



## CABINET

TUESDAY, 3 MARCH 2020

10.00 AM COUNCIL CHAMBER - COUNTY HALL, LEWES

MEMBERSHIP - Councillor Keith Glazier (Chair)  
Councillors Nick Bennett (Vice Chair), Bill Bentley, Claire Dowling,  
Carl Maynard, Rupert Simmons, Bob Standley and Sylvia Tidy

## A G E N D A

- 1 Minutes of the meeting held on 28 January 2020 (*Pages 3 - 6*)
- 2 Apologies for absence
- 3 Disclosures of interests  
Disclosures by all members present of personal interests in matters on the agenda, the nature of any interest and whether the member regards the interest as prejudicial under the terms of the Code of Conduct.
- 4 Urgent items  
Notification of items which the Chair considers to be urgent and proposes to take at the appropriate part of the agenda. Any members who wish to raise urgent items are asked, wherever possible, to notify the Chair before the start of the meeting. In so doing, they must state the special circumstances which they consider justify the matter being considered urgent.
- 5 Council Monitoring: Quarter 3 2019/20 (*Pages 7 - 44*)  
Report by Chief Executive
- 6 Transport for the South East's Proposal to Government (*Pages 45 - 80*)  
Report by Director of Communities, Economy and Transport
- 7 Any other items considered urgent by the Chair
- 8 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

24 February 2020

Contact Andy Cottell, 01273 481955,  
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## **CABINET**

MINUTES of a meeting of the Cabinet held on 28 January 2020 at Council Chamber - County Hall, Lewes

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PRESENT     Councillors Keith Glazier (Chair)  
                 Councillors Nick Bennett (Vice Chair), Bill Bentley, Claire Dowling,  
                 Carl Maynard, Bob Standley and Sylvia Tidy

Members spoke on the items indicated

Councillor Barnes	- item 5 (minute 43)
Councillor Bennett	- item 5 (minute 43)
Councillor Godfrey Daniel	- item 5 (minute 43)
Councillor Philip Daniel	- item 5 (minute 43)
Councillor Davies	- item 6 (minute 44)
Councillor Ensor	- item 6 (minute 44)
Councillor Field	- item 5 (minute 43)
Councillor Maynard	- items 5 and 6 (minutes 43 and 44)
Councillor Rodohan	- item 5 (minute 43)
Councillor Stephen Shing	- item 5 (minute 43)
Councillor Shuttleworth	- item 5 (minute 43)
Councillor Standley	- item 5 (minute 43)
Councillor Tidy	- item 6 (minute 44)
Councillor Ungar	- items 5 and 6 (minutes 43 and 44)
Councillor Webb	- items 5 and 6 (minutes 43 and 44)

## 40     MINUTES OF THE MEETING HELD ON 18 DECEMBER 2019

40.1     The minutes of the Cabinet meeting held on 18 December 2019 were agreed as a correct record.

## 41     APOLOGIES FOR ABSENCE

41.1     An apology for absence was received on behalf of Councillor Rupert Simmons

## 42     REPORTS

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

## 43     RECONCILING POLICY, PERFORMANCE AND RESOURCES

43.1     The Cabinet considered a report by the Chief Executive together with further information received following publication of the Cabinet agenda including a summary of the consultation meeting held with Trade Unions.

43.2     It was RESOLVED:

1. recommend the 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 1.99%;
  - iii)   increase the Adult Social Care precept by 2%;

- iv) issue precepts to be paid by Borough and District Councils in accordance with the agreed schedule of instalments at Appendix 6;
- v) approve the net Revenue Budget estimate of £403.4m for 2020/21 set out in Appendix 2 (Medium Term Financial Plan) and Appendix 3 (Budget Summary) 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 Summary to reflect the final settlement and final budget decisions;
- vi) approve the Capital Strategy and Programme at Appendix 9;
- vii) note the Medium Term Financial Plan forecast for 2020/21 to 2022/23, set out in Appendix 2;
- viii) note the comments of the Chief Finance Officer on budget risks and robustness, as set out in Appendix 7;
- ix) note the comments from engagement exercises set out in Appendix 8; and
- x) note the schedule of fees and charges that have increased above inflation at Appendix 10.

2. agree that Chief Officers consult, where appropriate, on the savings proposals set out in Appendix 4.

#### Reason

43.3 Prudent planning by the Council has led to the Council being able to make investment in services next year of £6.6m once savings of have been made. Whilst the additional funding by the Government in Social Care is welcome, it does not make up for the amount of funding lost over the last 10 years and neither will it be sufficient to prevent savings needing to be made in other areas in future to fund pressures from the rising demand for and cost of social care. The Council will continue to press the case for East Sussex to receive a fair share of the funding available from Government and for it to urgently address the need for it to put in place sustainable funding for local services, in particular social care.

#### 44 EAST SUSSEX HEALTH AND SOCIAL CARE PLAN

44.1 The Cabinet considered a report by the Director of Adult Social Care and Health.

44.2 It was RESOLVED to:

- 1. agree the Council's contribution to the draft East Sussex Health and Social Care plan as set out in Appendix 1, and plans for further consultation with local stakeholders;
- 2. agree the projects set out in Appendix 3 to take forward the proposed Target Operating Model for integrated community health and social care services, as part of the broader community health and social care services programme; and
- 3. note that further work will be taking place to develop proposals for an East Sussex Integrated Care Partnership, including further engagement with stakeholders.

#### Reason

44.3 Taking into account the progress made to date, our East Sussex plan strengthens the whole population focus across the local health and social care economy. It sets out the key areas of focus for our collective system working that are needed to guide and deliver the changes needed in East Sussex to meet the health and care needs of our population, reduce health inequalities, and deliver outcomes on a sustainable basis.

44.4 A number of discussions and meetings have been progressed with key stakeholders across our system to achieve this, underpinned by the initial key principles and priorities agreed by the Health and Wellbeing Board in September. This will ensure that the next phase of our

work and the priorities for 2020/21 are understood, shared and owned by the broader system, and take account of the needs of the whole East Sussex population.

44.5 Our plans and objectives for integration of community health and social care services continue to align with the NHS Long Term Plan, and the ongoing development of Primary Care Networks, with the intention of further strengthening the operational interface with General Practice through implementing greater levels of integration of community health and social care services.

44.6 Overall this will ensure that we continue to maintain our focus on moving to integrated community care delivery to meet our population health and care needs and tackle the challenge of an ageing population, which we are at the forefront of in East Sussex.

44.7 The priorities set out in the Plan will also guide and inform the development of the ICP, to enable the delivery of shared objectives both in 2020/21 and in subsequent years and get the maximum benefit for our population.

44.8 The three East Sussex Clinical Commissioning Groups, East Sussex Healthcare NHS Trust, Sussex Partnership NHS Foundation Trust and Sussex Community NHS Foundation Trust will be taking a similar report through their governance processes in broadly the same timeframe

#### 45 TRANSPORT FOR THE SOUTH EAST'S DRAFT TRANSPORT STRATEGY - FORMAL CONSULTATION RESPONSE

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

45.2 It was RESOLVED to agree the County Council's response on Transport for the South East's formal consultation on their draft Transport Strategy as summarised in sections 2.8 and 2.9 of the report , and outlined in more detail at Appendix 2.

#### Reason

45.3 The delivery of the Transport for the South East's (TfSE) transport strategy provides an opportunity to support and grow the economy, boost connectivity and speed up journeys whilst improving access to opportunities for all and protecting and enhancing our region's unique environment.

45.4 TfSE has set out their overall approach to achieving their vision in their draft transport strategy which has been out for consultation. Overall the county council is supportive of TfSE's draft strategy, and has a number of comments as summarised in sections 2.8 and 2.9 of this report and outlined in more detail in appendix 2, which will form the basis of the county council's formal response.

#### 46 TREASURY MANAGEMENT POLICY AND STRATEGY 2020/21

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

46.2 It was RESOLVED to recommend the County Council to:

- 1) approve the Treasury Management Policy and Strategy Statement for 2020/21;
- 2) approve the Annual Investment Strategy for 2020/21;
- 3) approve the Prudential and Treasury Indicators 2020/21 to 2022/23;
- 4) approve the Minimum Revenue Provision (MRP) Policy Statement 2020/21 at Appendix A (Section 3).

## Reason

46.3 This 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.

## 47 CONSERVATORS OF ASHDOWN FOREST BUDGET 2020/21

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

47.2 It was RESOLVED:

- 1) to approve the Conservators' core budget for 2020/21; and
- 2) approve the annual grant for the 2020/21 from the Trust Fund of £65,100

## Reason

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

## 48 ITEMS TO BE REPORTED TO THE COUNTY COUNCIL

48.1 The Cabinet agreed that items 5, 8 and 9 should be reported to the County Council.

*[Note: The items being reported to the County Council refer to minute numbers 43, 46 and 47]*

**Report to:** Cabinet  
**Date:** 03 March 2020  
**Report by:** Chief Executive  
**Title:** Council Monitoring Report – Q3 2019/20  
**Purpose:** To report Council monitoring for quarter 3 2019/20

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## RECOMMENDATIONS

Cabinet is recommended to:

- 1) note the latest monitoring position for the Council and the deletion of the Brexit risk as set out in paragraph 2.7
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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, and Savings Plan, together with Risks at the end of December 2019.

1.2 Broad progress against the Council's four strategic priority outcomes is summarised in paragraph 3 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. Council Plan 2019/20 amendments and variations

2.1 There are no proposed amendments or variations to Council Plan performance measures or targets; the Corporate Summary (Appendix 1) contains a forecast of performance against targets.

2.2 The details of over and underspends in each department are set out in the relevant appendices, and show a total forecast overspend of £6.1m (no overall change from quarter 2). The main headlines are:

- No significant movement on the quarter 2 forecast overspend for Adult Social Care. The Independent Sector budget continues to face risk on expenditure for working age adults due to the ongoing impact of high cost packages of care transferring from the NHS from Continuing Healthcare (CHC) and the national Transforming Care Programme (TCP).
- Children's Services is projected to overspend by £5.9m; whilst there is no change overall from last quarter, there continues to be pressures in residential facilities and disability agency placements and with several unplanned complex high need pupils requiring placements with additional support.

2.3 The general contingency of £3.6m will, in the first instance, offset the deficit after applying underspends from Treasury Management (TM), a small potential underspend on other centrally held budgets of £0.3m and Business Rates; as is normal practice the remaining £0.2m will be transferred to reserves for use in future years.

2.4 Within TM, the strategy to maximise income and minimise the cost of debt where possible continues. No additional short or long term borrowing was undertaken in quarter 3 and no further cost effective opportunities have arisen to restructure the existing PWLB or wider debt portfolio. There is currently an estimated £2.0m underspend that will be used to offset service overspend; the increase of £0.8m from quarter 2 reflects that the Council continues to be unlikely to borrow this year, plus the release of a provision for expected credit losses on other investments, loans and debtors – an accounting adjustment under IFRS9. There is continued uncertainty around the impact of Brexit, and other TM considerations, meaning there could be fluctuations in these forecasts over the coming months.

2.5 There is £0.4m of additional Business Rates income in the Corporate Funding budget after the final forecast information was received from the Districts & Boroughs.

2.6 The Capital Programme expenditure for the year is projected to be to be £96.6m against a budget of £99.6m, a variation of £3.0m (£9.6m in quarter 2); being £5.1m of slippage offset by £2.1m of spend in advance. It should be noted £2.0m of the slippage is in schemes being delivered by, or in partnership with, others, where those organisations control the timetable.

The main variances within the Council's control are:

#### *Spend In Advance*

- IT&D have spent in advance due to an opportunity to purchase laptops early at a discounted rate this also allows for mitigation against expected future price rises (-£1.1m); and
- Reef Way Special School, Hailsham – the contractor has been able to manage groundwork complexities quicker than previously anticipated (-£0.5m);

#### *Slippage*

- Lansdowne Secure Unit – a small slippage into 2020/21 (£0.6m) due to the very wet winter impacting on when work can be undertaken;
- Schools Maintenance – delays in getting condition survey information has meant that planned works will commence later than expected (£0.9m); and
- Bexhill Hastings Link Road - delays to the settlement of compensation claims (£0.8m);

Variances outside the Council's direct control are:

- Skills for Rural Business – construction work at Plumpton College has been delayed due to the unexpectedly wet weather (£0.8m); and
- Queensway Gateway Road – the issue of the relocation of the car dealership continues to impact the timetable for delivery (£0.6m).

2.7 The Strategic Risk Register, Appendix 7, was reviewed and updated to reflect the Council's risk profile. Risk 4 (Health), Risk 5 (Reconciling Policy, Performance and Resources), Risk 6 (Local Economic Growth), Risk 8 (Capital Programme), Risk 9 (Workforce), Risk 10 (Recruitment), Risk 12 (Cyber Attack), and Risk 15 (Climate) all have updated risk controls. No new risks have been added for this review. Risk 14 (No-deal Brexit) has been deleted but will be kept under review and re-added to the register later in the year if appropriate.

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

#### **Driving sustainable economic growth**

3.1 The improvement works in Terminus Road in Eastbourne, to modernise the town centre and improve the pedestrian environment, complementing the redeveloped Beacon shopping centre, were completed in January 2020 (Appendix 5).

3.2 20 carriageway asset improvement schemes were completed in quarter 3, to maintain and improve the condition of the Council's roads (Appendix 5).

3.3 Businesses were assisted to create 15 jobs in quarter 3, through business support programmes; Locate East Sussex also assisted nine businesses to move into, or relocate within, the county (Appendix 5).

3.4 34 Industry Champions, businesses and individuals who represent an array of jobs and career paths from industries in the county, took part in the Open Doors event between October and November 2019, offering work place visits to over 1,000 students (Appendix 5).

3.5 Progress 8 and Attainment 8 scores (Appendix 4).

- The provisional 2018/19 academic year Progress 8 score for Look After Children is -1.35 compared to a national average of -1.25. The East Sussex score is an improvement on last year's score of -1.49.
- The provisional Attainment 8 score for disadvantaged pupils for academic year 2018/19 is 33.6 compared to a national average of 36.6. The gap of 3.0 points to the national average is less than last year, when it was 3.6 points.



3.6 The East Sussex Social Value Marketplace was publically launched in November 2019. There are 20 organisations and 32 users now registered, and requests and offers for help have begun to be made through the system (Appendix 3).

### **Keeping vulnerable people safe**

3.7 Trading Standards made 51 positive interventions to protect vulnerable people in quarter 3; including visiting 41 victims of rogue trading or financial abuse and installing 10 call blockers to protect people from telephone scams (Appendix 5).

3.8 In October 2019 over 180 professionals, residents and college students attended an award winning production of 'My Mind is Free' at Bexhill College. The production focuses on the experiences of modern slavery and human trafficking. Marking the start of Anti-Slavery week, it included staff from the Safer East Sussex Team, Stop the Traffik and Sussex Police Discovery sharing further information on the local picture (Appendix 2).

### **Helping people help themselves**

3.9 The Children's Takeover Day and the Children and Young People's Trust annual event were combined into one successful day on 18 November 2019. Over 50 young people were involved in the event, alongside 70 leaders and practitioners from a range of partnership organisations (Appendix 4).

3.10 Services for adults to help them live independently and delay the need for residential or nursing care resulted in 91.1% of older people still being at home 91 days after discharge from hospital into reablement/rehabilitation services, while 92.2% of people who received short-term services to increase their independence made no further request for ongoing support (Appendix 2).

3.11 1,032 people were supported in Q3 through STEPS to Stay Independent, to maintain their independence and provide advice and support. 994 people were supported through the Home Works service to find and keep safe and affordable accommodation, and to improve their health, wellbeing and independence (Appendix 2).

### **Making best use of resources**

3.12 The Provisional Local Government Finance Settlement was announced on 20 December 2019. The lobbying of Government by the Council, and partners, proved to be successful, with additional funding announced for East Sussex including £10.2m for adults and children's social care and £5.8m for the Special Educational Needs and Disabilities high needs block. Whilst additional funding is welcome, it isn't sufficient to prevent further savings from having to be made in the future, due to rising demand for, and the cost of, social care. As such we will continue to lobby for a long-term sustainable funding settlement (Appendix 6).

### **Becky Shaw, Chief Executive**

## How to read this report

This report integrates monitoring for finance, performance and risk. Contents 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 all our Council Plan Targets (full year outturns at quarter 4), 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 sustainable 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. Performance exceptions follow these rules:

Quarter 1	All targets not expected to be achieved at year end i.e. not RAG rated Green, and any proposed amendments or deletions. Changes to targets early in Q1 should be made under delegated authority for the Council Plan refresh in June.
Quarter 2	Targets that have changed RAG rating since Q1 including changes to Green (except where target was amended at Q1), plus proposed amendments or deletions.
Quarter 3	Targets that have changed RAG rating since Q2 including changes to Green (except where target was amended at Q2), plus proposed amendments or deletions.
Quarter 4	Targets that have changed RAG rating since Q3 to Red or Green (except where target was amended at Q3). Outturns that are not available are reported as Carry Overs. All target outturns for the full year are reported in the year end summary at Appendix 1.

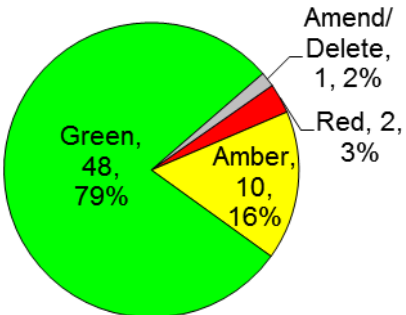
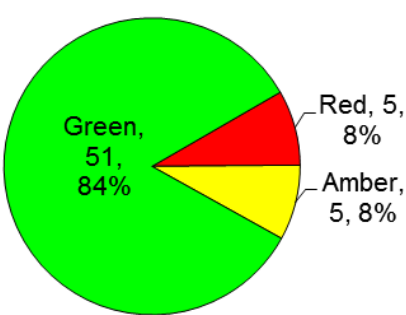
### Strategic Risk Register Appendix 7

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

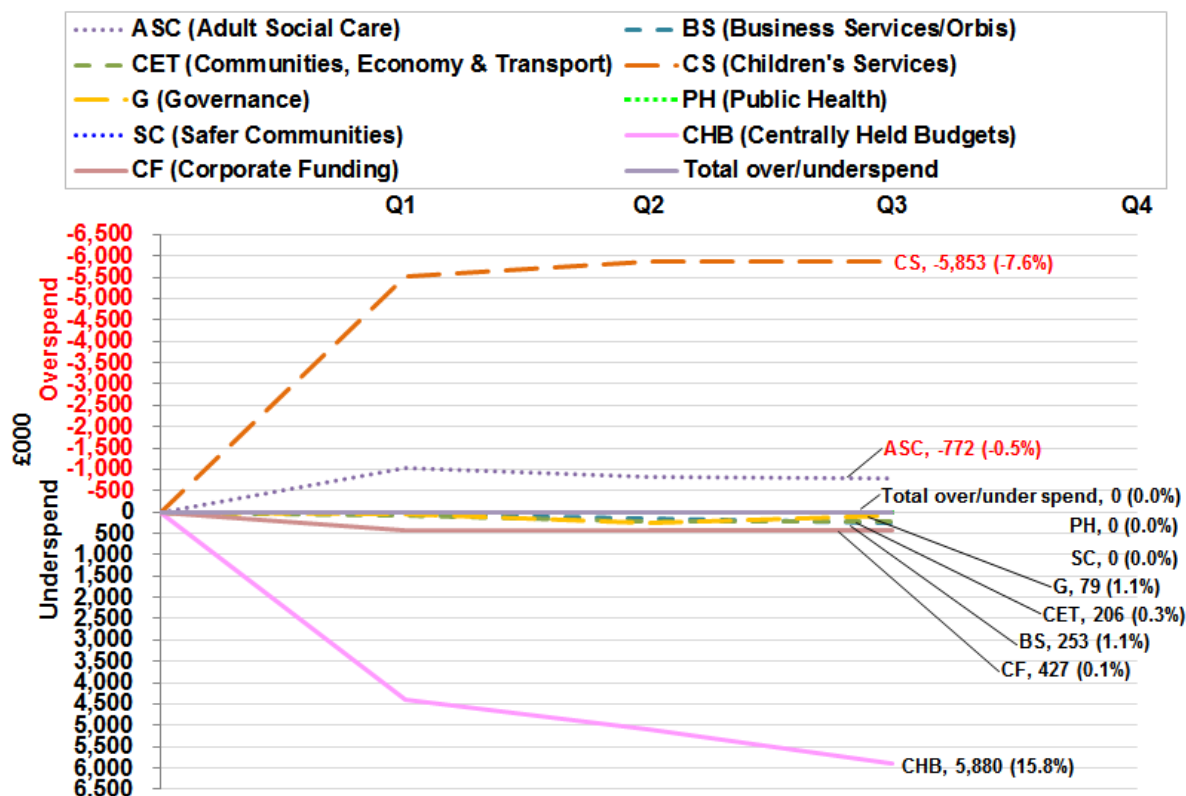
## Council Monitoring Corporate Summary – Q3 2019/20

### Council Plan performance targets

Priority	Red	Amber	Green
Driving sustainable economic growth	2	2	23
Keeping vulnerable people safe	1	0	10
Helping people help themselves	2	1	17
Making best use of resources	0	2	1
<b>Total</b>	<b>5</b>	<b>5</b>	<b>51</b>

Q3 2019/20	Q2 2019/20	Q3 2019/20
<p>There are 61 individual measures in the Council Plan.</p> <ul style="list-style-type: none"> <li>Appendix 2 ASC&amp;H – 3 red</li> <li>Appendix 3 BSD – 2 amber,</li> <li>Appendix 4 CSD – 2 red</li> <li>Appendix 5 CET – 3 amber</li> </ul>	 <p>Amend/Delete, 1, 2%</p> <p>Red, 2, 3%</p> <p>Amber, 10, 16%</p> <p>Green, 48, 79%</p>	 <p>Red, 5, 8%</p> <p>Amber, 5, 8%</p> <p>Green, 51, 84%</p>

