

Meeting of
East Sussex County Council
on Tuesday, 12 July 2022
at 10.00 am

NOTE: As part of the County Council's drive to increase accessibility to its public meetings, this meeting will be broadcast live on its website and the record archived. The live broadcast is accessible at: www.eastsussex.gov.uk/yourcouncil/webcasts/default.htm



EAST SUSSEX COUNTY COUNCIL

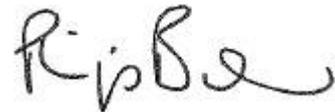
To the Members of the County Council

You are summoned to attend a meeting of the East Sussex County Council to be held at Council Chamber, County Hall, Lewes, **on Tuesday, 12 July 2022 at 10.00 am** to transact the following business

1. **Minutes of the meeting held on 10 May 2022** (Pages 5 - 18)
2. **Apologies for absence**
3. **Chairman's business**
4. **Questions from members of the public**
5. **Report of the Cabinet** (Pages 19 - 34)
6. **Cabinet priorities for the forthcoming year**
7. **Report of the Governance Committee** (Pages 35 - 36)
8. **Report of the Lead Member for Transport and Environment** (Pages 37 - 40)
9. **Questions from County Councillors**
 - (a) Oral questions to Cabinet Members
 - (b) Written Questions of which notice has been given pursuant to Standing Order 44
10. **Report of the East Sussex Fire Authority** (Pages 41 - 44)

Note: There will be a period for collective prayers and quiet reflection in the Council Chamber from 9.30 am to 9.45 am. The prayers will be led by Father Jim Horton, Priest in Charge at St Nicholas Church, Saltdean. The Chairman would be delighted to be joined by any members of staff and Councillors who wish to attend.

County Hall
St Anne's Crescent
LEWES
East Sussex BN7 1UE



PHILIP BAKER
Assistant Chief Executive

4 July 2022

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MINUTES

EAST SUSSEX COUNTY COUNCIL

MINUTES of a MEETING of the EAST SUSSEX COUNTY COUNCIL held at Council Chamber, County Hall, Lewes on 10 MAY 2022 at 10.00 am

Present Councillors Sam Adeniji, Abul Azad, Matthew Beaver, Colin Belsey, Nick Bennett, Bob Bowdler, Charles Clark, Chris Collier, Godfrey Daniel, Johnny Denis, Penny di Cara, Chris Dowling, Claire Dowling, Kathryn Field, Gerard Fox, Roy Galley (Vice Chairman), Nuala Geary, Keith Glazier, Alan Hay, Julia Hilton, Ian Hollidge, Stephen Holt, Eleanor Kirby-Green, Carolyn Lambert, Tom Liddiard, Philip Lunn, James MacCleary, Wendy Maples, Sorrell Marlow-Eastwood, Carl Maynard, Matthew Milligan, Steve Murphy, Sarah Osborne, Peter Pragnell (Chairman), Christine Robinson, Pat Rodohan, Phil Scott, Daniel Shing, Stephen Shing, Alan Shuttleworth, Rupert Simmons, Bob Standley, Colin Swansborough, Barry Taylor, Georgia Taylor, David Tutt and Trevor Webb

1. To elect a Chairman of the County Council

Councillor Galley (Vice Chairman of the County Council) in the Chair

1.1 The following motion was moved by Councillor Glazier and seconded –

‘To elect Councillor Pragnell to serve as Chairman of the County Council for the ensuing year’.

1.2 There being no other nominations, the Vice-Chairman put the motion to the vote and declared Councillor Pragnell elected as Chairman for the ensuing year. Councillor Pragnell made a declaration of acceptance of office and took the Chair.

Councillor Pragnell in the Chair

1.3 The Chairman thanked the Council for the honour it had bestowed on him in re-electing him as Chairman for a further year.

2. To appoint a Vice Chairman of the County Council

2.1 The following motion was moved by Councillor Glazier and seconded –

‘To appoint Councillor Galley to serve as Vice Chairman of the County Council for the ensuing year’.

2.2 The following motion was moved by Councillor Scott and seconded –

‘To appoint Councillor Daniel to serve as Vice Chairman of the County Council for the ensuing year’.

2.3 The Council agreed to vote by a show of hands. Following the vote, the Chairman declared Councillor Galley appointed as Vice Chairman of the County Council for the ensuing

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year. Councillor Galley made a declaration of acceptance of office and took his seat as Vice Chairman.

3. Minutes of the meeting held on 22 March 2022

3.1 RESOLVED – to confirm as a correct record the minutes of the County Council meeting held on 22 March 2022.

4. Apologies for absence

4.1 Apologies for absence were received on behalf of Councillors Johanna Howell, Paul Redstone and John Ungar.

5. Chairman's business

KEITH HINKLEY

5.1 The Chairman stated that Keith Hinkley, the Council's Executive Director of Adult Social Care and Health, has been a key part of the senior officer team here since he was appointed as Director of Adult Social Care in January 2005. I am aware that newer Members may not know Keith as, since October 2020 he has worked primarily in West Sussex as part of our local improvement partnership. Keith will be retiring later this month and I know we will all want to mark the occasion and thank Keith for all he has done for East Sussex. Keith joined the County Council in March 1992 and held various roles before becoming a Chief Officer. His contribution, professionalism and leadership in the transformation of adult social care services, the wider county council and the integration with health has been outstanding. I know you will all join me in wishing Keith a long and happy retirement. The Leader of the Council and Group Leaders also paid tribute to Keith.

CHAIRMAN'S ACTIVITIES

5.2 The Chairman reported that he had attended four engagements since the last meeting of the Council - the Reception for the Queens Award for voluntary service nominees, a performance of The Mikado at the White Rock Theatre, Hastings, the Mayoring Ceremony in Winchelsea and the Mayor Making Ceremony at Rye.

PETTITIONS

5.3 The following petitions were presented before the meeting by members:

Councillor Maples - calling for Brighton & Hove City Council to have representation on the Pension Committee

Councillor Rodohan - calling on the County Council to make Compton Place Road, Eastbourne safe for school children

PRAYERS

5.4 The Chairman thanked the Right Reverend Richard Moth for leading prayers before the meeting.

6. Record of delegation of Executive Functions

6.1 In accordance with the Constitution, the Leader of the Council presented his written record to the Council of the appointment of Deputy Leader and appointments to the Cabinet, their portfolios and his delegation of executive functions. A copy of the Leader's report is attached to these minutes.

7. Declarations of Interest

7.1 There were no declarations of interest.

8. Reports

8.1 The Chairman of the County Council, having called over the reports set out in the agenda, reserved the following for discussion:

Governance Committee report – paragraph 2 (Amendment to the Constitution – debate on Cabinet priorities)

NON-RESERVED PARAGRAPHS

8.2 On the motion of the Chairman of the County Council, the Council adopted those paragraphs in reports that had not been reserved for discussion as follows:

Governance Committee report – paragraph 1 (allocation to Groups of places on committees) and paragraph 3 (Adoption Agency Delegation)

Standards Committee report – paragraph 1 (annual report)

9. Report of the Governance Committee

Paragraph 2 (Amendment to the Constitution – debate on Cabinet priorities)

9.1 Councillor Glazier moved the reserved paragraph in the Governance Committee's report.

9.2 The following amendment was moved by Councillor Daniel and seconded:

a) Standing order 10 (11)

At the July meeting, to debate the Cabinet's priorities for the year ahead, with the exception of a year of Full Council elections when the debate will be held at the annual meeting

b) Standing Order 23 (2)

No speech shall exceed five minutes except where the Leader of the Council and the Leaders of the Opposition Groups are speaking at the start of the debate on the Cabinet's priorities. In this instance, each Leader shall be permitted to speak for up to 104 minutes – see Standing Order 45.

c) Standing Order 32.8

The Leader of the Council shall have a right of reply to the debate on the Cabinet's priorities for the year ahead.

d) Standing Order 45

DEBATE OF CABINET'S PRIORITIES FOR YEAR AHEAD

At the July meeting of the Council up to 90 minutes shall be set aside for a debate of the Cabinet's priorities for the year ahead (and its past achievements) with the exception of a year of Full Council elections when the debate will be held at the annual meeting. The Leader of the Council and the Leaders of the Opposition

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Groups shall be entitled to speak first and shall each be permitted to speak for up to 104 minutes. Any extension must be agreed by the Council. Otherwise the normal restrictions on the length of speeches shall apply. No motions may be moved during this debate. At the end of the 90 minutes' period (or sooner if the debate is concluded in less time) the Leader of the Council shall be entitled to reply to the debate.

9.3 Councillor Glazier indicated that he would be willing to accept the amendment.

9.4 The motion, as amended, was CARRIED.

10. Appointments to Committees and Sub-Committees

10.1 Councillor Bennett moved, and it was seconded, that the appointments be made to the Committees and Sub-Committees listed in item 8 of the agenda, in accordance with the list of nominations from the political and independent groups, which had been circulated.

10.2 The motion was CARRIED.

11. Appointment of Members to other Committees and Panels

11.1 Councillor Bennett moved, and it was seconded, that the appointments be made to the Committees and Panels listed in item 9 of the agenda, in accordance with the list of nominations from the political and independent groups, which had been circulated.

11.2 The motion was CARRIED

12. Confirmation to the continuation of other bodies

12.1 Councillor Bennett moved, and it was seconded, that the bodies listed in agenda item 10 be continued, that the political balance provisions shall not apply to these Panels and that members be appointed by the Chief Executive as the need arises.

12.2 The motion was CARRIED (with no member voting against).

13. Appointment to the Discretionary Transport Appeal Panel

13.1 Councillor Bennett moved, and it was seconded, that the political balance provisions would not apply to the membership of the Discretionary Transport Appeal Panel and that members be appointed in accordance with the list of nominations from political groups that had been circulated.

13.2 The motion was CARRIED (with no member voting against).

14. Appointment of Chairs and Vice Chairs

14.1 The following motion, moved by Councillor Bennett and seconded, was CARRIED:

To appoint the following members to positions listed below:

Committee	Chair	Vice-Chair
Regulatory	Chris Dowling	
Audit Committee	Swansborough	Fox

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People Scrutiny Committee	Howell	Ungar
Place Scrutiny Committee	Beaver	Hilton
Health Overview and Scrutiny Committee	Belsey	Robinson
Governance Committee	Glazier	
Planning Committee	Liddiard	Barry Taylor
Pension Committee	Fox	
Standards Committee	Belsey	

15. Questions from members of the public

15.1 Copies of the questions from members of the public and the answers from Councillor Fox (Chair of the Pension Committee) are attached to these minutes. A Supplementary question was asked and responded to.

