a partnership between East Sussex and Surrey County Councils that will integrate Business Services functions to provide improvements in service provision and reduce costs. Services in scope are; Property, Procurement, ICT, HR, Finance & Business Operations.
- 1.2 The Partnership was formally launched in April 2015 and a detailed 3 year business plan was approved by Cabinet in October 2015. In addition a joint scrutiny session was held on 5 October 2015 with Members from the Audit, Best Value and Community Services Scrutiny Committee (ABVCSSC) and Surrey's Council Overview Board (COB).
- 1.3 The Inter Authority Agreement (IAA) was signed and sealed on 13 April 2016, the IAA formalises the partnership and provides the legal framework for Orbis.

2 Supporting information

- 2.1 This report will focus on a number of key elements of the Orbis Programme and provide further details for each:
 - Savings Plans (including enhanced target)
 - Brighton & Hove City Council's proposal to join the Orbis partnership
 - Transformation Partner (Ernst & Young)
 - Service Updates for ICT & Procurement
 - Key challenges facing the development of the partnership

Savings

- 2.2 The Business Plan clearly articulated the benefits that Orbis would deliver over a three year period (£8.3m). The savings plan is attached as appendix 1.
- 2.3 Since the approval of the Business Plan in October 2015, both East Sussex and Surrey County Councils require additional savings to be delivered from the Orbis Partnership in order to meet wider financial challenges that both organisations are facing. An updated savings plan is therefore being developed for Orbis in order to identify proposals for how the additional savings requirements could be achieved.

Brighton & Hove City Council (BHCC)

- 2.4 BHCC signalled their intent to join the Orbis Partnership in a paper taken to the Policy, Resources & Growth Committee on 3 December 2015.
- 2.5 A process of due diligence is being undertaken in order to assess whether BHCC joining the partnership delivers the benefits that both parties require.
- 2.6 A report detailing the outcome of the due diligence process will be taken to the Policy, Resources & Growth Committee in BHCC on 14 October 2016.

- 2.7 An update was provided to the Orbis Joint Committee in July 2016 (appendix 2) detailing progress on due diligence work and the key areas this would focus on.

Transformation Partner

- 2.8 In the Business Plan it was recognised that to deliver the full benefits of the partnership an external consultancy partner would be required, and provision was therefore made in the investment proposal.
- 2.9 Following a procurement exercise Ernst & Young (EY) have been selected to work with Orbis for a three year period, details of the procurement process and initial areas of focus for EY can be found in appendix 3.

Service Updates

- 2.10 Updates are regularly provided to the Orbis Joint Committee around developments in specific services, these updates provide an overview to demonstrate progress, share key developments and overarching plans for integration.
- 2.11 It has been agreed that Information and Communications Technology (ICT) and Procurement will provide updates for this Committee on 27 September 2016 (see appendices 4 & 5).

Key Challenges

- 2.12 Officers understand the need for Orbis to be adaptable to the changing shape of Local Government. We have therefore identified a number of key challenges and are working closely with colleagues across East Sussex and Surrey to ensure Orbis can continue to provide quality services that meet the changing needs of service users and stakeholders.
- Accountable Care / Health & Social Care Integration
 - Education White Paper (Schools/Academies)
 - Devolution agenda
 - Market Developments (i.e LGSS & OneSource)

Scrutiny arrangements

- 2.13 The future arrangements for the scrutiny of Orbis could usefully be clarified at this stage. Given the current position, there are potentially three options to move forward:
- Option 1: continue with the current 'sovereign' arrangements with ESCC Audit, Best Value and Community Services Scrutiny Committee (ABVCSSC) and Surrey County Council Overview Board (COB) operating independently. The benefits of this approach is that each scrutiny body can focus primarily on its own areas of interest with joint meetings or chairs' meetings being organised on an ad hoc basis where it makes sense to do so. The main disadvantage is that it could lead to significant demands on the Orbis Team in trying to meet potentially very different information requirements of each scrutiny body.
 - Option 2: coordinate ABVCSSC and COB scrutiny work so that the *same* topics and reports are prioritised by agreement between the chairs for consideration at each authority's scrutiny body which then operates independently as in option 1. The additional benefit of this approach is that each authority's unique scrutiny perspective is gained on every issue being scrutinised which can, in turn, best help to ensure that each authority's individual business requirements from Orbis are achieved.
 - Option 3: establish a standing joint scrutiny committee comprising Members selected from ESCC ABVCSSC, Surrey COB and other partners' scrutiny bodies in due course; this body would be charged with scrutiny of Orbis on behalf of all the authorities. To be effective, this would require the participation of all partners; however, the willingness of future partners to participate in joint scrutiny arrangements is unknown. The other main disadvantages, apart from the additional bureaucracy and complexity of arranging meetings of a joint committee, is the reduced level of representation of the ABVCSSC Members and potentially reduced ESCC scrutiny 'sovereignty' over the matters being discussed.

3. Conclusion and reasons for recommendations

- 3.1 The Committee is asked to review and note developments within the Orbis Partnership for the areas specified in this report.
- 3.2 The Committee is also asked to consider arrangements for future scrutiny of Orbis to ensure that an appropriate level of scrutiny can be undertaken in the most effective and efficient way.

Kevin Foster
Chief Operating Officer

Contact Officer: Adrian Stockbridge (Orbis Programme Manager)

Tel. No. 07837 170418

Email: adrians@surreycc.gov.uk

LOCAL MEMBERS

A list of County Council Members whose electoral divisions are specifically affected by the report.

BACKGROUND DOCUMENTS

Orbis Business Plan

Joint Scrutiny meeting minutes (5 October 2015)

Orbis Joint Committee Papers (19 February 2016, 22 April 2016, 18 July 2016)

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Orbis Operating Budget and MTFP Savings (£'000)	2016/17 Budget				Current Business Plan Savings			
	Staff	Non-Staff	Income	Net	2016/17	2017/18	2018/19	3 Yr Total
Business Operations	10,081	728	-5,679	5,130	-581	-244	-125	-950
Finance	10,072	389	-1,034	9,426	-265	-525	-850	-1,640
HR	4,926	759	-566	5,120	-160	-400	-550	-1,110
IT	17,322	1,567	-1,587	17,303	-85	-1,099	-1,258	-2,442
Management	498	1,861	0	2,359	0	0	0	0
Procurement	3,361	289	-154	3,496	-40	-195	-15	-250
Property	10,238	1,236	-1,202	10,272	-96	-600	-1,100	-1,796
Total	56,497	6,829	-10,221	53,105	-1,227	-3,063	-3,898	-8,188

Orbis Leadership Team
Orbis Operating Budget
Full Year Forecast as at Period 4 (July 2016/17)
Efficiencies RAG

2016/17 Efficiencies	Business Operations	Finance	HR	IT	Management	Procurement	Property	Total	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Orbis Operating Budget									
Staffing	310	265	160	85	-	40	96	956	G
Staffing & e-invoicing	171							171	A
Income	100							100	G
Early Delivery		150			115	105	70	440	
ESCC MoBo									
Contracts				93				93	G
ESCC additional MoBo requirement					13			13	A
SCC MoBo									
Modern Worker					666			666	A
Training			413					413	G
Audit Fee & Insurance Premium		300						300	G
Office Moves & Reorganisations							250	250	G
Planned Maintenance							250	250	A
UNICORN Network				230				230	G
Procurement Saving - SAP				210				210	G
Mobile Telephony				200				200	G
Orbis Business Plan (SAP)				194				194	G
Utilities							155	155	A
Building Adaptations							100	100	G
Rents Payable							100	100	A
Insurance income & VAT recovery		67						67	G
Apprentices							50	50	A
Cleaning							50	50	G
Fees							50	50	G
Marginal Gain	4							4	G
2015/16 One-off efficiencies							620	620	G
TOTAL	585	782	623	1,678	128	145	501	4,442	

Orbis Senior Management Efficiencies update

The Orbis Business plan set a target to reduce senior management posts by 20% in 2016/17 through integration and de-layering.

