



## CABINET

TUESDAY, 7 MARCH 2017

10.00 AM COUNCIL CHAMBER, COUNTY HALL, LEWES

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

## A G E N D A

- 1 Minutes of the meeting held on 24 January 2017 (*Pages 3 - 8*)
- 2 Apologies for absence
- 3 Disclosures of interests  
Disclosures by all members present of personal interests in matters on the agenda, the nature of any interest and whether the member regards the interest as prejudicial under the terms of the Code of Conduct.
- 4 Urgent items  
Notification of items which the Chair considers to be urgent and proposes to take at the appropriate part of the agenda. Any members who wish to raise urgent items are asked, wherever possible, to notify the Chair before the start of the meeting. In so doing, they must state the special circumstances which they consider justify the matter being considered urgent.
- 5 Council Monitoring: Quarter 3 2016/17 (*Pages 9 - 48*)  
Report by Chief Executive
- 6 National Funding Formula for Schools Consultation – Stage 2 (*Pages 49 - 58*)  
Report by Director of Children's Services
- 7 East Sussex Better Together - Strategic Commissioning Board (*Pages 59 - 66*)  
Report by Director of Adult Social Care and Health
- 8 East Sussex County Council's Response to the Government's 'Building our Industrial Strategy' Green Paper (*Pages 67 - 84*)  
Report by Director of Communities, Economy and Transport
- 9 Outcome of the Ofsted and Care Quality Commission local area Special Educational Needs and Disability Inspection (*Pages 85 - 100*)  
Report by Director of Children's Services
- 10 Any other items considered urgent by the Chair
- 11 To agree which items are to be reported to the County Council

PHILIP BAKER  
Assistant Chief Executive  
County Hall, St Anne's Crescent  
LEWES BN7 1UE

27 February 2017

Contact Andy Cottell, 01273 481955,  
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[www.eastsussex.gov.uk/yourcouncil/webcasts/default.htm](http://www.eastsussex.gov.uk/yourcouncil/webcasts/default.htm)

## **CABINET**

MINUTES of a meeting of the Cabinet held on 24 January 2017 at Council Chamber, County Hall, Lewes

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

Members spoke on the items indicated

Councillor Barnes	- item 5 (minute 54)
Councillor Blanch	- item 5 (minute 54)
Councillor Clark	- item 5 (minute 54)
Councillor Daniel	- item 5 (minute 54)
Councillor Davies	- item 5 (minute 54)
Councillor Field	- item 5 (minute 54)
Councillor Keeley	- item 5 (minute 54)
Councillor S Shing	- item 5 (minute 54)
Councillor Shuttleworth	- item 5 (minute 54)
Councillor Stogdon	- item 5 (minute 54)
Councillor St Pierre	- item 5 (minute 54)
Councillor Tutt	- item 5 (minute 54)
Councillor Ungar	- item 5 (minute 54)
Councillor Webb	- item 5 (minute 54)

## 52 MINUTES OF THE MEETING HELD ON 13 DECEMBER 2016

52.1 The minutes of the Cabinet meeting held on 13 December 2016 were agreed as a correct record

## 53 REPORTS

53.1 Copies of the reports referred to below are included in the minute book

## 54 RECONCILING POLICY, PERFORMANCE AND RESOURCES

54.1 The Cabinet considered a report by the Chief Executive, together with further information received following the publication of the Cabinet agenda including a summary of the consultation meeting held with Trade Unions and additional comments from the Adult Social Care and Community Safety Scrutiny Committee and a petition in relation to the Duke of Edinburgh Award Scheme

54.2 The following amendment moved by Councillor Elkin and seconded was CARRIED

Delete recommendation 2. (iv) and replace with:

2. (iv) Approve the net Revenue Budget estimate of £365.0m for 2017/18 set out in Appendix 2, including the contribution to the East Sussex Better Together budget of £135.0m and authorise the Chief Operating Officer, in consultation with the Chief Finance Officer, Leader and Deputy Leader, to make adjustments to the presentation of the budget book to reflect the final settlement and final budget decisions; subject to the amendments set out below:

Deleting the following savings proposals Children's Services:

Duke of Edinburgh- County Council continues to co-ordinate the Duke of Edinburgh award scheme - £0.029m

Youth Cabinet - continue to organise the election and running of Youth Cabinet - £0.041m

Increase investment into the following areas in support of the County Councils priorities:

1. Highways: additional investment into highways drainage to support the strategic asset management approach to maintaining the highways infrastructure £1.000m
2. Highways: Additional investment into highways pavements to support mobility in local communities - £0.300m
3. Communities: Additional investment into Community Match - £0.150m
4. Children's Services: Additional investment into Youth Services
  - Detached and mobile outreach Youth Work Programmes – working with community safety to identify and then target Antisocial Behaviour hot spots - £0.045m
  - Junior Autistic Spectrum Disorder activity sessions – £0.052m
  - Drop in group work provision in targeted communities - £0.033m
5. Transition funding for schools for 2017/18: Allocate £0.750m to schools to mitigate impact of changes to High Needs Block

Delete recommendation 2. (vi) and replace with:

2 (vi) Approve the Capital Programme for 2016- 2023, including a commitment to a 5 year Highways maintenance programme of £91.3m, as set out in Appendices 2 and 8, subject to an annual reduction in the revenue contribution to the capital programme of £2.0m.

Note:

The additional investment set out in 2(iv)5, transition funding for schools in 2017/18, to be funded by reducing the Transformation and Delivery Risk Provision accordingly.

The remaining additional investment set out in amended recommendation 2(iv) totals £1.650m per annum to be funded by the reduction of the revenue contribution to the Capital Programme of £1.650m. In addition it increases the provision required in the revenue budget to repay borrowing by £0.350m per annum. So the total reduction in the revenue contribution to the capital programme is £2.0m which is to fund the additional investment plus the increased interest costs of borrowing.

54.3 It was RESOLVED to:

1. Approve the fees and charges set out in Appendix 6 and delegate authority to the Chief Finance Officer to approve an increase to all other fees and charges by up to 2%;
2. Recommend County Council to:
  - i. Approve in principle the draft Council Plan at Appendix 1 and authorise the Chief Executive to finalise the Plan in consultation with the relevant Lead Members;
  - ii Increase council tax by 3% for the adult social care precept to help mitigate the pressures on Social Care;
  - iii. increase the level of the general council tax by 1.99% in line with the current Medium Term Financial Plan (MTFP) (Appendix 3) and then issue precepts accordingly to be paid by Borough and District Councils in accordance with the agreed schedule of instalments at Appendix 7;
  - iv Approve the net Revenue Budget estimate of £365.0m for 2017/18 set out in Appendix 2, including the contribution to the East Sussex Better Together budget of £135.0m and authorise the Chief Operating Officer, in consultation with the Chief Finance Officer, Leader and Deputy Leader, to make adjustments to the presentation of the budget book to reflect the final settlement and final budget decisions; subject to the amendments set out below:

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  - Drop in group work provision in targeted communities - £0.033m
5. Transition funding for schools for 2017/18: Allocate £0.750m to schools to mitigate impact of changes to High Needs Block
- v. Approve the fees and charges set out in Appendix 6 and delegate authority to the Chief Finance Officer to approve an increase to all other fees and charges by up to 2%;
- vi. Approve the Capital Programme for 2016- 2023, including a commitment to a 5 year Highways maintenance programme of £91.3m, as set out in Appendices 2 and 8, subject to an annual reduction in the revenue contribution to the capital programme of £2.0m.
- vii. Note the MTFP forecast for the period 2018/19 to 2020/21, as set out in Appendix 3;
- viii Note the comments of the Chief Finance Officer on budget risks and robustness, as set out in Appendix 9;
- ix Note the draft Strategic Investment Plan for East Sussex Better Together set out at Appendix 5; and
- x. Note the comments from engagement exercises set out in Appendix 10

Reason

54.4 The financial challenge the Council faces is considerable and the choices between saving and spending areas are difficult. In making recommendations to the County Council, the Cabinet has sought to balance the needs of residents and businesses in the County for services and the affordability of those services.

55 EAST SUSSEX, SOUTH DOWNS AND BRIGHTON & HOVE WASTE AND MINERALS SITES PLAN AND REVISED EAST SUSSEX MINERALS AND WASTE DEVELOPMENT SCHEME

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

55.2 It was RESOLVED to recommend the County Council to:

- (1) agree to adopt and publish the Waste and Minerals Sites Plan, incorporating the main modifications and minor modifications, and updated Policies Map;
- (2) publish the relevant adoption statement and Sustainability Appraisal (incorporating Strategic Environmental Assessment) Report;
- (3) authorise the Director of Communities, Economy and Transport to agree any further minor non-material changes to the content of the Waste and Minerals Sites Plan with the South Downs National Park Authority and Brighton & Hove City Council prior to publication; and
- (4) agree to adopt the revised Minerals and Waste Development Scheme attached as Appendix 2 to the report.

#### Reason

55.3 Following a Public Examination into the WSMP, the Inspector who carried out the examination has found that the Plan, subject to Main Modifications, is legally compliant and sound which means that the Council should now adopt the WMSP. The WMSP contains waste and minerals site specific planning policy to 2026 which replaces the remainder of the saved policies contained in the Waste Local Plan (2006) and Minerals Local Plan (1999). The revised Minerals and Waste Development Scheme, should the Council adopt the WMSP, will reflect the adoption of the WMSP and commit the Council to undertaking a review of relevant minerals policies within the WMP in partnership with the South Downs National Park Authority and Brighton & Hove City Council.

#### 56 TREASURY MANAGEMENT POLICY AND STRATEGY 2017/18

56.1 The Cabinet considered a report by the Chief Operating Officer

56.2 It was RESOLVED to recommend the County Council to:

- (1) approve the Treasury Management Policy and Strategy Statement for 2017/18;
- (2) approve the Prudential and Treasury Indicators 2017/18 to 2019/20; and
- (3) approve the revised Minimum Revenue Provision Policy Statement 2016/17 and 2017/18

#### Reason

56.3 The Policy sets out the acceptable limits on ratings, investment periods, amounts to be invested and the borrowing strategy. The financial position is kept under constant review and if at any time it is felt that any of these limits represent an unacceptable risk appropriate and immediate action will be taken accordingly

#### 57 APPOINTMENT OF EXTERNAL AUDITORS

57.1 The Cabinet considered a report by the Chief Operating Officer

57.2 It was RESOLVED to recommend the County Council to:

- (1) approve that the Council opts into the national scheme for the appointment of an External Auditor to the Council for 2018/19;
- (2) approve the adoption of Public Sector Audit Appointments (PSAA) as the appointing persons for the Council; and
- (3) approve the inclusion of a request for a collaborative auditor appointment with Orbis partners (Surrey County Council and Brighton & Hove City Council) in the prescribed acceptance form

## Reason

57.3 Opting into the national scheme is one choice open to the Council. The PSAA have the support of the LGA, which has worked to secure the option for principal local government bodies to appoint auditors through a dedicated sector-led national procurement body. Appointing an External Auditor via a national collective scheme has some clear advantages, which are outlined in paragraph 3.3 of this report. There are also benefits to the Council in requesting a collaborative auditor appointment with the other Orbis partners.

## 58 CONSERVATORS OF ASHDOWN FOREST BUDGET 2017/18

58.1 The Cabinet considered a report by the Chief Operating Officer

58.2 It was RESOLVED to:

1. approve the Conservators' budget for 2017/18;
2. recommend to the County Council the annual contribution of £68,220 for 2017/18 from Communities, Economy and Transport (CET) budget; and
3. approve the annual grant for 2017/18 from the Trust Fund of £65,100

## Reason

58.3 The County Council has a statutory obligation to meet the shortfall between approved expenditure and income of the Conservators and it has the responsibility for approving the level of expenditure

## 59 ITEMS ARE TO BE REPORTED TO THE COUNTY COUNCIL

59.1 The Cabinet agreed that items 5, 6, 7, 8, and 9 should be reported to the County Council  
*[Note: The items being reported to the County Council refer to minute numbers 54, 55, 56, 57 and 58]*

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**Report to:** Cabinet  
**Date:** 7 March 2017  
**Report by:** Chief Executive  
**Title:** Council Monitoring Report – quarter 3 2016/17  
**Purpose:** To report Council Plan and Finance monitoring for quarter 3 2016/17

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## RECOMMENDATIONS

Cabinet is recommended to:

1) note the latest monitoring position for the Council

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### 1. Introduction

1.1 This report sets out the Council's position and year-end projections for the Council Plan targets, Revenue Budget, Capital Programme, Savings Plan, together with Risks for quarter 3 (October – December) 2016.

1.2 Broad progress against the Council's four strategic priority outcomes is summarised below and an overview of finance and performance data is provided in the Corporate Summary at Appendix 1. Strategic risks are reported at Appendix 7.

### 2. Overview of 2016/17 Council Plan

2.1 More detail of progress against each of our priority outcomes for 2016/17 is set out in paragraph 3 below. Of the 67 Council Plan targets, 44 (66%) are rated green, 14 (21%) are rated amber and 9 (13%) are rated red.

2.2 Work within services to reduce or mitigate the overall overspend has been ongoing. At quarter 3, the gross projected year-end overspend within service departments is £6.9m a reduction from the £8.3m overspend reported at quarter 2. The main areas of overspend are:-

- £4.7m in Adult Social Care (£6.1m at quarter 2), mainly the result of ongoing pressures on Independent Sector Care. The reduction of £1.4m between quarter 2 and quarter 3 reflects revisions in modelled demand and attrition, together with small reductions in service activity in the period. The position continues to be monitored and is included within the development of the East Sussex Better Together (ESBT) Strategic Investment Plan and ongoing discussions with Clinical Commissioning Groups.
- £3.0m in Children's Services (£2.8m at quarter 2). This is within Education and ISEND, Looked after Children and Home to School Transport, and is the result of demand led pressures (detail of pressures identified in quarter 3 is provided in Appendix 4). Children's Services have sought to mitigate some of the service pressure through reductions in expenditure in other areas of the service. Measures include keeping vacancies open and a reduction in forecast legal costs, offsetting reduced trading income with schools and increased Early Years Education Entitlement costs due to children accessing the service earlier and for more hours.

2.3 There are budget pressures across all departments, within Communities, Economy and Transport; Business Services; and Governance; these are being successfully contained and there is a small underspend of £0.8m being reported across these services.

2.4 Within centrally held budgets there is a pressure of £0.3m for the Council's share of the East Sussex Business Rates Pool and Business Rates Cap Compensation and there continues to be a pressure of £0.2m for the Education Services Grant (ESG).

2.5 Provision was made across 2016/17 and 2017/18 for the cost of the National Living Wage. Confirmation of the 2017/18 rate in the Autumn Statement in November 2016 has resulted in an underspend of £0.3m as this amount is no longer required to be set aside. The overall overspend on centrally held budgets is therefore currently forecast at £0.2m in 2016/17. Giving a total overspend of £7.1m.

2.6 Following the review of our Minimum Revenue Provision (MRP) Policy and the Treasury Management budgets, there will be a reduced charge to revenue in 2016/17 of £8.2m. Normal practice is to transfer any net treasury management underspend to the Capital Programme to reduce borrowing, but this could be used to mitigate a net overspending on the General Fund if required.

2.7 The general contingency of £3.4m is also available to offset this overspend. Should the position remain unchanged there will therefore be a general fund surplus of £4.5m (the projected overspend at paragraph 2.5 of £7.1m less the MRP & Treasury Management underspend of £8.2m and the general contingency of £3.4m = £4.5m). It is proposed that this balance be held to manage the ongoing financial risks identified as part of the budget setting process. These include the impact of the Business Rate Revaluation on Business Rates, savings realisation, the proposed financial arrangements for ESBT or to manage down borrowing. Work will continue within services to reduce or mitigate the overall overspend where possible.

2.8 As part of budget setting, the current Capital Programme has been adjusted to reflect the updated forecast position at quarter 2 including any further approved variations. The quarter 3 Capital Programme is monitored against the revised programme submitted to the Council in February in addition to any further approved variations. The forecast spending for the year is projected at £85.7m against a budget of £91.9m, a variation of £6.2m. The variation comprises slippage of £6.5m offset by spend in advance of £0.3m.

2.9 The additional Capital slippage at quarter 3 mainly comprises:

- £1.5m on Integrated Transport, due to significant delays in receiving target costs from the contractor. The full impact of the target costs has not yet been fully assessed and therefore the resulting slippage could increase.
- £1.4m on Capital Building improvements as a result of extended tender processes and longer re-evaluations of building usage.
- A review of Property Agile works has re-profiled £1.2m into future years due to the consultation period for the Property Agile programme at St Mark's and parking at County Hall being longer than anticipated, the latter due to needing to seek advice towards the end of 2016, from planners and the South Downs National Park Authority, about use of surrounding sites, e.g. St Anne's, and entering discussions with other bodies, such as blue light organisations, about the impact of using the site, which was not planned.
- Queensway Gateway Road has slipped £1m due to delays in the planning process and discharging of the planning conditions.
- ICT Strategy Implementation has slipped £0.4m, mainly due to the LAN Replacement project, due to receiving advice that more competitive prices could be achieved by entering procurement negotiations in quarter 1 of 2017/18, rather than the current year.
- Libraries refurbishment has slipped £0.3m due to work to refurbish Battle library starting later than planned as it was being considered as part of a bigger development plan which has not materialised.

2.10 The spend in advance of £0.3m relates mainly to Meridian School within the Schools Basic Need Programme

2.11 The Strategic Risk Register, Appendix 7, has been reviewed. Risk 5 (Reconciling Policy, Performance and Resource), Risk 6 (Local Economic Growth), Risk 8 (Capital Programme) and Risk 9 (Workforce) all have updated Risk Control measures. One new risk (Apprenticeship Levy) has been added to the Strategic Risk Register for this review, and no existing risks have been removed. Risk 8 (Capital Programme) has reduced from a 'Red' to an 'Amber' risk rating. All other risk ratings remain unchanged.

2.12 The final local government settlement was announced on 20 February 2017 and is consistent with the Council's financial position that was set out in the RPPR report on 7 February 2017.

### **3. Progress against Council Priorities**

#### **Driving economic growth**

3.1 Work continues to establish a Sub-National Transport Body for the South East, and all SE7 Authorities have now agreed to the establishment of a Shadow Body. Work in quarter 4 will focus on developing a constitution and draft Transport Strategy (Appendix 6).

3.2 37 businesses have been supported with grants and loans so far in 2016/17. These businesses are projecting to create 122 jobs and safeguard a further 40 (Appendix 5).

3.3 70 apprentices have been recruited in 2016/17: 21 with the Council, with a further two progressing on to a further apprenticeship; nine with Costain CH2M; and 38 with schools. Of the 93 apprentices who are due to be taking part in the programme in quarter 3, seven finished their apprenticeship and moved on to a positive outcome, 10 others left their apprenticeship in quarter 3 with six moving on to a positive outcome. The rate of retention and/or positive outcomes stands at 95% (Appendix 5).

3.4 82 online learning courses were completed in our libraries in quarter 3, on topics including English, maths and IT. 249 courses have been completed so far in 2016/17 (Appendix 5).

3.5 Figures from the Department of Education show the achievement gap between the lowest achieving 20% of pupils and the median at the Early Years Foundation Stage in East Sussex, in academic year 2015/16, is 28.1%, 3.3 percentage points better than the national average of 31.4% (Appendix 4).

3.6 71% of Council spend in quarter 3 was with local suppliers, over the last 12 months the Council has spent £195m with over 7,000 local suppliers (Appendix 3).

3.7 Locate East Sussex has helped 35 companies start up, relocate or expand in East Sussex during 2016/17 (Appendix 5).

3.8 The road condition statistics for 2016/17 have been published, the percentage of principal and non-principal roads which require maintenance have remained the same as in 2015/16, 5% and 6% respectively, while the percentage of unclassified roads requiring maintenance has improved from 22% in 2015/16 to 19% in 2016/17 (Appendix 5).

#### **Keeping vulnerable people safe**

3.9 Legal Services advised and represented Trading Standards in two successful prosecutions, one for a rogue trader who preyed on elderly vulnerable people, and the second for a company director who duped investors into paying thousands of pounds for worthless franchises (Appendix 6).

3.10 Recent changes to case law reducing the amount of time a child can be looked after by a local authority without a Care Order, and a general increase in referrals, have seen a sustained increase in child care proceedings in court in 2016/17. There were 30 cases in quarter 3 compared to 21 for the same period last year. The average case duration was 26.8 weeks, just above the Government's target of 26 weeks (Appendix 6).

3.11 Where possible, we seek to enable families to keep their children within the family, rather than undertaking legal care proceedings, and this may lead to a child being placed on a Child Protection (CP) plan. The rate of children with a CP plan has increased from 42.7 children per 10,000 at quarter 2 to 46.3 in quarter 3 against a target rate of 41 (Appendix 4).

3.12 78% of people affected by domestic violence and abuse who have exited the specialist domestic abuse and sexual violence service (Portal) in 2016/17 say they are better able to cope and/or have improved self-esteem. The figure for those affected by rape, sexual violence and abuse who are more in control of their lives and/or more optimistic about the future after exiting the service is 81% (Appendix 2).

3.13 We supported the 16 Days of Action for the Elimination of Violence Against Women campaign, which ran from 25 November to 10 December 2016. Over the 16 days a range of agencies, groups and individuals came together to work towards ending all forms of violence against women. The Council has also been recredited as a White Ribbon authority,

recognising the Council's commitment to work to end violence and abuse and ensure survivors can access help and support (Appendix 2).

3.14 35 victims of financial abuse were visited by Trading Standards; amongst these victims officers identified four chronic victims of financial abuse who were helped by interventions from Adult Social Care or befriending services provided by Age Concern (Appendix 5).

### **Helping people help themselves**

3.15 The ESBT Strategic Investment Plan sets out how pooled health and social care budgets will be spent. The Plan identifies a range of schemes which will mitigate increasing demands on services and will be reflected in budgets through the Reconciling Policy, Performance and Resources (RPPR) process. Progress continues across all areas of ESBT, including the delivery of integrated teams, Health and Social Care Connect, crisis response, re-ablement and community resilience. Plans are also being implemented to put in place a transition year for accountable care in 2017/18 prior to the move to fully integrated health and social care (Appendix 2).

3.16 The £1m Road Safety programme is progressing well, a timetabled programme of work has been agreed and we are finalising the involvement of behavioural change experts to help define and focus the project. We will continue to work with the Sussex Safer Roads Partnership and the local Road Safety Partnerships to ensure we target our resources effectively to ensure the maximum outcome from the investment. Provisional data shows there were 113 people Killed or Seriously Injured (KSI) on our roads between July and September 2016, with 10 of these being fatalities. Of these, 21 KSI and one fatality occurred on Trunk Roads, which are the responsibility of Highways England (Appendix 5).

3.17 From 5 to 9 December 2016 Ofsted and the Care Quality Commission (CQC) jointly inspected the local area's effectiveness in identifying and meeting the needs of children and young people who have special educational needs and/or disabilities (SEND). A summary is provided in Appendix 4 and a full report is elsewhere on the Cabinet agenda.

3.18 98.2% of Adult Social Care clients who have received a short-term service in 2016/17 have made no further request for support (Appendix 2).

3.19 2,872 people have been supported by STEPS, which helps people maintain independence within their own homes, in 2016/17. This included 1,605 supported with Housing Support, 1,083 supported by the Navigator Service and 184 supported through the gateway service (Appendix 2).

3.20 Public Health led a programme of work across the county in quarter 3 to tackle the health effects of cold homes. Work included training frontline professionals to enable them to identify people living in cold homes and refer them on to services such as the Winter Home Check (WHC). Public Health also developed a Stay Well This Winter campaign and helped to develop a Locally Enhanced Service for GP staff to help them identify patients at risk of fuel poverty. As a result of this activity 374 referrals to the WHC service were received in quarter 3 (Appendix 2).

3.21 33.7% of adults and older people receiving a service are receiving a Direct Payment. We have implemented improvements to the referral process to ensure clients receive core support throughout their Direct Payment, with further improvements planned for 2017/18. These improvements should make the process easier for clients and increase the number of people receiving a Direct Payment (Appendix 2).

3.22 10 new members were approved by the Support with Confidence service in quarter 3, increasing the total numbers of members to 160 (Appendix 2).

3.23 Café North, a social enterprise in Eastbourne staffed by people who are in recovery from substance misuse addiction, officially opened on 18 November 2016. The opening was attended by service users, partners, Caroline Ansell MP and the Mayor of Eastbourne (Appendix 2).

**Making best use of resources**

3.24 Following work as part of the RPPR process, including consultation and engagement on savings plans, the Council agreed the budget for 2017/18 and the draft Council Plan on 7 February 2017 (Appendix 6).