### Revenue budget outturn (net £000)



Revenue budget summary (£000)									
	Planned (£000)			Q3 2019/20 (£000)					
				Projected outturn			(Over) / under spend		
	Gross	Income	Net	Gross	Income	Net	Gross	Income	Net
<b>Service Expenditure</b>									
Adult Social Care	262,500	(91,387)	171,113	266,563	(94,678)	171,885	(4,063)	3,291	(772)
Safer Communities	583	(247)	336	1,212	(876)	336	(629)	629	-
Public Health	29,092	(29,092)	-	27,632	(27,632)	-	1,460	(1,460)	-
Business Services	47,224	(23,975)	23,249	47,675	(24,679)	22,996	(451)	704	253
Children's Services	320,645	(243,324)	77,321	329,238	(246,064)	83,174	(8,593)	2,740	(5,853)
Communities, Economy & Transport	117,439	(58,129)	59,310	113,975	(54,871)	59,104	3,464	(3,258)	206
Governance Services	8,303	(937)	7,366	8,315	(1,028)	7,287	(12)	91	79
<b>Total Service Spend</b>	<b>785,786</b>	<b>(447,091)</b>	<b>338,695</b>	<b>794,610</b>	<b>(449,828)</b>	<b>344,782</b>	<b>(8,824)</b>	<b>2,737</b>	<b>(6,087)</b>
<b>Centrally Held Budgets (CHB)</b>									
Treasury Management	20,186	(2,600)	17,586	17,597	(2,000)	15,597	2,589	(600)	1,989
Capital Programme	2,300	-	2,300	2,300	-	2,300	-	-	-
Unfunded Pensions	10,338	-	10,338	10,183	-	10,183	155	-	155
General Contingency	3,570	-	3,570	-	-	-	3,570	-	3,570
Contrib to Reserves	6,645	-	6,645	6,608	-	6,608	37	-	37
Apprenticeship Levy	600	-	600	575	-	575	25	-	25
Levies, Grants and Other	984	(4,823)	(3,839)	882	(4,825)	(3,943)	102	2	104
<b>Total CHB</b>	<b>44,623</b>	<b>(7,423)</b>	<b>37,200</b>	<b>38,145</b>	<b>(6,825)</b>	<b>31,320</b>	<b>6,478</b>	<b>(598)</b>	<b>5,880</b>
<b>Corporate Funding</b>									
Business Rates	-	(84,325)	(84,325)	-	(84,752)	(84,752)	-	427	427
Revenue Support Grant	-	-	-	-	-	-	-	-	-
Council Tax	-	(290,684)	(290,684)	-	(290,684)	(290,684)	-	-	-
New Homes Bonus	-	(886)	(886)	-	(886)	(886)	-	-	-
<b>Total Corporate Funding</b>	<b>0</b>	<b>(375,895)</b>	<b>(375,895)</b>	<b>0</b>	<b>(376,322)</b>	<b>(376,322)</b>	<b>0</b>	<b>427</b>	<b>427</b>
<b>Total</b>	<b>830,409</b>	<b>(830,409)</b>	<b>0</b>	<b>832,755</b>	<b>(832,975)</b>	<b>(220)</b>	<b>(2,346)</b>	<b>2,566</b>	<b>220</b>
Balance of General Contingency to reserves	-	-	-	220	-	220	(220)	-	(220)
<b>FINAL TOTAL</b>	<b>830,409</b>	<b>(830,409)</b>	<b>0</b>	<b>832,975</b>	<b>(832,975)</b>	<b>0</b>	<b>(2,566)</b>	<b>2,566</b>	<b>0</b>

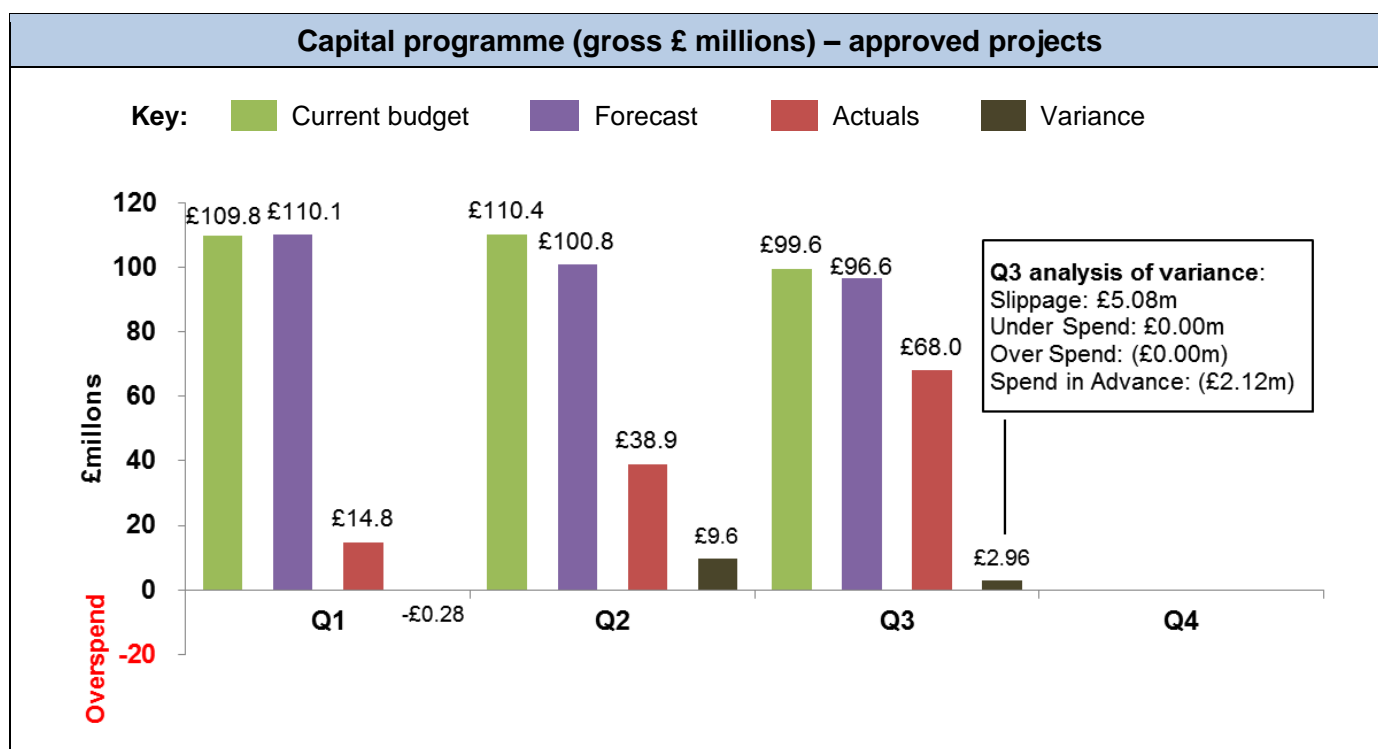
Revenue Savings Summary 2019/20					
Service description	2019/20 (£'000) – Q3 Forecast				
	Original Target for 2019/20	Target including items c/f from previous year(s)	Achieved in-year	Will be achieved, but in future years	Cannot be achieved
<b>Savings</b>					
ASC	730	6,817	6,211	606	-
BSD / Orbis	1,003	1,003	1,003	-	-
CS	1,049	3,640	2,382	1,258	-
CET	2,349	2,636	1,636	1,000	-
GS	-	-	-	-	-
<b>Total Savings</b>	<b>5,131</b>	<b>14,096</b>	<b>11,232</b>	<b>2,864</b>	<b>0</b>
ASC			-	-	-
BSD / Orbis			-	-	-
CS			-	-	-
CET			-	-	-
GS			-	-	-
<b>Subtotal Permanent Changes <sup>1</sup></b>			<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Savings &amp; Permanent Changes</b>	<b>5,131</b>	<b>14,096</b>	<b>11,232</b>	<b>2,864</b>	<b>0</b>

Memo: treatment of savings not achieved in the year (£'000)	Temporary Funding <sup>2</sup>	Part of reported variance <sup>3</sup>	Total
ASC	-	606	606
BSD / Orbis	-	-	-
CS	1,258	-	1,258
CET	1,000	-	1,000
GS	-	-	-
<b>Total</b>	<b>2,258</b>	<b>606</b>	<b>2,864</b>

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

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

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



Capital programme summary (£000)									
Approved project	Total project – all years*		2019/20 (£000)						
			In year monitor Q3				Analysis of variation		
	Budget	Projected	Budget	Actual to date	Projected 2019/20	Variation (over) / under budget	(Over) / under spend	Slippage to future year	Spend in advance
ASC	10,409	10,409	2,018	1,991	2,229	(211)	-	-	(211)
BSD	276,424	276,424	37,000	24,741	36,783	217	-	1,888	(1,671)
CS	26,990	26,990	1,748	1,804	1,748	-	-	-	-
CET	576,040	576,040	58,829	39,512	55,880	2,949	-	3,189	(240)
GS	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>889,863</b>	<b>889,863</b>	<b>99,595</b>	<b>68,048</b>	<b>96,640</b>	<b>2,955</b>	<b>0</b>	<b>5,077</b>	<b>(2,122)</b>
Capital receipts			(3,122)		(3,122)	-			
Non-specific grants			(37,475)		(37,475)	-			
Specific Funding: grants/external contributions/CERA			(21,795)		(19,252)	2,543			
S106 Contributions			(4,802)		(4,742)	60			
Community Infrastructure Levy			(1,600)		(1,600)	-			
New Homes Bonus			-		-	-			
Reserves - capital and set aside			(5,851)		(5,568)	283			
Borrowing			(24,950)		(24,881)	69			
<b>Total</b>			<b>(99,595)</b>		<b>(96,640)</b>	<b>2,955</b>			

\*For Information – This is the proposed programme, subject to approval by Council, and includes current budget for all projects until the end of the extended programme in 2030.

### Centrally held budgets (CHB) and Corporate Funding

The Treasury Management (TM) Strategy, which provides the framework for managing the Council's cash balances and borrowing requirement, continues to reflect a policy of ensuring minimum risk whilst aiming to deliver secure realistic investment income on the Council's cash balances. Investment rates available in the market remain above the BoE bank base rate of 0.75%; however there is market uncertainty with political events in the UK and in the run up to the departure from the EU on 31 January 2020. The average level of Council funds available for investment purposes during the quarter was £213m. These funds were available on a temporary basis, and the level of funds available was mainly dependent on the timing of Council Tax receipts, external debt repayments, receipt of grants and progress on the Capital Programme. The total amount received in short term interest for the quarter was £580k at an average rate of 1.09%.

The majority of the Council's external debt is held as long term loans (£237.9m). On 31 December 2019 a £1.3m PWLB loan matured at 7.875%, with a further £1.3m of fixed term PWLB debt maturing in March 2020 with a loan rate of 8.5%.

No additional short or long term borrowing was undertaken in the quarter and no further cost effective opportunities have arisen to restructure the existing PWLB or wider debt portfolio.

There is uncertainty around the impact of Brexit, and other Treasury Management considerations mean that there are likely to be fluctuations in forecasts over the year. The current estimate of a £2.0m underspend accounts for this uncertainty, and will be used to offset service overspend in the first instance.

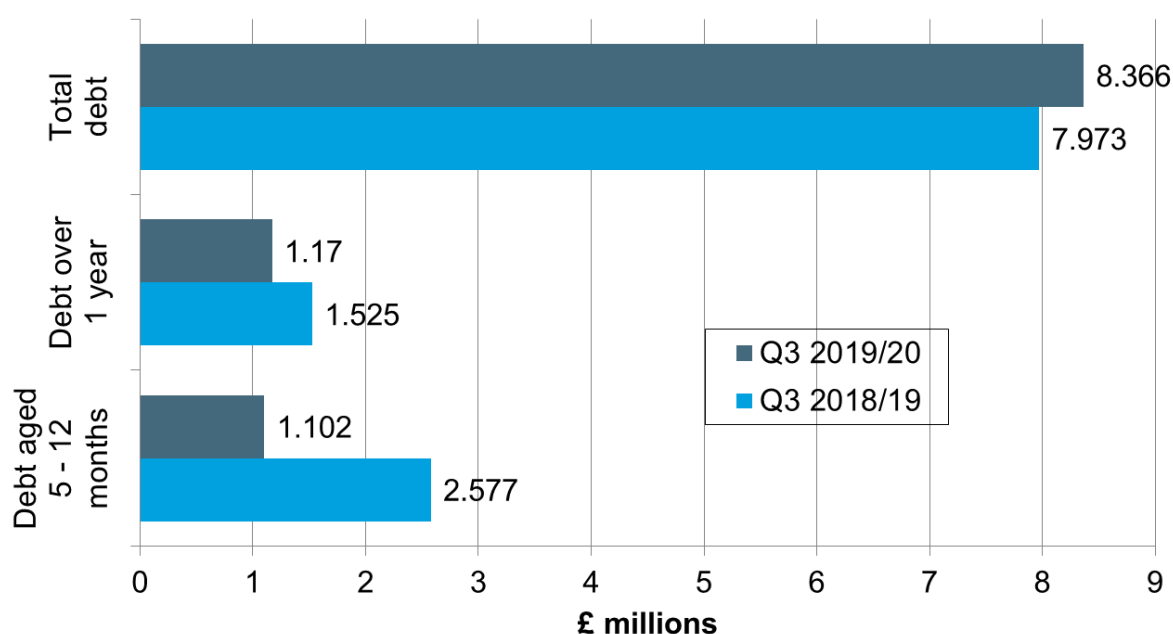
The Council holds a general contingency of £3.6m, part of which will offset the deficit; the remainder will be transferred to reserves for use in future years, in line with the Reserves Policy.

### General balances

The General Fund balance was £10.0m as at 30 September 2019. General balances allow the Council to manage unforeseen financial circumstances without the need to make immediate savings.

The Schools balances as at 30 September 2019 were £14.2m.

### Outstanding debt analysis (£ millions)



The value of debt over 5 months at Quarter 3 has increased slightly by £0.097m to £2.272m, compared to the 2018/19 outturn of £2.176m.

However, the value of debt over five months compared to the same period last year has decreased substantially by £1.830m (45%).

The value of ASC invoiced income continues to rise. An extra £1.4m was invoiced for services up to Quarter 3 this year compared to Quarter 3 in 2018/19.

The collection of income continues to be a high priority focus area. Achievements during Quarter 3; implementation of improved auto debt recovery process relating to estate cases and becoming AUDDIS (Automated Direct Debit Instruction Service) compliant with our bank as a pre-requisite to enable paperless direct debit collection. Priorities for Quarter 4 include preparing a business case for paperless direct debits, review of unit cost of raising an invoice, plus planning and scoping a debt recovery end to end process review with colleagues in ASC and Legal Services.



## Adult Social Care and Health – Q3 2019/20

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

#### **Adult Social Care (ASC)**

**Health and Social Care Integration** – The development of the 2020/21 transformation plans for East Sussex Health and Care are progressing to plan with key programmes of work identified aligning with the long term plan and social care priorities. Key areas of work will include;

- Virtual and video outpatient clinics and expanded electronic correspondence saving patient and clinicians time and evidenced to provide better outcomes, for example virtual fracture clinics for certain conditions can be more safely managed from home.
- Continued implementation of the community target operating model delivering more integrated care closer to home for people with complex and multiple long term conditions.
- Further expansion and focus on supporting patients with multiple needs with high numbers of A&E attendances and admissions.
- Expand initiatives to support our frail and elderly population to receive timely intervention to ensure sustainability of independence.
- Continue to refine and redesign our high demand services to ensure the most efficient delivery of the right treatment, at the right time, and in the right place for cardiology, ophthalmology and diabetes services.

Further initiatives which are beginning to improve health and care outcomes include:

**Direct Access Pathology** – requests for tests from our primary care teams to our hospital pathology departments have been reviewed across East Sussex evidencing a need to understand the variation in testing approaches. A Pathology Demand Optimisation Group attended by primary care and hospital doctors are now actively reviewing test requests and where education is required, focused workshops are arranged to ensure the most appropriate tests are requested at the right time. Our digital systems are also providing aid prompts re-enforcing the guidelines.

**Ambulance Conveyancing** – East Sussex has a high number of non-injury falls at home due to our older demographic, however people are often taken to hospital where a comprehensive review can lead to loss of muscle strength whilst in a hospital bed as well as utilising our stretched emergency services. This initiative involves ambulance crews assessing at home and then referring people on to our community crisis response teams who provide a wraparound service involving rapid rehabilitation and care.

**Minimising unnecessary delayed discharges from hospital** – New and more challenging targets were set by NHS England through the Better Care Fund (BCF) for 2018, which represent further reductions on the already significant improvements made in the level of delays between April 2017 and March 2018. Through a range of actions a significant reduction has been achieved in the levels of delayed discharges from hospital; particularly in relation to delays attributable to ASC, which is meeting the target set in the BCF.

Between April and November 2019 there were an average 47.1 delayed transfers from hospital care per day (**ref i**) an improvement from 81.6 in the same period in the 2017 (baseline), equating to a 42% reduction. This can be broken down as follows:

- An average 37.7 delayed transfers from hospital care per day due to the local NHS (**ref ii**), this has improved from 47.6 in the same period in 2017 (a 21% reduction).
- An average 8.4 delayed transfers from hospital care per day due to Council social services, this has improved from 31.4 in the same period in 2017 (a 73% reduction).
- An average 1.0 delayed transfers were jointly attributable to Adult Social Care and the NHS.

Although the target of 39.8 for all delays and the target of 24.4 for NHS delays will not be achieved, implementation of a number of actions to reduce Delayed Transfers of Care (DToc) within the county such as Discharge to Assess beds (designed to avoid unnecessary admissions to acute hospitals and, where an admission is necessary, ensure that people are discharged as soon as is safe and practical back to their own homes, or as close to home as possible) have led to a significant reduction from the 2017 baseline.

We will be continuing to implement a number of actions to reduce DToc in the county.

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

- 72% of service users discharged from the Joint Community Rehabilitation Service in Q3 required no on-going care.
- Between April and September 2019, 91.1% of older people discharged from hospital to reablement / rehabilitation services were at home 91 days after their discharge.
- Between January and December 2019, 92.2% of people who received short-term services to increase their independence made no further request for ongoing support.

#### **Enabling people to live independently at home and delaying dependency**

- Frail adults across East Sussex can receive Technology Enabled Care Services (TECS), to help manage risks and maintain independence at home. TECS includes Telecare, which offers a range of sensors and detectors to meet different needs, such as wearable alert buttons, fall detectors or medication dispensers. At the end of Q3, 8,550 people were receiving TECS.

#### **Adults are able to take control of the support they receive**

- There are currently 242 members signed up to Support with Confidence. This is made up of 194 Personal Assistants (PA's) and 48 businesses. In addition to these, there are 95 current applications being processed (85 PA's and 10 businesses).
- At the end of Q3, 32.4% of working age and older clients were receiving Direct Payments (DP). This equates to a total of 1,547 people. DP are offered to all clients where appropriate and support is in place at the start of the process to ensure as many clients as possible take up DP and continue to receive them for as long as required.

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

- 1,032 people were supported in Q3 through STEPS to Stay Independent to maintain their independence and provided with advice and support on topics such as debt, welfare and healthy lifestyles.
- 994 people were supported in Q3 through the Home Works service to find and keep safe and affordable accommodation and to improve their health, wellbeing and independence.

**Health and Social Care Connect referrals triaged and progressed to required services within required timescales** – Activity is only available up to September at this stage. Between April and September 84% of Health Hub Referrals were handled within the correct time scales across all priorities (**ref iii**). This shortfall in performance is due to a staffing deficit of nurses within the Health Hub which is being remedied, with staffing expected to be at normal levels by the end of the financial year. Due to lower performance in the first half of the year it is currently anticipated that performance will not achieve the target by year-end.

**2018/19 comparative performance** – National benchmarking data for 2018/19 shows East Sussex was in the upper quartile (best performing authorities) for 17 out of 29 measures (59%) and in the upper middle quartile (second best performing authorities) for an additional 7 measures (24%), meaning East Sussex was performing comparatively well for 24 of the national measures for 2018/19 (83%) and overall delivering good outcomes for people who use services and their carers.

Areas of particular good performance (in the top 11 performing authorities out of 152) were in relation to: Social care related quality of life (survey measure); Self-Directed Support for people using services; Self-Directed Support for carers; Direct Payments for carers; people who received short-term services to increase their independence who made no further request for ongoing support; and, overall satisfaction of people who use services with their care and support (survey measure).

#### **Safer Communities**

Following approval of the East Sussex Safer Communities Partnership priorities and work streams, work has now commenced on the refresh of the East Sussex Safer Communities Partnership Business Plan 2020/23 which describes the priorities and work streams, providing more detail around the priority areas, partnership achievements and future partnership plans. It also details District and Borough level community safety work streams. The Partnership priorities are cross cutting, so we will continue to work closely with the Sussex Police and Crime Commissioner, and Local Safeguarding Children's and Safeguarding Adults Board on shared work streams, particularly those that involve working with local communities and partners to keep East Sussex safe.

**Vulnerable People being Exploited & Recruited by Organised Crime Groups** – In December 2019, a Communities Against Exploitation event for local businesses took place in Rother. The event, '*how to keep your business safe from financial exploitation and fraud*', was aimed at small to medium sized businesses and covered: awareness of how financial exploitation and fraud can impact on businesses; tactics and current methods used by organised crime groups against businesses; how to better protect businesses and improve the identifying of scams and fraud; and, the use of Modern Slavery in business and manufacturing.

Feedback from the event showed that over 70% of attendees said that they knew more about spotting the signs of

fraud and financial exploitation, and over 50% were confident that they would know how to report or share information if they thought people were being exploited.

**Modern Slavery and Human Trafficking** – In October 2019, Bexhill College hosted the award winning production of 'My Mind is Free' performed by the Rah Rah Theatre Company. Over 180 professionals, residents and college students attended the production which was an interpretation of the degradations of modern slavery and human trafficking experienced by four different people. Marking the start of Anti-Slavery week it explored the realities of exploitation and trafficking, and helped the audience to spot the signs. Following the performance a question and answer session was held for the audience. Staff from the Safer East Sussex Team, Stop the Traffik, Sussex Police Discovery and actors discussed points and shared further information on the local picture with the audience.

**Substance Misuse Service** – Work is currently being undertaken in partnership with the Rough Sleepers Initiative to widen the distribution and supply of naloxone in East Sussex. Naloxone is a safe and effective drug that can temporarily reverse the effects of opioids, such as heroin and morphine, allowing time to obtain medical attention. A pharmaceutical company involved in the supply of naloxone has been identified and a joint business case, looking at funding the supply of naloxone to the Rough Sleepers Initiative is being developed. STAR, the adult drug and alcohol treatment service are supporting the bid and training will be provided to both staff within the project and service users to build confidence in administering the drug.