The table below sets out the details of progress made to date in realising this ambition:

Service	FTE prior to integration (tier 2/3)	FTE following integration (Tier 2/3)	Reduction of FTE
HR	10	6	4
Property	8	6	2
Bus Ops	8	6	2
IT & Digital*	11	6	5
Procurement**	8	7	1
Finance***	14	tbc	tbc
Total	59	31	14

*Consultation ended 07 September 2016 - new structure live October 2016

**Consultation ended 22 August 2016 - new structure live October 2016 (does not include 2.5 FTE reduction already delivered from tier 3 as a result of joint Procurement service since 2012)

***Future structure TBC following appointment of Orbis CFO in September 2016 (new tier 3 structure expected to be live early 2017)

This represents a reduction of circa 25% in FTE at tier 2 & 3 (excluding Finance)

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**EAST SUSSEX COUNTY COUNCIL AND
SURREY COUNTY COUNCIL
ORBIS JOINT COMMITTEE**



DATE: 18 JULY 2016

LEAD OFFICER: DAVID KUENSSBERG (EXECUTIVE DIRECTOR, FINANCE & RESOURCES)

SUBJECT: BRIGHTON AND HOVE CITY COUNCIL UPDATE

PURPOSE OF REPORT:

To provide an update to the Joint Committee on the development and integration of Brighton & Hove City Council (BHCC) into the Orbis Partnership.

INTRODUCTION

To provide an update to the Joint Committee on the progress being made by Brighton & Hove City Council towards completing due diligence on joining the Orbis Partnership.

RECOMMENDATIONS:

It is recommended that the Orbis Joint Committee:

- i. Notes the progress being made by BHCC towards completing due diligence on joining the Orbis Partnership.
- ii. Notes the current intention to make a recommendation to the BHCC Policy, Resources & Growth Committee (P, R & G) in October.

REASON FOR RECOMMENDATIONS:

To ensure the Joint Committee is fully briefed on developments for expanding the Orbis Partnership.

DETAILS:

1. As of 28 April 2016, BHCC's Policy & Resources Committee (now Policy, Resources & Growth (PR&G)) agreed that due diligence on joining the Orbis Partnership should continue. This report was shared with Orbis partners. There are four issues that are in the process of being resolved, with the aim of completing due diligence robust enough to make a 'stop / go' recommendation to PR&G. If the recommendation is positive then this would lead to a 'soft launch' and ultimately the signing of an Inter Authority Agreement (IAA) by all three councils at some point in the future.
2. Progress towards the target operating models for each service is different. For example, the offer from Orbis for legal services and internal audit is clear, but there is more to do on Finance. BHCC has accepted therefore that in some cases we are in effect performing due diligence for services that are not yet in place. It

is also obvious that joining up services that do not have a heavy reliance on ICT systems integration is more straight forward compared to those that do.

3. BHCC resources are not sufficient to operate an open-ended work stream. We have therefore defined a process to take us to October and are managing it in a structured way to mitigate the risk that there is not enough information at that stage for BHCC members to take a decision. Annex 1 below sets out the 'tests' required by BHCC to provide sufficient due diligence.
4. The 'test' that presents the highest risk relates to BHCC's financial context up to 2020. If the trajectory of savings that Orbis offers is materially different from those required by BHCC, then some negotiation may be required with existing partners on how the budget can be made to work for all parties.
5. We are clear that East Sussex and Surrey will need to be satisfied with BHCC's own arrangements before accepting a third partner into the Orbis organisation. In this respect, due diligence is a two-way exercise.

RISK MANAGEMENT AND IMPLICATIONS:

6. A review of the Orbis Business Plan will be required in order to assess the implications of BHCC joining, as there will be an impact on the investment and savings profiles.

Legal Implications

7. A review of the legal implications of integrating BHCC into the Orbis Partnership will be required. This will be undertaken in conjunction with the development of a tri-party Inter Authority Agreement (IAA).
8. The IAA is a legally binding contract. Its terms will formalise the arrangements between the councils for the Orbis Partnership and provide the legal framework for its operation.

Equalities and Diversity

9. Equalities Impact Assessments will be completed for each service as plans for operational change are developed.

Contact Officers:

Chris Carter – BHCC Programme Manager (01273 296499)

David Kuenssberg – BHCC Director of Finance & Resources (01273 291333)

Consulted:

Kevin Foster – Chief Operating Officer

John Stebbings – Chief Property Officer

Leatham Green – Programme Director for People and Change

Adrian Stockbridge, Orbis Programme Manager

Annexes:

Annex 1 – BHCC Due Diligence Tests

Sources/background papers:

- P&R committee Paper 3 December 2015
 - P&R committee Paper 28 April 2016
-

Annex 1 – BHCC Due Diligence Tests

The P & R paper from 28 April set a number of tests, and these provide a logical underpinning to the due diligence. The table below contains proposals for how we can reach a conclusion on each one. More detail is required, in particular for parts 1 and 3.

Test	Work required	Progress
<p>1. Finance and BHCC's ability to meet our savings targets.</p> <p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 159</p>	<ul style="list-style-type: none"> · Continue work to cost existing services and ensure consistency with East Sussex and Surrey, i.e. 'apples with apples'. · Calculate the 'break-even' point with regard to BHCC being able to achieve required savings. · Identify 'managed on behalf of' (MOBO) budgets. · Where trajectory and scale of savings required by Orbis and BHCC does not align, negotiate on possible solutions. 	<ul style="list-style-type: none"> · Financial analysis is close to completion, including the treatment of MOBO budgets. · BHCC need 30% savings by 2020, and will need to deliver a proportion of this through the MOBO route. · Principle of negotiation agreed with Orbis if required, however BHCC financials need to be appropriate for Orbis as well as the other way around.
<p>2. The level of investment that could be required in ICT infrastructure</p>	<p>Establish best-estimate range of investment required to:</p> <ul style="list-style-type: none"> a) Support existing BHCC systems up to a 'natural' point for integration; and b) Integrate BHCC and partner core systems. 	<ul style="list-style-type: none"> · This work is well under way. The timing of when business critical systems need to be replaced broadly aligns across the three councils. · More work will be required to identify the costs of change, and system integration will not take place for at least three years.
<p>3. Service Level assessment, i.e. will the services be fit for purpose?</p>	<ul style="list-style-type: none"> · Consider using template approach to identify all services and then how BHCC compares to partners. · Identify level of efficiency versus partners using high level benchmarks. 	<ul style="list-style-type: none"> · Good progress has been made on Legal Services and Internal Audit. There is significant alignment in terms of how partners work. · Some progress has been made on ICT, Procurement, and Human Resources & Organisational Development with more work required in Finance, Property, and Business Operations.