**Becky Shaw, Chief Executive**

## How to read this report

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

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

### Cover report, Appendix 1

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

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

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

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

### Departmental Appendices 2 - 6

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

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

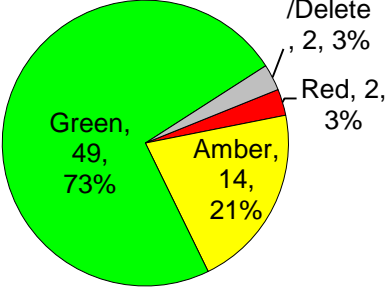
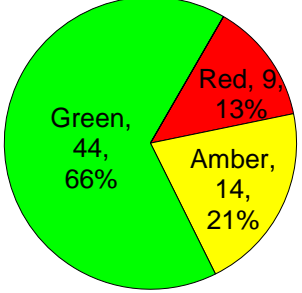
### Strategic Risk Registers Appendix 7

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

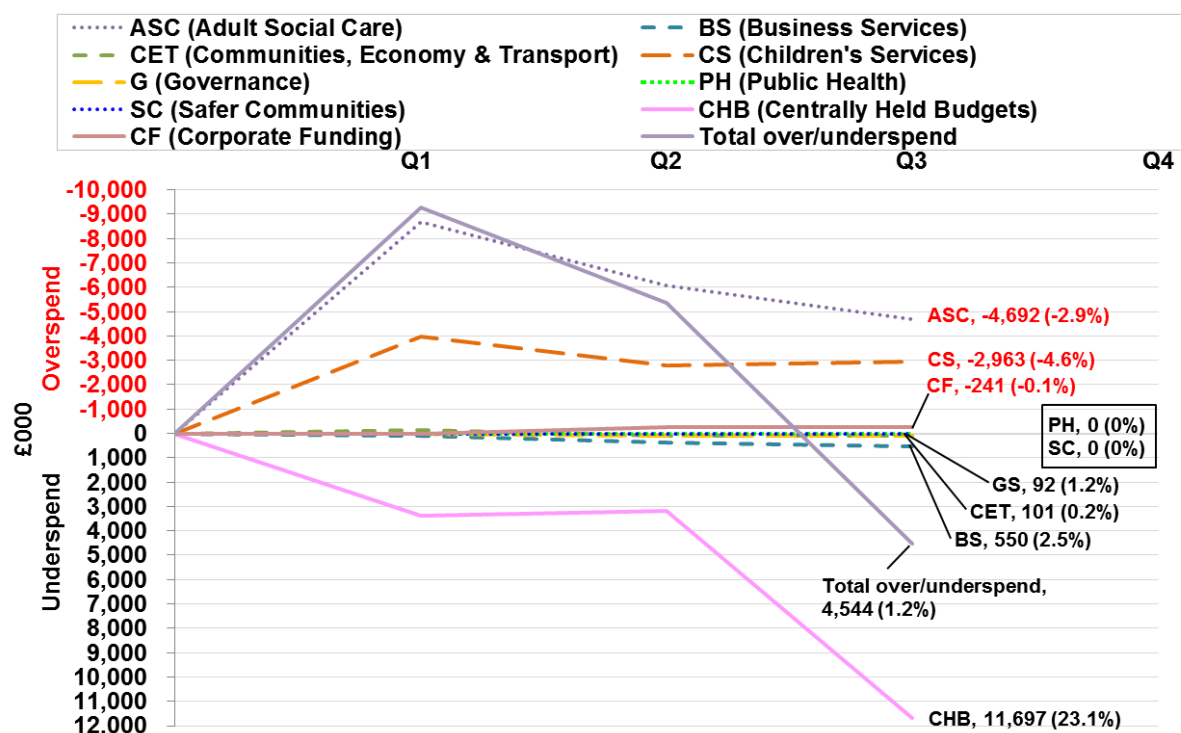
## Council Monitoring Corporate Summary – Q3 2016/17

### Council Plan performance targets

Priority	Red	Amber	Green
Driving economic growth	3	7	22
Keeping vulnerable people safe	2	2	8
Helping people help themselves	3	5	12
Making best use of resources	1	0	2
<b>Total</b>	<b>9</b>	<b>14</b>	<b>44</b>

Q3 2016/17	Q2 2016/17	Q3 2016/17
<p>There are 67 individual measures in the Council Plan.</p> <ul style="list-style-type: none"> <li>Appendix 2 ASC – 2 red, 4 amber,</li> <li>Appendix 3 BSD – 1 red</li> <li>Appendix 4 CSD – 4 red, 7 amber</li> <li>Appendix 5 CET – 2 red, 3 amber</li> </ul>	 <p>Amend /Delete, 2, 3%</p> <p>Red, 2, 3%</p> <p>Amber, 14, 21%</p> <p>Green, 49, 73%</p>	 <p>Red, 9, 13%</p> <p>Amber, 14, 21%</p> <p>Green, 44, 66%</p>

### Revenue budget outturn (net £000)

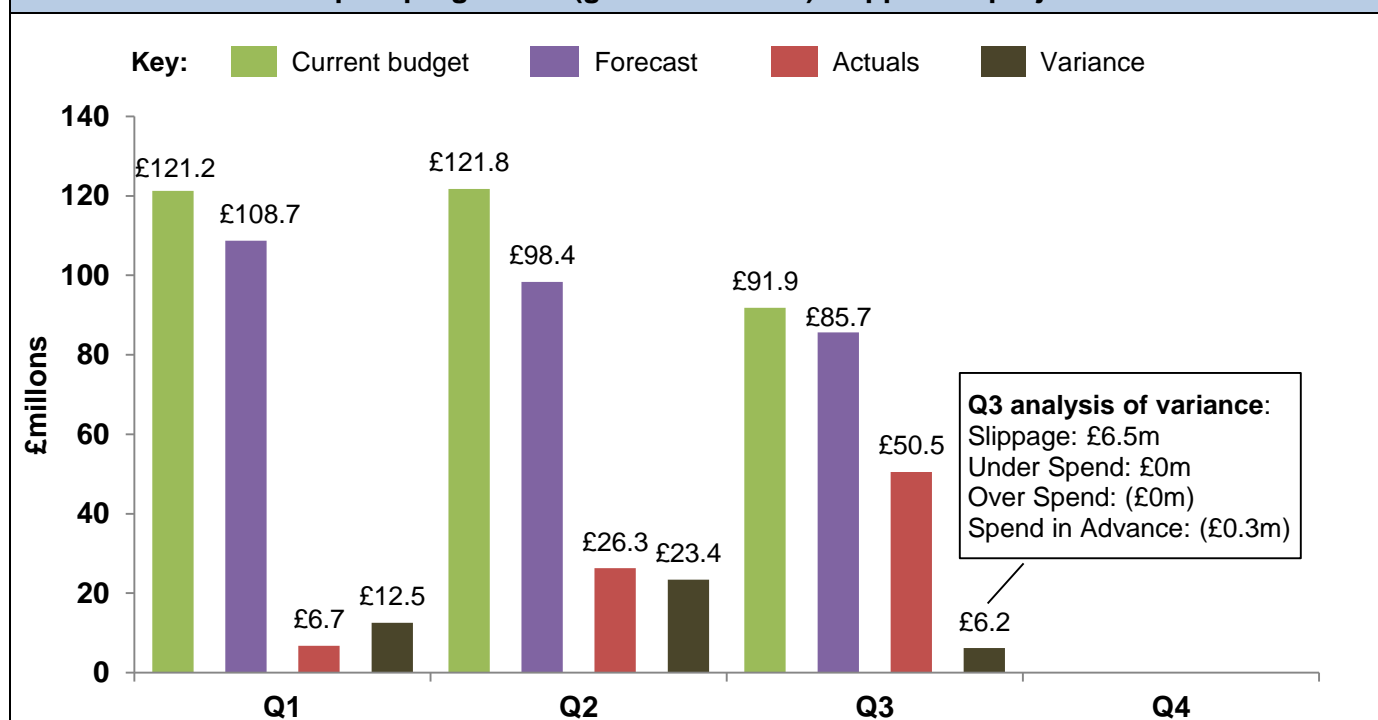


Revenue budget summary (£000)									
	Planned (£000)			Q3 2016/17 (£000)					
				Projected outturn			(Over) / under spend		
	Gross	Income	Net	Gross	Income	Net	Gross	Income	Net
<b>Service Expenditure</b>									
ASC	232,017	(68,831)	163,186	236,287	(68,409)	167,878	(4,270)	(422)	(4,692)
Safer Communities	723	(337)	386	1,200	(814)	386	(477)	477	-
Public Health	33,755	(33,755)	-	33,616	(33,616)	-	139	(139)	-
BSD	49,246	(27,009)	22,237	49,777	(28,091)	21,687	(532)	1,082	550
CSD	324,027	(259,422)	64,605	326,382	(258,814)	67,568	(2,355)	(608)	(2,963)
CET	106,927	(46,109)	60,818	108,067	(47,350)	60,717	(1,140)	1,241	101
GS	8,512	(1,013)	7,499	8,446	(1,039)	7,407	66	26	92
<b>Total Service Spend</b>	<b>755,207</b>	<b>(436,476)</b>	<b>318,731</b>	<b>763,775</b>	<b>(438,133)</b>	<b>325,643</b>	<b>(8,569)</b>	<b>1,657</b>	<b>(6,912)</b>
<b>Centrally Held Budgets</b>									
Treasury Management	27,566	-	27,566	19,366	-	19,366	8,200	-	8,200
Funding Cap Prog.	8,878	-	8,878	8,878	-	8,878	-	-	-
General Contingency	3,390	-	3,390	-	-	-	3,390	-	3,390
Unused Inflation	316	-	316	-	-	-	316	-	316
Education Services Grant	-	-	-	212	-	212	(212)	-	(212)
Pensions	6,299	-	6,299	6,299	-	6,299	-	-	-
Contrib. to Reserves	3,449	-	3,449	3,449	-	3,449	-	-	-
Corporate Grants	-	(58)	(58)	-	(71)	(71)	-	13	13
Levies	441	-	441	446	-	446	(5)	-	(5)
Other	300	-	300	305	-	305	(5)	-	(5)
<b>Total Centrally Held</b>	<b>50,639</b>	<b>(58)</b>	<b>50,581</b>	<b>38,955</b>	<b>(71)</b>	<b>38,884</b>	<b>11,684</b>	<b>13</b>	<b>11,697</b>
<b>Total</b>	<b>805,846</b>	<b>(436,534)</b>	<b>369,312</b>	<b>802,730</b>	<b>(438,204)</b>	<b>364,527</b>	<b>3,115</b>	<b>1,670</b>	<b>4,785</b>
<b>Corporate Funding</b>									
Business Rates	-	(71,400)	(71,400)	-	(71,168)	(71,168)	-	(232)	(232)
Revenue Support Grant	-	(45,107)	(45,107)	-	(45,107)	(45,107)	-	-	-
Council Tax	-	(247,223)	(247,223)	-	(247,213)	(247,213)	-	(10)	(10)
New Homes Bonus	-	(2,878)	(2,878)	-	(2,879)	(2,879)	-	1	1
Transition Grant	-	(2,704)	(2,704)	-	(2,704)	(2,704)	-	-	-
<b>Total Corporate Funding</b>	<b>0</b>	<b>(369,312)</b>	<b>(369,312)</b>	<b>0</b>	<b>(369,071)</b>	<b>(369,071)</b>	<b>0</b>	<b>(241)</b>	<b>(241)</b>
<b>Total</b>	<b>805,846</b>	<b>(805,846)</b>	<b>0</b>	<b>802,730</b>	<b>(807,275)</b>	<b>(4,544)</b>	<b>3,115</b>	<b>1,429</b>	<b>4,544</b>



Revenue savings summary 2016/17 £000				
Department	2016/17 (£'000) – Q3 Forecast			
	Target	Achieved	Slipped	Unachieved
ASC	7,955	3,939	4,016	-
BSD	312	312	-	-
CS	4,985	4,725	200	167
CET	3,117	3,117	-	-
GS	180	180	-	-
Centrally Held	3,000	3,000	-	-
<b>Total Savings</b>	<b>19,549</b>	<b>15,273</b>	<b>4,216</b>	<b>167</b>
ASC	-	-	-	-
BSD	-	-	-	-
CS	-	(107)	-	-
CET	-	-	-	-
GS	-	-	-	-
Centrally Held	-	-	-	-
<b>Permanent Variations</b>	<b>0</b>	<b>(107)</b>	<b>0</b>	<b>0</b>
<b>Total Permanent Savings &amp; Variations</b>	<b>19,549</b>	<b>15,166</b>	<b>4,216</b>	<b>167</b>
ASC	-	401	(401)	-
BSD	-	-	-	-
CS	-	-	-	-
CET	-	-	-	-
GS	-	-	-	-
Centrally Held	-	-	-	-
<b>Temporary Variations</b>	<b>0</b>	<b>401</b>	<b>(401)</b>	<b>0</b>
<b>Total Savings with Variations</b>	<b>19,549</b>	<b>15,567</b>	<b>3,815</b>	<b>167</b>

### Capital programme (gross £ millions) – approved projects



### Capital programme summary (£000)

Approved project	Total project – all years*		2016/17 (£000)						
			In year monitor Q3				Analysis of variation		
			Budget	Actual to date	Projected 2016/17	Variation (over) / under budget	(Over) / under spend	Slippage to future year	Spend in advance
ASC	23,602	23,602	3,298	2,344	3,237	61	-	61	-
BSD	329,410	329,410	32,132	21,165	29,265	2,867	-	3,157	(290)
CS	9,051	9,051	1,465	1002	1,465	-	-	-	-
CET	455,270	456,260	54,976	26,004	51,710	3,266	-	3,274	(8)
GS	86	86	3	3	3	-	-	-	-
<b>Total</b>	<b>817,419</b>	<b>818,409</b>	<b>91,874</b>	<b>50,518</b>	<b>85,680</b>	<b>6,194</b>	<b>0</b>	<b>6,492</b>	<b>(298)</b>
Scheme Specific Income			24,094	10,232	23,824	270			
Capital Reserves			-	-	-	-			
Section 106			-	-	-	-			
Non Specific Grants			35,083	28,798	35,083	-			
Capital Receipts			3,072	1,028	3,072	-			
Revenue Contributions			10,460	10,460	10,460	-			
Borrowing			19,165	0	13,241	5,924			
<b>Total</b>			<b>91,874</b>	<b>50,518</b>	<b>85,680</b>	<b>6,194</b>			

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

### Centrally held budgets

The Treasury Management (TM) Strategy, which provides the framework for managing the Council's borrowing requirement, continues to reflect a policy of ensuring minimum risk whilst aiming to deliver secure realistic investment income on the Council's cash balances. Investment rates available in the market have been low during the quarter following the reduction to the Bank of England base rate back in the summer to 0.25%. The average level of funds available for investment purposes during the quarter was £271m. These funds were available on a temporary basis, and the level of funds available was mainly dependent on the timing of precept payments, receipt of grants and progress on the Capital Programme. The total amount received in short term interest for the three

months to 31 December 2016 was £374k at an average rate of 0.55%.

At 31 December 2016, the majority of the Council's external debt was held as long term loans (£270.8m), and no cost effective opportunities have arisen in the twelve months to restructure the existing debt portfolio. On December 30th the Council repaid £2m which had reached its maturity date a further £1.3m is due to be repaid on the 30th June 2017. The Accounts & Pensions team have set up a recording process for trigger rate monitoring and work to an agreed protocol for potential future borrowing activity to fund the current capital programme.

The Council's budgeted cost of external interest, relating to both long and short-term borrowing for the year is £16.2m

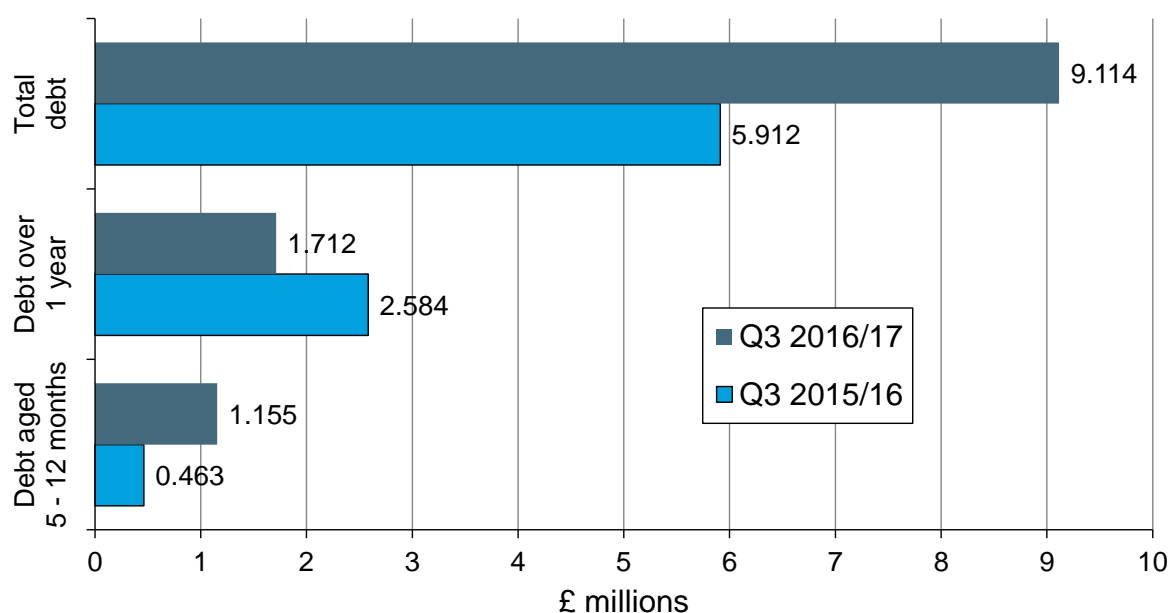
Centrally held budgets include a general contingency of £3.4m. This will be held to offset the projected service overspend of £6.9m. Following the review of Minimum Revenue Provision Policy and the treasury management budgets there will be a reduced charge to revenue in 2016/17. Normal practice is to transfer any net treasury management underspend to the capital programme to reduce borrowing, but this could be used to mitigate a net overspending on the General Fund if required.

### General balances

The General Fund balance was £10.0m as at 31 March 2016. General balances are held to manage risk and allow the Council to manage unforeseen financial circumstances without the need to make immediate savings.

Schools balances as at 31 March 2016 were £14.9m.

### Outstanding debt analysis (£ millions)



The value of debt over 5 months at Quarter 3 has increased to £2.868m when compared to the 2015/16 outturn of £2.190m. The majority of this increase is due to CCG debt of £323k (being addressed directly with the CCG via regular monthly meetings) and 3 large debts totalling £177k moving into the 5 months to 12 months age category. The 3 larger debts totalling £177k are made up of: £58k for East Sussex Fire & Rescue, £29k for Kent County Council and £90k for Office of Police & Crime are being dealt with via Legal and the raising department, further information on these debt cases is available. Age Debt continues to be a high priority focus area with a continuous improvement approach to continually re-engineer systems and processes. Regular ASC debt case review meetings ensure that the most appropriate steps are taken to recover debt promptly in consideration of the residents' circumstances and in accordance with the Care Act.

## Adult Social Care and Health – Q3 2016/17

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

**Summary of successes and achievements** – Between April and December 2016, 100% (4,708) of working age adults and older people supported by Adult Social Care received self-directed support. 98.2% of new clients who received short-term services to increase their independence made no further request for support. 913 adults with a learning disability were in settled accommodation, an increase from 869 in 2015/16. 1,337 referrals were made to the Memory Assessment Service. 2,872 people were supported by STEPS, this included 1,605 supported with Housing Support, 1,083 supported by the Navigator Service and 184 supported through the gateway service.

Public Health is leading a programme of work across East Sussex to tackle the health effects of cold homes. Working with the East Sussex Energy Partnership a comprehensive programme of activity has been undertaken including 109 frontline professionals receiving 'fuel poverty and health' training between October and December to enable them to identify people living in cold homes and refer them to local services such as the Winter Home Check (WHC). In addition public health staff have developed and supported a Stay Well This Winter campaign and worked with Clinical Commissioning Group (CCG) colleagues to develop a Locally Enhanced Service for GP staff to identify patients at risk of fuel poverty and refer them on to services. Through these initiatives a further 431 professionals and GP staff have been supported enabling them to contribute to addressing fuel poverty. As a result of this activity 374 referrals were received by the WHC service in Q3. In addition to the public health funding provided to the WHC service, and the successful bids for National Energy Action resources to fund high cost and additional small measures delivered through the service, additional funds have now also been secured from Hastings and Rother CCG to enable more high cost measures such as boiler replacements to be provided in priority areas of Hastings and Rother.

**Support with Confidence (SWC)** – At the end of December 2016 the scheme had 160 members. There has been a significant increase in the number of approvals in Q3 and the service is now on course to meet the target of 160 members by the end of year. We currently have 64 applicants on the SWC ledger pending approval.

**Specialist domestic abuse and sexual violence service** – The return for Q2 (reported a quarter in arrears) shows 50% of those affected by domestic violence and abuse are better able to cope and/or have improved self-esteem, after being in contact with the Portal service, which is a significant fall from Q1 and is of concern. The combined total for Q1 and Q2 is 78% (**ref i**). The return for Q2 also shows 71% of those affected by rape, sexual violence and abuse are more in control of their lives and/or more optimistic about the future, which is a slight fall from Q1. The combined total for Q1 and Q2 is 81% (**ref ii**).

There are likely to be a number of issues causing the fall in rates. Firstly, both measures are reported by using pre and post intervention assessment 'POWer' forms. In order to measure these indicators, pre and post forms need to be matched. There have been some process issues around matching forms, however in the six month period to the end of Q2, there was a significant improvement in this process, and it is anticipated that the total number of 'matched' forms will increase, meaning the data quality will improve. The fall in relation to those affected by domestic violence and abuse who are better able to cope and/or have improved self-esteem is also likely to be related to demand.

Due to the issues with demand during the first two quarters as noted above, in terms of the forms, these are small numbers and so any variance creates a disproportionate impact on the outturn. However, since October, there have been additional investment from Public Health as well as two additional health pilots funded from Hastings and Rother CCG which will increase service capacity and assist with the management of demand, which will also mean there will be more capacity to complete and successfully match the POWer forms. The streams will also fund additional interventions which will assist in helping individuals better cope and/or have improved self-esteem.

**Direct Payments** – As at 31 December 2016, 33.7% of adults and older people were receiving Direct Payments (1,587 people). Improvements in the referral process to the Direct Payments support services were implemented at the end of December 2016 to ensure all clients receive core support throughout the duration of their Direct Payment. Further improvements are being planned and are due to be implemented in 2017/18. These improvements include additional support provided at the start of a Direct Payment to ensure clients are confident in how to use and manage their Direct Payment and enabling easier client contribution billing for clients who receive a Council managed account. Given the lead in time required to realise the performance improvements from the changes to process and support, this indicator is now rated as red (**ref iii**).

**Smoking Cessation** – At Q2 (reported a quarter in arrears) 589 individuals have been supported to achieve a 4-week quit against a cumulative Q2 target of 841 individuals. Continued poor performance resulted in the issuing of a contract query notice to the provider. An action plan has been developed which is monitored monthly. In addition we are writing to key referral settings, such as dentists, GPs and Optometrists, to encourage them to incorporate stop smoking messages in their work and to help direct clients to stop smoking services.

**Health checks** – The NHS Health Checks programme (**ref iv**) offers everyone aged 40 – 74 years (without certain pre-existing conditions) a vascular disease check and personalised advice once every five years. To achieve this, an annual target is set of 20% of the eligible population to be offered their NHS Health Check each year. At Q2 (reported

a quarter in arrears) only 8.6% (expected 10%) of the target population had been offered their check indicating that we are not on course to achieve the annual target. Achievement of the annual target is impacted on by the high performance and success of the programme in previous years. In East Sussex we are on course to have offered a check to around 83% of the eligible population by the end of 16/17 and so are ahead of where we would expect to be at this point, this means that some of the people that we would expect to offer a check to this year, have already been offered their check in the last three years. However to support achievement of the annual target additional health checks have been commissioned, these are: community NHS Health checks targeting priority groups least likely to come forward for their check; and health and Council staff NHS checks to improve the health of eligible frontline staff.

**Safer Communities** – The Strategic Assessment of Community Safety 2016 is now complete and the Executive Summary has been published on our website ([www.safeineastsussex.org.uk](http://www.safeineastsussex.org.uk)). The priorities for the forthcoming year have been agreed by the Safer Communities Board and work has commenced on the East Sussex Safer Communities Partnership Business Plan 2017/18. This plan will not only describe the chosen priorities, but will reflect on achievements over the course of the year, and focus on what needs to happen next. Following the production of the plan, more detailed action plans will be developed, setting out how these work streams will be delivered with associated outcomes.

**Domestic, Sexual Violence & Abuse and Violence Against Women and Girls** – 16 Days of Action for the Elimination of Violence Against Women ran from 25 November 2016 (the UN International Day of Elimination of Violence Against Women) to 10 December 2016 (Human Rights Day). Over the 16 days, a range of agencies, groups and individuals came together to work to end all forms of violence against women. The 16 Days of Action also include other significant dates like Worlds Aids Day (1 December), as well as the White Ribbon Campaign, which calls on men to make a pledge to never commit, condone or remain silent about violence and abuse. The Council tweeted information on each of the 16 days of Action, generating 14,279 views with an average of 892 views per Tweet.

**Substance Misuse** – Friday 18 November 2016 saw the grand opening of Café North. We were pleased to be joined by customers, service users, partners, Caroline Ansell MP and the Mayor of Eastbourne. All present were entertained by the Seaview choir and were able to learn more about the support available for those in recovery in East Sussex.

### **Revenue Budget Summary**

**Adult Social Care** – There is a projected overspend of £4.692m (**ref x**), comprising overspends of £3.968m in the Independent Sector (**ref viii**) and £0.724m within Directly Provided Services and Assessment and Care Management (**ref ix**); compared to an overspend position of £6.059m projected at Q2. The total net budget of £163.186m incorporates savings totalling £7.955m, of which £4.016m is projected to slip to 2017/18 due to overspend and delays in delivering specific service developments and change.

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

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

The pressure continues to be monitored and is included within the development of the East Sussex Better Together (ESBT) Strategic Investment Plan (Eastbourne, Hailsham & Seaford CCG and Hastings and Rother CCG), which sets out how pooled health and social care budgets will be spent. The Strategic Investment Plan identifies a range of schemes which will mitigate increasing demands on services and will be reflected in budgets through the Reconciling Policy, Performance and Resources process. Progress continues across all areas of ESBT, including delivery of integrated teams, Health and Social Care Connect, crisis response, re-ablement and community resilience. Plans are also being implemented to put in place a transition year for accountable care in 2017/18 prior to the move to fully integrated health and social care.

Within the High Weald Lewes Havens area we continue to work with the CCG to align our plans as per previous years.

**Extract from minutes of the ESBT Programme Board: minutes to be added**

**Public Health** – The Public Health (PH) budget of £28.747m comprises the PH grant allocation of £28.697m and £50,000 additional Public Health England income for drug/ alcohol prevention carried forward from 2015/16. In addition to the PH Grant, the forecast draw from the underspend reserve to fund PH activity is £1m and £3.869m has been allocated from reserves to meet the costs of a number of one-off projects.

**Public Health Reserves**: At 31 December 2016, projected Public Health reserves stood at £8.416m comprising projects (£7.148m), health protection (£1.200m) and underspend (£0.068m) reserves. The projected reserve is fully deployed to fund a comprehensive programme of work to improve health and wellbeing in priority areas.

**Capital Programme Summary** – The Capital Programme has projected expenditure of £3.237m against an approved

programme of £3.298m. For the House Adaptations underspend (**ref xii**) of £64,000, £3,000 will be used to cover the Greenwood overspend (**ref xi**), whilst £61,000 will be slipped to 2017/18, as a result of lower level demand for House Adaptations schemes.