16. Questions from County Councillors

16.1 The following members asked questions of the Lead Cabinet Members indicated and they responded:

Questioner	Respondent	Subject
Councillor Shuttleworth	Councillor Simmons	Coordination of works on the highway by fibre optic companies to minimise disruption to residents
Councillor Murphy	Councillor Glazier	Number of Judicial Reviews in which the County Council was a party in 2021/22 quarter 3
Councillor Osborne	Councillor Claire Dowling	Involvement of local members when considering changes to bus services
Councillor Scott	Councillor Glazier	Update regarding progress of the Gateway Project in Hastings
Councillor Webb	Councillor Maynard	Ukrainian refugee payment scheme and safeguarding issues in relation to placements
Councillor Georgia Taylor	Councillor Glazier	Representations regarding the subsidy to oil and gas companies and a windfall tax on profits made by

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such companies

Councillor Stephen Shing Councillor Maynard

Checks made on refugees
prior to being housed with
families in the UK

16.2 One written question was received from Councillor Lambert for the Lead Member for Resources and Climate Change. The question and answer are attached to these minutes. The Lead Member responded to a supplementary question.

THE CHAIRMAN DECLARED THE MEETING CLOSED AT 10.45 am

The reports referred to are included in the minute book

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Delegations approved by the Leader of the Council – 10 May 2022

(a) *names of the County Councillors appointed to the Cabinet*

The Cabinet comprises the following members

Portfolio	Appointment
Strategic Management and Economic Development	Councillor Keith Glazier
Resources and Climate Change	Councillor Nick Bennett
Economy	Councillor Rupert Simmons
Transport and Environment	Councillor Claire Dowling
Adult Social Care and Health	Councillor Carl Maynard
Children and Families (designated statutory Lead Member for Children's Services)	Councillor Bob Bowdler
Education and Inclusion, Special Educational Needs and Disability	Councillor Bob Standley

(b) *the extent of any authority delegated to cabinet members individually as portfolio holders will remain as set out in the Constitution of the County Council eastsussex.gov.uk/constitution or alternatively hard copies are available at County Hall, Lewes (please contact Andy Cottell – 01273 481955) and below.*

In overall terms the areas of responsibility for each portfolio holder includes the following (subject to any subsequent amendment by the Leader at his discretion) principal services to be interpreted broadly. In accordance with the wishes of the Leader, principal services are not to be construed restrictively. In the event of any doubt in connection to a decision made by a Lead Member, the Leader confirms that he has delegated full executive authority to that decision maker:

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Portfolio	Scope
Strategic Management and Economic Development	<ul style="list-style-type: none"> • Chairing and managing the executive and its work • Any executive function including overall strategy and policy for the Council • Principal service area responsibilities: Communications Local Enterprise Partnership Policy and Performance Health and Social Care Integration/Health and Wellbeing Board Equalities South East Seven Partnership Transport for South East (SNTB) Democratic Services <p>all ancillary activities</p>
Resources and Climate Change	<ul style="list-style-type: none"> • Any executive function including strategy and policy for all corporate resources matters • Principal service area responsibilities: Financial Management Property asset management Risk management Procurement Internal audit ICT Personnel and Training Legal Orbis Coroner services Council lead on Climate Change <p>all ancillary activities</p>
Economy	<ul style="list-style-type: none"> • Any executive function including strategy and policy for all economic development and regeneration and all ancillary activities • Principal service area responsibilities Economic Development Culture Skills (shared with Education) all ancillary activities Trading Standards

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<p>Transport and Environment</p>	<ul style="list-style-type: none"> • Any executive function including strategy and policy for all Transport and Environmental matters • Principal service area responsibilities: Operational services Planning and developmental control Transport strategy Archives and records Customer Services Emergency Planning Gypsies and travellers Libraries Registration Services Road Safety Environmental and waste strategy all ancillary activities
<p>Adult Social Care and Health</p>	<ul style="list-style-type: none"> • Any executive function including strategy and policy for all Adult Social Care and Public Health matters • Principal service area responsibilities: Services for vulnerable adults including older people, learning disability, physical disability, mental health, public health and all ancillary activities Community Safety Voluntary Sector
<p>Children and Families</p>	<ul style="list-style-type: none"> • Any executive function including overall strategy and policy for all Children's Services (social care) matters • Principal service area responsibilities: Child protection and family support Fostering and adoption for children Residential care for children Other aspects of social care for children Youth justice Youth service all ancillary activities

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Education and Inclusion, Special Educational Needs and Disability	<ul style="list-style-type: none">• Any executive function including strategy and policy for all Children's Services (education) matters• Principal service area responsibilities:<ul style="list-style-type: none">Quality and standards in educational establishmentsSpecial educational needsSchool admissions and transportEarly years and childcareSchool organisation and place planningSkills (shared with Economy)all ancillary activities
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(c) appointment to the position of Deputy Leader

Councillor Bennett to be appointed Deputy Leader of the County Council

(d) the terms of reference and constitution of the Cabinet and any executive committees together with the names of cabinet members appointed to them

The terms of reference and constitution of the Cabinet and any executive committees will remain as currently set out in the Constitution of the Council

(e) the nature and extent of any delegation of executive functions to local committees

There is no delegation of executive functions to local committees

(f) the nature and extent of any delegation to officers

The delegations of executive functions to Officers will be as set out in the Constitution. The delegations to Officers can be viewed via the following link:

[Constitution - Delegations to Officers](#)

or alternatively hard copies are available at County Hall, Lewes (please contact Andy Cottell – 01273 481955)

Urgent Executive Decisions

There were no executive decisions taken during 2021/22 where the making of the decision was agreed in accordance with Regulation 11 of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012.

Councillor Keith Glazier
Leader of the Council

QUESTIONS FROM MEMBERS OF THE PUBLIC

1. Question from Susan Conway, Hove

I live and practice as a solicitor in Hove and I am a member of the Association of UK Lawyers for Israel.

I refer to the letter sent by a Special Rapporteur to the UN Human Rights Council, to you and other Local Government Pension Scheme (LGPS) Committee Chairs on 22 November 2021 and published by the LGPS Advisory Board at <https://lgpsboard.org/images/Other/LetterLynk22112021.pdf>.

According to the LGPS Advisory Board, its Secretary together with the Chair and representatives of the Local Authorities Pension Fund Forum held a call with the Special Rapporteur on 11 January 2022.

The Association of UK Lawyers for Israel wrote to the Chair of the LGPS Advisory Board on 28 February 2022 and a reply on 11 April 2022 which states that

“the purpose of the meeting with the Special Rapporteur in January was to clarify and correct some of the assertions and misrepresentations made in his letter to enable the Board, if it wishes, to make a considered and measured response. ... the meeting with the Special Rapporteur is not to be taken as agreement by the Board with any of the claims or arguments he put forward in his letter. ... he has not provided the further information he undertook to provide in January and ... in consequence no follow up meeting has taken place.”

Can the Chair of the Pension Committee confirm that this Committee is focused on securing the best financial return for the East Sussex pension fund, that it does not take into account non-financial factors unless they satisfy the Law Commission’s test, and that it will disregard the claims in the Special Rapporteur’s letter?

Response by the Chair of the Pension Committee

The Pension Committee takes its fiduciary duties seriously and makes it clear its primary aim is to provide pension benefits for members and their beneficiaries when due. To do this the Pension Fund invests to secure the best financial return for its members balancing risk and return. The Fund is fully conscious that as administering authority, its power of investment must be exercised for investment purposes, and not for any wider purposes. The Fund takes a risk-based approach in setting and implementing its investment strategy. As a result, the fund only takes into account financial risk factors, and not non-financial factors motivated by other concerns such as improving members quality of life or showing disapproval of an industry or locality, unless the Fund can prove that the legal test is satisfied - in that there is no risk of significant financial detriment to the Fund and that the Committee have good reason to think that the scheme members share the concern.

The Pension Committee and Fund have not taken any action in response to the letter sent by a Special Rapporteur to the UN Human Rights Council on this matter and at this time does not intend to do so. The Fund publishes its Investment Strategy Statement

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and Funding Strategy Statement on its website which clearly lays out the approach of the Fund when investing. The Fund does engage with its Fund managers and with companies through collaborate engagement, where there is deemed to be a risk to a company and ultimately the return to the Fund. A statement was issued in July 2021 and is available on the website relating to Fund exposure of the companies flagged by United Nations Human Rights Office of the High Commissioner's ("OHCHR") A/HRC/37/39 Report as part of the Funds stewardship responsibilities to consider the operational impact on labour and other human rights issues, which can affect long term financial return of a company.

2. The same or similar questions were asked by:

Fiona MacGregor, St Leonards-on-Sea, East Sussex

Serena Penman, Lewes, East Sussex

Clare Finn, Hove

Philippa Hislop, Lewes, East Sussex

Anne Megan Griffiths, Lewes, East Sussex

Jane Wilde, Rye, East Sussex

Hannah Barker, Brighton

Emily Salisbury, Lewes, East Sussex

Anne Massey, Hove

Ann Holmes, Lewes, East Sussex

John Crosby, Hastings, East Sussex

Sarah Hazlehurst, Brighton

Susan Murray, Lewes, East Sussex

Elizabeth Ottosson, Eastbourne, East Sussex

Hugh Dunkerley, Brighton

Ayesha Mayhew, Brighton

Shella Parkin, Brighton

Robert Ralph, Hastings, East Sussex

David Silk, Battle, East Sussex

Sue Fasquelle, Lewes, East Sussex

John Hopkinson, Eastbourne, East Sussex

Andrea Needham, Hastings, East Sussex

Rona Drennan, St-Leonards-on-Sea, East Sussex

Will Dando, Pevensey Bay, East Sussex

Brian Leite, Hastings, East Sussex

Emily Price, St. Leonards-on-Sea, East Sussex

Sonya Baski, Lewes, East Sussex

Michael Carr, St Leonards-on-Sea, East Sussex

Ian Bunch, Hastings, East Sussex

Meg Lansom, Westham, East Sussex

Amanda Griffin, Hastings. East Sussex

Caroline Gorton, Brighton

Terence Neale, Brighton

Sarah Casey, Lewes, East Sussex

Lorraine Langham, Bexhill, East Sussex

John Lynes, St Leonards-on-Sea, East Sussex

Frances Saunders, Brighton

Jacqueline Emery, Seaford, East Sussex

Mick Venables, North Chailey, East Sussex

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Helen Rehin, Brighton
Jane Munro, Winchelsea, East Sussex
Jennifer Allan, Seaford, East Sussex
Gary French, Hastings, East Sussex
Deborah Crook, Eastbourne, East Sussex
Helen Bramley-Burgess, Eastbourne, East Sussex
Mary-Jane Wilkins, Lewes, East Sussex
Jonathan Penson, Hastings, East Sussex
Anne Fletcher, Seaford, East Sussex
Gabriel Carlyle, St Leonards-on-Sea, East Sussex
Aaran Allison, St Leonards-on-Sea, East Sussex
Arnold Simanowitz, Lewes, East Sussex
Charmain Kenner, St Leonards-on-Sea, East Sussex
Carol Smyth, Seaford, East Sussex

Does the East Sussex Pension Committee accept the conclusion of the International Energy Agency, that in order to limit global warming to 1.5°C there must be an immediate halt to all investments in new oil, coal and gas?