	<ul style="list-style-type: none"> Identify services that BHCC uniquely provide and work with customers to understand need. Recommend to P, R & G which services we want to continue, but that we do not wish to place in Orbis. Identify quick wins (services that could be traded irrespective of Orbis). 	<p>Revenue & Benefits needs to be treated differently, as this is common to BHCC only – however there is potentially strong alignment with Business Operations.</p> <p>BHCC are assessing the work that could be placed in Business Operations by process mapping across a number of services.</p>
4. Legal form and governance.	<ul style="list-style-type: none"> David Kuenssberg to integrate into Orbis Leadership Team (OLT) as soon as possible. BHCC governance to be agile through due diligence phase. 	<ul style="list-style-type: none"> David has started attending OLT meetings. Orbis is a standing agenda item at weekly BHCC team meetings for Finance & Resources. The programme management resource has increased. Cllr Les Hamilton represents BHCC on the Orbis Joint Committee.

**EAST SUSSEX COUNTY COUNCIL AND
SURREY COUNTY COUNCIL**

ORBIS JOINT COMMITTEE



DATE: 18 JULY 2016

LEAD OFFICER: KEVIN FOSTER (CHIEF OPERATING OFFICER) AND JOHN STEBBINGS (CHIEF PROPERTY OFFICER)

SUBJECT: ORBIS TRANSFORMATION PARTNER

PURPOSE OF REPORT:

To provide the Joint Committee with an update on progress for selection of a transformation partner to support the implementation of the Business Plan and develop future partnership opportunities.

INTRODUCTION

1. We recognise that in order to deliver the Orbis Business Plan, some additional capacity will be required. Provision was made in the Business Plan for a commercial partner to assist with the delivery of the programme and to help develop further opportunities to grow the partnership.
2. A report detailing the reasons for seeking a transformation partner, and the approach being undertaken, was presented to Joint Committee on 22 April 2016.

RECOMMENDATIONS:

3. It is recommended that the Orbis Joint Committee notes progress in the selection of an organisation to support the delivery of the Business Plan.

REASON FOR RECOMMENDATIONS:

4. To ensure the Joint Committee is informed about the latest developments in selection of a transformation partner.

DETAILS:

5. Orbis has committed to a level of savings in the Business Plan (£8.3m) and it is imperative that these savings are delivered. The scale and pace required to deliver service transformation, in order to deliver improved outcomes for customers and service users, will ultimately deliver improved efficiency and reduce costs.
6. Orbis is looking for an external partner to help deliver the Orbis programme of works, which will provide a range of business advice and support needs.
7. Both Surrey and East Sussex Councils try to minimise the use of external consultancy services and we have been very clear in this instance that we are not seeking to enter into a traditional consultancy arrangement with a standard rate card approach. Therefore agreeing an innovative approach to this arrangement is

key, with both parties needing to have clearly defined commitments, deliverables and agreed outcomes.

8. Where it is possible to draw on existing skills that are already present within the business we will do this, and backfill staff roles where appropriate, as this will be less expensive than paying standard consultancy rates. An example of this could be for process re-engineering or project management, where skills of this type already exist within the business.
9. The opportunity to work alongside Orbis provides a unique opportunity for potential partners as it provides a window into the public sector, utilising the trusted Orbis brand to jointly bid for future opportunities based on the ethos of 'by the public sector for the public sector'.
10. The benefits of such an approach are many, including:
 - a. Increased capability and capacity to grow the Orbis partnership
 - b. Opportunities to share skills, knowledge and resources
 - c. Increased capacity to deliver the Business Plan
11. A procurement exercise has been undertaken through an organisation called the North East Procurement Organisation (Nepro). Nepro provide a neutral vendor solutions framework for specialist professional services and the process is fully OJEU (Official Journal of the European Union) compliant.
12. The procurement process consists of three key stages; initially a request was made for expressions of interest, this was followed by inviting five providers to attend individual sessions to undertake some initial soft market testing.
13. Providers were then asked to submit a formal proposal based on a more detailed specification of our requirements. An evaluation process was undertaken to assess the formal proposals received.
14. The selection process resulted in the appointment of Ernst & Young as the overall transformation partner (subject to Cabinet Member decision to award the contract).

CONSULTATION:

15. A report detailing the approach and reasons for seeking a transformation partner was shared with the Orbis Joint Committee on 22 April 2016.
16. Officers and Nepro staff involved in the selection process are listed below:
 - Kevin Foster – Chief Operating Officer
 - John Stebbings – Chief Property Officer
 - Leatham Green – Programme Director People and Change
 - Matt Scott – Orbis Chief Information Officer
 - Laura Langstaff – Head of Procurement
 - Keith Coleman – Procurement Category Manager
 - Chris Penny - Implementations and Service Optimisation - Nepro

WHAT HAPPENS NEXT:

17. Engagement with Ernst & Young to agree the scope and provision of the contract and determine how we will operate in partnership, with clearly defined objectives and deliverables on both sides.
-

Contact Officer:

Adrian Stockbridge, Orbis Programme Manager (07837 170418)

Consulted:

Kevin Foster – Chief Operating Officer

John Stebbings – Chief Property Officer

Leatham Green – Programme Director for People and Change

Annexes:

None

Sources/background papers:

- Joint Committee transformation partner report 22 April 2016
-



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Orbis & EY Partnership – Mobilisation Phase OLT

Orbis and EY

Partnership Mobilisation, August – October

Support Tier	High level Activities between Aug – Oct	Final Deliverables	Target Successes
<p style="text-align: center;">1</p> <p style="text-align: center;">Strategic Advice & Governance</p>	<ul style="list-style-type: none"> Mobilise governance incl. OLT Shadow Board Attend OLT and other applicable forums Build the Advisory Panel Support agenda for Shared Services Summit 	<ul style="list-style-type: none"> Shadow OLT Board Initiation Document Advisory Panel Initiation Document 	<ul style="list-style-type: none"> Shadow board up and running and helping OLT make decisions Advisory panel has met to discuss a topic, which has provided Orbis with new thinking
<p style="text-align: center;">2</p> <p style="text-align: center;">Innovation & Opportunity Development</p> <p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 165</p>	<ul style="list-style-type: none"> Explore and build the specification for Orbis Innovation Build the Secondment specification and terms 	<ul style="list-style-type: none"> Orbis and EY Secondment Initiation Document Orbis Innovation Programme Initiation Document 	<ul style="list-style-type: none"> Engaged a number of secondees and aligned scheme to fit with their personal goal planning Held an Orbis Innovation day to identify priorities and potential solutions
<p style="text-align: center;">3</p> <p style="text-align: center;">Capacity & Pace</p>	<ul style="list-style-type: none"> Build sprint initiation documents to identify activity, resources and support required 	<ul style="list-style-type: none"> Delivery Sprint High Level Initiation documents: <ol style="list-style-type: none"> <i>Customer at the Heart – Engaging customers in the design of services</i> <i>BSP – Applying work to date on design and mobilisation of a business solutions platform</i> <i>Public Sector Provider of Choice – Horizon scanning exercise to understand what attributes a ‘provider of choice’ would possess and where Orbis wish to place themselves on this scale</i> <i>Benefits Ambition/realisation/delivery – Challenge of benefits within the business plan</i> <i>BHCC – Due Diligence – mobilisation and on-boarding activities for new partner joining Orbis</i> 	<ul style="list-style-type: none"> Engaged the OLT sprint sponsors and identified resources to deliver

Definition

- Sprints are time limited projects that will deliver a solution or a business case for a specific area of focus.
- Sprint teams are created as and when needed based on the nature of the sprint
- Sprints are projects which have clear timelines and the length of a sprint can vary depending on the scope e.g. weeks / months
- Sprints will always have clear sponsorship and agreed outputs.
- Sprints are used across a variety of businesses to achieve clarification and additional input through project working.