Performance exceptions (Q1 – Red and Amber RAG rated targets, and amendments Q2-4 – RAG status changed to Red, Amber, Green, and amendments)								
Performance measure	Outturn 15/16	Target 16/17	16/17 RAG				Q3 16/17 outturn	Note ref
			Q1	Q2	Q3	Q4		
Priority – Keeping vulnerable people safe								
At exit from the specialist domestic abuse and sexual violence service (Portal), the % of those affected by domestic violence and abuse who are better able to cope and / or have improved self-esteem	New measure	80%	G	G	A		78%	i
At exit from the specialist domestic abuse and sexual violence service (Portal), the % of those affected by rape, sexual violence and abuse who are more in control of their lives and / or more optimistic about the future	New measure	80%	G	G	A		81%	ii
Priority - Helping people help themselves								
Proportion of working age adults and older people receiving direct payments	35.6%	42%	A	A	R		33.7%	iii
Proportion of the eligible population offered a NHS Health Check	22% (39,971)	20%	G	A			8.6%	iv

Savings exceptions (Projected - Red = will not be delivered but may be mitigated; Amber = on track to deliver but not in the year (& may be mitigated); Green = on track to deliver in the year)					
Service description	2016/17 (£'000) – Q3 Forecast				Note ref
	Target	Achieved	Slipped	Unachieved	
Savings					
Community Based Services: Review and focus on services to meet personal care needs, in line with personal budgets	3,000	-	3,000	-	v
Commissioning Grants Prospectus	1,317	1,157	160	-	vi
Supporting People	2,158	1,757	401	-	
All Other Savings	1,480	1,025	455	-	vii
Total Savings	7,955	3,939	4,016	0	
Variations to Planned Savings					
None	-	-	-	-	
Permanent Variations	0	0	0	0	
Total Permanent Savings & Variations	7,955	3,939	4,016	0	
Supporting People Reserve	-	401	(401)	0	
Temporary Variations	0	401	(401)	0	
Total Savings with Variations	7,955	4,340	3,615	0	



## Revenue budget

Revenue budget										
Divisions	Planned (£000)			Q3 2016/17 (£000)						Note ref
				Projected outturn			(Over) / under spend			
	Gross	Income	Net	Gross	Income	Net	Gross	Income	Net	
Adult Social Care:										
Physical Support, Sensory Support and Support for Memory & Cognition	90,921	(39,463)	51,458	93,384	(39,542)	53,842	(2,463)	79	(2,384)	
Learning Disability Support	45,327	(4,252)	41,075	46,099	(4,403)	41,696	(772)	151	(621)	
Mental Health Support	7,240	(1,278)	5,962	8,127	(1,202)	6,925	(887)	(76)	(963)	
Subtotal Independent Sector	143,488	(44,993)	98,495	147,610	(45,147)	102,463	(4,122)	154	(3,968)	viii
Physical Support, Sensory Support and Support for Memory & Cognition	16,913	(5,958)	10,955	16,674	(5,572)	11,102	239	(386)	(147)	
Learning Disability Support	8,889	(1,293)	7,596	8,910	(1,237)	7,673	(21)	(56)	(77)	
Mental Health Support	2,462	(2,438)	24	2,494	(2,419)	75	(32)	(19)	(51)	
Substance Misuse Support	609	(133)	476	605	(129)	476	4	(4)	-	
Equipment & Assistive Technology	7,032	(4,021)	3,011	7,028	(4,018)	3,010	4	(3)	1	
Other	5,128	(2,699)	2,429	5,117	(2,679)	2,438	11	(20)	(9)	
Supporting People	9,156	(990)	8,166	9,394	(990)	8,404	(238)	-	(238)	
Assessment and Care Management	27,285	(3,005)	24,280	27,296	(2,882)	24,414	(11)	(123)	(134)	
Management and Support	10,000	(2,776)	7,224	10,087	(2,799)	7,288	(87)	23	(64)	
Service Strategy	1,055	(525)	530	1,072	(537)	535	(17)	12	(5)	
Subtotal Directly Provided Services	88,529	(23,838)	64,691	88,677	(23,262)	65,415	(148)	(576)	(724)	ix
Total Adult Social Care	232,017	(68,831)	163,186	236,287	(68,409)	167,878	(4,270)	(422)	(4,692)	x
Total Safer Communities	723	(337)	386	1,200	(814)	386	(477)	477	-	
Public Health:										
Health Improvement services	4,366	(4,366)	-	4,353	(4,353)	-	13	(13)	-	
Drug and alcohol services	6,101	(6,101)	-	6,101	(6,101)	-	-	-	-	
Sexual health services	4,160	(4,160)	-	4,064	(4,064)	-	96	(96)	-	
Children's Public Health Services - Including the new Health Visiting service	8,769	(8,769)	-	8,769	(8,769)	-	-	-	-	
NHS Health Checks	930	(930)	-	711	(711)	-	219	(219)	-	
Other programmes and non-contracted services	4,421	(4,421)	-	4,749	(4,749)	-	(328)	328	-	
Subtotal Core Service	28,747	(28,747)	0	28,747	(28,747)	0	0	0	0	
Draw from Underspend Reserve	1,139	(1,139)	-	1,000	(1,000)	-	139	(139)	-	
One Off Projects funded from Project Reserves	3,869	(3,869)	-	3,869	(3,869)	-	-	-	-	
Total Public Health	33,755	(33,755)	0	33,616	(33,616)	0	139	(139)	0	

Capital programme										
Approved project	Total project – all years (£000)		2016/17 (£000)							Note ref
			In year monitor Q3 (£000)				Analysis of variation (£000)			
	Budget	Projected	Budget	Actual to date	Projected 2016/17	Variation (over) / under budget	(Over) / under spend	Slippage to future year	Spend in advance	
OP Service Improvements	536	536	25	5	25	-	-	-	-	
Social Care Information Systems	4,257	4,257	131	114	131	-	-	-	-	
Greenwood, Bexhill	429	432	6	9	9	(3)	(3)	-	-	xi
LD Service Opportunities	5,112	5,112	2,890	2,080	2,890	-	-	-	-	
Warwick House, Seaford	7,299	7,299	85	77	85	-	-	-	-	
Extra Care / Supported Accommodation Projects:										
Sidley, Bexhill-on-Sea	877	877	70	70	70	-	-	-	-	
Continuing Programme:										
House Adaptations for People with Disabilities	2,719	2,716	64	(11)	-	64	3	61	-	xii
Refurbishment – Registration standards	2,373	2,373	27	-	27	-	-	-	-	
Total ASC Gross	23,602	23,602	3,298	2,344	3,237	61	0	61	0	



## Business Services – Q3 2016/17

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

**Summary of successes and achievements** – In December 2016, the Orbis Joint Committee and the Council's Cabinet approved, in principle, Brighton & Hove City Council (BHCC) joining the Orbis partnership as a founding partner, subject to some detailed planning that is taking place up to April 2017. A third partner joining is aligned with our ambition to grow, as well being a positive endorsement of the partnership. Orbis was already the largest local government shared service in the UK with two partners, adding a third increases the scope and scale yet further. Some of the opportunities that have been identified are (but not limited to):

- the ability to retain services and funding within the public sector;
- greater economies of scale;
- additional services not currently in the scope of Orbis (i.e. Revenues & Benefits);
- consolidation of IT systems leading to reduced cost of ownership and the ability to negotiate better deals; and
- the ability to undertake joint procurements.

We are now drafting the contractual agreement and working up integration plans for each of the services in Orbis (Property, Finance, Procurement, IT & Digital, Business Operations, Human Resources & Organisational Development, as well as Revenues & Benefits), working closely with our colleagues in BHCC. We are working towards signing the contractual agreement in April 2017, integrating budgets (for Orbis services) across all three authorities by April 2018 and full integration of services by April 2019.

**Asset Investment Strategy** – The Asset Investment Strategy will not be developed in time to be approved by Members by the end of March 2017 (**ref ii**). The reason for the delay is that, in advance of finalising the strategy, officers have been focusing on ensuring that the delivery mechanism that will be required to implement the strategy is viable. This is in the context of operating within the Orbis partnership, which has added complexity to this strategy; however has helped shape a sustainable delivery mechanism. Engagement with Member and officer stakeholder groups has been (and will continue to be) key to finalising the strategy in advance of recommending for approval. When the strategy is recommended for approval in 2017/18 information will also be provided to articulate the proposed delivery mechanism, and seek approval for the required resource.

**Reduction in CO2 emissions** – During 2016/17 we aim to reduce the amount of CO2 arising from Council operations by 3% on the 2015/16 outturn. So far in 2016/17 we have achieved a 5.7% reduction. During Q3, the most significant contributions were from improvements at County Hall and changes in occupancy at Sackville House. The second set of energy efficiency workshops for schools began in November 2016, and recruitment has begun for a third set. A business case is being developed for a two year programme of street lighting upgrades, expected to begin in 2017. Based on surveys carried out by engineers, the Energy Team have put forward a range of energy efficiency measures at four sites for inclusion in next year's planned programme. Further energy surveys are planned for 2017/18.

**Property operations** – During 2016/17, we aim to achieve a 2% per sq. metre reduction on last year's cost of occupancy of corporate buildings. We forecast that the overall outturn (covering all the relevant property spend categories) will exceed our target (**ref iii**). This takes into account planned occupancy efficiencies in Energy, Service Charges, and Hired and Contracted Services which are estimated to achieve an 11% reduction (approximately £195k); and further reductions within planned and reactive maintenance categories which are estimated to achieve a 35% reduction (approximately £250k). However, spend on planned maintenance to date during 2016/17 is considered off trend (lower than previous years), which suggests there could be an increased liability in 2017/18.

The Strategic Property Asset Collaboration in East Sussex (SPACES) partnership continues to bring benefits across the partner organisations. Public Health England have co-located with the Department for Work and Pensions (DWP) at the Job Centre Plus in Eastbourne (completed in September); and the Brighton & Hove Clinical Commissioning Group has moved into Hove Town Hall, to co-locate with BHCC and Sussex Police.

**Social Value** – We aim to increase the percentage of Council procurement spend with local suppliers to at least 48%. So far in 2016/17 the outturn for spend with local suppliers is 49% of the total spend (over the last 12 months we have spent £195m with 7,108 Local suppliers) (**ref i**). We are continuing to maintain our visibility in the market to promote contract opportunities for local businesses; 71% of our spend in Q3 was with local suppliers.

One contract was awarded in Q3, which was out of scope of the measure relating to including Employability and Skills Plans (ESPs), because we accessed a framework that had been let by another public body. Through our shared apprentice/work experience scheme, our Property contracts have delivered 14 apprenticeships, three work experience placements and one job creation to date in 2016/17. We have 21 projects in the pipeline to be awarded by the end of 2016/17, of which seven are in scope for an ESP. For contracts outside the scope of this measure, we continue to work with these suppliers on social value opportunities within the county, delivered as part of their Corporate Social Responsibility (CSR) Policies.

We are currently developing an alternative social value measure, re-focusing from ESPs. This will involve implementing a Social Value Measurement Charter, which will enable us to provide an open, fair and transparent method for evaluating Social Value proposals submitted by bidders during the tender process and apply a financial value to their commitments on how they will contribute to the Council's social value priorities (economic, social and environmental well-being), should they be successful in being awarded a contract. These priorities include developing a strong and competitive local economy, supporting the health, wellbeing and independence of our residents and protecting and preserving our natural resources.

**Savings achieved through procurement, contract and supplier management activities** – At the end of Q3 signed off savings are still at £3.9m. Forecasting for the remainder of the year shows us not on track to meet the target of £6.5m, with a new forecasted figure of £6.2m. Procurement will continue to work with services to identify any opportunities for the delivery of savings.

**ICT infrastructure** – 99.7% of key services were available during core hours (08:00 to 17:00 Monday to Friday except Local Area Network, where availability has been extended to be 24/7). Weekend and planned unavailability is excluded. The 2015/16 annual IT Customer Survey showed 79% of staff were satisfied with the technology tools provided. This is the benchmark for future improvement. The 2016/17 survey was postponed from Q3 to enable us to include our Orbis partners (BHCC and Surrey County Council) in the survey process and therefore also gain benchmark information for these partners. The survey will now take place during Q4.

**Wellbeing** – The 2016/17 Q1-3 sickness absence outturn for the whole authority (excluding schools) is 6.37 days lost per FTE employee, which represents an increase of 0.6% since the same period last year. Stress related absence has seen a significant reduction; however it still continues to be the primary driver of absences across the organisation. There are a number of interventions in place to sustain and increase reductions in absence.

60 members of staff are participating in an online mindfulness programme, funded using a £10k grant from the Local Government Association, which commenced on 23 January 2017. The course will support staff to be resilient at work, while the evaluation process will include data and recommendations to help employees who are absent with stress-related illness. We will begin offering eligible Council employees work place health checks in Spring 2017. The health checks promote early awareness, assessment and management of a range of conditions.

**Revenue Budget Summary** – The Business Services revenue budget is £22.2m and services currently forecast a year end underspend of £550k, which is an increase of £179k since Q2. £440k of the underspend results from the early delivery of Orbis savings (£535k) (**ref xi & xii**), offset by a pressure on the contribution to Orbis budget in management and support (£95k) (**ref v**), this is a change of £89k compared to Q2. The Orbis saving is due to holding vacancies ahead of restructures, restructuring management and the impact of the recent voluntary severance scheme. This is in addition to the 2016/17 savings of £312k which are forecast to be delivered in full (**ref iv**).

Other significant changes since Q2 monitoring are: a reduced forecast spend of £156k in finance, training and other non-specific budgets, mainly in staffing and the council's audit fee, these areas are now forecast to underspend by £140k and services are reviewing whether this will continue in 2017/18 (**ref vi, vii, viii**). In addition to the increased Property income reported in Q2 the service forecasts a further £34k income from surplus properties, leading to a full year underspend of £220k (**ref ix**). Increased demand and costs of IT licences, mainly Microsoft, is causing an estimated overspend of £200k in ICT, an increase of £100k compared to Q2 (**ref x**). This ongoing pressure has been addressed in the 2017/18 Medium Term Financial Plan.

**Capital Programme Summary** – The 2016/17 Business Services Capital Programme budget is £14.3m and services anticipate spending £11.1m this year and carrying forward £3.2m into future years. The largest variance is in Building Improvement where extended tender processes, longer re-evaluations of building usage, and reduced spend on external consultants has led to slippage of £1.4m (**ref xv**). The consultation period for the Property Agile programmes at St Mark's and for County Hall parking are longer than anticipated leading to a £1.2m re-profile of spend in to future years (**ref xiv**). ICT forecasts a variance of £400k on the ICT strategy implementation, which is mainly the local area network project where pre-requisite activity has not taken place (**ref xvi**). There is less than anticipated take up of the SALIX loan funding this year, causing a year end variation of £200k (**ref xiii**). It was agreed at Capital Strategic Asset Board that the budget responsibility for Schools basic need projects would be transferred to Property, therefore these budgets are now reported as part of this appendix and are shown in the expanded Capital Programme table below. The Schools Basic Need Programme is likely to spend more than anticipated in 2016/17 mainly due to timings of the Meridian project, the whole programme is expected to deliver to budget (**ref xvii**).

Council Plan Performance Exceptions (Q1 – Red and Amber RAG rated targets, and amendments Q2-4 – RAG status changed to Red, Amber, Green, and amendments)								
Performance measure	Outturn 15/16	Target 16/17	16/17 RAG				Q3 16/17 outturn	Note ref
			Q1	Q2	Q3	Q4		
Priority – Making best use of resources								
Increase the percentage of Council procurement spend with local suppliers	46%	48%	A	A	G		49%	i
Develop an asset investment strategy based on a balanced portfolio approach	Target not met, timeline reviewed and revised completion date set for September 2016	Asset investment strategy developed and approved	G	A	R		Presentation of report to Cabinet deferred pending further stakeholder engagement	ii
Cost of occupancy of corporate buildings per sq. metre	A baseline has been established £150 / sq. metre	'£147 / sq. metre (2% reduction on 2015/16 baseline)	G	A	G		Current overall forecast across all property spend categories included within baseline indicate achieving a m2 rate below £147	iii

## Savings exceptions

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

Service description	2016/17 (£'000) – Q3 Forecast				Note ref
	Target	Achieved	Slipped	Unachieved	
Savings					
ESCC savings from efficiencies generated by the Orbis partnership	312	312	-	-	iv
Total Savings	312	312	0	0	
Variations to Planned Savings					
	-	-	-	-	
Permanent Variations	0	0	0	0	
Total Permanent Savings & Variations	0	0	0	0	
	-	-	-	-	
Temporary Variations	0	0	0	0	
Total Savings with Variations	312	312	0	0	

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

## Revenue Budget

Divisions	Planned (£000)			Q3 2016/17 (£000)						Note ref
				Projected outturn			(Over) / under spend			
	Gross	Income	Net	Gross	Income	Net	Gross	Income	Net	
Management & Support	85	(302)	(217)	180	(302)	(122)	(95)	-	(95)	v
Personnel & Training	303	(382)	(79)	243	(372)	(130)	60	(10)	50	vi
Finance	2,982	(1,745)	1,237	2,932	(1,745)	1,187	50	-	50	vii
Procurement	4	(86)	(83)	4	(36)	(32)	-	(50)	(50)	
Non Specific Budgets	262	-	262	222	-	222	40	-	40	viii
Property	23,631	(19,040)	4,592	24,006	(19,634)	4,372	(374)	594	220	ix
ICT Services	6,028	(5,454)	574	6,776	(6,001)	774	(748)	548	(200)	x
Business Ops	35	-	35	35	-	35	-	-	-	
Contribution to Orbis Partnership	15,916	-	15,916	15,381	-	15,381	535	-	535	xi
Total BSD	49,246	(27,009)	22,237	49,777	(28,091)	21,687	(532)	1,082	550	

## Orbis Partnership Revenue Budget

Divisions	Planned (£000)			Q3 2016/17 (£000)						Note ref
				Projected outturn			(Over) / under spend			
	Gross	Income	Net	Gross	Income	Net	Gross	Income	Net	
Business Operations	10,881	(5,679)	5,201	10,881	(5,679)	5,200	-	-	-	
Finance	10,681	(1,244)	9,437	10,121	(1,244)	8,877	560	-	560	
HR	5,612	(566)	5,046	5,292	(566)	4,726	320	-	320	
IT	18,951	(1,587)	17,364	18,451	(1,587)	16,864	500	-	500	
Management	2,255	-	2,255	2,140	-	2,140	115	-	115	
Procurement	3,654	(154)	3,500	3,654	(154)	3,500	-	-	-	
Property	11,504	(1,202)	10,302	11,189	(1,177)	10,012	315	(25)	290	
<b>Total Orbis</b>	<b>63,537</b>	<b>(10,432)</b>	<b>53,105</b>	<b>61,727</b>	<b>(10,407)</b>	<b>51,319</b>	<b>1,810</b>	<b>(25)</b>	<b>1,785</b>	
ESCC Contribution (30%)			15,916			15,381			535	xii
SCC Contribution (70%)			37,189			35,939			1,250	
<b>Total</b>			<b>53,105</b>			<b>51,320</b>			<b>1,785</b>	

Capital programme										
Approved project	Total project – all years (£000)		2016/17							Note ref
			In year monitor Q3 (£000)				Analysis of variation (£000)			
	Budget	Projected	Budget	Actual to date	Projected 2016/17	Variation (over) / under budget	(Over) / under spend	Slippage to future year	Spend in advance	
Core Systems Development	1,470	1,470	9	9	9	-	-	-	-	
The Link	2,718	2,718	69	-12	69	-	-	-	-	
SALIX Contract	4,032	4,032	380	19	160	220	-	220	-	xiii
AGILE	9,031	9,031	3,239	1,605	2,052	1,187	-	1,187	-	xiv
Capital Building Improvements	87,015	87,015	9,048	5,093	7,686	1,362	-	1,362	-	xv
ICT Strategy Implementation	27,389	27,389	1,550	634	1,163	387	-	387	-	xvi
BSD Gross	131,655	131,655	14,295	7,348	11,139	3,156	0	3,156	0	
Managed by property on behalf of Children’s Services:										
St Peters Chailey	229	229	4	4	4	-	-	-	-	
Claverham – Diplomar Exemplar retention	-	8	-	8	8	(8)	(8)	-	-	
Mobile Replacement Programme	8,079	8,079	168	79	168	-	-	-	-	
Etchingham School	7,563	7,563	72	69	72	-	-	-	-	
St Mary Magdalene - retention	844	844	6	6	6	-	-	-	-	
Universal Infant Free School Meals	1,954	1,954	579	589	615	(36)	-	-	(36)	
Early Years	3,031	3,031	117	57	130	(13)	-	-	(13)	
Basic Need Programme	176,055	176,047	16,891	13,005	17,123	(232)	8	1	(241)	xvii
BSD (for CSD) Gross	197,755	197,755	17,837	13,817	18,126	(289)	0	1	(290)	
Total BSD Gross	329,410	329,410	32,132	21,165	29,265	2,867	0	3,157	(290)	

## Children's Services – Q3 2016/17

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

#### **Summary of successes and achievements:**

**Inspection** – From 5 to 9 December 2016 Ofsted and the Care Quality Commission (CQC) jointly inspected the local area's effectiveness in identifying and meeting the needs of children and young people who have special educational needs and/or disabilities (SEND). The inspection letter notes '*...a strong commitment to improving outcomes for children and young people who have special educational needs and/or disabilities that is shared by professionals across the county.*'

The inspectors identified a number of areas of strength including: most parents and carers of children who have SEND reported that they were very positive about the provision their children receive in schools; leaders have taken urgent action to address areas of weakness and improve services; the local area has effective information management systems that they use well to evaluate progress; the three clinical commissioning groups are well represented in the joint commissioning group; CCG investment in the community paediatric service and new service specification has increased access and reduced waiting times; children who have SEND in care of the local authority receive good support, do well in terms of academic outcomes compared with similar pupils nationally, and receive effective support to meet their medical needs; leaders are taking urgent action to address the increasing absence and exclusion rates for children and young people who have SEND; in 2016 early years and key stage 1 school age children with SEND achieved well compared to their peers; and provision at post 16 and post 19 is effective.

In particular the inspectors were very impressed by the children and young people that they met, which is testament to the positive impact services have on the lives of children and young people, and their families.

They also identified areas for development which include: improve communication with parents and carers; reduce waiting time for referrals to child and adolescent mental health services; improving attainment at key stage 2. The inspection letter recognises the action that has been taken to address some of the areas of weakness and to improve services and noted that in some instances it is too early to see an impact.

The findings of the inspection will be used to secure further improvements in East Sussex.

**Percentage point gap at Early Years Foundation Stage (EYFS)** – The Department of Education statistical first release shows the achievement gap between the lowest achieving 20% of pupils and the median at EYFS in East Sussex, in academic year 2015/16, is 28.1%, 3.3 percentage points better than the national average of 31.4%. East Sussex is joint first amongst our statistical neighbours.

**The Foundations Project** – The project works with women who have previously had children removed from their care. This year 31 women have engaged with the Foundations Project post care proceedings. 87% (27/31) of the women who engaged with the project have not had subsequent children removed.

**Attainment gap for disadvantaged pupils** – The percentage point gap between disadvantaged pupils and their peers for the expected standard in reading, writing and maths combined at Key Stage 2, for academic year 2015/16, is 23% against the national figure of 22% (**ref i**). In order to address this we have reviewed best practice across the south east and established pupil premium networks in each Education Improvement Partnership (EIP) and a pupil premium lead is currently being identified by each EIP. We are also piloting pupil premium audits in schools where the 2016 outcomes showed the biggest gaps with the greatest numbers of pupils. Research is also being undertaken into disadvantaged pupils' provision in English and mathematics.

The gap between the Attainment 8 overall score for disadvantaged pupils and the Attainment 8 overall score for non-disadvantaged pupils, for academic year 2015/16, is 15% against a national figure of 12.3% (**ref ii**). We have commissioned additional capacity to deliver pupil premium reviews in targeted schools from London Leadership Strategy, led by Claremont High School Academy Trust (CHSA). CHSA is an outstanding school, a national support school, and recently won a Department for Education Local Pupil Premium Award. They have a successful track record of working with local authorities to reduce the gap in achievement for disadvantaged pupils. The Attainment 8 score of disadvantaged pupils in East Sussex in 2016 is 38.0 which is broadly in line with the National Average Attainment 8 Score for disadvantaged pupils of 41.2 (both equivalent to an average Grade D).

The proportion of LAC who achieve positive Progress 8 scores (**ref iii**) and the proportion of LAC who achieve A\* to C in GCSE in English and maths (**ref iv**) are both reported as amber in Q3. The target for each measure is to be equal to or above the national average and this will be reported in Q4.

**Participation** – The percentage of young people meeting the duty of RPA (Raising the Participation Age) by either participating in education, training or employment with training or undertaking re-engagement provision at academic age 16 (Year 12) (**ref v**) at Q3 is 95.8% which is above national, 94%, and south east, 92.9%, levels, however, it is below the 2016/17 target of 97%; we are working towards achieving this target.

The percentage of Looked After Children (LAC) participating in education, training or employment with training at



academic age 16 (Year 12) at Q3 is 75% (24/32) against a target of 84% (**ref vi**), and at academic age 17 (Year 13) at Q3 is 67% (30/45) against a target of 70% (**ref vii**). Of the young people Not in Education, Employment or Training (NEET), a number are working with the Youth Employability Service (YES), and YES continues to work with social workers of all NEET young people to try and engage them. Five young people have been identified to gain additional support from our Enterprise Advisor, six are actively seeking apprenticeships and three have secured a place on a Princes Trust Programme which started in mid-January.

**Safeguarding** – The rate of children with a Child Protection (CP) plan has increased from 42.7 children per 10,000 at Q2 to 46.3 at Q3, against a target rate of 41 (**ref viii**). Conference Chairs have been asked to renew their focus on ensuring the right children are made subject to plans for the right amount of time. The recent focus on neglect practice and practice improvement could have contributed to better identification and more children subject to plans. A strategy will be agreed to complete a management review, involving senior managers and health professionals, of those plans approaching 18 months duration and an audit of all new plans for Q3 will be completed to identify any emerging trends.

The rate of Looked After Children is 53.8 per 10,000 (567 children) at Q3, against a target of 51.6 (544 children) (**ref ix**). There has been an increase in the number of Unaccompanied Asylum Seeking Children (UASC) who are included in this figure. The number of UASC is currently 24. The measure and target will be reviewed for 2017/18 in light of benchmarking data.

**Revenue Budget Summary** – The £64.605m net budget for the year is forecast to be overspent at year end by £2.963m (**ref xv**). During Q3, CSD has faced increasing pressures across all areas, and has continued to monitor these and found further mitigations to offset many of them – resulting in only a small increase (£0.167m) in the forecast overspend since Q2.

During Q3, the pressure in Education and ISEND has grown by £0.435m to £2.111m (**ref xiii**): pressure continues in key areas reported in Q2, there has also been a reduction in this quarter in forecast traded income with schools who are equally experiencing pressure on their own budgets, as well as from a decrease in income from attendance fines due to the impact of the Isle of Wight case. Furthermore, there is also a current forecast overspend in payments of Early Years Education Entitlement (EYEE) to the East Sussex Early Years providers: this is a direct impact of the full roll out of the 2 year old programme which has led to these children both accessing their 3 year old entitlement at a much earlier point in time and also accessing increased average hours. We have sought to mitigate some of the service pressure through reduction of expenditure in other areas of the service, which is reported in Central Resources (**ref xi**). Pressures continue at broadly the same level as reported in Q2 in Looked After Children within Early Help and Social Care (**ref xii**) and Home to School Transport within Communication, Planning and Performance (**ref xiv**).