Response by the Chair of the Pension Committee

The Fund's principal role as laid down in statute is to invest to secure the best financial return for its members balancing risk and return so we can provide pensions on time and in full which are affordable. As an administering authority, the power of investment must be exercised for investment purposes, and not for any wider purposes. The Fund's Statement of Responsible Investment Principles states explicitly the importance which it attaches to engaging with the challenges and opportunities presented by the energy transition. In this statement the Pension Committee have stated that climate risk can present material financial risks to asset values and investment returns and this belief has driven fundamental changes in the investment strategy. The Fund's investments focused on climate solutions, greener revenues, impact equity, water, waste and resource efficiency amount to £1.5 billion. It is not for the Pension Committee to debate and agree or disagree with the views expressed by the IEA in its first piece of 1.5° modelling. It is one of many pieces of evidence that the Fund, its managers and collaborative partners, take into account when creating the investment portfolios and in engaging with publicly listed fossil fuel companies in pursuit of tipping the trajectory of their capital expenditure in the direction of renewable energy, while acknowledging that these companies have a strategic role to play as a bridge in that transition.

WRITTEN QUESTIONS PURSUANT TO STANDING ORDER 44

1. Question by Councillor Lambert to the Lead Member for Resources and Climate Change

Large parts of Warwick House in Seaford remain unoccupied several years after Adult Social Care re-located dementia care and other services to Eastbourne. No information appears to be forthcoming about whether or not the lease has been finalised, the use the building will be put to and a timetable for opening.

This building represents a significant investment of public money and it is important that residents are re-assured that every effort has been made to occupy the vacant space in a timely manner so that the County Council does not incur unnecessary costs.

Can the Lead Member please provide an update on this building? Can he also provide information on any other vacant buildings that the County Council owns for which no occupier has yet been found?

Answer by the Lead Member for Resources and Climate Change

At Warwick House, the areas that were vacated by Adult Social Care have been let to the NHS, on a 10 year lease starting from 6 December 2021. The NHS are finalising their plans for the refurbishment of the space. They plan to deliver services from the building once the works are complete. The NHS have advised they will be starting on site on 9 May so the community will start to see activity and occupation in due course.

There are two other Council owned building assets which do not have any other occupiers or interim uses. The Council is the long leaseholder of part of a building known as Magdala House, Rye. This property is no longer used for operational use. Discussions are occurring with the landlord to allow the Council to sub-let the space and it will be marketed shortly. The Council also owns Sackville House and there have been recent commercial additional lettings, so this office block is now 92% let. The remaining office suite is currently being marketed.

REPORT OF THE CABINET

The Cabinet met on 27 June 2022. Attendances:-

Councillor Glazier (Chair)

Councillors Bennett, Bowdler, Maynard, Simmons and Standley

1. Council Monitoring - Quarter 4 2020/21 – Year End

1.1 The Cabinet has considered a report on performance against the Council Plan, Revenue Budget, Capital Programme, Savings Plan and risks for 2021/22. Broad progress against the Council's four strategic priority outcomes is summarised below and an overview of finance and performance data is provided in the Corporate Summary at Appendix 1. Strategic risks are reported at Appendix 7.

1.2 Despite difficult circumstances through 2021/22 we have continued to deliver key services and have met the majority of the challenging targets that we set for the year. Alongside the continuing challenges of the pandemic we have had to respond to new issues linked to the increasing cost of goods and utilities and the outbreak of war in Ukraine. We have also experienced increasing demand for core services at a time of continued future financial uncertainty. Despite this we are forecasting a small net underspend as a result of our careful budget management.

1.3 36 (67%) of the 54 Council Plan targets were achieved and 11 (20%) were not achieved. Seven (13%) are carried over for reporting in quarter 1 of 2022/23. The carry overs are measures, where action has been completed, but the year-end outturn data is not yet available to report against the target.

1.4 Of the 54 targets, the outturns for 10 (19%) are not comparable with the outturns from 2020/21. Of the remaining 44 measures which can be compared, 19 (35%) improved or were at the maximum (i.e., the most that can be achieved); one (2%) remained the same; 17 (31%) had a lower outturn; and seven (13%) are carried over for reporting at quarter 1 2022/23. Although 17 measures are showing a lower outturn compared to 2020/21, nine of these met their target for 2021/22.

1.5 The Strategic Risk Register, Appendix 7, was reviewed and updated to reflect the Council's risk profile. Risk 1 (Roads), Risk 4 (Health), Risk 6 (Local Economic Growth), Risk 7 (Schools), Risk 14 (Post European Union (EU) Transition), and Risk 15 (Climate) have updated risk controls. Risk 5 (Reconciling Policy, Performance & Resources), Risk 8 (Capital Programme), Risk 9 (Workforce) and Risk 12 (Cyber Attack) have updated risk definitions and risk controls. The risk RAG rating was amended from Amber to Red for Risk 9 (Workforce) and Risk 17 (Safeguarding). Risk 16 (Covid-19) was removed from the Strategic Risk Register.

Budget Outturn

1.6 The details of revenue over and underspends in each department are set out in the relevant appendices, and show a total outturn overspend of £2.0m (£2.9m at quarter 3). The main headlines are:

- Pressures for Children's Services (CSD) have reduced slightly to £2.812m since quarter 3 (£3.052m). While this is a small improvement, many of the pressures remain, across Early Help and Social Care, in particular where LAC budgets continue to be under pressure from expensive residential agency placements, and the ongoing need to find countywide placements for families deemed intentionally homeless by the district and borough councils, as well as from pressures in the Family and Friends allowances.

Pressure on Home to School Transport budgets remains, with work continuing to identify operational solutions, including a case by case review of solo routes.

- The year-end outturn for Business Services (BSD) is a net underspend of £0.870m (£0.258m at quarter 3) arising primarily from staff vacancies, reduced costs of printers and consumables and additional rental income.
- The overspend for Adult Social Care (ASC) is £0.209m (£0.244m at quarter 3). This comprises an overspend of £0.977m in the Independent Sector offset by an underspend of £0.768m in Directly Provided Services, the latter mainly due to staff vacancies and a reduction in services resulting from COVID-19.
- Communities Economy and Transport and Governance Services are showing minor underspends of £0.072m and £0.036m respectively.

1.7 Within Treasury Management (TM) and other centrally held budgets there is an underspend of £6.3m, a small increase from quarter 3 (£6.2m):

- There is no change from the estimated £2.1m underspend on TM at quarter 3; this is based on the capital programme position removing the need to borrow externally in 2021/22. In line with normal practice this underspend has been transferred to reserves to offset capital borrowing.
- The General Contingency of £4.0m has, in the first instance, been used to offset service overspends. The remaining £2.2m has been transferred to the Financial Management reserves in line with the Council's Reserves Policy, to facilitate the management of financial risk in future years.

1.8 The total revenue budget underspend for 2021/22 is £4.3m. As stated above and in line with the Reserves Policy this underspend will be taken to reserves – Capital Programme reserve (£2.1m) and Financial Management reserve (£2.2m).

1.9 COVID-19 related costs and income losses have been fully mitigated from general and specific funding. The table below shows the current forecast for use of this funding:

COVID-19 Grants 2021/22 (£m)	Carried forward	Expected in-year	Forecast usage in-year	Specific set-aside for LAC & Parking in future yrs	Forecast balance remaining
COVID-19 General Funding	15.138	11.979	(13.042)	(5.205)	8.870
COVID-19 Specific Funding	15.032	31.050	(37.092)	0	8.990
Total funding	30.170	43.029	(50.134)	(5.205)	17.860

1.10 Capital Programme expenditure for the year totalled £75.6m against a budget of £85.6m, a net variation of £10.0m. Of the net variation position, £4.4m relates to Local Enterprise Partnership (LEP) funded projects being delivered by, or in partnership with others, where the timing of expenditure and delivery is largely outside of the Councils' control. Of the remaining £5.6m variation, main variations include:

- Schools Basic Need Programme – slippage of £0.8m mainly due to retention being held on projects nearing completion.

- Capital Building Improvements (Schools) – slippage of £0.6m due to the continued supply chain issues impacting the construction industry and the delivery of many projects. Manufacturing has yet to achieve the stability of the pre-pandemic period, with a backlog on orders evident by lead-in times. Issues around delivery of materials continues to be a global issue and cost increases for basic materials persist, continuing into quarter 4 following the invasion of Ukraine and global sanctions particularly impacting the supply of steel.
- IT & Digital Strategy Implementation – slippage of £1.2m largely relates to the Managing Back Office Systems (MBOS) programme where establishing the full resource complement for the programme has been challenging in the latter half of 2021/22. This has led to changes in the planned spend profile where spend has been lower or lagged from the anticipated rates when the programme was initially set up. Most roles are now filled, and whilst some resourcing variation is expected in 2022/23, this is not expected to have an impact on the overall MBOS budget. In addition, implementation costs to external partners are based on specific deliverables and are therefore subject to timing variations.
- Climate Emergency Works – slippage of £0.7m where the initial feasibility studies report arrived later than anticipated, impacting the timetable for delivery. Also, decarbonisation works at Ninfield School have been given priority to allow the expenditure of external grants to meet deadlines before progressing on to the next phase of works.
- Integrated Transport Schemes – slippage of £0.8m over a number of individual schemes for reasons including requirements for additional investigatory works, lack of contractor availability and land ownership issues.
- Street Lighting and Traffic Signals SALIX scheme – slippage of £0.7m due to the requirement for extended consultations on heritage style units and where additional time has been given to ensure that all options have been explored with stakeholders in sensitive areas.
- Broadband – spend in advance of £1.1m where additional premises have been brought into the contract (increased coverage); and secondly, an increase in costs as a result of Ofcom’s review of Openreach’s wholesale prices (the review was not finalised when the parties entered into the contract). There was also a small underestimation of the value of the work that Openreach would complete which is reflected in the year end position.

