



## CABINET

TUESDAY, 13 DECEMBER 2022

10.00 AM COUNCIL CHAMBER, COUNTY HALL, LEWES

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

## A G E N D A

1. Minutes of the meeting held on 29 September 2022 (*Pages 3 - 6*)
2. Apologies for absence
3. Disclosures of interests  
Disclosures by all members present of personal interests in matters on the agenda, the nature of any interest and whether the member regards the interest as prejudicial under the terms of the Code of Conduct.
4. Urgent items  
Notification of items which the Chair considers to be urgent and proposes to take at the appropriate part of the agenda. Any members who wish to raise urgent items are asked, wherever possible, to notify the Chair before the start of the meeting. In so doing, they must state the special circumstances which they consider justify the matter being considered urgent.
5. Council Monitoring: Quarter 2 2022/23 (*Pages 7 - 70*)  
Report by Chief Executive.
6. Annual Report of Looked After Children's Services (*Pages 71 - 110*)  
Report by Director of Children's Services
7. Treasury Management Annual Report 2021/22 and mid-year report 2022/23 (*Pages 111 - 136*)  
Report by Chief Operating Officer
8. The Conservators of Ashdown Forest - 2022/23 forecast out turn position, updated medium term financial plan and Ashdown Forest vision and management strategy (*Pages 137 - 156*)  
Report by Chief Operating Officer
9. Any other items considered urgent by the Chair
10. To agree which items are to be reported to the County Council

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

5 December 2022

Contact Georgina Seligmann, Governance and Democracy Manager  
01273 481955  
Email: [georgina.seligmann@eastsussex.gov.uk](mailto:georgina.seligmann@eastsussex.gov.uk)

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](http://www.eastsussex.gov.uk/yourcouncil/webcasts/default)*

## CABINET

MINUTES of a meeting of the Cabinet held on 29 September 2022 at Council Chamber, County Hall, Lewes

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PRESENT Councillors Keith Glazier (Chair)

Councillors Nick Bennett (Vice Chair), Bob Bowdler, Claire Dowling, Carl Maynard, Rupert Simmons and Bob Standley

Members spoke on the items indicated:

Councillor Bennett	- items 5, 6, and 7 (minute 17, 18 and 19)
Councillor Claire Dowling	- item 9 and 12 (minute 21 and 23)
Councillor Maynard	- item 5 and 8 (minute 17 and 20)
Councillor Standley	- item 5 (minute 17)
Councillor Swansborough	- items 5 and 6 (minute 17 and 18)
Councillor Shuttleworth	- item 5 (minute 17)
Councillor Simmons	- item 9 (minute 21)
Councillor Maples	- item 5, 7 and 9 (minute 17, 19 and 21)
Councillor Beaver	- item 6 and 9 (minute 18 and 21)
Councillor Tutt	- item 6, 9 and 12 (minute 18, 21 and 23)
Councillor Georgia Taylor	- item 6 (minute 18)
Councillor Stephen Shing	- item 6 and 9 (minute 18 and 21)
Councillor Daniel	- item 6 and 9 (minute 18 and 21)
Councillor Field	- item 7 and 9 (minute 19 and 21)
Councillor Redstone	- item 9 (minute 21)
Councillor Kirby-Green	- item 12 (minute 23)

## 15. MINUTES OF THE MEETING HELD ON 19 JULY 2022

15.1 The minutes of the Cabinet meeting held on the 19 July 2022 were agreed as a correct record.

## 16. REPORTS

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

## 17. COUNCIL MONITORING QUARTER ONE 2022/23

17.1 The Cabinet considered a report by the Chief Executive.

17.2 It was RESOLVED to:

1) note the latest monitoring position for the Council;

2) note the addition of the proposed new 'Schools and ISEND' risk to the Strategic Risk register; note the deletion of the previous 'Schools' risk from the register; and

3) approve additional capital investment of £0.307m for the development of disabled children's accommodation at Sorrel Drive.

Reason

17.3 The report sets out the Council's position and year-end projections for the Council Plan targets, Revenue Budget, Capital Programme, and Savings Plan, together with Risks at the end of June 2022.

## 18. RECONCILING POLICY, PERFORMANCE AND RESOURCES - UPDATE

18.1 The Cabinet considered a report by the Chief Executive.

18.2 It was RESOLVED to:

- 1) note the updated policy and demographic context as set out in paragraph 2 of the report;
- 2) note the updated Medium Term Financial Plan as set out in paragraph 3 and appendix 1 of the report;
- 3) approve the allocation of £270,000 from the £5.175m Services Grant funding to support staff recruitment and retention as set out in paragraph 4.5 of the report, and to hold the remainder of the funding in the Priority and Transformation Reserve;
- 4) note the capital programme update as set out in paragraph 5 and appendix 2 of the report;
- 5) agree to continue lobbying for sustainable funding to meet the needs of the residents of East Sussex.

### Reason

18.3 In June Cabinet considered the State of the County report, a key milestone in the Council's Reconciling Policy, Performance and Resources (RPPR) process, its integrated business and financial planning cycle. The report set out the updated demographic, economic and service evidence base; the national and local policy context; and updates on our medium term financial planning position and capital programme. The report illustrated the high levels of uncertainty and change that continue to dominate the environment within which we are working and planning.

18.4 Since June the instability in our planning context has persisted, with significant further national economic and political developments. A new Prime Minister took office on 6 September and although the new Government's policy agenda and priorities are beginning to emerge, there remains uncertainty over whether, or how, national policy proposals brought forward by the previous administration will be progressed.

18.5 The RPPR process, which brings together our policy, business and financial planning and risk management, continues to provide the robust mechanism to help us navigate this uncertain environment, supporting planning for 2023/24 and beyond and maintaining focus on our four priority outcomes.

18.6 With our firm foundation of careful management of resources over many years, and with the assistance of Government Covid support during the pandemic, we have been able to maintain stability in service provision in recent years and we are managing current, in-year pressures within our current plans and contingency arrangements. However, the financial outlook in the medium term is increasingly challenging and uncertain with national economic conditions impacting on our projected future position, alongside pre-existing pressures and uncertainties. This report provides our latest assessment of the position.

18.7 This report provides Members with an update on the rapidly evolving context that will continue to inform our planning for 2023/24.

## 19. ANNUAL PROGRESS REPORT ON EAST SUSSEX COUNTY COUNCIL'S CLIMATE EMERGENCY PLAN



19.1 The Cabinet considered a report by the Director of Communities, Economy and Transport and Chief Operating Officer.

19.1 It was RESOLVED to note the progress report.

Reason

19.2 The Council has recognised the severity of the climate crisis by declaring a climate emergency, setting a clear science-based target and committing an additional £9.9m of funding to cutting corporate carbon emissions. The scale of the Council's functions and the diversity of providers the Council works with makes this a complex and substantial task. Significant work has already been undertaken to reduce emissions and will continue to be undertaken. This progress report sets out what has been achieved to date.

20. COMMUNITY HUBS VISION AND NEXT STEPS

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

20.2 The Cabinet RESOLVED to:

- 1) note the initial report 'Vision for Community Hubs in East Sussex' from Collaborate; and
- 2) agree the draft high level action plan, and the suggested governance arrangements to take forward the recommendations and subsequent work programme, in line with the cross-cutting nature of the Council's work in relation to communities.

Reason

20.3 The Vision for Community Hubs in East Sussex report accurately reflects the extent of the wide-ranging engagement and research undertaken during the nine months of the commissioned work, and presents a robust shared platform upon which to progress the next steps for implementing Community Hubs.

20.4 The cost of living crisis, in addition to the ongoing need to respond to other needs in our current context, presents a compelling argument for a sustainable and joined up approach that targets support in communities where it is most needed. This has strong alignment with health and care reform agendas for children and adults of all ages, and the Council's priority of helping people help themselves.

20.5 There is also considerable expectation from the Council's partners about the response to Collaborate's report, and a clear focus for this work making use of existing revenue budget is recommended. This will ensure that hubs are implemented effectively and connections can be made across the shared priorities that community hubs will help deliver, so that relationships continue to strengthen at the local level for the benefit of our residents.

21. TRANSPORT FOR THE SOUTH EAST - DRAFT STRATEGIC INVESTMENT PLAN

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

21.2 The Cabinet RESOLVED to approve the County Council's draft proposed response to the Transport for the South East consultation on their draft Strategic Investment Plan as set out in paragraphs 2.11 – 2.28 of the report.

Reason

21.3 The transport and global policy interventions identified in the TfSE Strategic Investment Plan will deliver significant change in the county and support our key priorities specifically the levelling up of our communities who are most at need and importantly accelerate the delivery of the decarbonisation of transport. This will support greater strategic connectivity and resilience of

our networks across the county and unlock opportunities for localised transport measures for public transport and active travel to support greater social inclusion, health, and wellbeing. As outlined in paragraph 2.13, the TfSE Strategy and SIP will also support policy development and the identification of strategic transport interventions as part of the current review of our Local Transport Plan, which will be undertaken during the next eighteen months.

## 22. ITEMS TO BE REPORTED TO THE COUNTY COUNCIL

22.1 It was agreed that items 5 and 7 should be reported to the County Council.

*[Note: The items being reported to the County Council refer to minute numbers 17 and 18]*

## 23. HIGHWAYS SERVICE REPROCUREMENT PROJECT

23.1 The Cabinet considered a report by the Director of Communities, Economy and Transport together with exempt information contained in a later agenda item.

23.2 The Cabinet RESOLVED to note the process and outcomes from the procurement stage of the Highways Services Re-procurement Project and agree to award the Highways Infrastructure Service Contract to the preferred bidder, tenderer (A).

### Reason

23.3 The tender received from Tenderer A meets the requirements of the tender process and the proposals for managing and delivering the service set out in the contract. The Project Team have assessed their prices and validated the full build up and determined that they are accurate and sustainable (subject to funding availability). The Project Team have also satisfied themselves that Tenderer A's organisational approach, experience and market ability meet the requirements to organise, manage and deliver our future highway services to support the Council's ambitions for the network and enable the delivery of the project outcomes.

23.4 The recommended tender increases current pressure in the MTFP by £1.794m and, in addition, under the terms of the new contract, the Contractor is entitled to an annual inflationary uplift applied to the Core Activities (lumps sums) over the life of the contract. Notwithstanding this pressure, when completing the tender evaluation, the recommended Tenderer A is the Most Economically Advantageous Tender (MEAT) offering the Council the lowest contract price and the highest contract quality.

## 24. EXCLUSION OF THE PUBLIC AND PRESS

24.1 The Cabinet agreed to exclude the public and press from the meeting for the remaining agenda items on the grounds that if the public and press were present there would be disclosure to them of exempt information as specified in paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972 (as amended), namely information relating to the financial or business affairs of any particular person (including the authority holding that information).

## 25. HIGHWAY SERVICES REPROCUREMENT PROJECT - EXEMPT INFORMATION

25.1 The Cabinet considered a report by the Director of Communities, Economy and Transport regarding the highway services re-procurement project which provided exempt information in support of an earlier item on the agenda.

25.2 The Cabinet RESOLVED to note the report

### Reason

25.3 The report contained exempt information in support of an earlier agenda item.

**Title:** Council Monitoring Report – Q2 2022/23  
**Report to:** Cabinet  
**Date:** 13 December 2022  
**Report by:** Chief Executive  
**Purpose:** To report Council monitoring for Q2 2022/23

## RECOMMENDATIONS

Cabinet is recommended to:

- 1) note the latest monitoring position for the Council.
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### 1. Introduction

1.1 This report sets out the Council's position and year-end projections for the Council Plan targets, Revenue Budget, Capital Programme, and Savings Plan, together with Risks at the end of September 2022.

1.2 Broad progress against the Council's four strategic priority outcomes is summarised in paragraph 4 and an overview of finance and performance data is provided in the Corporate Summary at Appendix 1. Strategic risks are reported at Appendix 7.

### 2. Council Plan 2022/23 amendments and variations

2.1 The Council Plan 2022/23 and the Portfolio Plans 2022/23 – 2024/25 have been updated with available 2021/22 outturns and final performance measure targets. All plans are published on the Council's website. The Corporate Summary (Appendix 1) contains a forecast of performance against targets.

2.2 The Strategic Risk Register, Appendix 7, was reviewed and updated to reflect the Council's risk profile. Risk 6 (Local Economic Growth), Risk 9 (Workforce), Risk 15 (Climate) and Risk 17 (Safeguarding of Children and Young People) have updated risk controls. Risk 1 (Roads) and Risk 8 (Capital Programme) have updated risk definitions and risk controls. Risk 4 (Health) has updated risk controls and a revised post mitigation risk score.

### 3 Budget Outturn

3.1 The details of revenue over and underspends in each department are set out in the relevant appendices, and show a total forecast overspend of £8.2m (£5.1m at quarter 1). The main headlines are:

- Children's Services (CSD) has a forecast overspend of £8.439m, an increase of £3.282m since quarter 1. This is the combined impact across a number of areas as follows:

£6.820m of the forecast overspend relates to **Early Help and Social Care**, an increase of £3.435m since quarter 1. As with quarter 1, the cost pressures continue to reflect clear regional and national issues in terms of a combination of reduced availability of both care and education placements, often linked to recruitment difficulties, and the increased complexity of children's needs.

The largest element of the increase in the forecast overspend is at Lansdowne, which is now forecasting an overspend of £2.5m, an increase of £1.6m from quarter 1. This is due to a combination of:

- (a) further reduced forecast income of £0.8m due to continued staff shortages and recruitment difficulties, as well as the increasingly complex needs of some children, all resulting in a reduction in the number of children that can be looked after there; and
- (b) increased costs of a further £0.8m because of the continued need to use expensive specialist agency staff (net of further COVID-19 funding of £0.1m for covering related staff absences).

Against the backdrop of this worsened position, the department is looking at options for Lansdowne's future operating model, as it is recognised that this forecast position is not sustainable.

Additionally, within LAC, Children's homes are forecasting additional costs of £0.353m mainly at Silver Birches, where additional staffing and night care support have been required.

Within Locality, there are a number of smaller overspends. We reported in quarter 1 that there were forecast overspends resulting from the need to provide intensive support at home for a small number of young people who have particularly complex needs and for whom school places/alternative education offers cannot be found. These have continued in quarter 2, with a further forecast overspend of £0.135m. Despite a new approach to resourcing accommodation for young people who are homeless to significantly reduce the costs to which the council is otherwise exposed, the costs continue to exceed budget provision in this area with a further forecast overspend of £0.136m.

In the **Specialist Family Services** team there are also further pressures reflected in the overall forecast. For example, £0.099m from where partner organisations are not increasing contributions in line with inflation or where funding has ended, but where costs cannot be immediately stopped. The department is working to address this in the medium term.

Within **Early Help and Social Care**, increased forecasts include an overspend of £0.108m on utility costs due to the rising prices (subject to clarification on potential funding decisions for this). While other areas within the department are also experiencing pressures from this, Early Help runs several buildings and is not able to contain the price increase within its utilities budget of £0.195m.

Within **Communication, Planning and Performance** we are forecasting a small reduction in the forecast overspend of £0.030m from quarter 1 to £3.276m. Within this, the overspend on Home to School Transport of £3.204m (net of COVID-19 funding of £0.817m for ongoing related pressures) is unchanged.

The overspends outlined above have continued to be mitigated in part by a forecast underspend of £1.720m (an increase of £0.109m since quarter 1) because of efficiencies and staff vacancies across several areas in the department which we are recording in **Central Resources**.

**Next steps** – The department is continuing to look for further mitigations but containing costs in Children's Services is a significant challenge currently across the country. This is the result of increased demand and complexity of needs, emerging from the pandemic, and acute supply side shortages in care and education provision.

The department is looking at the longer-term impact of the 2022/23 forecast on the Medium Term Financial Plan (MTFP). The MTFP already includes significant investments totalling some £6.8m for Home to School Transport, Locality and Care leavers from 2023/24 and the forecast does not impact on this. However, the MTFP does currently assume an annual income of £1.4m from the Lansdowne Secure Unit, which is unlikely to be achieved in the short term. Turnover, recruitment challenges, and the knock-on effect of costly agency staff also remain a risk to cost control across the department.

- Adult Social Care (ASC) is projecting an overspend of £0.418m, just over 0.2% of the net budget. This comprises an overspend of £1.5m in the Independent Sector, offset by an underspend of £1.082m in Directly Provided Services, the latter mainly due to staffing vacancies.
- The Communities, Economy & Transport budget is forecast to underspend by £0.977m. There are £1.107m of COVID-19 costs and lost income which will be offset with COVID-19 tranche funding. The underspend would have been higher, but the £1m Parking savings target will not be met this year. The Parking savings have been significantly impacted by changes to driving

and parking habits following COVID-19. High street activity has not returned to pre-covid levels and consequently we have yet to see the level of revenue that the increased parking charges were expected to yield. The £0.060m Environmental Service saving is unachievable; it forms part of the reported variance this year and the department will look to find alternative savings next year. The largest area of underspend is in Transport and Operational Services. This is mostly made up of Waste Service underspends due to increased income from recycling, electricity sales, and third parties. As agreed, £1m of this windfall Waste income has been transferred to the Waste Reserve to cover future budget pressures and a further £1.37m will be used to cover the cost of the Record Service move from Ropemaker Park. There is a net overspend on the Highways budget due to inflation-based compensation events and additional tree work due to Ash Die Back.

- The Business Services overspend of £0.3m is mainly due to a forecast overspend of £0.5m in Property consisting of an unbudgeted contribution to Lewes Castle Wall phase 2 works; and a significant increase in property maintenance costs, partly attributable to rising prices and works the service has identified that could not be delivered during the COVID-19 lockdown. This is offset by an underspend of £0.2m in IT&D arising from vacancy and recruitment gaps; and from the unbudgeted contribution to SAP hosting support from Surrey County Council following delays to their new Enterprise Resource Planning system 'go-live'.

3.2 Within Treasury Management (TM), Corporate Funding and other centrally held budgets there is an underspend of £9.8m (including the general contingency):

- Corporate Funding budgets are overspending by £0.9m, because of a £0.6m error by Rother District Council in their precept returns to the Council at budget setting, and a £0.3m reduction in the income from Business Rate Pooling arrangements compared with the district and borough forecasting used for budget setting.
- The General Contingency of £4.3m will be required in full as it will only offset part of the Service and Corporate Funding overspend.
- There is currently an estimated £6.4m underspend on TM, the result of improved returns on market investment. The slippage on the capital programme, and an increase in our cash balances, has also removed the need to borrow externally in 2022/23. As a result, £4.8m can be used to cover the remaining overspend on Service and Corporate Funding budgets. The remaining £1.6m will, in line with normal practice, be available to reduce the capital borrowing requirement.

3.3 The Council is still experiencing residual COVID-19 related costs and income losses which are being fully mitigated from general and specific funding. The following table shows the current forecast for use of this funding in 2022/23:

<b>COVID-19 Grants 2022/23 (£m)</b>	<b>Carried forward</b>	<b>Estimated use in-year (including payback*)</b>	<b>Specific set-aside for LAC in future yrs</b>	<b>Estimated balance remaining</b>
COVID-19 General Funding	14.075	(4.333)	(3.074)	6.668
COVID-19 Specific Funding	8.990	(8.990)	-	-
<b>Total funding</b>	<b>23.065</b>	<b>(13.323)</b>	<b>(3.074)</b>	<b>6.668</b>

\* to date the Council has repaid £1.9m of unused grant

3.4 Capital Programme expenditure for the year is projected to be £79.6m against a budget of £96.4m, a net variation of £16.8m. Of the net variation position, £6.2m 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 Council's control. Main variations include:

- Schools Basic Need Programme – slippage of £2.6m mainly due to new primary school provision at Uckfield being subject to the timing of a large housing development and securing associated land from the developer. There is no immediate pressure on school places in the area and the Council is currently able to meet demand for places within the existing school capacity.
- Special Educational Needs and Disability School Places – slippage of £1.4m due to the programme being reprofiled as the scope of projects are still being defined, and £1.9m slippage for provision at Grove Park due to ongoing land negotiations not yet being concluded.
- IT & Digital Strategy Implementation – Slippage of £1.6m across the programme, of which £1.1m relates to the South East Grid project where delivery is mainly outside the council's control. Resource capacity is also delaying delivery of other projects, although this does not impact the Council's existing systems or security.
- Highways – slippage on a number of projects that have been delayed to pass construction on to the new Highways contractor, including Eastbourne Town Centre Phase 2 (LEP funding project) of £2.7m and Shinewater Bridge works of £1.0m.
- Eastbourne/South Wealden Walking and Cycling Package (LEP funded project) – slippage of £1.8m due to design complexities and contractor resource issues.
- Hastings Bexhill Movement and Access Programme (LEP funded project) – slippage of £1.8m to coincide with planned Hastings Borough Council works.
- Bus Service Improvement Programme – Slippage of £1.5m due to a six-month delay in the timing of the grant announcement by the Department for Transport.
- Bexhill and Hastings Link Road – Project costs remain for post excavation archaeology, landscaping, and remaining Part 1 claims. There is a projected overall overspend on the scheme in the region of £2.7m, of which £2.1m is forecast to materialise during 2022/23. The in-year position will be reviewed as Part 1 claims are settled and paid throughout the year.

## **4 Progress against Council Priorities**

### **Driving sustainable economic growth**

4.1 The Council has spent £285m with 912 local suppliers over the past 12 months, which equates to 67% of our 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 (Appendix 3).

4.2 Locate East Sussex helped 17 businesses to remain within, or relocate to, East Sussex in quarter 2. Businesses were helped by business support programmes to create or safeguard 94 full-time equivalent jobs (Appendix 5).

4.3 Four contracts were awarded in quarter 2, of which two were in scope of the Social Value Measurement Charter, which quantifies the economic, social and environmental benefits of Council procurement. The two applicable contracts had a total value of £22.5m, and secured £12.8m in social value commitments, which equates to an outturn of 57%. The social value secured includes training for care providers and local people, the use of a service centre as a community hub, and the use of renewable energy. There were 150 registrations on the newly refreshed Social Value Marketplace in quarter 2 after our suppliers, communities and charity partners were contacted with details on how to register and engage with the new system (Appendix 3).

4.4 Apprenticeship Roadshows were held in Hastings and Eastbourne in quarter 2. The roadshows included 63 exhibits, advertising over 200 vacancies. A total of 645 young people, their parents and carers and jobseekers attended the events. A panel discussion took place, providing an opportunity for visitors to question and ignite discussion amongst employers, providers and apprentices from a range of organisations (Appendix 4).