Main principles

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1

Timelines are clear

Timelines have to be agreed prior to the implementation of a sprint team. This will allow fast pace projects, where the progress can be monitored closely.

2

Sponsorship is clear and at the right level

Sponsorship has to be agreed prior to sign off and it has to be at the right level to drive pace and decision making throughout the sprint.

3

Outputs are agreed

The main outputs have to be agreed early on to ensure that all members of the team are working towards the same goal. This will increase the quality of the output and the pace of the project.

Utilising the sprint methodology at Orbis

1

Identifying opportunities

- Prioritisation matrix is used to identify which sprints need to be progressed
- Five opportunities for sprint projects have been identified for the first phase of work – this was based on OLT 1-2-1s

2

Scoping and planning

The first task of mobilising a Sprint is through the creation of a 'Sprint High Level Initiation Document':

- This will be developed with a clear OLT sponsor
- This document will contain: scope, timescales, outputs, resources required, risks

3

Mobilisation and delivery

Once the Sprint High Level Initiation Document has been agreed, the sprint can start, ensuring the following is in place:

- Key stakeholders identified
- Target resources identified
- Sponsor identified
- Governance forums

Spotlight: IT & Digital Service



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Appendix 4

Matt Scott
Orbis CIO



Contents



- **IT Transformation Programme**
- **Organisational Design: Structure**
- **Target Characteristics of the Service**
- **Staff Engagement**
- **Cost Reduction and Savings**

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IT Transformation Programme

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5 Change Delivery Workstreams



Organisational Design

Business Technology (Design & Solutions)

Engagement & Customer

Contracts and Supplier Management

Sustainable Growth and Commercial Development

Page

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Designing the organisational structure and developing the required capabilities

Designing the IT foundations for Orbis and implementing the business technology solutions

Developing the customer and engagement, strategy for IT and the Orbis stakeholders plus health economy and other public services

Developing a supplier and contract management approach (linked into Procurement Service) and delivering the MoBo and Orbis contract savings

Developing the strategy and executing the strategy for extending areas of growth for existing traded services



Organisational Design: Structure

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Before the Orbis Partnership



Surrey County Council

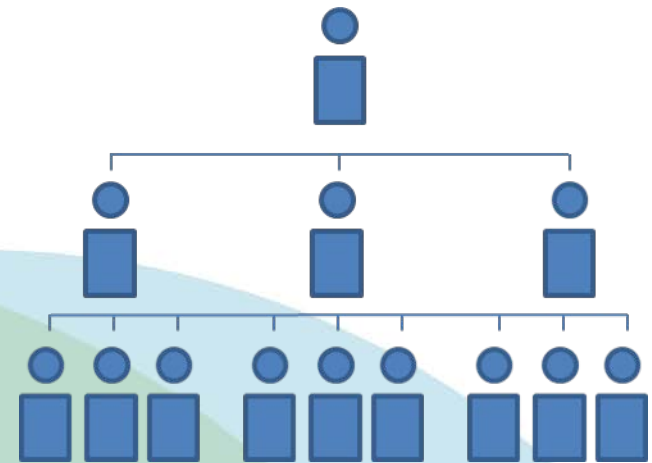
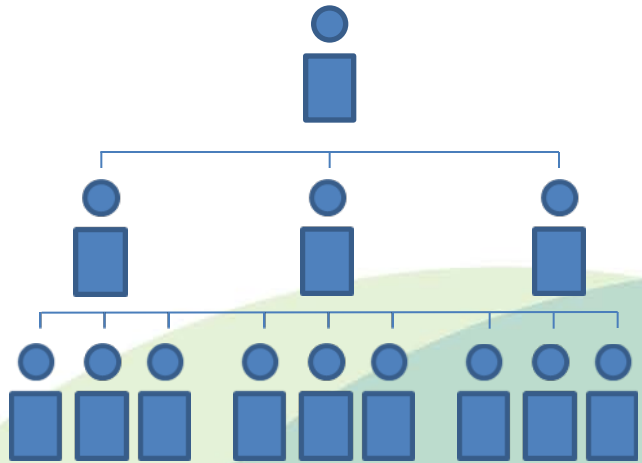
East Sussex County Council

IMT

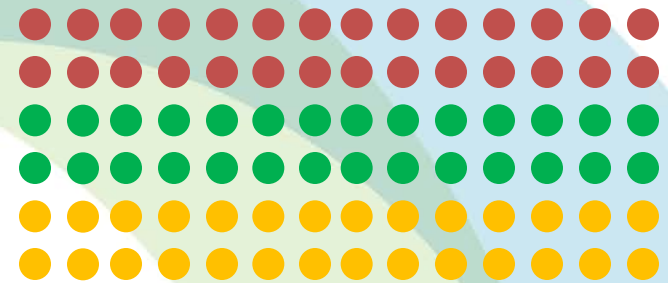
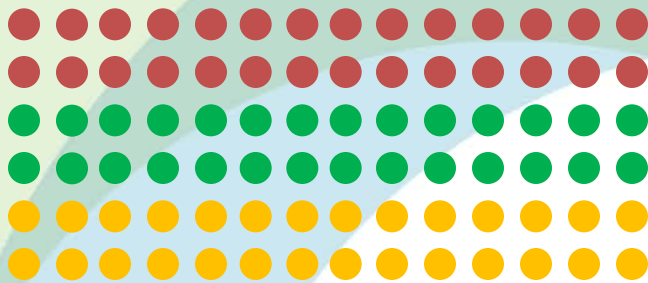
ICT