Within the above forecast, £4.725m (**ref x**) of the planned £4.985m savings for 2016/17 are on track, with a further £0.200m at risk of slippage. The remaining £0.167m is within LAC and is currently due to be unachieved because of the additional agency placements discussed previously. The department continues to seek ways to bring these back on track or mitigate them, and these figures also include £0.107m of savings brought forward from within the MTFP.

We are continuing to work on mitigating pressures and, looking ahead to 2017/18, are proposing a 2017/18 budget virement (transfer) for £0.600m, extending existing MTFP savings plans. This virement is included within the draft 2017/18 budget, and included here for completeness:

Divisional area	From £m	To £m
Early Help and Social Care 5-19	0.150	
Early Help and Social Care 0-19	0.290	
Communications, Planning and Performance	0.060	
Standards and Learning Effectiveness	0.080	
ISEND and ESBAS	0.030	
Looked after Children		(0.600)
<b>Total</b>	<b>0.600</b>	<b>(0.600)</b>

**Capital Programme Summary** – It was agreed at Capital Strategic Asset Board that the budget responsibility for Schools basic need projects would be transferred to Property, therefore these budgets are now reported in Business Services monitoring, the relevant projects have been removed from the Capital programme table below and can now be found in the Capital table in Appendix 3 Business Services. Current year spending for the remaining budgets is on track and forecast to meet budget expectations (**ref xvi**).

Performance exceptions (Q1 – Red and Amber RAG rated targets, and amendments Q2-4 – RAG status changed to Red, Amber, Green, and amendments)								
Performance measure	Outturn 15/16	Target 16/17	16/17 RAG				Q3 16/17 outturn	Note ref
			Q1	Q2	Q3	Q4		
Priority – Driving economic growth								
The percentage point gap between disadvantaged pupils achieving at least the expected standard in reading, writing and maths combined at Key Stage 2, and their peers	16% (National average 15%)	Ac year 15/16 At or below the national average	A	A	R		23% (National 22%)	i
The gap between Attainment 8 overall score for disadvantaged pupils, and Attainment 8 overall score for non-disadvantaged pupils	N/A	Ac year 15/16 At or below the national average	A	A	R		15.1% (National 12.2%)	ii
Proportion of LAC who achieve positive Progress 8 scores (KS4)	N/A	Ac Year 15/16 Equal to or above the national average for LAC	G	G	A		Will be reported in March 2017	iii
Proportion of LAC who achieve A* to C in GCSE in English and maths	N/A	Ac Year 15/16 Equal to or above the national average for LAC	G	G	A		19% (National will be reported in March 2017)	iv
The percentage of young people meeting the duty of RPA (Raising the Participation Age) by either participating in education, training or employment with training or undertaking re-engagement provision at academic age 16 (Year 12)	96%	97%	G	G	A		95.8%	v
The percentage of Looked After Children (LAC) participating in education, training or employment with training at academic age 16 (Year 12)	89%	84%	G	G	A		75% (24/32)	vi
The percentage of LAC participating in education, training or employment with training at academic age 17 (Year 13)	78%	70%	G	G	A		67% (30/45)	vii
Priority – Keeping vulnerable people safe								
Rate of children with a child protection plan (per 10,000)	43.8	41	G	A	R		46.3	viii
Rate of Looked After Children (per 10,000)	51.6	51.6	A	A	R		53.8	ix



Savings exceptions (Projected - Red = will not be delivered but may be mitigated; Amber = on track to deliver but not in the year (& may be mitigated); Green = on track to deliver in the year)					
Service description	2016/17 (£'000) – Q3 Forecast				Note ref
	Target	Achieved	Slipped	Unachieved	
<b>Savings</b>					
Early Help	2,071	2,007	107	-	
Children's Support Services (including Music, Watersports, DofE and Safeguarding qualify assurance)	309	350	23	-	
Home to School Transport	173	173	-	-	
Locality Services	992	922	70	-	
Specialist Services	138	138	-	-	
Looked after Children	884	717	-	167	
Youth Offending Team	124	124	-	-	
SLES	171	171	-	-	
ISEND	123	123	-	-	
<b>Total Savings</b>	<b>4,985</b>	<b>4,725</b>	<b>200</b>	<b>167</b>	<b>x</b>
<b>Variations to Planned Savings</b>					
Early achievement of Early Help (£44k) and Support Services (£63k) savings brought forward	-	(107)	-	-	
<b>Permanent Variations</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Total Permanent Savings &amp; Variations</b>	<b>4,985</b>	<b>4,618</b>	<b>200</b>	<b>167</b>	
<b>Temporary Variations</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Total Savings with Variations</b>	<b>4,985</b>	<b>4,618</b>	<b>200</b>	<b>167</b>	

Revenue budget										
Divisions	Planned (£000)			Q3 2016/17 (£000)						Note ref
				Projected outturn			(Over) / under spend			
	Gross	Income	Net	Gross	Income	Net	Gross	Income	Net	
Central Resources	3,308	(7,445)	(4,137)	2,783	(7,445)	(4,662)	525	-	525	xi
Early Help and Social Care	58,627	(11,769)	46,858	60,256	(12,348)	47,908	(1,629)	579	(1,050)	xii
Education and ISEND	75,322	(6,968)	68,354	76,153	(5,688)	70,465	(831)	(1,280)	(2,111)	xiii
Communication, Planning and Performance	20,266	(4,325)	15,941	20,686	(4,418)	16,268	(420)	93	(327)	xiv
DSG non Schools	-	(62,411)	(62,411)	-	(62,411)	(62,411)	-	-	-	
Schools	166,504	(166,504)	-	166,504	(166,504)	-	-	-	-	
Total Children's Services	324,027	(259,422)	64,605	326,382	(258,814)	67,568	(2,355)	(608)	(2,963)	xv

Capital programme										
Approved project	Total project – all years (£000)		2016/17 (£000)							Note ref
			In year monitor Q3 (£000)				Analysis of variation (£000)			
	Budget	Projected	Budget	Actual to date	Projected 2016/17	Variation (over) / under budget	(Over) / under spend	Slippage to future year	Spend in advance	
ASDC (Aiming High Short Breaks: Disabled children)	477	477	13	2	13	-	-	-	-	
Shinewater School – roof (insurance claim)	-	-	-	42	-	-	-	-	-	
Family Contact	188	188	38	6	38	-	-	-	-	
House Adaptions for Disabled Children’s Carers	968	968	74	69	74	-	-	-	-	
Schools Delegated Capital	6,927	6,927	932	725	932	-	-	-	-	
Schools Information Hub – Czone replacement	230	230	147	100	147	-	-	-	-	
Lansdowne SCH Grant	261	261	261	58	261	-	-	-	-	
Total CSD Gross	9,051	9,051	1,465	1,002	1,465	-	-	-	-	xvi

## Communities, Economy & Transport – Q3 2016/17

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

**Summary of successes and achievements** – A total of 70 apprentices have been recruited so far in 2016/17. There were 82 online courses completed in our libraries in Q3, 28 Learndirect courses and 54 Learn My Way courses, the total number of completions so far in 2016/17 is 249. 37 businesses have been supported with grants and loans in 2016/17 as part of East Sussex Invest 4. Locate East Sussex have helped 35 companies start up, relocate or expand in East Sussex during 2016/17. A timetable of work for the £1m Road Safety programme was agreed in Q3. The road condition statistics for 2016/17 have been published with the percentage of principal and non-principal roads requiring maintenance remaining the same as 2015/16 and the level of unclassified roads requiring maintenance falling.

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

**Inward Investment (GS)** – One large and one small Grants and Loans Panels were held in Q3. So far during 2016/17 37 businesses have been supported who are projected to create 122 jobs and safeguard a further 40. There is one further large panel and one small panel planned for Q4. 15 companies have been supported, by Locate East Sussex, to either start-up or relocate into East Sussex from outside the county so far in 2016/17. 20 existing companies have been supported to relocate within the county. The South East Invest bid, which will provide funding to improve and expand the investment services for three years, is currently with Government. We're expecting a decision on the bid in Q4.

**Broadband (GS)** – Our first contract to deliver improved broadband was completed in 2016 and covered over 66,000 additional premises. At the end of September 2016 82% of this intervention area was able to receive speeds of 24mbps or above. At the end of November 2016 take up amongst premises that have been connected was 37% against a benchmark target of 20%.

**Apprenticeships (GS)** – In total 70 new apprentices have started by the end of Q3, 21 have been recruited by the Council with a further two progressing onto a further apprenticeship; nine have been recruited with Costain CH2M and 38 with schools. 59 young people have also participated in work readiness provision with the Council by the end of Q3. Of the 93 apprentices who are due to be taking part in the programme in Q3, seven finished their apprenticeship and moved on to a positive outcome, 10 others left their apprenticeship in Q3 with six moving on to a positive outcome. The rate of retention and/or positive outcomes stands at 95%.

**Cultural Destinations (GS)** – The second stage of the Tourism South East research into tourism in East Sussex has now been published on East Sussex in Figures. We are expecting to hear the result of our bid for Cultural Destinations Round 2 funding in spring 2017, if successful the funding will, in part, be used to create a 'Geocaching trail' with caches created by artists focused on the Coastal Cultural Trail.

**Newhaven Port Access Road** – Discussions have continued with the Department for Transport (DfT) on the scope of the business case. Geotechnical investigation work is due to start in Q4 to inform the detailed design of a railway bridge and embankments which form part of the construction. We conducted a procurement workshop in Q3 in preparation for tendering for the construction works, after which the final business case, including the tender price, will be submitted to the DfT. Main construction work is still anticipated to start in mid-2017.

**Terminus Road, Eastbourne** – Due to unexpected design work and consultation on the location of the bus stops in Cornfield Road, which has been ongoing throughout 2016/17, tendering for the scheme of works, to deliver pedestrian improvements, is now due to take place in Q1 2017/18 with construction scheduled to start in Q2 2017/18 (ref i).

**Road Safety** – The £1m Road Safety programme is progressing well, a timetabled programme of work has been agreed and we are finalising the involvement of behavioural change experts to help define and focus the project. We will continue to work with the Sussex Safer Roads Partnership and the local Road Safety Partnerships to ensure we target our resources effectively to ensure the maximum outcome from the investment. Provisional data shows there were 113 people Killed or Seriously Injured (KSI) on our roads between July and September 2016, reported a quarter in arrears, with 10 of these being fatalities. Of these, 21 KSI and one fatality occurred on Trunk Roads, which are the responsibility of Highways England. These figures are above the baseline quarterly average for 2005-2009 for both KSI and fatalities.

**Road Condition** – 2016/17 is the third year of a four year £70m investment plan to maintain principal and non-principal roads, and improve the condition of unclassified roads. The road condition statistics for 2016/17 have been published, with the percentage of principal and non-principal roads requiring maintenance remaining the same as 2015/16, at 5% and 6% respectively; the condition of unclassified roads has improved from 22% requiring maintenance in 2015/16 to 19% in 2016/17, the lowest level since 2011/12. Since 2012/13 we have seen improvements of 3% on principal roads, 3% on non-principal roads, and 6% on unclassified roads. The 2016/17

targets for all three performance measures have been met.

**School Safety Zones** – Consultation on the School Safety Zone at St Richard's School commenced on 17 January 2017. Traffic Regulation Orders for the zone at Christchurch School in Hastings were advertised in December 2016 (ref ii).

**Trading Standards** – 35 victims of financial abuse were visited by Trading Standards in Q3, with officers supported by volunteers from Age Concern and Citizens Advice. Through these visits we identified four chronic victims of financial abuse who were helped by intervention from Adult Social Care or befriending services provided by Age Concern. Eight call blockers were also installed for victims being targeted by overseas telephone fraudsters. We have exceeded the target of 80 positive interventions for the year. Officers also took part in events to raise scams awareness, in partnership with the Police Fire Service and Community Speed Watch. We delivered seven workshops in Q3 to provide advice and support to businesses, on topics such as Building Bridges to Care Professionals; so far in 2016/17 419 delegates have attended workshops run by Trading Standards.

**Revenue Budget Summary** – At Q3 there is a forecast budget underspend of £101k and CET is expected to deliver all 2016/17 planned savings. The main overspends are in Waste, where there is a combination of reduced landfill gas income and increased waste disposal costs offset by reduced data system costs; and Fleet Management where a reduction in the size of the fleet has resulted in a lower than expected level of recovery of insurance costs. This overspend has been partly reduced by an underspend in Concessionary Fares, where successful negotiations have prevented any price increases this year and there has been a reduction in the number of journeys (ref vi). Several small underspends and additional income within Registration Services contribute to the Communities underspend (ref v). A pressure within Planning has arisen this year as a result of Government's removal of the specific flood grant; in year, this has been mitigated by movements across the department but this will remain as a pressure in 2017/18. The Management and Support budget will be used to fund departmental pressures (ref iii). There are various small over and underspends in some other services (ref iv, vii, viii).

**Capital Programme Summary** – The Reconciling Policy, Performance and Resources (RPPR) process has reprofiled the capital programme and as a result there is a significant reduction in the CET variation (£3.3m) compared to Q2 (£20.2m). At Q3, the forecast capital expenditure is £51.7m (£59.6m at Q2) against a programme budget of £55.0m. The £3.3m variation is mainly due to £1.5m slippage in a number of integrated transport projects including the Hailsham to Polegate to Eastbourne Sustainable Transport Corridor where there has been a delay in receiving costings from the contractor (ref xiii, xiv). Delays in the planning process and the discharging of planning conditions have led to slippage of £1m on the Queensway Gateway Road (ref xi). The remainder is due to contractor re-profiling on the Bexhill Hastings Link Road, £273k (ref x); East Area Depot, where planning is now expected in 2017/18, £170k (ref xii); and Battle and other Library refurbishments which are planned for the new year, £300k (ref ix). The Rights of Way programme is spending in advance due to urgent repairs needed to two footbridges, £8k (ref xv).

Performance exceptions (Q1 – Red and Amber RAG rated targets, and amendments Q2-4 – RAG status changed to Red, Amber, Green, and amendments)								
Performance measure	Outturn 15/16	Target 16/17	16/17 RAG				Q3 16/17 outturn	Note Ref
			Q1	Q2	Q3	Q4		
Priority – Driving economic growth								
Deliver pedestrian improvements in Terminus Road (Eastbourne) using 'Shared Space' concepts to coincide with opening of the new Arndale Centre	Contract documentation prepared ready for tender process to commence in spring 2016	Continue Construction	G	A	R		Tendering now programmed to commence in 2017/18 Q1 with construction programmed to start in 2017/18 Q2 (July)	i
Priority – Helping people								
Implement School Safety Zones to cover schools rated as high priority	2 zones completed	Implement School Safety Zones at two schools	G	G	A		Traffic Regulation Orders (TROs) for the Christchurch School SSZ to be advertised in December 16. Consultation on St Richard's School SSZ to take place in January 17	ii

Savings exceptions					
(Projected - Red = will not be delivered but may be mitigated; Amber = on track to deliver but not in the year (& may be mitigated); Green = on track to deliver in the year)					
Service description	2016/17 (£'000) – Q3 Forecast				Note ref
	Target	Achieved	Slipped	Unachieved	
<b>Savings</b>					
Use of the Parking Surplus to contribute towards the supported bus network and concessionary fares budget	630	630	-	-	
Change to the management of the Corporate Waste Reserve; efficiency improvements, with partners, of the service; and maximising income generation opportunities	1,780	1780	-	-	
Restructure of Transport Hub teams	75	75	-	-	
Efficiency savings in the Rights of Way and Countryside sites service	50	50	-	-	
Development Control, Transport Development Control and Environment	20	20	-	-	
Libraries Transformation Programme - internal review of the Library and Information Service	425	425	-	-	
The Keep - improved staff utilisation across a range of functions, increased income generation and reduction in sinking fund	77	77	-	-	
Continued modernisation of the Trading Standards Service	60	60	-	-	
<b>Total Savings</b>	<b>3,117</b>	<b>3,117</b>	<b>0</b>	<b>0</b>	
<b>Variations to Planned Savings</b>					
None	-	-	-	-	
<b>Permanent Variations</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Total Permanent Savings &amp; Variations</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
None	-	-	-	-	
<b>Temporary Variations</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Total Savings with Variations</b>	<b>3,117</b>	<b>3,117</b>	<b>0</b>	<b>0</b>	

## Revenue budget

Divisions	Planned (£000)			Q3 2016/17 (£000)						Note ref
				Projected outturn			(Over) / under spend			
	Gross	Income	Net	Gross	Income	Net	Gross	Income	Net	
Management and Support	1,896	(153)	1,743	1,950	(187)	1,763	(54)	34	(20)	iii
Customer and Library Services	8,611	(2,411)	6,200	8,229	(2,045)	6,184	382	(366)	16	iv
Communities	3,772	(2,235)	1,537	3,655	(2,267)	1,388	117	32	149	v
Operations and Contract Management	71,221	(36,323)	34,898	72,331	(37,341)	34,990	(1,110)	1,018	(92)	vi
Highways	16,080	(1,135)	14,945	16,623	(1,678)	14,945	(543)	543	-	
Economy	2,462	(1,771)	691	2,539	(1,883)	656	(77)	112	35	vii
Planning and Environment	2,885	(2,081)	804	2,740	(1,949)	791	145	(132)	13	viii
TOTAL CET	106,927	(46,109)	60,818	108,067	(47,350)	60,717	(1,140)	1,241	101	

## Capital programme

Approved project	Total project – all years (£000)		2016/17 (£000)							Note ref
			In year monitor Q3 (£000)				Analysis of variation (£000)			
	Budget	Projected	Budget	Actual to date	Projected 2016/17	Variation (over) / under budget	(Over) / under spend	Slippage to future year	Spend in advance	
The Keep	20,178	20,178	45	31	45	-	-	-	-	
Rye Library	87	87	56	23	56	-	-	-	-	
Hastings Library	8,739	8,739	3,530	2,420	3,530	-	-	-	-	
Newhaven Library	1,712	1,712	62	22	62	-	-	-	-	
Southover Grange	1,307	1,307	1,000	777	1,000	-	-	-	-	
Library Refurbishment Programme	1,532	1,532	500	85	200	300	-	300	-	ix
Combe Valley Country Park	432	432	8	8	8	-	-	-	-	
Newhaven ERF	474	474	90	90	90	-	-	-	-	
Newhaven Household Waste Recycling Site	2,038	2,038	1	1	1	-	-	-	-	
Travellers Site Bridies Tan	1,348	1,348	34	-	34	-	-	-	-	
Broadband	25,600	25,600	375	(1,822)	375	-	-	-	-	
Bexhill to Hastings Link Road	124,309	125,299	3,885	2,233	3,612	273	-	273	-	x
BHLR Complimentary Measures	1,800	1,800	130	50	130	-	-	-	-	
Reshaping Uckfield Town Centre	2,500	2,500	1,537	1,440	1,537	-	-	-	-	
Exceat Bridge Maintenance	500	500	30	4	30	-	-	-	-	
Economic Intervention Fund	9,025	9,025	1,686	1,222	1,686	-	-	-	-	
Catalysing Stalled Sites	916	916	116	41	116	-	-	-	-	
EDS Upgrading Empty Commercial Properties	500	500	53	53	53	-	-	-	-	
EDS Incubation Units	1,500	1,500	-	-	-	-	-	-	-	
North Bexhill Access Road	10,602	10,602	6,192	2,023	6,192	-	-	-	-	
Queensway Gateway Road	6,000	6,000	3,000	271	2,000	1,000	-	1,000	-	xi
Newhaven Flood Defences	1,500	1,500	800	25	800	-	-	-	-	

Capital programme										
Approved project	Total project – all years (£000)		2016/17 (£000)							Note ref
			In year monitor Q3 (£000)				Analysis of variation (£000)			
	Budget	Projected	Budget	Actual to date	Projected 2016/17	Variation (over) / under budget	(Over) / under spend	Slippage to future year	Spend in advance	
Sovereign Harbour/Site Infrastructure	1,700	1,700	1,170	683	1,170	-	-	-	-	
Swallow Business Park	1,400	1,400	895	708	895	-	-	-	-	
LGF Business Case Development	196	196	196	9	196	-	-	-	-	
Newhaven Port Access Road	23,219	23,219	582	124	582	-	-	-	-	
Street Lighting Invest to Save	737	737	17	-	17	-	-	-	-	
Local Sustainable Transport Fund - ES Coastal Towns	2,474	2,474	277	36	277	-	-	-	-	
Local Sustainable Transport Fund - Travel choices for Lewes	1,196	1,196	2	2	2	-	-	-	-	
Eastbourne and Hastings Light Reduction	3,704	3,704	9	-	9	-	-	-	-	
Eastern Depot Development	1,586	1,586	200	26	30	170	-	170	-	xii
Newhaven Swing Bridge	1,548	1,548	35	1	35	-	-	-	-	
Waste Leachate Programme	250	250	11	9	11	-	-	-	-	
Hastings and Bexhill Junction Walking & Cycling Package	250	250	-	-	-	-	-	-	-	
Eastbourne/South Wealden Walking & Cycling Package	1,750	1,750	400	209	400	-	-	-	-	
Hastings and Bexhill Junction Improvement Package	1,893	1,893	-	-	-	-	-	-	-	
Hailsham/Polegate/ Eastbourne Sustainable Transport Corridor	2,600	2,600	250	111	200	50	-	50	-	xiii
Integrated Transport - LTP plus Externally Funded	46,553	46,553	5,981	2,816	4,500	1,481	-	1,481	-	xiv
Speed Management	2,948	2,948	122	17	122	-	-	-	-	
Terminus Road Improvements	6,250	6,250	695	494	695	-	-	-	-	
Highway Structural Maintenance	103,038	103,038	18,538	10,700	18,538	-	-	-	-	
Bridge Assessment Strengthening	16,860	16,860	1,134	526	1,134	-	-	-	-	
Street Lighting - Life Expired Equipment	7,902	7,902	867	136	867	-	-	-	-	
Rights of Way Surface Repairs and Bridge Replacement	4,617	4,617	465	400	473	(8)	-	-	(8)	xv
Total CET Gross	455,270	456,260	54,976	26,004	51,710	3,266	0	3,274	(8)	



## Governance – Q3 2016/17

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

**Reconciling Policy, Performance and Resources (RPPR)** – The Government's Autumn Statement was published on 23 November 2016, with the provisional local government settlement following on 15 December 2016. The provisional settlement confirmed the four year funding offer, detailing the Council's level of Revenue Support Grant and transition grant. It also introduced the ability for the Council to increase the ASC precept to 3% in 2017/18 and 2018/19, subject to a maximum 6% cumulative increase between 2017/18 and 2019/20. At County Council on 7 February 2017 the Council agreed the budget for 2017/18, including adopting the 3% precept. They also approved a new Capital Programme, 2016 – 2023, which includes a new £91.3m five year Highways Structural Maintenance Programme. The final local government funding settlement was announced by Government on 20 February 2017, the settlement is consistent with the Council's financial position set out in the RPPR report on 7 February 2017.

We have continued to develop our draft Council Plan and Portfolio Plans during Q3. The Council Plan sets out our ambitions and what we hope to achieve through to 2020, and the draft was also agreed by County Council on 7 February 2017. The draft 2017/18 Portfolio Plans and savings proposals were reviewed by Scrutiny Committees in December 2016.

A Whole Council Forum was held in December 2016 to inform members of the latest position. Consultation and engagement meetings have been held with partners, Business Ratepayers, Trade Unions and young people.

**Devolution** – The 3SC Leaders have continued to meet throughout Q3. As a result of the changes in, and the priorities of, Government, following the EU referendum, there has been a period of uncertainty in the future direction of devolution. The Government has confirmed that devolution remains a priority and that the new Industrial Strategy will underpin the negotiation and agreement of future devolution deals. Partners are working to ensure that the 3SC approach, asks and offers align with the emerging strategy and focus of Government. In light of the uncertainty, 3SC Leaders have agreed to take a "strategic pause" on specific activity to allow time for the Government's position to become clear.

**Supporting democracy** – During Q3 we supported 62 meetings including: two Council meetings; four Cabinet meetings; 12 Lead Member meetings; 19 scrutiny committees and review boards; and 25 other committees and panels. 33 school admission appeals were received and arranged, plus one school exclusion appeal hearing.

The Members' ICT and 'paperlight' projects have progressed during Q3, 22 Members are continuing the trial of updated ICT equipment in the form of 'hybrid' Windows devices; with several others likely to trial this technology over the coming months. Due to the increasing numbers of Members who have gone 'paperlight', Q3 agenda printing costs are estimated to be half of those in Q3 2015/16.

A new school appeals management system went live during Q3, improving the process for parents appealing against a school placement for their children. Parents are now able to follow the progress of their appeal online, which has led to fewer phone queries to the team together with cost savings in paper, printing and postage.

Preparations for the May 2017 Council elections have continued. Member Services has worked with the Council's Communications and Policy teams, and the Local Government Association to develop a new website to explain what being a councillor involves. Significant progress has been made in devising an induction programme for elected Members in May 2017 based on a Member survey undertaken in September 2016.

**Legal Services** – Orbis Public Law (OPL), our joint legal services partnership with Brighton & Hove City Council, and West Sussex and Surrey County Councils, continues to progress, with effective working relationships established across the partners. Each office has a staff forum that meets regularly to give feedback to the joint Project Board. Our commercial law pathfinder project continues, with the alignment of working processes fully underway and the advocacy project, which is reviewing court representation in child law proceedings across the four authorities with a view to reducing expenditure on external barristers. We are also working towards standardising our office practices with the creation of an OPL office manual, and a single practice management team. We are using our increased buying power to negotiate more favourable terms for external expenditure including barristers' fees and legal research materials.

We completed planning and highways agreements securing contributions of £119,000. We also collected debts due to the Council totalling £161,150 and agreed repayments of debts, by way of instalment plans, with 13 debtors.

We advised and represented Trading Standards in two successful prosecutions; the first was of a rogue trader who preyed on elderly vulnerable clients, including a recently widowed 96 year old, by claiming that their roofs needed repair and then overcharging for the works, he was imprisoned for 16 months. The second prosecution was of a company director who duped investors into paying thousands of pounds for worthless franchises. He received a 20 month suspended prison sentence and disqualification from acting as a company director for 15 years. Compensation for the victims is being pursued. There is a confiscation hearing in June which will also deal with our application for



costs.