1.11 In addition, there is £0.4m of COVID-19 related costs that are funded from COVID-19 specific or tranche funding, thereby having a net nil impact on the Council’s capital programme.

Progress against Council Priorities

Driving sustainable economic growth

1.12 The Council has spent over £283m with 958 local suppliers over the last 12 months, which equates to 67.9% of total spend. The Procurement team continues to promote our contract opportunities to local suppliers, as well as building local supply chain opportunities into our tenders where possible. This focus on spending Council money within our local economy supports the East Sussex Economy Recovery Plan (Appendix 3).

1.13 Around £171m is being invested into the county because of the East Sussex Economy Recovery Plan to support the survival, reset, recovery and growth of the economy in the county. Over the last year business support programmes have assisted businesses to create or safeguard 194 jobs and Locate East Sussex have supported 29 businesses to remain within, or

relocate into, the county. 1,100 students, parents and teachers from across Sussex attended the live virtual careers event 'What's Next Sussex, in quarter 3 (Appendix 5).

1.14 76 carriageway improvement schemes have been completed in 2021/22 to maintain and improve the condition of the county's roads. Over 24,000 potholes have been repaired during 2021/22, of which almost 18,000 were carriageway potholes. The final road condition figures for 2021/22 will be reported in quarter 1 2022/23 (Appendix 5).

1.15 The Transport Hub organised the school transport of 4,500 children for the return to school in September 2021. This year was more challenging than usual, with a large scale retender project for the transport of 20% of pupils with Special Educational Needs and Disability (SEND); the removal of COVID-19 funding for additional transport capacity across the network and a larger than normal intake of new SEND children (Appendix 5).

1.16 93% of young people at academic age 16 (year 12) were participating in education, training or employment with training at the end of 2021/22, against a target of 93%. 85% of young people of academic age 17 (year 13) were participating, against a target of 86%. There has been a significant increase in the number of young people opting to enter employment without training and in other situations that do not meet the Department for Education's criteria for participation, such as opting into part time education and temporary employment. Increases in the cost of living are thought to be influencing young people's decisions. Participation of looked after children in Year 12 was also slightly below target at 78%; this is partly due to an increase in the number of children in this cohort, however this cohort has also been most affected by the impact of COVID-19 on their routines. The Virtual School and Through Care Team continue to work together to support these young people into education, employment and training (Appendix 4).

1.17 The Government's apprentice incentive payments and the Kickstart scheme finished at the end of 2021/22. At the end of the schemes the Council had drawn down over £150,000 in incentive payments, and 18 young people had been employed as 'Kickstarters'. At the end of 2021/22 265 Council members of staff were undertaking an apprenticeship, with 130 enrolling on a new apprenticeship during the year. Staff have enrolled on 33 different types of apprenticeships ranging from entry level to masters degree (Appendix 3).

1.18 215 premises were connected to improved broadband speeds in quarter 3 (reported a quarter in arrears), and the project is forecast to be complete in line with its revised deadline. A contract dispute during quarter 3 required a renegotiation, and the contract change, which included replacement premises, had to be formally approved by the Council and the Department of Digital Culture, Media and Sport (DCMS). This meant that the build was put on hold for a period which will result in us missing our target for the number of premises connected during 2021/22. However we are progressing well following the change and recommencement of work. The final total of premises connected for 2021/22 will be available as part of the quarter 1 monitoring 2022/23 (Appendix 5).

Keeping vulnerable people safe

1.19 During 2021 the Holiday Activity and Food (HAF) programme provided for more than 5,000 eligible young people in the county. In total across the Easter, summer, and winter holidays, more than 35,000 sessions were delivered across 150 sites. The programme supported 97 separate local providers and external partners, many of whom have gone on to apply for additional funding and deliver outside of these HAF-funded holiday periods. Although initially only funded for one year, it has now been confirmed that the programme will continue for the next three years (Appendix 4).

1.20 A report by The Association of Chief Trading Standards Officers showed that the Council's Trading Standards team helped to prevent residents of East Sussex from losing an estimated £400,000 in 2020/21. It also highlighted 303 scams victims where intervention by Trading Standards saved the victims a combined £24,600, that 98,000 illegal cigarettes were seized, and that fraudulent traders were ordered to pay back £41,300 through the Proceeds of

Crime Act. Trading Standards made 227 positive interventions to protect vulnerable people during 2021/22; including visiting vulnerable people, installing call blockers, and rapid responses to people at risk of being defrauded (Appendix 5).

1.21 At the end of 2021/22 the rate of children on a child protection plan fell slightly to 50.3 per 10,000 children aged 0-17, however this is above the target rate of 49.4. This is part of an overall increase in demand for support from children's social care. The rate of looked after children also remained above target at 58.9 per 10,000 children, this is due in part to the ongoing significant delays in the court system (Appendix 4).

1.22 The role of the Exclusions Prevention Coordinator was expanded in 2021/22 to cover all secondary schools across the county. The coordinator supports schools to look for alternatives to permanent exclusion and schools can now apply directly to the coordinator for a child to move schools if they have done something that would mean returning to their current school may lead to a permanent exclusion. 91% of these placements have been successful and, over the course of the year, the rate of permanent exclusions across the county has dropped by 74% (Appendix 4).

1.23 During quarter 4 the Prevent Project officer delivered 78 Prevent themed workshops across East Sussex, to try and prevent violent extremism, reaching approximately 2,900 students and staff. The workshops included 42 Relation-SHOPS delivered to year 6 students; 34 workshops to raise awareness of Prevent to year 7 – 12 pupils; and two staff training workshops around the Prevent duty (Appendix 2).

Helping people help themselves

1.24 New online resources were created following the invasion of Ukraine to help local residents and arriving refugees find information and support. These have included welcome guides for hosts and their guests in the Homes for Ukraine scheme. Web pages are being translated into Ukrainian and Russian and an online translation tool has been applied to our website to help people find information in the best language for them (Appendix 6).

1.25 24 schemes to improve the road safety infrastructure in the county were completed in 2021/22. As part of the national Bikeability scheme, which helps to prepare people for cycling safely on the road, we delivered 445 Bikeability courses to 4,010 individuals during 2021/22 at participating schools and the Cycle Centre at Eastbourne Sports Park. We also delivered 160 Wheels for All sessions, which are aimed at adults and children with disabilities and differing needs and helps them to cycle in a safe and structured environment, to 3,166 attendees at the Sports Park (Appendix 5).

1.26 The number of people receiving Technology Enabled Care Services was below target at the end of year at 8,150 people. This is due to a fall in the number of people eligible for the service, rather than a decrease in take-up, with some clients moving out of the area or into residential homes for example. The percentage of referrals triaged and progressed to required services by Health and Social Care Connect within required timescales remains off target due to staffing issues. As reported previously performance was higher for those referrals where a service was needed, as opposed to information and advice (Appendix 2).

1.27 The number of eligible households receiving a family support intervention under the government's Supporting Families programme in 2021/22 was 856, below the target of 900. This was due to staff vacancies within the early help service; however, a recruitment strategy is in place to address this. Despite lower than expected levels of engagement we had a high number of successful payment by results claims (Appendix 4).

1.28 We provided support to GPs to help them recommence NHS Health Checks during 2021/22. The latest available figures show that due to staffing pressures and care backlogs only 70% of GP practices had resumed their usual NHS Health Checks service. However, we have had success with our other Public Health work, with our East Sussex Smoking Cessation service (part of One You East Sussex) being ranked as the top performing smoking cessation service in the South East, and the 14th highest performing service in England for 2020/21, in a

report from NHS Digital. The service has continued to improve performance despite having to shift from face to face to remote provision during the pandemic. (Appendix 2).

1.29 Health and social care integration has continued in 2021/22. Although the start date for the introduction of statutory Integrated Care Systems (ICS) under the Health and Care Bill was delayed nationally to 1 July, discussions have progressed on the governance arrangements between local NHS organisations, Local Authorities and wider partners in our Sussex ICS, so that the new NHS Sussex Integrated Care Board and Sussex Health and Care Assembly can start to operate in shadow form ahead of 1 July. Adult Social Care and Health have continued to take a lead role in supporting people in East Sussex to access appropriate health and care, as well as mobilising the vaccination booster rollout as part of the response to the Omicron variant of COVID-19. Although these urgent priorities have led to some delays to our strategic integration plans, we have also continued our focus on joint work to transform care models and pathways to help us build on the developments that have been accelerated by the pandemic and support the continued restoration and recovery of our health and care system, in a sustainable way (Appendix 2).

Making best use of resources in the short and long term

1.30 The Council has continued to lobby the Government during 2021/22 to influence policy development in a range of areas, including levelling up, the future of children's social care and local authority funding. The Leader and the Chief Executive have continued to raise issues and priorities for the county with our local MPs and Government ministers during 2021/22, including during a visit from the Minister for Children and Families to summer holiday activities in the county in summer 2021; and during a visit from the Chancellor of the Exchequer to Newhaven in January 2022 (Appendix 6).

1.31 Additional funding announced by the Government, together with our prudent planning, means that, for now, our financial position remains secure. However, the updated financial outlook shows that we are likely to face a much more challenging position from 2023/24 onwards, so we will need to continue to work with our local, regional and national partners to highlight the specific needs of East Sussex, and to press for fair and sustainable allocation of funding that enables us to continue to meet the needs of our residents. An £8.9m reserve was created in October 2021, made up of money made available due to the impact of COVID-19 and additional funding from Government. Cabinet agreed, in November 2021, to use the reserve for one-off investments in highways and to tackle climate change (Appendix 6).

1.32 There has been an overall increase in carbon emissions of 1.4% at the end of quarter 3 (reported a quarter in arrears) against emissions for the same period in 2020/21. This is a significant improvement compared to quarter 2, which saw an increase of 18.5% compared to the same period in 2020/21. The smaller increase is largely due to warmer temperatures experienced when compared to the same period last year. Compared to the pre-pandemic year of 2019/20 overall emissions are down 17.8%. A number of projects to reduce the Council's carbon footprint have been completed in 2021/22, including over 525 solar panels being fitted to Council buildings, and nine buildings having LED lighting schemes fitted. Additionally, feasibility studies on heat plans for 20 buildings were completed to help inform 2022/23 investment plans (Appendix 3).