4.5 A new highways contract was awarded to Balfour Beatty Living Places in October 2022. The seven-year contract is worth £297m and will commence on 1 May 2023. Balfour Beatty Living Places will be responsible for maintaining the county's highways network and infrastructure, including roads, pavements, drainage, streetlights, traffic lights and bridges. As part of the procurement process Balfour Beatty Living Places demonstrated how they would help reduce the Council's carbon footprint, provide value for money and improve social wellbeing in East Sussex. (Appendix 5).

4.6 The Government confirmed in quarter 2 that we would receive the whole of our indicative funding of £41m towards our Bus Service Improvement Plan. The funding is subject to the agreement of the Enhanced Partnership Plan and Schemes. The statutory process to agree the plan and schemes has begun (Appendix 5).

4.7 Highways works, utilising the one-off investment agreed by Cabinet in November 2021, have continued in quarter 2. Over £2.0m of additional road patching work has been completed at 666 sites. Works on pavements has increased in quarter 2 with 172 sites now completed. Road marking schemes commenced in quarter 2, with projects delivered at a small number of sites. £0.5m of signage works are scheduled for 2022/23, with 866 signs projected to be replaced (Appendix 5).

4.8 76% of Looked After Children at academic age 16 were participating in education, training or employment with training in quarter 2, against a target of 80%. At academic age 17, 66% of children were participating against a target of 70%. The Virtual School and through care teams are continuing to work to support young people into education, employment, and training. Post 16 pupil premium funding is being used to support providers and prevent the breakdown of educational placements. We will also fund a small number of bespoke packages for young people who are unable to engage with existing providers (Appendix 4).

4.9 5,714 children took part in the Summer Reading Challenge during quarter 2. The challenge aims to encourage primary school children to read books during the summer holidays. This year's challenge invited children to Join the Gadgeteers to discover the amazing science and innovation in the world. 3,473 of these children finished the challenge. Several events to support the challenge were held, including 74 school assemblies, with over 6,800 participants. 39 events were also held in our libraries, ranging from author story times, treasure hunts and science focussed sessions (Appendix 5).

### **Keeping vulnerable people safe**

4.10 Trading Standards made 87 positive interventions to protect vulnerable people in quarter 2, including installing call blockers and dummy cameras (Appendix 5).

4.11 A second Mental Health Support Team has been launched in Hastings to support young people. Four Educational Mental Health Practitioner trainees, two Senior Mental Health Practitioners and a parent/carer practitioner have been recruited. Four primary schools and one secondary school have been identified as placement schools. The remaining six primary schools will have newly qualified staff from last year's Hastings Team 1 cohort allocated to them. Meetings took place with all schools in quarter 2 to establish referral pathways (Appendix 4).

4.12 77% of Health and Social Care Connect referrals were triaged and processed so far in 2022/23 against a target of 95%. There has been a 25% increase in work across Health and Social Care Connect compared to 2021/22, and this is impacting on our ability to triage and process referrals. There has also been a 25% vacancy rate within the service, and we have been actively recruiting to fill these roles (Appendix 2).

4.13 Young people eligible for free school meals were provided with food vouchers over the school holidays using funding from the Government's Household Support Fund. Vouchers are provided directly to families by schools, settings and colleges. Vouchers can be used in all major supermarkets. The scheme has been extended for another six months and food vouchers will again be provided to eligible pupils over the school holidays (Appendix 4).

4.14 The latest available figures, as of 7 October, show that 1,230 guests have arrived in East Sussex under the Homes for Ukraine scheme. The guests are at 533 different properties across the county and more than 400 school places have been allocated to Ukrainian children. During quarter 2 the Third Sector support team has continued to work with the Voluntary Actions (3VA, HVA and RVA) and Voluntary, Community and Social Enterprise organisations in East Sussex to develop support for Homes for Ukraine guests and hosts across the county (Appendix 2).

### **Helping people help themselves**

4.15 Five infrastructure schemes to improve road safety in the county were completed in quarter 2. These schemes were in Wartling, Birling Gap, Duddleswell, Piltdown and Hastings. 95 'Bikeability' courses were delivered to 903 individuals at participating schools and the Cycle Centre at Eastbourne Sports Park in quarter 2. We also delivered 21 'Wheels for All' sessions to 579 attendees at the Sports Park (Appendix 5).

4.16 A new specialist facility opened at All Saints CE Primary School in Bexhill in quarter 2. The new facility will accommodate 12 children with Autistic Spectrum Disorder and associated Social, Emotional and Mental Health and Speech, Language and Communication Needs. Summerdown School, a new free special school which is part of The Southfield Trust, also opened in quarter 2. The school will educate up to 84 learners between the ages of 5 and 16 who have a diagnosis of autism. It will also include a separate centre called The Southfield Centre, which will educate up to 51 learners with complex learning and medical needs. The Council has worked closely with the Trust to open the new school, which is part of our strategy to ensure that children and young people with Special Educational Needs and Disabilities are able to access the right provision (Appendix 4).

4.17 Work to support health and social care integration continued in quarter 2. The new Sussex Health and Care Assembly has been established as a statutory joint committee between health and care partners in Sussex. Work has started on the Assembly's statutory Integrated Care Strategy, which will provide the overall framework for local collaboration across the NHS and local government (Appendix 2).

4.18 138 households received a support intervention in quarter 2 as part of the Government's Supported Families Programme. The total for quarters 1 and 2 of 2022/23 is 285 families, against a yearly target of 1,350 households. The target is set nationally and is an increase on previous years. There are several job vacancies in the early help keywork service, which has impacted on the number of families whose support is monitored by the programme. To increase the number of families supported by the programme we are working to extend the number of teams taking a whole family approach within the Supporting Families Outcomes Framework. Although the number of families receiving an intervention is lower than targeted, there continues to be a high number of families who achieve their outcomes as part of the programme and sustain these for at least six months. (Appendix 4).

### **Making best use of resources now and for the future**

4.19 Lobbying continued in quarter 2, including the Leader writing to local MPs to highlight the Reconciling Policy Performance and Resources update in September. This set out the increasingly challenging financial position facing the Council and the impact the uncertain national economic conditions were having on our projected budget deficit. The Chief Finance Officer also met with Government officials in quarter 2 to brief them on our challenging financial outlook (Appendix 6).

4.20 There was a 29% reduction in carbon emissions at the end of quarter 1 (reported a quarter in arrears) compared to the baseline year of 2019/20, below our target for the year of 34%. Several energy efficiency projects continued in quarter 2. Three LED lighting schemes were installed, and 10 Solar Photovoltaics (PV) projects were programmed (Appendix 3).

4.21 The Council has continued to work with a range of partners to develop and deliver carbon reduction and climate change adaptation work in quarter 2. £300,000 of funding has been secured from the Forestry Commission, in partnership with Lewes and Eastbourne councils and local



community groups. This funding will be used for replacement tree planning on the highway verge and on district and borough council land. 38 free energy audits with local small to medium sized businesses have been carried out since April 2022. £100,000 of grants to businesses have also been distributed, helping them to put energy efficiency improvements and renewable energy schemes in place (Appendix 5).

4.22 Cabinet considered a Reconciling Policy Performance and Resources report in quarter 2 which outlined the latest projected financial position for the Council for 2023/24 and beyond. The financial outlook remains very challenging in the medium term with both an uncertain national economic outlook and current and projected future pressures and uncertainties locally. There has been significant increased demand for services alongside inflationary pressures. The proposed Adult Social Care charging reforms are also projected to place significant financial demands on the Council. Given this context, Cabinet agreed to hold the majority of the £5.2m of one-off funding provided through the 2022/23 Local Government Settlement in reserves until the financial picture is clearer (Appendix 6).

**Becky Shaw, Chief Executive**

## How to read this report

This report integrates monitoring for finance, performance and risk. Contents are as follows:

- Cover report (includes how to read this report)
- Appendix 1 Corporate Summary
- Appendix 2 Adult Social Care and Health – (ASCH)
- Appendix 3 Business Services (Department) – (BSD)
- Appendix 4 Children's Services (Department) – (CSD)
- Appendix 5 Communities, Economy and Transport – (CET)
- Appendix 6 Governance Services – (GS)
- Appendix 7 Strategic Risk Register

### Cover report, Appendix 1

The cover report and Appendix 1 provide a concise corporate summary of progress against all our Council Plan Targets (full year outturns at quarter 4), Revenue Budget, Savings Targets, and Capital Programme.

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

- driving sustainable economic growth;
- keeping vulnerable people safe;
- helping people help themselves; and
- making best use of resources in the short and long term.

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

### Departmental Appendices 2 - 6

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

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

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

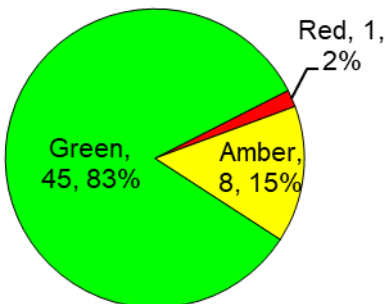
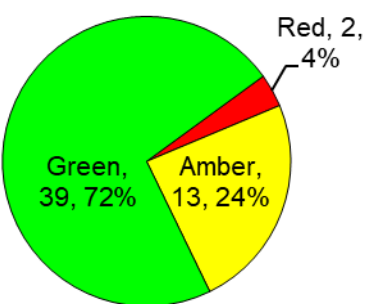
### **Strategic Risk Register Appendix 7**

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

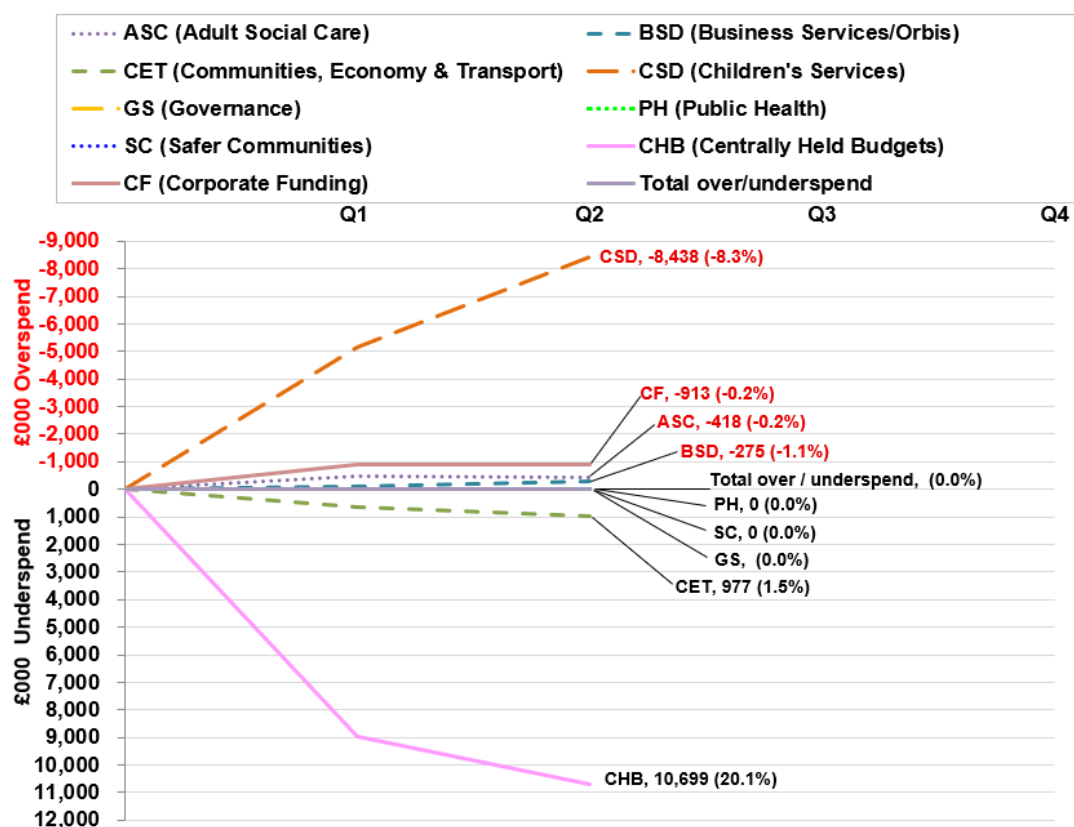
## Council Monitoring Corporate Summary – Q2 2022/23

### Council Plan performance targets

Priority	Red	Amber	Green
Driving sustainable economic growth	0	7	17
Keeping vulnerable people safe	1	2	6
Helping people help themselves	1	2	13
Making best use of resources now and for the future	0	2	3
<b>Total</b>	<b>2</b>	<b>13</b>	<b>39</b>

Performance overview Q1 2022/23	Performance overview Q2 2022/23	Measures off target by department
		<p>There are 54 measures in the Council Plan. In Q2, 4 departments have measures that were off target.</p> <p>ASCH – 2 Amber            BSD – 2 Amber            CSD – 2 Red, 8 Amber            CET – 1 Amber</p>

### Revenue budget outturn (net £000)



**Revenue budget summary (£000) 2022/23****Services:**

Divisions	Planned Gross	Planned Income	Planned Net	Projected Gross	Projected Income	Projected Net	(Over)/ under spend Gross	(Over)/ under spend Income	(Over)/ under spend Net
Adult Social Care	306,499	(105,641)	200,858	312,659	(111,383)	201,276	(6,160)	5,742	(418)
Safer Communities	1,994	(909)	1,085	2,487	(1,402)	1,085	(493)	493	-
Public Health	31,097	(31,097)	-	31,097	(31,097)	-	-	-	-
Business Services / Orbis	58,263	(32,465)	25,798	55,026	(28,953)	26,073	3,237	(3,512)	(275)
Children's Services	383,073	(281,594)	101,479	393,371	(283,454)	109,917	(10,298)	1,860	(8,438)
Communities, Economy & Transport	136,833	(73,544)	63,289	144,929	(82,617)	62,312	(8,096)	9,073	977
Governance Services	8,052	(643)	7,409	7,882	(473)	7,409	170	(170)	-
<b>Total Services</b>	<b>925,811</b>	<b>(525,893)</b>	<b>399,918</b>	<b>947,451</b>	<b>(539,379)</b>	<b>408,072</b>	<b>(21,640)</b>	<b>13,486</b>	<b>(8,154)</b>

**Centrally Held Budgets (CHB):**

Divisions	Planned Gross	Planned Income	Planned Net	Projected Gross	Projected Income	Projected Net	(Over)/ under spend Gross	(Over)/ under spend Income	(Over)/ under spend Net
Treasury Management	21,630	(1,700)	19,930	18,749	(5,176)	13,573	2,881	3,476	6,357
Capital Programme	816	-	816	816	-	816	-	-	-
Unfunded Pensions	8,023	-	8,023	8,095	-	8,095	(72)	-	(72)
General Contingency	4,330	-	4,330	-	-	-	4,330	-	4,330
Contrib. to Reserves	18,545	-	18,545	18,545	-	18,545	-	-	-
Apprenticeship Levy	600	-	600	675	-	675	(75)	-	(75)
Levies, Grants and Other	1,025	(20)	1,005	935	(89)	846	90	69	159
<b>Total Centrally Held Budgets</b>	<b>54,969</b>	<b>(1,720)</b>	<b>53,249</b>	<b>47,815</b>	<b>(5,265)</b>	<b>42,550</b>	<b>7,154</b>	<b>3,545</b>	<b>10,699</b>

**Corporate Funding:**

Divisions	Planned Gross	Planned Income	Planned Net	Projected Gross	Projected Income	Projected Net	(Over)/ under spend Gross	(Over)/ under spend Income	(Over)/ under spend Net
Business Rates	-	(86,641)	(86,641)	-	(86,374)	(86,374)	-	(267)	(267)
Revenue Support Grant	-	(3,687)	(3,687)	-	(3,687)	(3,687)	-	-	-
Service Grant	-	(5,175)	(5,175)	-	(5,175)	(5,175)	-	-	-
Council Tax	-	(333,174)	(333,174)	-	(332,528)	(332,528)	-	(646)	(646)
Social Care Grant	-	(23,674)	(23,674)	-	(23,674)	(23,674)	-	-	-
New Homes Bonus	-	(816)	(816)	-	(816)	(816)	-	-	-
<b>Total Corporate Funding</b>	<b>0</b>	<b>(453,167)</b>	<b>(453,167)</b>	<b>0</b>	<b>(452,254)</b>	<b>(452,254)</b>	<b>0</b>	<b>(913)</b>	<b>(913)</b>

Divisions	Planned Gross	Planned Income	Planned Net	Projected Gross	Projected Income	Projected Net	(Over)/ under spend Gross	(Over)/ under spend Income	(Over)/ under spend Net
<b>TOTAL</b>	<b>980,780</b>	<b>(980,780)</b>	<b>0</b>	<b>995,266</b>	<b>(996,898)</b>	<b>(1,632)</b>	<b>(14,486)</b>	<b>16,118</b>	<b>1,632</b>
Contribution of TM underspend to capital programme borrowing	-	-	-	1,632	-	1,632	(1,632)	-	(1,632)
<b>FINAL TOTAL</b>	<b>980,780</b>	<b>(980,780)</b>	<b>0</b>	<b>996,898</b>	<b>(996,898)</b>	<b>0</b>	<b>(16,118)</b>	<b>16,118</b>	<b>0</b>

**Revenue Savings Summary 2022/23 (£'000)**

Service description	Original Target for 2022/23	Target including items c/f from previous year(s)	Achieved in-year	Will be achieved, but in future years	Cannot be achieved
ASC	-	-	-	-	-
BSD/Orbis	-	-	-	-	-
CS	-	-	-	-	-
CET	1,257	1,257	197	1,000	60
GS	-	-	-	-	-
<b>Total Savings</b>	<b>1,257</b>	<b>1,257</b>	<b>197</b>	<b>1,000</b>	<b>60</b>
ASC			-	-	-
BSD / Orbis			-	-	-
CS			-	-	-
CET			-	-	-
GS			-	-	-
<b>Subtotal Permanent Changes <sup>1</sup></b>			<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Savings &amp; Permanent Changes</b>	<b>1,257</b>	<b>1,257</b>	<b>197</b>	<b>1,000</b>	<b>60</b>

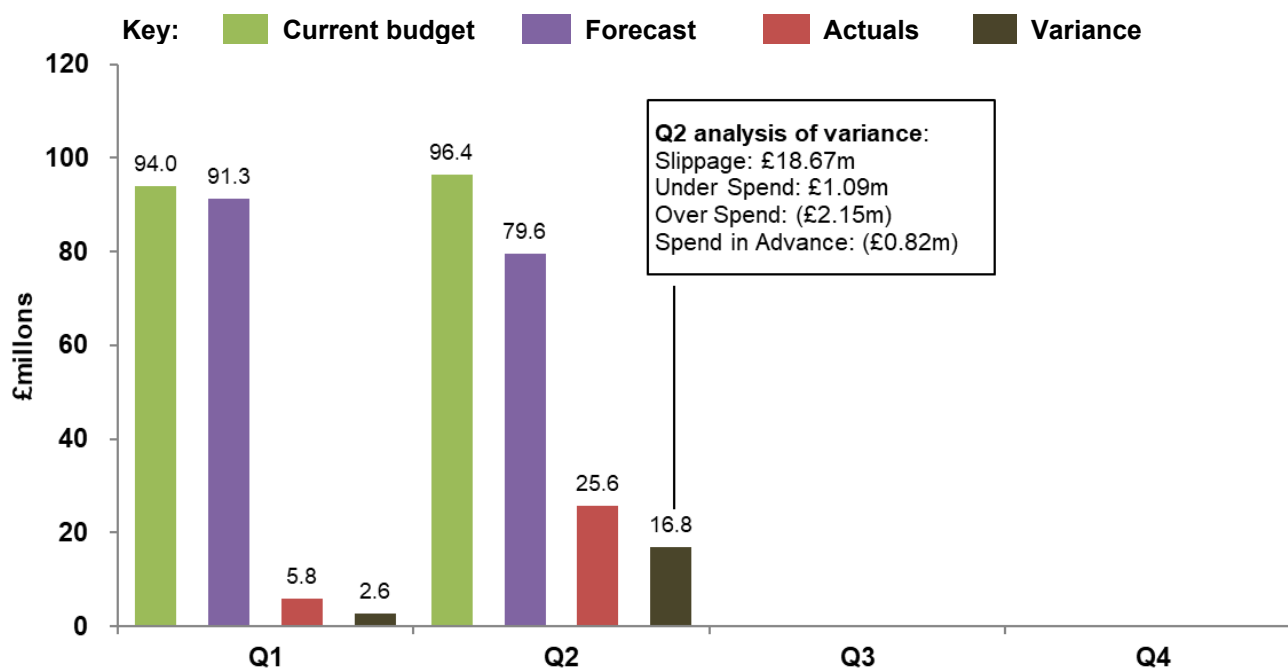
Memo: treatment of savings not achieved in the year (£'000)	Temporary Funding <sup>2</sup>	Part of reported variance <sup>3</sup>	Total
ASC	-	-	0
BSD / Orbis	-	-	0
CS	-	-	0
CET	1,000	60	1,060
GS	-	-	0
<b>Total</b>	<b>1,000</b>	<b>60</b>	<b>1,060</b>

NB: The £60k Environmental Service saving is unachievable. It forms part of the reported variance this year and the department will look to find alternative savings next year.

<sup>1</sup> Where agreed savings are reasonably unable to be achieved other permanent savings are required to be identified and approved via quarterly monitoring.

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

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

**Capital Programme (gross £ millions) – approved projects****Capital Programme Summary 2022/23 (£'000)**

	Budget Q2	Actual to date Q2	Projected 2022/23	Variation (Over) / under Q2 budget	Variation analysis: (Over) / under spend	Variation analysis: Slippage to future year	Variation analysis: Spend in advance
Adult Social Care	394	115	394	-	-	-	-
Business Services	31,718	8,167	23,295	8,423	981	7,442	-
Children's Services	1,450	730	1,450	-	-	-	-
Communities, Economy & Transport	62,826	16,621	54,453	8,373	(2,039)	11,230	(818)
<b>Gross Expenditure (Planned Programme)</b>	<b>96,388</b>	<b>25,633</b>	<b>79,592</b>	<b>16,796</b>	<b>(1,058)</b>	<b>18,672</b>	<b>(818)</b>
Section 106 and CIL	2,427	-	-	-	-	-	-
Other Specific Funding	9,072	-	-	-	-	-	-
Capital Receipts	9,591	-	-	-	-	-	-
Formula Grants	34,234	-	-	-	-	-	-
Reserves and Revenue Set Aside	20,107	-	-	-	-	-	-
Borrowing	20,957	-	-	-	-	-	-
<b>Total Funding (Planned Programme)</b>	<b>96,388</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## **Treasury Management**

The Treasury Management Strategy (TMS), which provides the framework for managing the Council's cash balances and borrowing requirement, continues to reflect a policy of ensuring minimum risk, whilst aiming to deliver secure realistic investment income on the Council's cash balances.