We prosecuted a breach of an enforcement notice preventing waste being stored at a property; the two defendants were each fined £1,000 and ordered to pay costs of £1,125. We also carried out four prosecutions for fraudulent use of blue badges (disabled parking) which resulted in fines and costs totalling over £1,700; and 25 prosecutions against parents who failed to ensure their children regularly attended school.

We continued to advise Children's Services in pre-proceedings cases to enable families to keep their children within the family. Recent changes to case law, reducing the amount of time a child can be looked after by a local authority without a Care Order, and a general increase in referrals have seen a sustained increase in cases in 2016/17 with a further 30 being issued during Q3. We issued 21 in the same period last year. The increase in referrals has been reflected nationally. Despite the increasing workload, the average case duration during Q3 was 26.8 weeks, just missing the Government's target of 26 Weeks. The figures are produced on a quarterly basis by Legal Services based upon information collated by both Legal Services and Children's Services.

The number of court hearings to ensure that members of the community who are mentally incapacitated are protected continues to be high. In Q3 we made six applications to the Court of Protection with 12 cases waiting to be issued.

**Effective publicity and campaigns** – Our Stoptober campaign encouraged 42 East Sussex residents to sign up for help to give up smoking, with the majority immediately attending local clinics, using a digital marketing campaign targeted at the highest risk groups. The campaign saw more than 5,600 click-throughs to the local quit service, with more than 4,000 people commenting, sharing or liking the campaign.

We delivered a campaign to inform and recruit potential councillors using video, web, and social media content and advertising. The East Sussex section of the Be A Councillor website was visited by more than 1,000 people in Q3.

**Media work** – The press office received 166 enquiries in Q3. They issued 35 press releases which generated 255 media stories.

**Web activity** – The Council's main website received 2.2 million page views during Q3 from over 318,000 visitors. The most visited areas were the library pages (especially the catalogue), the home page, jobs with the council, school term dates, and school admissions. 32% of traffic now comes from mobile phones compared to 25% in Q3 2015/16.

**Third Sector support** – The Voluntary and Community Sector (VCS) infrastructure service review recommendations have been agreed by the Lead Member for Community Services. The new funding agreement with the incumbent providers will run from 1st April 2017 for one year, plus an optional one year extension. The inputs, outputs, and outcomes will be agreed with the current providers in Q4. The process for retendering the Healthwatch service and Independent Health Complaints Advocacy Service was completed during Q3, with the current provider, East Sussex Community Voice, being awarded the new contract to begin on the 1 April 2017.

**World War 1 (WW1) commemorations** – Our website (<http://www.eastsussexww1.org.uk/>) hosts 195 stories and events, approximately 63% of which have been submitted or contributed to by the public. In Q3, 11,992 users viewed the site 13,799 times; 127% more users and 121% more views than for the same period in 2015. Our WW1 Twitter profile (@EastSussexww1) has 1,397 followers, who are making contact to share their WW1 stories. In the week running up to the USA's presidential election in November, we promoted existing website content about the USA's involvement in WW1, and published two new stories: one to commemorate the centenary of the 1916 USA presidential election and another on how the USA came to enter WW1. In December we also published a story commemorating the centenary of Lloyd George becoming Prime Minister in December 1916.

We have uploaded more Then and Now photos, produced by East Sussex photographer Kieron Pelling, to the website and released digitised copies of our WW1 East Sussex Newspapers for October, November and December 1916. We have also completed the digitisation of the Sussex Daily News for the entirety of WW1.

**SE7** – Work continues to establish a Sub-National Transport Body for the South East, and all SE7 Authorities have now agreed to the establishment of a Shadow Body. Work in Q4 will focus on developing a constitution and draft Transport Strategy. A number of shared SE7 lobbying actions have also been carried out in Q3. Letters were sent to Government regarding the importance of the full Business Rates Retention funding system taking into account local need, and the need for increased Government investment in infrastructure to support the delivery of high quality housing in the South East. The partnership has also provided a valuable forum for sharing learning and information on the new Government's priorities, devolution deals, the first phase of Sustainability and Transformation Plans, the Autumn Statement and other Local Government funding announcements.

**Revenue budget summary** – At Q3 there is a forecast underspend of £92k; this is mostly due to staff vacancies. The spend on Laptops for Members is lower than expected as hybrid machines are being reallocated. There has also been some additional income from academies for school appeals.

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

Performance exceptions (Q1 – Red and Amber RAG rated targets, and amendments Q2-4 – RAG status changed to Red, Amber, Green, and amendments)								
Performance measure	Outturn 15/16	Target 16/17	16/17 RAG				Q3 16/17 outturn	Note ref
			Q1	Q2	Q3	Q4		
There are no Council Plan targets								

Savings exceptions (Projected - Red = will not be delivered but may be mitigated; Amber = on track to deliver but not in the year (& may be mitigated); Green = on track to deliver in the year)					
Service description	2016/17 (£'000) – Q3 Forecast				Note ref
	Target	Achieved	Slipped	Unachieved	
Savings					
Communication Service redesign and income generation	115	115	-	-	
Legal Services income generation	25	25	-	-	
Senior Management & Organisational Development	40	40	-	-	
Total Savings	180	180	0	0	
Variations to Planned Savings					
None	-	-	-	-	
Permanent Variations	0	0	0	0	
Total Permanent Savings & Variations	0	0	0	0	
None	-	-	-	-	
Temporary Variations	0	0	0	0	
Total Savings with Variations	180	180	0	0	

Revenue budget										
Divisions	Planned (£000)			Q3 2016/17 (£000)						Note ref
				Projected outturn			(Over) / under spend			
	Gross	Income	Net	Gross	Income	Net	Gross	Income	Net	
Corporate Governance	3,649	(69)	3,580	3,640	(95)	3,545	9	26	35	
Corporate Support Services	3,418	(580)	2,838	3,361	(580)	2,781	57	-	57	
Senior Management and Org Development	1,445	(364)	1,081	1,445	(364)	1,081	-	-	-	
Total Governance	8,512	(1,013)	7,499	8,446	(1,039)	7,407	66	26	92	

Capital programme										
Approved project	Total project – all years (£000)		2016/17 (£000)							Note ref
			In year monitor Q3 (£000)				Analysis of variation (£000)			
	Budget	Projected	Budget	Actual to date	Projected 2016/17	Variation (over) / under budget	(Over) / under spend	Slippage to future year	Spend in advance	
Case Management/Committee Management Systems	86	86	3	3	3	-	-	-	-	
Total Governance	86	86	3	3	3	0	0	0	0	

## Strategic Risk Register – Q3 2016/17

Ref	Strategic Risks	Risk Control / Response	RAG
4	<b>HEALTH</b> Failure to secure maximum value from partnership working with the NHS. If not achieved, there will be impact on social care, public health and health outcomes and increased social care cost pressures. This would add pressures on the Council's budget and/or risks to other Council objectives.	<p>Implementation of East Sussex Better Together Programme by ESCC and Hastings and Rother CCG and Eastbourne, Hailsham and Seaford CCGs to transform health and social care in the county and deliver the Better Care Fund plan to improve outcomes for East Sussex residents, with robust governance arrangements reporting to County Council and Health and Wellbeing Board. Programme will develop the plan for a clinically and financially sustainable health and social care system in East Sussex. There will also be targeted use of the Better Care Fund to better integrate health and social care and contribute to whole system transformation.</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	<b>SCHOOLS</b> Failure to manage the expected significant reduction in resources for school improvement from 2017/18 and the potential impacts of changing government policy on education, leading to reduced outcomes for children, poor Ofsted reports and reputational damage.	<ul style="list-style-type: none"> <li>•Develop and implement a transition plan so the Standards and Learning Effectiveness Service and schools are prepared for the changes to funding and education policy. This includes:               <ul style="list-style-type: none"> <li>-Implementing a service restructure to remove direct delivery of school improvement and further develop commissioning model of school improvement</li> <li>-Continue to build relationships with academies and sponsors, including the Diocese of Chichester, ensure a dialogue about school performance, including data sharing.</li> </ul> </li> <li>•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.</li> <li>• Continue to broker support to academies to address any performance concerns and investigate the feasibility of trading some LA school improvement services with all schools on a full cost recovery basis.</li> <li>•Where academies do not appear to be accessing appropriate support, bring this to the attention of the DfE, who may exercise their intervention powers.</li> <li>•Continue to build a relationship with the Regional Schools Commissioner to ensure the work of the RSC and the LA do not duplicate and that schools have the support they need.</li> </ul>	R

Strategic Risk Register – Q3 2016/17			
Ref	Strategic Risks	Risk Control / Response	RAG
1	<b>ROADS</b> 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>The additional capital maintenance funding approved by Cabinet in 2013 has enabled us to stabilise the deterioration in the carriageway network and improve the condition of our principle road network.</p> <p>The County Council's asset management approach to highway maintenance is maintaining the overall condition of roads, despite recent winter weather. The preventative approach to the maintenance of the County's highway network is being further rolled out across all highway asset types, including highway drainage.</p> <p>The new highways contract, which commenced on the 1st May, introduced a more preventative approach to highway drainage with the introduction of routine drainage ditch and grip* maintenance. We are also continuing with our targeted approach to gully cleansing, and developing a drainage strategy targeting flooding hotspots.</p> <p><i>*A highway grip is a shallow ditch connecting the road edge to the roadside ditch. Its purpose is to drain rain water from the highway into the roadside ditch.</i></p>	A
5	<b>RECONCILING POLICY, PERFORMANCE &amp; RESOURCE</b> 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.	We employ a robust Reconciling Policy, Performance and Resources (RPPR) process for business planning. We have adopted a commissioning approach which means evaluating need and considering all methods of service delivery, which includes working with partner organisations to deliver services. The Council Plan sets out targets for a 'One Council' approach to deliver our priorities and is monitored quarterly. The plans take account of known risks and pressures, including demographic changes, to design mechanisms to deliver the Council's priorities. The Autumn Statement confirmed the Government's departmental spending plans and uncertainty about future growth in the national economy. There have been no announcements which change our plans but the RPPR process will be used to monitor the situation and keep members informed of any changes in order that mitigating action can be taken.	A
8	<b>CAPITAL PROGRAMME</b> Failure to deliver capital programme outcomes on-time and on-budget, impacting on the Council's ability to support local economic growth.	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. Work regarding this is ongoing and has focussed on driving down costs and maximising resources thereby improving its affordability. A proposed programme covering 2016-23 will be presented to Full Council in February 2017.	A

Strategic Risk Register – Q3 2016/17			
Ref	Strategic Risks	Risk Control / Response	RAG
9	<b>WORKFORCE</b> Stress and mental health are currently the top two reasons for sickness absence across the Council, potentially leading to reduced staff wellbeing, reduced service resilience, inability to deliver efficient service and / or reputational issues.	<p>A range of initiatives and interventions to support managers and staff in this area are being taken forward. In particular, we have confirmed our commitment to the mental health 'Time for Change' pledge with a number of dedicated activities and have successfully been awarded funding from two sources in order to assist with our 16/17 and 17/18 wellbeing strategy.</p> <p>We have been awarded a grant of £10k from the LGA to develop an online mindfulness programme to support staff to be resilient at work. The programme will commence in January 2017 and the evaluation process will include data and recommendations for the future direction of support for employees who are absent with stress-related illness and improving wellbeing at work. More generally, a joint venture with Public Health offering ESCC staff work based health checks is due to launch in Spring 2017. The aim is to improve the health and wellbeing of adults aged 40-74 years through the promotion of earlier awareness, assessment, and management. It is anticipated that these checks will help to prevent the onset of cardiovascular disease.</p> <p>In considering stress absences, a new 'wellness tool' has been introduced designed to enable employees and managers to discuss any wellbeing concerns at the earliest possible stage. In addition, an automated process is now in place to ensure that all managers with employees absent due to mental health or stress are contacted by the first and tenth day of absence. The email is sent direct from Firstcare and provides guidance for managers on the resources available to support staff.</p>	A
10	<b>RECRUITMENT</b> Inability to attract high calibre candidates, leading to limited recruitment choices and therefore lack of the expertise, capacity, leadership and/or innovation required to deliver services and service transformation.	Work with departments is underway to understand key areas of recruitment difficulty. Strategies to address this will include refreshing and publicising more clearly the benefits of working in the public sector and ESCC in particular, as well as understanding the different markets we are competing in. To support this, different talent attraction approaches will be developed ranging from apprentices and interns through to highly experienced individuals.	A



## Strategic Risk Register – Q3 2016/17

Ref	Strategic Risks	Risk Control / Response	RAG
6x	<p><b>LOCAL ECONOMIC GROWTH</b></p> <p>Failure to deliver local economic growth, and failure to maximise opportunities afforded by Government proposal to allocate Local Growth Funding to South East Local Enterprise Partnership, creating adverse reputational and financial impacts.</p>	<p>All projects that have secured capital funding from the South East England Local Enterprise Partnership (SELEP) have either now been completed, or construction is underway. Following the March 2016 call from Government for LEPs to prepare a 3rd round of Local Growth Funding, SELEP submitted its formal submission to Government at the end of July 2016. All of the projects that Team East Sussex considered were included, with a cumulative value of around £30m to deliver a range of infrastructure projects including a conferencing facility at Devonshire Park, Eastbourne and a number of strategic infrastructure investments creating the opening for new business parks across the county. Following the Chancellor's Autumn Statement at the end of November 2016, we are awaiting official confirmation of the outcome of the bid.</p> <p>Coast 2 Capital LEP have recently issued a call for projects (using underspend) that can start spending in Qtr 4 2016/17. We will be bidding for Newhaven Eastside South and Charleston Centenary project. We will know the outcome of these bids by February.</p> <p>In spite of the continued uncertainty around availability of EU funding in the current programme period, work has continued on developing partner bids across the SELEP. Bids to augment the Business East Sussex service have now been secured in September for the project termed South East Business Boost until June 2019 providing further enhanced business support services to support the growth of local companies (pre start-ups through to established). In addition, to enhance and increase our delivery of inward investment services, a further bid termed South East Invest has been submitted and we now await a decision on the bid.</p> <p>Whilst continuing to develop pipeline projects for subsequent rounds of Local Growth Funding via SELEP, in the longer term European funding will not be available, so we are increasingly looking towards the potential offered through the devolution of skills and infrastructure funding to the 3 Southern Counties and the emerging Sub-National Transport Board, the latter of which will enable the direct engagement with Highways England and Network Rail to influence their investment programmes.</p>	A
2	<p><b>ORDINARY RESIDENCE</b></p> <p>Risk from other areas placing clients in receipt of social care services in East Sussex, and transferring to ESCC the commissioning, care management and funding responsibility for the individual as a result of a successful Ordinary Residence claim.</p>	<p>Dedicated Ordinary Residence Panel set up. The Panel discusses and agrees strategic and legal responses to Ordinary Residence claims from and to other Local Authorities, and directs reporting content. Panel members contact other Local Authorities directly where appropriate, and instruct Legal Services representation (including Counsel, and applications for Secretary of State determination) on behalf of ESCC.</p> <p>Continued awareness raising for ASC operational staff (and particularly Social Care Direct) in line with published guidance on Ordinary Residence, resulting in earlier case referrals to Ordinary Residence team. Guidance for frontline staff was written and issued followed by panel members visiting all ASC Operational teams to deliver presentation and Q&amp;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

Strategic Risk Register – Q3 2016/17			
Ref	Strategic Risks	Risk Control / Response	RAG
New	<p><b>APPRENTICESHIP LEVY</b></p> <p>The Government will introduce the Apprenticeship Levy on 6 April 2017. The levy requires all employers operating in the UK, with a pay bill over £3 million each year, to invest in apprenticeships.</p> <p>This creates a potential financial risk for the Council. A Levy contribution of £550,000 will be deducted from the General Fund staffing budget; and £690,000 will be deducted from the (maintained) Schools delegated staffing budgets; but there is no certainty about how much of this will be returned to the budget in 2017-18 in the form of apprenticeship training vouchers.</p>	<p>We will develop a strategy and action plan covering Departments and Schools to maximise the numbers of new and existing staff receiving qualifying apprenticeship training.</p>	G

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**Report to:** Cabinet

**Date of meeting:** 7 March 2017

**By:** Director of Children's Services

**Title:** National Funding Formula for schools consultation – Stage 2

**Purpose:** To identify the key issues arising from the National Funding Formula Stage 2 consultation

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## **RECOMMENDATIONS**

The Cabinet is recommended to:

- 1) note the launch of Stage 2 of the consultation on a National Funding Formula (NFF) for Schools, and that a response is planned by the deadline of 22 March 2017;**
  - 2) note that it is still not possible to accurately quantify the impact of the government's proposals on East Sussex schools or on the Council; and**
  - 3) note the background information and potential issues for East Sussex as set out in the report.**
- 

## **1 Background**

1.1 Dedicated Schools Grant (DSG) is the main grant the government gives to each local authority (LA) for education provision in their area. Education Service Grant (ESG) currently further provides towards this. DSG is currently distributed to LAs, and each LA, through agreement with its Schools Forum, manages a local funding formula for the onward distribution to schools.

1.2 In 2010 the coalition government first noted its intention to move towards a "national funding formula" (NFF) for schools. On 7 March 2016 the Department for Education (DfE) launched the first of 2 planned consultations on this ([Schools national funding formula - Consultations - GOV.UK](#)), laying out its proposals for achieving a national formula.

1.3 The Stage 2 Consultation was launched on 14 December 2016 and will close on 22 March 2017. An East Sussex response is being prepared for submission.

1.4 The Stage 2 Consultation document confirms the following:

- The introduction of a NFF for schools, high needs and local authority (LA) services for schools in 2018/19.
- There will be a 'soft' introduction of the NFF for 2018/19, leading to a 'hard' NFF for the schools block from 2019/20:
  - For 2018/19, the NFF will be used to calculate 'notional' budgets for schools which will be aggregated up, and which the local authority will then distribute using its own local formula to apportion funding between schools;
  - In 2019/20, the NFF will be fully ("hard") implemented with the DfE potentially distributing budgets direct to schools.
- There will continue to be arrangements that will limit gains and losses at school level.

- The schools funding block will be ring-fenced for spending on schools, but there will be some limited scope for movement between all funding blocks before 2019/20, and some continuing local flexibility from 2019/20, subject to consultation and approval of Schools Forum and the majority of schools.
- The factors that will be used for the Schools funding formula are as per the Stage 1 proposals, with the addition of a mobility factor, reflecting requests from the Stage 1 consultation responses.
- A new, fourth funding block – the Central Schools Services Block – will be allocated to LAs on a formulaic basis, to support some centrally provided local authority functions.

## **2 Supporting information**

2.1 The DfE are seeking views on key points in their proposal for a NFF. Details of the current ESCC formula factors, and a comparison with the proposed NFF factors, are included in Appendix 1.

2.2 Alongside this consultation, the DfE are also seeking views on a Stage 2 consultation relating to the introduction of a High Needs NFF for children and young people with special educational needs. The DfE have also stated the Early Years Block will be reviewed later in the year.

2.3 Pupil premium, pupil premium plus and the service premium are further methods for the government to fund education provision. The DfE have advised these will continue and are unaffected by the proposals of the consultations.

## **3 Implications for East Sussex**

### **Schools**

3.1 In support of the main consultation documents, the DfE published data illustrating the potential implications of the proposals for schools and local authorities, in a hypothetical scenario which is illustrated in the table below. This illustrates the impact on total LA allocations if the NFF proposals had been implemented in full in 2016/17, using current school data to calculate illustrative funding before any capping or protection (Column B). This is then compared against the 2016/17 funding baseline (Column A). It also illustrates what the following year's allocation would be after capping or protection (Column D), again using the 2016/17 data (eg numbers on roll).

3.2 This indicates (Column B) that East Sussex would have seen a 2.7% overall increase in funding, if the 2016/17 DSG allocation had been calculated using the proposed NFF, and this is the second highest uplift amongst our geographical neighbours. West Sussex and Kent see the greatest potential overall increase at 2.9% against the restated 2016/17 DSG.

3.3 The indicative changes in funding of the Schools Block, shown locally as a 2.5% increase in column C in the table, are illustrated for all Local Authorities in the map in Appendix 2.

LA name	All blocks (Column A)	Illustrative NFF funding if the formula were fully implemented in 2016/17 <b>with no protection or cap on any gains</b>					Illustrative NFF funding if the formula were fully implemented in 2016/17 <b>with protection and cap on gains</b> (Column D)	
		Total (all blocks) (Column B)		Schools Block Only (included within Column A figures) (Column C)				
		Illustrative total NFF allocations for LAs (all blocks)	% change compared to current 2016/17 baseline	Schools Block 2016/17 baseline	Illustrative NFF funding if formula was implemented	% change compared to current 2016/17 baseline	Illustrative total NFF year 1 allocations for LAs (all blocks)	% change in NFF year 1 compared to current 2016/17 baseline
Brighton and Hove	£154,336,398	£153,920,028	-0.3%	£129,265,267	£128,902,044	-0.3%	£154,407,376	0.0%
East Sussex	£308,240,653	£316,537,088	2.7%	£262,007,533	£268,529,136	2.5%	£313,496,255	1.7%
Kent	£1,012,322,033	£1,041,304,258	2.9%	£823,029,471	£852,575,679	3.6%	£1,025,086,472	1.3%
Medway	£199,157,469	£203,763,093	2.3%	£163,239,678	£167,656,349	2.7%	£201,697,257	1.3%
Surrey	£717,688,493	£735,118,460	2.4%	£576,051,838	£594,012,906	3.1%	£727,142,178	1.3%
West Sussex	£489,570,983	£503,826,552	2.9%	£413,737,904	£428,309,913	3.5%	£497,371,721	1.6%

3.4 It is important to note that **these illustrations do not represent actual allocations** for any specific year and so should not be taken as confirmation of future funding. Also, the illustrations do not reflect any local factors, such as inter block transfers, and do not reflect any changes in pupil numbers since October 2015. They are only intended to help inform the consultation, and when the NFF is implemented, the actual allocations will be based on pupil numbers/ characteristics at the time and will be subject to any changes to the formula that may arise from the Stage 2 consultation.

3.5 The table below shows that at a regional level, the greatest increases in per pupil funding (which also correspond to the restated 2016/17 DSG allocation (Column B above)) are likely to be in the East Midlands and the South East.

Region	% change in per pupil funding under formula only NFF	Number of schools for which funding would increase	Number of schools for which funding would reduce
East of England	1.5%	1,485	875
East Midlands	2.5%	1,208	705
Inner London	-2.4%	29	802
North East	1.0%	622	422
North West	0.1%	1,187	1,695
Outer London	1.0%	611	737
South East	2.3%	1,853	1,195
South West	2.2%	1,600	591
West Midlands	0.3%	1,010	1,163
Yorkshire and the Humber	1.5%	1,135	943

3.6 As the funding formula is implemented, there will also inevitably be individual 'winners' and 'losers' at a school level. The illustrations show that if the NFF was implemented with no transitional capping, whilst the overall gain for East Sussex schools would be 2.5% (as per paragraph 3.3 and Column C above), 43% of East Sussex schools (48% of primary and 20% of secondary) would appear to be 'losers'.

3.7 The picture on an individual school level shows a range of indicated increases/ reductions. The highest increase in the primary phase would be 13.5%, whilst the greatest reduction would be 2.4%. For the secondary phase, the highest increase would be 5.1% and the greatest reduction would be 2.5%. However, it is important to note that these increases/ reductions would not be realised in the first year of the NFF as there are proposals to manage the transition to the final formula using protected capping/ funding floors which would work towards achieving the indicative increases/ reductions over a period of time (length to be confirmed).

3.8 Small and rural schools feature widely across East Sussex. Members will be aware that the previous Secretary of State is on record as saying no small schools would close as a result of the NFF proposals. The new Secretary of state has been silent on this issue, but the Minister for Schools has cited the work around the Sparsity factor as a means of ensuring no closures. While we welcome the enhanced rates proposed for the Sparsity factor, it should be noted that the proposals will not widen the qualification criteria for the factor or tackle rurality, so it is not envisaged that any more schools in East Sussex will benefit from the factor or be able to offset reductions in the lump sum funding with it.

### **Local Authority**

3.9 It is proposed that LA historic commitments, as part of the Central School Services block and which includes spend on Combined Services, will be recognised on the basis of actual costs and will be expected to 'unwind over time'. It is therefore likely to reduce from £6.9m budgeted for 2017/18 and add pressure over and above that assumed in the MTFP (reductions of £0.25m in both 2018/19 and 2019/20). It is, however, not possible at this stage to determine the likely reductions or their timing.

3.10 Currently, LAs can reallocate funding across the 3 funding blocks and this does not require Schools Forum approval. The consultation proposes the Schools Block will be ring-fenced from 2018/19. It is not clear how any future pressures on the High Needs or Early Years blocks will be funded if this is the case.

## **4 Other issues**

4.1 The consultation paper introduces a £50m annual grant (with effect from September 2017 when the ESG General funding element is fully withdrawn) which will be allocated to LAs on the basis of the number of maintained schools. The indicative allocation for East Sussex for 2017/18 is £263k.

4.2 In addition, there will be an annual £140m 'Strategic School Improvement Fund' available to continue to monitor and broker school improvement support. We understand that details of how to access this fund will be available shortly.

4.3 The consultation also states the function of Schools Forums will be reviewed within the next two years, but adds that the DfE do not intend to make changes to the make-up or functions of the schools forum before then.

4.4 The East Sussex Schools Forum met on 13 January 2017 and expressed concern over the ongoing underfunding of schools against a backdrop of increasing costs, including the Apprenticeship Levy, in East Sussex. Headteachers and Governors are also coordinating responses to the NFF consultation and are likely to increase their lobbying of local MPs.

4.5 Alongside this, attached at Appendix 3 is a draft letter to be sent to lobby East Sussex MPs on schools funding, the apprenticeship levy and business rates. This also follows the letters from the Lead Member for Education and ISEND to East Sussex MPs in November 2016 and from the Chair of East Sussex Schools Forum to DfE in July 2016 and December 2016.

4.6 It is unclear at this stage how the revoking of the White Paper, which required all schools to have converted to academy status by 2020, may affect East Sussex, but if a significant number of schools do convert to academies, impacts will need to be considered, such as the key impact on LA responsibilities and staff numbers, on East Sussex traded services as well as the liability of school staff pensions. There is also a risk there will be a need for LA staff reductions following the introduction of the NFF – for example from the removal of the responsibility for setting local funding formulae. Further work will be required to quantify this.

## **5 Conclusion and reasons for recommendations**

5.1 This report has identified the key issues for East Sussex from the Stage 2 NFF consultation.

5.2 The next steps will be:

- Present the draft response to Schools Forum (17 March) before submission to DfE by 22 March;
- Orbis Finance to review the assumptions in the MTFP relating to the NFF;
- Orbis Finance to support Schools Forum prepare for the “soft” NFF (a working group is being set up to this effect).