1.33 Team East Sussex endorsed the Climate Emergency Road Map for East Sussex, Environment Strategy 2020 | East Sussex County Council, in January 2022 (Appendix 5).

1.34 Thousands of young people from 26 secondary schools, colleges and youth voice groups across the county voted in the new Youth Cabinet in December 2021. The 22 newly elected members will serve a two-year term representing the views of all young people across East Sussex. The Youth Cabinet works on local and national campaigns, informing and lobbying decision makers, advocating for the power of youth voice and participating in special events and projects. The Youth Cabinet's campaign themes; jobs, homes, money and opportunities, and the environment; were determined by the Make Your Mark ballot in which over 10,000 young people voted (Appendix 4).

1.35 At the Local Authority Pension Fund (LAPF) Investment Awards 2021 (which were delayed due to COVID-19), the East Sussex Pension Fund was named 'Local Government Pension Scheme (LGPS) Fund of the Year for assets over £2.5 billion' and was highly commended in the 'Best Climate Change Strategy Award' (Appendix 3).

2. Reconciling Policy Performance and Resources – State of the County

2.1 The Cabinet considered a report on the State of the County which is a key part of the Council's Reconciling Policy, Performance and Resources (RPPR) process, its integrated business and financial planning cycle. The report set out an overview of the current context in preparation for more detailed planning for 2023/24 and beyond. In conjunction with our 2021/22 year-end monitoring report, it reflects on the achievements over the last year, the challenges in the year ahead arising from both local and national factors and, in light of this, begins to refine plans to guide business planning and budget setting processes. This report contains the normal elements included in the State of the County report: the demographic evidence base; the national and local policy outlook; and updates on the Medium Term Financial Plan and Capital Programme. It gives our up to date understanding of how we will need to continue to respond to the wide range of policy, demographic and financial drivers which influence the outlook for the Council in the short and longer term.

2.2 Significant uncertainty continues to dominate the context within which we are working. The challenging national economic environment and recent increases in the cost of living directly affect us locally, both in terms of the impact on our residents, particularly the most vulnerable, and in terms of cost and resource pressures on the Council itself. These new economic challenges come as local businesses and households recover from Covid impacts, creating new risks alongside the new opportunities we have sought to maximise in the county. The financial outlook for the Council remains unclear with a further one year financial settlement anticipated for 2023/24 and key national reforms to local government funding likely to be delayed. Many of our major, demand-led, services are, or are likely to be, subject to significant national reforms, with accompanying service and financial risks to manage, and there is a continuing pressing need to work towards addressing the impacts of climate change. Although we have now moved to a position of living with Covid, the impact of the pandemic is ongoing and will continue to have consequences for people, businesses and services in the short and longer term. We are also playing an increased role in supporting people displaced by global conflicts and seeking refuge in East Sussex. All these factors combine to create the volatile and highly challenging backdrop against which we must plan for the future.

2.3 In light of the multi-faceted pressures we face, it is essential that we continue to direct our resources, in partnership with others, in the most effective way to support our priorities and core service provision. The Council spends over £900m gross each year (in the region of £450m net) on services for the county. RPPR provides the vehicle by which we ensure our financial and other resources are aligned to delivery of our priority outcomes and that we are informed by a clear understanding of our effectiveness. This approach, additional short-term Government support, and many years of careful financial management enabled us to maintain a secure financial position during the past two years defined by the Covid pandemic, providing stability during this difficult time. However, the financial outlook in the medium term remains very challenging and uncertain with a number of key risks which cannot yet be fully defined.

2.4 In this context the report sets out our proposed lobbying and communications focus to help us ensure that the Government is aware of the needs of our county and the ongoing and urgent need for a sustainable multi-year funding settlement. In particular we will highlight the need for full funding of the major reforms to social care provision for adults and children and to support for Special Educational Needs and Disability (SEND), if we are to maintain core services in the future in light of growing demand and stretched resources.

Current position

2.5 The past year continued to illustrate the key role the County Council plays for the residents, communities and businesses of East Sussex as the county emerged from the peak of the Covid pandemic and attention turned to recovery. Through our services, employment, purchasing and how we work in partnership with others the Council makes a significant contribution to quality of life for people across our county. The need for our support is heightened by the enduring impacts of the pandemic and the current pressures on cost of living, both of which disproportionately impact on the most vulnerable. More recently, we have worked with partners and communities across the county to mobilise a local response to the situation in Ukraine and the arrival of hundreds of refugees. Our assessments of the ongoing levels of need arising from recent developments continue to be refined and will influence our plans as we better understand the longer-term implications.

2.6 In developing our medium and longer term plans we will need to have regard to the broader context in which we will be working. The national policy environment is rapidly developing, with significant reforms brought forward by Government across a wide range of services, requiring a significant and often rapid response across all departments. The national and local context includes:

- The challenging and uncertain national economic situation, current high levels of inflation and the increased cost of living, particularly rising energy, fuel and food prices. This environment is likely to impact on the demand for our services as well as directly on the costs of providing services.
- The Government's economic and policy agenda, as set out in the recent Queen's Speech, in particular the programme outlined in the Levelling Up White Paper and Levelling Up and Regeneration Bill, the impact of new post-EU funding regimes and changes to arrangements for driving economic growth locally.
- Specific uncertainty over the future of local government funding. A planned funding review, covering the formula on which funding allocations to individual local authorities are based, now appears likely to be deferred, increasing the likelihood of a further one year financial settlement for 2023/24. In addition, major national reforms to Adult Social Care and Children's Services (see below) carry considerable financial risks for local authorities. These are significant areas of change that currently are not fully understood and cannot be fully quantified but will have potentially significant financial impact.
- The impact of Government reviews and reforms of public services – In September 2021, the Government announced plans to increase funding for health and social care over the next three years and to reform the way that Adult Social Care is funded, with significant changes to the way individuals' financial contribution to their care is managed, as well as the fees paid for care. Further reforms were set out in the subsequent People at the Heart of Care and Integration White Papers. Taken together, these amount to a major system change with significant impact on our services.
- In addition to the reforms to Adult Social Care there are significant changes to our responsibilities arising from the Education White Paper and Schools Bill and Special Educational Needs and Disability (SEND) Green Paper, and further impacts arising from the recommendations of the national review of children's social care, the Government response to which is currently in development.
- The growing impact of climate change, the national and local commitments to achieve carbon neutrality, the need to adapt to the impacts of climate change, and the introduction of a range of new measures through the Environment Act.

- Significant national policy developments related to planning, infrastructure, and transport and, locally, the re-procurement of our highways contract, and taking forward our Bus Services Improvement Plan and refresh of our Local Transport Plan.
- The increasing need to support refugee resettlement in light of global conflicts and increased numbers of people seeking asylum, including unaccompanied children.
- The impact of current low rates of unemployment and significant workforce shortages in key sectors on our ability to recruit and retain staff, coupled with the need for our workforce to adapt to service reforms and post-pandemic changes to working patterns.
- Opportunities to continue to build on positive work with our public, Voluntary, Community and Social Enterprise Sector (VCSE) and private sector partners during the Covid pandemic, and more recently to deliver the Homes for Ukraine scheme in East Sussex. We will look to further develop our ability to tackle issues in partnership in the future, including building community wellbeing and responding to the increased need in our communities.
- The ongoing need to support post-Covid recovery and adjustment, both in our services and for society and the local economy.

2.7 The local and national policy outlook at Appendix 9, sets out the latest thinking on these and other current issues, although plans will continue to develop over the summer as more information emerges.

2.8 Faced with diminishing resources and increasing demand, especially in social care, the Council has made significant savings over the past decade to live within our means. These difficult decisions, together with short-term additional support from Government and sound financial management has placed the Council in a relatively stable position for 2022/23 and enabled us to avoid the need for further savings. However, cost pressures have already increased in the current year and the outlook in the medium term is far more challenging. There remains a significant gap between the income we currently expect to receive and the costs of providing core services, with significant additional risk arising from Adult Social Care and other reforms. Fundamentally, without further Government support or sustainable reform of local government finances we will not have the funding we need for the future. Further detail on the financial outlook is provided at paragraphs 2.16 to 2.24.

2.9 In all our activities, and in planning for the future, the County Council continues to work to our guiding principles that:

- What we do represents good value for money;
- Our activities are transparent and we can be held to account;
- We operate as One Council and focus on key areas for County Council action;
- We prioritise the investment available for front line service delivery by maximising the resources available to us through treasury management, working to secure sustainable national funding and working in partnership with other organisations;
- We work towards achieving carbon neutrality in our activities as soon as possible and take account of the climate impact of what we do;
- We remain focused on delivering our priority outcomes;
- We carry out all we do professionally and competently; and

- We remain ambitious, optimistic and realistic about what can be achieved.

Demographic and Demand Changes and Financial Background

2.10 Appendix 8 sets out the key factors affecting the County in relation to demography, housing, deprivation, health, the environment and economy, and the impact these are having on demand for our services. The main issues driving demand are:

- Older People - form a high proportion of the population of the County which has an impact on the demand for services and the Council's finances.
- Children and Young People – we have seen an increasing demand for support for Children's Social Care which has resulted in a higher number of child protection cases. The number of children and young people with Education, Health and Care Plans (EHCPs) continues to increase.
- Economy- there are signs that our local economy is recovering from the effects of the pandemic, with a decrease in unemployment. However, recent increases in utilities costs and the cost of living may affect growth in the short-term.
- Climate change – CO2 emissions were falling in all sectors in East Sussex except transport before the pandemic. Although we had the lowest emissions of carbon dioxide per person of all the County Council areas in England, further reductions will be needed.

Council Priority Outcomes

2.11 The Council's business and financial planning is underpinned by its four priority outcomes, which provide a clear focus for decisions about spending and savings and direct activity across the Council.

- 2.12 The current four priority outcomes are:
- Driving sustainable economic growth;
 - Keeping vulnerable people safe;
 - Helping people help themselves; and
 - Making best use of resources now and for the future.

The priority outcome that the Council makes the "best use of resources now and for the future" is a test that is applied to all activities to ensure sustainability of our resources, both in terms of money and environmental assets. It ensures that the future impact of the choices we make about using resources is actively considered across all that we do, as well as the here and now.