A drop-in for members of the street community is currently being provided by the Kingdom Way Trust at weekends in Eastbourne. Funded by Eastbourne Borough Council, Eastbourne Chamber of Commerce and East Sussex County Council, the weekend provision is being held at Seaside Community Hub and is open Saturday and Sunday from 10am to 4pm. Feedback from both staff and service users has been extremely positive and the uptake has been greater than expected, with 20 to 30 individuals attending each day. A hot lunch is served and professionals from a range of services attend to offer advice or information.

**Domestic Violence and Abuse, Sexual Violence and Abuse, Stalking and Harassment and Harmful Practices** – Brighton & Hove City Council and East Sussex County Council have completed the strategic framework of the joint strategy to create an enhanced and coordinated response to domestic violence and abuse, sexual violence, and other forms of violence, including stalking and harassment and harmful practices, and are committed to recommissioning services to reflect identified need and realistic service response. The delivery plan for the strategy is being developed and it is anticipated that this will be available by the end of the financial year. Negotiations are ongoing with regard to the governance arrangements for the strategy, in recognition that multi-agency accountability needs to be clarified.

## **Revenue Budget Summary**

### **Public Health**

The Public Health (PH) budget of £26.766m comprises the PH grant allocation of £26.550m, CCG funding of £0.070m and £0.146m drawn from reserves to support in year spending. In addition to the PH grant there is a planned draw of £0.866m to meet one off projects.

### **ASC**

The net Adult social Care budget of £171.113m includes growth and demography funding and an inflationary uplift to support the independent sector care market.

The budget is currently forecast to overspend by £0.772m (**ref vi**), comprising of £0.870m (**ref iv**) in the Independent Sector, offset by a small underspend of £0.98m (**ref v**) in Directly Provided Services. While the Independent Sector budget is currently projected to overspend slightly, the budget faces continued risk on expenditure for working age adults due to the ongoing impact of high cost packages of care transferring from the NHS from Continuing Healthcare (CHC) and the national Transforming Care Programme (TCP). The application of one-off funding from the Better Care Fund (BCF) has enabled these risks to core ASC services to be mitigated in part during 2019/20.

In June 2018, cabinet approved savings of £9.631m, representing a significant reduction to the budget. The full year impact of these savings is now being realised. The 2019/20 budget is shown net of further savings £0.730m to meet the Council's Core Offer. The savings will be delivered in a full year, however, as in previous years the full cash saving will not be achieved within 2019/20, reflecting that the proposals will need to be implemented in line with statutory responsibilities and duties. The part year impact of the savings proposals will be managed within the authority's overall Medium Term Financial Plan and the appropriate use of reserves and contingency funds.

## **Capital Programme Summary**

The ASC Capital Programme for 2019/20 is currently projected to spend in advance of the current profile by £0.211m by the end of the financial year. Work continues at pace on the Greenacres development, to meet the needs of people with a learning disability and/or autism with behaviour that challenges who are part of the Transforming Care cohort.

Performance exceptions (See How to read this report for definition)								
Performance measure	Outturn 18/19	Target 19/20	19/20 RAG				Q3 2019/20 outturn	Note ref
			Q1	Q2	Q3	Q4		
Priority - Helping people help themselves								
Number of hospital bed days lost due to delayed transfers from hospital care	47.9	39.8	A	A	R		47.1	i
Number of hospital bed days lost due to delayed transfers from hospital care due to local NHS	37.2	24.4	A	A	R		37.7	ii
Health and Social Care Connect referrals triaged and progressed to required services within required timescales	85.6%	90%	G	G	R		84%	iii

Savings exceptions						
Service description	2019/20 (£'000) – Q3 Forecast					Note ref
	Original Target For 2019/20	Target including items c/f from previous year(s)	Achieved in-year	Will be achieved, but in future years	Cannot be achieved	
Savings						
	247	247	124	123	-	
	483	483	-	483	-	
	-	6,087	6,087	-	-	
Total Savings	730	6,817	6,211	606	0	
			-	-	-	
			-	-	-	
			-	-	-	
Subtotal Permanent Changes			0	0	0	
Total Savings and Permanent Changes	0	0	0	0	0	

Memo: treatment of savings not achieved in the year (£'000)	Temporary Funding	Part of reported variance	Total	Note Ref
Working Age Adults: Nursing, Residential and Community Based services	-	123	123	
Meals in the Community	-	483	483	
	-	-	-	
<b>Total</b>	<b>0</b>	<b>606</b>	<b>606</b>	

## Revenue budget

Revenue budget										
Divisions	Planned (£000)			Q3 2019/20 (£000)						Note ref
				Projected outturn			(Over) / under spend			
	Gross	Income	Net	Gross	Income	Net	Gross	Income	Net	
Adult Social Care:										
IS - Physical Support, Sensory Support and Support for Memory & Cognition	114,795	(42,034)	72,761	111,950	(42,875)	69,075	2,845	841	3,686	
IS - Learning Disability Support	56,941	(4,302)	52,639	62,300	(5,838)	56,462	(5,359)	1,536	(3,823)	
IS - Mental Health Support	7,436	(1,042)	6,394	8,167	(1,040)	7,127	(731)	(2)	(733)	
Subtotal Independent Sector	179,172	(47,378)	131,794	182,417	(49,753)	132,664	(3,245)	2,375	(870)	iv
Physical Support, Sensory Support and Support for Memory & Cognition	15,926	(5,071)	10,855	15,803	(4,346)	11,457	123	(725)	(602)	
Learning Disability Support	7,520	(654)	6,866	7,222	(741)	6,481	298	87	385	
Mental Health Support	3,163	(3,139)	24	3,166	(3,036)	130	(3)	(103)	(106)	
Substance Misuse Support	591	(115)	476	591	(115)	476	-	-	-	
Equipment & Assistive Technology	5,709	(2,751)	2,958	5,982	(3,314)	2,668	(273)	563	290	
Other	3,256	(2,142)	1,114	2,428	(1,238)	1,190	828	(904)	(76)	
Supporting People	6,448	(310)	6,138	6,847	(843)	6,004	(399)	533	134	
Assessment and Care Management	25,827	(2,850)	22,977	26,258	(3,418)	22,840	(431)	568	137	
Management and Support	14,396	(26,775)	(12,379)	14,857	(27,497)	(12,640)	(461)	722	261	
Service Strategy	492	(202)	290	992	(377)	615	(500)	175	(325)	
Subtotal Directly Provided Services and Assessment and Care Management	83,328	(44,009)	39,319	84,146	(44,925)	39,221	(818)	916	98	v
Total Adult Social Care	262,500	(91,387)	171,113	266,563	(94,678)	171,885	(4,063)	3,291	(772)	vi
Safer Communities	583	(247)	336	1,212	(876)	336	(629)	629	0	
Public Health										
Health Improvement Services	4,706	-	4,706	4,304	-	4,304	402	-	402	
Drug and Alcohol Services	6,101	-	6,101	6,101	-	6,101	-	-	-	
Sexual Health Services	4,335	-	4,335	4,234	-	4,234	101	-	101	
Health Visiting and School Nursing	9,329	-	9,329	8,843	-	8,843	486	-	486	
NHS Health Checks	1,026	-	1,026	706	-	706	320	-	320	
Management Support and Public Health Programmes	2,729	-	2,729	2,578	-	2,578	151	-	151	
Public Health Grant income	-	(26,550)	(26,550)	-	(26,550)	(26,550)	-	-	-	
Public Health CCG and Reimbursement income		(70)	(70)		(70)	(70)	-	-	-	
Contribution from General Reserves	-	(1,606)	(1,606)	-	(146)	(146)	-	(1,460)	(1,460)	
Sub Total for Core Services	28,226	(28,226)	0	26,766	(26,766)	0	1,460	(1,460)	0	
One Off Projects Funded from Project Reserve	866	(866)	-	866	(866)	-	-	-	-	
Total Public Health	29,092	(29,092)	0	27,632	(27,632)	0	1,460	(1,460)	(0)	

Capital programme										
Approved project	Total project – all years (£000)		2019/20							Note ref
			In year monitor Q3 (£000)				Analysis of variation (£000)			
	Budget	Projected	Budget	Actual to date	Projected 2019/20	Variation (over) / under budget	(Over) / under spend	Slippage to future year	Spend in advance	
OP Service Improvements	-	-	-	10*	-	-	-	-	-	
Greenacres	2,598	2,598	2,018	1,978	2,229	(211)	-	-	(211)	
LD Service Opportunities	5,092	5,092	-	3*	-	-	-	-	-	
House Adaptations for People with Disabilities	2,719	2,719	-	-	-	-	-	-	-	
Total ASC Gross	10,409	10,409	2,018	1,991	2,229	(211)	0	0	(211)	

\*Residual spend from older projects, below de-minimus capital spend level so will be moved to the Revenue budget before year end.



## Business Services – Q3 2019/20

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

**Summary of successes and achievements** – Following the significant collapse of a section of the Lewes Castle Wall in November, a programme of recovery was initiated to manage the impact on a number of premises. The Council, which has ownership of parts of the wall, has been working in partnership with Lewes District Council, Historic England, and Historic Monument specialist surveyors to aid the ongoing recovery and minimise the impact and disruption.

In September 2019, the Corporate Management Team (CMT) approved the MBOS Programme (Managing Back Office Systems) with the aim of implementing a suite of efficient back office systems that will meet the future needs of the Council. The current Enterprise Resource Planning (ERP) system will expire in 2021 and in response, the Council has initiated measures to explore the options that provide best value and are best suited to our needs. In Q3, the MBOS programme started the process of gathering service requirements for Finance, Human Resources, and Procurement and to review the functions delivered by Business Operations such as accounts payable, accounts receivable and payroll. In December, the MBOS team held a 'Supplier Day' where more than 40 technology suppliers were invited to participate at this early phase to enable the Council to efficiently engage with the market going forward.

In Q2, the Council signed the Local Digital Declaration (LDD) pledging to improve customers experiences through technology. To complement our commitment to the LDD, 20 people from across the Council have been chosen to attend six face-to-face knowledge sessions that will help us develop the Council's digital strategy. The sessions will give our staff the skills and knowledge to help service users to become more independent when accessing council services. The training also provides greater awareness of cyber security helping us to build our resilience. The sessions are designed to develop soft skills among colleagues and to allow the group to explore the attributes of digital business and understand the challenge of social media and how it affects the way we work.

**Contract and supplier management** – In Q3, a contract was awarded for the construction of a new Special Educational Needs and Disabilities (SEND) school. At £13m, the Reef Way SEND School is the highest value Social, Emotional and Mental Health needs school built in East Sussex and will provide much needed capacity for up to 80 pupils, to support the growing demand for this type of provision, reducing the need to send children to school out of county. The contractor has also committed to deliver over 10% of the value of the contract as Social Value during the construction phase. The school is scheduled to be complete in early 2021.

**Procurement Forward Plan** – In Q3, Chief Officers approved the Annual Procurement Forward Plans (APFPs) for 2020-21. Procurement Officers developed these Forward Plans with their service stakeholders and commissioners in the proceeding months, to provide early sight of key strategic procurements, improve the planning and management of procurement projects and identify future savings.

**Social Value** – The East Sussex Social Value Marketplace was publicly launched in the Management Journal in November 2019. There are 20 organisations with 32 users now registered. Voluntary, Community and Social Enterprise (VCSE) organisations have made four requests for help and there are 14 offers of help that have been made by suppliers. These offers include, but are not limited to, employment and skills opportunities, meeting rooms, volunteers and free professional services. In December 2019 the first 'bridge' was built between the Council's Procurement team and Sussex Community Development Association, as a result of a Christmas foodbank collection donated by the team.

**Internal audit** – 100% of the high risk actions due have been implemented by management within agreed timescales, exceeding our target of 97%.

**Insurance claims** – In Q3, 93.3% of liability claims were handled to first decision (i.e. initial repudiation or offer of compensation) within the relevant legal time frames. This is slightly below the 95% target. A majority of third party claims relate to the highway and these claims are now handled by East Sussex Highways (Costain Jacobs). Information relating to these claims is included within these figures. The claims handled outside protocol were administered by East Sussex Highways. We will monitor this situation and liaise with East Sussex Highways with the aim of meeting the target for Q4.

**Property operations** – There are ongoing challenges around progress with St Anne's Crescent where the project remains subject to slow progress through the South Downs National Park Authority (SDNPA). One of the larger and more complex sites, Hindslands, is now subject to a request to consider use for Medical purposes and the Helensdown site is now cleared and awaiting further instruction.

We aim to reduce the amount of CO2 arising from Council operations by 3% compared to 2018/19. At Q3, there has been a 7.6% reduction compared to Q3 2018/19. This breaks down as a 10.4% reduction from schools and a 4.6% reduction from the corporate estate.

As sited in Q1, an assessment of costs per square metre were subject to reviews of key corporate buildings. A number of utilisation studies have now taken place, and show that the cost of occupancy statistics vary by type and size of our corporate buildings. Our leased offices are showing a range of £151 to £157 per square metre (including rent). County

Hall is £80 per square metre, as there is no "rent" charge but £160 if a market rent was charged, and Ropemaker Place is at £114 per square metre. Figures include rent (if applicable), rates, utilities, cleaning, reception, and waste, but exclude hard facilities management and staff management costs. At Q1, the year-end estimate was £153.58 per square metre, however at Q3 the year-end forecast has increased to £161.98 due to additional service charge costs at Ocean House and St Marks House. As previously reported, base data is to be agreed for targets going forward and we will be reviewing our target to ensure it aligns with plans for how we use our property estate.

**Property Strategy** – The Strategic Asset Collaboration in East Sussex (SPACES) partnership continues to deliver the One Public Estate (OPE) projects, having received £760,000 of Government funding across Phases 5, 6 and 7. The projects are geographically spread across all East Sussex district and boroughs, with activities varying from emergency services colocation to town centre regeneration. This is in line with the more recent focus of exploring how the partnership can enable and drive wider outcomes such as town centre regeneration and housing development.

As referenced at Q2, SPACES is developing a place based focus, recognising where multiple activities are taking place in one area, and where they can be complimentary to each other. Aligned to this approach, and in the context of the Council developing our asset strategy, the Council met with each district and borough council during Q2 and Q3 to consider opportunities in each geographical area, with next steps and actions agreed with each council.

The value of benefits delivered by SPACES (a total across all SPACES partners) at the end of Q3 was over £19m, with another £2.6m identified within planned projects.

**IT & Digital** – During Q3 the focus for IT & Digital has been on refreshing devices, so that our equipment stays up to date and safe to use. Many of our computers were running Windows 7 software and during January, Microsoft support for this product ended. As this means that security updates are no longer produced, we needed to move everyone to Windows 10 in order to keep our information and business systems secure. This software update coincided with much of our equipment reaching replacement age, so, we started a major device refresh which we will continue by refreshing Desktop PCs, thin clients and laptops running Windows 8 as well as some monitors. As we updated software during this period, we have also been migrating staff from Exchange to Office 365 which provides staff with secure access to corporate email without needing to use two factor authentication when working remotely.

In November, the Secondary Data Centre was successfully relocated from St. Mary's House in Eastbourne to the Orbis Secondary Data Centre in Guildford. By moving the Disaster Recovery setup from a server room to a Tier 3 industry standard data centre environment we have improved the resilience of our IT infrastructure helping to provide highly available systems.

In March 2019, the Government retired its well established, but now outdated, GCSx (Government Connect Secure Extranet) technology. This technology provided a secure email service both within, and to Government departments, the NHS, Police, councils and other authorities. Whilst the service had been terminated in Q1, Q3 saw the final decommissioning of services with the archiving of data and closure of all mailboxes completed.

**Wellbeing** – The 2019/20 Q1-3 sickness absence outturn for the whole authority (excluding schools) is 5.96 days lost per FTE, a decrease of 6.5% since the previous year.

Although it is positive to see a decrease in absence, Mental Health continues to be the primary driver and a targeted campaign was launched on 10 October 2019 to address this. The aim of the campaign is to remove the stigma surrounding mental health and to increase confidence in being able to address poor mental health in the workplace. The campaign video forms part of our staff induction and guides have been created as part of the supporting toolkit

85 members of staff have been trained as accredited Mental Health First Aiders (MHFA) and by the end of March 2020, a small additional cohort of staff will be trained as accredited MHFA instructors to qualify them to deliver future MHFA training within the Council, allowing us to further grow our internal MHFA community in a cost-effective way.

A Bereavement guidance document has been developed to provide managers with clearer guidelines and signposting on support available, and the Stress Risk Assessment form is being reviewed to encourage meaningful conversations and to provide targeted signposting for employees both in and out of work. 'Selfcare Isn't Selfish' workshops are taking place for Time to Talk day on 6 February, alongside a supported communication campaign

Time lost due to Mental Health related absence has increased in schools, to address this HR launched a comprehensive Mental Health offer at the Services to Schools conference on 30 January 2020.

**Revenue Budget Summary** – The 2019/20 Business Services net revenue budget is £23.2m including the £13.9m contribution to the Orbis budget and efficiency savings of £1.003m. The full year estimated outturn is an underspend of £0.253m (ref iii). This is due to a £0.300m likely underspend in budgets managed on behalf of East Sussex County Council (ESCC) by Orbis, offset by a £0.045m overspend (ref ii) on the contribution to the jointly funded Orbis budget.

Following the changes to the Orbis model Property is reviewing its service delivery and structures. There are currently resourcing issues which have led to delays to the non-schools building maintenance programme. Plans are being put in place to address this, however there is still likely to be a year-end underspend of £0.299m (ref i).

The Orbis operating budget is in its fourth year and has challenging savings targets of £3.181m this year. This is in addition to the £9.713m (or 17% of budget) annual ongoing savings already achieved. The changes to the Orbis



model have also added to the uncertainty of the Orbis budgets. The Orbis operating budget is currently forecast to overspend by £0.458m (**ref iv**). This is driven mainly by large overspends in Property and Finance – although both services will be managed through different operating models from 2020/21. This is an improvement of over £0.500m since Q2, due mainly to vacancies across the jointly managed Orbis services. Each partner contributes to the Orbis Operating Budget in proportion to their service delivery requirements, the contributions are currently 22% (Brighton & Hove City Council), 23% (ESCC) and 55% (Surrey County Council). The likely ESCC Contribution to the Orbis overspend is £0.045m.

**Capital Programme Summary** – The 2019/20 capital budget is £37.000m and includes the £17.431m Schools Basic Need Programme and the £7.140m Building Improvements programme. The full year estimated variance is slippage of £1.888m and a spend in advance of £1.671m (**ref ix**). The slippage relates in part to £0.900m slippage in the Schools Maintenance programme (**ref v**). The forecast is based on the best current available spend profile, but Property are seeking to complete some additional high priority health and safety works at a number of schools, which may reduce the slippage by year-end. There is also significant slippage of £0.605 in the Lansdown Unit (**ref viii**) – a result of a more detailed profile of delivery following the contractors being on-site. The Schools Basic Need spend in advance of £0.525m relates to a revised contractor valuation for Reef Way in Hailsham (**ref vii**). The IT&D spend in advance of £1.129m is due to the accelerated procurement of core IT&D infrastructure to mitigate against expected future price increases and take advantage of reduced downtime (**ref vi**).

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

Performance measure	Outturn 18/19	Target 19/20	19/20 RAG				Q3 19/20 outturn	Note Ref
			Q1	Q2	Q3	Q4		
There are no performance exceptions								

**Savings exceptions**

Service description	2019/20 (£'000) – Q3 Forecast					Note ref
	Original Target For 2019/20	Target including items c/f from previous year(s)	Achieved in-year	Will be achieved, but in future years	Cannot be achieved	
<b>Savings</b>						
All planned savings	1,003	1,003	1,003	-	-	
	-	-	-	-	-	
	-	-	-	-	-	
<b>Total Savings</b>	<b>1,003</b>	<b>1,003</b>	<b>1,003</b>	<b>0</b>	<b>0</b>	
			-	-	-	
			-	-	-	
			-	-	-	
<b>Subtotal Permanent Changes</b>			<b>0</b>	<b>0</b>	<b>0</b>	
<b>Total Savings and Permanent Changes</b>	<b>1,003</b>	<b>1,003</b>	<b>1,003</b>	<b>0</b>	<b>0</b>	

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

## Revenue Budget

Divisions	Planned (£000)			Q3 2019/20 (£000)						Note ref
				Projected outturn			(Over) / under spend			
	Gross	Income	Net	Gross	Income	Net	Gross	Income	Net	
Finance	2,506	(1,720)	786	3,187	(2,401)	786	(681)	681	0	
HR & OD	356	(404)	(48)	383	(430)	(47)	(27)	26	(1)	
IT & Digital	5,865	(2,520)	3,345	5,862	(2,517)	3,345	3	(3)	0	
Procurement	-	(80)	(80)	-	(80)	(80)	-	-	-	
Property	24,612	(19,251)	5,361	24,313	(19,251)	5,062	299	-	299	i
Contribution to Orbis Partnership	13,885	-	13,885	13,930	-	13,930	(45)	-	(45)	ii
Total BSD	47,224	(23,975)	23,249	47,675	(24,679)	22,996	(451)	704	253	iii

## Revenue Budget

Divisions	Planned (£000)			Q3 2019/20 (£000)						Note ref
				Projected outturn			(Over) / under spend			
	Gross	Income	Net	Gross	Income	Net	Gross	Income	Net	
Business Operations	13,149	(7,370)	5,779	13,677	(7,798)	5,879	(528)	428	(100)	
Finance	12,684	(2,298)	10,386	13,214	(2,438)	10,776	(530)	140	(390)	
HR&OD	7,193	(1,399)	5,794	7,188	(1,399)	5,789	5	0	5	
IT&D	22,974	(3,040)	19,934	23,074	(3,324)	19,750	(100)	284	184	
Management	2,316	0	2,316	2,071	0	2,071	245	0	245	
Procurement	4,916	(235)	4,681	4,614	(108)	4,506	302	(127)	175	
Property	12,963	(1,473)	11,490	13,273	(1,206)	12,067	(310)	(267)	(577)	
Total Orbis	76,195	(15,815)	60,380	77,111	(16,273)	60,838	(916)	458	(458)	iv
ESCC Contribution			13,885			13,930			(45)	

## Capital programme

Approved project	Total project – all years (£000)		2019/20							Note ref
			In year monitor Q3 (£000)				Analysis of variation (£000)			
	Budget	Projected	Budget	Actual to date	Projected 2019/20	Variation (over) / under budget	(Over) / under spend	Slippage to future year	Spend in advance	
SALIX Contract	3,868	3,868	283	346	300	(17)	-	-	(17)	
Property Agile Works	9,713	9,713	286	15	15	271	-	271	-	
Capital Building Improvements	81,445	81,445	7,140	4,266	6,240	900	-	900	-	v
IT & Digital Strategy Implementation	31,543	31,543	5,132	3,954	6,261	(1,129)	-	-	(1,129)	vi
Schools Basic Need	135,524	135,524	17,431	13,339	17,844	(413)	-	112	(525)	vii
Early Years	2,480	2,480	35	35	35	-	-	-	-	
Universal Infant Free School Meals	1,901	1,901	-	-	-	-	-	-	-	
Special Provision in Secondary School	2,350	2,350	350	32	350	-	-	-	-	
Lansdown Unit (CSD)	7,600	7,600	6,343	2,754	5,738	605	-	605	-	viii
Total BSD Gross	276,424	276,424	37,000	24,741	36,783	217	0	1,888	(1,671)	ix

## Children's Services – Q3 2019/20

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

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

##### **Takeover Day and the Children and Young People's Trust annual event**

Following the successful involvement of young apprentices at the Children and Young People's Trust (CYPT) annual event, it was agreed that the Office of the Children's Commissioner Takeover Day and the CYPT Partnership Event were combined for an all-day event on 18 November 2019. *Focus on youth voice* was the theme for this year's event based on feedback from children, young people and partners who attended the CYPT and Takeover Day events in 2018.