**Stuart Gallimore**  
**Director of Children’s Services**

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### LOCAL MEMBERS

All

### BACKGROUND DOCUMENTS

Schools national funding formula - Consultations - GOV.UK, 14 December 2016

[School funding in England. Current system and proposals for 'fairer school funding'](#) House of Commons Library Briefing paper, 9 March 2016

[“Educational excellence everywhere”](#) White Paper, 17 March 2016

## Appendix 1 – Proposed NFF Funding factors and comparison with the current ESCC funding rates

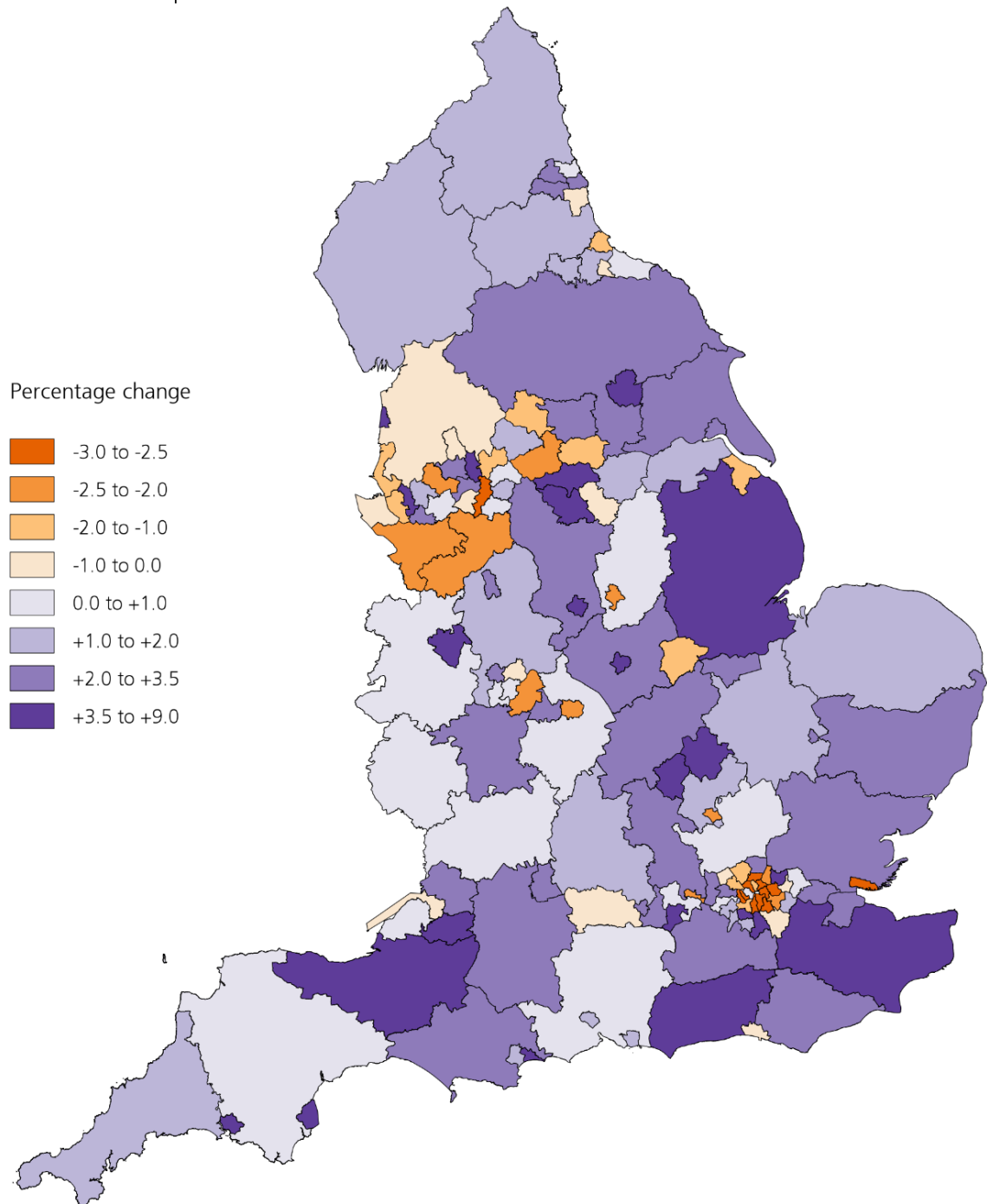
	19/20 Proposed data taken from NFF consultation		16/17 ESCC Actual Funding formula rates		17/18 ESCC Proposed Funding formula rates **	
Ratio Primary to Secondary		1:1.29		1:1.32		1:1.31
Additional Needs Funding	18.00%		11.08%		10.66%	
<b>TOTAL per Pupil funding</b>	<b>90.50%</b>		<b>87.31%</b>		<b>86.90%</b>	

\*\* INCLUDES assumed £750k additional funding

Funding Factor		19/20 Proposed data taken from NFF consultation					16/17 ESCC Actual Funding formula rates					17/18 ESCC Proposed Funding formula rates **				
		Proposed weighting for the NFF	Per pupil / school funding under the proposed NFF (NB these exclude area cost adjustment funding)				16/17 weighting	Per pupil / school funding				17/18 weighting	Per pupil / school funding			
			Primary		Secondary			Primary		Secondary			Primary		Secondary	
Basic per pupil funding (£ per pupil)		72.50%	KS1		KS3	£3,797	76.24%	KS1		KS3	£3,706	76.24%	KS1		KS3	£3,632
			KS2	£2,712	KS4	£4,312			KS2	£2,687	KS4		£4,655		KS2	£2,634
Deprivation (£per pupil)	Ever 6 FSM	9.30%	£540		£785		6.46%	£0		£0		6.02%	£0		£0	
	Current FSM		£980		£1,225			£1,532		£2,751			£1,501		£2,696	
	IDACI A		£575		£810			£0		£0			£0		£0	
	IDACI B		£420		£600			£0		£0			£0		£0	
	IDACI C		£360		£515			£0		£0			£0		£0	
	IDACI D		£360		£515			£0		£0			£0		£0	
	IDACI E		£240		£390			£0		£0			£0		£0	
	IDACI F		£200		£290			£0		£0			£0		£0	
Low prior attainment (£ per pupil)		7.50%	£1,050		£1,550		4.53%	£658		£842		4.55%	£645		£825	
English as an additional Language (£ per Pupil)		1.20%	£515		£1,385		0.08%	£0		£771		0.08%	£0		£755	
TOTAL per Pupil funding		90.50%					87.31%					86.90%				
Mobility (allocated to Las on basis of historic spend)		0.10%	N/A				0.00%	N/A					N/A			
Lump Sum (£ per school		7.10%	£110,000		£110,000		9.85%	£142,000		£145,000		10.00%	£142,000		£145,000	
Sparsity (£ per School)		0.08%	£0 - £25,000		£0 - £65,000		0.03%	£5,000		£5,000		0.02%	£5,000		£5,000	
Premises (allocated to LAs on basis of historic spend)	Rates	1.75%	N/A				2.71%	N/A				2.98%	N/A			
	PFI															
	Split Sites															
	Exceptional circumstances															
Explicit spend on growth		0.47%	N/A				0.6%	Calculated outside Formula				0.5%	Calculated outside Formula			
TOTAL		100%					100%					100%				

### Change in funding by local authority

Illustrative NFF funding compared to baseline if formula implemented in full in 2016-17, without transitional protections



Boundary data: Open Government Licence. Contains National Statistics data © Crown copyright.  
House of Commons Library (OS) 100040654 (2016).

Note: Map is for Schools Block only

## **Appendix 3 - Draft letter to East Sussex MPs**

Dear .....

I am writing on behalf of East Sussex County Council, to express significant concern about schools funding from the national funding formula (NFF) proposals, as well as the potential impact on schools of the forthcoming Apprenticeship Levy and increases to business rates.

### **School funding**

We appreciate the indicated increase in funding to East Sussex schools as a whole under Phase 2 of the consultation for the NFF. However, we have specific significant concerns with the NFF proposals to bring to your attention (and which we will also be including in our formal response to the consultation by the 22 March deadline):

- 43% of East Sussex schools are indicated to see a reduction in their funding;
- the planned reduction to the lump sum funding to £110,000, representing a 22% reduction to the primary phase and a 24% reduction to the secondary phase. This would therefore have a significant impact on East Sussex schools, and particularly small schools;
- while we welcome the enhanced rates proposed for the Sparsity factor, the proposals will not widen the qualification criteria for the factor or tackle rurality (which is a common feature of many East Sussex schools), so we do not envisage that any more schools in East Sussex will benefit from the factor or be able to offset reductions in the lump sum funding with it. We do not believe that this was the planned intention for the sparsity factor, and seek reassurances that the NFF will be suitably amended;
- with planned restrictions on inter block transfers, for example from Schools Block to High Needs Block, together with the ever-increasing demand on the High Needs budget, we are very concerned how special schools/ academies (and those schools/ academies with facilities) and Local Authorities will cope with the resultant financial pressures. We therefore seek clarity on the degree of flexibility between blocks that will remain from 2018/19 onwards.

### **Apprenticeship levy**

At a time when schools are already facing significant budget pressures, it seems inappropriate that the levy should be paid by schools from its introduction in April 2017 without additional funding for it.

Furthermore, it seems unfair that schools will be treated differently simply because of how their payroll is managed.

Many standalone academies and Voluntary Aided schools will be exempt from the levy where their pay bill is less than £3m. However, those potentially required to pay the levy will be:

- i) maintained and Voluntary Controlled schools even where their pay bills are less than £3m, but where their payroll is managed for them by eg a Local Authority; and
- ii) individual academies with a pay bill less than £3m but which are part of a larger multi academy trust with a combined pay bill over £3m.



The requirement on the those in i) and ii) is simply because in these instances the payroll is managed by a larger body (the LA or MAT) – for the purposes of efficiency only – because the cumulative pay bill handled by that body is greater than £3m. If such schools and academies were considered for the levy as the independent entities that they are, they would not be required to pay it.

We therefore ask you seek to remove all types of schools from the implementation of the levy – both to recognise the significant financial pressures schools face and to ensure parity across the different types of school.

### **Business rates for schools**

We have further concerns for East Sussex schools from the expected £0.6m increase for them in business rate costs for 2017/18. Additional funding is not being provided to meet this, and will therefore add further pressure onto already stretched budgets.

We urgently seek recognition of the above issues, as well as amendment to the NFF proposals and the provision of additional funding (or revised arrangements) for the apprenticeship levy and increased business rates.

Yours sincerely,

Keith Glazier  
Leader, East Sussex County Council

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**Report to:** Cabinet

**Date of meeting:** 7 March 2017

**By:** Director of Adult Social Care and Health

**Title:** East Sussex Better Together – Strategic Commissioning Board

**Purpose:** To seek agreement to the establishment of a Strategic Commissioning Board jointly with Clinical Commissioning Groups as part of the transitional arrangements for the East Sussex Better Together Accountable Care Model.

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**Recommendations:** Cabinet is recommended to agree:

1. to establish a joint committee (known as the Strategic Commissioning Board) between the County Council and Eastbourne, Hailsham and Seaford and Hastings and Rother Clinical Commissioning Groups; and to authorise the joint committee to take decisions within the terms of reference as agreed from time to time.
  2. to agree the terms of reference for the Strategic Commissioning Board set out in appendix 1, and delegate authority to the Chief Executive in consultation with the Leader to make amendments to them in light of the evolving nature of the partnership;
  3. to delegate authority to the Leader to appoint four Cabinet Members as the County Council's representatives to the Joint Committee and any associated committees; and
  4. to note that ongoing scrutiny arrangements in relation to East Sussex Better Together will include oversight of the Strategic Commissioning Board's work.
- 

## 1 Background

1.1 In November 2016 Cabinet agreed arrangements for the next phase of the East Sussex Better Together (ESBT) health and social care transformation programme as it moves towards a full Accountable Care Model (ACM). It was considered that the most effective way to develop the evidence base further in East Sussex is to have a transition year of Accountable Care through forming a commissioner provider alliance. This will be supported by an Alliance Agreement setting out the operating arrangements between the ESBT Programme partners: Eastbourne, Hailsham and Seaford Clinical Commissioning Group (EHS CCG); Hastings and Rother Clinical Commissioning Group (HR CCG); East Sussex Healthcare NHS Trust and Sussex Partnership NHS Foundation Trust. Cabinet delegated authority to the Chief Executive, in consultation with the Leader, to finalise the Alliance Agreement and other arrangements for the 2017/18 year.

1.2 During 2017/18 all organisational accountabilities remain unchanged with partners joining up funding and activity through the delivery of the integrated Strategic Investment Plan (agreed through ESCC Cabinet and Council through the Reconciling Policy, Performance and Resources process and through CCG Governing Bodies). This involves creating pooled and aligned budgets covering total health and social care spend of approximately £860m. As commissioners, the Council and CCGs will continue to set priorities for the local population and make investment decisions, as well as scrutinising the delivery of health and care services.

1.3 In the longer term, under a full ACM, the County Council and the CCGs will remain the accountable strategic commissioning bodies for health and social care services, continuing to set outcomes and oversee their delivery, as well as ensuring service user voice and choice are maintained. 2017/18 provides the opportunity to test and evaluate the options available for the full ACM, on both the commissioner and provider sides.

## **2 Strategic Commissioning Board role**

2.1 The strategic commissioning role set out above is critical both to 2017/18 and the longer term Accountable Care arrangements. The integrated Strategic Investment Plan sets out the intentions of the CCGs and County Council in terms of patterns of investment and expected outcomes for 2017/18. However, this will require ongoing review against actual delivery, expenditure and performance, with in-year adjustments made as required to mitigate risks and reflect changing circumstances. A unified outcomes framework and a single performance management process are being developed to support this monitoring.

2.2 As part of the ESBT Alliance governance structure being put in place for 2017/18, it is proposed to establish an ESBT Strategic Commissioning Board which will allow commissioner members of the ESBT Alliance to jointly undertake responsibilities for addressing population health need and for commissioning health and social care on a system-wide basis. A central role of the Board will be joint oversight of delivery of the 2017/18 Strategic Investment Plan. It also presents an opportunity to test and consider arrangements for undertaking the strategic commissioning role across the Council and CCGs in the longer term under a full ACM by enabling commissioners to shadow potential longer term arrangements for integrated strategic commissioning.

2.3 Where health and social care partners place funds into a pooled budget there is the power for a joint committee to be formed to provide combined management oversight and monitoring, and that certain commissioning decisions can be delegated to it. It is proposed to establish the Strategic Commissioning Board as a joint committee on this basis but to broaden the oversight role of the Board to encompass all services and funding streams covered by the Strategic Investment Plan (including both pooled and aligned budgets). Draft Terms of Reference are attached at appendix 1. Whilst it is not anticipated that these will change significantly, discussions with the ESBT CCGs and other Alliance Partners around establishing the partnership are ongoing, and as the partnership matures these may need to be amended. Consequently Cabinet is recommended to agree those set out in appendix 1 but delegate authority to the Chief Executive, in consultation with the Leader, to make amendments to them. The power to form a joint committee relates to the social care functions provided by the Council and some, but not all, health functions. As a broader range of health functions will be included it is necessary to broaden the scope of the committee by holding committees in common. This is a technical device which ensures that two committees (one a joint committee, and the other a committee of the CCG) ostensibly act as single committee, with a sufficient mandate to consider a range of issues without duplicating meetings. The membership of both committees is identical (with ESCC members co-opted onto the CCG Committee as invitees).

2.4 The proposed membership of the Strategic Commissioning Board is balanced across CCGs (four representatives – two clinical and two lay) and the County Council (four elected Member representatives). Senior officers of the County Council and CCGs will attend and support the Board. It is proposed to delegate authority to the Leader to appoint the Council representatives on the Strategic Commissioning Board. It is recommended that this should reflect the portfolios within which the commissioning roles for ESBT services fall and the significant resources to be invested through the Strategic Investment Plan. The Board's role is primarily one of strategic oversight, monitoring, and commissioning decisions; any significant changes to the Plan would be agreed through the Council's decision making processes and CCG Governing Bodies in line with existing organisational accountabilities, based on recommendations from the Board.

2.5 Ongoing scrutiny arrangements will sit alongside the ESBT Alliance governance structure, including oversight of the work of the Board. The ESBT Scrutiny Board has considered and supported the formation of a Member level joint committee to oversee delivery of the Strategic Investment Plan. The Strategic Commissioning Board will also report annually to the Health and

Wellbeing Board on the joint undertaking of strategic commissioning responsibilities and performance against the unified outcomes framework.

### **3. Conclusion and reasons for recommendations**

3.1 Cabinet has previously agreed that moving to a fully integrated model of Accountable Care offers the best opportunity to achieve the full benefits of an integrated health and social care system, and that a transition year of Accountable Care, under an alliance arrangement, would allow for the collaborative learning and evaluation to take place between the ESBT programme partners and other stakeholders.

3.2 Cabinet is recommended to establish a Strategic Commissioning Board, between the County Council, EHS CCG and HR CCG, to enable commissioner members of the ESBT Alliance to jointly undertake responsibilities for addressing population health need and for commissioning health and social care on a system-wide basis. Cabinet is also recommended to agree the Terms of Reference as set out in the Appendix, but to delegate authority to the Chief Executive, in consultation with the Leader, to make amendments in light of the evolving nature of the partnership; to delegate to the Leader to appoint four Cabinet Members to the Strategic Commissioning Board; and to note that ongoing ESBT Scrutiny arrangements will include oversight of the Board's work.

#### **KEITH HINKLEY**

#### **Director of Adult Social Care and Health**

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#### **LOCAL MEMBERS**

Councillors Barnes, Belsey, Bennett, Bentley, Blanch, Carstairs, Charlton, Charman, Clark, Daniel, Davies, Earl, Elkin, Ensor, Field, Forward, Glazier, Keeley, Lambert, Maynard, Phillips, Pragnell, Pursglove, Rodohan, Rogers, Scott, D Shing, S Shing, Shuttleworth, Taylor, Tutt, Ungar, Wallis, Webb and Wincott.

#### **BACKGROUND DOCUMENTS**

None

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*This is a draft document and is subject to further work which will be finalised no later than March 2017*



## **DRAFT TERMS OF REFERENCE FOR THE EAST SUSSEX BETTER TOGETHER (ESBT) STRATEGIC COMMISSIONING BOARD**

### **1 Governance**

Eastbourne, Hailsham and Seaford Clinical Commissioning Group (EHS CCG), Hastings and Rother Clinical Commissioning Group (HR CCG), and East Sussex County Council (ESCC) have established committees in common known as the 'Strategic Commissioning Board'. The Strategic Commissioning Board is established pursuant to the NHS Bodies and Local Authorities Partnership Arrangements Regulations 2000 and all other enabling powers.

The Strategic Commissioning Board has the powers specifically delegated in these terms of reference.

### **2 Purpose**

The Strategic Commissioning Board will jointly undertake responsibilities for addressing population health need and for commissioning health and social care in the 2017/18 test bed year, through oversight of the 2017/18 Strategic Investment Plan (SIP), and any other responsibilities agreed by the sovereign statutory commissioning bodies to oversee the effective delivery of outcomes by the ESBT Alliance (to be determined).

### **3 Responsibilities**

The Strategic Commissioning Board will:

- Ensure alignment in our understanding of the health and care needs of the population covered by the ESBT footprint
- Set the outcomes to be delivered by the ESBT Alliance to meet the needs of the population, reflecting national policy where this is appropriate
- Ensure that local people are engaged in discussions to understand local needs and the outcomes to be delivered, so that they are informed by local insight
- Set the direction of the investment patterns and oversee the implementation of the 2017/18 SIP

- Review recommendations from the ESBT Alliance Governing Board with regard to the ongoing development of the SIP and the investment profile in order to meet population health needs and deliver outcomes
- Monitor and evaluate the meeting of needs and the delivery of outcomes.

#### **4 Authority**

The Strategic Commissioning Board is authorised by the sovereign bodies of EHS CCG, HR CCG and ESCC to jointly undertake activities, and recommend decisions to Governing Bodies and Cabinet, relating to oversight of the ESBT SIP.

It is recognised that EHS and HR CCGs and ESCC will continue to have their own regulatory and statutory responsibilities. The Strategic Commissioning Board enables the sovereign organisations to undertake and align strategic commissioning activities within the current legislative framework to set outcomes and direction for the Strategic Investment Plan jointly, and monitor delivery of outcomes by the ESBT Alliance jointly, whilst still operating as sovereign organisations as the regulatory framework requires.

#### **5 Membership**

Members of the Strategic Commissioning Board will be Elected Members of ESCC and GP and Lay Members of EHS and HR CCG Governing Bodies and this will be maintained at all times. Each member of the Strategic Commissioning Board will be entitled to vote. Following consultation with other Board members any organisation can remove or replace their respective Strategic Commissioning Board Members at any time by notice in writing to the other partners.

The Chair of the Strategic Commissioning Board will rotate between the CCGs and ESCC and will not have a casting vote. The proposed members of the Strategic Commissioning Board will be 4 members appointed by the CCGs and 4 members appointed by ESCC.

The CCGs' Chief Officer and Chief Finance Officer, and ESCC Director of Adult Social Care and Health, Director of Children's Services, Director of Public Health and Head of Finance (Adult Social Care and Health)/Chief Finance Officer or their substitutes will attend in an advisory capacity.

#### **6 Meeting proceedings and quorum**

Wherever possible decision-making will be discussion driven to arrive at a 'best for the whole system' consensus in accordance with principles set out in the ESBT Alliance Agreement. In the event that a vote is needed, each individual Strategic Commissioning Board member is entitled to one vote

A quorum shall be 3 members appointed by the CCG and 3 members appointed by ESCC.



## **7 Attendance**

Where a Member cannot attend a meeting of the Strategic Commissioning Board then they may send a substitute who will have full voting rights. All matters will be decided by a majority of those members present and voting.

## **8 Reporting**

The Strategic Commissioning Board will report to each of the sovereign organisations as required by that organisation.

An annual report will be provided to the East Sussex Health and Wellbeing Board on the SIP commissioning strategy and outcomes delivered, with updates provided as required.

## **9 Administration**

ESCC Member Services will provide secretarial support to the Strategic Commissioning Board.

## **10 Frequency**

Meetings will be held every three months. Meetings will be held in public in accordance with the rules adopted by the Board.

Author	V Smith
Sovereign organisations' governing bodies review	March 2017
Strategic Commissioning Board review	April 2017
Strategic Commissioning Board review due	July 2017, March 2018
Sovereign organisations' governing Bodies review due	July 2017, March 2018
Version	1.0

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<b>Report to:</b>	<b>Cabinet</b>
<b>Date of meeting:</b>	<b>7 March 2017</b>
<b>By:</b>	<b>Director of Communities, Economy and Transport</b>
<b>Title:</b>	<b>East Sussex County Council's Response to the Government's 'Building our Industrial Strategy' Green Paper</b>
<b>Purpose:</b>	<b>To agree East Sussex County Council's proposed response to the Industrial Strategy Green Paper</b>

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***RECOMMENDATION:*** Cabinet is recommended to agree the proposed response to the Government's the 'Building our Industrial Strategy' Green Paper.

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## **1 Background Information**

- 1.1. On 23 January 2017 the Government released their much anticipated Green Paper on Building our Industrial Strategy. This is a public consultation with responses requested by 17 April 2017. Whilst we will respond as a County Council, we will also be engaging with other partners to help formulate their responses, including South East 7 (SE7), 3 Southern Counties (3SC), Team East Sussex and the local universities, to ensure common perspectives are reflected as appropriate.
- 1.2. The strategy sets out how the Government propose to build a modern industrial strategy with the aim of improving living standards and economic growth by increasing productivity and driving growth across the whole country.
- 1.3. The Government have identified 10 'pillars' that they believe are important to drive forward this strategy. These pillars are explained in Appendix 1.

## **2 Supporting Information**

- 2.1. The Industrial Strategy Green Paper asked 38 questions covering each of the pillars. Although the County Council has responded to the questions, the specific nature of the questions does not allow us to reflect what we need from an Industrial Strategy, so it is also proposed that a covering letter is submitted with the response which outlines East Sussex County Council's wider perspective. The proposed covering letter can be found in Appendix 2.
- 2.2. The County Council's response to the consultation questions is outlined in Appendix 3.
- 2.3. The principle focus of the County Council's response is reiterating what has been outlined in the County Council's Growth Strategy, citing in particular the infrastructure and skills needs in the context of local growth.
- 2.4. In addition, the County Council's response stresses the importance that Local Authorities need to be given the tools to unlock growth in their areas, with specific reference to the devolution proposals developed by 3SC.

2.5 We anticipate that a white paper will emerge later in the year which should reflect consultation responses in this green paper. There will, therefore, be further opportunity for the County Council and our partners to respond accordingly.

2.6 We are also anticipating further papers on related areas, including Skills & Employability and replacements for EU Structural Funds, which will provide further opportunities for the County Council to reflect its specific needs in the context of the local economy. The recently published Housing White Paper and forthcoming Environment Strategy also need to be linked to the Industrial Strategy, these are also key to economic development in an area.

### **3 Conclusion and Reasons for Recommendations**

3.1. The Industrial Strategy will act as the framework for delivering growth nationally, and it is important that the County Council reflects its priorities for economic growth when responding to the consultation. Cabinet is therefore recommended to agree the proposed response to the 'Building our Industrial Strategy' Green Paper.

RUPERT CLUBB

Director of Communities, Economy and Transport

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#### **LOCAL MEMBERS**

All

#### **BACKGROUND DOCUMENTS**

Building our Industrial Strategy Green Paper – January 2017

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/586626/building-our-industrial-strategy-green-paper.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/586626/building-our-industrial-strategy-green-paper.pdf)

# Building our Industrial Strategy

## The challenge

Our economy has great strengths, but while many people, places and businesses are thriving, opportunities and growth are still spread unevenly across the country.

## Our approach

We are developing a modern industrial strategy. We want to build on our strengths to enable all parts of the country to succeed: helping to deliver a high-skilled, competitive economy that benefits people throughout the UK.

## Your views

We want to hear from every part of the country, every sector of industry and businesses of every size.

This is a public consultation, and we welcome your comments and contributions to inform our industrial strategy and help deliver an economy that works for everyone.

Have your say: [www.gov.uk/beis](http://www.gov.uk/beis)

## Our 10 pillars



### Investing in science, research & innovation

We will become a more innovative economy and do more to commercialise our world leading science base, developing new technologies and driving growth throughout the UK.



### Developing skills

We will build a proper system of technical education, and boost key skills in science, technology, engineering, maths and digital proficiency, to ensure people have the skills employers need now and in the future.