The Service

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The Architecture

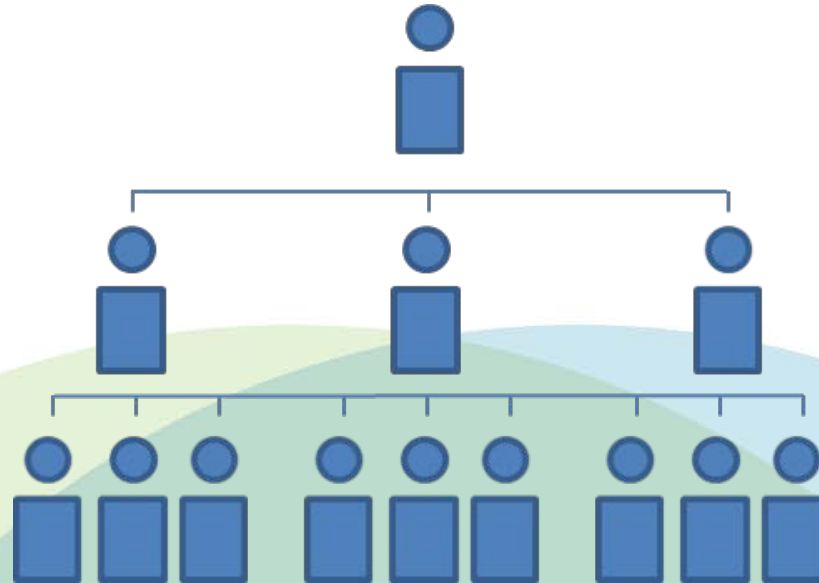


As part of Orbis



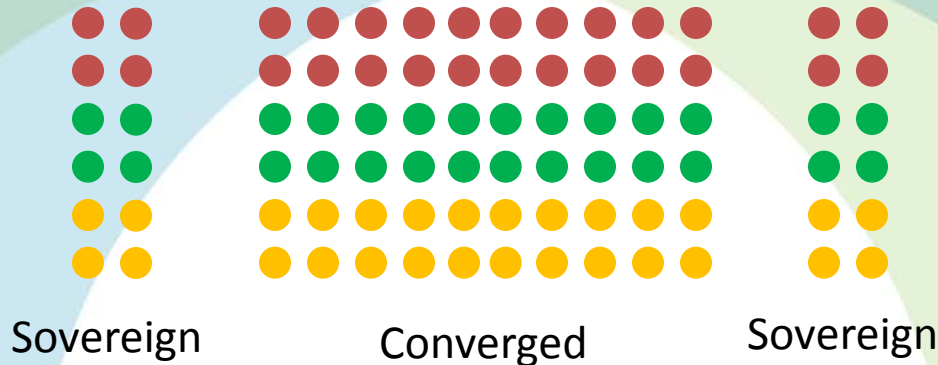
Orbis – East Sussex and Surrey County Councils working in partnership

IT & Digital



The Service
Page 174

The Architecture



Orbis IT & Digital Leadership Team



Orbis CIO

Head of Strategy and Engagement (ESCC)

Head of Strategy and Engagement (SCC)

Head of Customer and Partnerships

Head of Projects and Innovation

Head of Enterprise Technology

- Sovereign Project Sponsorship:** Sponsor or senior supplier to sovereign programmes of IT enabled change projects
- Engagement & Partnering:** Senior stakeholder relationship management and delivery of sovereign engagement mechanisms (business partnering and/or digital platform management)
- Strategy:** Development and implementation of IT and Digital strategies and policies
- Architecture:** Enterprise, Data & Solution
- Business Administration:** Financial planning and control, audit, compliance and risk Management

- IT Service Process Management:** ITIL processes and continuous service improvement.
- Corporate Service Desk and Service Fulfilment:** 1st line and 2nd line and service fulfilment for hardware and productivity tools .
- Schools & Partner ICT Support:** 1st line and 2nd line, Schools Application Management
- Partnership Growth and Consortia management:** Unicorn and Link, Data Centre, Schools IT and public sector
- Contract and Supplier Management**

- PMO:** Project pipeline; resource allocation; status monitoring and reporting
- Project and Programme Management**
- Digital Innovation (Service Design):** Business analysis and service redesign
- Digital Innovation:** Application development, Business intelligence /data analytics and systems integration
- Application Portfolio Management:** Support and maintenance of Commercial off the shelf systems

- Specialist Technical Support:** 3rd line support
- Architecture and Assurance:** Research and development, cyber-security and technical compliance
- Data Centre:** Critical environment management (hardware, compute, storage, hosting and cloud), virtualisation, automation.
- Network Infrastructure:** WAN, LAN, Voice
- Resilience and Recovery:** Event, Capacity, availability management and DR

Key

Sovereign Roles

Blended Roles



Organisational Design: Target Characteristics of the Service

Consistent

- *Acting or done in the same way over time*
- *Logically ordered and/or following the same pattern*

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- Clear service offer
- Standard processes
- Aligned and orchestrated
- EPIC behaviours

Networked

- *Connect as or operate with a network*
- *Interact with others to exchange information and develop professional or social contacts*

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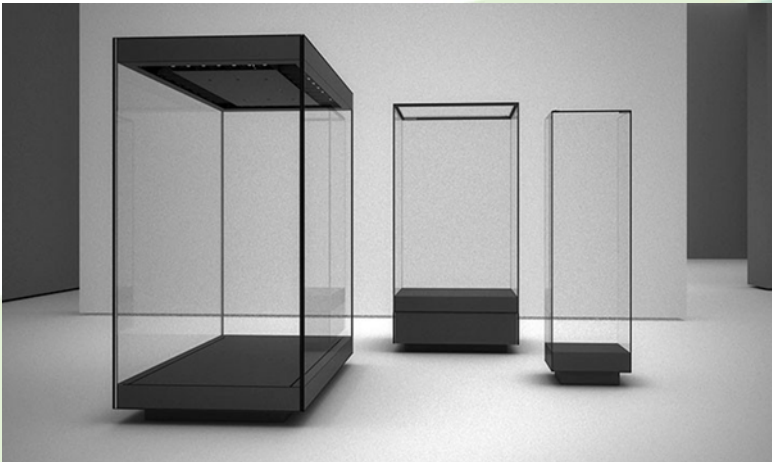


- Responsible (at all levels)
- Connected
- Engaged
- Trusted

Curator

- *Select, organise, and look after items*
- *A curator (from Latin: curare, meaning "to take care") is a manager or overseer.*

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- Applied expert knowledge
- Insight (understand business needs)
- Influence and shaping
- Present to inform

Adaptive

- *Having an ability to change to suit different conditions.*

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- Entrepreneurial
- Learning organisation
- Versatile
- Relevant

Enabler

- *A person or thing that makes something possible.*

- Obsessively customer focused
- Make things happen
- Achieve and succeed
- Create and demonstrate value

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Staff Engagement



Collaborative Working



Joint Leadership Team

Business Technology Solutions Board



Architecture Design Authority



Staff Engagement



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Communication



Digital Download
UNREAD CONVERSATIONS ALL CONVERSATIONS FILES

Update Poll Praise

Share something with this group...

Paul Clarke CDCMP AMBCS – Wednesday at 12:17pm
Continuing our programme of enhancements at our Seco with the replacement of the UPS systems, we have just co Conditioning systems at this site.

Message from Matt Scott (CIO) – Seeds of Change

I held an IT Leadership Team Away Day last week which was both highly productive and enjoyable, providing an opportunity for us to work closely and develop our team identity. It was clear to me that we are well on the way to working as a unified leadership team and able to think and act for the shared interests of building an integrated service. The day focused on reviewing our progress to date, reflecting on learning points and building a consensus on how to move our integration and service development forward. Alongside our own reflections we also had representatives from Gartner and BT attending for parts of the day so that we could draw on their experience and expertise. A key output from the day was the definition of the IT transformation programme and the component change initiatives. This programme will provide the formal governance and delivery framework that will drive the structural, technological and behavioural changes needed to provision both the IT & Digital service and the technology enablers for the Orbis Programme. Over the coming months, the leadership team will be working with the EPIC Champions and engaging across our service to shape, deliver and start embedding the changes. With engagement in mind, I would like to confirm that I will be holding another series of staff briefings in the summer, dates will follow, and also remind everyone that I would welcome the opportunity to attend team meetings and meet with members of our service that I have yet to meet.