The average level of Council funds available for investment purposes during Q2 was £306m. The total amount received in short term interest for the quarter was £1m at an average rate of 1.30%, compared to Q1 £0.648m at an average rate of 0.84%. The Bank of England Base Rate was increased twice; on the 4 August and 22 September to a rate of 2.25% by end of Q2. The investment return outlook has improved following market volatility and the potential for increased interest rates in the future, where possible a number of fixed term deposits with Banks were placed for periods up to 1 year were taken at much improved rates. These investments have been 'laddered' and will mature at different intervals in the next 12 months. This will take advantage of a rising bank rate in future quarters.

In seeking investment opportunities, as defined by the TMS, an opportunity has been undertaken to reinvest a maturing Bank Deposit that aligns to the United Nations' Sustainable Development Goals (SDGs). In Q2, a £10m maturity was reinvested for a duration of six months, maintaining the £30m placed for investment in this deposit type.

No short-term borrowing was required in Q2. The majority of the Council's external debt, totalling £223m at Q2, is held as long-term loans. No long-term borrowing was undertaken in Q2, and no further cost-effective opportunities have arisen during Q2 to restructure the existing Public Works Loan Board (PWLB). An opportunity to repay a Lender Option Borrower Option (LOBO) loan with Commerzbank was investigated during the period; and following a call option date in October was repaid. Advice was taken from our TM advisors and a £6.45m loan was repaid at par value. The authority had the opportunity to accept an increased rate on the loan or repay early. This was the last LOBO loan in the wider debt portfolio.

The Treasury Management budget is currently forecasting to underspend by £6.4m. This is based on the position outlined above with regard to balances held and investment returns and slippage on the capital programme removing the need to borrow externally in 2022/23.

## **Reserves and Balances 2022/23 (£000)**

Reserve / Balance	Balance at 1 Apr 2022	Forecast net use at Q1	Forecast net use at Q2	Movement	Estimated balance at 31 Mar 2023
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### **Statutorily ringfenced or held on behalf of others:**

Balances held by schools	21,328	-	-	-	21,328
Public Health	6,857	-	-	-	6,857
Other	6,941	(36)	(37)	(1)	6,904
<b>Subtotal</b>	<b>35,126</b>	<b>(36)</b>	<b>(37)</b>	<b>(1)</b>	<b>35,089</b>

### **Service Reserves:**

Corporate Waste	17,013	-	1,000	1,000 <sup>1</sup>	18,013
Capital Programme	18,942	(1,998)	953	2,951 <sup>2</sup>	19,895
Insurance	7,253	(646)	(646)	-	6,607
Adult Social Care	-	-	-	-	-
<b>Subtotal</b>	<b>43,208</b>	<b>(2,644)</b>	<b>1,307</b>	<b>3,951</b>	<b>44,515</b>

### **Strategic Reserves:**

Priority / Transformation	17,285	(12,192)	(12,193)	(1)	5,092
Financial Management	47,303	(2,451)	(2,513)	(62)	44,790
<b>Subtotal</b>	<b>64,588</b>	<b>(14,643)</b>	<b>(14,706)</b>	<b>(63)</b>	<b>49,882</b>



<b>Total Reserves</b>	<b>142,922</b>	<b>(17,323)</b>	<b>(13,436)</b>	<b>3,887</b>	<b>129,486</b>
General Fund	10,000	-	-	-	10,000
<b>Total Reserves and Balances</b>	<b>152,922</b>	<b>(17,323)</b>	<b>(13,436)</b>	<b>3,887</b>	<b>139,486</b>

NB: excludes any transfers relating to Q2 variances

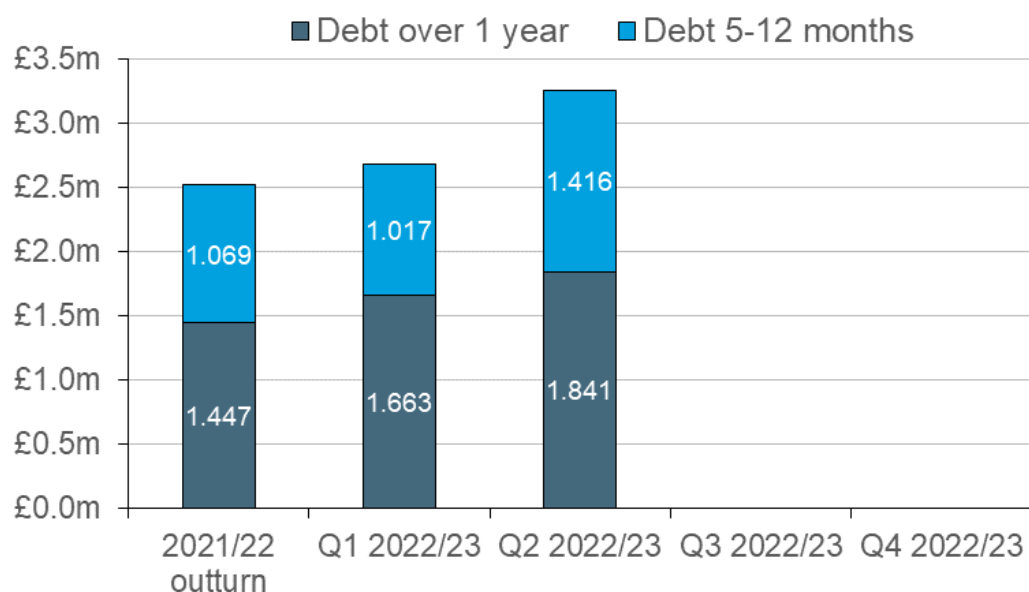
<sup>1</sup> contribution to Waste Reserve approved at Q1

<sup>2</sup> contribution of TM underspend to capital approved at Q1

### **Changes to Fees & Charges**

There were no changes during Q2.

### **Outstanding debt analysis (£ millions)**



The value of debt aged over 5 months at Q2 has increased by £0.741m to £3.257m compared to the 2021/22 outturn position of £2.516m. However, the value of invoiced income has risen. An extra £3.3m was invoiced up to Quarter 2 this year compared to Quarter 2 in 2021/22.

£0.678m of the increase in outstanding debt relates to income due from Adult Social Care (ASC) client contributions, with 92.32% (£3.007m) of total outstanding debt over 5 months relating to ASC. Regular ASC debt case review meetings ensure that the most appropriate steps are taken to recover debt in consideration of the residents' circumstances and in accordance with the Care Act.

## Adult Social Care and Health – Q2 2022/23

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

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

##### **Health and social care integration**

The new Sussex Health and Care Assembly has now been established as a statutory joint committee between health and care partners in Sussex including the NHS and East Sussex County Council (ESCC), West Sussex County Council (WSCC), Brighton & Hove City Council (B&HCC) and Voluntary Community and Social Enterprise (VCSE) partners to come together to formally agree the strategic direction for our system to meet the broader health, public health and social care needs of the population in the Integrated Care System footprint. More information about the Assembly, including the representatives and meeting papers can be found [on its website](#).

Joint work has started on the Assembly's statutory Integrated Care Strategy, which will provide the overall framework for our local collaboration across the NHS and local government. This will build on the three existing Health and Wellbeing Strategies for East Sussex, West Sussex and Brighton & Hove. Assembly discussions in Q3 will identify a small number of shared priorities that would benefit from a collective focus at a Sussex level. The strategy will be endorsed by the Assembly in Q3 and joint delivery plans will be developed subsequently.

Joint planning activity has started early in anticipation of a challenging winter. Local workshops have taken place to put forward possible winter schemes in development at the moment. Subject to further discussion and agreement, this includes arrangements to better facilitate access to onward care from hospital where this is needed when people are medically ready to leave. For example Discharge to Assess, Home First and Trusted Assessor models.

The social care interface with the local implementation of NHS Virtual Wards (aimed at providing enhanced healthcare at home as an alternative to hospital through the use of technology), is also being explored to ensure maximum benefits for patients. Joint planning conversations have also started on how best to deploy the national £500m Winter Discharge Fund announced in late September. These conversations are focused on care sector capacity and workforce.

Joint work in partnership with the Foundry Primary Care Network has continued. This is focussed on strengthening the way our front line teams can work more closely in our neighbourhoods and communities across primary, community, social care and the VCSE sector. This work will help us to identify how we can support the use of population data and insight to understand and target the needs and risks of particular groups more routinely. Planning for the second phase of work resulting from the initial learning will take place after October. This second phase will inform our broader approach to increasing care coordination and anticipatory care across local networks and care pathways, and reducing health inequalities in our communities.

The report from the engagement exercise to support a long-term vision for community hubs has been reviewed. A shared action plan to respond to the recommendations and outline the key next steps has been agreed by key partners across the Council, district and borough councils and VCSE and backed up by Council Plan investment. This aims to provide more streamlined access to a broad range of local services and support that impact on community health and wellbeing,

##### **Third Sector support**

During Q2 the focus has continued to be working with the Voluntary Actions (VA) (3VA, HVA, and RVA), and local VCSE organisations to develop support for Homes for Ukraine guests and hosts across the county.

A further focus has been on the Household Support Fund extension announced by Government earlier in the year. The Council proposal for the extension period (1st October 2022 – 31st March 2023) has been agreed by the Lead Member for Adult Social Care and Health. The portion of the

Household Support Fund that ASCH will manage is £2,216,783 and be allocated to the five districts and boroughs, VCSE sector partners, and Food Banks and Food Partnerships.

### **Homes for Ukraine**

Latest figures (as at 7 October) show that 1,230 guests are currently in East Sussex under the Homes for Ukraine scheme. The guests are at 533 different properties across the county. More than 400 school places have been allocated to Ukrainian children.

The government database shows 1,550 Ukrainians registered to come to East Sussex in total, meaning the county has received over 79% of our expected arrivals.

### **Percentage of Health and Social Care Connect (HSCC) referrals triaged and progressed to required services within 24 hours**

Between April and September 77.4% of referrals were triaged and processed within 24 hours (**ref iii**). In 2021/22 HSCC saw a 22% increase in Health referrals and this upward trend has continued in 2022/23. There is an increase in the volume of work across the whole of HSCC year on year. There was a 25% vacancy rate in the service and we have been continuously recruiting to reduce this gap. Alongside this 6% of staff were on long term sickness absence and there was an increase in short term absence across the service. Sickness absence is being managed and there have been some phased returns to work in recent months. 2% of the staff were on maternity leave.

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

- At the end of Q2, 32.9% of adults and older people were receiving Direct Payments. This equated to a total of 1,523 people.
- At the end of Q2, there were 331 Support With Confidence members (**ref i**) – 278 Personal Assistants PA and 53 businesses. There have been 29 new approvals since 1 April 2022. There are currently 67 live applications in progress – 62 Personal Assistant applications and five business applications. Due to the higher turnover of membership we have seen this year, we predict that the end of year target may not be achievable. A recruitment campaign to attract new business applications is underway.

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

2,238 people were supported through housing related floating support across East Sussex in Q2 (**ref ii**). Brighton Housing Trust (BHT) are recruiting to vacant posts within the housing-related floating support team. In the meantime, BHT and the commissioning team are continuing to work closely with partners to ensure new referrals are prioritised based on their level of need. BHT are also mobilising a dedicated sustainment and move on service for the Homes for Ukraine programme.

### **Reabling people to maximise their level of independence**

Reablement services are provided to help people to regain mobility and daily living skills, especially after a hospital stay. A range of measures are used to look at how effective reablement services are:

- Between April and June 2022 92.3% of older people discharged from hospital to reablement / rehabilitation services were at home 91 days after their discharge from hospital.
- Between April and September 2022 no further request was made for on-going support for 91.7% people who received short-term services.
- In Q2 68% of Reablement service users discharged from the Joint Community Rehabilitation Service did not require on-going care.

## **Safer Communities (Safer East Sussex Team (SEST), Substance Misuse and Recovery Services and Domestic Violence and Abuse, Sexual Violence and Abuse Services)**

### **Substance Misuse**

In Q2 two new recovery services were awarded funding through the Grassroots Fund. They were awarded to:

- Coastal Well-Being - to deliver wellness recovery action planning courses.
- Hailsham Boxing Club – to deliver SMART recovery support sessions and to use funding to subsidise boxing sessions to promote physical activity for those affected by drug and alcohol use.

The projects were commissioned in Q1 and began delivery in Q2.

### **Change, Grow, Live East Sussex Domestic Abuse Service**

The specialist domestic abuse service commissioned in East Sussex, received 570 referrals in Q1 (reported a quarter in arrears). This represents a 5% decrease in referrals vs last year and a 6% decrease compared with Q4. This reflects the decline in reported domestic abuse crimes and incidents reported to Sussex Police but is out of line with the increase in MARAC referrals for high risk victims of domestic abuse (4.9%). However there has been a 4.4% decline in medium risk referrals into CGL, which would not normally reach thresholds for MARAC. Eastbourne remains the area with the highest number of referrals (48% of referrals for the quarter), followed by Hastings (28% of referrals for the quarter). Rother continues to see lower referral numbers. Physical abuse was listed as the most common primary abuse type for quarter Q1 and 2, although for 2021/22 as a whole, emotional abuse was the most common primary abuse type.

### **Rape and Sexual Violence Services**

Services are co-commissioned with the Office of the Sussex Police and Crime Commissioner and provided by Survivors Network. In Q1 (reported a quarter in arrears) there was a 4.5% increase in referrals from East Sussex in comparison from the previous quarter. This reflects the increase in referrals in Q4. Survivors Network have suggested this is as a result of the service being promoted by East Sussex agencies in the last six months. This includes training and discussions with key leads as part of the development of the action plan for delivery of the Domestic Abuse, Sexual Violence and Violence Against Women and Girls (VAWG) Strategic Framework. This has recently been refreshed following the introduction of the Domestic Abuse Act 2021 and to incorporate VAWG. Rape remains the most common offence type. There was an even split between Sexual Violence in a Domestic Abuse context where the perpetrator is a partner or ex-partner, a family member or an acquaintance.

### **Modern Slavery**

- The Safer East Sussex Team (SEST) have worked with Children's Services on the development of a Contextual Safeguarding Officer (jointly funded by Adult Social Care) to coordinate place-based plans arising from local Contextual Safeguarding Assessments. The postholder will have an initial focus on disrupting county lines activity and the exploitation of vulnerable young people and adults.
- In Quarter 2 SEST met with the Voluntary Associations, BHT, Project Discovery, and the Safeguarding Team to look at developing training and awareness raising and reporting of Modern Slavery and Human Trafficking within voluntary associations and BHT. Two training sessions are planned for the autumn, one for frontline workers in the Voluntary Associations and VCSE partners who are working on this agenda, and one for Community Volunteers.

### **Fraud & Scams**

During Q2 Get Safe Online (GSO) and the Council have been promoting campaigns around:

- The cost of living - how to avoid potential associated scams during this time  
<https://www.getsafeonline.org/personal/blog-item/frauds-you-may-encounter-during-the-cost-of-living-crisis/>
- 'In a business, Cybersecurity is everybody's Business' – expert guidance for businesses to help them safeguard against online threats, as well as tips on how to make online security part of a business culture.

### **Preventing Violent Extremism**

- During Q2 the SEST provided Prevent Duty and Channel awareness training to approximately 400 staff across our local district and borough councils.
- The team have also submitted a bid to the Preventing Radicalisation fund to deliver training to front line practitioners in statutory and voluntary sector organisations and further educational settings for people who are vulnerable to radicalisation through exposure to extreme materials online.

### **Serious Violent Crime**

Following a successful bid with partners under Safer Streets 4 (via the OPCC) SEST are leading on the provision of a Community Development worker for Devonshire Ward, Eastbourne as part of a place-based approach to tackle anti-social behaviour, violence, and substance misuse.

### **Public Health**

#### **Infection prevention and control**

75 infection prevention and control champions have been trained since January 2022 within East Sussex care and nursing homes. Individuals that attend the training commit to act as a champion for infection prevention and control matters within their setting. Champions are able to contact our health protection team for support on infection control matters.

#### **Harmful Sexual Behaviours**

We have worked with secondary school leads for Personal Social Health and Economic education to develop new support for education around healthy relationships and consent. The package included training for Personal Social Health and Economic education leads as well as quality assured lesson plans. It also included a theatre in education performance covering sexist stereotypes, attitudes and behaviours and sexual harassment. All 26 secondary schools and seven special schools were engaged in the project, with the performance reaching around 6,760 pupils. The evaluation showed this work helped improve young people's knowledge of the subject and how to access support. Young people also developed better understanding and confidence. One young person said "The performance helped me learn about Harmful Behaviours because it made me have a better understanding of what to look out for when it happens. I know where to go to get help if I am in danger or another person I know is".

#### **Wellbeing at Work**

Awards have been awarded to three further workplaces. Age UK East Sussex, a charity with sites across the county, and Affinity Select Insurance Services Ltd, a small employer based in Uckfield, were both awarded the Wellbeing at Work Commitment Award following surveys to identify staff needs and implement positive changes in the workplace. Ridgeview Wine Estate, a Ditchling-based winery was awarded a Wellbeing at Work Small Business Bronze Award for successful interventions including implementing a cycle to work scheme, charity giving through payroll, a healthcare cashback scheme, mental health first aiders and becoming a disability confident employer. One employee was quoted as saying "The company embraces continuous improvement, is open to feedback from staff and is supportive of people across all stages of life". The accreditation programme currently has 38 East businesses registered who are working towards either commitment, bronze or silver level awards.

## Revenue Budget Summary

### Public Health

The Public Health (PH) Budget of £31.097m comprises of the PH grant allocation of £28.862m, Test Track and Contain grant allocation £0.792m, ADDER Grant allocation £1.350m and £0.093m drawn from reserves to support in year spending. At the end of Q2 projected expenditure is less than anticipated with a projected underspend of £0.642m due to COVID-19 recovery and renewal with additional support expenditure being allocated to Test, Trace and contain Grant.

The General PH Reserve of £5.363m is projected to increase to £6.006 and the Health Visiting reserve of £1.494m is projected to reduce to £0.092 by year end.

### ASC

The net ASC budget of £200.858m includes an inflationary uplift equal to 6% across all independent sector care services, to support the independent sector care market. The budget also includes an additional £3.100m from the 1% precept and £1.750m market sustainability and fair cost of care grant funding. These will mitigate any initial impacts of social care charging reforms during 2022/23.

At the end of Q2 the projected outturn is an overspend of £0.418m, just over 0.2% of the net budget. This comprises an overspend of £1.5m in the Independent Sector, offset by an underspend of £1.082m in Directly Provided Services, the latter mainly due to staffing vacancies.

In addition to the core revenue budget, ASC continues to incur expenditure funded by a range of COVID-19 related funding streams. For the Contain Outbreak Management Funding and Test and Trace Grant, these will fund ongoing costs relating to schemes initiated during the national COVID-19 response. For other grants, expenditure relates to the repayment of unspent funding to the government:

Grant	Funding b/f £'000	Planned Usage £'000	Balance Remaining £'000
Contain Outbreak Management Funding 20/21	6,491	4,271	2,220
Test & Trace Grant	792	792	-
CEV Grant (support to CEV individuals)	1,539	-	1,539
Infection Control Fund 4	48	48	-
Rapid Test Fund 3	40	40	-
Infection Control and Testing Fund - Round 3	140	140	-
Workforce Recruitment and Retention Fund	10	10	-
Omicron Support Fund	186	145	41
Practical Support Payments	1,044	1,044	-
<b>Total</b>	<b>10,290</b>	<b>6,490</b>	<b>3,800</b>

HFU Grant Funding	Funding Confirmed £'000	Further Funding Anticipated £'000	Total Funding £'000	Planned Usage £'000	Balance Remaining £'000
Funding at £10.5k per guest	9,302	7,434	16,736	6,457	10,279
Host Payments at £350 per week per host	-	2,793	2,793	2,793	-
Education funding for guests under 18	-	2,480	2,480	2,480	-
<b>Total</b>	<b>9,302</b>	<b>12,707</b>	<b>22,009</b>	<b>11,730</b>	<b>10,279</b>

### Capital Programme Summary

The ASC Capital programme is £0.394m for 2022/23. The projected expenditure is forecast to be on target. Four supported living projects have commenced.

### Performance exceptions (see How to read this report for definition)

#### Priority – Helping people to help themselves

Performance measure	Outturn 21/22	Target 22/23	RAG Q1 22/23	RAG Q2 22/23	RAG Q3 22/23	RAG Q4 22/23	Q2 22/23 outturn	Note ref
Number of providers registered with Support With Confidence	327	360	G	A			331	i
Number of people receiving support through housing related floating support	8,919	5,000	A	G			Q2: 2,238 YTD: 4,534	ii

#### Priority – Keeping vulnerable people safe

Performance measure	Outturn 21/22	Target 22/23	RAG Q1 22/23	RAG Q2 22/23	RAG Q3 22/23	RAG Q4 22/23	Q2 22/23 outturn	Note ref
Percentage of Health and Social Care Connect referrals triaged and progressed to required services within 24 hours		95%	G	A			77.4%	iii

### Savings exceptions 2022/23 (£'000)

Service description	Original Target For 2022/23	Target including items c/f from previous year(s)	Achieved in-year	Will be achieved, but in future years	Cannot be achieved	Note ref
	-	-	-	-	-	
	-	-	-	-	-	
<b>Total Savings</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
			-	-	-	
			-	-	-	
<b>Subtotal Permanent Changes <sup>1</sup></b>			<b>0</b>	<b>0</b>	<b>0</b>	
<b>Total Savings and Permanent Changes</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	

<b>Memo: treatment of savings not achieved in the year (£'000)</b>	<b>Temporary Funding <sup>2</sup></b>	<b>Part of reported variance <sup>3</sup></b>	<b>Total</b>	<b>Note Ref</b>
	-	-	-	
	-	-	-	
	-	-	-	
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	

<sup>1</sup> Where agreed savings are reasonably unable to be achieved other permanent savings are required to be identified and approved via quarterly monitoring.