### Upgrading infrastructure

We will upgrade our digital, energy, transport, water and flood defence infrastructure, and join up central government investment and local growth priorities more effectively.



### Supporting businesses to start & grow

We will support businesses and entrepreneurs across the UK, to ensure they can access finance and wider support to grow, and have the right conditions for companies to invest long-term.



### Improving procurement

We will ensure public procurement drives innovative new products and services, strengthens skills, develops UK supply chains and increases competition by creating more opportunities for SMEs.



### Encouraging trade & inward investment

We will make Britain a global leader in free trade, including promoting and supporting UK exports, building future trading relations and creating a more active approach to winning major overseas contracts.



### Delivering affordable energy & clean growth

We will keep energy costs down for businesses, build the energy infrastructure we need for new technologies, and secure the economic benefits of our move towards a low-carbon economy.



### Cultivating world-leading sectors

We will build on our areas of global excellence and help new sectors to flourish, supporting businesses to take the lead in transforming and upgrading their industries through sector deals.



### Driving growth across the whole country

We will build on local strengths and address factors that prevent areas from reaching their full potential, by investing in key infrastructure projects, increasing skill levels and backing local expertise.



### Creating the right local institutions

We will create strong structures and institutions to support people, industries and places to maximise local strengths, including reviewing the location of government bodies and cultural institutions.

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East Sussex County Council welcomes the Government's Industrial Strategy Green Paper which aims to support economic growth, one of our key priorities for the county. We also broadly agree with and welcome the alignment of the respective ten thematic pillars into one single strategy.

For East Sussex, the Industrial Strategy represents a mechanism through which we can realise our ambitious plans for growth in our economic priority areas of Bexhill and Hastings; Eastbourne and South Wealden and Newhaven. These ambitions have been developed with our key partners – the Local Enterprise Partnerships, our Borough and District Councils and our business community - over a number of years and are set out in both the LEP's Strategic Economic Plans and our own Growth Strategy for East Sussex, which set out what we need to do to grow the local economy of the county.

Whilst the Industrial Strategy has identified a number of sectors nationally, for the Strategy to be truly effective, it needs to cater for the needs of priority sectors of local areas. In East Sussex, our key priority sectors include Construction; Engineering and Advanced Manufacturing; Healthcare (including social care); Land Management; Digital and Media; Low Carbon and Environmental Goods and Services; Professional and Business Services, culture and Wholesale, Retail & Motor.

#### **Infrastructure (Road and Rail)**

- The key challenges for achieving economic growth in East Sussex include the deficient quality of our strategic road infrastructure which affects journey time reliability and inhibits business growth and confidence as well the ability of the county's road network to accommodate the impact of traffic growth generated by additional planned housing and employment. It can take two hours, at peak times, to travel between the County towns in East Sussex and West Sussex, Lewes and Chichester, a journey of less than 40 miles. Equally unproductive is the time taken to travel between Lewes and Hastings, a journey of less than 30 miles which can often take 90 minutes. If we wish to drive productivity then comprehensive investment in our key strategic routes including the A27, A21 and A26 is needed.
- In terms of rail, there are capacity constraints on the rail network infrastructure serving the county in particular the Brighton Mainline, East Coastway and Marshlink routes, which serve our main growth areas, and rail passenger numbers increasing year on year. It is perverse that it takes less time to travel between Birmingham New Street and London, a distance of more than 125 miles than the 70 miles between Hastings and London. Proposed investment on the Brighton Mainline and delivering high speed rail on the Marshlink will improve the county's rail connectivity and accommodate future passenger growth.
- For East Sussex, there is significant growth contained in local plans across East Sussex, with further growth planned in the south Wealden area. Unlocking these development opportunities are crucial for our growth plans but this needs to be sustainable and linked to the timely delivery of transport infrastructure, either help unlock sites and enable development to take place or to mitigate any of the impacts arising from that development.
- There is also a significant gap in the funding required to deliver our infrastructure needs and if this infrastructure cannot come forward, then the county cannot grow. In East Sussex, we have been successful in securing additional funding for transport infrastructure through the Local Growth Fund and will continue to lobby for further Government funding to enable more strategic interventions to be delivered. However, other funding sources such as development contributions (Community Infrastructure Levy/s106 agreements) cannot be expected and will not be able to bridge the funding gap to meet the county's infrastructure needs. Therefore, greater

certainty around longer term levels of funding and enabling innovative funding solutions in the appropriate circumstances would improve the delivery of infrastructure to support growth.

### Broadband and 5G

- Connectivity is not just about the movement of people and goods, it is also about digital connectivity. East Sussex has made great strides to improve digital connectivity by working with BD:UK on the delivery of superfast broadband across the county and particularly in rural areas. However, through this Industrial Strategy we would hope to see mechanisms to enable the completion of the network across the country and our county. Other countries currently have a competitive edge over the UK and given Brexit, it is vital that the UK is on at least a level playing field with other economies.
- Effective broadband infrastructure also helps to enable other desirable outcomes, including reducing the need to travel and enabling start-ups to grow and flourish.

### Skills and Learning

- We are pleased that one of the key pillars of the Industrial Strategy is that pertaining to skills. It is vital that skills funding and provision is designed to reflect local economic needs as this will ensure the providers at all levels are delivering the skills that local employers require to grow and prosper.
- It is so important for local sectors to be understood and they should be at the heart of everything we do. The strong sectors need to be reflected within all of the education providers in the local area whether Higher Education; Further Education; non-maintained; and maintained. This will enable a consistent approach to skills and employment, improved work readiness and work experience.
- As the largest employer in the County, we have first-hand knowledge of the impact a lack of appropriate skills has on a sector. The County Council is now leading the way in identifying these skills gaps and putting measures in place to improve this going forward.

### International Trade and Investment

- In East Sussex, our East Sussex Invest scheme has delivered approaching 700 new jobs through a combination of County Council funding, and funding secured through previous rounds of Regional Growth Funding (RGF). This business finance has enabled local businesses to grow sustainably within the county and increase employment opportunities often in areas with higher than average unemployment. We are also increasingly able to target this business finance towards particular sectors, and we would encourage Government to issue further rounds of RGF in support of this Industrial Strategy.
- In addition, we have seen the importance of Local Growth Hubs in helping businesses to grow and trade. We believe these hubs need to receive ongoing investment and support to continue to grow the local businesses. Each have contributed significantly to the year on year growth of the East Sussex economy.

### Procurement

- East Sussex County Council welcomes the retained focus on procurement spend with small businesses. As a local authority we already have a clear commitment to local spend, and work



with our partners and business groups to simplify our processes and enable smaller and local suppliers to bid for our contracts more easily. We are proud that our local spend already exceeds 45%, against the government target of achieving 1/3 of spend with small businesses by 2020.

- Although a new commitment for Government in the strategy, East Sussex County Council already regularly gathers supplier feedback, and engages with the market to develop our procurement strategies as a matter of course for all significant projects. This approach enables us to forge local links and develop strong relationships with our supply chains. This has helped contribute towards the success of our wider strategies for economic growth, although remains an area of focus as we respond to changes in the market and funding for local government.

With our 3 Southern Counties (3SC) partners in Surrey and West Sussex, we have developed an investment deal which seeks to tackle the issues identified above. Whilst we recognise that much growth emanates from metropolitan areas up and down the country, it is wholly dependent on its surrounding areas. For example, the combined growth value added (GVA) of East and West Sussex and Surrey is over £67 billion per year which is bigger than the whole of Wales (£52 billion) and the Greater Manchester Combined Authority (£56 billion). Unless investment is made in infrastructure and skills in the way we have described, it will compromise the ongoing significant contribution made from this area to the UK economy. It risks creating a legacy that will stifle growth and productivity.

Whilst this Green Paper is a useful start, there needs to be far greater clarity on what the mechanisms are to enable the realisation of its aims. There are a number of examples within the Strategy where the aspiration is right but it is not clear how they will be achieved.

In East Sussex, as it is all over the country, residents and business thrive if their natural environment thrives. We believe the environment should not be a block to growth but rather an opportunity for good growth. Natural capital can complement growth creating vibrant communities and the places business wants to invest. It supports wellbeing and productivity, creating great places to live, work and play. We believe Local Nature Partnerships should have a greater role, with our LEPs in supporting this approach.

The County Council also welcomes the recognition of the role of cultural institutions and destinations to support and stimulate creative business clusters. However, the role of a cultural hub can only be delivered effectively with additional resources. The visitor economy (linked to creative industries) can also lead to culture-led regeneration that has positive effects upon the economic and physical development of deprived areas. This in turn raises the quality of life for the local community.

The County Council also understands the importance of economic growth in improving health and wellbeing as it will reduce the demand on local health services in the future. However, especially given the ageing demographic of East Sussex, this is a growing sector and it is important that the strategy includes technological aids to meeting the needs of our ageing population.

If this Industrial Strategy is to truly lead to an economy for all it is vital local authorities are given the tools to unlock growth in their areas. We see an opportunity for a stronger infrastructure spatial planning role as one of these tools, enabling us to plan infrastructure in its widest sense to support sustainable growth and increased productivity.

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Consultation Response

## Appendix 3

**1. Does this document identity the right areas of focus: extending our strengths; closing the gaps; and making the UK one of the most competitive places to start or grow a business?**

East Sussex County Council largely agrees with the objectives of the strategy to close the gaps in the Economy. We believe the government has a role, with local institutions, in creating the right conditions for prosperity. To ensure an enduring approach the strategy needs to identify proposals and opportunities to close the gap. These needs to be evidence based and should provide clearer explanations of the causes to be sure future interventions build on our strengths, close the productivity gap and make the UK one of the most competitive places to start or grow a business.

We recognise the productivity challenge outlined in the green paper and we understand the productivity gaps between London and the South East and other parts of the Country. We know that investment in infrastructure and skills are major contributors to improved productivity. Alongside London, the South East is the only net contributor to the Treasury. The region paid £6.3bn more in taxes than it received in public spending in 2010-11 – over £5bn more than London. However the South East's economic success cannot be taken for granted. Transport infrastructure the South East is under considerable pressure with many key routes either at or approaching capacity. Businesses consistently tell us that under investment in infrastructure blocks their growth and prevents inward investment. South East England still needs investment in order to protect and grow its substantial contribution to the UK economy. Without which the government risks creating a legacy problem and subsequent decline in growth and investment.

**2. Are the ten pillars suggested the right ones to tackle low productivity and unbalanced growth? If not, which areas are missing?**

We agree that the ten pillars are, by and large, the right areas of focus. However an industrial strategy cannot be considered in isolation and must link to housing, environmental and social policies. Growth needs to be sustainable and cannot be at any cost. Successful growth is dependent on creating vibrant communities that build upon the wider environment and vice versa. Put at its simplest, the environment we live and work in directly relates to our health and wellbeing and subsequent productivity. It has an impact on whether companies invest or locate, whether companies can attract the right skills for their needs and the wellbeing of the community.

**3. Are the right central government and local institutions in place to deliver an effective industrial strategy? If not, how should they be reformed? Are the types of measures to strengthen local institutions set out here and below the right ones?**

We are concerned there are too many institutions now leading to uncoordinated and unfocused efforts – the myriad of institutions, funding streams and Government initiatives in the skills area being a good example. The Government has acknowledged in devolution deals that bringing a local focus to this work is advantageous and this should be extended to all areas. Institutions play a role but increasingly it is the ability to deliver for local people by bringing public and private partners together. There is greater opportunity to streamline and bring partnerships together. Because the LEPs have such a wide focus, we have shown within the South East LEP that having a federated model works best for delivering the growth needed in local areas.

We believe emerging Sub National Transport Boards (SNTBs) will support growth and their work will ultimately lead to productivity improvements.

We also consider the Local Nature Partnerships (LNPs) need revitalising and that a top slice of LEP funding should be allocated to support the functioning of LNPs. We believe LNPs should consistently be represented on LEP boards to ensure the environment is built into growth plans and is seen as an opportunity to support growth rather than a block to it.

Local Authorities are well placed to work with local businesses and elected members are often local business owners. There is no need for unelected Aldermen.

#### **4. Are there important lessons we can learn from the industrial policies of other countries which are not reflected in these ten pillars?**

#### **5. What should be the priority areas for science, research and innovation investment?**

It is important to look far ahead at what technology will be needed, for example driverless vehicles, energy technology, low carbon technology and robotics.

In addition, there needs to be innovative focus on health and social care due to the projected increase in the size of the aged population and the pressures on budgets and resource. East Sussex is working with Surrey and West Sussex County Councils to bring our universities together to explore innovation in this area, in particular telecare and other digital solutions to improve efficiency, address the issues of rurality and help people remain in their homes for longer and avoid unnecessary hospital admissions. This will only be successful if it is accompanied by investment in 4G and emerging 5G technology including fibre to peoples' homes across the entire area.

In addition, regardless of sector, export is both a catalyst for and a means of capturing the value of innovation. Exporting promotes innovation and investment in R&D, therefore supporting firms to export should clearly be an area that is an innovation focus.

#### **6. Which challenge areas should the Industrial Challenge Strategy Fund focus on to drive maximum economic impact?**

We believe the Fund should be used for the priority areas identified.

#### **7. What else can the UK do to create an environment that supports the commercialisation of ideas?**

Britain needs to look for opportunities in the world's economies that have the potential to provide future market opportunities, in particular developing relationships with economies that may not be able to develop their own products.

Universities also have a big part to play in the creation of ideas and to enable the commercialisation of the knowledge base. The strategy recognises the strength the UK holds in the field of research and development, although it needs to reflect where gaps exist in the UK where genuine smart specialisation can be engrained within local economies. We advocate pairing universities with businesses or investors who can help take a product to market.

#### **8. How can we best support the next generation of research leaders and entrepreneurs?**

This needs to be built within schools to encourage entrepreneurship at an early age. Commercial skills should be included within the curriculum activities. East Sussex County Council is carrying out some initiatives such as our business finance programme which

allows entrepreneurs to access finance to take forward their ideas. The Government needs to go further to ensure proper distribution of HE institutions across the country.

It is important to continue to invest in and enhance the remit of the CORE Growth Hub business support services to provide general support to businesses and signpost them towards specialist support as they might want/need to grow.

### **9. How can we best support research and innovation strengths in local areas?**

In East Sussex this would currently lend itself more to developing the innovation potential around the creative sectors and healthcare, along with, to a lesser degree, engineering firms. We believe in promoting and communicating what these businesses and places are achieving to the wider sector and beyond, to a wider audience internationally, to attract investment and understanding of what British businesses are doing.

We also see the importance of Government bringing in dedicated teams/taskforces to areas to stimulate the push towards supporting research and innovation among the sectors in that area.

Government investment into business support services (as described in Question 8) to facilitate those conversations and signposting businesses to specialist business support agencies to foster innovation within and between firms and seek new markets and exporting opportunities would be welcome.

### **10. What more can we do to improve basic skills? How can we make a success of the new transition year? Should we change the way that those resitting basic qualifications study, to focus more on basic skills excellence?**

East Sussex County Council strongly believes that students who are have not been able to achieve the required GCSE grade in Maths and English should be allowed to take functional skills instead. They are being held back from progressing through post16 learning and at risk of disengaging all together due to the requirement to continually study and resit their English and Maths GCSEs.

We do not agree that there is a need for the transition year at 16 as we do not experience many issues with this age group. We have found more assistance is needed for young people at 18. The transition year also needs to be perceived positively by those undertaking it. It risks being viewed negatively by young people who see themselves as being kept behind their peers resulting in dropout and increased Not in Education, Employment or Training (NEET). It needs to be combined with very good Careers Education Information Advice and Guidance (CEIAG) and parental involvement for it to be successful, not a repeat year, but a progression year.

When looking at how to improve basic skills for those that are unemployed and unable to currently contribute to the economy and its productivity going forwards there needs to be some relaxation of the stipulations around training while receiving Universal credit (UC) benefits. We think a more flexible benefits system to enable training of basic skills before and while seeking work should be encouraged, appreciating the complexities that emerge once the person has found a job and may need to leave the basic skills training that they have started – this should however be encouraged to continue by the new employer.

### **11. Do you agree with the different elements of the vision for the new technical education system set out here? Are there further lessons from other countries' systems?**

## INDUSTRIAL STRATEGY

We believe we need to build and improve on our current FE provision to offer Technical Education, rather than putting money into new separate institutions.

In addition, higher education institutions (HEIs) need to be provided with incentives to offer and promote vocational degrees. This is new for them, but if they do not develop new vocational degree apprenticeships in partnership with providers then they will suffer financially. HEIs have yet to grasp this and incentives need to be provided in the short term.

Currently schools are only viewed as successful in league tables if they move school leavers into A Level provision. They should be given the same recognition for moving school leavers into high quality apprenticeships. Further to this, it is important to change the perception of technical education and vocational pathways from an early age (primary school children need to see both routes as being of equal value). Support also needs to be given to businesses who take on apprentices if these are to be meaningful. Businesses need training and supporting if apprenticeships are to be effective and sustained, leading to positive outcomes of progression.

### **12. How can we make the application process for further education colleges and apprenticeships clearer and simpler, drawing lessons from the higher education sector?**

We already see the benefit of having a simpler, UCAS style application process for further education colleges. We buy into 'UCAS Progress' and have been vocal in our support of developing one central application system for all post16 learning, including apprenticeships, FE and HE.

### **13. What skills shortages do we have or expect to have, in particular sectors or local areas, and how can we link the skills needs of industry to skills provision by educational institutions in local areas?**

We have identified 8 areas where there is a skills shortage in East Sussex;

- Construction (including planning and the Built Environment)
- Engineering and Advanced Manufacturing.
- Healthcare (including social care)
- Land Management (including Agriculture, Forestry and Fishing and the Visitor Economy)
- Digital and Media (including creative and cultural industries)
- Low Carbon and Environmental Goods and Services
- Professional and Business Services (including Financial Sector, Banking, Insurance & Accountancy)
- Wholesale, Retail and Motor

These skills needs are being addressed through Skills East Sussex (SES) the strategic body for employment and skills across the county and has providers (private training, schools, FE and HE institutions) involved in joining up with businesses to develop curriculum needs.

Within the 3 Southern Counties (3SC) devolution deal it is proposed to create mechanisms to oversee the delivery of a new Employment and Skills Strategy and to manage associated funding allocations. The 3SC partners will work with Government to devolve the Adult Education Budget to a new Combined Authority which will be overseen by an Employment and Skills Board which builds on existing relationships between local authorities, businesses, LEPs and providers. However, even if the devolution deal does not come to fruition, we strongly believe that skills funding needs to be devolved locally.

## INDUSTRIAL STRATEGY

The underlying issue is that colleges/institutions need to have the flexibility in their budgets to allocate time and resource to developing the curriculum in these areas, which at the start will be loss making as limited numbers will be on the courses, but will have the expectation to grow as more is understood about the value and reasoning behind selecting these skills to progress in the Modern Industrial Britain.

It is also important to encourage the take up of relevant courses. We would support incentivisation and reducing tuition fees for those subjects.

At the heart of what we are trying to achieve through 'devolution' is to allow the local area to determine what funding and skills support their local economy needs.

There is a concerning lack of teachers with the relevant expertise in the areas that are needed to teach the future generation (for example digital) especially in secondary and further education. It is all very well creating the new institutions, but you need the right people in place to teach the courses.

From a construction viewpoint, there was no mention in the strategy of the series of significant infrastructure projects that will be happening by 2020 where that particular sector is already seeing crippling skills shortages. There are fundamental changes required to support construction and engineering take up. Engineering, for example, should be viewed as a career path in the same way as medicine or law.

### **14. How can we enable and encourage people to retrain and upskill throughout their working lives, particularly in places where industries are changing or declining? Are there particular sectors where this could be appropriate?**

Distance learning needs to be promoted and made more accessible. This will provide flexibility for people to re-train and upskill. In addition, where industries change, they need to take responsibility to upskill their current workforce.

We need to encourage more women, ethnic minorities and disabled people to work in STEM industries. It is important to work with businesses to encourage that culture change and flexible working.

### **15. Are there further actions we could take to support private investment in infrastructure?**

There is recognition that the public sector does not have the capital to provide the infrastructure this country needs. The private sector will want to be clear on their return on investment.

However, there are examples of infrastructure investment taking place using slightly different methods. For example, Chiltern Railways were able to upgrade their London to Oxford route as Network Rail provided the capital for the upgrade and they will recover the costs via a facility charge from the current and any subsequent franchises.

We are aware that the new Department for International Trade (DiT) is, post Brexit, raising the profile of Britain and very much welcome the opportunities for major financial investment from overseas investors and countries. This must continue to be encouraged and all parts of the country must contribute actively to provide the right materials to sell our opportunities to draw in this potential inward investment to support infrastructure needs.

A truly modern Industrial Strategy for the UK should outline an ambition to deliver near universal fibre to the premises coverage within a 15 to 20 year period, and priorities set so

that it delivers to existing business areas and new build premises first. Private investment in fibre broadband is necessary and needs to be encouraged by the Government as suppliers, and BT Openreach in particular, need to reinvest sufficient revenue from the improved services into maintaining and improving their core infrastructure. If this is not done, there is a risk that a period of under investment ensues and the country finds itself back in a similar position requiring further public intervention. We believe development of a national subsidy model allowing SMEs to obtain affordable full-fibre services could provide a vital jumpstart. We would welcome discussions on this opportunity.

In relation to mobile coverage, both voice and data, good 4G coverage must be secured now, via legislation if necessary, using the concept of the Broadband Universal Service Obligation based on a measure of the service consumers actually receive wherever they need it. The UK must become well placed to take advantage of 5G capacity when it becomes available but cannot wait until this begins to replace 4G in the 2020s.

### **16. How can local infrastructure needs be incorporated within national UK infrastructure policy most effectively?**

We agree with the strategy in identifying the effectiveness of devolution and Sub National Transport Boards in linking the local infrastructure needs with the national policy.

However, we do not agree this should be via just devolution deals to cities; we strongly support devolution to areas other than cities as this will bring benefits to all parts of the UK.

### **17. What further actions can we take to improve the performance of infrastructure towards international benchmarks? How can government work with industry to ensure we have the skills and supply chain needed to deliver strategic infrastructure in the UK?**

The Government need to speak to industry to understand the exact skills they are missing and as outlined above, work with local education providers to ensure the right training is being offered.

In order to compete globally we need to invest in all forms of digital infrastructure, this is where we are lacking.

In addition, Government need to seriously consider the role of 'utilities planning'. Government need to ensure that the utilities companies (gas, electricity, water, energy, broadband) involved in our long term planning come together with a statutory commitment with local government authorities to collectively plan and agree to the investment and projects into an area. This void of not knowing what, when and where major infrastructure provision is being rolled out by them is seriously hampering all sectors of industry growth and planning. Much greater connectivity of resources and investments can lead to strategic growth of an area/region for the benefit of UK PLC and productivity.

### **18. What are the most important causes of lower rates of fixed capital investment in the UK compared to other countries, and how can they be addressed?**

### **19. What are the most important factors which constrain quoted companies and fund managers from making longer term investment decisions, and how can we best address these factors?**

### **20. Given public sector investment already accounts for a large share of equity deals in some regions, how can we best catalyse uptake of equity capital outside the South East?**



**21. How can we drive the adoption of new funding opportunities like crowdfunding across the country?**

**22. What are the barriers faced by those businesses that have the potential to scale-up and achieve greater growth, and how can we address these barriers? Where are the outstanding examples of business networks for fast growing firms which we could learn from or spread?**

The main barriers are lack of skills, transport infrastructure, digital infrastructure, and housing.

In addition, research indicates that a large bulk of transactional forms of support is often less important to potential High Growth Firms than more 'hands-on' forms of support such as business mentoring, leadership development and strategic guidance. In fact, it is exactly this kind of 'relational' support which high potential firms seek. Business Growth Hubs will certainly deliver part of this 'relational' support, but there is also scope (for example) to introduce short innovation courses for management, defining clear value propositions and how to integrate innovation processes into established businesses. We would argue that ongoing investment and support in Growth Hubs is key to providing valuable support to achieve greater growth.

**23. Are there further steps that the Government can take to support innovation through public procurement?**

Government should continue to create flexible structures for the governance of public sector procurement, and build this into Brexit discussions and emerging plans for any future changes to the legislative framework for procurement. Although currently shaped heavily by EU legislation, maintaining a commitment to openness and transparency continues to drive greater access to opportunities for SME's.

Greater innovation can be further enabled by the sharing of skills, data and information. This is both across supply chains, procurement strategies and contract pipelines. Government should continue to support and enable collaboration where it makes sense for the wider public sector at a local level.

**24. What further steps can be taken to use public procurement to drive the industrial strategy in areas where government is the main client, such as healthcare and defence? Do we have the right institutions and policies in place in these sectors to exploit government's purchasing power to drive economic growth?**

At a local level, East Sussex County Council has worked hard to use its purchasing power to drive economic growth, and continues to develop procurement strategies that drive the maximum return and social value to the local economy. The proportion of spend from East Sussex County Council within the local area (where micro/SME businesses make up by far the largest business type) already far exceeds Government's own commitment of a third by 2020.

As a local authority, a significant portion of procurement spend is within the social care sector. Here the links with skills, training, affordable housing and reliable infrastructure remain a crucial dependency for economic growth and our wider ambitions for East Sussex and the surrounding region.

### **25. What can the Government do to improve our support for firms wanting to start exporting? What can the Government do to improve support for firms in increasing their exports?**

It is important they continue to enhance the remit of the CORE Growth Hub business support services to provide the support to businesses to initially identify and signpost them towards receiving that more specialist support to commercialise their ideas through main Government departments/programmes (Innovate UK and Get Exporting).

The Government need to communicate better to firms that it's not just the 'goods' that they have that can be exported but it's also the commercial acumen/skills and therefore services that our businesses provide that are potential exporting opportunities. There is a need to explain these opportunities and which markets would be best to target.

### **26. What can we learn from other countries to improve our support for inward investment and how we measure its success? Should we put more emphasis on measuring the impact of Foreign Direct Investment (FDI) on growth?**

### **27. What are the most important steps the Government should take to limit energy costs over the long-term?**

There needs to be a coherent energy policy. A policy which drives energy efficiency by establishing a long term programme of support available to any SME to help cut energy usage and costs, which will improve profitability (for example, training, energy audits and grants).

A policy that also ensures appropriate capacity is available, through appropriate support to the energy sector to invest longer-term in the supply and distribution network, including interconnectors.

The policy also needs to support investment in technology (for example, storage batteries and tidal).

### **28. How can we move towards a position in which energy is supplied by competitive markets without the requirement for on-going subsidy?**

A coherent energy policy needs to be developed, so that the current rates of subsidy to different parts of the energy sector are clear and the rationale for change to these subsidy regimes is explained, including timescales.