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Subject: Virtual Bouquet for Dan D and Bill C

Please see below feedback from Greg and Alan on some of the work that has been happening around the new laptops - I too had my new laptop up and working within about 10 minutes, Greg is right it's good to acknowledge great work and celebrate innovative and collaborative working

Please pass on our thanks and acknowledgment of the great work to Bill and Dan and their teams -



Cost Reduction and Savings



Savings Target Position



The efficiencies required for the integrated IT & Digital service over the next three years are:

Orbis Savings

- Year 1 2016/17 £135,000 (Status: Green)
 - Year 2 2017/18 £989,000 (Status: Amber)
 - Year 3 2018/19 £1,228,000 (Status: Amber)
-
- £2,352,000**

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Key:

Green: Cost reduction achieved

Amber: Further work required though good level of confidence



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Procurement Transformation Programme

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Appendix 5

Change Delivery Workstreams



Buying & sourcing

Contract Performance Management

Commercial & Category Management

Supplier & Market Development

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Ensuring that the purchasing process is simple and efficient.

Tendering and sourcing of new contracts is effective and easy.

Throughout the life of contracts; both value and performance is delivered as expected. Clear frameworks embedded across the organisation for management.

Consistent & professional procurement expertise provided to help design and deliver improved service strategies.

Supplier relationships optimised and supply chain and market initiatives in place to deliver improved value for money.

The vision...



A transformation that will deliver a Procurement Service for our partner authorities to:

- optimise our commercial, strategic and operational skills
- consistently deliver greater efficiency and maximum added value for our customers
- achieve the best possible outcomes for our residents.

Why change?

Need to deliver greater value

- deliver the savings and efficiencies required
- maintain / increase ROI from cashable savings delivered through procurement
- drive greater social value from our procurement activities
- increase assurance and compliance with internal controls & regulatory requirements
- retention of a skilled professional workforce

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Respond to customer feedback

- increased consistency
- greater clarity on the offer from the Procurement Service
- reduce handovers
- focus on specialism and value adding processes (especially contract management and purchasing)

Developing our design



Customer engagement

Interviews and surveys with 100+ customers. Key findings collated and used to inform design. New processes developed from the customers viewpoint.

Staff engagement

Questionnaires and action groups across Procurement, with staff used to develop the designs. Strong engagement and communications plan.

Process mapping

Service 'blueprints' developed with external support & challenge. Duplication removed and efficiencies built in to new processes.

Benchmarking and best practise

Benchmarking against other Local Govt and shared services. CIPS and Hackett best practise used with additional challenge from Ernst & Young.

Current Procurement Service



Highways & Waste

Adults Social Care

Children's

Corporate

Property

Performance and
Development

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- Most of the Procurement Service are structured around 'category' areas that face directorate and service structures
- Staff within these teams do a mix of:
 - Strategic sourcing: designing, planning and running competitive tenders
 - Specialist procurement advice
 - Developing category strategies and working to support commissioning plans
 - Supporting the development of supplier management
- Separate team providing insight and intelligence and some project and contract administration
- Administration for purchasing from Business Operations

New Procurement Service



Page 195 • Move to a more matrix operating model across all partner authorities

• Most of Procurement will continue to be focussed on strategic sourcing, within more flexible areas (e.g. Health & Social Care, Assets and Infrastructure, Corporate and Business)

- New specialist functional teams will provide higher quality and timely:
 - Commercial and category development
 - Support for contract management
 - Specialist supplier and market development activities

• Strengthened performance reporting and tools for stakeholders, with focus on transparency and continuous improvement



What this means..

- ✓ More flexibility on people
- ✓ Simpler engagement process
- ✓ Customer communications improved by stronger dashboard reporting
- ✓ Clear escalation points for senior stakeholders
- ✓ Clear & consistent service offer
- ✓ Closer join up between transactional and strategic activities

Implementing the change...

- ✓ will be a phased transition and implementation
- ✓ no immediate visible difference in your relationships where necessary handovers Nov - Jan



Procurement Transformation 2016/17

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Audit, Best Value and Community Services (ABVCS) Scrutiny Committee



Future work at a glance

Updated: September 2016

This list is updated after each meeting of the scrutiny committee
Follow us on Twitter for updates: @ESCCScrutiny

Items that appear regularly at committee	
Internal Audit Progress Reports	Summary of quarterly key audit findings, highlighting significant control issues and reporting on delivery of the audit plan and internal audit services' performance against performance indicators.
Strategic risk monitoring log	The latest version of the County Council's strategic risk register.
The Council's Forward Plan	<p>The latest version of the Council's Forward Plan is included on each scrutiny committee agenda. The Forward Plan lists all the key County Council decisions that are to be taken within the next few months together with contact information to find out more. It is updated monthly.</p> <p>The purpose of doing this is to help committee Members identify important issues for more detailed scrutiny <i>before</i> key decisions are taken. This has proved to be significantly more effective than challenging a decision once it has been taken. As a last resort, the call-in procedure is available if scrutiny Members think a Cabinet or Lead Member decision has been taken incorrectly.</p> <p>Requests for further information about individual items on the Forward Plan should be addressed to the listed contact. Possible scrutiny issues should be raised with the scrutiny team or committee Chairman, ideally before a scrutiny committee meeting.</p>
Committee work programme	This provides an opportunity for the committee to review the scrutiny work programme for future meetings and to highlight any additional issues they wish to add to the programme.

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Future committee agenda items		Presenting officer
8 November 2016		
Internal Audit Progress Report	Internal Audit Progress report – Quarter 2 (01/07/16 – 30/09/16)	Russell Banks, Head of Assurance
Strategic Risk Monitoring	Strategic risk monitoring report – Quarter 2 (01/07/16 – 30/09/16)	Russell Banks, Head of Assurance
Annual Audit Letter	Annual Audit letter and fee update	Russell Banks, Head of Assurance
Reconciling Policy, Performance and Resources (RPPR)	Reconciling Policy, Performance and Resources. The Committee will consider additional information requested at September meeting and review the more detailed refined savings proposals which will have been considered by Cabinet in October.	Scrutiny / Chief Operating Officer / Director of CET
Annual update on usage of Agency Staff	Annual update on the usage of agency staff at East Sussex County Council and progress on establishing the bank of casual staff.	Sarah Mainwaring, Interim Assistant Director of PAT
Procurement Update	An update report on key activities within the Procurement Service.	Laura Langstaff, Head of Procurement
Atrium Property Asset Management System	An update report on the implementation of the Atrium Property Asset Management System, outlining progress towards adopting the corporate landlord model.	John Stebbings, Chief Property Officer/Matthew Powell
Agile Programme	A report back from the Agile Reference Group at the conclusion of their work on the Agile Programme.	Scrutiny / Kevin Foster, Chief Operating Officer

Future committee agenda items		Presenting officer
14 March 2017		
Internal Audit Progress Report	Internal Audit Progress report – Quarter 3 (01/10/16 – 31/12/16)	Russell Banks, Head of Assurance
Strategic Risk Monitoring	Strategic risk monitoring report – Quarter 3 (01/10/16 – 31/12/16)	Russell Banks, Head of Assurance
External Audit Plan 2016/17	Sets out in detail the work to be carried out by the Council's external auditors.	Phil Hall, Interim Chief Financial Officer, and external auditors
External Audit Report on Grants Claim Certification	External auditors are required to certify certain grant claims; this is an annual report summarising that grant work and highlights the key issues arising.	Phil Hall, Interim Chief Financial Officer, and external auditors
External Audit Plan for East Sussex Pension Fund 2016/17	To consider and comment upon the External Audit Plan for the East Sussex Pension Fund for 2016/17	Phil Hall, Interim Chief Financial Officer, and external auditors
Reconciling Policy, Performance and Resources (RPPR)	To provide the Committee with an opportunity to review its input into the RPPR process and receive feedback on how scrutiny input has been reflected in final plans. Any issues arising can be reflected in the future committee work programme.	Scrutiny