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

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

### **Revenue Budget 2022/23 (£'000)**

#### **Adult Social Care – Independent Sector:**

<b>Divisions</b>	<b>Planned Gross</b>	<b>Planned Income</b>	<b>Planned Net</b>	<b>Projected Gross</b>	<b>Projected Income</b>	<b>Projected Net</b>	<b>(Over)/under spend Gross</b>	<b>(Over)/under spend Income</b>	<b>(Over)/under spend Net</b>	<b>Note ref</b>
IS - Physical Support, Sensory Support and Support for Memory & Cognition	126,290	(45,551)	80,739	124,531	(46,545)	77,986	1,759	994	2,753	
IS - Learning Disability Support	71,287	(4,878)	66,409	74,148	(5,461)	68,687	(2,861)	583	(2,278)	
IS - Mental Health Support	20,734	(10,946)	9,788	22,708	(10,945)	11,763	(1,974)	(1)	(1,975)	
<b>Subtotal</b>	<b>218,311</b>	<b>(61,375)</b>	<b>156,936</b>	<b>221,387</b>	<b>(62,951)</b>	<b>158,436</b>	<b>(3,076)</b>	<b>1,576</b>	<b>(1,500)</b>	

#### **Adult Social Care – Directly Provided Services & Assessment and Care Management:**

<b>Divisions</b>	<b>Planned Gross</b>	<b>Planned Income</b>	<b>Planned Net</b>	<b>Projected Gross</b>	<b>Projected Income</b>	<b>Projected Net</b>	<b>(Over)/under spend Gross</b>	<b>(Over)/under spend Income</b>	<b>(Over)/under spend Net</b>	<b>Note ref</b>
Physical Support, Sensory Support and Support for Memory & Cognition	15,675	(4,850)	10,825	14,256	(4,591)	9,665	1,419	(259)	1,160	
Learning Disability Support	7,713	(606)	7,107	7,312	(743)	6,569	401	137	538	
Mental Health Support	3,363	(3,241)	122	3,365	(3,241)	124	(2)	-	(2)	
Substance Misuse Support	477	-	477	476	-	476	1	-	1	
Equipment & Assistive Technology	6,804	(3,507)	3,297	7,174	(3,697)	3,477	(370)	190	(180)	
Other	130	-	130	130	-	130	-	-	-	
Supporting People	5,504	(310)	5,194	5,504	(310)	5,194	-	-	-	
Assessment and Care Management	26,364	(2,145)	24,219	28,663	(4,444)	24,219	(2,299)	2,299	-	
Carers	3,374	(2,679)	695	3,196	(2,501)	695	178	(178)	-	



## APPENDIX 2

Divisions	Planned Gross	Planned Income	Planned Net	Projected Gross	Projected Income	Projected Net	(Over)/ under spend Gross	(Over)/ under spend Income	(Over)/ under spend Net	Note ref
Management and Support	18,235	(26,730)	(8,495)	20,430	(28,490)	(8,060)	(2,195)	1,760	(435)	
Service Strategy	549	(198)	351	766	(415)	351	(217)	217	-	
<b>Subtotal</b>	<b>88,188</b>	<b>(44,266)</b>	<b>43,922</b>	<b>91,272</b>	<b>(48,432)</b>	<b>42,840</b>	<b>(3,084)</b>	<b>4,166</b>	<b>1,082</b>	

Divisions	Planned Gross	Planned Income	Planned Net	Projected Gross	Projected Income	Projected Net	(Over)/ under spend Gross	(Over)/ under spend Income	(Over)/ under spend Net	Note ref
<b>Total Adult Social Care</b>	<b>306,499</b>	<b>(105,641)</b>	<b>200,858</b>	<b>312,659</b>	<b>(111,383)</b>	<b>201,276</b>	<b>(6,160)</b>	<b>5,742</b>	<b>(418)</b>	

### Safer Communities:

Divisions	Planned Gross	Planned Income	Planned Net	Projected Gross	Projected Income	Projected Net	(Over)/ under spend Gross	(Over)/ under spend Income	(Over)/ under spend Net	Note ref
Safer Communities	1,994	(909)	1,085	2,487	(1,402)	1,085	(493)	493	-	
<b>Total Safer Communities</b>	<b>1,994</b>	<b>(909)</b>	<b>1,085</b>	<b>2,487</b>	<b>(1,402)</b>	<b>1,085</b>	<b>(493)</b>	<b>493</b>	<b>0</b>	

### Public Health – Core Services:

Divisions	Planned Gross	Planned Income	Planned Net	Projected Gross	Projected Income	Projected Net	(Over)/ under spend Gross	(Over)/ under spend Income	(Over)/ under spend Net	Note ref
Mental Health & Best Start	10,806	-	10,806	10,780	-	10,780	26	-	26	
Risky Behaviours and Threats to Health	12,187	-	12,187	11,943	-	11,943	243	-	243	
Health Systems	3,107	-	3,107	2,766	-	2,766	341	-	341	
Communities	959	-	959	1,071	-	1,071	(112)	-	(112)	
Central Support	3,061	-	3,061	3,103	-	3,103	(42)	-	(42)	
Test, Track and Contain	792	-	792	614	-	614	178	-	178	
Community Mass Testing	185	-	185	178	-	178	7	-	7	
Contain Outbreak Management Fund (COMF)	-	-	-	-	-	-	-	-	-	
Public Health Grant income	-	(28,862)	(28,862)	-	(28,862)	(28,862)	-	-	-	
Test, Track and Contain Grant income	-	(792)	(792)	-	(792)	(792)	-	-	-	
ADDER Grant	-	(1,350)	(1,350)	-	(1,350)	(1,350)	-	-	-	
Draw from General Reserves	-	-	-	642	-	642	(642)	-	(642)	
Draw from Health Visiting Reserves	-	(93)	(93)	-	(93)	(93)	-	-	-	
<b>Total Public Health</b>	<b>31,097</b>	<b>(31,097)</b>	<b>0</b>	<b>31,097</b>	<b>(31,097)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	

**Capital programme 2022/23 (£'000)**

Approved project	Budget: total project all years	Projected: total project all years	Budget Q2	Actual to date Q2	Projected 2022/23	Variation (Over) / under Q2 budget	Variation analysis: (Over) / under spend	Variation analysis: Slippage to future year	Variation analysis: Spend in advance	Note ref
Supported Living Projects	6,400	0	200	114	200	-	-	-	-	
Greenacres	2,598	2,598	144	1	144	-	-	-	-	
House Adaptations for People with Disabilities	2,719	2,719	50	-	50	-	-	-	-	
<b>Total ASC Gross</b>	<b>11,717</b>	<b>5,317</b>	<b>394</b>	<b>115</b>	<b>394</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	

## Business Services – Q2 2022/23

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

#### Summary of successes and achievements

#### KEY CROSS CUTTING PROGRAMMES

##### **Carbon**

The outturn for Q1 (reported a quarter in arrears) shows a 29% reduction in carbon emissions compared to a target of 34% reduction from the baseline year, 2019/20 (**ref i**). Gas consumption was down 42% and electricity was down 5% compared to Q1 2021/22.

Part of the reduction achieved was due to the more typical weather in Q1 when compared to the unexpected low average minimum temperatures experienced the previous year, which was noted to be one of the coldest Aprils on record since 1922. Improved management of buildings to reduce energy usage was also a contributing factor. The need to provide ventilation in our buildings as part of COVID-19 safety measures is still affecting our overall percentage reduction.

A programme of carbon reduction measures continues to be delivered in schools and across the corporate estate, with Business Services working in conjunction with CET on our Climate Action Plan.

Several energy efficiency projects commenced in Q2 including two decarbonisation projects.

- The 2022/23 LED programme commenced, putting LED lighting in 11 properties over this financial year. Three schemes were completed in Q2 with the remainder on target for Q3.
- 10 Solar Photovoltaics (PV) projects were programmed for 2022/23. Four projects had orders placed in Q2 with one project awaiting planning permission. Four additional surveys been undertaken in Q2.
- The Ninfield Decarbonisation project drew closer to completion in Q2, with commissioning and site handover to be achieved in Q3. The project has estimated savings of 18tCO<sub>2</sub> (tonnes of CO<sub>2</sub> equivalent) per annum - while it will take one year to generate the expected saving, it is a further stride towards our carbon neutral target, and will quickly prove beneficial as we head into the winter.
- The Council finalised its bid to the Department for Business, Energy and Industrial Strategy (BEIS) for the Phase 3b Decarbonisation Heat scheme. The bid will seek funding of £1.29 million for comprehensive investment in six Primary School assets. The bid was formally submitted in October 2022.
- A technical model has been produced by consultants Currie & Brown to assess which combination of measures can get the Council to net zero and at what cost. The Council will report on this carbon modelling exercise in the Q3 monitoring report.

##### **Modernising Systems**

The Managing Back Office Systems Programme was established to deliver the replacement of the Council's financial, resource management and property asset management systems.

Replacement of these systems will support further developments to increased agile and digital working.

Programme activity, including user testing, continued through Q2 and the programme remains on track. A decision on the go-live date for the new system is planned for Q3 when solution quality and readiness can be assessed.

##### **Workstyles**

Work on the workstyles property elements for County Hall has been paused until the spring to allow working patterns to normalise over the winter period and to incorporate the feedback from the Workstyles all staff survey which will be launched in Q3. This has also allowed the team to focus on the delivery of the office move from Ocean House in Hastings. This project has been set

up to provide new work bases in Hastings due to the landlord announcing redevelopment of the site.

IT&D continued with the programme to install additional meeting room technology to support hybrid meetings, and the Tech Advocate team continued to be on hand supporting staff to maximise their use of the technology available.

## **HUMAN RESOURCES AND ORGANISATIONAL DEVELOPMENT (HROD)**

In response to the significant recruitment and retention challenges facing the Council, a new recruitment brand 'We Choose East Sussex' has been launched. This comprises a range of promotional materials that seek to position the Council as an employer of choice. Alongside this, following the conclusion of the evaluation process, the temporary agency staffing contract has been re-awarded to Adecco. As well as scoring well on price and quality, Adecco are proposing a particularly strong social value offer, which we will now look to exploit as we move into the implementation phase.

### **Apprenticeships**

While the Government has removed the target of 2.3% of the workforce being apprentices, the outcomes of all organisation's apprenticeship activity will still be published in Q3. An internal comparison of the 2021/22 outcomes against the previous year shows a slight upturn in the number of new apprenticeship starts for the year and the total number of apprentices within the council.

A calendar of training opportunities is being put together for staff to access in 2023. This will help us focus more on setting up cohorts of apprentices. The peer-to-peer support within a cohort has proven to be effective in keeping people focused and enjoying the programme. A pilot cohort for an Associate Project Manager apprenticeship at Level 4 has recently been launched and has proven to be popular with staff. 24 staff have signed up to start the apprenticeship in December 2022.

A number of jobs fairs focussing on Council vacancies have also been run in collaboration with the Department of Work & Pensions. These events are continuing during Q3 and interest from recruiting managers and potential candidates has been positive.

### **Attendance Management and Wellbeing**

The 2022/23 Q1+2 sickness absence figure for the whole authority (excluding schools) is 4.73 days lost per FTE, an increase of 23.3% since last year. The year-end estimate for 2022/23 is 11.39 days/FTE, so the target of 9.10 days/FTE is currently predicted not to be met. The predominant reason for the increase in absence rates is due to COVID-19 related absence, with a 3,020 increase of days lost compared to the same period last year.

Mental health absence has also increased by 1,161 days compared to last year. However, the benchmarking data from GoodShape suggests this is a common theme across local authorities. Set against this background, we have increased support to staff by:

- Launching a short 4-minute film for World Mental Health Day to promote the resources available, raise awareness and encourage early intervention.
- Planning a series of dedicated workshops in Q3 for managers on managing stress.
- Raising awareness of the mental health support available from our Employee Assistance Programme and partners 'able futures' through a series of staff webinars.
- Launching a specific series of courses to help with staff emotional wellbeing: 'overcoming overwhelm'.
- Offering bespoke coaching sessions for staff who are struggling.
- Our growing Mental Health First Aid network continues to pro-actively support staff and promote wellbeing resources within teams.

More broadly we have:

- Worked alongside Brighton University to develop an evidence based musculoskeletal staff survey, to gain insight into key causes and how these can be addressed.
- Partnered with occupational health to host a range of well attended health-related workshops covering topics such as nutrition, cancer awareness and women's health, with more planned.

## **PROCUREMENT**

### **Savings achieved through procurement, contract and supplier management activities**

The Council has spent £285m with 912 local suppliers over the past 12 months, which equates to 67% of our total spend, compared to a target of 60%. This figure includes our Tier 2 supplier data (i.e., the direct spend with the Council's suppliers that is then sub-contracted by them to a local supplier). 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.

The Highways Services re-procurement project went to Cabinet in September and the recommendation to award the Highways and Infrastructure Services Contract to the preferred bidder was approved. The new Contract has been awarded to Balfour Beatty Living Places, subject to signing of the contract documents. The contract is valued at £297m and will run for an initial seven-year term from 1 May 2023, with an option to extend a further seven years (to a maximum of 14 years) worth up to £730m, subject to performance. Contract mobilisation activities are now underway to ensure we are ready for contract commencement next May.

### **Social Value (SV)**

In Q2, a total of four contracts were awarded, of which two were out of scope of the Social Value Measurement Charter, which quantifies the economic, social and environmental benefits of the procurement, as they accessed an existing pre-approved list of suppliers (Frameworks) with predefined contractual terms. The two in-scope contracts had a total contract value of £22.5m and secured £12.8m in Social Value commitment, which equates to an outturn of 57% against a target of 10%.

The bulk of this social value commitment was for the Integrated Community Equipment Service (ICES) contract and will be delivered over the initial 5-year term. A wide and varied range of social value benefits were secured, including training for care providers and local people, the use of their service centre as a community hub, the use of renewable energy sources and trialling electric vehicles. Alongside this, the contract details a range of environmental commitments as part of their core service offering, such as implementing a regime of responsible disposal of scrapped materials, and intelligent delivery and collection routing to minimise fuel consumption. There will be a specific Key Performance Indicator in the contract which will ask the supplier to report the percentage decrease of their carbon emissions year on year.

The East Sussex Social Value Policy was approved by the Lead Member for Resources and Climate Change in September. It was agreed that the Policy will help establish the Council's approach and ambitions regarding Social Value and help to embed Social Value into our work. This will directly support the economic recovery in East Sussex. The Policy is currently forming part of a Place Scrutiny review which will conclude in Q3, the outcome of which will feed into the roll out of the Policy across the Council.

In Q2, our suppliers, communities and charity partners were contacted with details on how to register and engage with the newly refreshed East Sussex Social Value Marketplace. As a result, we have had over 150 registrations. During Q3, we will be advertising the Marketplace across various mediums to further increase the awareness of the site and raise its profile. The Marketplace enables the sharing of resources, so we can work collectively to improve the social, economic, and environmental wellbeing of our residents and local communities.

## **PROPERTY**

Property provided increased advice and options for several organisational transformation programmes in Q2. In addition, Property concentrated on a number of workstreams in the

Council's Asset Management Plan 2020-2025, focusing on more efficient use of offices and providing advice to schools on energy efficiency.

Key outcomes secured across Property in Q2 include:

- Increasing the Council's commercial income portfolio by 7% compared to Q1.
- Lead Member approval for the sale of a former operational asset in Hastings. The sale is due to complete in Q3.
- The Hastings office base search was concluded with final lease agreements due to be completed in Q3.
- Bibliographic new accommodation solution found (for library book storage and distribution), resulting in a vacant asset being re-purposed. In addition, a significantly smaller leased building has been found for Modern Records, resulting in an overall reduction in accommodation floor area of 45% and an annual rental saving of £0.207m per annum.

### **Property Strategy (SPACES)**

Strategic Property Asset Collaboration in East Sussex (SPACES) is a partnership of public bodies and third sector organisations, which aims to improve the use of public sector assets, creating efficiencies (such as reducing property costs and releasing capital receipts) and more effective environments to deliver services.

The Brownfield Land Release Fund (BLRF) is used to unlock Local Authority owned brownfield land for housing, which may not otherwise be available due to viability issues. The BLRF Phase 2 programme was launched by One Public Estate (OPE), with the first assessment window deadline in August 2022. Working with local authority partners, SPACES submitted two bid applications which, if successful, could result in a total of £485,000 of capital grant funding to deliver 30 new homes, many of which will be affordable units. The announcement of successful applications is anticipated during Q3.

### **IT & DIGITAL**

In light of the heightened cyber threat, delivery of Business Continuity preparedness exercises continue to raise corporate awareness and enhance business resilience. Procurement of an enhanced network detection and response solution is underway. This system will use artificial intelligence, machine learning and data analytics, in near real-time, to detect threats before they become destructive or damaging. This investment in automation technology will help protect the organisation from cyber-attack.

The national telephony network is undergoing a change process broadly known as the 'Digital Switch'. This is about converting traditional copper analogue telephone lines to internet connectivity. This change will be rolled out nationally over the next few years and completed by 2025. IT & Digital are investigating the options available for managing this migration for services we support across the County.

Deployment of the South East Grid network has begun on behalf of the Link Consortium, with sites beginning to transition over to the new 15 year £400m framework. Hosted by the Council, this puts in place a mechanism that the Council and other public sector organisations in the South East can use to access higher speed digital infrastructure connections and contribute to the provision of ultra-fast data network connectivity throughout East Sussex.

### **Revenue Budget Summary**

The 2022/23 Business Services net revenue budget is £25.798m and is forecast to overspend by £0.275m. There are no planned savings in BSD this financial year.

The forecast overspend for Finance and Business Administration (**ref ii**) of £0.032m has reduced since Q1 because of vacancy savings and additional income that has been realised.

IT&D are forecasting an underspend of £0.202m (**ref iii**), arising from vacancy and recruitment gaps; and from the unbudgeted contribution to SAP hosting support from Surrey County Council following delays to their new ERP system 'go-live'.

Property is forecasting an overspend of £0.466m (**ref iv**), consisting of an unbudgeted contribution to Lewes Castle Wall phase 2 works; and a significant increase in property maintenance costs, partly attributable to rising prices and works the service has identified that could not be delivered during the COVID-19 lockdown.

### **Capital Programme Summary**

The 2022/23 capital budget is £31.718m, with an underspend of £0.981m and slippage of £7.442m forecast.

Special Educational Needs has slippage of £1.425m (**ref v**). The programme will be reprofiled into next year as the scope of projects supporting the expansion of specialist facilities in schools and academies has not been defined.

Special Educational Needs, Grove Park has slippage of £1.829m (**ref vi**) because negotiations for the location of the school have not concluded.

The Core Programme - Schools Basic Need has an underspend of £0.200m and slippage of £2.588m (**ref vii**). Expenditure will be reprofiled to a future year for the new Uckfield/Ridgewood Primary project.

Core Programme - IT & Digital Strategy Implementation has slippage £1.600m (**ref viii**), which is largely due to the completion date delay for the South East Grid project.

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

#### **Priority – Making best use of resources now and for the future**

Performance measure	Outturn 21/22	Target 22/23	RAG Q1 22/23	RAG Q2 22/23	RAG Q3 22/23	RAG Q4 22/23	Q2 22/23 outturn	Note ref
Reduce the amount of CO2 arising from County Council operations	7.4% increase (comparing emissions to the end of Q4 2021/22 against emissions for the same period in 2020/21)	34% reduction on baseline year (2019/20) emissions (emissions not to exceed 8,206 CO2e)	<b>G</b>	<b>A</b>			Q1: 29% reduction Measure reported a quarter in arrears	<b>i</b>

**Savings exceptions 2022/23 (£'000)**

Service description	Original Target For 2022/23	Target including items c/f from previous year(s)	Achieved in-year	Will be achieved, but in future years	Cannot be achieved	Note ref
Planned savings - BSD	-	-	-	-	-	
Planned savings - Orbis	-	-	-	-	-	
<b>Total Savings</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
			-	-	-	
			-	-	-	
<b>Subtotal Permanent Changes <sup>1</sup></b>			<b>0</b>	<b>0</b>	<b>0</b>	
<b>Total Savings and Permanent Changes</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	

Memo: treatment of savings not achieved in the year (£'000)	Temporary Funding <sup>2</sup>	Part of reported variance <sup>3</sup>	Total	Note Ref
	-	-	-	
	-	-	-	
	-	-	-	
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	

<sup>1</sup> Where agreed savings are reasonably unable to be achieved other permanent savings are required to be identified and approved via quarterly monitoring.

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

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

**Revenue Budget 2022/23 (£'000)**

Divisions	Planned Gross	Planned Income	Planned Net	Projected Gross	Projected Income	Projected Net	(Over)/under spend Gross	(Over)/under spend Income	(Over)/under spend Net	Note ref
Finance & Business Administration	10,294	(5,899)	4,395	11,377	(6,950)	4,427	(1,083)	1,051	(32)	ii
HR & OD	2,892	(1,089)	1,803	2,972	(1,190)	1,782	(80)	101	21	
IT & Digital	12,477	(4,777)	7,700	12,275	(4,777)	7,498	202	-	202	iii
Procurement	-	-	-	-	-	-	-	-	-	
Property	28,900	(20,700)	8,200	24,702	(16,036)	8,666	4,198	(4,664)	(466)	iv
Contribution to Orbis Partnership	3,700	-	3,700	3,700	-	3,700	-	-	-	
<b>Total BSD</b>	<b>58,263</b>	<b>(32,465)</b>	<b>25,798</b>	<b>55,026</b>	<b>(28,953)</b>	<b>26,073</b>	<b>3,237</b>	<b>(3,512)</b>	<b>(275)</b>	



**Capital programme 2022/23 (£'000)**

Approved project	Budget: total project all years	Projected: total project all years	Budget Q2	Actual to date Q2	Projected 2022/23	Variation (Over) / under Q2 budget	Variation analysis: (Over) / under spend	Variation analysis: Slippage to future year	Variation analysis: Spend in advance	Note ref
SALIX Contract	3,500	3,500	350	500	185	165	165	-	-	
Property Agile Works	-	-	-	-	-	-	-	-	-	
Lansdowne Unit (CSD)	75	75	75	4	75	-	-	-	-	
Special Educational Needs	3,198	3,198	1,600	27	175	1,425	-	1,425	-	v
Special Provision in Secondary School	120	120	120	30	120	-	-	-	-	
Special Educational Needs - Grove Park	19,179	19,179	2,579	291	750	1,829	-	1,829	-	vi
Disabled Children's Homes	786	786	57	-	57	-	-	-	-	
14 Westfield Lane	721	721	721	27	105	616	616	-	-	
Core Programme - Schools Basic Need	98,444	98,444	5,337	1,695	2,549	2,788	200	2,588	-	vii
Core Programme - Capital Building Improvements Corporate	44,119	44,119	3,439	712	3,439	-	-	-	-	
Core Programme - Capital Building Improvements Schools	42,817	42,817	5,179	1,761	5,179	-	-	-	-	
Core Programme - IT & Digital Strategy Implementation	78,847	78,847	12,237	3,120	10,637	1,600	-	1,600	-	viii
IT & Digital - Utilising Automation	24	24	24	-	24	-	-	-	-	
<b>Total BSD Gross</b>	<b>291,830</b>	<b>291,830</b>	<b>31,718</b>	<b>8,167</b>	<b>23,295</b>	<b>8,423</b>	<b>981</b>	<b>7,442</b>	<b>0</b>	

## **Children's Services – Q2 2022/23**

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

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

##### Early Years Foundation Stage

Emerging outcomes for the Early Years Foundation Stage suggests that we have sustained our strong performance and are above the national average. Indications are that it puts us in the top 20% nationally for Good Level of Development. The Department for Education is expected to publish Early Years Foundation Stage Profile outcome figures for the 2021-22 academic year in Q3.