A criterion that only UK businesses and consumers should be beneficiaries of UK Government subsidies needs to be established. For example, some companies installing and maintaining electric vehicle charging points funded through Office for Low Emission Vehicles (OLEV) grant are sending engineers from abroad to carry out the work.

### **29. How can the Government, business and researchers work together to develop the competitive opportunities from innovation in energy and our existing industrial strengths?**

We should be replicating examples of good practice that bring together innovators, researchers, entrepreneurs and investors, for example, the University of Brighton's Green Growth Platform). This must include Government departments becoming more flexible including their interpretation of procurement rules.

**30. How can the Government support businesses in realising cost savings through greater resource and energy efficiency?**

See 27.

**31. How can the Government and industry help sectors come together to identify the opportunities for a 'sector deal' to address – especially where industries are fragmented or not well defined?**

**32. How can the Government ensure that 'sector deals' promote competition and incorporate the interests of new entrants?**

**33. How can the Government and industry collaborate to enable growth in new sectors of the future that emerge around new technologies and new business models?**

**34. Do you agree the principles set out above are the right ones? If not what is missing?**

We broadly agree the principles are the rights ones. However, as stated previously, we are concerned that a geographical distribution, implied by this strategy, will reduce opportunities for growth in the South East and create an untenable transport legacy.

**35. What are the most important new approaches to raising skill levels in areas where they are lower? Where could investments in connectivity or innovation do most to help encourage growth across the country?**

All local institutions need to be aligned to the needs of the local economy including those giving careers advice. CEIAG is incredibly important but needs improving. There needs to be more consistency and quality in the advice given and a good quality impartial, all age CEIAG offer developed and implemented.

**36. Recognising the need for local initiative and leadership, how should we best work with local areas to create and strengthen key local institutions?**

The issue with the strategy is that it seems to only recognise devolution to cities. There is not a 'one size fits all' approach you can take with the solutions to these issues, further devolution needs to be explored, potentially dealing with the question of English devolution. The Council does not support the idea of unelected Alderman as it is a retrograde, undemocratic step which is unnecessary.

**37. What are the most important institutions which we need to upgrade or support to back growth in particular areas?**

As mentioned previously, in East Sussex, we have seen the strength of a federated LEP model in helping to advance growth within our county. It is also important to recognise the other important local institutions to support growth and allow them the freedom to pursue what they know to be important for their local area.

We consider the lack of a body or bodies dealing with spatial infrastructure planning risks stifling business and housing growth. Spatial planning can facilitate sustainable growth.

**38. Are there institutions missing in certain areas which we could help create or strengthen to support local growth?**

## **INDUSTRIAL STRATEGY**

There are already many institutions in place. Sub-national areas outside of cities need to be able to have increased influence on national infrastructure providers of rail, road and utilities, through devolution deals and other mechanism such as Sub-National Transport Boards. We support the development of an SNTB in the South East.

Utility companies also have a huge part to play locally and need to be made more accountable. In addition, universities are key to local growth. Local Nature Partnerships are also missing from this strategy; they need re-energising, funding and a seat LEPs to ensure growth plans are enhanced by consideration of the benefits of natural capital as part of an Industrial Strategy.

<b>Report to:</b>	<b>Cabinet</b>
<b>Date of meeting:</b>	<b>7 March 2017</b>
<b>By:</b>	<b>Director of Children's Services</b>
<b>Title:</b>	<b>The Ofsted and the Care Quality Commission (CQC) joint inspection of the local area of East Sussex to judge the effectiveness of the area in implementing the disability and special educational needs reforms as set out in the Children and Families Act 2014.</b>
<b>Purpose:</b>	<b>The report sets out the outcome of the local area Special Educational needs and Disability (SEND) inspection which took place in December 2016</b>

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## **RECOMMENDATIONS**

**The Cabinet is recommended to note the outcomes of the inspection and that the findings of the inspection will be used to secure further improvements in the local area.**

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### **1 Background**

1.1 On 27 February Ofsted published the inspection letter following the joint Ofsted and CQC inspection, in December, of the local areas effectiveness in identifying and meeting the needs of children and young people who have special educational needs and/or disabilities. Ofsted do not provide a grade for the inspection instead they provide a narrative and confirm whether or not a written statement of action is required. The local area will not be required to submit a written statement of action. The letter is attached at Appendix 1. The inspection letter notes '*...a strong commitment to improving outcomes for children and young people who have special educational needs and/or disabilities that is shared by professionals across the county.*'

1.2 In advance of the inspection process we produced a comprehensive self-assessment which was viewed by inspectors as detailed, accurate and honest and this is reflected in their identification of the areas for development. The inspection letter recognises the action that has been taken to address areas of weakness and to improve services and noted that in some instances it is too early to see an impact.

### **2 Supporting information**

2.1 The key focus of the inspection is the effectiveness and impact of services in the local area and the difference this is making to the outcomes for children and young people who have SEND. The inspection focused on the effectiveness of the local area in:

- identifying children and young people who have SEND
- assessing and meeting the needs of children and young people who have SEND
- improving outcomes for children and young people who have SEND

2.2 The findings of the inspection are based on discussions with children and young people with SEND, parents and carers, representatives of the local authority and Public Health, headteachers, SENCOs and governors and examining a wide range of documentation. In addition the inspectors visited 13 East Sussex schools, settings and colleges, a children's centre and the child development unit at Eastbourne General Hospital, to speak to them about how they were implementing the SEN reforms.

2.3 Key findings include:

- Most parents and carers of children and young people who have SEN and /or disability reported that they were very positive about the provision their children receive in schools. Many parents and carers also report that the central services they have experienced since the introduction of the reforms have made a positive difference to the children and young people in their care.
- Leaders have taken urgent action to address areas of weaknesses and improve services and they have set out an ambitious strategy that all managers, teams and partner agencies, such as the East Sussex Parent and Carers' Council, are working towards
- The local area has effective information management systems that leaders use well to evaluate the progress that staff are making towards delivery of the core aims of the East Sussex ISEND 2016 – 2018 plan. The local area uses both short term and longer term forecasting well so that leaders are planning effectively for the growing demands on their services.
- The three clinical commissioning groups (CCGs) in East Sussex are well represented in the joint commissioning group. CCG investment in the community paediatric service and new service specification has increased access and reduced waiting times.
- Children and young people who have SEND in the care of the local authority receive good support and do well. A specialist children looked-after nurse team has been established and the SEND Designated Medical Officer (DMO) is working closely with the named doctor for children looked-after and the designated/named children looked-after nurse. This means that children who have special educational needs and/or disabilities in care receive effective support to meet their medical needs.
- Leaders are taking urgent action to address the increasing absence and exclusion rates for children and young people who have special educational needs and/or disabilities. The impact of this work is evident in targeted schools. Early indications are that trend is being reversed steadily.
- In 2016, early years and key stage 1 school-age children with SEND achieved well compared with their peers in similar local areas.
- Provision at post-16 and post-19 is effective.
- The local authority has improved access to professionals to seek advice and guidance about children and young people's needs, by introducing the ISEND front door. As a result professionals report that they are able to identify the needs of children and young people more effectively than in the past.
- School leaders are particularly positive about the SEND Matrix, a detailed and informative guide for all professionals that leaders report is improving the consistency of their work.

#### 2.4 The main findings identified areas for improvement:

- Improve communication with parents and carers. There is evidence of some contribution of parents and carers and children and young people to the evaluation of services. However, leaders recognise that there is more work to do to increase the participation of parents, carers, and children and young people in assessing the local area, especially the local offer.
- Currently, the designated nurse role for children looked-after sits within the East Sussex Healthcare Trust provider service and is the operational team manager. This creates a conflict between the leadership and governance aspects of the designated nurse role and undermines the effective operational management of the specialist children looked-after nurse team.
- Despite taking relevant action, the area has been unsuccessful in reducing the waiting times for referrals to child and adolescent mental health services (CAMHS).
- In 2016, pupils in key stage 2 achieved less well and leaders across the sector are taking urgent action to recover the previously good standards.

2.5 The findings of the inspection will be used to secure further improvements in the local area and built into existing plans.

### **3. Conclusion and reasons for recommendations**

3.1 Cabinet is asked to note the contents of the report and the areas for improvement which will be incorporated into existing plans.

**CHIEF OFFICER'S NAME:** Stuart Gallimore  
**Chief Officer's title** Director of Children's Services

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12 December 2016

Appendix 1

Mr Stuart Gallimore  
Director of Children's Services  
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Allison Canon, Chief Nurse, Hastings and Rother Clinical Commissioning Group  
Eastbourne, Hailsham and Seaford Clinical Commissioning Group

Ashley Scarff, Director of Strategy, High Weald, Lewes Havens, Clinical  
Commissioning Group

Amanda Watson, local area nominated officer

Dear Mr Gallimore

### **Joint local area SEND inspection in East Sussex**

From 5 to 9 December 2016, Ofsted and the Care Quality Commission (CQC) conducted a joint inspection of the local area of East Sussex to judge the effectiveness of the area in implementing the disability and special educational needs reforms as set out in the Children and Families Act 2014.

The inspection was led by one of Her Majesty's Inspectors from Ofsted. The team members were an Ofsted Inspector and a children's services inspector from the CQC.

Inspectors spoke with children and young people who have special educational needs and/or disabilities, parents and carers, representatives of the local authority and National Health Service (NHS) officers. They visited a range of providers and spoke to leaders, staff and governors about how they were implementing the special educational needs reforms. Inspectors looked at a range of information about the performance of the local area, including the local area's self-evaluation. Inspectors also met with leaders from the local area for health, social care and education. Inspectors reviewed performance data and evidence about the local offer and joint commissioning.

This letter outlines the findings from the inspection, including areas of strength and areas for further improvement.

## Main findings

- During the inspection, most parents and carers of children and young people who have special educational needs and/or disability reported that they were very positive about the provision their children receive in schools. Many parents and carers also report that the central services they have experienced since the introduction of the reforms have made a positive difference to the children and young people in their care. Parents and carers also say that they are making significant contributions to the planning of provision for the children in their care. However, there remains a sizeable minority of parents who lack confidence in the local area's leaders and services. This is the result of flaws in the quality of the services that these parents and carers experienced in the recent past.
- Leaders have taken urgent action to address areas of weaknesses and improve services. They have correctly identified where improvements need to be made and in many cases have addressed these with some success. Leaders have set out an ambitious strategy that all managers, teams and partner organisations, such as the East Sussex Parent and Carers' Council, are working towards. There is a strong commitment to improving outcomes for children and young people who have special educational needs and/or disabilities that is shared by professionals across the county.
- The local area has effective information management systems that leaders use well to evaluate the progress that staff are making towards delivery of the core aims of the 'East Sussex inclusion, special educational needs and disabilities (ISEND) 16–18 plan'. As a result, staff at all levels are held to account for their performance in delivering these key objectives.
- Leaders are clear that they need to improve their communication with parents and carers. Consequently, leaders are engaged in work to strengthen relationships with key parent and carer groups. There is evidence of some contribution of parents and carers, and children and young people, to the evaluation of services. However, leaders recognise that there is more work to do to increase the participation of parents, carers and children and young people in assessing the work of the local area. This is especially the case with the local offer, of which the vast majority of parents and carers whom inspectors met are unaware.
- The local area identifies relatively low numbers of pupils needing school support for their special educational needs, while identifying relatively high numbers requiring statements of special educational needs or education, health and care (EHC) plans. Leaders have reasoned that this indicates weaknesses in the early identification of special educational needs and are starting to take effective steps to address these.
- The three clinical commissioning groups (CCGs) in East Sussex, namely NHS Hastings and Rother (H&R CCG), NHS Eastbourne, Hailsham and Seaford (EHS

CCG) and NHS High Weald Lewes and Havens (HWLH CCG), are well represented in the joint commissioning group. CCG investment in the community paediatric service and new service specification has increased access and reduced waiting times. Governance across the partnership is being strengthened, with the CCGs represented at the quarterly children's integrated therapy service performance meetings by the CCG commissioning manager.

- Children and young people who have special educational needs and/or disabilities in the care of the local authority receive good support and do well in terms of academic outcomes compared with similar pupils nationally. A specialist children looked after nurse team has been established, and the SEND designated medical officer (DMO) is working closely with the named doctor for children looked after and the designated/named children looked after nurse. This means that children who have special educational needs and/or disabilities in care receive effective support to meet their medical needs.
- Currently, the designated nurse role for children looked after sits within the East Sussex Healthcare Trust provider service and is the operational team manager. This creates a conflict between the leadership and governance aspects of the designated nurse role and undermines the effective operational management of the specialist children looked after nurse team.
- Leaders are taking urgent action to address the increasing absence and exclusion rates for children and young people who have special educational needs and/or disabilities. The impact of this work is evident in targeted schools. Early indications are that the trend is being reversed steadily.
- Despite taking relevant action, the local area has been unsuccessful in reducing the waiting times for referrals to child and adolescent mental health services (CAHMS). The delays are causing parents anxiety and are having a negative impact on children's and young people's mental health. Leaders are taking further action to address these ongoing concerns.
- In 2016, early years and key stage 1 school-age children who have special educational needs and/or disabilities achieved well compared with their peers in similar local areas. In 2016, pupils in key stage 2 achieved less well and leaders across the sector are taking urgent action to recover the previously good standards.
- Provision at post-16 and post-19 is effective. There are useful programmes such as 'Project Search' and the 'Plumpton internship' in place for young people who have special educational needs and/or disabilities. As a result, the number of young people who are in education, employment or training after age 19 continues to increase so that the proportion is above the national average.

## **The effectiveness of the local area in identifying children and young people who have special educational needs and/or disabilities**

### **Strengths**

- The local area uses both short-term and longer-term forecasting well, so that leaders are planning effectively for the growing demands on their services. This is especially the case for children and young people with autism and social and emotional health needs. Leaders in the local area have developed good systems to support special educational needs coordinators (SENCOs) in schools, so that school staff are increasingly adept in recognising the needs of children and young people in their care.
- The close partnership between early years settings and schools means that parents report that the initial identification of needs is timely and has improved since the introduction of the reforms.
- The local authority has improved access for professionals to seek advice and guidance about children's and young people's needs, by introducing an 'ISEND front door'. As a result, professionals report that they are able to identify the needs of children and young people more effectively than in the past.
- Children and young people in the care of the local authority receive an excellent service. They are assessed rapidly so that any special educational needs and/or disabilities are identified as soon as possible. Educational needs are considered routinely during the child's children looked after health review and included in the resultant health plan.
- The establishment of the new integrated children's centre and health visitor service is positive. This integrated service is improving the delivery of both the 27-month developmental review and the East Sussex-wide Healthy Child programme.
- When health visitors identify children's needs, clear pathways are in place for prompt referral to a range of early support services, from direct referrals to nursery nurses for lower levels of need to the support of a family key worker for higher levels of need.
- Where vulnerable families meetings are established in GP practices, with regular attendance by health visitors and school nurses, these forums are effective in multi-disciplinary information-sharing and promoting the early identification of special educational needs and/or disabilities in children and young people. This is not consistently the case across the local area for all GP practices, although leaders recognise that this approach is best practice. These meetings are being promoted in the HWLH CCG area.
- Parents of children with sensory impairment report prompt and accurate identification of their children's needs.

## Areas for development

- Compared with similar council areas, East Sussex schools identify a lower proportion of pupils requiring school support for special educational needs. However, a relatively higher proportion of pupils in East Sussex are identified as needing a statement of special educational needs or an EHC plan. As a result, the local authority has introduced a new approach for all schools, to promote the early identification of, and provision for, pupils' special educational needs. There is some initial evidence of the impact of this work, with fewer pupils issued with EHC plans than in the past 12 months and an increase in the proportion of pupils identified with lower levels of need.
- The local authority and the health provider for children looked after, Kent Community NHS Trust, continue to struggle to ensure that initial health assessments are carried out promptly when children and young people first enter the care system.
- Specialist children looked after nurses do not currently attend educational health plan reviews for children and young people who are looked after. Multi-disciplinary vulnerable families meetings are not routinely established in primary care practices across the H&R and EHS CCG areas. Furthermore, there is no active drive by the CCG to encourage lead GPs to set these meetings up, although they are recognised as best practice.
- Children's integrated services need to do further work with GPs to ensure that professionals in primary care use the new referral process more effectively. Currently, some children are disadvantaged by referrals that delay the provision of services.
- School nurses report a significant increase in children starting school with continence problems and lack of toilet training. This is in line with national trends and is something that early years services and practitioners are not yet considering fully enough in their assessments and work with children and parents.

## The effectiveness of the local area in assessing and meeting the needs of children and young people who have special educational needs and/or disabilities

### Strengths

- The vast majority of schools in East Sussex, including special schools, were judged to be good or better in their most recent Ofsted inspection. This presents a stronger picture of school provision for pupils who have special educational needs and/or disabilities than is seen nationally.
- School leaders value the support and challenge provided to SENCos through the network of education improvement partnerships, where SENCos share best

practice and moderate their work. They are particularly positive about the 'SEND Matrix', a detailed and informative guide for all professionals that leaders report is improving the consistency of their work. School staff also report that the guidance is helping them to identify children's and young people's needs earlier than in the past.

- SENCos, school leaders and governors state that local authority specialist services provide useful and appropriate training and development for school staff. As a result, an increasing proportion of pupils' needs are met effectively. School leaders are especially positive about the support they receive from specialist staff for pupils with difficulties with communication and language, as well as social and emotional health needs.
- There are appropriate arrangements in place to meet the statutory timescales for assessment of children's and young people's special educational needs and/or disabilities and the provision of EHC plans. The local authority recognised that initially the efficiency of these processes was undermined by weaknesses in staff knowledge and skills. Leaders took rapid action to address these concerns through a training and development programme. As a result, the management of recent applications for assessment are timely, well developed and appropriate. The proportion of new plans issued by the local authority is now in line with the national average. Furthermore, the work to transfer plans is on track to meet national expectations.
- In the past, the local area had a high number of cases going to appeal compared with the national average. Leaders have improved the way they communicate decisions not to assess children's needs with parents and carers, and make better use of the mediation service. Consequently, the number of parents finding that they need to access tribunal decisions is significantly lower than in the past.
- Following a recent review, the local authority has established a new specialist 14 to 25 assessment and planning team to support pupils who are moving to their next stage of education. The local authority has increased the provision of careers advice and guidance, especially in special schools. Consequently, pupils across the age range report that they are well supported to achieve their aspirations and can identify confidently what they want to do next.
- The specialist 14 to 25 assessment and planning team works very effectively with colleagues in the transitions social care team in adult social care so that young people receive good support to access education, employment and training. As a result, there is an increase in the number of young people with special educational needs remaining in education or training after 19, as well as an increase in the number entering the workforce. Parents reported that young people appreciated 'a proper placement' for work experience. Parents were also positive about the internship course because this programme has a high success rate.



- Adult social care leaders are taking effective action to ensure that suitable supported housing is available for young adults who have special educational needs and/or disabilities, supported well by the council's commitment to invest in appropriate accommodation.
- The youth offending team works closely with local authority officers to identify and provide for all young people who have special educational needs and/or disabilities entering the criminal justice system.
- Young people are increasingly involved in the formation of services. For example, the local authority Youth Council has developed a toolkit to support those children and young people who are under the care of CAMHS.
- The waiting times for assessment and intervention by the children's integrated therapies service have reduced, and the service is now meeting children's needs more effectively.
- H&R CCG and EHS CCG have provided each nursery in their area with £5,000 to take up the Healthy Active Little Ones (HALO) programme, which aims to reduce child obesity. The programme also promotes healthy motor function development. It is run by Public Health England, which provides support for nurseries.
- The child development service operates clinics in four widely spaced locations across the county. Parents told inspectors that they valued their child being seen locally.
- There are good arrangements in place to support children with continuing healthcare needs to access education with appropriate support and supervision. The disabled children's team provides training and ongoing supervision to schools attended by children with the most complex needs.
- When a child or young person enters the care of the local authority, the designated/named nurse allocates one of the specialist children looked after nurses to that child and this remains the case throughout their journey through the care system. This is valued by children and young people, who appreciate not having to repeat their personal medical history, as well as providing constancy for children whose lives may lack stability.
- The child development service's autism multi-agency and multi-disciplinary assessment clinic works well. Once diagnosis has been made, the communication, learning and autism service provides short-term support to schools and in the child's home. Parents report that this service is very useful in helping them to support their children.
- Health practitioners and clinicians across all services are given good notice by the local authority of the intention to develop an EHC plan, and most health reports for EHC plans are submitted within the correct timescale.

- Over the past 12 months, working relationships between SENCos and the child development service community paediatricians have significantly improved. As a result, more children are referred promptly to the child development services.
- School nurses funded by Public Health England are working in all East Sussex schools to help schools access additional grant funding to improve public health. The initial indicators show that this funding is making a difference to young people because they have a better understanding of healthy choices.
- The expansion of the schools mental health link worker service as part of the CAMHS transformation work is positive in strengthening support to lower levels of mental health need to school aged children. For example, the Discovery College is an initiative that is improving young people's emotional health and well-being.

### **Areas for development**

- Despite the recent work to improve the quality of independent information, advice and guidance that is available for parents, leaders have been unsuccessful in promoting the 'local offer' of provision to all parents. An overwhelming majority of the parents whom inspectors met were not aware of this critical resource. Consequently, parents are unable to access the local offer to 'help them to help themselves', one of the main aims of the county council's strategic plan.
- Parents' lack of knowledge and access to independent advocacy services have meant that some parents do not trust the local authority. The local area has been ineffective in communicating the improvements it has made to provision and to services. As a result, a few parents have resolutely followed the appeal process to the tribunal stage and these parents describe the local authority as a barrier to meeting their children's needs.
- The proportion of East Sussex pupils who have special educational needs and/or disabilities placed in non-maintained independent schools is higher than that seen nationally. Plans are well underway to increase the capacity of provision in the area and there are already additional resources in place for pupils with autism and social and emotional health needs. However, a few parents and carers are yet to be convinced that local provision can meet the needs of the children and young people with highly complex needs.
- There is a weakness in the current provision for pupils who have special educational needs and/or disabilities who are excluded from school. There is little capacity in alternative provision and early intervention services to support those pupils at risk of permanent exclusion back into mainstream school. Leaders are aware of this and have commissioned new provision to address this issue more effectively, although it is too early to see the impact of this work yet.
- Waiting times for initial assessment by the child development service are lengthy at five to six months, although these have been reduced from 24 months in 2015 due to the creation of three additional paediatrician posts.



- Liaison and cooperative working between the child development service and CAMHS are not well developed. The community paediatricians have not been well linked to CAMHS transformation work to ensure that their knowledge and experience of autism spectrum disorder (ASD) can inform this work and, as a result, children and young people are disadvantaged.
- The timeliness of the provision of treatment in CAMHS is a continuing cause of frustration for parents. Although young people have good access to CAMHS initial assessment, there remain lengthy waits for treatment and intervention, so the service is not meeting the targets set and children and young people are being disadvantaged. In addition, CAMHS practitioners and community paediatricians submit reports to inform EHC plan development on request, but they are not routinely being sent a copy of the completed plan.
- Health visitors are not well equipped to give effective and well-informed support to parents with children with potential ASD and challenging behaviour while the parents are waiting for the child to be assessed for diagnosis by the child development team. Managers acknowledge that this is an area for development and are planning specific training to meet this need.
- Numbers of invitations to attend EHC planning meetings received by the early years health professionals are low against the service's caseload. School nurse practitioners and managers are not confident that they are being invited to participate in EHC planning for all children they are working with who have special educational needs and/or disabilities.
- Programmes of therapeutic intervention by the allied health professionals (speech and language therapists, occupational therapists and physiotherapists) are not consistently based on the goals or objectives identified for the child but are commonly based on an agreed number of sessions. This can lead to inefficient deployment of resources and result in some children's needs not being met sufficiently promptly or effectively.
- Most health services, including CAMHS, health visitors and school nurses, identified improving outcomes and developing the quality of co-production as areas needing to be developed further. The Childrens' Integrated Therapy Service has just launched the therapies outcome measures framework (TOMS). This framework has Royal College of SALT approval as a best-fit model, facilitating national as well as local benchmarking. When piloted in 50 cases over a six-month period, 34 demonstrated improvement in at least one domain; however, the introduction of the model is at too early a stage to evaluate its impact service-wide.

## **The effectiveness of the local area in improving outcomes for children and young people who have special educational needs and/or disabilities**

### **Strengths**

- Outcomes for children who have special educational needs and/or disabilities continue to rise. In 2016, the proportion of children who have special educational needs and/or disabilities achieving a good level of development by the end of the Reception Year was above the national average for similar children from similar starting points. In 2016, in key stage 1, the proportion of pupils who have special educational needs and/or disabilities reaching the expected standards in phonics was broadly in line with the national average. At the end of key stage 1, the percentage of pupils with an EHC plan reaching age-related expectations in reading, writing and mathematics was above the national average for similar pupils from similar starting points in 2016.
- In 2016, in key stage 4, more pupils with an EHC plan achieved an A\* to C grade at GCSE in English and mathematics than the national average for similar pupils from similar starting points. The proportion of pupils with level two qualifications at the age of 19 has also continued to rise and is in line with the national average. Leaders have made good use of the post-16 educational improvement partnerships to increase provision. However, the number of students who have special educational needs and/or disabilities who attain a level 3 qualification has declined and was below the national average in 2016. Despite this, the proportion of young people in employment, education and training at 19 is higher than the national average.
- Children and young people who have special educational needs and/or disabilities in the care of the local authority do well in school. They have consistently achieved as well as and sometimes better than other pupils who have special educational needs and/or disabilities at every key stage.

### **Areas for development**

- The rising trend of improving achievement in key stage 2 did not continue in 2016 and pupils' achievement was lower when compared to the national average.
- Absences for East Sussex pupils who have special educational needs and/or disabilities were above the national average in 2015 (the latest comparable figures). Leaders are well aware of this and are working with schools to address it, with targeted support for those pupils who are not attending as often as they should. However, it is too early to see the impact of this work at this stage in the academic year.
- Fixed-term exclusion rates for pupils with special educational needs and/or disabilities in East Sussex's mainstream schools, at school support and with statements of special educational needs or EHC plans remained above national

average in 2015 (the latest comparable figures). The rate of permanent exclusion for pupils with EHC plans also shows a continuing increase, rising to above the latest nationally published figure for pupils with a statement of special educational needs or an EHC plan. Officers have started to address this robustly, and there is evidence from targeted schools that their approach is making a difference. However, it is too early to see the overall impact of these new strategies on pupils across the county.

Yours sincerely

Seamus Murphy

**Her Majesty's Inspector**

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CC:  
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