Current scrutiny reviews and other work underway	Date available
<p>Agile Working Reference Group A final meeting of the Reference Group is planned for September 2016 to review the progress of the Agile Programme as the programme comes to an end. A report back from the Reference Group is planned for the November Scrutiny Committee meeting.</p>	November 2016

Current scrutiny reviews and other work underway	Date available
<p>Libraries' Transformation Programme. The Scrutiny Committee has formed a Review Board and will participate in the work to develop the Libraries' strategic commissioning strategy, which looks at the future provision of library services in East Sussex.</p>	To be agreed

Potential future scrutiny work (Proposals and ideas for future scrutiny topics appear here)

Background / information reports circulated to the Committee (Items in this list are circulated to Members by email and appear on committee agendas only when proposed for scrutiny by committee members)	Date to be circulated

<p>Enquiries: Democratic Services Author: Simon Bailey, Democratic Services Officer Telephone: 01273 481935 Email: simon.bailey@eastsussex.gov.uk</p> <p>Access agendas and minutes of Audit, Best Value and Community Services Scrutiny Committee: https://democracy.eastsussex.gov.uk/mgCommitteeDetails.aspx?ID=132</p>	<p>Version number: v.43</p>
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Accessibility help

Zoom in or out by holding down the Control key and turning the mouse wheel.

CTRL and click on the table of contents to navigate.

Press CTRL and Home key to return to the top of the document

Press Alt-left arrow to return to your previous location.

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EAST SUSSEX COUNTY COUNCIL'S FORWARD PLAN

The Leader of the County Council is required to publish a forward plan setting out matters which the Leader believes will be the subject of a key decision by the Cabinet or individual Cabinet member in the period covered by the Plan (the subsequent four months). The Council's Constitution states that a key decision is one that involves

- (a) expenditure which is, or the making of savings which are, significant having regard to the expenditure of the County Council's budget, namely above £500,000 per annum; or
- (b) is significant in terms of its effects on communities living or working in an area comprising two or more electoral divisions.

As a matter of good practice, the Council's Forward Plan includes other items in addition to key decisions that are to be considered by the Cabinet/individual members. This additional information is provided to inform local residents of all matters to be considered, with the exception of issues which are dealt with under the urgency provisions.

For each decision included on the Plan the following information is provided:

- Page 205 -
- the name of the individual or body that is to make the decision and the date of the meeting
 - the title of the report and decision to be considered
 - groups that will be consulted prior to the decision being taken
 - a list of other appropriate documents
 - the name and telephone number of the contact officer for each item.

The Plan is updated and published every month on the Council's web-site two weeks before the start of the period to be covered.

Meetings of the Cabinet/individual members are open to the public (with the exception of discussion regarding reports which contain exempt/confidential information). Copies of agenda and reports for meetings are available on the web site in advance of meetings. For further details on the time of meetings and general information about the Plan please contact Andy Cottell at County Hall, St Anne's Crescent, Lewes, BN7 1SW, or telephone 01273 481955 or send an e-mail to andy.cottell@eastsussex.gov.uk.

For further detailed information regarding specific issues to be considered by the Cabinet/individual member please contact the named contact officer for the item concerned.

EAST SUSSEX COUNTY COUNCIL

County Hall, St Anne's Crescent, Lewes, BN7 1UE

For copies of reports or other documents please contact the officer listed on the Plan or phone 01273 335138

FORWARD PLAN – EXECUTIVE DECISIONS (including Key Decisions) –1 September 2016 TO 31 December 2016

Additional notices in relation to Key Decisions and/or private decisions are available on the Council's website via the following link:

<http://www.eastsussex.gov.uk/yourcouncil/about/committees/download.htm>

Cabinet membership:

Councillor Keith Glazier - Lead Member for Strategic Management and Economic Development

Councillor David Elkin – Lead Member for Resources

Councillor Chris Dowling – Lead Member for Community Services

Councillor Rupert Simmons – Lead Member for Economy

Councillor Carl Maynard – Lead Member for Transport and Environment

Councillor Bill Bentley – Lead Member for Adult Social Care

Councillor Sylvia Tidy – Lead Member for Children and Families

Councillor Nick Bennett – Lead Member for Education and Inclusion, Special Educational Needs and Disability

Date for Decision	Decision Taker	Decision/Key Issue	Decision to be taken wholly or partly in private (P) or Key Decision (KD)	Consultation	List of Documents to be submitted to decision maker	Contact Officer
12 Sep 2016	Lead Member for Education and Inclusion, Special Educational Needs and Disability	Final decision on the proposed enlargement of Meridian Community Primary School	KD	Local Members	Report, other documents may also be submitted	Gary Langford 01273 481758
15 Sep 2016	Lead Member for Resources	To consider and agree new Farm Business Tenancy (FBT) terms for existing tenancy and disposal of part of Hye House Farm	P	Local Members	Report, other documents may also be submitted	John Stebbings 02082132554
15 Sep 2016	Lead Member for Resources	To consider a report to lease surplus land, formerly part of Beacon Community		Local Members	Report, other documents may	Kate Nicholson 01273 336487

		College, to Crowborough Town Council for use as a Pocket Park Nature Reserve.			also be submitted	
15 Sep 2016	Lead Member for Resources	<p>Notice of Motion: Make fair transitional state pension arrangements for 1950s women.</p> <p>To consider the motion that "The Council calls upon the Government to make fair transitional state pension arrangements for all women born on or after 6 April 1951, who have unfairly borne the burden of the increase to the State Pension Age with lack of appropriate notification."</p>			Report, other documents may also be submitted	Ola Owolabi 01273 482017
15 Sep 2016	Lead Member for Resources	St Anne's School site, Lewes: future options To consider future options for the St Anne's School site, following the end of negotiations relating to the Community Asset Transfer.		Local Members	Report, other documents may also be submitted	Kevin Foster 01273 481412
19 Sep 2016	Lead Member for Transport and Environment	Provision of an on street advisory disabled bay in Tower Road, St Leonards To consider concerns raised by objector regarding the provision of an advisory disabled parking bay in Tower Road, St Leonards on Sea		Local Members	Report, other documents may also be submitted	Clare Akehurst 01323 463402
19 Sep 2016	Lead Member for Transport and Environment	To consider the results of the Alfriston High Street traffic consultation and determine whether or not the introduction of the proposed traffic signals scheme should proceed		Local Members	Report, other documents may also be submitted	Andrew Keer 01273 336682

19 Sep 2016	Lead Member for Transport and Environment	Rotherfield HGV Management To note the results of the public consultation and agree that the proposals, together with the suggestions from Crowborough Town Council, should be progressed to detailed design and construction.		Public consultation was undertaken in April/May 2016 and the construction of the proposals is currently in the 2016/17 Integrated Works Capital Programme. Local Members	Report, other documents may also be submitted	Andrew Keer 01273 336682
19 Sep 2016 Page 208	Lead Member for Transport and Environment	To report the results of a local consultation exercise on a pedestrian crossing scheme along The Ridge, outside Sandown Primary School, Hastings, and address a submitted petition requesting an update on the design and construction for the proposal.		Letter and plan distributed to School, all properties in immediate vicinity, County and Borough Councillors and statutory emergency services. Local Members Lead Petitioner	Report, other documents may also be submitted	Tracey Vaks 01273 482123
20 Sep 2016	Cabinet	Council Monitoring: Quarter 1 2016/17 The consider the Council Monitoring report for the first quarter of the financial year	KD		Report, other documents may also be submitted	Jane Mackney 01273 482146