2.13 The priority outcomes, and their subsidiary delivery outcomes, were reviewed and updated during 2020/21 with some amendments made to delivery outcomes to ensure that they appropriately reflected the operating context as it had been impacted by Covid. Although the impact of Covid persists, we have now moved to a position of living with the virus longer term and it is considered timely to review priority and delivery outcomes once again to ensure the priorities we are working to deliver, and the way we measure the performance of our activities and services, remain appropriate.

2.14 The current priority and delivery outcomes are attached at Appendix 10 (section a) and the following changes have been agreed to delivery outcomes:

Driving sustainable economic growth

In light of the changed context, and the intention to move forward, during 2023/24, from the Economy Recovery Plan developed to support the immediate recovery of the

county's economy from Covid, it is proposed to amend the below delivery outcome as shown below:

- East Sussex businesses are supported to ~~recover~~ **succeed** and grow **sustainably** ~~through the delivery of the Economy Recovery Plan~~

Reflecting both current and future workforce challenges and the opportunity to capitalise on changes in working patterns following Covid, the following amendments are proposed:

Delete:

- The county's employment and productivity rates are maximised

To be replaced with:

- **The county is an attractive place to live, work and do business**
- The workforce has and maintains the skills needed for good quality employment to meet the needs of the **current and** future East Sussex economy

To reflect up to date terminology and pathways the following wording amendments are proposed:

- All children progress well from early years ~~to~~ **through** school ~~leave~~ and into **post-16** education, training and employment

Keeping vulnerable people safe

To reflect the importance of family, friend and community support networks to vulnerable adults and children, which was highlighted during Covid-19, it is proposed make an amendment and addition as below:

- People feel safe at home **and well supported by their networks**
- **Children grow up supported by enduring, loving relationships**

To reflect the evolution of the Covid response and the ongoing focus on health and social care integration, it is proposed to broaden the following delivery outcome beyond Covid-19 by making amendments as follows:

- We work with the wider health and care system to support people ~~affected by Covid-19~~ to achieve the best ~~health~~ outcomes possible

Helping people help themselves

In light of the strengthening of mutual support systems during Covid and the Ukraine crisis and the continuing role of these in responding to ongoing levels of need in communities, it is proposed to change the below delivery outcome to better reflect our partnership with the VCSE sector and the role community-based support is playing:

Delete:

- Through our work with others, individuals and communities are encouraged to maintain and develop local mutual support systems

To be replaced with:

- **Through working well with the voluntary, community and social enterprise sector, individuals, families and communities are supported to be independent and to thrive**

Making best use of resources now and for the future

To simplify and make clearer our focus on working as a single organisation across our activities it is proposed to shorten the following delivery outcome:

- ~~Working~~ **We work** as One Council ~~both through the processes we use and how we work across services~~

To fully reflect our effective and valued partnerships, including with the VCSE sector, which have been further strengthened through joint work in relation to challenges such as Covid and support for Homes for Ukraine, it is proposed to amend the following delivery outcome as shown:

- ~~Delivery through~~ **We work in** strong and sustained partnership ~~with working~~ across the public, voluntary, community, **social enterprise** and private sectors to ensure that ~~all available~~ **our collective** resources **and influence** are used to deliver maximum benefits ~~to local people~~

To address current and future workforce challenges and the need to focus on effective recruitment and retention of staff to support service delivery it is proposed to add the following delivery outcome:

- **We are an employer of choice and support our staff to achieve and develop**

The proposed updated delivery outcomes, including all the above amendments and additions, are also shown at Appendix 10 (section b).

2.15 Cabinet reviewed the current priority and delivery outcomes and agreed them as the basis for future business and financial planning, subject to the amendments outlined in paragraph 2.14 above.

Medium Term Financial Plan

2.16 When the 2022/23 balanced budget was approved by Full Council on 8 February 2022, the deficit on the Medium Term Financial Plan (MTFP) to 2024/25 was £9.608m. Updating the MTFP for normal factors (such as the latest inflation rates and an additional year), the position would have been a deficit budget position by 2025/26 of £14.999m:

Medium Term Financial Plan	2023/24	2024/25	2025/26
	£m	£m	£m
Total Budget Deficit / (Surplus)	6.480	5.056	3.463
Annual Budget Deficit / (Surplus)	6.480	11.536	14.999

2.17 The impact of the pandemic, global supply chain issues and levels of inflation not seen for decades, combined with the Ukraine situation, has led to an unprecedented level of financial uncertainty. At a national level, the Government funding that ESCC will receive between 2023/24 – 2025/26 is yet to be confirmed. Although the Chancellor of the Exchequer presented a three-year financial plan in his budget in 2021, the Local Government Financial Settlement was only a one year settlement for 2022/23. We therefore await the provisional settlement for 2023/24, which will be in the late autumn of 2022.

2.18 Although Government has given a strong commitment to update the current local government funding regime, it is considered increasingly likely that funding reforms will be delayed until after 2023/24, due to lack of time available to undertake a full consultation and implement major funding changes. The Queen’s Speech did however list a Non-Domestic Rating Bill, which includes reducing the rates revaluation cycle from five years to three years from 2023, which has been the subject of previous consultations. On 30 May the Department for Levelling Up, Housing and Communities also issued a [consultation](#) seeking views on the transitional arrangements to be adopted at the 2023 Business Rates Revaluation. The nature of any further reform and how this will impact the continuation of existing Business Rates pooling arrangements for 2023/24 and onward, is not clear.

2.19 As a result of the major national Adult Social Care reforms (outlined at paragraph 2.6 above and in more detail at Appendix 9), local authorities will become responsible for funding care for a larger number of people as more residents become eligible for local authority funded care and support. The rate local authorities will need to pay providers for individual placements will increase. There will also be a significant increase in demand for both Care Act and financial assessments which will increase operational costs. Modelling work is underway to inform the MTFP in the autumn; the current assumption is that, as the costs of reform are new burdens, they will be fully funded; the reality may well be different. A report by the County Councils Network (CCN) and Newton, released on 25 May, provides the first independent analysis of these reforms. It estimates that the cost of reforms in the nine years from when they are introduced to 2032 could be a minimum of £10bn higher than currently estimated and could create a further workforce crisis in social care, with over 5,000 extra staff projected to be required to carry out extra care and financial assessments for those seeking to benefit from the reforms. The analysis also indicates a significant regional variation in the costs of implementing the reforms, with councils in county and rural areas disproportionately impacted. Councils in England's counties account for 57% (£14.3bn) of the total estimated minimum costs of the reforms over the next decade. There is also very significant regional variation, primarily driven by the variation in population wealth and house values; this looks to be of particular impact in the South East. Counties in the South East, such as East Sussex, are expected to be most significantly affected given the current high levels of people paying for their own care (self-funders) and relatively high fee rates compared to other parts of the country (meaning the care cap would be reached more quickly).

2.20 In addition to Adult Social Care reforms, there are a range of other significant policy and legislative changes across services, particularly within Children's Services and Communities, Economy and Transport as outlined in paragraph 2.6 of Appendix 9. The impacts of these changes are still being explored and, at this point, the MTFP assumes that, as new burdens, the pressures will be fully funded by government, therefore net nil.

2.21 At a local level, the impact the economic downturn and cost of living crisis has had, and will have, on collection rates and base growth for Council Tax and the levels of Business Rates remain unclear, and local Council Tax Reduction Schemes will see a further reduction in the collection of Council Tax.

2.22 With all this uncertainty, it is not possible to present a draft MTFP to 2025/26. It is planned to work through the details required over the summer as more information becomes available and also factor in the budget requirements for services. After this work, modelling will provide a set of balanced budget scenarios considering the local and national position that presents itself.

2.23 As reported at Full Council in February 2022, the Local Government Settlement provided the Council with a Services Grant of £5.175m. The government statement supporting this funding highlights that this is a one-off grant and will not be taken into consideration for transitional protection when future system changes are made (but will be used for transitional support). As such, in future years the distribution formula may change with regard to transitional support provided. It was agreed therefore that this grant will be held in reserves for one-off investment opportunities.

2.24 Ideas and opportunities are now being considered for use of this one-off resource, which can be revenue and/or capital in nature and can be spread across multiple years. It is proposed that any investment ideas should focus on, and be assessed against, the following principles:

- enabling a significant improvement in delivering to the Council's priorities and/or performance targets
- managing service demands
- avoiding future costs

- proactively addressing known future issues; or
- having a positive impact on the Medium Term Financial Plan.

Cabinet moved to recommend the draft criteria and will seek views from scrutiny on them through discussion at the July meetings of People and Place Scrutiny Committees. A final set of criteria and investment proposals for consideration will be reported as part of the RPPR process through the autumn.

Capital Programme

2.25 The approved programme has now been updated to reflect the 2021/22 outturn and other approved variations, revising the gross programme down to £676.0m to 2031/32. The details are set out in Appendix 11, together with the revised programme.

2.26 As part of the Queen's Speech in May, the government announced new measures to address excessive risk arising from borrowing and investment practices. The measures, to be taken forward through the Levelling Up and Regeneration Bill, will put in place statutory powers allowing the government to investigate local practices and, where necessary, require remedial action by an authority where there is excessive risk to financial stability from capital practices. The intent of the powers is to provide the government with the ability to take targeted and precise action where it has concerns, without the need for further reform to the Prudential Framework as a whole. This is in response to long-running concerns that a small number of authorities are taking on very high, disproportionate levels of debt or become excessively exposed to risk from commercial investment strategies.

2.27 The risk metrics to be used will be put in place through regulations being developed and any impact or considerations will be reported in the normal way through the RPPR process.

2.28 The 10 year capital programme to 2031/32 and 20 year Capital Strategy 2022/23 to 2042/43 will be updated as part of the RPPR process over the autumn to add a year and to include consideration of the impact and management of inflation and supply chain issues, alongside any updates relating to Government funding and the risk metrics being developed as well as the procurement of the highways contract and other investment basic need.

Lobbying and Communications

2.29 Our strong local foundation of efficient and effective service delivery, coupled with additional Government funding received during the pandemic and in the finance settlement, has enabled us to provide another year of relative stability and a further window of opportunity to prepare for the uncertain future. Opportunities for one-off investments to support delivery of the Council's priorities, particularly where this can help manage future pressures, are being identified.