This fourth annual event was hosted by Children's Services and the Youth Cabinet with support from the East Sussex Youth Voice Practitioners Network. More than 70 leaders and practitioners from across a range of partnership organisations attended, including representatives from public health, district and borough councils, schools, colleges, housing, the voluntary sector, police and fire services, local businesses and adult and children social care services.

Participants of the Youth Voice Practitioners Network, which is a partnership of practitioners who support youth voice groups in East Sussex, enabled the involvement of more than 50 young people before and during the event. The groups involved were: the elected Youth Cabinet; the Children in Care Council; Seaford Youth Forum; Hastings Youth Council; Differences Group; Newhaven Young People's Group; and The Able Group.

All of the youth voice groups presented updates on their work and ran a workshop focussing on youth engagement best practice and how partners can improve meaningful engagement. The young people discussed the priorities for the new Youth Cabinet campaigns for 2020. The campaigns will focus on 'Protecting the Environment' and 'Tackling Knife Crime'. Adult delegates were asked to write pledges to support future engagement of young people in their own organisations. Partner organisations shared updates on their project activities, illustrating how their work delivers on the CYPT priorities and where youth voice involvement has strengthened their work.

##### **'Top ten tips' to help parents and carers support children's mental health.**

The guide was developed after a survey of almost 1,000 people found children, parents and carers had different ideas on what would help youngsters' emotional wellbeing. Put together by the Youth Cabinet and Seaford Youth Forum, [top ten tips](#) includes simple advice such as being open and honest, picking the right time to talk, trusting children to know their own mental health and to 'listen first, talk later', and also reminds parents and carers to look after their own mental wellbeing.

**Average Progress 8 score for Looked After Children (LAC) – (ref i)** The provisional academic year 2018/19 Progress 8 score for LAC is -1.35 compared to the provisional national average for LAC of -1.25. This is 0.1 points below the national average for LAC. The score is an improvement on last year's score of -1.49. Progress in English has improved, while progress in maths has remained the same. Final validated data will be available at Q4.

**The average Attainment 8 score for disadvantaged pupils – (ref ii)** The provisional academic year 2018/19 average Attainment 8 score for disadvantaged pupils is 33.6 compared to the national average of 36.6. This is 3.0 points below the national average. This is an improvement on the gap in academic year 2017/18 which was 3.6 points, reducing the gap between the national average for disadvantaged pupils which is a key priority for the Secondary Board.

**The percentage of young people meeting the duty of Raising the Participation Age (RPA) by either participating in education, training or employment with training or undertaking re-engagement provision at academic age 16 (year 12) (ref iii) and 17 (year 13) (ref iv)** – Participation for academic age 16 for December 2019 was 94.9% against a target of 93% and participation for academic age 17 was 87.9%, against a target of 86%.

**Revenue Budget Summary** – The £77.321m net budget is forecast to be overspent by year end by £5.853m (ref x). This is a decrease of £0.023m on the forecast position at Q2.

£5.569m of the forecast overspend is within Early Help and Social Care (ref vii). This is an improvement of £0.284m from the Q2 position. This decrease has come from a number of areas: Looked After Children, £0.146m, through the careful management of agency placements and a stabilisation of the numbers of children in fostering, both in house and agency; Early Help, £0.130m and Children's Centres, £0.049m both through rationalisation and vacancy controls; and in the net costs for Unaccompanied Asylum Seeking Children, £0.066m through the use of more independent living options. However, these mitigations have been countered by the continued pressure on care placements and difficulties in sourcing accommodation for families in need within Locality, £0.108m.

Education and ISEND are forecasting an overspend of £0.700m (ref viii), which is a significant increase on the Q2 position, £0.400m. There is continuing pressure in the residential facilities and increasing pressure in disability agency placements. In Q3 there have been several unplanned complex high need pupils requiring placements with additional

support. This forecast will reduce if suitable alternative placements are found and ISEND staff will continue to work towards this.

Communication, Planning and Performance is forecasting an overspend of £0.430m (**ref ix**). This represents a decrease on the Q2 forecast of £0.010m despite the continued challenges of Home to School Transport and Safeguarding. This reduction is primarily due to efficiencies and pay cost control.

The above overspends have been mitigated by an underspend in Central Resources of £0.846m (**ref vi**). This is an increase of £0.129m on Q2 as a result of efficiencies and anticipated reduced spend on legal fees.

The Department is also continuing to carry out a review of costs across the service with a view to identifying new savings and scrutinising pressure areas.

Within the above outturn position, £2.382m (**ref v**) of the £3.640m savings planned 2019/20 are forecast to be achieved, with the remainder mitigated through temporary funding. These savings figures also include £2.591m of savings brought forward from 2018/19.

**Capital Programme Summary** – Spending for the year is on track and forecast to stay within budget (**ref xi**).

Performance exceptions (See How to read this report for definition)								
Performance measure	Outturn 18/19	Target 19/20	19/20 RAG				Q3 2019/20 outturn	Note Ref
			Q1	Q2	Q3	Q4		
Priority – Driving sustainable economic growth								
Average Progress 8 score for Looked After Children	-1.49 (National Average -1.2)	No more than 0.5 points below the national average for looked after children	G	A	G		Ac Year 2018/19 ESCC -1.35 (National Average -1.25)	i
The average Attainment 8 score for disadvantaged pupils	Ac Year 2017/18 ESCC: 33.2 Nat Av: 36.8	Ac year 18/19 No more than 4 points below national average	G	A	G		Ac Year 2018/19 ESCC: 33.6 Nat Av: 36.6	ii
% of young people meeting the duty of RPA by either participating in education, training or employment with training or undertaking re-engagement provision at academic age 16 (year12)	93.9%	93%	G	A	G		94.9%	iii
% of young people meeting the duty of RPA by either participating in education, training or employment with training or undertaking re-engagement provision at academic age 17 (year13)	86.4%	86%	G	A	G		87.9%	iv

## Savings exceptions

Savings exceptions						
Service description	2019/20 (£'000) – Q3 Forecast					Note ref
	Original Target For 2019/20	Target including items c/f from previous year(s)	Achieved in-year	Will be achieved, but in future years	Cannot be achieved	
Savings						
Schools Learning and Effectiveness Service (SLES): promote high standards	124	124	124	-	-	
SLES: Performance monitoring	725	725	725	-	-	
SLES: Clerking Service	158	158	158	-	-	
Home to School Transport	42	42	42	-	-	
Support Services, including Admissions, Buzz and Music service	-	10	10	-	-	
SWIFT and YOT	-	166	166	-	-	
ISEND and ESBAS	-	831	570	261	-	
Early Help	-	1,561	564	997	-	
Safeguarding	-	23	23	-	-	
Total Savings	1,049	3,640	2,382	1,258	0	
			-	-	-	
			-	-	-	
			-	-	-	
Subtotal Permanent Changes			0	0	0	
Total Savings and Permanent Changes	1,049	3,640	2,382	1,258	0	v

Memo: treatment of savings not achieved in the year (£'000)	Temporary Funding	Part of reported variance	Total	Note Ref
	261	-	261	
	997	-	997	
	-	-	-	
<b>Total</b>	<b>1,258</b>	<b>0</b>	<b>1,258</b>	

## Revenue budget

Revenue budget										
Divisions	Planned (£000)			Q3 2019/20 (£000)						Note ref
				Projected outturn			(Over) / under spend			
	Gross	Income	Net	Gross	Income	Net	Gross	Income	Net	
Central Resources	1,727	(1,578)	149	881	(1,578)	(697)	846	-	846	vi
Early Help and Social Care	60,878	(10,032)	50,846	68,152	(11,737)	56,415	(7,274)	1,705	(5,569)	vii
Education and ISEND	81,317	(5,465)	75,852	84,220	(7,668)	76,552	(2,903)	2,203	(700)	viii
Communication, Planning and Performance	21,155	(4,450)	16,705	20,417	(3,282)	17,135	738	(1,168)	(430)	ix
DSG non Schools	-	(66,231)	(66,231)	-	(66,231)	(66,231)	-	-	-	
Schools	155,568	(155,568)	-	155,568	(155,568)	-	-	-	-	
<b>Total Children's Services</b>	<b>320,645</b>	<b>(243,324)</b>	<b>77,321</b>	<b>329,238</b>	<b>(246,064)</b>	<b>83,174</b>	<b>(8,593)</b>	<b>2,740</b>	<b>(5,853)</b>	<b>x</b>

Capital programme										
Approved project	Total project – all years (£000)		2019/20							Note ref
			In year monitor Q3 (£000)				Analysis of variation (£000)			
	Budget	Projected	Budget	Actual to date	Projected 2019/20	Variation (over) / under budget	(Over) / under spend	Slippage to future year	Spend in advance	
House Adaptations for Disabled Children's Carers	1,057	1,057	67	11	67	-	-	-	-	
Diploma Exemplar Programme	3,226	3,226	-	-	-	-	-	-	-	
Schools Delegated Capital	22,351	22,351	1,370	1,436	1,370	-	-	-	-	
Conquest Centre	356	356	311	357	311	-	-	-	-	
<b>Total CSD Gross</b>	<b>26,990</b>	<b>26,990</b>	<b>1,748</b>	<b>1,804</b>	<b>1,748</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>xi</b>



## Communities, Economy & Transport – Q3 2019/20

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

**Summary of successes and achievements** – The improvement works in Terminus Road in Eastbourne, to modernise the town centre and improve the pedestrian environment, were completed in January 2020. Construction of the Newhaven Port Access Road continues to progress on schedule, with completion currently expected in autumn 2020. 20 carriageway asset improvement schemes were completed in Q3, to maintain and improve the condition of the country's roads. Businesses were supported to create 15 jobs in Q3 through business support programmes; Locate East Sussex also assisted nine businesses to move into, or relocate within, the county. The South East Creative, Cultural and Digital support programme has awarded grants to 12 small and medium-sized enterprises in the county. 16 online courses were completed in our libraries in Q3, on topics such as English, maths and ICT; additional external funding has been received, which will allow us to provide additional courses.

**Queensway Gateway Road** – There have continued to be delays in completing the scheme due to ongoing issues with relocating the car dealership. Sea Change Sussex is progressing with plans for a temporary solution which would enable cars to access the A21; subject to a number of approvals this is planned to be complete in spring 2020.

**Employability and Skills** – At the start of the new academic year 2019/20 schools, with Career Hub support, had achieved an average of 3.9 national Gatsby benchmarks. 125 Industry Champions continue to actively support schools and colleges through the Careers Hub; this is a slight decrease on the Q2 total, as some champions have left or changed job roles. 34 Industry Champions took part in the Open Doors event between October and December 2019, offering work place visits to over 1,000 students. The chairs of the six sector task groups, plus the Apprenticeship East Sussex group, provided updates on the groups' progress to the Skills East Sussex board in December 2019. The task groups continue to work to their action plans to meet the Skills East Sussex priorities.

**Road Safety** – Trials of the behavioural change initiatives launched as part of the Council's £1m Road Safety Scheme have continued in Q3. The full results from these initiatives will be available in 2020/21. Phase 2 of the young driver's project will assess the impact of the engagement campaign on young drivers and their potential passengers, pre-intervention surveys were carried out in Q3, and post intervention evaluations will be carried out in Q4 to assess the longer term impact. Three infrastructure schemes to improve road safety have been completed in 2019/20 with a further scheme currently being implemented. Subject to costs, the availability of funding from the identified budget and our contractors programme of works, it is planned that a further six schemes will be implemented this year.

**Cultural Tourism** – The trial of the T Stats monitoring tool with tourism businesses in the Lewes, Eastbourne and Wealden area has not progressed as quickly as intended, due to issues in securing potential participating organisations to contracts (ref i). The plans for art to be installed on England's Creative Coast art and geocaching trail are now in progress. The South East Local Enterprise Partnership working group has begun identifying potential stakeholders for the Tourism Zone.

**Trading Standards** – Trading Standards provided seven training workshops to businesses in Q3, with 112 delegates attending. There were also 51 positive interventions to protect vulnerable people, including visiting 41 victims of rogue trading or financial abuse and installing 10 call blockers to protect people from telephone scams.

**Revenue Budget Summary** – The revenue budget is expected to underspend by £206k. The most significant variances are in Transport where the late introduction of parking charge increases will result in the £1m income target not being achieved this year (ref ii). The income shortfall will be offset by the £1.808m underspend in Waste. Of this £471k relates to one-off costs. Household waste produced by households is 5% lower than budgeted but this can fluctuate. Concessionary Fares have reduced costs by renegotiating bus provider contracts but is overspending as the £1m contribution from parking income is not available this year. Payments to bus operators are lower than expected due to renegotiated contracts following one operator going into administration. CET has been able to manage income and expenditure in a number of areas, resulting in an overall departmental underspend. Taking a One Council approach, CET has been able to support activities and expenditure in a number of services that would normally have been funded through reserve drawdowns. This means that the Council's reserves will not be expended to the level previously scheduled and this makes funding available for future years. The occurrence of underspends that will support the expected reserves income are not aligned with the services that were to receive this funding, therefore some service areas may appear to be in an overspend position.

**Capital Programme Summary** – The CET capital programme has a gross budget of £58.829m and at Q3 is expected to have slippage of £3.189m and spend in advance of £240k. The Bexhill to Hastings Link Road scheme is slipping due to the delay in processing part 1 compensation claims (ref iii). The Link Road complimentary measures scheme is spending in advance due to some remedial works and redesign following the road safety audit (ref iv). There is a slight spend in advance on the Empty Commercial Properties project (ref v). Wet weather has delayed construction in the Skills for Rural Business scheme (ref vi) and planning issues have delayed the Sidney Little Road Incubator Hub (ref vii). The slippage on the Real Time Passenger Information scheme follows a realistic review of deliverability by the contractor (ref viii). The installation of parking ticket machines is delayed pending DFT approval

on the new Rother Parking Scheme (**ref ix**). There are a number of complexities on all routes within the Hastings and Bexhill Movement and Access Package, mainly redesign work following consultations and safety audits which have delayed construction (**ref x**). The slippage on the Eastbourne and South Wealden Walking and Cycling package is due to confirmation from Eastbourne Borough Council on the value of the work that can be undertaken this year (**ref xi**). Highways England interface delays for the Wannock Road junction and additional modelling work for the Eastbourne Road bus lane have delayed the Hailsham/Polegate/Eastbourne movement and access Corridor scheme (**ref xii**). There have been some compensation events and additional costs in the Terminus Road project (**ref xiii**) and some additional traffic modelling and project support costs on the Eastbourne Town Centre Movement and Access Package scheme (**ref xiv**). There are a number of variances on Other Integrated Transport schemes including accelerated spend on Prison Crossroads and slippage on the MASHH2 and A259 Peacehaven Study schemes due to lack of resource to progress (**ref xv**). There are small variances on projects within the Community Match Scheme (**ref xvi**). Delays in relocating the car dealership means the permanent link between the Queensway Gateway Road to the A21 cannot be completed this year (**ref xvii**).

Performance exceptions (See How to read this report for definition)								
Performance measure	Outturn 18/19	Target 19/20	19/20 RAG				Q3 2019/20 outturn	Note Ref
			Q1	Q2	Q3	Q4		
Priority – Driving sustainable economic growth								
Deliver Culture East Sussex agreed actions to grow Cultural Tourism	Recommendations delivered	Trial the T Stats (Tourism Statistics) monitoring tool with tourism businesses in the Lewes, Eastbourne and Wealden area	G	G	A		Potential participating organisations have not followed through to sign contracts with Acorn for T Stats (Tourism Statistics).	i



## Savings exceptions

Savings exceptions						
Service description	2019/20 (£'000) – Q3 Forecast					Note ref
	Original Target For 2019/20	Target including items c/f from previous year(s)	Achieved in-year	Will be achieved, but in future years	Cannot be achieved	
Savings						
Civil Parking Enforcement	1,000	1,000	-	1,000	-	ii
Highways Maintenance	889	889	889	-	-	
Household Waste Disposal	200	200	200	-	-	
Waste	-	162	162	-	-	
Concessionary Travel	150	150	150	-	-	
Library and Information Services	-	125	125	-	-	
Archives and Records	32	32	32	-	-	
Road Safety Services	32	32	32	-	-	
Ashdown Forest	31	31	31	-	-	
Environmental Advice Services	15	15	15	-	-	
Total Savings	2,349	2,636	1,636	1,000	0	
			-	-	-	
			-	-	-	
			-	-	-	
Subtotal Permanent Changes			0	0	0	
Total Savings and Permanent Changes	2,349	2,636	1,636	1,000	0	

Memo: treatment of savings not achieved in the year (£'000)	Temporary Funding	Part of reported variance	Total	Note Ref
Civil parking Enforcement use of underspend in Waste	1,000	-	1,000	
<b>Total</b>	<b>1,000</b>	<b>0</b>	<b>1,000</b>	

## Revenue budget

Revenue budget										
Divisions	Planned (£000)			Q3 2019/20 (£000)						Note ref
				Projected outturn			(Over) / under spend			
	Gross	Income	Net	Gross	Income	Net	Gross	Income	Net	
Management and Support	3,648	(2,377)	1,271	3,872	(2,345)	1,527	(224)	(32)	(256)	
Customer and Library Services	7,270	(2,240)	5,030	7,206	(2,090)	5,116	64	(150)	(86)	
Communities	4,497	(2,978)	1,519	4,496	(2,915)	1,581	1	(63)	(62)	
Transport & Operational Services	80,499	(43,625)	36,874	76,731	(40,627)	36,104	3,768	(2,998)	770	
Highways	15,023	(2,382)	12,641	14,970	(2,329)	12,641	53	(53)	-	
Economy	3,655	(2,500)	1,155	3,723	(2,512)	1,211	(68)	12	(56)	
Planning and Environment	2,847	(2,027)	820	2,977	(2,053)	924	(130)	26	(104)	
TOTAL CET	117,439	(58,129)	59,310	113,975	(54,871)	59,104	3,464	(3,258)	206	

Capital programme										
Approved project	Total project – all years (£000)		2019/20 (£000)							Note ref
			In year monitor Q3 (£000)				Analysis of variation (£000)			
	Budget	Projected	Budget	Actual to date	Projected 2019/20	Variation (over) / under budget	(Over) / under spend	Slippage to future year	Spend in advance	
Registration Ceremonies Website	30	30	7	7	7	-	-	-	-	
Libraries	5,140	5,140	539	578	539	-				
Hastings Library	8,738	8,738	130	1	130	-	-	-	-	
Broadband	33,800	33,800	1,304	(120)	1,304	-	-	-	-	
Bexhill and Hastings Link Road	126,247	126,247	1,497	386	738	759	-	759	-	iii
BHLR Complementary Measures	1,800	1,800	133	146	154	(21)	-	-	(21)	iv
Economic Intervention Fund	9,675	9,675	999	272	999	-	-	-	-	
Stalled Sites Fund	916	916	230	224	230	-	-	-	-	
EDS Upgrading Empty Commercial Properties	500	500	117	120	120	(3)	-	-	(3)	v
East Sussex Strategic Growth Package	8,200	8,200	350	350	350	-	-	-	-	
Bexhill Enterprise Park North	1,940	1,940	-	-	-	-	-	-	-	
Skills for Rural Businesses - Post Brexit	2,918	2,918	2,134	-	1,384	750	-	750	-	vi
Sidney Little Road Business Incubator Hub	500	500	381	-	292	89	-	89	-	vii
Newhaven Port Access Road	23,271	23,271	13,143	10,106	13,143	-	-	-	-	
Real Time Passenger Information	2,798	2,798	127	41	67	60	-	60	-	viii
Parking Ticket Machine Renewal	1,479	1,479	559	259	259	300	-	300	-	ix
Hastings and Bexhill Movement & Access Package	9,057	9,057	1,747	668	1,345	402	-	402	-	x
Eastbourne/South Wealden Walking & Cycling Package	7,017	7,017	814	258	726	88	-	88	-	xi
Hailsham/Polegate/Eastbourne Movement & Access Corridor	2,350	2,350	679	317	601	78	-	78	-	xii
Terminus Road Improvements	9,000	9,000	2,995	3,086	3,086	(91)	-	-	(91)	xiii
Eastbourne Town Centre Movement & Access Package	3,486	3,486	148	180	273	(125)	-	-	(125)	xiv
Other Integrated Transport Schemes	34,818	34,818	1,453	876	1,359	94	-	94	-	xv
Community Match Fund	1,500	1,500	119	3	107	12	-	12	-	xvi
Queensway Gateway Road	10,000	10,000	1,570	938	1,013	557	-	557	-	xvii
Exceat Bridge	4,133	4,133	660	504	660	-	-	-	-	
Queensway Depot Development	1,956	1,956	500	401	500	-	-	-	-	
Hailsham HWRS	97	97	73	-	73	-	-	-	-	
Highways Structural Maintenance	236,348	236,348	23,624	17,705	23,624	-	-	-	-	
Core Programme - Bridges	13,310	13,310	1,266	1,125	1,266	-	-	-	-	
Core Programme - Street Lighting -	10,133	10,133	1,115	802	1,115	-	-	-	-	
Core Programme - Rights of Way	4,883	4,883	416	279	416	-	-	-	-	
Total CET	576,040	576,040	58,829	39,512	55,880	2,949	0	3,189	(240)	

## Governance – Q3 2019/20

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

**Reconciling Policy, Performance and Resources (RPPR)** – The Provisional Local Government Finance Settlement was announced on 20 December 2019. Our lobbying of Government has proved successful, with additional funding announced for East Sussex including an additional £10.2m for adults and children's social care and £5.8m for the Special Educational Needs and Disabilities high needs block. This extra funding, alongside ongoing prudent planning, means that the Council is able to make an investment in services of £6.6m in 2020/21, once planned savings have been made. Whilst the additional funding is welcome, it doesn't cover the amount of funding lost over the last 10 years, and isn't sufficient to prevent further savings needing to be made in the future due to the rising demand for, and costs of, social care. The full final funding settlement from Government is expected in February 2020. A Whole Council Forum was held in January 2020 to provide members with the latest position. Consultation and engagement meetings have been held with partners, Business Ratepayers, Trade Unions and young people. [On 28 January 2020 Cabinet reviewed an RPPR report on the new budget; final savings plans, capital programme, and Council Plan for 2020/21. At County Council on 11 February 2020 the Council will consider the budget for 2020/21. Update as these meetings happen] We have continued to develop the draft Council Plan and Portfolio Plans during Q3, the Council Plan sets out our ambitions, what we hope to achieve, and the challenges we face up to 2023. The draft 2020/21 Portfolio Plans were reviewed by Scrutiny Boards in December 2019.