##### Special Educational Needs and Disabilities (SEND) Maximising Potential project

The SEND Maximising Potential project is aiming to improve outcomes for secondary school SEND students without an Education Health and Care Plan. The project will run throughout 2022/23. Facilitated by the Durrington Research School, the project is joint funded by the Council and the Education Endowment Fund. The first workshop for schools took place in Q2. Participants worked throughout the day on the five strands that will underpin the programme. These are metacognition, parental engagement, SEND, social and emotional literacy, and behaviour. Each secondary school will choose two specific strands to focus on over the next year and will attend two further workshop days.

##### Rethinking Exclusions

The Rethinking Exclusions project aims to strengthen inclusion and the use of alternative provision and is targeted at secondary pupils. Together with partners, we are building a strategy to promote and embed a whole system approach to support inclusion. This includes the Secondary Board, Area Groups and Behaviour and Attendance Partnerships. September saw the launch of the testing and implementation phase. This includes:

- The launch of Inclusion Partnerships following the refresh of existing partnership structures.
- Training on and testing of a new system.
- The start of early commissioning discussions around use of extra resources.

We will review this phase, before developing and rolling out more broadly across the academic year.

##### New Special Educational Needs Provision

All Saints CE Primary School, Bexhill opened its new specialist facility on 1 September 2022. The facility will accommodate 12 children with Autistic Spectrum Disorder and associated Social, Emotional and Mental Health and Speech, Language and Communication Needs.

Summerdown School is a new free special school which is part of The Southfield Trust. The school will educate up to 84 learners between the ages of 5 and 16 who have a diagnosis of autism. It will also include a separate centre called The Southfield Centre. This will educate up to 51 learners with complex learning and medical needs. Pupils may be accommodated in other schools within the trust while the building of the school is completed. Further information about Summerdown School is on [The Southfield Trust website](#). The Council has worked closely with the Trust to open the new school, which is part of our strategy to ensure that children and young people with SEND are able to access the right provision.

##### SEND strategy development

As part of our engagement with young people we held a workshop in August, at which young people developed a letter which will anchor our strategy. The letter, directed at other young people with SEND, sets out what the strategy will mean for them. At separate sessions, young people produced artwork which will feature in the strategy.

The new East Sussex SEND Strategy Governance Board met for the first time in September bringing together leaders across SEND in the county. We recruited an independent Chair to this Board to work with key stakeholders. This group will oversee work on SEND in East Sussex, and drive progress. It will track delivery of the SEND Strategy (which will be launched in Q3) and hold organisations to account. Parent and carers will have a voice in the Board through the East Sussex Parent Carer Forum. Young people are also represented on the group.

### Apprenticeship Roadshows

In June and July, the Apprenticeship Roadshows returned to Hastings and Eastbourne. The roadshows saw 63 exhibits, advertising over 200 vacancies. A total of 645 young people, their parents and carers and jobseekers attended the events. A panel discussion took place, providing an opportunity for visitors to question and ignite discussion amongst employers (such as NHS, Factory Internet and Edwards Vacuum), providers (such as University of Brighton and East Sussex College Group) and apprentices from a range of organisations. The feedback from the event was very positive. One attendee, a Year 10 student said:

*“I’ve learnt so much about apprenticeships including degree options, which I didn’t realise I could do in future. I heard about these during the panel Q&A which I found was really interesting and informative”.*

### Mental Health Support Team Hastings 2 team

The Mental Health Support Team launched a second Hastings team in September 2022 following the successful recruitment of four Educational Mental Health Practitioner trainees, two Senior Mental Health Practitioners and a parent/carer practitioner who will cover the two Hastings teams. Four primary schools and one secondary school have been identified as placement schools. The remaining six primary schools will have newly qualified staff from last year’s Hastings Team 1 cohort allocated to them. A SEND specialist has been recruited to the Hastings Two team to work with two of the Hastings special schools. Term one meetings took place with all schools to establish referral pathways. The schools are engaging well with the service and are welcoming the additional mental health resource provided.

### The Household Support Fund

Funding from the government’s Household Support Fund was used over the summer to provide food vouchers during the school holidays to 2-19 year olds who are eligible for free school meals. Vouchers are provided directly to families by schools, settings and colleges. Vouchers can be used in all major supermarkets. The scheme has been extended for another six months and food vouchers will be provided again to eligible pupils over the school holidays.

### New Headteacher Induction Programme 2022-23

The council’s is committed to supporting headteachers to engage in professional development. A new headteachers’ induction programme was launched in September 2022. Twenty-two participants who have taken up new headships in September in a range of primary, special, and secondary schools in East Sussex attended the course. The session included discussion of the county’s vision for education and an introduction to safeguarding and health and safety. Future sessions will include: an inclusive school, curriculum, working with stakeholders and the school-led system. We also offer a mentor to all headteachers in their first year as well as a coaching programme.

### The proportion of respondents to the feedback surveys who agree that things have changed for the better as a result of Children’s Services in Q2

- 84% of respondents to the Inclusion Special Educational Needs and disabilities (ISEND) feedback survey agreed that things have changed for the better as a result of ISEND services.

- 85% of adults and 98% of young people who responded to the 0-19 Early Help feedback surveys agreed that things have changed for the better as a result of getting targeted support from the 0-19 Early Help Service

#### The Digital in Care programme

The Digital in Care Programme is working to ensure children and young people in care have the same opportunities as their peers to reap the benefits of the online world, by ensuring carers and practitioners are equipped and able to support them.

The Digital in Care programme launched its training in online safety and digital resilience earlier this year. It is innovative because it combines both carers and practitioners in the same training. This is working well and they are able to learn from each other. Feedback so far is very positive with 92% feeling more confident to support young people and 100% knowing where to go to get help. Our Digital Hive website launched in August. It is our one stop shop for carers and practitioners to access training, resources, advice and support.

#### Quality Lead award for the Youth Justice Service (YJS)

The YJS has been awarded a Quality Lead award in recognition of its work to support children with Special Educational Needs in the criminal justice system. The award recognises:

- The strength of partnership between YJS and ISEND and some of the initiatives that have been introduced to support our most vulnerable children, particularly those experiencing exploitation and those in custody.
- The strength of partnerships with the Youth Employability Service for children who are aged 16-18 with the continuing improvements in the number of children accessing education, training and employment.

The YJS has also been awarded a child first commendation for its work in prevention exclusions and suspensions among exploited children.

#### East Sussex Youth Justice Board funded Pathfinder

In October we received a letter from the Youth Justice Board following the formal close of the East Sussex Pathfinder. The letter expressed the Board's thanks to the East Sussex Youth Justice Partnership for the work that was undertaken and the outcomes that were achieved throughout the duration of the project. A number and range of projects were developed through the allocation of the extra funding and shared learning across the sector improving the learning for everyone. The letter noted the work undertaken with the Hollington boys group working with previously unengaged children and young adults; the success and sustainability of the parenting group and the way that the practitioners empowered and collaborated with parents in working with them giving them the confidence to run their own group; and the work undertaken on trauma informed assessment. The letter noted the collaboration of the partnership and the dedication and enthusiasm of the practitioners working within the project.

#### Connected Families Service

The new Connected Families Service launched in September for families with children aged 11-17 who are on the edge of care. The service aims to enable children to live safely at home, or where care is necessary, to maintain relationships and work to support children to return home when appropriate. Connected Families brings together Intensive Support Practitioners, coaches and a Multisystemic Therapy Team to provide proactive, tailored support for families at their point of need. Staff work flexibly across evenings and weekends to support relationships, build resilience and encourage ambition. We have built relationships with partner agencies to enable us to smooth pathways and ensure that children are accessing health and education. We have partnered with East Sussex College to base our services in one of their buildings which opens opportunities for young people to access college facilities.

### **The percentage of Looked After Children participating in education, training or employment with training at academic age 16 (Year 12) and academic age 17 (year 13)**

The Q2 outturn for Looked After Children (LAC) at academic age 16 (**ref i**) is 76% against a target of 80%. The percentage of LAC at academic age 17 (**ref ii**) is 66% against a target of 70%. The Virtual School and through care teams continue to work together to support young people into education, employment and training. The post 16 pupil premium money allows us to further embed practice with post 16 providers and put support in place to prevent breakdown in educational placements. We will also be able to fund a small number of bespoke packages for young peoples who are unable to engage with existing providers.

### **Average Progress 8 Score for state funded schools and The average Attainment 8 score for disadvantaged pupils**

Early data sets suggest that the targets for average progress 8 score for state funded schools (**ref iii**) and Attainment 8 score for disadvantaged pupils (**ref iv**) will not be met. We are awaiting the Department for Education data and will not validate Key Stage 4 data until early 2023. We are not able to provide further commentary about these targets until Q3.

### **Number of households eligible under the government's Supporting Families programme receiving a family support intervention**

138 households were receiving support in Q2, under the government's Supporting Families Programme (**ref v**). The total for Q1 and Q2 is 285. The 2022/23 nationally set target of 1,350 households is an increase on previous years' targets. The vacancies in the early help keywork service (currently eight full time equivalent) have impacted on our "attachment" levels (numbers of families whose support is monitored for the programme) in Q1 and Q2. When family outcomes are achieved and sustained six months after closure additional funding is released to the Council and this is known as payment by results. It is worth noting that in Q2 we have already achieved 507 payment by results against a nationally set annual target of 500. In order to achieve our engagement target going forward, we are working to extend the number of teams/services taking a whole family approach within the Supporting Families Outcomes Framework. This system transformation includes identified teams within CSD, family hubs, commissioned services and the wider multi-agency workforce across the early intervention system from March 2023.

### **Revenue Budget Summary**

The net budget of £101.479m is forecast to be overspent by £8.439m by the year end (**ref ix**), an increase of £3.282m since Q1.

### **Early Help and Social Care**

£6.820m of the forecast overspend relates to Early Help and Social Care (**ref vii**), an increase of £3.435m since Q1. As with Q1, the overspends are nearly all within LAC costs (Lansdowne Secure Children's home and Children's homes) and within Locality (the 'front door' social work service which provides support to children and young people when there are concerns about welfare or safety). The cost pressures reflect clear regional and national trends in terms of a combination of reduced availability of both care and education placements, often linked to recruitment difficulties, and the increased complexity of children's needs.

### **Early Help and Social Care – Looked After Children (£2.3m increase from Q1)**

The largest element of the increase in the forecast overspend is at Lansdowne, where we are now forecasting an overspend of £2.5m, an increase of £1.623m from Q1. This is due to a combination of:

- A) reduced forecast income of £0.8m due to continued staff shortages and recruitment difficulties, as well as the increasingly complex needs of some children, all resulting in a reduction in the number of children that can be looked after there; and

B) increased costs of a further £0.8m because of the continued need to use expensive specialist agency staff (net of further COVID funding of £0.1m for covering related staff absences).

Against the backdrop of this worsened position, the department is looking at options for Lansdowne's future operating model, as it is recognised that this forecast position is not sustainable.

Also, within LAC, the other main change from Q1 is in Children's homes where we are forecasting additional costs of £0.353m mainly at Silver Birches, where additional staffing and night care support has been required.

### **Early Help and Social Care – Locality (£0.6m increase from Q1)**

Within Locality, there are a number of smaller overspends, mainly relating to intensive support and for homeless young people – these are from a very low volume of young people, but with a high individual cost. We reported in Q1 that there were forecast overspends resulting from the need to provide intensive support at home for a small number of young people who have particularly complex needs and for whom school places/alternative education offers cannot be found. These have continued in Q2, with a further forecast overspend of £0.135m; lack of education provision is a key driver here. In addition, there is a further overspend forecast of £0.136m to meet the accommodation costs of young people who are homeless. A new approach to resourcing accommodation has been developed which significantly reduces the costs to which the Council is otherwise exposed. The costs still exceed budget provision in this area, however.

### **Early Help and Social Care – Other (£0.5m increase from Q1)**

The increase from Q1 comprises several areas, of which the main ones include the Specialist Family Services team and Early Help team. For example, in Specialised Family Services, £0.099m from where partner organisations are not increasing contributions in line with inflation or where funding (including the Public Health Grant) has ended, but where costs cannot be immediately stopped or where it would not make financial sense to reduce the service (for example the highly effective Foundations Service which prevents mothers losing further children to care). The department is working to address this in the medium term.

Early Help forecasts include an overspend of £0.108m on utility costs due to the rising prices (subject to clarification on potential funding decisions for this). While other areas within the department are also experiencing pressures from this, Early Help runs a number of buildings and is not able to contain the price increase within its utilities budget of £0.195m.

The Care leavers budget forecast overspend within Early Help and Social Care continues to include £1.192m following the decision in 2021 that we should stop placing care leavers (under 18-year-olds) in bed and breakfast accommodation because it was both illegal and unsafe for young people. More expensive, but safer and better supported, lodgings provision is now used instead.

### **Communication, Planning and Performance**

Within Communication, Planning and Performance (**ref viii**) we are forecasting a small reduction in the forecast overspend of £0.030m from Q1 to £3.276m. Within this, the overspend on Home to School Transport of £3.204m (net of COVID-19 funding of £0.817m for ongoing related pressures) is unchanged. The department, together with CET, have continued to work together, containing further pressures being experienced nationally where costs for transporting SEND pupils have increased by over 33% in the last four years. The 33% increase includes price pressures arising from current market conditions (operators' staff wages, fuel cost increases and the increasing costs of other overheads). This joint work continues to contain further forecast cost increases (as well as on modelling and forecasting), including transport route reviews/ re-tendering and case by case review of solo routes.

## Central Resources

The overspends have continued to be mitigated in part by a forecast underspend of £1.720m (an increased forecast underspend of £0.109m since Q1) because of efficiencies and staff vacancies across a number of areas in the department which we are recording in Central Resources (**ref vi**).

## Next steps

The department is continuing to look for further mitigations, with senior managers leading in taking every opportunity to save costs where possible. However, containing costs in Children's Services is a significant challenge across the country, against the background of increased demand and complexity of needs emerging from the pandemic and acute supply side shortages in both care and education provision.

Actions include:

- Further engagement with regional local authority commissioning groups to drive down costs and increase purchasing power for commissioned placements.
- Head of Service and Assistant Director sign off required for all external placements, including continuing to seek contributions from health partners wherever possible.
- Monthly Head of Service and Assistant Director review of top 20 high-cost placements including scrutiny of move on/ exit plans.

The department is also looking at any longer-term impact from the 2022/23 forecast on the Medium Term Financial Plan (MTFP). The MTFP already includes significant investments totalling some £6.8m for Home to School Transport, Locality and Care leavers from 2023/24. Within this, we had been expecting some of the Locality pressures to be short term spikes in demand, but it is now more likely these will continue beyond the end of the financial year. We will continue to work through this as part of the ongoing Reconciling Policy Performance and Resources / MTFP process before Q3 reporting. The MTFP also currently assumes an annual income of £1.4m from the Lansdowne secure unit, which is unlikely to be achieved in the short term. Again, we are urgently working through the options for the unit.

Further to the risk from the demand-led nature of budgets, turnover, recruitment challenges, and the knock-on effect of costly agency staff also remain a risk to cost control across the department.

There are no planned savings for 2022/23.

## Capital Programme Summary

The Capital Programme for Children's Services for 2022/23 is £1.450m, and we are forecasting spend to be in line with this (**ref x**).

**Performance exceptions (See How to read this report for definition)****Priority – Driving sustainable economic growth**

Performance measure	Outturn 21/22	Target 22/23	RAG Q1 22/23	RAG Q2 22/23	RAG Q3 22/23	RAG Q4 22/23	Q2 22/23 outturn	Note ref
The percentage of LAC participating in education, training or employment with training at academic age 16 (Year 12)	78% EET /76% RPA	80%	G	A			76% RPA (78% EET)	i
The percentage of LAC participating in education, training or employment with training at academic age 17 (Year 13)	82% EET	70%	G	A			66% RPA (82% EET)	ii
Average Progress 8 Score for state funded schools	N/A Ac Yr 20/21 assessment results not published	Ac Year 21/22 $\geq -0.06$ (ESCC outturn for academic year 18/19)	G	A			Reported at Q3	iii
The average Attainment 8 score for disadvantaged pupils	N/A Ac Yr 20/21 assessment results not published	Ac Year 21/22 $\geq 33.6$ (ESCC outturn for academic year 18/19)	G	A			Reported at Q3	iv

**Priority - Helping people help themselves**

Performance measure	Outturn 21/22	Target 22/23	RAG Q1 22/23	RAG Q2 22/23	RAG Q3 22/23	RAG Q4 22/23	Q2 22/23 outturn	Note ref
Number of households eligible under the government's Supporting Families programme receiving a family support intervention	856	1,350	A	R			Q2 138 YTD 285	v



**Savings exceptions 2022/23 (£'000)**

Service description	Original Target For 2022/23	Target including items c/f from previous year(s)	Achieved in-year	Will be achieved, but in future years	Cannot be achieved	Note ref
	-	-	-	-	-	
	-	-	-	-	-	
<b>Total Savings</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
			-	-	-	
			-	-	-	
<b>Subtotal Permanent Changes <sup>1</sup></b>			<b>0</b>	<b>0</b>	<b>0</b>	
<b>Total Savings and Permanent Changes</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	

Memo: treatment of savings not achieved in the year (£'000)	Temporary Funding <sup>2</sup>	Part of reported variance <sup>3</sup>	Total	Note Ref
	-	-	-	
	-	-	-	
	-	-	-	
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	

<sup>1</sup> Where agreed savings are reasonably unable to be achieved other permanent savings are required to be identified and approved via quarterly monitoring.

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

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

**Revenue Budget 2022/23 (£'000)**

Divisions	Planned Gross	Planned Income	Planned Net	Projected Gross	Projected Income	Projected Net	(Over)/ under spend Gross	(Over)/ under spend Income	(Over)/ under spend Net	Note ref
Central Resources	2,777	(1,448)	1,329	1,057	(1,448)	(391)	1,720	-	1,720	vi
Early Help and Social Care	80,300	(14,859)	65,441	86,511	(14,251)	72,260	(6,211)	(608)	(6,819)	vii
Education and ISEND	117,029	(13,750)	103,279	116,420	(13,078)	103,342	609	(672)	(63)	
Communication, Planning and Performance	24,755	(4,597)	20,158	31,171	(7,737)	23,434	(6,416)	3,140	(3,276)	viii
DSG non Schools	-	(88,728)	(88,728)	-	(88,728)	(88,728)	-	-	-	
Schools	158,212	(158,212)	-	158,212	(158,212)	-	-	-	-	
<b>Total CSD</b>	<b>383,073</b>	<b>(281,594)</b>	<b>101,479</b>	<b>393,371</b>	<b>(283,454)</b>	<b>109,917</b>	<b>(10,298)</b>	<b>1,860</b>	<b>(8,438)</b>	<b>ix</b>

**Capital programme 2022/23 (£'000)**

Approved project	Budget: total project all years	Projected: total project all years	Budget Q2	Actual to date Q2	Projected 2022/23	Variation (Over) / under Q2 budget	Variation analysis: (Over) / under spend	Variation analysis: Slippage to future year	Variation analysis: Spend in advance	Note ref
House Adaptations for Disabled Children's Carers	1,053	1,053	50	7	50	-	-	-	-	
Schools Delegated Capital	27,811	27,811	1,385	723	1,385	-	-	-	-	
Conquest Centre redevelopment	356	356	15	-	15	-	-	-	-	
<b>Total CSD Gross</b>	<b>29,220</b>	<b>29,220</b>	<b>1,450</b>	<b>730</b>	<b>1,450</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>x</b>

## **Communities, Economy & Transport – Q2 2022/23**

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

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

Highways works, utilising the one-off investment agreed by Cabinet in November 2021, have continued in Q2. Over £2.0m of additional road patching work has been completed at 666 sites; with the remaining funding fully allocated on further works which are scheduled to take place during 2022/23. Works on pavements have increased in Q2 with 172 sites now completed and, with further works scheduled during 2022/23 projected to make use of the full £1.8m available. Road marking schemes commenced in Q2, with projects delivered at a small number of sites. This is expected to increase later in 2022/23. £0.5m of signage works are scheduled for 2022/23, 866 signs are projected to be replaced as part of this work. The first batch of new signs have started to be installed during Q3, with further batches scheduled throughout the rest of 2022/23.

We completed 80 road maintenance projects to improve the condition of the county's roads in Q2. We also repaired 5,101 potholes. 2,836 were potholes in the road; the remainder were potholes on the pavement. Amongst the potholes in the road, we completed 99% within the required timescales. This is an improvement on the Q1 outturn, which was 97%. Some potholes were unable to be completed in time, because of bad weather, materials not being available, and being unable to locate the site because the wrong location was reported by the public.

A new highways contract was awarded to Balfour Beatty Living Places in October 2022. The seven-year contract is worth £297m and will commence on 1 May 2023. There is an option to extend the contract for a further seven years subject to performance. Balfour Beatty Living Places will be responsible for maintaining the county's highways network and infrastructure, including roads, pavements, drainage, streetlights, traffic lights and bridges. As part of the procurement process Balfour Beatty Living Places demonstrated how they would help reduce the Council's carbon footprint, provide value for money and improve social wellbeing in East Sussex.