2.30 However, the medium term outlook remains highly challenging. We face a significant financial gap, the undefined impact of national reforms in major service areas and a lack of clarity on long-term funding arrangements. There are significant risks and uncertainties arising particularly from social care and SEND reforms, which makes planning for the future difficult. In the context of this ongoing uncertainty in our position, coupled with wider volatility in the economy and its impacts on our residents, our lobbying will continue to call for certainty of future funding for local government, and funding that is appropriately reflective of local need and that fully reflects the impact of reforms. This will be paramount to ensuring we secure adequate resource to deliver what will be required to support East Sussex residents, communities and businesses with the core services they need, including opportunities to continue positive preventative work that could most effectively manage future demand for services.

2.31 We will continue to work with local MPs and local, regional and national partners to make this case. Through work with South East 7 partners we will highlight the particular strengths and needs of the South East 7 area and the benefits of investment in the region through a joint approach to lobbying.

Next Steps

2.32 Work will continue over the summer to further refine our understanding of the medium term impacts on our services of national reforms, economic volatility, changing demand for services and the financial resources that will be available to us in the coming years. We will continue to press the case for a multi-year financial settlement which enables us to plan ahead with more certainty but if there is a further one year settlement we will use our RPPR process to plan accordingly.

2.33 There will be a report back to Members in the autumn with an updated assessment of our service demand and funding expectations to inform more detailed business and budget planning for 2023/24 and beyond.

2.34 Members will continue to be consulted on plans as they are developed through Cabinet, County Council, Scrutiny Committees, Whole Council Forums and specific engagement sessions throughout the 2022/23 Reconciling Policy, Performance and Resources process.

3. Ashdown Forest Trust Fund 2021/22

3.1 The Cabinet considered a report on the Ashdown Forest Trust's Income and Expenditure Account for 2021/22 and Balance Sheet as at 31 March 2022.

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

2020/21 Accounts

3.3 Subsequent to the 2020/21 accounts being approved, the independent Examination process has now been completed in accordance with Section 145 of the Charities Act 2011.

3.4 The Examiner's report is attached as Appendix 12. It does not identify any issues that require any further action by the Council as the trustees.

2021/22 Accounts

3.5 The Trust's Income and Expenditure Account and Balance Sheet are set out in the attached Appendix 13. The Income and Expenditure Account shows a surplus in 2021/22 of £4,376.

3.6 The main source of income to the Trust relates to the rent from the Royal Ashdown Golf Club at £70,000 per annum. The only other income this year was from bank interest.

3.7 The expenditure mostly relates to the £65,100 grant paid to the Ashdown Forest Conservators. The remaining expenditure was for audit fees.

3.8 The accumulative General Reserve totalled £167,069 at 31 March 2022.

3.9 A formal annual report and statement of accounts will be compiled in accordance with the Charity Commission's Statement of Recommended Practice (SORP) by the end of January 2023, once the Independent Examiner report has been received.

3.10 The Trust made an operating surplus of £4,376 during 2021/22. The General Reserve as at 31 March 2022 amounts to £167,069. This fund is available to finance expenditure which meets the Trust's objectives.

3.11 The Cabinet noted the final accounts for the Ashdown Forest Trust.

27 June 2022

KEITH GLAZIER
(Chair)

REPORT OF THE GOVERNANCE COMMITTEE

The Governance Committee met on 27 June 2022. Attendances:

Councillor Glazier (Chair)
Councillors Bennett, Simmons, Tutt and Webb

1. Amendment to the Constitution – Health and Wellbeing Board Terms of Reference

1.1 The Health and Care Act 2022 establishes Integrated Care Systems (ICSs) across England on a statutory basis from 1 July 2022. A report to Cabinet on 19 April 2022 set out the provisions in the Act (at that point the Health and Care Bill) in more detail.

1.2 The Act sets out governance arrangements for ICSs including two new statutory bodies that make up each ICS: the NHS Integrated Care Board (ICB) (to be known locally as NHS Sussex) and the wider Integrated Care Partnership (to be known locally as the Sussex Health and Care Assembly). NHS Sussex will absorb the current role and function of the three Clinical Commissioning Groups (CCGs) in Sussex and the East Sussex CCG will cease to exist from the end of June.

1.3 The Sussex Health and Care Assembly, a formal partnership to be established between the ICB and the three upper tier local authorities in Sussex, will be responsible for agreeing the strategic direction which meets the broader health, public health and social care needs of the population in the ICS footprint. It will do this primarily through agreeing an Integrated Care Strategy for Sussex, building on local Joint Strategic Needs Assessments and Health and Wellbeing Strategies in each of the three 'Places' in Sussex (East Sussex, West Sussex and Brighton & Hove). Cabinet has nominated the Chair of the Health and Wellbeing Board to represent East Sussex County Council at the meetings of the shadow Sussex Health and Care Assembly.

1.4 Both the NHS ICB and the Assembly will have duties to consider Health and Wellbeing Board plans.

1.5 In light of the changes brought about by the Health and Care Act set out above, there is a need to update the Terms of Reference of the Health and Wellbeing Board to reflect both the changes to NHS organisations and the new relationship between local Health and Wellbeing Boards and Strategies and the role of the Sussex Health and Care Assembly.

1.6 Proposed changes to the existing Terms of Reference are shown at appendix 1. In summary these comprise:

- Replacing CCG representatives with representatives of NHS Sussex;
- Adding references to the relationship of the Health and Wellbeing Board with the Sussex Health and Care Assembly within the new ICS, including that the Board may receive reports from, and direct issues to, the Assembly;
- Adding references to the Integrated Care Strategy for Sussex, including ensuring that this builds upon the Joint Local Health and Wellbeing Strategy and Joint Strategic Needs and Assets Assessment;

GOVERNANCE

- Updates to the names of organisations to ensure they are up to date and clear, and deletion of references that are no longer current;
- Small wording and ordering amendments to enhance clarity.

1.7 The Health and Wellbeing Board next meets on 19 July 2022. In order to update the Terms of Reference ahead of the next meeting, the County Council is recommended to agree to the revised Terms of Reference set out at appendix 1.

1.8 The Committee recommends the County Council to:

✧ approve the revised Health and Wellbeing Board Terms of Reference set out at appendix 1 to the report and that the Constitution be amended accordingly.

27 June 2022

KEITH GLAZIER
(Chair)

REPORT OF THE LEAD MEMBER FOR TRANSPORT AND ENVIRONMENT

The Lead Member for Transport and Environment met on 13 June 2022. Attendances:-

Councillor Claire Dowling (Lead Member)

Councillors Sam Adeniji, Godfrey Daniel, Ian Hollidge and Georgia Taylor.

1 Notice of Motion – Discharge of untreated wastewater by Southern Water

1.1 The following Notice of Motion has been submitted by Councillor Field and seconded by Councillor Lambert:

1. *“Southern Water has discharged untreated wastewater (raw sewage) into the sea in Eastbourne 20 times in the last year.*
2. *Southern Water were fined £90 million in 2021 for dumping raw sewage into the sea, after pleading guilty to 6,971 unpermitted sewage discharges.*
3. *Southern Water conducted a severe raw sewage dump on the Eastbourne coast for more than 17 hours on Saturday 5th February 2022.*
4. *The 5th February dump was caused by an electrical fault at the Southern Water Treatment Plant. No back-up system was in place and this could not be rectified until a portable generator was brought on to the site.*
5. *Clean Eastbourne sea is critical to Eastbourne’s tourism economy, the quality of our coastal environment, and to the enjoyment and fitness of local swimming groups and residents*
6. *Southern Water made a profit £139 million last year.*

This Council calls on:

1. *Southern Water to swiftly complete a full and transparent investigation into the 5th February Eastbourne discharge, and their raw sewage dumping more generally.*
2. *Southern Water to take robust action to prevent such discharges from reoccurring in Eastbourne and elsewhere, including the deployment of a permanent on-site back-up generator at the Eastbourne Water Treatment Plant.*
3. *Southern Water to take responsibility for such discharges in Eastbourne and apologise to Eastbourne residents, businesses and visitors.*
4. *The Government to introduce a ‘Sewage Tax’ on water companies’ profits to begin compensating for their discharges, and to help fund cleaner sea.”*

1.2 It is recognised that the matter of discharged untreated wastewater into watercourses and the sea are incidents that all who value the quality of the environment in East Sussex wish to avoid. With heightened awareness around environmental matters, it is also recognised that such incidents cause distress to those who live in, visit and generally value the environment of the county. It is therefore in everyone’s best interests that such incidents are avoided and that those who have responsibility for acting on this matter take all reasonable steps to reduce the likelihood of further occurrences.

1.3 The activities of Southern Water, and other statutory sewerage undertakers, are regulated by the Environment Agency and the Water Service Regulation Authority (OFWAT). Whilst it is recognised that there are clear benefits to be had from controlling untreated wastewater discharges and improving bathing water and river water quality, the County Council does not have

a statutory role in monitoring this matter nor in ensuring that sewerage undertakers achieve compliance with various environmental standards and permits. This role sits with the Environment Agency. In addition, depending upon the incident and the impact it has, the District and Borough Councils' Environmental Health teams may have a remit with regard to bathing water quality.

1.4 Given the above point, it is important that the Environment Agency determines whether the discharge complied with the terms of the wastewater discharge consent, or whether there was an illegal discharge.

1.5 It should also be noted that any improvements to Wastewater Treatment Works, which do not benefit from permitted development rights (i.e., works that can be undertaken without the need for planning permission), would need to be considered and determined by the County Planning Authority. Whilst the County Council will be supportive in principle of any such improvements, it would be inappropriate for us to provide what could be considered a pre-determined view on prospective works to a Treatment Plant in the event that planning permission from ourselves would be required. In addition, whilst the Motion calls on Southern Water to deploy a permanent on-site back-up generator at the Eastbourne Wastewater Treatment Plant, until the outcome of the investigations into the event on 5 February 2022 are known, it cannot be said for certain that this is the most appropriate form of remediation. Other measures may be shown to be more effective and depending on what works Southern Water wish to proceed with, those works may require planning permission from the County Planning Authority and it will be necessary to consider the merits of any such proposals at the time an application is received.