**Transport for the South East (TfSE)** – TfSE successfully launched a consultation on the draft Transport Strategy in October 2019, with over 550 people attending a series of engagement events. The consultation closed on 10 January 2020, with over 3,600 responses received. The responses will be analysed and the final Strategy will be presented to the Shadow Partnership Board in April 2020 for sign-off.

The Shadow Partnership Board agreed in December 2019 to commission a series of area and thematic studies – the ultimate outcome of which will be a strategic investment plan for the South East. One of the thematic studies will look at future mobility and the opportunities to achieve our strategic objectives through the application of new technologies and business models. To inform the scope of this study, TfSE held a series of workshops in November and December to get input from stakeholders about the key challenges and opportunities for transport technology to make a difference in the South East.

The Chair of TfSE recently met with senior leaders from the region's top universities to discuss the draft Transport Strategy and opportunities for collaboration. The group was keen to showcase transport-related research from across the institutions and to investigate potential joint working on shared areas of interest.

**Corporate Lobbying** – Due to the general election in November, there was reduced corporate lobbying in Q3. The Chief Executive, Director of Children's Services and Chief Finance Officer met with representatives of the Treasury in October to make the case for additional funding and reform in the Special Educational Needs and Disability system to deal with increasing demand and costs. The Chief Executive, Director of Children's Services, Director of Adult Social Care and Health and Chief Finance Officer also met with civil servants in the Ministry of Housing Communities and Local Government and the Treasury in October to discuss challenges facing the Council, how we were responding to them in partnership and successes that could be applied elsewhere.

**Supporting democracy** – During Q3 we supported 34 meetings including: two Council meetings; four Cabinet meetings; 12 Lead Member meetings; eight Scrutiny Committees and Review Boards; and eight other committees and panels. We also published agendas and reports for a further 13 meetings. There were 608 unique page views on the Members' Intranet site.

Two scrutiny review reports were considered by Cabinet and Council in Q3 resulting in 12 agreed recommendations to improve services and address challenges going forward. The Place and People Scrutiny Committees were supported to participate fully in the Reconciling Policy, Performance and Resources process, culminating in the development of specific comments for consideration by Cabinet and Council during Q4. A workshop session was held jointly with neighbouring health scrutiny committees during Q3 to enable Members of the East Sussex Health Overview and Scrutiny Committee (HOSC) to gain a greater insight into NHS funding arrangements – this will inform the committee's ongoing scrutiny of local NHS services and issues.

With oversight from the Member ICT and Development Reference Group, we have continued to deliver the Member training programme. Training delivered in Q3 focused on emergency planning, media and unconscious bias. A further training needs survey was undertaken towards the end of Q3, the results of which will inform the development of training courses and other Member support for Q4 and into 2020/21.

The School Appeals Service continued to arrange hearings for the in-year and late September intake appeals during Q3. In total 37 school admission appeals were received, almost a third of which were for academy schools which are signed up to the service. Four new clerks and additional volunteer panel members were recruited, which will increase the resilience of the service. Briefings were held for existing clerks and panel members to ensure training remains up

to date and learning is shared.

Further development of the secure online digital appeal management system began during Q3, to enhance the administration of the school appeals process and the customer experience. The majority of appeals continue to be submitted using this system and it is intended that the improvements will be in place ahead of the next main round of appeals starting in spring 2020.

**Legal Services** – During Q3 we assisted Trading Standards in the successful prosecution of a counterfeit goods case which resulted in a confiscation order for over £102,000, which included a payment of £37,740 to the Council. We also successfully represented Trading Standards in an appeal at the General Regulatory Chamber when two breaches of the Consumer Rights Act 2015 were upheld against a local firm. We also collected debts and agreed repayment plans totalling £63,000. We carried out 69 prosecutions for failure to send a child to school and conducted seven contested education trials. In addition, we dealt with 52 contentious vulnerable adult cases and 55 Deprivation of Liberty Safeguarding applications in the Court of Protection.

In Q3 we completed eight agreements which helped to secure financial contributions to the Council of £194,558, and works to improve or create highways and secure highway rights were secured through agreements.

We also continued to advise and assist Children's Services both in pre-proceedings and court applications in Q3. We applied for care proceedings in respect of 19 families (down from 22 in Q2) and at the end of Q3 we had a total of 51 live care proceedings (down from 53 in Q2). We have worked closely with Children's Services to help analyse risks and assess options, including making use of the pre-proceedings process to effect change or to identify agreed alternative care arrangements with families.

**Coroner Services** – On average 199 deaths per month were reported to the Coroner in Q3. This is higher than the Q2 figure of 178. 70 inquests were opened in Q3, whereas 91 were opened in Q2. 79 were closed in Q3, a similar number to the 71 closed in Q2.

**Regulation of Investigatory Powers Act (RIPA)** – There have been no RIPA applications during Q3. Trading Standards held discussions with the Investigatory Powers Commissioner's Office about the use of social media, such as Facebook, in investigations. There are certain circumstances when the monitoring of a person's Facebook account or test purchasing of an item for sale may require a RIPA application. This could impact on departments such as Children's Services (CS) who may monitor Facebook and other social media for the purposes of safeguarding.

**Local Government Ombudsman complaints** – 19 decisions were issued in Q3 with 10 of these cases relating to Adult Social Care (ASC), one to Communities, Economy & Transport (CET), seven to CS and one to Governance Services (GS). 10 were closed before a full Ombudsman investigation for reasons including, insufficient evidence of fault, complaints being out of the Ombudsman's jurisdiction and the complaint not having been through our internal complaints process. Of the nine fully investigated, two were closed with no fault found and seven were closed with the complaint partly or fully upheld.

ASC – Safeguarding: Fault was found with the way the Council conducted a safeguarding investigation into allegations made about ASC providers. This included the time it took to complete the investigation and a failure to share information with the providers which led to unnecessary distress. The Council agreed to apologise for the delay and to pay the complainants four weeks fees in lieu of notice and a sum of £500 in recognition of the distress caused.

ASC – Care Fees: Fault was found with the way in which the Council dealt with a complaint about its communication in relation to an increase in care fees, but not with the information provided about the increase. No recommendations were made as the Council had already apologised and taken action to prevent similar problems in the future.

ASC – Financial Assessment: No fault was found in the assessment but some fault in the time it took the Council to complete it. No recommendations were made as the Council had already apologised for the delay.

ASC – Direct Payments: The Council was found to be at fault for not reviewing the complainant's direct payments and care plan, for delays in updating the care plan, and for not completing a carer's assessment. The Council agreed to apologise for the identified faults and pay £300 for the loss of respite provision and the avoidable distress this caused.

ASC – Safeguarding: The Ombudsman found fault with the time it took the Council to respond to a safeguarding concern which meant the complainant's parents remained in a situation where they were at possible risk of abuse and also with the way it communicated about their client contribution when they temporarily moved into a care home. The Council agreed to apologise to the complainant for the distress caused by the delay and pay her £250 in recognition of this. The Council also agreed to review its safeguarding adult procedures, to provide training to improve ASC staff's knowledge and awareness of inter-familial domestic abuse, share the learning from this case with relevant officers and review procedures to ensure it provides written details of what charges are likely to be made for care home placements.

GS – Schools Admissions Appeal Panel: Fault was found with the Council as the clerk did not properly record the panel's deliberations or the reasons for its decision and because the decision letter did not properly explain the reasons for the panel's decision. The Council has agreed to offer a fresh appeal with a different panel and clerk and to review the training needs for clerks.

**CS – Safeguarding:** The Ombudsman found the Council at fault for inappropriately disclosing some family health information, but did not find fault in the way the decision was made to instigate a safeguarding investigation or how the rest of the investigation was carried out. The Council had apologised for the information disclosure prior to the Ombudsman's involvement and no further recommendations were made.

**Effective publicity and campaigns** – Applications for jobs in residential childcare quadrupled in the two weeks after new branding and web pages were launched in December, to support the advertising of previously hard to fill roles. Candidates are now being interviewed and the campaign continues with 40 roles to be filled, including at the expanding Lansdowne Secure Unit.

A social media campaign to attract businesses to exhibit at the annual Services To Schools conference led to six new companies booking places, raising £3,700 to help fund the event, which introduces East Sussex schools to business and support services which can help strengthen the education they provide.

**Media work** – There were 358 media stories about the Council in Q3, of which 113 were positive and 165 neutral. The press office issued 30 press releases (a little lower than normal because of the pre-election period), generating 90 stories, of which 15 were on TV or radio. 123 media enquiries were handled.

**Web activity** – Almost 344,000 people used the Council's website in Q3, viewing more than 2.9 million pages.

**Third Sector support** – During Q3 the third round of How to Crowdfund training sessions took place in Battle and Lewes, with an additional panel discussion on Crowdfunding at the Hastings Voluntary Action annual event. The Building Stronger Communities (BSC) match fund has made financial contributions worth £9,000 to seven not-for-profit projects across East Sussex. These projects have in turn raised £19,000 from the crowd; an amplification of £2.12 from the crowd for every £1 pledged from the BSC fund. There have been 35 successful Crowdfund projects across the county raising £98,000 from the crowd, these projects are a mix of not-for-profit and for-profit organisations, and did not receive BSC match funding. However three did receive match funding from the NatWest Back Her Business match fund, and the Power to Change fund from the National Lottery.

The Social Value Market Place (SVMP) was publically launched in November 2019; full details of the SVMP can be found in the Business Services report, Appendix 3.

Partnership Plus discussions have focused on establishing the new county-wide VCSE network, undertaking a value audit of the VCSE in East Sussex, and identifying opportunities for training/upskilling and secondments between the VCSE and public sectors.

The generic infrastructure service providers (3VA, HVA, and RVA) are delivering services within their geographical areas, and working in partnership to ensure that the local VCSE sector is well supported in developing activities that meet the needs of communities across the county. The three providers will also be working with the local NHS on an NHS England funded project to establish the scale of volunteering opportunities in East Sussex that exist in health, social care and the VCSE sector; gather evidence of the impact volunteering opportunities have on people, communities and organisations; gather insight and intelligence on how people perceive volunteering, the barriers and benefits to being involved; and demonstrate how integrating volunteering approaches can make a significant impact and contribute towards high level outcomes related to the Sussex Health and Care Partnership.

East Sussex Community Voice, our Healthwatch East Sussex provider, won the 2019 Healthwatch England Diversity and Inclusion Award, for their work helping vulnerable residents living in emergency and temporary accommodation in Newhaven receive better health and social care support. Healthwatch England has also agreed that Healthwatch East Sussex will be an early adopter for the new Healthwatch Quality Framework; we will be working alongside the two Healthwatches to ensure the framework captures impact and outcomes for the delivery of the contracted statutory functions of a local Healthwatch.

**South East 7 (SE7)** – In Q3, work agreed at the September Leaders Board was progressed, including joining up officers across the SE7 to understand the approach all councils were taking to setting and responding to net zero emissions targets. The Chief Executives Board met in October and December and considered ways to enhance the work of the partnership, including opportunities under the new Government.

**Partnership with West Sussex County Council** – Cabinet on 18 December 2019 agreed to enter into an improvement partnership with West Sussex County Council (WSCC), to address the significant challenges that WSCC are facing but also offer opportunities for both authorities to work together on shared priorities, such as infrastructure, social care and climate change. Becky Shaw began work as Chief Executive of West Sussex County Council on 6 January and work has begun on identifying areas where both authorities would benefit from closer working.

**Health and Wellbeing Board (HWB)** – On 10 December 2019 the HWB endorsed the East Sussex Health and Social Care Plan, and plans to further test this with local stakeholders. The Board also noted that further work will be taking place to support the next phase of planning, including developing initial proposals for an East Sussex Integrated Care Partnership to help support delivery of our objectives in 2020/21. Cabinet received more detailed proposals on the key areas of work and priorities for the next phase of the East Sussex Health and Social Care Programme in January.

**Revenue budget summary** – The Governance budget is projected to underspend by £79k, including savings arising from the arrangement to share the Chief Executive with West Sussex County Council.

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

Performance measure	Outturn 18/19	Target 19/20	19/20 RAG				2019/20 outturn	Note ref
			Q1	Q2	Q3	Q4		
There are no Council Plan targets								

**Savings exceptions**

Service description	2019/20 (£'000) – Q3 Forecast					Note ref
	Original Target For 2019/20	Target including items c/f from previous year(s)	Achieved in-year	Will be achieved, but in future years	Cannot be achieved	
Savings						
There are no targeted savings in 2019/20	-	-	-	-	-	
	-	-	-	-	-	
	-	-	-	-	-	
Total Savings	0	0	0	0	0	
			-	-	-	
			-	-	-	
			-	-	-	
Subtotal Permanent Changes			0	0	0	
Total Savings and Permanent Changes	0	0	0	0	0	

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

**Revenue budget**

Divisions	Planned (£000)			Q3 2019/20 (£000)						Note ref
				Projected outturn			(Over) / under spend			
	Gross	Income	Net	Gross	Income	Net	Gross	Income	Net	
Corporate Governance	5,000	(534)	4,466	4,965	(573)	4,392	35	39	74	
Corporate Support	3,303	(403)	2,900	3,350	(455)	2,895	(47)	52	5	
<b>Total Governance</b>	<b>8,303</b>	<b>(937)</b>	<b>7,366</b>	<b>8,315</b>	<b>(1,028)</b>	<b>7,287</b>	<b>(12)</b>	<b>91</b>	<b>79</b>	

**Capital programme**

Approved project	Total project – all years (£000)		2019/20							Note ref
			In year monitor Q3 (£000)				Analysis of variation (£000)			
	Budget	Projected	Budget	Actual to date	Projected 2019/20	Variation (over) / under budget	(Over) / under spend	Slippage to future year	Spend in advance	
No current programme for Governance	-	-	-	-	-	-	-	-	-	
Total Governance	0	0	0	0	0	0	0	0	0	

Strategic Risk Register – Q3 2019/20		
Ref	Strategic Risks	Risk Control / Response and Post Mitigation RAG score
12	<p><b>CYBER ATTACK</b></p> <p>The National Cyber Security Centre (NCSC) has highlighted the substantial risk to British web infrastructure with elevated levels of Cyber Crime being reported against all areas of government. Cyber-attacks often include multi vector attacks featuring internet based, social engineering and targeted exploits against hardware, software and personnel. The remote nature of the internet makes this an international issue and an inevitable risk. Examples of the impact of a Cyber Attack include:</p> <ul style="list-style-type: none"> <li>• Financial fraud related to phishing of executives and finance staff;</li> <li>• Loss of Personally Identifiable Information and subsequent fines from Information Commissioner's Office (4% of global revenue under the new General Data Protection Regulations);</li> <li>• Total loss of access to systems that could lead to threat to life.</li> </ul> <p>A successful cyber-attack can shut down operations - not just for a few hours, but rather for multiple days and weeks. The collateral damage, such as information leaks and reputational damage can continue for much longer. Added to that, backup systems, applications and data may also be infected and therefore, of little usable value during response and recovery operations - they may need to be cleansed before they can be used for recovery. This takes time and consumes skilled resources reducing capacity available to operate the usual services that keep the Council working.</p>	<p>Most attacks leverage software flaws and gaps in boundary defences. Keeping software up to date with regular patching regimes; continually monitoring evolving threats and re-evaluating the ability of our toolset to provide adequate defence'. Ongoing discussion and communication with the Info Sec industry to find the most suitable tools and systems to secure our infrastructure.</p> <p>Expanding Security Information and Event Management (SIEM) system capabilities to align with SCC and leverage latest standards of automation, detection and prevention.</p> <p>Development of "Security Advocates". Trained staff that can cascade and share cyber security insights and highlight potential issues into the workforce. Promoting a visible approachable business based security team;</p> <p>Enhancing user awareness - Expanding E-Learning and policy delivery mechanisms to cover Cyber threat, educating staff around the techniques and methods used by active threats. With 77% of all malware installed via email, users to be given learning experiences of phishing at point of use in a safe and secure environment;</p> <p>Providing GDPR training and workshops to cascade vital skills and information to those affected by new Data Protection laws;</p> <p>ESCC servers moved to the Orbis Primary Data Centre for resilience – An accredited Tier 3 environment certified to these standards:</p> <ul style="list-style-type: none"> <li>• ISO 27001 - IT Governance and Information Security Management</li> <li>• ISO 9001 - Quality Standard in Customer Service, Customer Processes, Product Process and Service, Efficiency and Continuous Improvement</li> <li>• ISO 14001 - Environmental Management and Best Practices for Corporate Environmental Responsibility.</li> </ul> <p>Disaster Recovery services are now similarly relocated in a Tier 3 Data Centre environment (Orbis Secondary Data Centre in Guildford).</p>

R



Strategic Risk Register – Q3 2019/20		
Ref	Strategic Risks	Risk Control / Response and Post Mitigation RAG score
4	<p><b>HEALTH</b></p> <p>Failure to secure maximum value from partnership working with the NHS. If not achieved, there will be impact on social care, public health and health outcomes and increased social care cost pressures. This would add pressures on the Council's budget and/or risks to other Council objectives.</p>	<p>The following progress has been made since the last update:</p> <ul style="list-style-type: none"> <li>•In December 2019 the Health and Wellbeing Board endorsed the East Sussex Health and Social Care Plan and contribution to the Sussex Health and Care Partnership Plan/response to the NHS LTP. The East Sussex Plan will go to Cabinet and East Sussex CCG Governing Bodies in January 2020 for formal organisational agreement prior to formal launch across our system.</li> <li>•In December a draft proposal for an East Sussex Integrated Care Partnership (ICP) was also agreed between Chief and Senior Executives from East Sussex CCGs, ESCC, ESHT, SCFT and SPFT. The proposal covers long term objectives and the elements that will start to be implemented in 2020/21 to iteratively develop the model, and support delivery of our East Sussex plan objectives. The draft proposal will now be more widely with system partners and with organisational governing bodies for agreement, including Cabinet on 28 January.</li> <li>•The key elements of the ICP for 2020/21 include: <ul style="list-style-type: none"> <li>o - Our agreed overarching common operating model across community health and social care services in the county - reflecting NHS LTP commitments and ESCC priorities, and agreed by all partners including EHST and SCFT</li> <li>o - A common planning process to align investment with priorities across health and social care resources to deliver outcomes</li> <li>o - A single framework for managing resources and agreement on alignment and/or pooling of resources</li> <li>o - Piloting accountability and risk sharing arrangements for aligned and pooled resources for specific areas of services where agreed by all Finance Directors</li> </ul> </li> <li>•A single programme has been constructed and resourced to deliver this across the system.</li> <li>•The Sussex CCGs have now finalised their operating model, and in November the membership of all three East Sussex CCGs voted to adopted the proposed constitution for an East Sussex CCG. This brings opportunities to further develop the approach to population health and social care commissioning between the Council and the future East Sussex CCG on a coterminous basis to deliver outcomes.</li> <li>•As of December 2019, we have agreed the terms of reference for an East Sussex Joint Commissioning Group to undertake the practical elements of commissioning jointly across the CCGs and ASC&amp;H.</li> </ul>

R



Strategic Risk Register – Q3 2019/20			
Ref	Strategic Risks	Risk Control / Response and Post Mitigation RAG score	
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 and manage demand. 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 and financial risks, to design mechanisms to deliver the Council's priorities. We will continue to lobby for the need for long term, predictable and sustainable funding for local government and East Sussex, which reflects our residents' real and growing need through the fair funding review and anticipated spending review later this year. We will also continue to make realistic and deliverable plans for working within the funding we are likely to have available, reflecting the recent Government announcement as part of its one year spending round.	R
15	<b>CLIMATE</b> Failure to limit global warming to 1.5°C, requiring global net human-caused emissions of carbon dioxide (CO2) to fall by about 45 percent from 2010 levels by 2030, reaching 'net zero' around 2050. This increases the risks to East Sussex of hotter, drier summers; changing rainfall patterns, with more intense rainfall episodes and longer periods without rainfall; milder winters; more frequent extremes in weather that are either prolonged or severe; and sea level rise with potential for increased storm surges.	Climate change adaptation: we are following national adaptation advice, including working with partners on flood risk management plans, a heatwave plan and drought plans. Climate change mitigation: we are continuing to reduce the County Council's own carbon footprint, which was cut by 46% between 2008-9 and 2017-18. The County Council declared a Climate Emergency in October 2019 and committed to achieve net zero carbon emissions from the County Council's estate by 2050 or earlier. A route map to net zero is being developed and progress will be reported to County Council in May 2020.	R
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.	The additional capital maintenance funding approved by Cabinet in recent years has enabled us to stabilise the rate of deterioration in the carriageway network and improve the condition of our principle road network. However a large backlog of maintenance still exists and is addressed on a priority basis. The County Council's asset management approach to highway maintenance is maintaining the overall condition of roads, despite recent year's winter weather. However, severe winter weather continues to be a significant risk with the potential to have significant impact on the highway network. The recently approved five year capital programme for carriageways 2018/19 to 2022/23, and the six year additional capital programme for drainage and footways 2017/18 to 2022/23 provide the ability to continue to improve condition and build resilience into the network for future winter events. Additional DfT money from 2018/2019 has supported this approach.	A