In Q2, the Council's Flood Risk Management team received final confirmation that our full business case and funding request for the Eastbourne and South Wealden Blue Heart project had been approved by the Department for Environment, Food and Rural Affairs. With just over £4m being awarded, the project will aim to mitigate the impact of flooding through technology to manage and monitor water levels in this area. The project will run until 2027.

In 2021/22 we developed a Bus Service Improvement Plan, in partnership with bus companies, in response to the Government's bus strategy. In Q2, the Government confirmed that we would receive the whole of our indicative funding allocation of £41m. This is subject to the agreement of the Enhanced Partnership Plan and Schemes. The statutory process to agree the plan and schemes has begun. This will include an operator objection period and a stakeholder consultation, that will end in Q3. The Lead Member will consider the plan and schemes in Q3, once the objection period and consultation have concluded.

The Transport Hub Team worked quickly in Q2 to find an alternative provision for bus services in Lewes, following the decision by the owners of Lewes Bus Station to stop buses using the bus station. The new provision has been working, but the team are continuing to look at improvements to the service where possible.

The Home to School Transport team have provided transport provision to over 6,000 children in Q2. The team have also optimised transport provision for two 'One School' contracts to help contain further pressures during summer 2022. Other measures to try and contain further forecast Home to School Transport costs were also put in place during Q2, including early and in-depth engagement with schools, engagement with transport providers and route optimisation.

The Summer Reading Challenge took place during Q2. 5,714 children signed up to the challenge, exceeding the target for the year. The number of children signed up also exceeds the totals from 2021 and 2019, the challenge was suspended in 2020. 3,473 of the children finished the challenge, which is again higher than previous years. The challenge aims to encourage primary school children to read books during the summer holidays. This year's challenge invited children to Join the Gadgeteers to discover the amazing science and innovation in the world. We held several events to support the challenge. This included 74 school assemblies, with over 6,800 participants. 39 events were held in our libraries, ranging from author story times, treasure hunts and science focussed sessions.

The Registration Team has continued to see an increase in demand during Q2. There was a 24% increase in ceremonies when compared to Q2 2019/20. There has been an 8% increase in death registrations when compared to Q2 2021/22. This increase is being reflected nationally. The team have put contingency plans in place in anticipation of fluctuating demand over the winter.

### **Employability and Skills**

The Careers Hub has supported schools to achieve an average of 5.5 national benchmarks at the end of the academic year, July 2022. We recruited 15 Industry Champions in Q2. Industry Champions support schools and colleges in the county to give young people interactions with employers such as careers talks, work experience and workplace visits.

In March 2022 the Government announced that as part of the UK Shared Prosperity Fund the new 'Multiply' programme would seek to improve adults' numeracy skills over the next three years. In support of the Levelling Up agenda, the programme aims to help people improve their ability to understand and use maths in their daily lives and achieve a mix of formal and non-formal qualifications. The Council's allocation of £2.5m was approved in September 2022. In Q2 we started the process of granting 11 contracts as part of the programme. These contracts are expected to be awarded in Q3, for delivery up to March 2025. A project manager for adult learning has also been successfully recruited and will start in Q3.

### **Cultural investment and recovery**

Two subgroups of the Sussex Tourism Leadership Group have now met. The Meetings, Incentives, Conferences and Exhibitions (MICE) group; and the Sussex Story group have both agreed actions plans for 2023/24. The Council are leading on the procurement of the work to define the Sussex Story, and we expect to complete this in Spring 2023.

### **Broadband**

The Broadband Project is completing the final remaining properties identified as part of the scheme. The project is moving towards contract completion having delivered the targets. The Broadband Team are continuing to work with the Department for Digital, Culture Media & Sport (DCMS) on their Project Gigabit programme. This combined work will help to shape the DCMS' plans for gigabit capable broadband. This will help to ensure that East Sussex benefits from as much investment as possible as part of the programme. The procurement process has now started, with formal pre-procurement market engagement underway. The DCMS has put the Gigabit Voucher scheme, including the East Sussex top up, on hold during the start of the procurement process.

### **Business Support and job creation**

Businesses were helped by business support programmes to create or safeguard 94 jobs in Q2 (ref i). Locate East Sussex helped 17 businesses to remain within, or relocate to, East Sussex in Q2.

## **Road Safety**

We completed five schemes to improve road safety in the county in Q2. These schemes were in Wartling, Birling Gap, Duddleswell, Piltdown and Hastings. A further four schemes are planned to be delivered later in 2022/23 (**ref ii**). Our highways contractor has made slower than expected progress in delivering the schemes in 2022/23 due to a limit on local resources. Additional resources have now been secured from the contractors' wider business and they are now confident that they will be able to deliver the target of 22 schemes by the end of 2022/23.

During Q2, 95 'Bikeability' courses were delivered to 903 individuals at participating schools and the Cycle Centre at Eastbourne Sports Park. 21 'Wheels for All' sessions were also delivered at the Sports Park to 579 attendees.

## **Trading Standards**

Trading Standards made 87 positive interventions to protect vulnerable people in Q2, including installing call blockers and dummy cameras. 36 delegates received business training advice in Q2, while 39 businesses received bespoke advice from Trading Standards.

## **Environment and climate change**

Alongside our colleagues in BSD, we are working with partners to develop and deliver carbon reduction and climate change adaptation work. This has included:

- Securing £300,000 of funding from the Forestry Commission. We secured this money in partnership with Lewes and Eastbourne councils and local community groups. We will use this funding for replacement tree planting on the highway verge and on district and borough council land.
- Carrying out 38 free energy audits of local small to medium sized businesses since April 2022. We also distributed approximately £100,000 of grants to businesses. This funding will help them to put in place energy efficiency improvements and renewable energy schemes.
- Delivering carbon literacy training to 150 staff and 50% of Members since April 2022.

We are working on an electric vehicle strategy that adds to the current and planned charging points across the county. We are working with partners, such as colleges, emergency service and district and borough councils on the strategy. The plans focus on providing charging points at County Hall as well as on-street points countywide. We have agreed the location for the on-street points, with our district and borough council partners. We expect to start deployment of the on-street points in summer 2023.

## **Waste**

55.6% of Household waste was re-used, recycled or composted or used beneficially in Q1 (reported a quarter in arrears). 61,877 tonnes of waste were collected in Q1, compared to 60,138 tonnes in Q1 2020/21 before the pandemic. However early indications for Q2 indicate that there has been a reduction in waste collected compared to pre-pandemic levels. The reduction in waste has been driven by reductions in garden waste due to the dry summer, declining levels of home working following the pandemic and the initial impact of cost-of-living pressures. There was also industrial action in Wealden which meant recycling and garden waste collections were suspended for a number of weeks, while only a partial domestic refuse service was able to operate.

## **Planning**

100% of County Matter applications were determined within the statutory determination period in Q2. 100% of County Council development applications were determined within eight weeks or within an agreed extension of time during Q2.

### **Rights of Way (RoW) and Countryside Sites**

88% of high priority maintenance work has been completed on schedule so far in 2022/23. Work in Q2 has focused on vegetation clearance and bridge maintenance work during the unusually dry weather.

### **Libraries**

87 people enrolled on Family Learning Programme at East Sussex libraries in Q2. Eight of these were in Family English, Maths and Language, whilst 79 were in Wider Family Learning programmes. 25 people passed online learning courses, including IT, English and Maths in our libraries in Q2.

There was an average of over 65,000 visitors per month to our libraries during Q2. Visitor numbers are currently at around 70% of the totals from 2019/20.

### **Revenue Budget Summary**

The CET revenue budget is £63.289m and is forecast to underspend by £0.977m. There are £1.107m of COVID-19 costs and lost income which will be offset with COVID-19 tranche funding. The underspend would have been higher, but the £1m Parking savings target will not be met this year **(ref iii)**. The Parking savings have been significantly impacted by changes to driving and parking habits following COVID-19. High street activity has not returned to pre-covid levels and consequently we have yet to see the level of revenue that the increased parking charges were expected to yield. The £60k Environmental Service saving is unachievable and the department will look to find alternative savings next year. **(ref iv)**. The largest area of underspend is in Transport and Operational Services. This is mostly made up of Waste Service underspends due to increased income from recycling, electricity sales, and third parties. As agreed, £1m of this windfall Waste income has been transferred to the Waste Reserve to cover future budget pressures and a further £1.37m will be used to cover the cost of the Record Service move from Ropemaker Park **(ref v)**. There is a net overspend on the Highways budget due to inflation-based compensation events and additional tree work due to Ash Die Back **(ref vi)**.

### **Capital Programme Summary**

The CET capital programme has a gross budget of £62.826m and there is forecast slippage of £11.230m, spend in advance of £0.818m, overspend of £2.148m, and underspend of £0.109m. Schemes with the largest slippage include the Eastbourne Town Centre Movement and Access Package where the decision has made to pass construction to the new contractor **(ref xi)**. Elements of the Hastings and Bexhill Movement and Access scheme have been delayed coinciding with planned Hastings Borough Council works **(ref ix)**. There was a six-month delay in the Department for Transport confirming the Bus Service Improvement Plan allocation **(ref viii)**. Design complexities and contractor resource issues have delayed the Eastbourne and South Wealden Walking and Cycling scheme **(ref x)**. Works on Shinewater Bridge has been postponed and will be completed by the new Highways contractor. **(ref xii)**. There are a number of schemes that are forecasting smaller slippages.

The overspend is mostly due to Bexhill to Hastings Link Road compensation claims and other ongoing costs such as archaeology, ecological monitoring and landscaping **(ref vii)**.

**Performance exceptions (See How to read this report for definition)****Priority – Driving sustainable economic growth**

Performance measure	Outturn 21/22	Target 22/23	RAG Q1 22/23	RAG Q2 22/23	RAG Q3 22/23	RAG Q4 22/23	Q2 22/23 outturn	Note ref
Job creation from East Sussex Programmes	193.5 jobs created or safe-guarded	140 jobs created or safe-guarded	A	G			Q2: 94 full time equivalent jobs created Year to date: 109.5 FTE jobs created	i

**Priority – Helping people help themselves**

Performance measure	Outturn 21/22	Target 22/23	RAG Q1 22/23	RAG Q2 22/23	RAG Q3 22/23	RAG Q4 22/23	Q2 22/23 outturn	Note ref
Road Safety: Implement infrastructure schemes on identified high risk sites/routes to improve road safety	24 Safety Schemes implemented	Implement 22 Safety Schemes	G	A			Q2: 5 road safety infrastructure schemes completed Year to date: 8 schemes completed	ii

**Savings exceptions 2022/23 (£'000)**

Service description	Original Target For 2022/23	Target including items c/f from previous year(s)	Achieved in-year	Will be achieved, but in future years	Cannot be achieved	Note ref
Parking	1,000	1,000	-	1,000	-	iii
Libraries	183	183	183	-	-	
Environmental Services	60	60	-	-	60	iv
Archives	14	14	14	-	-	
<b>Total Savings</b>	<b>1,257</b>	<b>1,257</b>	<b>197</b>	<b>1,000</b>	<b>60</b>	
			-	-	-	
			-	-	-	
<b>Subtotal Permanent Changes <sup>1</sup></b>			<b>0</b>	<b>0</b>	<b>0</b>	
<b>Total Savings and Permanent Changes</b>	<b>1,257</b>	<b>1,257</b>	<b>197</b>	<b>1,000</b>	<b>60</b>	

Memo: treatment of savings not achieved in the year (£'000)	Temporary Funding <sup>2</sup>	Part of reported variance <sup>3</sup>	Total	Note Ref
Parking	1,000	-	1,000	
Environmental Services	-	60	60	
<b>Total</b>	<b>1,000</b>	<b>60</b>	<b>1,060</b>	

<sup>1</sup> Where agreed savings are reasonably unable to be achieved other permanent savings are required to be identified and approved via quarterly monitoring.

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

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



**Revenue Budget 2022/23 (£'000)**

Divisions	Planned Gross	Planned Income	Planned Net	Projected Gross	Projected Income	Projected Net	(Over)/ under spend Gross	(Over)/ under spend Income	(Over)/ under spend Net	Note ref
Management and Support	7,293	(4,456)	2,837	7,371	(4,558)	2,813	(78)	102	24	
Customer and Library Services	7,894	(3,312)	4,582	7,882	(3,234)	4,648	12	(78)	(66)	
Communities	4,573	(1,865)	2,708	5,120	(2,593)	2,527	(547)	728	181	
Transport & Operational Services	92,310	(54,554)	37,756	96,357	(60,172)	36,185	(4,047)	5,618	1,571	v
Highways	15,566	(2,653)	12,913	18,530	(4,745)	13,785	(2,964)	2,092	(872)	vi
Economy	5,343	(3,751)	1,592	5,174	(3,582)	1,592	169	(169)	-	
Planning and Environment	3,854	(2,953)	901	4,495	(3,733)	762	(641)	780	139	
<b>Total CET</b>	<b>136,833</b>	<b>(73,544)</b>	<b>63,289</b>	<b>144,929</b>	<b>(82,617)</b>	<b>62,312</b>	<b>(8,096)</b>	<b>9,073</b>	<b>977</b>	

**Capital programme 2022/23 (£'000)**

Approved project	Budget: total project all years	Projected: total project all years	Budget Q2	Actual to date Q2	Projected 2022/23	Variation (Over) / under Q2 budget	Variation analysis: (Over) / under spend	Variation analysis: Slippage to future year	Variation analysis: Spend in advance	Note ref
The Keep	1,096	1,096	132	-	26	106	-	106	-	
Covid-19 Recovery - Libraries Targeted Support	250	141	211	29	102	109	109	-	-	
Peacehaven Library	70	43	28	1	1	27	-	27	-	
Libraries	5,139	5,139	497	86	497	-	-	-	-	
Broadband	33,800	33,800	911	(611)	911	-	-	-	-	
Bexhill and Hastings Link Road	126,247	127,670	318	447	2,466	(2,148)	(2,148)	-	-	vii
BHLR Complementary Measures	1,800	1,800	167	49	167	-	-	-	-	
Economic Intervention Fund	8,884	8,884	282	131	242	40	-	40	-	
Economic Intervention Fund - Loans	3,000	3,000	497	194	347	150	-	150	-	
Stalled Sites Fund	916	916	55	9	35	20	-	20	-	
EDS Upgrading Empty Commercial Properties	500	500	-	-	-	-	-	-	-	
UTC Maritime & Sustainable Technology Hub GBF	1,300	1,300	1,300	-	1,300	-	-	-	-	
Food Street GBF	100	100	100	-	100	-	-	-	-	
Seven Sisters Country Park Visitor Infrastructure Uplift GBF	200	200	200	55	200	-	-	-	-	
Skills for Rural Businesses - Post Brexit	4,413	4,413	915	915	915	-	-	-	-	
Community Focused Road Safety Interventions	750	750	250	-	-	250	-	250	-	
Climate Emergency Works	9,587	9,587	2,090	212	2,090	-	-	-	-	
Flood and Coastal Resilience Innovation Programme	445	836	250	242	250	-	-	-	-	

# APPENDIX 5

Approved project	Budget: total project all years	Projected: total project all years	Budget Q2	Actual to date Q2	Projected 2022/23	Variation (Over) / under Q2 budget	Variation analysis: (Over) / under spend	Variation analysis: Slippage to future year	Variation analysis: Spend in advance	Note ref
SALIX Decarbonisation - Ninfield School	145	145	-	275	-	-	-	-	-	
SALIX Decarbonisation	369	369	77	129	77	-	-	-	-	
Newhaven Port Access Road	23,271	23,271	189	164	257	(68)	-	-	(68)	
Real Time Passenger Information	2,963	2,963	74	13	74	-	-	-	-	
Bus Service Improvement Plan	22,315	22,315	2,575	33	1,125	1,450	-	1,450	-	viii
Hastings & Bexhill Movement & Access Package	9,534	9,534	4,089	267	2,265	1,824	-	1,824	-	ix
Eastbourne/South Wealden Walking & Cycling Package	6,936	6,936	2,351	72	540	1,811	-	1,811	-	x
Hailsham / Polegate / Eastbourne Movement & Access Corridor	2,251	2,251	550	43	684	(134)	-	-	(134)	
Eastbourne Town Centre Movement and Access Package	4,286	4,286	3,241	38	532	2,709	-	2,709	-	xi
Other Integrated Transport Schemes	65,690	65,690	3,144	969	3,260	(116)	-	-	(116)	
A22 Corridor Package	629	629	200	369	200	-	-	-	-	
Community Match Fund	750	750	100	1	69	31	-	31	-	
Emergency Active Travel Fund Tranche 2	1,456	1,456	756	157	756	-	-	-	-	
Exceat Bridge	10,591	10,591	2,176	882	1,955	221	-	221	-	
Queensway Depot Development	1,956	1,956	175	20	175	-	-	-	-	
Hailsham HWRS	175	175	171	4	171	-	-	-	-	
Core Programme - Highways Structural Maintenance	456,327	456,327	21,186	8,243	21,686	(500)	-	-	(500)	
Visually Better Roads	5,800	5,800	5,609	1,606	4,809	800	-	800	-	
Core Programme - Bridge Assessment Strengthening	36,663	36,663	3,022	565	1,981	1,041	-	1,041	-	xii
Core Programme - Street Lighting - Life Expired	33,001	33,001	3,723	626	2,973	750	-	750	-	
Core Programme - Street Lighting - SALIX scheme	2,961	2,961	650	9	650	-	-	-	-	
Core Programme - Rights of Way Surface Repairs and Bridge Replacement	9,844	9,844	565	377	565	-	-	-	-	
<b>Total CET Gross (Planned Programme)</b>	<b>896,410</b>	<b>898,088</b>	<b>62,826</b>	<b>16,621</b>	<b>54,453</b>	<b>8,373</b>	<b>(2,039)</b>	<b>11,230</b>	<b>(818)</b>	

## **Governance Services – Q2 2022/23**

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

#### **Reconciling Policy, Performance and Resources (RPPR)**

At the end of Q2 Cabinet considered an RPPR update report which provided our latest assessment of the rapidly evolving policy and financial context that will continue to inform our planning for 2023/24 and beyond. The financial outlook in the medium term remains very challenging and uncertain with national economic conditions impacting on our projected future position, alongside pre-existing pressures and uncertainties. There have been significant increases in costs brought about by increased demand for services and inflation and there remains significant uncertainty regarding future local government funding and whether or how major national reforms to services will be progressed. The proposed Adult Social Care charging reforms are also projected to place significant financial demands on the Council. Given this context, Cabinet agreed to hold the majority of the £5.2m of one-off funding provided through the 2022/23 Local Government Settlement in reserves until the financial picture is clearer. Work will continue to understand the detailed funding picture as it emerges, the implications of national policy developments and to feed this analysis into our ongoing business and financial planning. In the context of the unprecedented uncertainty our ongoing lobbying work will be vital.

#### **Transport for the South East (TfSE)**

TfSE have completed the public consultation on their draft Strategic Investment Plan (SIP). The SIP is the blueprint for future investment in strategic transport infrastructure in the South East for the next thirty years and the culmination of five years of technical work, stakeholder engagement and institutional development. It builds on the Transport Strategy published in 2020 and brings together the area studies, future mobility strategy and the freight, logistics and gateways strategy.

The 12-week consultation ran from 20 June to 12 September and saw more than eight thousand visits to the consultation website, 429 visitors either completed the survey or asked a question. In total, 638 consultation responses were submitted.

From an initial review of responses, there are emerging themes around environmental impact of schemes within the SIP, a request for a greater focus on active travel interventions, improvement to public transport across the region including greater integration between modes, and more information on costs and funding of the interventions within the plan.

Work is now underway to review and update the draft SIP ahead of submitting it to the TfSE Partnership Board in Q3 for final approval.

Work is progressing around a number of key themes: decarbonisation, electric vehicle (EV) charging, the Government's Bus Back Better programme, and local capability.

- **EV Charging** - The development of this strategy is now underway with support from Arcadis. The initial stage has been to review the existing level of charging point provision across the TfSE area and also the progress on local transport authorities own local EV charging infrastructure strategies. We will publish our EV Charging Infrastructure Strategy in Q4.
- **Bus Back Better** - Consultants Mott MacDonald, supported by Arup, have been commissioned to take forward a joint project on behalf of TfSE, Transport East and England's Economic Heartland to identify and deliver the support needed to assist local transport authorities with the delivery of their Bus Service Improvement Plans and Enhanced Partnerships in the three Sub-national Transport Bodies areas. This is being conducted using a series of questionnaires and workshops and will seek to identify the support needed for authorities, irrespective of whether they are to receive Bus Service Improvement Plan funding.
- **Local Capability** - TfSE has worked with Arup to identify capability gaps across the region and consider solutions to these. £250,000 of funding has been approved for five proposals across the region.

- Decarbonisation - Work is now complete on the Decarbonisation Pathways Report, which sets out the scale of the challenge involved in decarbonising transport in the TfSE area. It also assesses the scale of the impact of different types of measures available to national, regional and local Government. This will now feed into a decarbonisation toolkit to help local transport authorities develop their next local transport plans.
- In addition to this consultants WSP, City Science and Steer have been appointed to work collaboratively on behalf of TfSE, and a number of other Sub-national Transport Bodies, to develop a decarbonisation assessment tool that will enable local transport authorities to assess the carbon reduction impacts of different packages of transport interventions.

### **Corporate Lobbying**

During Q2, the Leader wrote to local MPs to highlight Cabinet's consideration of the RPPR update in September. The update emphasised that the Council's financial position had become more challenging in the medium term. It also highlighted the impact the uncertain national economic conditions were having on our projected budget deficit. These new challenges add to our pre-existing pressures. The update also included that our local modelling indicated that implementing the Adult Social Care charging reforms would have significant budgetary, operational and workforce impacts for the Council. The Leader asked MPs to work with us to ensure Government understands the need for the Council to receive sustainable funding for 2023/24 and beyond. The Leader also highlighted that the funding would need to cover the unavoidable inflationary and budget pressures facing the Council. Finally, the Leader emphasised the need for more time and resources to deliver Adult Social Care reform without it having a detrimental impact on the Council and the local care market. Chief Officers continued to input to national lobbying and policy development on service-specific issues and reforms through professional associations and networks. The Chief Finance Officer also met with Government officials in Q2 to brief them on our challenging financial outlook.