1.6 Although the Council does not have a statutory role there are opportunities for the County Council to work with and influence the likes of Southern Water when it comes to seeking to achieve water quality improvements in the county. Along with the County Council, and the likes of the Environment Agency, Natural England and the Sussex Chamber of Commerce, Southern Water is an active member of the Environment Board for East Sussex. This Board provides an opportunity to work in a collaborative manner in seeking to drive environmental improvements across the county, which are to the benefit of residents, businesses, and visitors. Recognising that there are some concerns held over the matter of untreated discharges into the sea and rivers, rather than focusing on one particular event, it is recommended that this wider matter is sought to be mentioned and addressed through discussions at the Environment Board and possibly through the next review and refresh of the current East Sussex Environment Strategy.

1.7 The County Council also has representatives on both the working group and executive group supporting Hastings Borough Council in overseeing bathing water quality compliance in Hastings. This is a model that has successfully ensured continued bathing water compliance in recent years and could be something that is replicated in locations across East Sussex, although it would be for other statutory organisations to instigate and facilitate this.

1.8 Another opportunity for a collaborative approach is through the Blue Heart project. In 2021, it was announced that the County Council had been successful in applying to be one of 25 project areas to secure funding under Defra's £150 million Flood and Coastal Resilience Innovation Programme (FCRIP). The Blue Heart project focusses on the Eastbourne and South Wealden area, with its primary aim being to mitigate the impact caused by flooding through the use of technology to manage and monitor water levels. Although the County Council is leading the project, it is being undertaken in partnership with a number of other organisations, including Southern Water. By improving knowledge of the local water catchment, it is anticipated that ways to better manage water levels in the catchment may lead to a reduction in foul and surface water flood events, and consequently, improvements to water quality in the project study area.

1.9 The final part of the Motion calls for the Government to introduce a Sewage Tax. It is not clear how such a tax would work and there is always a risk that such an arrangement could lead to higher costs and, in turn, higher bills for customers. Until it becomes clear as to how such a tax would work, it is considered more prudent to call for regulators to consider stronger penalties, or other mechanisms, in an effort to reduce incidents of unauthorised sewage discharges.

1.10 It should also be recognised that opportunities exist through forums and projects, such as the Environment Board and the Blue Heart project, where the County Council has the ability to influence and work with Southern Water in order to deliver an improved sewage infrastructure network, which in turn reduces incidents such as the one that occurred on 5 February 2022.

1.11 The Lead Member for Transport and Environment recommends the County Council to:

✧ approve an amended Notice of Motion as set out below:

This Council calls:

- 1) On the Environment Agency to swiftly complete a full and transparent investigation into 5 February Eastbourne discharge, and sewage discharges across East Sussex.
- 2) For recommendations from investigations to be published with clear action plans agreed with the regulators where appropriate.
- 3) On Southern Water to take responsibility for sewage discharges in East Sussex and apologise to residents, businesses and visitors where appropriate to do so and offer a full explanation.
- 4) On the regulators to consider stronger penalties or mechanisms to reduce incidents of unauthorised discharges of sewage.

13 June 2022

COUNCILLOR CLAIRE DOWLING
(Lead Member)

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EAST SUSSEX FIRE AUTHORITY

Report of a meeting of the East Sussex Fire Authority held at County Hall, St. Anne's Crescent, Lewes BN7 1UE at 10:30 hours on Thursday, 9 June 2022.

Present: Councillors Galley (Chairman), Lambert (Vice-Chair), Azad, Dowling, Evans, Geary, Hamilton, Maples, Marlow-Eastwood, Osborne, Peltzer Dunn, Powell, Redstone, Scott, Taylor, Theobald, Ungar and West

The agenda and non-confidential reports can be read on the East Sussex Fire & Rescue Service's website at <http://www.esfrs.org/about-us/east-sussex-fire-authority/fire-authority-meetings/> A brief synopsis and the decisions relating to key items is set out below.

1 ELECTION OF CHAIRPERSON

- 1.1 Members resolved to appoint Councillor Roy Galley as Chairman of the Fire Authority for the year 2022-23.

2 ELECTION OF VICE-CHAIRPERSON

- 2.1 Members resolved to appoint Councillor Carolyn Lambert as Vice-Chair of the Fire Authority for the year 2022-23.

3 URGENT ITEMS AND CHAIRMAN'S BUSINESS

- 3.1 The Fire Authority recorded its thanks to Councillor David Tutt who had ended his membership at the end of May. The Authority was grateful to Cllr Tutt for his hard work and dedication over the years, especially in his role as Chair of the Pension Board and as the Authority's Lead Member for IT for which his fellow Members and Officers were particularly appreciative.
- 3.2 The Chairman welcomed Councillor John Ungar who had been newly appointed to fill the vacancy from East Sussex County Council.
- 3.3 The Chairman encouraged all Members of the Fire Authority to attend the newly reinstated Station Open Days that had begun again having been stopped due to Covid-19. Additionally, there were Biker Down, Safe Drive Stay Alive, Water Savvy Water Safe and Safety in Action events to which Members were always welcome.

4 POLITICAL REPRESENTATION ON THE PANELS OF THE FIRE AUTHORITY

- 4.1 The Authority received a report seeking to secure political balance on its Panels in accordance with the Local Government (Committees and Political Groups) Regulations 1990 and agree to the resultant Membership to the Panels of the Fire Authority.

- 4.2 The Authority was required to keep under review the allocation of seats on Committees and other bodies to ensure, so far as practicable, that they reflected the political groups on the Authority. The rules governing this representation were outlined in the report.
- 4.3 There are four political groups on the Fire Authority: Conservative, Green, Labour and Liberal Democrat. The size of each Panel was not constituted and could be agreed by the Fire Authority. The size of each Panel remains at 6 Members, with each Panel an exactly proportionate replica of one third of the Fire Authority.
- 4.4 The Authority confirmed the Panel arrangements, political representation and membership of each panel at the meeting and appointed to each Lead Member role. They agreed that the political balance provisions shall not apply to the membership of the Principal Officer Appointments Panel. The Authority agreed the appointment of Cllr Peltzer Dunn as Chairperson of the Policy & Resources Panel, Cllr Lambert as Chairperson of the Scrutiny & Audit Panel and Cllr Hamilton as Chairperson of the Pensions Board in accordance with Standing Order 41.13. The Authority agreed that the remaining Panels would appoint a Chairperson at their first meeting under Standing Order 41.14.

5 FIRE AUTHORITY AND PANEL MEETINGS 2021/23

- 5.1 The Fire Authority received and noted the dates of meetings of the Fire Authority and Panels for the remainder of 2022 and 2023.

6 BANKING ARRANGEMENTS – CHANGES TO AUTHORISED SIGNATORIES

- 6.1 The Fire Authority approved an updated list of officers authorised to sign cheques on behalf of the Fire Authority.

7 TREASURY MANAGEMENT – STEWARDSHIP REPORT FOR 2021/22

- 7.1 The Fire Authority received the Annual Treasury Management Stewardship Report, a requirement of the Fire Authority's reporting procedures which informed Members of Treasury Management performance and compliance with Prudential Indicators for 2021/22.

- 7.2 The Fire Authority had complied with its approved Treasury Management Strategy and Prudential Indicators for the year. The average rate of interest received in 2021/22 through Treasury Management Activity was 0.26%, reflecting the Authority's continuing prioritisation of security and liquidity over yield. No new borrowing had been undertaken and two loans were repaid during the year. The Authority reviewed options to invest a portion of core balances in longer duration funds during the setting of the 2020/21 Strategy. Decisions on investment had been taken in the context of the current economic climate, the current approved capital programme and the requirement to fund it over the medium term. No investment in longer duration funds was made during the year. The current economic climate was evolving rapidly and opportunities were being explored to secure investment returns within the acceptable risk parameters set out in the Authority's agreed Strategy. During the year the Authority had invested in Environmental, Social and Governance (ESG) funds that met its policy criteria for security and liquidity and offered comparable or better returns than similar non ESG funds.
- 7.3 Members queried why the narrative description of the world economic situation was not more specific. The narrative was the view, in April, of the Authority's appointed external advisors and provided their assessment of the economy for the year ended 31 March 2022, comment would be sought from the external advisers on matters raised including Brexit and Climate Change. Regular budget monitoring reports were presented to the Policy & Resources Panel containing detailed analysis of financial risks, including those mentioned. There was a broader piece of work underway regarding sustainability which would be presented to the Fire Authority at its meeting in September. The Fire Authority approved the Treasury Management Stewardship Report.

8 PROCUREMENT STRATEGY REFRESH 2022-2025

- 8.1 The Fire Authority considered a report presenting the refreshed Procurement Strategy for the Period 2022-2025. It did not represent a significant departure from the current approach, but reflected a change in emphasis, highlighting less the need to change ways of working and more the need to continue to deliver against established themes. The continued progression of Procurement as a strategic function meant that limited professional resources could be focused on vital value adding activities, driving savings and efficiencies. With continued pressure on budgets and reductions in funding it was more important than ever that the Authority's Procurement Strategy delivered cost effective services that met the needs of the community.

- 8.2 Members were concerned that not enough focus was paid to sustainable procurement, considering the significant targets for carbon neutrality set by government and the expectation that environmental sustainability would be a larger driving force in terms of procurement. This report related to the overarching strategy, which was to provide context, and Members were reminded they had approved the responsible procurement policy which set out the Authority's commitment to considering factors such as climate change in its procurement decisions. The ability of the Service to make any significant impact would depend on the specific items purchased, but it was known that 80% of its carbon footprint was equally split between buildings and heavy fleet which were both challenging to address. It was noted that on current advice it was anticipated that to make the Service carbon neutral would cost in excess of £20m. This would be presented to the Authority in detail in a paper to be presented in September.
- 8.3 The Authority heard that whilst there was work being led by the National Fire Chiefs Council into reduced prices for electric (EV) appliances, the most significant way to reduce carbon emissions in the sector was to reduce fires and to mandate sprinklers. These would alleviate carbon impacts in a far greater way than focusing on fleet. Members' support in lobbying for these would be appreciated. Some Members felt that the focus on EV appliances was a distraction and that there needed to be more fundamental changes and collective working to address carbon neutrality. The general feeling of Members was that there was no disagreement that sustainability was an essential focus for the Authority and that the concerns raised were shared by all, and that this was a live procurement document which itself referred to the need to adapt as the corporate position developed, particularly in response to climate change.
- 8.4 The Fire Authority agreed to approve the Procurement Strategy 2022-25 and accepted that an update would be provided to the Scrutiny & Audit Panel on progress in the Service's commitment to support the local economy and diverse suppliers.

COUNCILLOR ROY GALLEY
CHAIRMAN OF EAST SUSSEX FIRE AUTHORITY

9 June 2022