Strategic Risk Register – Q3 2019/20		
Ref	Strategic Risks	Risk Control / Response and Post Mitigation RAG score
7	<p><b>SCHOOLS</b></p> <p>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</p>	<ul style="list-style-type: none"> <li>• In September 2019 the Department published its refreshed Excellence for All strategy. The updated strategy outlines the shared vision, values and ambitions the local authority and our partners have for creating an excellent education system in East Sussex where no child or educational establishment is left behind. There is a sharper focus on the most disadvantaged and on how we will deliver improvement through the partnership structures in the county.</li> <li>• Work closely with schools to build a sustainable system across East Sussex, in order to ensure that the capacity and expertise is available to provide oversight of educational performance and to offer appropriate support and challenge where it is required.</li> <li>• Provide an opportunity for every school to be part of a local Education Improvement Partnership to support their ongoing improvement and for all partnerships to develop to the point where they provide a sustainable network through which all schools and other providers take responsibility for improvement in their local area.</li> <li>• Continue to develop commissioning model of school improvement including reviewing the level of trading by SLES to ascertain what is sustainable within reducing capacity and to identify core services that can be traded.</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> <li>• Work with academies and maintained schools through the Education Improvement Partnerships to develop system leadership, school to school support and to broker partnerships to reduce pressure on SLES services.</li> <li>• 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>• Work with the Regional Schools Commissioner to ensure the work of the RSC and the LA is aligned and that schools have the support they need.</li> </ul>

A

Strategic Risk Register – Q3 2019/20			
Ref	Strategic Risks	Risk Control / Response and Post Mitigation RAG score	
8	<p><b>CAPITAL PROGRAMME</b></p> <p>As a result of current austerity, the capital programme has been produced to support basic need only and as a result of this there is no resource for other investment that may benefit the County e.g. that may generate economic growth. Additionally there is a risk, due to the complexity of formulas and factors that impact upon them, or changes in these, that the estimated Government Grants, which fund part of the programme, are significantly reduced. There is also a risk that the move from S106 contributions to Community Infrastructure Levy will mean that Council has reduced funding from this source as bids have to be made to Districts and Boroughs. Slippage continues to occur within the programme, which has an impact on the effective use of limited resources.</p>	<p>Governance arrangements continue to be reviewed and developed with Property for the delivery of Schools Basic Need and capital property works in support of the robust programme delivery of the basic need programme. The Education Sub Board, which in part focuses on future need for schools places, continues to inform the Capital Strategic Asset Board of key risks and issues within the School Basic Need Programme. Regular scrutiny by the Capital Strategic Asset Board (CSAB), of programme and project profiles (both in year and across the life of the programme) occurs on a quarterly basis.</p> <p>The Board also proactively supports the seeking and management of all sources of capital funding, including; grants, S106, CIL and, Local Growth Fund monies. A cross department sub board has been set that oversees the process for bidding for CIL and to the use of S106 funds, work continues with Districts and Boroughs to maximise the Council's receipt of these limited resources.</p> <p>A risk factor was introduced in 2019/20 to acknowledge and address the historic level of slippage in the capital programme, its impact on the financing of the capital programme, and therefore on treasury management activity. Following the creation of the 20 year capital strategy (2020/21 to 2040/41) and the enhanced rigour in the building of the 10 year capital programme (2019/20 to 2029/30), this factor has not been extended to future years. CSAB will continue to monitor slippage and recommend any change should it become necessary.</p>	A
9	<p><b>WORKFORCE</b></p> <p>Stress and mental health are currently the top two reasons for sickness absence across the Council, potentially leading to reduced staff wellbeing, reduced service resilience, inability to deliver efficient service and / or reputational issues.</p>	<p>The 2019/20 Q1-3 sickness absence outturn for the whole authority (excluding schools) is 5.96 days lost per FTE, a decrease of 6.5% since the same period last year.</p> <p>Although stress/mental health remains the primary reason for absence, time lost due to stress/mental health during 2019/20 Q1-3 fell by 2.5% compared to 2018/19 Q1-3. Interestingly, during that period whilst days lost due to stress have fallen by 20.6%, Mental Health has increased by 23.2%. However, in the context of absence decreasing overall, it is likely that employees are being more open about disclosing the reason for their absence.</p> <p>A range of initiatives to address mental health absences have been implemented, including:</p> <ul style="list-style-type: none"> <li>•85 Mental Health First Aiders have been trained across the organisation and 33 interventions have taken place since November 2019</li> <li>•ESCC Campaign launched for World Mental Health Awareness Day on 10 October 2019</li> <li>•Employee and Managers Mental Health Guides have been produced alongside a supporting toolkit and dedicated resource intranet page</li> <li>•A Bereavement guidance document has been developed to provide managers with clearer guidelines and signposting on support available</li> <li>•Stress Risk Assessment form is being reviewed to encourage meaningful conversations and to provide targeted signposting for employees both in and out of work</li> <li>•‘Selfcare Isn’t Selfish’ workshops are taking place for Time to Talk day on 06 February alongside a supported communication campaign</li> </ul>	A

Strategic Risk Register – Q3 2019/20			
Ref	Strategic Risks	Risk Control / Response and Post Mitigation RAG score	
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.	Following CMTs consideration of our current workforce demographics and recruitment and retention 'hotspots', two work-streams of 'attracting and recruiting the future workforce' and 'leading the workforce' are now being progressed. These will report, with specific proposals for action, in February/March 2020.	A
6	<b>LOCAL ECONOMIC GROWTH</b> 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>The County Council and its partners have been successful in securing significant amounts of growth funding totalling £115m, via both the South East and Coast 2 Capital Local Enterprise Partnerships, to deliver a wide range of infrastructure projects in East Sussex. We have also secured outgoing EU funding for complementary economic development programmes supporting businesses to grow, including South East Business Boost (SEBB), LoCASE, SECCADS and inward investment services for the county. We continue to bid for further EU funding for the above with bids being prepared for submission in July for a SEBB 2 and separately an inward investment programme looking to commence in April 2020 for a further 3 years.</p> <p>The County Council has worked with Wealden DC and developed an outline business case that has been submitted to the Major Road Network programme in May 2019, to secure funding for approximately £34.3m towards local transport interventions along the A22/A27 Growth Corridor.</p> <p>Government is working on a new Shared Prosperity Fund, which seeks to combine growth funding and outgoing EU funding into one, and as a consequence we are working with partners to develop a pipeline of projects to ensure we are well-placed to capitalise when the fund is released, and calls for projects are issued. Furthermore, there are several new funds currently being released for bidding including Future High Streets, Stronger Towns Fund and European Social Fund and we have been actively working with partners in submitting proposals and await the outcome.</p> <p>Government has also instigated a review of LEPs across the country. We are supporting the two work-streams that have been established to address SELEP board composition, diversity and appointments AND the establishment of a legal personality as a company limited by guarantee. We are now working with SELEP partners to compile the Government's requirement that every LEP has in place a Local Industrial Strategy by March 2020, which will be a key determinant to accessing future Government funding.</p> <p>East Sussex have been successful in securing an additional £2.46m funding from the SELEP for two projects that will create new jobs and workspaces in Bexhill and provide a replacement for Exceat Bridge to improve connectivity and support housing growth. East Sussex have submitted projects for consideration in the Growing Places Fund (GPF Round 3) programme and we will know the outcome in April 2020.</p>	G

<b>Report to:</b>	<b>Cabinet</b>
<b>Date of meeting:</b>	<b>3 March 2020</b>
<b>By:</b>	<b>Director of Communities, Economy and Transport</b>
<b>Title:</b>	<b>Transport for the South East's proposal to Government</b>
<b>Purpose:</b>	<b>To advise Cabinet of Transport for the South East's (TfSE) draft proposal to Government to create a Sub-national Transport Body and request Cabinet give consent, on behalf of East Sussex County Council, for TfSE to submit their proposal to the Government.</b>

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**RECOMMENDATIONS:** Cabinet is recommended to agree:

- 1. the submission to Government of the draft proposal set out in Appendix 3 for Transport for the South East to become a Sub-national Transport Body; and**
  - 2. to delegate authority to the Director of Communities Economy and Transport in consultation with the Lead Member for Transport and Environment to finalise our agreement to the proposal prior to TfSE's submission to Government and to take any actions necessary to give effect to recommendation 1.**
- 

## **1 Background Information**

1.1 Under legislation contained in the Cities and Local Government Devolution Act 2016, a Sub-national Transport Body (STB) is a body corporate, which may only be established by the Secretary of State if it is considered that:

- its establishment would facilitate the development and implementation of transport strategies for the area; and
- the objective of economic growth in the area would be furthered by the development and implementation of such strategies.

1.2 Since 2016, sixteen upper tier authorities in the South East have been working together to develop a proposal for a STB, Transport for the South East (TfSE). This covers Brighton and Hove, East Sussex, Hampshire, Isle of Wight, Kent, Medway, Portsmouth, Southampton, Surrey and West Sussex and the six unitary authorities of Berkshire (the constituent authorities). A map showing TfSE's geography is shown at Appendix 1.

1.3 In addition, the five Local Enterprise Partnerships (LEPs) - Coast to Capital, Enterprise M3, Solent, South East and Thames Valley Berkshire as well as two National Park Authorities (South Downs and New Forest); 44 Boroughs and Districts across the geography; the transport industry and end user voice are represented in TfSE's governance which currently comprises a shadow Partnership Board, Transport Forum and Senior Officer Group.

1.4 To achieve statutory status, TfSE is required to develop a Proposal to Government which demonstrates the strategic case for the creation of a STB and sets out how TfSE will fulfil the statutory requirements for such a body as outlined in the enabling legislation. The draft Proposal also needs to identify the types of powers and responsibilities that the STB will be seeking, as well as identifying the proposed governance structures.

1.5 The legislation also requires that a new STB will be promoted by, and have the consent of, its constituent authorities, and that the proposal has been the subject of consultation within the area and with neighbouring authorities.

## **2 Supporting Information**

### TfSE Draft Proposal consultation

2.1 TfSE undertook a twelve week public consultation on their draft proposal to Government between 3 May and 31 July 2019. The draft proposal set out TfSE's ambition, the strategic and economic case for its establishment; its proposed constitutional arrangements; and its proposed functions in terms of the powers and responsibilities it is seeking.

2.2 As a constituent authority, the County Council's formal response to the consultation was approved by Cabinet on 16 July 2019. A copy of the July Cabinet report, including our response to the formal consultation on the draft proposal, is at Appendix 2.

### TfSE's Revised Proposal

2.3 Following the consultation, TfSE have revised their draft proposal which was approved by their Shadow Partnership Board at its meeting on 19 September 2019. The revised draft Proposal to Government is at Appendix 3 and incorporates a number of changes, which can be summarised as:

- Strengthening the opening narrative and strategic case to ensure that social and environmental impacts, including reducing emissions, are clearly recognised as a priority for TfSE. This will reflect the recent work on the development of the Transport Strategy, including the revised vision, goals and objectives.
- The proposal highlights that the current governance arrangements for co-opted members are considered to work well and would strongly recommend that the Statutory Body would continue with them.
- Clarification is provided around the principle of consent and the concurrent nature of the powers. Additionally, the principle of subsidiarity will be incorporated into the document to demonstrate that any decisions relating to the powers is made at the most relevant level and that, where possible, future aspirations will focus on drawing down powers from central government.
- The bus franchising power was removed from the proposal, with the emphasis placed on building stronger relationships with the bus operators and work with local authorities to ensure that services are operating in a way that supports the delivery of the Transport Strategy, e.g. smart and integrated ticketing at a regional (or wider) level.
- The powers relating to rail have remained unchanged. However, TfSE is closely monitoring the outcomes of the William's Rail Review and will consider whether it should include provision to assume a role in contracting for rail services as it matures as an organisation.

2.4 Reflecting the outcomes of the consultation, the powers and responsibilities now being sought by TfSE are:

- General STB functions relating to the preparation of a Transport Strategy, advising the Secretary of State and co-ordinating transport functions across the TfSE area (with the consent of the constituent authorities);
- Being consulted on rail franchising and setting the overall objectives for the rail network in the TfSE areas;
- Jointly setting the Road Investment Strategy (RIS) for the TfSE area;
- Obtaining certain highways powers which would operate concurrently and with the consent of the current highways authority to enable regionally significant highways schemes to be expedited;
- Securing the provision of bus services and entering into quality bus partnerships;
- Introducing integrated ticketing schemes;

- Establishing clean air zones with the power to charge high polluting vehicles for using the highway;
- Power to promote or oppose Bills in Parliament; and
- Incidental powers to enable TfSE to act as a type of local authority.

2.5 The proposed powers would operate concurrently to those of the constituent authorities and where exercised by TfSE would need the consent of the constituent authority or authorities.

### Constitutional Arrangements

2.6 Following the consultation, the constitutional arrangements for TfSE remain the same. The draft proposal identifies that each constituent authority will appoint one of their elected members or their elected mayor as a member of TfSE on the Partnership Board. It proposes that the regulations should provide for the appointment of persons who are not elected members of the constituent authorities to be co-opted members of the TfSE Partnership Board. At present, two representatives for the five LEPs, a representative from the Boroughs and Districts, the Chair of the TfSE Transport Forum, a representative from the protected landscapes in the TfSE area and latterly representatives from Network Rail, Highways England and Transport for London (TfL) have been co-opted onto the Shadow Partnership Board. Following the outcomes from the consultation, it is proposed to continue this arrangement of co-opting members when the statutory Partnership Board comes into effect.

2.7 The arrangements also include the establishment of a Scrutiny Committee alongside the existing Transport Forum and Senior Officer Group.

2.8 In terms of decisions, the starting point would be seeking consensus. However, if that could not be achieved then decisions would require a simple majority of those Constituent Authorities who are present and voting. Where consensus cannot be achieved on the following matters, it will require enhanced voting arrangements:

- the approval and revision of the Transport Strategy;
- the approval of TfSE annual budget; and
- changes to the TfSE constitution.

2.9 Finally, decisions on these issues would require both a super-majority, consisting of three quarters of the weighted vote in favour of the decision, with the number of votes based for each constituent authority being based on their per capita population, and a simple majority of the constituent authorities.

### Funding Arrangements

2.10 In terms of funding, TfSE has raised local contributions from the constituent authorities and has secured grant funding from the Department for Transport (DfT) to support the development of the Transport Strategy. Contributions will continue to be provided by the constituent authorities towards the running costs of TfSE whilst further long term funding is being sought from DfT to enable TfSE to fulfil its powers and responsibilities as a statutory STB.

### Support for TfSE's proposal and consent to submit to Government

2.11 At its meeting on 11 December 2019, the Shadow Partnership Board resolved that the draft proposals should be finalised for submission to Government in April 2020. It also resolved that constituent authorities be asked to provide their formal consent to the proposal to create a STB and its proposed powers and responsibilities in advance of the April 2020 meeting of the Shadow Partnership Board.

2.12 Overall, we are supportive of TfSE's revised draft Proposal to Government, with the County Council being heavily involved in its development and acting as accountable body since its inception. The revised draft proposal has reflected a number of the comments made by the County Council in its consultation response reported to Cabinet on 16 July 2019.

2.13 In relation to the constitutional arrangements, we continue to support the proposed structure of the Partnership Board including the co-opting representatives from the LEPs, the Transport Forum and the two National Parks which has worked effectively in its shadow format which has been acknowledged in the revised draft proposal. We also continue to welcome the establishment of a Scrutiny Committee to review the Partnership Board's decisions or actions in relation to the discharge of its functions, powers and responsibilities.

2.14 In addition, we welcome the approach of, first and foremost, seeking decisions by consensus. Whilst recognising that in some instances this may not be achievable, we continue to support the majority approach and super majority approach referred to in the revised draft proposal, where East Sussex would proportionately have four votes on the Partnership Board, for particular decisions that cannot be agreed by consensus.

2.15 Furthermore, we continue to be supportive of the powers and responsibilities being sought by TfSE. Reflecting the outcomes of the consultation and our comments, we welcome that TfSE are not seeking to change the proposed powers and responsibilities relating to rail at this juncture. However, we fully recognise TfSE's position in relation to considering whether to include provision to assume a role contracting rail services in the future in light of any recommendations arising from the forthcoming Williams Rail Review. We also welcome the removal of the bus franchising power from the revised draft proposal and that greater emphasis will be placed on stronger partnership working with the bus industry and local transport authorities.

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

3.1 The establishment of TfSE provides an opportunity to support and grow the economy through the delivery of their transport strategy focussed on unlocking growth, boosting connectivity, and speeding up journeys whilst improving access to opportunities for all and protecting and enhancing our region's unique environment.

3.2 Through the proposed range of powers and responsibilities being sought, TfSE will enable the Council to more directly influence how and where money is invested by strategic transport providers. It will also help drive improvements for the travelling public and for businesses in the county, so helping to secure delivery of longstanding transport infrastructure ambitions. In doing so, TfSE will provide a more co-ordinated strategic role that speaks with one voice for the region to Government.

3.3 Following consultation, TfSE have revised their draft proposal to Government on how they would achieve their ambition and are seeking the constituent authorities consent to support their proposal to Government in April 2020. Overall the County Council is supportive of TfSE's revised draft proposal to create a STB, with its proposed powers and responsibilities, and consents to TfSE submitting their proposal to Government. Cabinet is recommended to consider our support and consent for TfSE to submit their revised draft proposal to Government and offer their views.

**RUPERT CLUBB**

Director of Communities, Economy and Transport

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#### **LOCAL MEMBERS**

All

#### **BACKGROUND DOCUMENTS**

None



Appendix 1 – Transport for the South East Geography



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<b>Report to:</b>	<b>Cabinet</b>
<b>Date of meeting:</b>	<b>16 July 2019</b>
<b>By:</b>	<b>Director of Communities, Economy and Transport</b>
<b>Title:</b>	<b>Transport for the South East's draft proposal to Government – formal consultation</b>
<b>Purpose:</b>	<b>To advise Cabinet of the proposed County Council's response, as a constituent authority, to Transport for the South East's formal consultation on their draft proposal to Government.</b>

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**RECOMMENDATIONS:** Cabinet is recommended to agree the County Council's response on the Transport for the South East's formal consultation on their draft proposal to Government as set out in paragraphs 2.7 to 2.13 below.

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## **1 Background Information**

1.1 Under legislation contained in the Cities and Local Government Devolution Act 2016, a sub national transport body (STB) is a body corporate, which may only be established by the Secretary of State if it is considered that:

- its establishment would facilitate the development and implementation of transport strategies for the area; and
- the objective of economic growth in the area would be furthered by the development and implementation of such strategies.

1.2 Since 2016, sixteen upper tier authorities in the South East have been working together to develop a proposal for a Sub-National Transport Body (STB), Transport for the South East (TfSE), for their geography as shown at Appendix 1. This covers Brighton and Hove, East Sussex, Hampshire, Isle of Wight, Kent, Medway, Portsmouth, Southampton, Surrey and West Sussex and the six unitary authorities of Berkshire.

1.3 In addition, the five Local Enterprise Partnerships - Coast to Capital, Enterprise M3, Solent, South East and Thames Valley Berkshire as well as two National Park Authorities (South Downs and New Forest); 44 Boroughs and Districts across the geography; the transport industry and end user voice are represented in TfSE's governance which currently comprises a shadow Partnership Board, Transport Forum and Senior Officer Group.

1.4 To achieve statutory status, TfSE is required to develop a Proposal to Government which will need to demonstrate the strategic case for the creation of a sub-national transport body and set out how TfSE will fulfil the statutory requirements for such a body as outlined in the enabling legislation. The draft Proposal also needs to identify the types of powers and responsibilities that the STB will be seeking, as well as identifying the proposed governance structures.

1.5 The legislation also requires that a new sub-national transport body will be promoted by, and have the consent of, its constituent authorities, and that the proposal has been the subject of consultation within the area and with neighbouring authorities.

1.6 TfSE's draft proposal to Government was published for a full twelve week public consultation between 3 May and 31 July 2019. This has been made available on the TfSE website and has been circulated to relevant stakeholders for their views. All constituent authorities are expected to provide a formal response to the consultation.

1.7 Following the consultation, the Shadow Partnership Board will consider next steps at their September meeting. If the board wish to submit the proposal to Government formal consent will be required from all constituent authorities to signal their support for the creation of TfSE as a statutory body. In the meantime, the Secretary of State has written to all STBs stating he will consider the views of STBs in development of national transport policy and investment decisions. He has also indicated that STBs should work with the department to ensure a more stable financial footing through the spending review process. He has also indicated that whilst he does not rule out formal statutory status his preference is to continue with the informal partnership for the time being. The TfSE Board will consider their approach to this following the consultation at their September Board meeting. The Board have agreed that work on the proposal should continue.

1.7 If the Board consider there is a compelling argument for a more formal status they will need to agree to submit a proposal. Once the Government has received the proposal from TfSE, it is expected that there will be a period of three to six months while the Secretary of State considers the request. The Secretary of State will then formally respond to the TfSE proposal setting out the powers and responsibilities that have been granted. Work will then begin on drafting the Statutory Instrument which will be laid before Parliament which is expected to come forward in 2020. All constituent authorities will be required at that point to give their consent to the creation of the statutory body following the formal response from the Secretary of State.

## **2 Supporting Information**

### The Draft Proposal to Government

2.1 TfSE's draft Proposal to Government is attached at Appendix 2. The draft proposal sets out the ambition for TfSE, the strategic and economic case for its establishment; its proposed constitutional arrangements; and its proposed functions in terms of the powers and responsibilities it is seeking.

### Constitutional arrangements

2.2 The draft proposal identifies that each constituent authority will appoint one of their elected members or their elected mayor as a member of TfSE on the Partnership Board. It is proposed that the regulations should provide for the appointment of persons who are not elected members of the constituent authorities to be co-opted members of the TfSE Partnership Board. Currently two representatives for the five LEPs, a representative from the Boroughs and Districts, the Chair of the TfSE Transport Forum and a representative from the protected landscapes in the TfSE area have been co-opted onto the Shadow Partnership Board. The arrangements also include the establishment of a Scrutiny Committee alongside the existing Transport Forum and Senior Officer Group.

2.3 In terms of decisions, the starting point will be consensus. However if that can't be achieved then decisions will require a simple majority of those Constituent Bodies who are present and voting. Where consensus cannot be achieved on the following matters, it will require enhanced voting arrangements:

- the approval and revision of the Transport Strategy;
- the approval of TfSE annual budget; and
- changes to the TfSE constitution.

2.4 Decisions on these issues will require both a super-majority, consisting of three quarters of the weighted vote in favour of the decision, with the number of votes based for each constituent authority being based on their per capita population, and a simple majority of the constituent authorities. The details of the proposed weighting voting system are set out in Section 5 of the draft Proposal at Appendix 2.