During Q2 we continued to use our partnerships and networks to highlight priorities and issues for the Council. This included having an input via the County Councils Network into their campaign to outline a five-point policy plan for the new Prime Minister and Cabinet. The Leader continues to represent the Council on the County Council Network's Executive as spokesperson for Children's and Young People's issues. The Chief Executive continues to be involved in national policy development as representative for the South East region on a national grouping of local authority Chief Executives.

### **Supporting democracy**

During Q2 we supported 44 meetings including: one County Council meeting; two Cabinet meetings; 11 Lead Member meetings; 17 Scrutiny Committees and Review Boards and 13 other committees and panels. We also published agendas for a further 25 meetings and supported one Whole Council Forum. The webcasts of meetings were viewed 1,955 times in Q2. The most viewed meeting was the Full Council meeting on 12 July 2022, which received 232 views.

In Q2 the Member Training and Development programme continued to deliver a range of courses in support of Members and the roles they hold. Courses were delivered on subjects as diverse as the Council's Code of Conduct for Members, Counter Fraud, Planning and Biodiversity and the use of inclusive language and terminology.

The Council's scrutiny committees held two rounds of committee meetings during Q2. These meetings provided an input to the RPPR process through consideration of the State of the County report and the autumn RPPR update report. People and Place Scrutiny Committees held annual work planning awaydays during September to review and prioritise future topics for scrutiny input in light of current and future challenges for the relevant service areas. The Health Overview and Scrutiny Committee considered and commented on areas of challenge in local health services including hospital handovers, Child and Adolescent Mental Health Services and improvement plans for the local Ambulance Trust. Scrutiny and Audit Committee Chairs and Vice-Chairs

received an update on all scrutiny and Audit Committee activity, including plans for further training to support Members in their scrutiny role.

The Health and Wellbeing Board met on 29 September. The board was updated on the work of the East Sussex Health and Social Care Programme to embed the new Sussex Integrated Care System working arrangements, including the development of the Sussex Integrated Care Strategy and amendments to the membership of the Health and Wellbeing Board. The Health and Wellbeing Board also considered the East Sussex Safeguarding Adults Board Annual Report 2021-2022 and agreed the East Sussex Pharmaceutical Needs Assessment 2022 and the East Sussex Better Care Fund Plans for 2022/23.

Q2 saw significant work undertaken by the East Sussex School Appeals Service to complete the main round of school appeals. Hearings during this period continued to be delivered via hybrid hearings in compliance with temporary national regulations. 94 appeals were received during Q2, and 12 hybrid appeal hearings took place, three of which took place over multiple days. The team has continued to provide significant support to independent volunteer panel members, parents, and admission authorities to participate fully. Following requests from four families, the service delivered four in-person hearings. The service has also conducted one Independent (school exclusion) Review Panel hearing during Q2.

Work has also been undertaken to recruit new volunteer Panel Members in preparation for the spring/summer 2023 main round of appeals for those children starting a new phase of education in September that year.

### **Legal Services**

During Q2, Legal Services assisted Trading Standards to obtain a confiscation order against a fraudulent trader, who has been successfully convicted of possession for sale of counterfeit tobacco. The Court ordered the trader to pay £12,694 within three months or receive a 12 month custodial sentence if payment is not made. In Q2, the Service assisted Income Recovery in securing the recovery and repayment of debts totalling £60,579.

During Q2 the Service provided support for 77 Court of Protection cases and 21 matters involving safeguarding vulnerable adults (compared to 73 and 30 in Q1 2022/23). We also supported 41 Deprivation of Liberty Safeguards applications in the Court of Protection (compared to 78 in Q1 2022/23).

The Service continues to work closely with Children's Services with advice and representation, including in pre-proceedings and court applications for care proceedings. Our priority aim is to keep children within their family when it is safe to do so, and for public law applications to be a necessary and proportionate response to achieve the best outcome for the child. In Q2 the Service advised in relation to 51 families in pre-proceedings compared to 54 in Q1 2022/23. In Q2 the Service applied for care proceedings in respect of 19 families compared to 14 in Q1 2022/23. At the end of Q2, there were a total of 63 ongoing care proceedings for 122 children, compared to 59 in Q1 2022/23. We are experiencing difficulties with court and judiciary availability, which are part of a national issue. The current average duration for number of weeks in proceedings per child in East Sussex is 36 weeks, against the requirement from the 2014 Children and Families Act of 26 weeks.

During Q2, the Service completed agreements to secure financial contributions to the Council of £777,769 together with the delivery of additions and improvements to the highway network across the county through six substantial highways agreements. The contributions included over £250,000 for the improvement of bus services in the County together with funds for library services and Rights of Way. The Service also advised on 58 new contract and procurement matters (compared to 32 in Q1 2022/23). In Q2, the Service also advised on 29 new property transactions (compared to 32 in Q1 2022/23).

### **Coroner Services**

595 deaths were reported to the Coroner in Q2, averaging 198 deaths per month. This is similar to the average monthly figure of 196 deaths reported in Q1 2022/23. Of the 595 deaths reported, 96 went to inquest in Q2 compared to 111 in Q1. 73 inquests were closed in Q2 compared to 70 in Q1 2022/23. Inquests, including jury inquests, are held in court with the option for family, interested persons and witnesses to attend court in person or remotely.

### **Regulation of Investigatory Powers Act (RIPA)**

There were no RIPA applications during Q2. Trading Standards submitted one National Anti Fraud Network request for telephony data under the Investigatory Powers Act 2016. This related to a long-term investigation into the supply of illegal tobacco in East Sussex. Under that application, a total of five Entity data requests were made, requesting the subscriber details of the phone numbers provided. The data allowed officers to confirm the identity of individuals suspected of being involved in illegal tobacco trade and to fill gaps in the ongoing intelligence picture.

### **Local Government Ombudsman complaints**

The Ombudsman issued 16 decisions in Q2. 11 cases were closed before a full Ombudsman investigation for a variety of reasons. These reasons included insufficient evidence of fault, complaints being out of the Ombudsman's jurisdiction, and because the complaint had not been through our internal complaint processes. Of the five fully investigated, two cases related to Adult Social Care (ASC), two to Children's Services (CS) and one to Communities, Economy & Transport (CET). All five of the cases investigated were closed with the complaint partly or fully upheld as follows:

ASC – The client complained about faults by the Council and NHS Sussex Integrated Care Board relating to her mother's mental health aftercare funding. The Ombudsman found the Council and Integrated Care Board were at fault in failing to pay for the full cost of the section 117 aftercare in her mother's own home, without:

- Properly reviewing her aftercare needs in line with the law and guidance.
- Properly justifying any decision that her needs can be met elsewhere and/or at a lower cost.
- Ensuring she has a documented Care Programme Approach (CPA) care plan (or an alternative plan) stating explicitly what her aftercare needs are, and how these will be met.

The Council was also found at fault because its operational instructions for top-up payments were incompatible with the Government's Care and Support Statutory Guidance.

The Council has agreed to:

- Immediately ensure the live-in care for the client's mother is free of charge and continues to be so until a review concludes that she no longer needs this as part of her section 117 aftercare.
- Reimburse any top-up fees paid to date.
- Identify everyone in the Council's area receiving section 117 aftercare services who are paying top-ups for aftercare services, to check they are in line with the law and guidance, and reimburse people who have been charged top-ups incorrectly.
- Ensure relevant staff are aware of the law and guidance that applies to section 117 aftercare.

ASC – The client complained that the Council failed to properly support him with managing his finances despite having evidence to show he was unable to do so himself. As a result, he accrued debts, some of which his family paid, which caused family tensions. The Ombudsman found fault because the Council should have recognised sooner that it should support the client with managing his finances and responded more quickly to his complaint. The Council has agreed to waive the debt and make a payment to the client for the faults found.

CET – The client complained that the Council did not install noise reducing measures at her home and caused damage to her property through ventilation work it carried out. The client also complained that the Council did not properly deal with her request for a grant for replacement windows. The Ombudsman did not find fault with the way the Council dealt with the offer of a grant. However, the Ombudsman did consider that the Council could have visited the property to inspect the ventilation units at an earlier point, given her continued dissatisfaction with their position and operation. The Council has agreed to repair the units and make good the damage. It has also offered to pay the client the full value of the grant up front, enabling her to arrange her own noise reducing works, and make a payment of £500 towards decoration costs and for her time and trouble in pursuing the complaint.

CS – The client complained that the Council did not consider her reheard appeal for transport assistance for her daughter to attend college. The Ombudsman found fault in the way the Council considered her reheard appeal. The Council has agreed to apologise to the client, pay her £100 for her frustration, and rehear her appeal. The Council has agreed to also carry out a lessons-learned exercise and allow parents, who unsuccessfully appealed for sixth-form age transport for the 2021/22 school year, a reassessment of their cases with the chance to make verbal representations to the panel.

CS – The client complained about the process used by the Council when it assessed whether she and her husband could adopt a child. The Ombudsman did not find the Council at fault for how it assessed the client as a potential adopter for a child. However, fault was found for failing to adequately manage the clients' expectations throughout the process. The Council has agreed to apologise, make a payment of £150 for the distress caused and take steps to improve its procedures for the future.

### **Web activity**

The main council website had just under 1.4 million page views during Q2, from more than 455,000 visits. The intranet had over 1.6 million page views from just over 570,000 visits. Customer satisfaction on the website was 69%. In September there more than 4,000 visits to special web pages created to mark the death of the Queen and highlight the response in East Sussex.

### **Media and information work**

There were 383 media stories about the Council in Q2, of which 117 were positive and 155 were neutral (stories are classified as positive if they generally celebrate an aspect of the Council's work and neutral if they balance any criticism with positive comment from the Council or others). The press office issued 31 press releases, generating 57 stories. 106 media enquiries were handled.

There continues to be good coverage of highway repairs and schemes, and a significant amount of interest in the Lewes Bus Station situation. Following a break in activity due to the Queen's death, news that the Bus Service Improvement Scheme funding had been confirmed by Government received some positive coverage.

### **Effective publicity and campaigns**

57% of residents said they felt either 'very well' or 'fairly well' informed by the council, when responding to our annual survey. 66% of parents said they had been aware of holiday food and fun activities for children in East Sussex.

A *Reading Friends* campaign to combat loneliness saw enquiries about the scheme triple from potential users and volunteers. At least five new reading friends, and four new groups, have already joined the scheme as a result. The four-week campaign used a mix of social media advertising, editorial and media work, website and newsletters.

## **South East 7 (SE7)**

SE7 Leaders and Chief Executives met in Q2 to discuss shared challenges SE7 authorities currently face in delivering Children's Services. These challenges include workforce recruitment and retention and managing high costs of care placements. They were joined at the meeting by Josh MacAlister, Chair of the national Independent Review of Children's Social Care. Participants also discussed the opportunities the Review recommendations present for SE7 councils, as well as key considerations needed in their implementation. At the meeting, Leaders and Chief Executives also considered latest budget positions and collective lobbying priorities and opportunities in the context of the new Prime Minister and Cabinet.

This summer SE7 reviewed the Partnership's collective lobbying approach. The review coincided with the Conservative Party leadership contest. The Partnership agreed on the continued importance of a joint narrative to influence and inform national policy making in Q2. Opportunities to focus on the SE7 regions importance to the national economy as part of the Government's focus on economic growth were also identified. SE7 Leaders and Chief Executives agreed the importance of Government understanding the impacts of inflation and Adult Social Care charging reforms on councils' budgets.

The Partnership also wrote to the Minister for School Standards on the Special Educational Needs and Disability (SEND) and Alternative Provision Green Paper. They highlighted common positions on the proposals made in the paper and built on councils' individual responses to the consultation.

## **Other partnership working**

The Council is taking part in the Partnerships for People and Place programme run by the Department for Levelling Up, Housing and Communities. The aim of the programme is to develop ways for central and local government to work better together. Our project aims to highlight how different ways of working could better support people to improve the energy efficiency of their homes or rental properties. During Q2 we have been working in partnership with Citizen's Advice 1066 who have undertaken an engagement exercise with Landlords and Tenants to better understand barriers to landlords investing in properties, and the impact of housing standards on residents' health and wellbeing.

## **Revenue Budget Summary**

The GS net revenue budget is £7.409m and is expected to be on-line this year.

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

Performance measure	Outturn 21/22	Target 22/23	RAG Q1 22/23	RAG Q2 22/23	RAG Q3 22/23	RAG Q4 22/23	2022/23 outturn	Note ref
There are no Council Plan targets								

## **Savings exceptions 2022/23 (£'000)**

Service description	Original Target For 2022/23	Target including items c/f from previous year(s)	Achieved in-year	Will be achieved, but in future years	Cannot be achieved	Note ref
There are no targeted savings in 2022/23	-	-	-	-	-	
	-	-	-	-	-	



<b>Total Savings</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
			-	-	-	
			-	-	-	
<b>Subtotal Permanent Changes <sup>1</sup></b>			<b>0</b>	<b>0</b>	<b>0</b>	
<b>Total Savings and Permanent Changes</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	

<b>Memo: treatment of savings not achieved in the year (£'000)</b>	<b>Temporary Funding <sup>2</sup></b>	<b>Part of reported variance <sup>3</sup></b>	<b>Total</b>	<b>Note Ref</b>
	-	-	-	
	-	-	-	
	-	-	-	
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	

<sup>1</sup> Where agreed savings are reasonably unable to be achieved other permanent savings are required to be identified and approved via quarterly monitoring.

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

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

#### **Revenue Budget 2022/23 (£'000)**

<b>Divisions</b>	<b>Planned Gross</b>	<b>Planned Income</b>	<b>Planned Net</b>	<b>Projected Gross</b>	<b>Projected Income</b>	<b>Projected Net</b>	<b>(Over)/ under spend Gross</b>	<b>(Over)/ under spend Income</b>	<b>(Over)/ under spend Net</b>	<b>Note ref</b>
Corporate Governance	4,618	(255)	4,363	4,409	(112)	4,297	209	(143)	66	
Corporate Support	3,434	(388)	3,046	3,473	(361)	3,112	(39)	(27)	(66)	
<b>Total Governance</b>	<b>8,052</b>	<b>(643)</b>	<b>7,409</b>	<b>7,882</b>	<b>(473)</b>	<b>7,409</b>	<b>170</b>	<b>(170)</b>	<b>0</b>	

#### **Capital programme 2022/23 (£'000)**

<b>Approved project</b>	<b>Budget: total project all years</b>	<b>Projected: total project all years</b>	<b>Budget Q2</b>	<b>Actual to date Q2</b>	<b>Projected 2022/23</b>	<b>Variation (Over) / under Q2 budget</b>	<b>Variation analysis: (Over) / under spend</b>	<b>Variation analysis: Slippage to future year</b>	<b>Variation analysis: Spend in advance</b>	<b>Note ref</b>
No current programme for Governance	-	-	-	-	-	-	-	-	-	
<b>Total GS Gross (Planned Programme)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	

## Strategic Risk Register – Q2 2022/23

Ref	Strategic Risks	Risk Control / Response and Post Mitigation RAG score	RAG
12	<p><b>CYBER ATTACK</b></p> <p>The National Cyber Security Centre (NCSC) has highlighted the substantial risk to British web infrastructure, with elevated levels of Cyber Crime being reported against all areas of government, particularly in light of the current Ukrainian situation.</p> <p>Cyber attacks are growing more frequent, sophisticated, and damaging when they succeed. The COVID-19 pandemic has increased the need to carry out many additional functions virtually and remotely. Changes in working practice give rise to more requests to relax security controls, with services more likely to take risks on the technology they procure and how they use it. Controls have been enhanced to manage these requests.</p>	<p>Most attacks leverage software flaws and gaps in boundary defences. IT&amp;D use modern security tools to assure our security posture: Monitoring network activity and identifying security threats; Keeping software up to date with regular patching regimes; Continually monitoring evolving threats and re-evaluating the ability of our toolset to provide adequate defence against them; Ongoing communication with the Security industry to find the most suitable tools and systems to secure our infrastructure. IT&amp;D continues to invest in new tools, which use pre-emptive technology to identify threats and patterns of abnormal behaviour.</p> <p>Enhancing user awareness: Expanding E-Learning and policy delivery mechanisms to cover Cyber threat; educating staff around the techniques and methods used by active threats; and providing General Data Protection Regulation (GDPR) training and workshops to cascade vital skills and increase awareness of responsibilities under GDPR legislation. Business Continuity Scenario testing is currently being cascaded through Departmental Management Teams.</p> <p>Services hosted in ISO 27001 accredited Orbis Data Centres.</p>	Red
5	<p><b>RECONCILING POLICY, PERFORMANCE &amp; RESOURCE</b></p> <p>There is ongoing uncertainty in relation to future funding levels, the longer-term local government funding regime and the impact of national reforms, particularly to Adult Social Care. Rising inflation and cost of living are likely to lead to higher demand for Council services and increase the direct cost of providing services. Together these create a risk of insufficient resources being available to sustain service delivery at the agreed Core Offer level to meet the changing needs of the local community.</p>	<p>We employ a robust Reconciling Policy, Performance and Resources (RPPR) process for business planning, which ensures a strategic corporate response to resource reductions, demographic change and regional and national economic challenges; and directs resources to priority areas. We take a commissioning approach to evaluating need and we consider all methods of service delivery. We work with partner organisations to deliver services and manage demand, making best use of our collective resources. We take a 'One Council' approach to delivering our priorities and set out our targets and objectives in the Council Plan. We monitor our progress and report it quarterly.</p> <p>Our plans take account of known risks and pressures, including social, economic, policy and demographic changes and financial risks. The Coronavirus pandemic has had, and will continue to have for a long time, profound impacts on our communities and services. However, we continue to operate in changing and uncertain contexts. Current and forecast economic conditions continue to shape a very challenging financial outlook both for the Council itself and many of the county's residents and businesses. Alongside this we continue to face fresh challenges as a result of the conflict in Ukraine, and national service reforms. We will continue to use the latest information available on these challenges to inform our business planning. We will also continually review our performance targets, priorities, service offers and financial plans, and will update these as required.</p> <p>We lobby, individually and in conjunction with our networks and partners, for a sustainable funding regime for local government in general and adult social care specifically to meet the needs of the residents of East Sussex.</p>	Red

Ref	Strategic Risks	Risk Control / Response and Post Mitigation RAG score	RAG
9	<p><b>WORKFORCE</b></p> <p>An inability to attract and retain the high calibre staff needed in the most competitive job market for 50 years could lead to a reduction in the expertise and capacity required to deliver services to our residents at the required level and standards.</p>	<p>In recognising the significant current recruitment and retention challenges, Cabinet recently approved an investment of £270k across 2022/23 and 2023/24 to put in place a number of strategies to respond to these pressures. In particular, this additional funding will enable the continuation of the:</p> <ul style="list-style-type: none"> <li>- current work on the development of an employer brand and updated recruitment materials to identify the Council as an employer of choice</li> <li>- attendance at events such as careers fairs and shows to maximise our presence with job seekers</li> <li>- use of apprenticeships, traineeships, intern arrangements and more flexible work arrangements etc as a way of bringing in new talent to the Council</li> <li>- ensuring our workforce policies and approaches support individuals to remain in work, e.g. Wellbeing offer, occupational health and absence management services</li> <li>- implementation of mental health first aiders in the workplace – we now have a network of over 100 trained individuals</li> </ul> <p>This funding will also enable us to develop new approaches including:</p> <ul style="list-style-type: none"> <li>- linking in with organisations that support people back into employment to extend our reach into sections of the labour market that are underrepresented or face significant barriers to employment</li> <li>- support the recent launch of the refreshed 'financial wellbeing' resource to support our staff, particularly given the rising cost of living pressures</li> <li>- development of a corporate equality action plan which includes a number of workforce specific actions to support having a diverse workforce with equality confidence, knowledge and skills</li> <li>- provision of a leadership development programme aimed at LMG3/4 managers, along with the continued delivery of our two leadership development programmes to support our talent management strategies: the 'Ladder to Leadership' programme and 'Head of Service Masterclasses'</li> <li>- forecasting of workforce 'gaps' and future need to enable bespoke approaches to be designed</li> </ul>	Red
15	<p><b>CLIMATE</b></p> <p>Failure to limit global warming to below 1.5°C above pre-industrialisation levels, which requires global net human-caused emissions of carbon dioxide (CO<sub>2</sub>) to be reduced by about 45 percent from 2010 levels by 2030, reaching 'net zero' by 2050 at the latest. The predicted impacts of climate change in East Sussex include more frequent and intense flooding, drought and episodes of extreme heat, as well as impacts from the effects of climate change overseas, such as on food supply. This will lead to an increase in heat-related deaths, particularly amongst the elderly, damage to essential infrastructure, increased cost of food, disruption to supply chains and service provision, and greater coastal erosion.</p>	<p><b>Climate change adaptation:</b> we are following national adaptation advice, including working with partners on flood risk management plans, a heatwave plan and drought plans.</p> <p><b>Climate change mitigation:</b> we must reduce our own operation carbon footprint by an average of 13% per year to stay within our carbon budget; and to achieve net zero carbon emissions from the County Council's own activities as soon as possible, and by 2050 at the latest.</p> <p>Our Climate Emergency Officer continues to work with teams across the Council to deliver the corporate climate emergency plan covering 2020-22. The focus is on buildings, which made up 79% of carbon emissions in 2020/21. Internal oversight of progress is via the corporate Climate Emergency Board.</p> <p>In Quarter 2:</p> <p>1. <b>Carbon Reduction Target:</b> ESCC achieved a 7% carbon reduction in 2021-22. This was less than the 13% annual target due to increased energy use, as buildings began to resume normal operations alongside COVID-19 ventilation requirements, and colder than usual weather in Spring 2021.</p>	Red