		2016/17.				
20 Sep 2016	Cabinet	To consider the Employability and Skills Strategy 2016 -2018	KD		Report, other documents may also be submitted	Holly Aquilina 01323 463538
20 Sep 2016	Cabinet	Land Exchange at Yew Tree Cottage, Coleman's Hatch To consider proposals in relation to an Ashdown Forest Land exchange		Local Member	Report, other documents may also be submitted	Gregg Shemwell 01273 336968
20 Sep 2016	Cabinet	The revised East Sussex Local Flood Risk Management Strategy To consider revisions to the adopted Local Flood Risk Management Strategy, following public consultation, with a view to adopting this draft strategy as County Council policy	KD		Report, other documents may also be submitted	Nick Claxton 01273 481407
28 Sep 2016	Lead Member for Community Services	To consider a petition regarding road safety at Horsted Road, Danehill.		Lead Petitioner / Local Member	Report, other documents may also be submitted	Candice Miller 01273 482718
28 Sep 2016	Lead Member for Community Services	To consider a petition regarding North and East Beeches Road, Crowborough		Lead Petitioner / Local Members	Report, other documents may also be submitted	Nick Skelton 01273 482994
28 Sep 2016	Lead Member for Community Services	To consider a petition for a review of the speed limited in the village of Dallington		Lead Petitioner / Local Members	Report, other documents may also be submitted	Michael Higgs 01273 482106

28 Sep 2016	Lead Member for Community Services	Proposed Bus Stop Clearway - Plumpton To resolve an objection received to a proposal to implement a Bus Stop Clearway in Plumpton		Local Members	Report, other documents may also be submitted	Victoria Bartholomew 01424 724284
28 Sep 2016	Lead Member for Community Services	To consider the provision of an advisory on-street disabled parking bay for No. 54 Hornbeam, Burwash		Local Members	Report, other documents may also be submitted	Victoria Bartholomew 01424 724284
28 Sep 2016	Lead Member for Community Services	To consider an objection received to the provision of an on-street advisory disabled parking bay in Manor End Uckfield		Local Member	Report, other documents may also be submitted	Victoria Bartholomew 01424 724284
10 Oct 2016 Page 210	Lead Member for Education and Inclusion, Special Educational Needs and Disability	Admission arrangements for 2018/19 year To consider Admission Arrangements for 2017/2018.	KD		Report, other documents may also be submitted	Jo Miles 01273 481911
11 Oct 2016	Leader and Lead Member for Strategic Management and Economic Development	To consider Nominations Agreements for Extra Care and Learning Disability House Schemes		Local Member	Report, other documents may also be submitted	Rebekah Herring 01273 481630
11 Oct 2016	Cabinet	Reconciling Policy, Performance and Resources (RPPR) 2017/18 To consider the draft service plans and provisional savings proposals for 2017/18.	KD		Report, other documents may also be submitted	Jane Mackney 01273 482146
11 Oct 2016	Cabinet	To consider representations received in			Report, other	Gary Langford

		response to the publication of a statutory notice regarding the proposed closure of Pells CE Primary School, Lewes and to make a decision as to whether the School should be discontinued.	KD		documents may also be submitted	01273 481758
11 Oct 2016	Cabinet	Treasury Management Annual Report 2015/16 and mid year report (2016/17) Review of Treasury Management performance: The report will set out <ul style="list-style-type: none"> • A summary of the original strategy agreed for 2015/16 and the economic factors affecting this strategy in the first six months of the year. • The treasury management activity during the first six months. • The performance to date of the Prudential Indicators, which relate to the Treasury function and compliance within limits. • The outturn report. 	KD		Report, other documents may also be submitted	Ola Owolabi 01273 482017
17 Oct 2016	Lead Member for Transport and Environment	To consider the response to a petition calling upon the County council to take action with regards to parking in Langney Village, in order to make a safer environment for the children attending Langney County Primary School.		Local Members / Lead Petitioner	Report, other documents may also be submitted	Michael Blaney 01424 726142
17 Oct 2016	Lead Member for Transport and Environment	To consider a petition that is requesting parking restrictions at the top end of St Johns Road, St Leonards-On-Sea		Local Members / Lead Petitioner	Report, other documents may also be submitted	Michael Blaney 01424 726142

17 Oct 2016	Lead Member for Transport and Environment	To consider the response to a petition asking for the extension of double yellow lines to facilitate access and egress to Oliver Close in Hastings		Local Members / Lead Petitioner	Report, other documents may also be submitted	Michael Blaney 01424 726142
18 Oct 2016	Cabinet	To consider a report regarding the Government's Four Year Settlement Offer	KD		Report, other documents may also be submitted	Kevin Foster 01273 481412
26 Oct 2016	Lead Member for Community Services	Petition to reduce the speed limit on B2169 (Bayham Road) To consider whether a lower speed limit on the B2169 Bayham Road would be a priority for the County Council		Local Members / Lead Petitioner	Report, other documents may also be submitted	Michael Higgs 01273 482106
26 Oct 2016	Lead Member for Community Services	Voluntary and Community Sector (VCS) infrastructure review and Speak Up contract To consider a report on the Voluntary & Community Sector infrastructure review and Speak Up contract.	KD		Report, other documents may also be submitted	Paul Rideout 01273 482911
14 Nov 2016	Lead Member for Education and Inclusion, Special Educational Needs and Disability	To seek approval to and authorise the publication of statutory notices in respect of a proposal to lower the school age at Telscombe Cliffs Primary School.		Local Members	Report, other documents may also be submitted	Jane Spice 01323 747425
15 Nov 2016	Cabinet	East Sussex Better Together Accountable Care Model To consider the business case and plans to develop an Accountable Care model in East Sussex	KD		Report, other documents may also be submitted	Vicky Smith 01273 482036

15 Nov 2016	Cabinet	East Sussex Broadband: next steps To consider options for enabling even higher levels of broadband coverage, building on the success of the existing two contracts	KD		Report, other documents may also be submitted	Katy Thomas 01273 482645
15 Nov 2016	Cabinet	Looked After Children Annual Report To consider the Looked After Children Annual Report			Report, other documents may also be submitted	Liz Rugg 01273 481274
15 Nov 2016	Cabinet	Property Investment Strategy To consider a report on a Property Investment Strategy for East Sussex County Council.	KD		Report, other documents may also be submitted	John Stebbings 02082132554
15 Nov 2016	Cabinet	South East Seven (SE7) Update To consider an update report on the South East Seven (SE7) Partnership.			Report, other documents may also be submitted	Jane Mackney 01273 482146
13 Dec 2016	Cabinet	Annual Audit Letter 2015/16 To consider the Annual Audit Letter and fee update for 2015/16			Report, other documents may also be submitted	Russell Banks 01273 481447
13 Dec 2016	Cabinet	Council Monitoring: Quarter 2 2016/17 The consider the Council Monitoring report for Quarter 2, 2016 - 17	KD		Report, other documents may also be submitted	Jane Mackney 01273 482146

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