## Functions

2.5 The specific functions that TfSE is seeking as part of its Proposal to Government are set out in Section 6 at Appendix 2. In summary, these include the following:

- General STB functions relating to the preparation of a Transport Strategy, advising the Secretary of State and co-ordinating transport functions across the TfSE area (with the consent of the constituent authorities);
- Being consulted on rail franchising and setting the overall objectives for the rail network in the TfSE areas;
- Jointly setting the Road Investment Strategy (RIS) for the TfSE area;
- Obtaining certain highways powers which would operate concurrently and with the consent of the current highways authority to enable regionally significant highways schemes to be expedited;
- Securing the provision of bus services, entering into quality bus partnership and bus franchising arrangements;
- Introducing integrated ticketing schemes;
- Establishing Clean air zones with the power to charge high polluting vehicles for using the highway;
- Power to promote or oppose Bills in Parliament; and
- Incidental powers to enable TfSE to act as a type of local authority.

2.6 The proposed powers would operate concurrently and with the consent of the constituent authorities.

## Response to draft proposal

2.7 Overall we are supportive of TfSE's draft Proposal to Government, with the County Council being heavily involved in its development and acting as accountable body since its inception.

2.8 In relation to the constitutional arrangements, we support the proposed structure of the Partnership Board including the co-opting representatives from the Local Enterprise Partnerships, the Transport Forum and the two National Parks which has worked effectively in its shadow format. With its move to a formal status it is welcomed that, as proposed, a Scrutiny Committee is established to review the Board's decisions or actions in relation to the discharge of its functions, powers and responsibilities.

2.9 In relation to the voting arrangements, we welcome the approach of, first and foremost, seeking decisions by consensus, but recognise that in some instances this may not be achievable. Therefore, the majority approach as put forward in the draft Proposal is supported. We also support the super majority approach for particular decisions that cannot be agreed by consensus. We have experience of how this works in practice through our representation on the South East Local Enterprise Partnership, where similar arrangements exist in relation to the number of votes/representatives being proportionate to the constituent authority's per capita population. In this case, East Sussex would have 4 votes on the Board.

2.9 Overall we are supportive of the powers and responsibilities being sought by TfSE. We agree that TfSE should not seek the powers and responsibilities as set out in section 5.6 of the draft proposal and also support TfSE in them not acting as a co-signatory to rail franchises or being responsible for rail franchising. However, there are a number of comments which we would wish to highlight.

2.10 It is recognised that there may be some of the powers and responsibilities being sought by TfSE which other STBs who have been given statutory status – Transport for the North – have not been granted by the Secretary of State. This particularly relates to setting the High Level Output Specification (HLOS) for rail and the Roads Investment Strategy (RIS) for the Strategic Road Network (SRN), both of which are set nationally by the Department for Transport. In the

event that neither of these powers and responsibilities are given by the Secretary of State to TfSE, as an alternative TfSE should seek a more formal and strengthened role in influencing Government's decisions on the HLOS and RIS, thereby providing a single voice on the regional priorities across their geography.

2.11 In relation to the proposed power and responsibility to 'enter into agreements to undertake certain works on Strategic Road Network, Major Road Network or local roads', it would be helpful for further clarity to be provided in the rationale on why and where TfSE would envisage using this power relating to constructing, reconstructing, altering, improving or maintaining roads.

2.12 Regarding the 'Right to be consulted about new rail franchises', this is supported. As part of the development of the South Eastern franchise during 2017/18, the County Council along with Kent County Council were actively engaged from the outset by the Department for Transport on the franchise specification. We would expect that for future franchising arrangements, and subject to the outcomes of the Williams Rail Review, that a similar approach would be in place with TfSE and that the respective local authorities would be engaged throughout in shaping the franchise specification. This could be made more explicit in the rationale.

2.13 In relation to bus franchising, whilst it is unlikely that such a power would be implemented in East Sussex, it is recognised that some other parts of the TfSE geography would wish to use this. The responsibility for introducing integrated ticketing schemes is also supported. The powers to introduce an integrated ticketing scheme at a sub-national level, concurrent with those available to local transport authorities, would be significantly beneficial for encouraging more seamless cross-TfSE journeys by public transport.

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

3.1 The establishment of TfSE provides an opportunity to support and grow the economy through the delivery of their transport strategy – a programme of integrated transport projects and programmes to unlock growth, boost connectivity and speed up journeys whilst improving access to opportunities for all and protecting and enhancing our region's unique environment.

3.2 Through the proposed range of powers and responsibilities being sought, TfSE will enable the Council to more directly influence how and where money is invested by strategic transport providers, and help drive improvements for the travelling public and for businesses in the County, so helping to secure delivery of longstanding transport infrastructure ambitions. In doing so, TfSE will provide a more co-ordinated strategic role that speaks with one voice for the region to Government.

3.3 TfSE has set out their draft proposal to Government for how they would achieve their ambition which is currently out to consultation. Overall the County Council is supportive of TfSE's draft proposal, and has a number of detailed comments as set out in sections 2.7 to 2.13 of this report which would form the basis of the County Council's formal response. Cabinet is recommended to consider our support for TfSE's draft proposal as well as the detailed comments on their proposal and offer their views.

RUPERT CLUBB  
Director of Communities, Economy and Transport

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#### **LOCAL MEMBERS**

All

#### **BACKGROUND DOCUMENTS**

Transport for the South East – Draft Proposal to Government, May 2019

Appendix 1 – Transport for the South East Geography



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# Proposal to Government

**September 2019**

## 1. Executive summary

- 1.1 Transport for the South East is a sub-national transport body (STB) established to speak with one voice on the strategic transport priorities for the South East region.
- 1.2 Our aim is to grow the South East's economy by delivering a safe, sustainable, and integrated transport system that makes the South East area more productive and competitive, improves the quality of life for all residents, and protects and enhances its natural and built environment.
- 1.3 By operating strategically across the South East on transport infrastructure – a role that no other organisation currently undertakes on this scale – we will directly influence how and where money is invested and drive improvements for the travelling public and for businesses in a region which is the UK's major international gateway.
- 1.4 Already we are commanding the attention of government, facilitating greater collaboration between South East local authorities, local enterprise partnerships (LEPs) and government to shape our region's future.
- 1.5 Our proposal has been developed in partnership with TfSE's members and stakeholders and represents a broad consensus on the key issues facing the region and the powers required to implement our transport strategy.
- 1.6 Our members and stakeholders are clear that a statutory sub-national transport body for the South East is vital if we are to successfully:
  - Increase our influence with Government and key stakeholders;
  - Invest in pan-regional strategic transport corridors;
  - Deliver sustainable economic growth, while protecting and enhancing the environment, reducing emissions and promoting social inclusion; and
  - Enable genuinely long-term planning.
- 1.7 We have only proposed those powers for TfSE which are proportionate and will be effective in helping us achieve our strategic aims and objectives, complementing and building on the existing powers of local authorities.
- 1.8 These powers would enable us to deliver significant additional value at regional level through efficient and effective operational delivery, better coordination of pan-regional schemes and the ability to directly influence and inform national investment programmes.

## 2. The Ambition

*“By 2050, the South East will be a leading global region for emission-free, sustainable economic growth, where integrated transport, digital and energy networks have delivered a step-change in connectivity and environmental quality.*

*A high-quality, reliable, safe and accessible transport network will offer seamless door-to-door journeys enabling our businesses to compete and trade more effectively in the global marketplace, giving our residents and visitors the highest quality of life in the country.”*

Transport for the South East 2050 vision statement

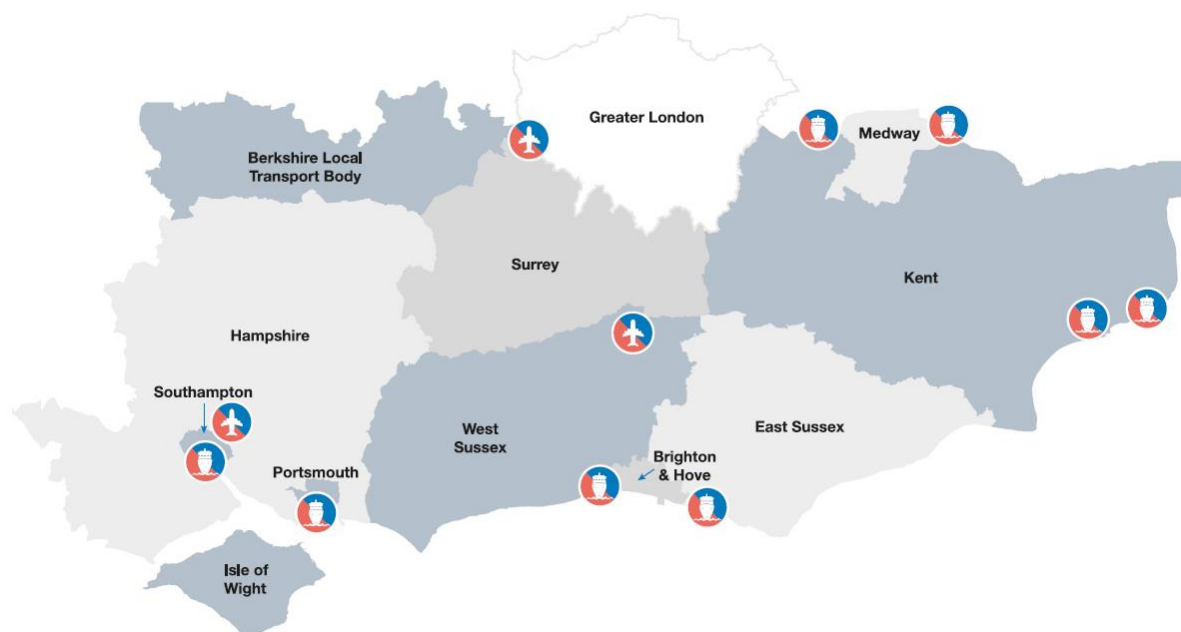
- 2.1 Transport for the South East (TfSE) was established in shadow form in June 2017. In the short period since, we have emerged as a powerful and effective partnership, bringing together 16 local transport authorities, five local enterprise partnerships and other key stakeholders including protected landscapes, transport operators, district and borough authorities and national agencies to speak with one voice on the region’s strategic transport needs.
- 2.2 Our vision is underpinned by three strategic goals, which align to the three pillars of sustainable development:
  - improve productivity and attract investment to grow our economy and better compete in the global marketplace;
  - improve health, safety, wellbeing, quality of life, and access to opportunities for everyone; and
  - protect and enhance the South East’s unique natural and historic environment.
- 2.3 Our transport strategy, which covers the period to 2050, will form the basis for achieving that vision. It will deliver sustainable economic growth across the South East, whilst taking account of the social and environmental impacts of the proposals outlined in the strategy.
- 2.4 TfSE has already, in shadow form, added considerable value in bringing together partners and stakeholders to work with Government on key strategic issues, securing positive outcomes for the region in the Roads Investment Strategy 2 and Major Road Network, influencing rail franchising discussions and providing collective views on schemes such as southern and western rail access to Heathrow.
- 2.5 The requirements within our proposal seek to provide TfSE with the initial functions and powers to move to the next stage of our development – to begin delivering the transport strategy and realising the benefits that a high quality, sustainable and integrated transport system can unlock for people, businesses and the environment.
- 2.6 We are clear that we only seek those powers and functions which are necessary to deliver our strategy and achieve our vision. Our requirements differ from those of other STBs and reflect the different geographic, economic, political, social and environmental characteristics of our region and the strategic objectives of TfSE and its partners.

- 2.7 We are only seeking powers that are applicable to a sub-national transport body as outlined by the legislation. There are many other bodies that have environmental and economic remits beyond those held by an STB and it will be essential that we work with these partners to deliver sustainable economic growth across the south east.

### 3. The Strategic and Economic Case

#### The Transport for the South East area

- 3.1 The South East is already a powerful motor for the UK economy, adding more than £200 billion to the economy in 2015 – second only to the contribution made by London and more than Scotland, Wales and Northern Ireland combined.
- 3.2 It is home to 7.5m people and 329,000 businesses including some of the world's biggest multinationals as well as a large number of thriving, innovative SMEs. It is a world leader in knowledge intensive, high value industries including advanced engineering, biosciences, financial services and transport and logistics.
- 3.3 The South East area includes both of the nation's busiest airports in Heathrow and Gatwick, a string of major ports including Southampton, Dover and Portsmouth, many of the country's most vital motorways and trunk roads and crucial railway links to London, the rest of Britain and mainland Europe.



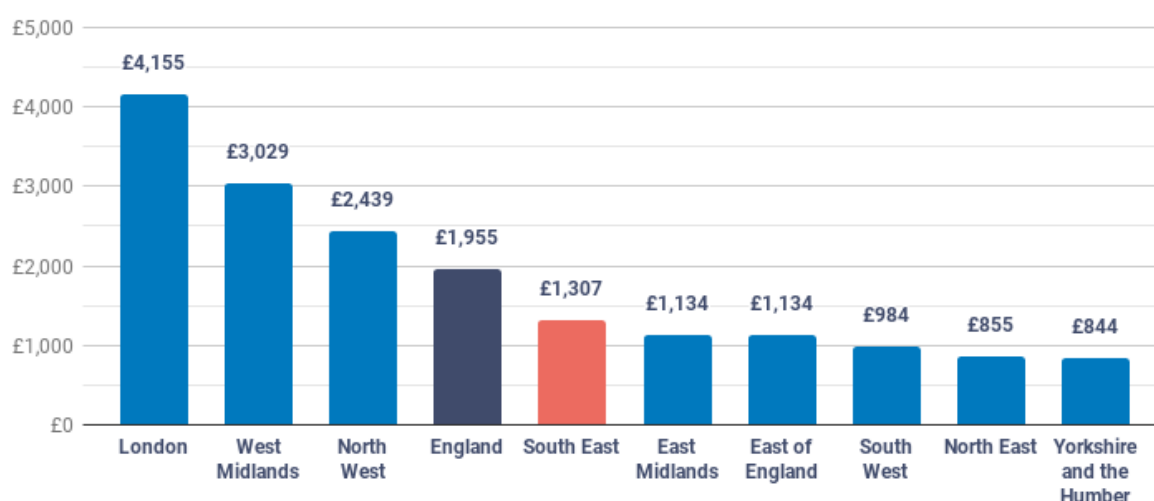
- 3.4 The South East's international gateways support the economic wellbeing of the whole of the UK. As we withdraw from the European Union, they will be integral to supporting a thriving, internationally facing economy.
- 3.5 Half of all freight passing through Dover going on to other parts of the country. Southampton sees £71 billion of international trade each year and Portsmouth handles two million passengers a year. More than 120 million air passenger a year use Gatwick, Southampton and Heathrow airports.
- 3.6 Our people and infrastructure are not our only assets. With two national parks, **five** areas of outstanding natural beauty and much of the region allocated as green belt, the South East draws heavily on its unique and varied natural environment for its success. It offers

outstanding beaches, historic towns, dynamic cities and unparalleled links to London, the UK, Europe and the rest of the world. It is, in short, an amazing place to live, work and visit.

### The scale of the challenge and why change is needed

- 3.7 But we face a real challenge. Despite these enviable foundations – and in some cases because of them – our infrastructure is operating beyond capacity and unable to sustain ongoing growth.
- 3.8 Despite the economic importance of the region to the UK economy, contributing almost 15% of UK GVA (2015), the South East has seen continued underinvestment in transport infrastructure with a per capita spend that is significantly below the England average and a third of that in London.

#### Planned transport infrastructure spending per head



Source: IPPR North analysis of planned central and local public/private transport infrastructure spending per capita 2017/19 onwards (real terms 2016/17 prices)

- 3.9 So while transport links to and from the capital are broadly good, elsewhere connectivity can be poor – even between some of our region’s major towns and cities. Train journey times between Southampton and Brighton (a distance of around 70 miles) are only marginally less than the fastest train journeys between London and Manchester. The corresponding journey on the A27 includes some of the most congested parts of the South East’s road network.
- 3.10 Underinvestment in road and rail infrastructure is making life harder for our residents and businesses. New housing provision is being hampered by the lack of adequate transport infrastructure. In our coastal communities, lack of access to areas of employment and further education and higher education are major contributors to high unemployment and poor productivity.
- 3.11 The social geography of the South East is varied. The South East area is home to some of the most prosperous and productive areas of the country, but also contains significant areas of deprivation. Improving transport connectivity can help reduce the likelihood of deprivation,

but this cannot be considered in isolation and needs to work alongside other important factors, such as improving skills levels.

- 3.12 The South East has a varied and highly valued natural environment. Significant parts of the South East area are designated as National Parks, Areas of Outstanding Natural Beauty and Sites of Special Scientific Interest. The environmental assets of the South East help make the South East area an attractive place to live, work and visit, as well as providing an important contribution to the economy. The future development of the South East area and its transport network will need to be managed to minimise any potential adverse impact and enhance these natural assets. The principle of biodiversity net gain will be vital in achieving this.
- 3.13 The South East area faces several significant environmental challenges in the future. There are a significant number of Air Quality Management Areas in place across the South East area. These areas have been established to improve air quality and reduce the harmful impact of Nitrogen Oxides (NOx), Sulphur Oxides (SOx), and particulates on human health and the natural environment. Transport – particularly road transport – is one of the largest contributors to poor air quality in the South East area. Transport therefore has a significant role to play in improving air quality. Noise pollution is also a significant issue, particularly for communities located close to the Strategic Road Network.
- 3.14 The South East also has a significant role to play in tackling climate change. The South East accounts for 12% of the United Kingdom’s greenhouse gas emissions. In 2018, transport accounted for a third of the United Kingdom’s greenhouse gas emissions.
- 3.15 These are challenges that extend beyond administrative and political boundaries. They require TfSE to have the powers to effectively join up transport policy, regulation and investment and provide clear, strategic investment priorities which will improve connectivity into and across the region, boost the economy and improve the lives of millions.

### **The powers to achieve our vision**

- 3.16 To enable us to achieve our vision through the efficient and effective delivery of the transport strategy, we propose that a range of functions exercisable by a local transport authority, passenger transport executive or mayoral combined authority are included in the regulations to establish TfSE on a statutory footing.
- 3.17 We have only sought those powers which we believe are proportionate and will be effective in helping us achieve our strategic aims and objectives, complementing and building on the existing powers of local authorities. The powers will be sought in a way which means they will operate concurrently with – and only with the consent of – the constituent authorities.
- 3.18 These powers would enable us to deliver significant additional value at regional level in three key areas:
- Strategic influence: Speaking with one voice and with the benefit of regional scale and insight to influence the development of national investment programmes; a trusted partner for government, Network Rail and Highways England.

- Coordination: Developing solutions which offer most benefit delivered on a regional scale; working with partners and the market to shape the development of future transport technology in line with regional aspirations.
- Operational: Accelerating the delivery of schemes and initiatives which cross local authority boundaries, ensuring strategic investment happens efficiently and that the benefits for residents and businesses are realised as soon as possible.

### **The benefits of establishing TfSE as a statutory body**

3.19 One voice for strategic transport in the South East  
TfSE will provide a clear, prioritised view of the region's strategic transport investment needs. We already offer an effective mechanism for Government to engage with local authorities and LEPs in the region; statutory status would take that a step further, enabling us to directly inform and influence critical spending decisions by Government and key stakeholders including Highways England and Network Rail.

3.20 Facilitating **sustainable** economic growth  
The transport strategy will facilitate the delivery of jobs, housing and growth across the South East and further build on our contribution to UK GVA. Implementation of strategic, cross-boundary schemes, particularly investment in the orbital routes, will connect economic centres and international gateways for the benefit of people and businesses, regionally and nationally. TfSE also offers a route to engage with other sub-national transport bodies and Transport for London on wider cross-regional issues.

However, this cannot be growth at any cost. The implementation of the transport strategy must ensure that the region's high quality environmental assets are protected and, where possible, enhanced, as well as improving health, safety, wellbeing, quality of life, and access to opportunities for everyone.

3.21 Delivering benefits for the travelling public  
TfSE can support the efficient delivery of pan-regional programmes that will offer considerable benefits to the end user – for example, integrated travel solutions combined with smart ticketing will operate more effectively at a regional scale and can best be facilitated by a regional body than by individual organisations.

3.22 Local democratic accountability  
Our transport strategy will be subject to public consultation and will, in its final form, provide a clear, prioritised view of investments agreed by all the South East's local transport authorities and with input from passengers, businesses and the general public. Delivery of the strategy will be led by the Partnership Board, comprising elected members and business leaders with a direct line of accountability to the people and organisations they represent.

3.23 Achieving the longer term vision  
Securing statutory status offers TfSE the permanence and security to deliver the transport strategy to 2050, providing a governance structure that matches the lifecycle of major infrastructure projects. It will provide confidence to funders, enable us to work with the



market to ensure the deliverability of priority schemes and support development of the skills needed to design, build, operate and maintain an improved transport network.

## 4. Constitutional arrangements

### Requirements from legislation

#### Name

- 4.1 The name of the sub-national transport body would be 'Transport for the South East ("TfSE")' and the area would be the effective boundaries of our 'constituent members'.

#### Members

- 4.2 The membership of the STB is listed below:

Bracknell Forest Borough Council  
Brighton and Hove City Council  
East Sussex County Council  
Hampshire County Council  
Isle of Wight Council  
Kent County Council  
Medway Council  
Portsmouth City Council  
Reading Borough Council  
Royal Borough of Windsor and Maidenhead Council  
Slough Borough Council  
Southampton City Council  
Surrey County Council  
West Berkshire Council  
West Sussex County Council  
Wokingham Borough Council

#### Partnership Board

- 4.3 The current Shadow Partnership Board is the only place where all 'constituent members' are represented at an elected member level<sup>1</sup>. Therefore this Board will need to have a more formal role, including in ratifying key decisions. This would effectively become the new 'Partnership Board' and meet at least twice per annum. The Partnership Board could agree through Standing Orders if it prefers to meet more regularly.
- 4.4 Each constituent authority will appoint one of their councillors / members or their elected mayor as a member of TfSE on the Partnership Board. Each constituent authority will also appoint another one of their councillors / members or their elected mayor as a substitute member (this includes directly elected mayors as under the Local Government Act 2000). The person appointed would be that authority's elected mayor or leader, provided that, if responsibility for transport has been formally delegated to another member of the authority, that member may be appointed as the member of the Partnership Board, if so desired.
- 4.5 The Partnership Board may delegate the discharge of agreed functions to its officers or a committee of its members in accordance with a scheme of delegation or on an ad hoc basis.

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<sup>1</sup> The six constituent members of the Berkshire Local Transport Body (BLTB) will have one representative between them on the Partnership Board.

Further detail of officer groups and a list of delegations will be developed through a full constitution.

### **Co-opted members**

- 4.6 TfSE proposes that governance arrangements for a statutory STB should maintain the strong input from our business leadership, including LEPs, district and borough authorities and protected landscapes. The regulations should provide for the appointment of persons who are not elected members of the constituent authorities but provide highly relevant expertise to be co-opted members of the Partnership Board.
- 4.7 A number of potential co-opted members are also set out in the draft legal proposal. Co-opted members would not automatically have voting rights but the Partnership Board can resolve to grant voting rights to them on such issues as the Board considers appropriate, for example on matters that directly relate to co-opted members' areas of interest.

### **Chair and vice-chair**

- 4.8 The Partnership Board will agree to a chair and vice-chair of the Partnership Board. The Partnership Board may also appoint a single or multiple vice-chairs from the constituent members. Where the chair or vice-chair is the representative member from a constituent authority they will have a vote.

### **Proceedings**

- 4.9 It is expected that the Partnership Board will continue to work by consensus but to have an agreed approach to voting where consensus cannot be reached and for certain specific decisions.
- 4.10 A number of voting options were considered to find a preferred option that represents a straightforward mechanism, reflects the characteristics of the partnership and does not provide any single authority with an effective veto. We also considered how the voting metrics provide a balance between county and other authorities, urban and rural areas and is resilient to any future changes in local government structures.
- 4.11 The steering group considered these options and preferred the population weighted option based on the population of the constituent authority with the smallest population (the Isle of Wight with 140,000 residents).
- 4.12 This option requires that the starting point for decisions will be consensus; if that cannot be achieved then decisions will require a simple majority of those constituent authorities who are present and voting. The decisions below will however require both a super-majority, consisting of three quarters of the weighted vote in favour of the decision, and a simple majority of the constituent authorities appointed present and attending at the meeting:
- (i) The approval and revision of TfSE's transport strategy;
  - (ii) The approval of the TfSE annual budget;
  - (iii) Changes to the TfSE constitution.

The population weighted vote would provide a total of 54 weighted votes, with no single veto. A table showing the distribution of votes across the constituent authorities is set out in Appendix 1. This option reflects the particular circumstances of TfSE, being based on the population of the smallest individually represented constituent member who will have one vote, and only a marginally smaller proportionate vote. It is considered that this option is equitable to all constituent authority members, ensures that the aim of decision making consensus remains and that smaller authorities have a meaningful voice, whilst recognising the size of the larger authorities in relation to certain critical issues.

- 4.13 The population basis for the weighted vote will be based on ONS statistics from 2016 and reviewed every ten years.
- 4.14 As outlined in paragraph 4.7, co-opted members would not automatically have voting rights but the Partnership Board can resolve to grant voting rights to them on such issues as the Board considers appropriate, for example on matters that directly relate to co-opted members' areas of interest. The current shadow arrangements to allocate votes to co-opted Board members are working well, recognising the important contribution that these members bring on environmental, economic and social issues. It would be strongly recommended that the Statutory Body would continue with these arrangements.
- 4.15 The Partnership Board is expected to meet twice per year. Where full attendance cannot be achieved, the Partnership Board will be quorate where 50% of constituent members are present.

#### **Scrutiny committee**

- 4.16 TfSE will appoint a scrutiny committee to review decisions made or actions taken in connection with the implementation of the proposed powers and responsibilities. The committee could also make reports or recommendations to TfSE with respect to the discharge of its functions or on matters relating to transport to, from or within TfSE's area.
- 4.17 Each constituent authority will be entitled to appoint a member to the committee and a substitute nominee. Such appointees cannot be otherwise members of TfSE including the Partnership Board.

#### **Standing orders**

- 4.18 TfSE will need to be able to make, vary and revoke standing orders for the regulation of proceedings and business, including that of the scrutiny committee. This will ensure that the governance structures can remain appropriate to the effective running of the organisation.
- 4.19 In regards to changing boundaries and therefore adding or removing members, TfSE would have to make a new proposal to Government under Section 102Q of the Local Transport Act 2008 and require formal consents from each constituent authority.

#### **Miscellaneous**

- 4.20 It may be necessary that certain additional local authority enactments are applied to TfSE as if TfSE were a local authority, including matters relating to staffing arrangements, pensions, ethical standards and provision of services etc. These are set out in the draft legal proposal.
- 4.21 TfSE also proposes to seek the functional power of competence as set out in section 102M of the Local Transport Act 2008.
- 4.22 TfSE will consider options for appointing to the roles of a Head of Paid Service, a Monitoring Officer and a Chief Finance Officer whilst considering possible interim arrangements.

#### **Funding**

- 4.23 **TfSE has raised local contributions from the constituent authorities and has secured grant funding from the Department for Transport to support the development of the Transport Strategy.**
- 4.24 TfSE will work with partners and the Department for Transport to consider a sustainable approach to establishing the formal STB and effectively and expeditiously as possible, bearing in mind the considerable support among regional stakeholders for TfSE's attainment of statutory status.

#### **Governance: Transport Forum and Senior Officer Group**

- 4.23 The Partnership Board will appoint a Transport Forum. This will be an advisory body to the Senior Officer Group and Partnership Board, comprising a wider group of representatives from user groups, operators, District and Borough Councils as well as Government and National Agency representatives.
- 4.24 The Transport Forum will meet quarterly and be chaired by an independent person appointed by the Partnership Board. The Transport Forum may also appoint a vice-chair for the Transport Forum, who will chair the Transport Forum when the chair is not present.
- 4.25 The Transport Forum's terms of reference will be agreed by the Partnership Board. It is envisaged that the Transport Forum will provide technical expertise, intelligence and information to the Senior Officer Group and the Partnership Board.
- 4.26 The Partnership Board and Transport Forum will be complemented by a Senior Officer Group representing members at officer level providing expertise and co-ordination to the TfSE programme. The Senior Officer Group will meet monthly.

## 5. Functions

*TfSE's proposal is to become a statutory sub-national transport body as set out in section part 5A of the Local Transport Act 2008.*

### General functions

- 5.1 Transport for the South East proposes to have the 'general functions' as set out in Section 102H (1) including:
- to prepare a transport strategy for the area;
  - to provide advice to the Secretary of State about the exercise of transport functions in relation to the area (whether exercisable by the Secretary of State or others);
  - to co-ordinate the carrying out of transport functions in relation to the area that are exercisable by different constituent authorities, with a view to improving the effectiveness and efficiency in the carrying out of those functions;
  - if the STB considers that a transport function in relation to the area would more effectively and efficiently be carried out by the STB, to make proposals to the Secretary of State for the transfer of that function to the STB; and
  - to make other proposals to the Secretary of State about the role and functions of the STB. (2016, 102H (1))<sup>5</sup>.
- 5.2 The general functions are regarded as the core functions of a sub-national transport body and will build on the initial work of TfSE in its shadow form. To make further proposals to the Secretary of State regarding constitution or functions, Transport for the South East will need formal consents from each 'constituent member'.
- 5.3 Transport for the South East recognises that under current proposals the Secretary of State will remain the final decision-maker on national transport strategies, but critically that the Secretary of State must have regard to a sub-national transport body's statutory transport strategy. This sets an important expectation of the strong relationship Transport for the South East aims to demonstrate with Government on major programmes like the Major Road Network and Railway Upgrade Plan.

### Local transport functions

- 5.4 Initial work has identified a number of additional powers that Transport for the South East may require that will support the delivery of the transport strategy. The table below provides an assessment of these functions.
- 5.5 **The powers which are additional to the general functions relating to STBs will be requested in a way that means they will operate concurrently and with the consent of the constituent authorities.**
- 5.6 To support the principle of consent, TfSE will adopt three further principles:
- That future operations of TfSE should, where possible, seek to draw down powers from central government, rather than seek concurrent powers with the local transport authorities;

- That decisions on the implementation of the powers are made at the most immediate (or local) level, i.e. by constituent authorities in the particular area affected; and
- Consent from the relevant constituent authorities will be obtained in advance of any Partnership Board decision on a particular scheme or project.

5.7 This approach will help to ensure that TfSE complements and supports the work of the constituent authorities and enables TfSE to promote and expedite the delivery of regionally significant cross-boundary schemes

**Table 1: Proposed powers and responsibilities**

POWER	RATIONALE
<b>General functions</b>	
<p><b>Section 102 H of the Local Transport Act 2008</b></p> <p>Prepare a transport strategy, advise the Secretary of State, co-ordinate the carrying out of transport functions, make proposals for the transfer of functions, make other proposals about the role and functions of the STB.</p>	<p>This legislation provides the general powers required for TfSE to operate as a statutory sub-national transport body, meeting the requirements of the enabling legislation to facilitate the development and implementation of a transport strategy to deliver regional economic growth.</p> <p>Government at both national and local level recognises that the solutions required to deliver regional economic growth are best identified and planned for on a regional scale by those who best understand the people and businesses who live and work there.</p>
<b>Rail</b>	
<p><b>Right to be consulted about new rail franchises</b></p> <p><i>Section 13 of the Railways Act 2005 – Railway Functions of Passenger Transport Executives</i></p>	<p>We are seeking the extension of the right of a Passenger Transport Executive to be consulted before the Secretary of State issues an invitation to tender for a franchise agreement.</p> <p>The right of consultation is significant to TfSE as it confirms our role as a strategic partner, enabling us to influence future rail franchises to ensure the potential need for changes to the scope of current services and potential new markets identified by TfSE are considered.</p> <p>TfSE is uniquely placed to provide a regional perspective and consensus on the priorities for rail in its area. This would benefit central government as a result of the vastly reduced need for consultation with individual authorities.</p> <p>We recognise that changes to the current franchising model are likely following the Williams Review; regardless of these changes, TfSE is clear that it should have a role in shaping future rail service provision.</p>
<b>Set High Level Output Specification</b>	TfSE requires a strong, formal role in rail investment decision making over and above that which is available to individual constituent



<p><b>(HLOS) for Rail</b></p> <p><i>Schedule 4A, paragraph 1D, of the Railways Act 1993</i></p>	<p>authorities. We act as the collective voice of our constituent authorities, providing an evidence-based regional perspective and consensus on the priorities for investment in our rail network.</p> <p>This power would enable TfSE to act jointly with the Secretary of State to set and vary the HLOS in our area, ensuring TfSE's aspirations for transformational investment in rail infrastructure are reflected in the HLOS and enabling an integrated approach across road and rail investment for the first time.</p>
<p><b>Highways</b></p>	
<p><b>Set Road Investment Strategy (RIS) for the Strategic Road Network (SRN)</b></p> <p><i>Section 3 and Schedule 2 of the Infrastructure Act 2015</i></p>	<p>TfSE requires a strong, formal role in roads investment decision making over and above that which is available to individual constituent authorities. We act as the collective voice of our constituent authorities, providing an evidence-based regional perspective and consensus on the priorities for roads investment.</p> <p>This power would enable TfSE to act jointly with the Secretary of State to set and vary the RIS in our area, ensuring TfSE's aspirations for transformational investment in road infrastructure are reflected in the RIS and enabling an integrated approach across road and rail investment for the first time.</p>
<p><b>Enter into agreements to undertake certain works on Strategic Road Network, Major Road Network or local roads</b></p> <p><i>Section 6(5) of the Highways Act 1980, (trunk roads) &amp; Section 8 of the Highways Act 1980 (local roads)</i></p>	<p>We are seeking the power that local highway authorities currently have to enter into an agreement with other highway authorities to construct, reconstruct, alter, improve or maintain roads.</p> <p>These powers, operated concurrently with the local authorities, will enable TfSE to promote and expedite the delivery of regionally significant cross-boundary schemes that otherwise might not be progressed. They would overcome the need for complex 'back-to-back' legal and funding agreements between neighbouring authorities and enable us to reduce scheme development time and overall costs.</p>
<p><b>Acquire land to enable construction, improvement, or mitigate adverse effects of highway construction</b></p> <p><i>Sections 239,240,246 and 250 of the</i></p>	<p>This power, exercisable concurrently and only with the consent of the relevant highway authority, would allow preparations for the construction of a highways scheme to be expedited where highway authorities are not in a position to acquire land.</p>

<i>Highways Act 1980</i>	Land acquisition by TfSE could facilitate quicker, more efficient scheme delivery, bringing forward the economic and broader social and environmental benefits. In the event that it is not possible to prevent environmental impact on the site of the scheme or project, consideration will be given to appropriate compensation/mitigation measures.
<b>Construct highways, footpaths, bridleways</b>  <i>Sections 24,25 &amp; 26 of the Highways Act 1980</i>	<p>The concurrent powers required to effectively promote, coordinate and fund road schemes are vital to TfSE. Without them, we would not be able to enter into any contractual arrangement in relation to procuring the construction, improvement or maintenance of a highway or the construction or improvement of a trunk road.</p> <p>Granting of these powers would enable TfSE directly to expedite the delivery of regionally significant road schemes that cross constituent authority boundaries that otherwise might not be progressed.</p>
<b>Make capital grants for public transport facilities</b>	
<b>Make capital grants for the provision of public transport facilities</b>  <i>Section 56(2) of the Transport Act 1968</i>	<p>This concurrent power would enable TfSE to support the funding and delivery of joint projects with constituent local authorities, improving deliverability and efficiency.</p> <p>Constituent authorities would benefit from the granting of this concurrent power as they may, in future, be recipients of funding from TfSE to partly or wholly fund a transport enhancement within their local authority area.</p>
<b>Bus service provision</b>	
<b>The power to secure the provision of such public passenger transport services as they consider it appropriate to secure to meet any public transport requirements within their area which would not in their view be met apart from any action taken by them for that purpose.</b>  <i>Paragraph 4 of Section 63 Transport Act 1985</i>	<p>Local transport authorities and integrated transport authorities have the power to secure the provision of such public passenger transport services as it considers appropriate and which would not otherwise be provided.</p> <p>Travel-to-work areas do not respect local authority boundaries. TfSE is seeking to have this power concurrently with the local transport authorities in our area, enabling us to fill in identified gaps in bus service provision within our geography or secure the provision of regionally important bus services covering one or more constituent authority areas which would not otherwise be provided.</p>

<b>Quality Bus Partnerships</b>  <i>The Bus services Act 2017 Sections 113C – 113O &amp; Sections 138A – 138S</i>	<p>TfSE is seeking powers, currently available to local transport authorities and integrated transport authorities, to enter into Advanced Quality Partnerships and Enhanced Partnership Plans and Schemes to improve the quality of bus services and facilities within an identified area. These powers would be concurrent with the local transport authority in the area.</p> <p>This would allow us to expedite the introduction of partnership schemes covering more than one local transport authority area which otherwise might not be introduced.</p>
<b>Smart ticketing</b>	
<b>Introduce integrated ticketing schemes</b>  <i>Sections 134C- 134G &amp; Sections 135-138 Transport Act 2000</i>	<p>We are seeking powers concurrently with local transport authorities to enable TfSE to procure relevant services, goods, equipment and/or infrastructure; enter into contracts to deliver smart ticketing and receive or give payments.</p> <p>This would enable us to expedite the introduction of a cost effective smart and integrated ticketing system on a regional scale which would dramatically enhance the journey experience and increase access to transport to support jobs and education.</p>
<b>Air quality</b>	
<b>Establish Clean Air Zones</b>  <i>Sections 163-177A of the Transport Act 2000 – Road User Charging</i>	<p>Local transport authorities and integrated transport authorities have the power under the Transport Act 2000 to implement road charging schemes.</p> <p>TfSE is seeking this general charging power as a mechanism for the introduction of Clean Air Zones, enabling reduced implementation and operating costs across constituent authority boundaries. This will be subject to the consent of the local transport authority.</p> <p>Transport is a major contributor to CO2 emissions and poor air quality; these are increasingly critical issues which our transport strategy will seek to address.</p>

<b>Other powers</b>	
<p><b>Promote or oppose Bills in Parliament</b></p> <p><i>Section 239 Local Government Act 1972</i></p>	<p>Local authorities have the power to promote or oppose Bills in Parliament; granting the power concurrently to TfSE reflects the devolution agenda of which STBs are a key part.</p> <p>Under the Transport and Works Act 1992, a body that has power to promote or oppose bills also has the power to apply for an order to construct or operate certain types of infrastructure including railways and tramways.</p> <p>Granting of this power would enable TfSE to promote, coordinate and fund regionally significant infrastructure schemes, accelerating delivery of cross-boundary schemes which might otherwise not be progressed.</p>
<p><b>Incidental amendments</b></p> <p><i>Local Government Act 1972, Localism Act 2011, Local Government Pension Scheme Regulations 2013</i></p>	<p>A statutory STB requires certain incidental amendments to enable it to operate as a type of local authority, with duties in respect of staffing, pensions, monitoring and the provision of information about TfSE.</p> <p>The incidental amendments sought are listed below in Appendix 2.</p>

## Powers and responsibilities not being sought

5.8 Transport for the South East does not propose seeking the following functions/powers:

POWER	RATIONALE
Set priorities for local authorities for roads that are not part of the Major Road Network (MRN)	TfSE will only be responsible for identifying priorities on the MRN
Being responsible for any highway maintenance responsibilities	There is no intention of TfSE becoming involved in routine maintenance of MRN or local roads
Carry passengers by rail	There are no aspirations for TfSE to become a train operating company
Take on any consultation function instead of an existing local authority	Local authorities are best placed to seek the views of their residents and businesses
Give directions to a constituent authority about the exercise of transport functions by the authority in their area (General Power s102P of Part 5A of the Transport Act 2008)	Constituent authorities understand how best to deliver their transport functions to meet the needs of their residents and businesses

5.9 The Williams Rail Review, to which TfSE have submitted a response, could recommend significant changes to the structure of the rail industry, including the role of STBs in both operations and infrastructure enhancement. As a result, we will keep the following functions under review pending Williams' recommendations and subsequent White Paper.

POWER	RATIONALE
Act as co-signatories to rail franchises	There are no current aspirations for TfSE to become involved in this area.
Be responsible for rail franchising	

## 6. Summary of support and engagement

- 6.1 Transport for the South East consulted on the draft proposal between 7 May 2019 and 31 July 2019. The consultation resulted in 96 responses from a wide range of stakeholders, including a number of local interest groups and members of the public.
- 6.2 An overwhelming number of respondents offered support for the creation of a statutory sub-national transport body in the south east. There were many, varied reasons for this support including:
- Opportunity for TfSE to speak with ‘one-voice’ to identify regional priorities and influence the investment decisions of central government and national agencies;
  - Greater focus on integrated transport solutions, developing multi-modal solutions that improve the end user experience;
  - Offering a greater level of democratic accountability; and
  - The ability to accelerate delivery of long-term, strategic infrastructure schemes.
- 6.3 A number of amendments have been made to the final draft proposal to reflect the comments raised by respondents to the consultation:
- Greater emphasis on environmental protection, climate change and social inclusion (sections 2 and 3);
  - Principle of subsidiarity and consent (para 5.6);
  - Governance (para 4.14); and
  - Bus and rail powers (section 5).
- 6.4 TfSE will seek consent from its constituent authorities and the final draft Proposal will be endorsed by the Shadow Partnership Board prior to submission to Government.
- 6.5 The final submission to Government will include a summary of engagement activities, including a list of the organisations engaged in the process and an appendix with a number of letters of support from key organisations and businesses.

## Appendix 1: Distribution of votes

TfSE constituent authorities	Population <sup>2</sup>	Number of votes <sup>3</sup>
Brighton and Hove City Council	287,173	2
East Sussex County Council	549,557	4
Hampshire County Council	1,365,103	10
Isle of Wight Council	140,264	1
Kent County Council	1,540,438	11
Medway Council	276,957	2
Portsmouth City Council	213,335	2
Southampton City Council	250,377	2
Surrey County Council	1,180,956	8
West Sussex County Council	846,888	6
<i>Bracknell Forest Council</i>	<i>119,730</i>	
<i>Reading Borough Council</i>	<i>162,701</i>	
<i>Royal Borough of Windsor &amp; Maidenhead</i>	<i>149,689</i>	
<i>Slough Borough Council</i>	<i>147,736</i>	
<i>West Berkshire Council</i>	<i>158,576</i>	
<i>Wokingham Borough Council</i>	<i>163,087</i>	
Berkshire Local Transport Body (total)	901,519	6
<b>Total</b>	<b>7,552,567</b>	<b>54</b>

<sup>2</sup> Population as per ONS 2016 estimates

<sup>3</sup> Number of votes = population/140,000 (the population of constituent authority with the smallest population, this being the Isle of Wight)

## Appendix 2: List of incidental powers sought

This appendix sets out the incidental amendments that will be needed to existing legislation. They include areas relating to the operation of TfSE as a type of local authority with duties in respect of staffing, pensions, transparency, monitoring and the provision of information about TfSE.

(1) Section 1 of the Local Authorities (Goods and Services) Act 1970 has effect as if TfSE were a local authority for the purposes of that section.

(2) The following provisions of the Local Government Act 1972 have effect as if TfSE were a local authority for the purposes of those provisions—

- (a) section 101 Arrangements for discharge of functions by local authorities
- (b) section 111 (subsidiary power of local authorities);
- (c) section 113 (secondment of staff)
- (d) section 116 (member of TfSE not to be appointed as officer);
- (e) section 117 (disclosure by officers of interests in contracts);
- (f) section 135 (standing orders for contracts);
- (g) section 142(2) (provision of information);
- (h) section 222 (power to investigate and defend legal proceedings);
- (i) section 239 (power to promote or oppose a local or personal Bill).

(4) Sections 120, 121 and 123 of that Act (acquisition and disposal of land) have effect as if—

- (a) TfSE were a principal council;
- (b) section 120(1)(b) were omitted;
- (c) section 121(2)(a) were omitted.

(5) Section 29 of the Localism Act 2011 (registers of interests) has effect as if—

- (a) TfSE were a relevant authority, and
- (b) references to “the monitoring officer” were references to an officer appointed by TfSE for the purposes of that section.

(6) In the Local Government Pension Scheme Regulations 2013—

- (a) in Schedule 2 (scheme employers), in Part 2 (employers able to designate employees to be in scheme), after paragraph 14 insert—  
“15. Transport for the South East.”;
- (b) in Schedule 3 (administering authorities), in the table in Part 2 (appropriate administering authorities for categories of scheme members), at the end insert—

“An employee of Transport for the South East	East Sussex County Council”
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(7) The Local Authorities (Arrangements for the Discharge of Functions) (England) Regulations 2012 have effect as if TfSE is a local authority within the meaning of s 101 Local Government Act 1972.