Ref	Strategic Risks	Risk Control / Response and Post Mitigation RAG score	RAG
		<p>2. <b>10 solar PV projects:</b> 5 sites designed, costed and approved. 3 require planning permission, 1 planning application submitted.</p> <p>3. <b>Delivery of two Decarbonisation of Heat Projects:</b> Ninfield 99% complete, Herstmonceux 75% complete.</p> <p>4. <b>Delivery of ten LED lighting projects:</b> 1 complete, 8 scheduled for summer 2022. 11 more projects are in the pipeline, but it is uncertain if any more will complete in 2022/23.</p> <p>5. <b>Climate Awareness Training:</b> 130 staff have been trained to date and a further 6 sessions are available this year.</p> <p>6. <b>Electric vehicle (EV) charge points:</b> The specification for County Hall charge points is being finalised.</p>	
17	<p><b>SAFEGUARDING OF CHILDREN AND YOUNG PEOPLE</b></p> <p>Failure to recruit and retain an effective children's social care workforce. This leads to poor quality safeguarding practice, failing to prevent harm to children and young people, impacting on the Council's strategic objective of keeping vulnerable people safe.</p>	<p>Recruitment and Retention Strategy in place</p> <p>Market Supplement implemented 2020 and will be reviewed annually. Job re-evaluation for Secure Residential posts</p> <p>Recruitment Manager and Comms officer posts recruited</p> <p>High quality and regular managerial support and supervision of practitioners</p> <p>Delivery of high-quality workforce development programme</p> <p>Senior management oversight of caseloads, mitigating actions undertaken to address high caseloads</p> <p>Wellbeing strategy - promoted to staff through dept. events Social Worker toolkit and newsletters</p> <p>Updated advertising and recruitment materials</p> <p>Development of career pathways/recruitment pipeline</p>	Red
19	<p><b>SCHOOLS AND ISEND</b></p> <p>For Children with Special Educational Needs. Inability to secure statutory provision.</p>	<p>Effective use of forecasting data to pre-empt issues</p> <p>Work with statutory partners to develop contingency plans</p> <p>Work with the market to increase provision where needed</p> <p>Expanding internal interim offer for children</p>	Red

Ref	Strategic Risks	Risk Control / Response and Post Mitigation RAG score	RAG
18	<p><b>DATA BREACH</b></p> <p>A breach of security/confidentiality leading to destruction, loss, alteration, unauthorised disclosure of, or access to, personal data. This includes breaches that are the result of both accidental and deliberate causes. A personal data breach is a security incident that has affected the confidentiality, integrity or availability of personal data regardless of whether information has been accessed, altered or disclosed via electronic or manual means.</p> <p>Risks to individuals, reputational damage, fines from the Information Commissioner's Officer (ICO), compensation claims.</p>	<p>Policy and guidance procedures in place to support practice.</p> <p>Data Protection Officer (DPO), Caldicott Guardians and Information Governance Officers monitor breach reporting and put in place mechanisms to minimise recurrence.</p> <p>Staff training to develop awareness.</p> <p>Technical security measures operated by Information Technology and Digital (IT&amp;D), including access control.</p>	Amber
8	<p><b>CAPITAL PROGRAMME</b></p> <p>Against a background of diminishing resources, the capital programme has been produced to support basic need only and because of this there is no resource for other investment that may benefit the County e.g., that may generate economic growth. Additionally, there is a risk, due to the complexity of formulas and factors that impact upon them, or changes in these, that the estimated Government Grants, which fund part of the programme, are significantly reduced.</p> <p>There are a number of risks and uncertainties regarding the capital programme over the current Medium Term Financial Plan period and beyond. The volatile national economic situation has increased uncertainties that currently exist within the construction industry about supply chain issues and high-cost inflation, which are likely to impact project deliverability and affordability. This has been exacerbated by the invasion of Ukraine by Russia and the resultant global sanctions imposed on Russia, which may have long-term impact on prices as well as availability and security of supply on materials.</p> <p>There is also a risk that increased burdens of planning reform and the move from S106 contributions to Community Infrastructure Levy will</p>	<p>The Council maintains a 20-year Capital Strategy and 10-year capital programme to provide rigour and support strategic direction. The development and delivery of the capital programme is overseen by a Capital Strategic Asset Board (CSAB), a cross departmental group consisting of officers from each service department, finance, property and procurement. Governance arrangements continue to be reviewed and developed in support of robust programme delivery of the basic need programme. The Schools and Assets Sub Board, which in part focuses on future need for schools' places, continues to inform the CSAB of key risks and issues within the Basic Need Programme. Regular scrutiny by the CSAB of programme and project profiles (both in year and across the life of the programme) occurs on a quarterly basis.</p> <p>The capital programme includes an element of 'normal' level of inflation for ongoing target-based core programmes (as opposed to programmes that have cash limited envelopes). Additionally, as part of the Reconciling Policy, Performance and Resources (RPPR) process in February 2022, an ongoing capital risk provision of £7.5m was approved, providing the flexibility to react to emerging risks such as the impact of supply chain issues and inflationary pressures. It represents the ability to borrow for these risks and is managed through ensuring there is Treasury Management capacity, rather than representing funds that are within the Council's accounts. Its utilisation, subject to CSAB approval and adherence to financial regulations, would therefore require additional borrowing and be reported through the RPPR and quarterly monitoring process. Reviews are undertaken on the extent of risk exposure on contracts and actions taken to mitigate the risks on material supply and security. Any unmanageable risks will be reported to CSAB to be considered as part of the broader RPPR process, in the context of the Council's wider financial position.</p> <p>The CSAB also proactively supports the seeking and management of all sources of capital funding, including grants; capital receipts; S106; Community Infrastructure Levy (CIL); and Local Growth Fund monies. A cross department sub board oversees the process for bidding for CIL and the use of S106 funds, and work continues with Districts and Boroughs to maximise the Council's receipt of these limited resources. Additionally, following review, CIL and S106 targets have been reduced and will continue to be reviewed regularly and opportunities sought to reduce the target further if considered</p>	Amber

Ref	Strategic Risks	Risk Control / Response and Post Mitigation RAG score	RAG
	<p>mean that the Council has reduced funding from this source as bids have to be made to Districts and Boroughs.</p> <p>The Council's set target of achieving carbon neutrality from its activities as soon as possible and in any event by 2050 will partly depend on availability of capital resources to support identified actions. Diminishing resources and availability of external funding may impact on the deliverability and timing of actions and targets.</p> <p>Slippage continues to occur within the programme, which has an impact on the effective use of limited resources.</p>	<p>appropriate. Officers will proactively monitor funding announcements, including central government capital grants, and seek to minimise the impact on delivery of the capital programme, ensuring that there is sufficient liquidity to meet funding requirements.</p> <p>The Capital Strategy was updated in February 2021 to reflect the Council's climate targets and set out how this can be supported through the capital programme and the RPPR process. It was agreed at State of the County 2021 that Climate Change would be included as basic need and this has been reflected through the RPPR process. Investment of £3.0m per annum over the life of the Medium Term Financial Plan has then been included in the capital programme approved in February 2022 to support the Council's climate targets.</p> <p>CSAB continue to look to manage down the historical levels of programme slippage. Following a review of the programme's annual ambition (against historical deliverability and project risk) by services and CSAB, a risk factor has been applied in 2022/23 to help mitigate slippage.</p>	
4	<p><b>Health</b></p> <p>Failure to secure maximum value from partnership working with the National Health Service (NHS). If not achieved, there will be impact on social care, public health and health outcomes and increased social care operational and cost pressures. This would add pressures on the Council's budget and/or risks to other Council objectives, as well as shared system objectives in the context of our Integrated Care System across workforce and patients who are medically ready for discharge (MRD) from hospital or community beds.</p>	<p>Joint planning activity has started early in anticipation of a challenging winter. Alongside Council participation in Sussex ICS-wide winter surge planning, local workshops have taken place to develop plans for immediate improvements that can be made to hospital discharge pathways. This has been focussed on Discharge to Assess, Home First and Trusted Assessor models, to better facilitate access to onward care from hospital when people are medically ready to leave. The social care interface with the local implementation of national NHS Virtual Wards, aimed at providing enhanced healthcare at home as an alternative to hospital, is also being explored to ensure maximum benefits for patients. Joint planning conversations have also started on how best to deploy the national £500m Winter Discharge Fund that was announced at the end of Q2, focussing on care sector capacity and workforce.</p> <p>More broadly joint work has also been initiated on the Sussex Health and Care Assembly Integrated Care Strategy, which will provide the overall framework for our local collaboration across the NHS and local government. This will build on the three existing Health and Wellbeing Strategies in East Sussex, West Sussex and Brighton &amp; Hove, and Assembly discussions will identify a small number of shared priorities that would benefit from a Sussex-wide collective focus.</p>	Amber
1	<p><b>ROADS</b></p> <p>Extreme weather events over recent years have caused significant damage to many of the county's roads, adding to the backlog of maintenance in the County Council's Asset Plan; and increasing the risk to the Council's ability to stem the rate of deterioration and maintain road condition.</p> <p>COVID-19 could lead to an increase in the level of staff sickness, as well as the need for staff to self-isolate / distance. It will lead to a change in our working approach and arrangements, even beyond</p>	<p>While additional funding over the last few years has helped maintain road condition, the latest condition and funding modelling showed the potential for renewed deterioration over the next 10 years, if further investment was not introduced into road maintenance. This reflects the changing climate with more extreme events such as warmer wetter winters, drier summers (drying and shrinking the substructure of roads) punctuated by unseasonal heavy downpours, all now influencing the rate of road deterioration.</p> <p>However, further investment was approved by Cabinet in November 2021 and through the Reconciling Policy, Performance &amp; Resources (RPPR) process in February 2022 to maintain condition at current levels; and to help mitigate these factors over the next 10 years by increasing the capital budget for road maintenance by an additional £3.1m per year. In addition, a one-off investment</p>	Amber



Ref	Strategic Risks	Risk Control / Response and Post Mitigation RAG score	RAG
	<p>the length of any Government imposed lockdown. Post pandemic and recent events in Ukraine, and the economic impact of these, have had some effects on service delivery during this year, particularly with increased costs, shortages of suitable contractors and materials.</p>	<p>of £5.8million to be spent on highway maintenance (roads, footways, lines and signs) in 2022/23 was also agreed.</p> <p>Arrangements implemented to deliver the service during the COVID pandemic have now been removed and the service is operating normally.</p> <p>We closely monitor the national economic situation; evaluate all options for service delivery; manage delays to materials with long lead in times; and allow for increased costs within the new Highways contract.</p>	
14	<p><b>POST EUROPEAN UNION (EU) TRANSITION</b></p> <p>The United Kingdom has left the EU with a negotiated outcome. However, there are likely to be areas of disruption when paperwork checks on imports begin on 1st January 2022 and physical checks on imported goods begin on 1st July 2022.</p> <p>Key areas at risk of disruption are:</p> <ul style="list-style-type: none"> <li>•At Newhaven Port and on the surrounding road network due to new port checks.</li> <li>•In business and economic activity, due to import/export administrative complexities for Small and Medium-sized Enterprises, supply chain disruption, impact of trade tariffs on consumer purchasing power, and workforce supply.</li> <li>•The COVID-19 pandemic response and local outbreak management. E.G., through disrupting international supply chains for Personal Protective Equipment, and</li> <li>•Delivery of Council Services.</li> </ul>	<p>Government has further delayed implementation dates for specific import checks from July 2022 until the end of 2023. This particularly relates to inspections by Port Health Authorities (Lewes &amp; Eastbourne Councils at Newhaven) of food products, which are not required. The new Border Control Post facilities will now not be need until 2023. However, the Office for Product Safety &amp; Standards are still anticipating the starting of intelligence-based inspections by Trading Standards for product safety and metrology. HGV traffic remains stable at Newhaven and East Sussex County Council continues to monitor the situation at Newhaven and is ready to react, should disruption look likely.</p> <p>Many of the key areas at risk of disruption are already on the Strategic risk register or departmental risk registers and are subject to business-as-usual risk and business continuity management.</p> <p>The Trading Standards team has worked with Environmental Health colleagues and UK Border Force (UKBF) to smooth the impact of Government border policy on the capacity required to support new border enforcement arrangements at Newhaven Port. Provision of facilities at the port has been secured and joint working with UKBF has begun. Pilot work in relation to pet importation and feed importation was conducted in Quarter 4 2021/22, although inspections are not yet required in line with the Government's delay to import controls on food. An updated Border Delivery Model is expected from Government in respect of this area of work. Final planning will also be informed by the Government Protocol and Border Group, of which the Director of Communities, Economy and Transport is a member.</p> <p>Close working continues with the Sussex Chamber of Commerce to ensure clear advice is provided to Small and Medium Size enterprises engaged in import/export activity. Impacts on the local economy are monitored through Business East Sussex.</p> <p>The Sussex Resilience Forum has run exercises to support multi-agency emergency planning for the implications of additional border controls.</p> <p>The Chief Executive is a representative for the South East on the Department for Levelling Up, Housing and Communities group of nine regional chief executives, which provides a direct channel of communication into the Ministry on local and regional issues emerging from the end of the transition period.</p>	Green

Ref	Strategic Risks	Risk Control / Response and Post Mitigation RAG score	RAG
6	<p><b>LOCAL ECONOMIC GROWTH</b></p> <p>Failure to deliver local economic growth, and failure to maximise opportunities afforded by Government proposal to allocate Local Growth Funding to South East Local Enterprise Partnership, creating adverse reputational and financial impacts.</p>	<p>The Council and its partners have been successful in securing significant amounts of growth funding totalling £129m, via both the South East and Coast 2 Capital Local Enterprise Partnerships, to deliver a wide range of infrastructure projects in East Sussex. We have also secured outgoing European Funding (EU) for complementary economic development programmes supporting businesses to grow, including: South East Business Boost (SEBB); Low Carbon across the South East (LoCASE); TRANSFORM Apprenticeships; South East Creative, Cultural &amp; Digital Support Programme (SECCADS); and inward investment services for the county. We have continued to bid for further EU funding on the above projects and have secured over £4m of investments to be delivered from April 2020 for a further three years.</p> <p>Government issued a funding call in mid-June 2020 through the Getting Building Fund programme for pipeline projects to create jobs and deliver over the next 18 months, with East Sussex securing £11.2m on eight projects in late July. All eight projects were approved by SELEP. Unfortunately, the Fast Track business solutions, Hastings and the Riding Sunbeams powering the railways with solar energy have had to return the monies allocated to SELEP. However, we have been able to have two further projects allocated to the pipeline amounting to £300k, with East Sussex now delivering on circa £6m on eight projects.</p> <p>We have been actively working with partners in developing projects and submitting proposals to a number of recent funds, including: the Green Homes Fund (secured a further £1m); Future High Streets (secured £5m); Stronger Towns Fund (Hastings awarded £24.3m and Lewes awarded £19.3m); Levelling Up Fund bids (awarded £40m see below); the SELEP COVID-19 Skills and Business Support Fund (secured £500k), the UK Community Renewal Fund pilot programme (secured £2.5m), the Local Skills Improvement Plan (LSIP) for Sussex and the Bus Service Improvement Plan (BSIP) awarded £41.4m.</p> <p>The COVID-19 outbreak in early March 2020 is seemingly changing the funding landscape, and alongside the impacts of leaving the European Union, is having an impact on major funding decisions from Government.</p> <p>We officially launched in September 2020 the East Sussex Economy Recovery Plan, called 'East Sussex Reset'. The plan identifies deliverable actions in the short term, alongside more aspirational asks, and has already aligned and secured new monies totalling £220m investment into East Sussex. It has and will continue to be an important bidding document to Government and into the SELEP, with the new SELEP Recovery and Renewal Strategy approved in March 2021. Both documents will look at ways to address the Government's policy and Budget announcements that have a clear focus on the green revolution (net zero carbon reduction); the allocation of the new £4bn Levelling Up Fund (LUF); and the delivery of the new £1.5bn UK Shared Prosperity Fund (UKSPF) programme initially to 2025.</p> <p>On the LUF, the County Council submitted a transport package for Exceat Bridge of £8m, while four of the local Borough and District Councils (except Hastings) submitted in June 2021 major capital funding bids under this first round for town centre/regeneration and cultural investment. Outcomes were announced on 27 October 2021, with the following awarded monies: Exceat Bridge (£8m), Eastbourne (£19.8m) and Lewes (£12.6m) all to be delivered by March 2024. The other Borough and</p>	Green



Ref	Strategic Risks	Risk Control / Response and Post Mitigation RAG score	RAG
		<p>Districts were unsuccessful but have applied under Round 2 in July 2022 with bid outcomes expected to be known in Q3. Business cases now need to be worked on for the implementation of projects.</p> <p>On the UKSPF this had the pre-launch guidance officially released in February 2022 following the same day launch of the long-awaited Levelling Up White Paper. The UKSPF main prospectus was released mid-April 2022 with the award of allocations known to each Borough and District Authority, who are now the responsible accountable bodies for the delivery of the programme – with investment plans having been submitted to Government by 1 August 2022. The County Council has made the case with regards to pan East Sussex projects, which can continue to deliver against the main themes of the programmes and the Council's priorities. We await the outcome of the bids submitted by each Borough and District Council which is expected to be known in Q3. In addition, as part of the UKSPF, the Multiply programme was announced in late March 2022 to help adults to improve their numeracy skills up to Level 2. The responsibility for managing this programme from 2022-2025 has been awarded directly to the County Council with up to £2.5m available. We prepared an investment plan working with partners and submitted this by 30 June 2022 to the Department for Education and recently our plan has been approved for the full allocation.</p>	

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**Report to:** Cabinet

**Date of meeting:** 13 December 2022

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

**Title:** Annual Progress Report of Looked After Children's Services  
1 April 2021 – 31 March 2022

**Purpose:** To outline the performance of the Looked After Children's Service between 1 April 2021 - 31 March 2022

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## RECOMMENDATIONS

**Cabinet is recommended to:**

1. note the contents of the report.
- 

### 1. Background

The Annual Report is attached as Appendix 1. It was presented to and discussed at the Corporate Parenting Panel on 28th October with some minor amendments made subsequently, for example more detail on the budget was added.

### 2. Budget Implications

The services for Looked After Children (LAC) are supported via core funding from the CSA budget, a small proportion of the Dedicated Schools Grant and by the Pupil Premium for additional education support for children.

### 3. Recommendations and Reasons for them

The Corporate Parenting Panel has reviewed and agreed the contents of the report. Cabinet is recommended to note the contents of the report.

Alison Jeffery  
Director of Children's Services

Contact Officers:  
Kathy Marriott, Assistant Director, Early Help and Social Care 01273 481274

Local Members: All

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# Looked After Children's Annual Progress Report 2021-22

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Sally Carnie  
Head of Service for LAC



# Who did we look after?

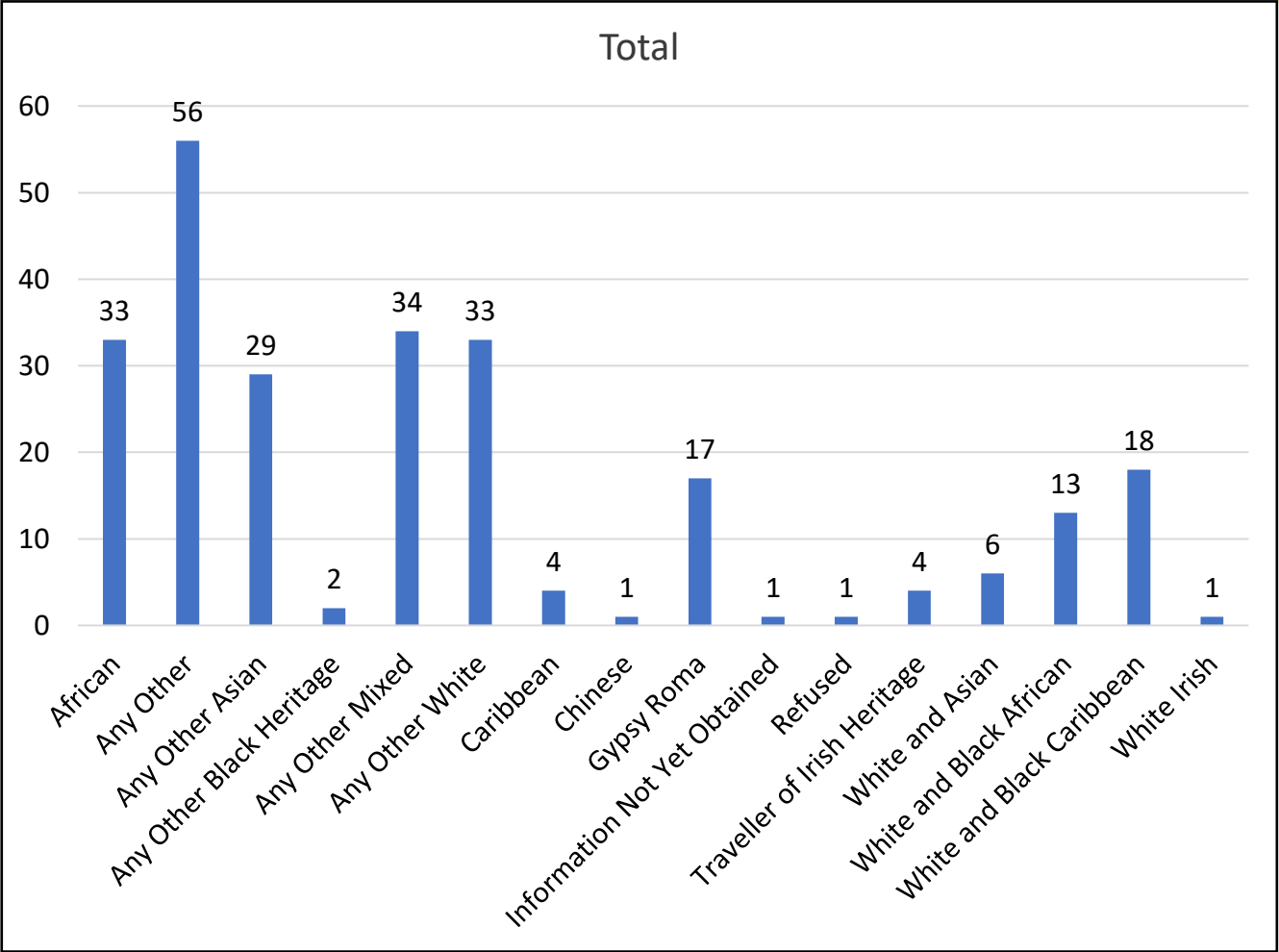
The data shows a snapshot as at 31<sup>st</sup> March 2022.

- We looked after 356 boys and 272 girls.
- There were more children in care than the previous year. This was in part due to an additional 5 Unaccompanied Asylum Seeking Children (UASC) in the snapshot figure as compared to the previous year.
- There were higher numbers of children who left care in this period compared to last year, but more children came into our care overall.
- 845 children came in and left our care during the year which is an increase of 63 as compared with 2020/21. This represents significantly higher activity levels across the service.

Statistics	2020-2021	2021-2022
Looked After Children	611	628 (+17)
Children coming into care	209	246 (+37)
0-5 year olds admitted to care	83	81 (-2)
6-12 year olds admitted to care	49	71 (+22)
13+ admitted to care	77	94 (+17)
Children leaving care	178	228 (+50)
0-12 year olds leaving care	91	94 (+3)
13+ leaving care	87	134 (+47)

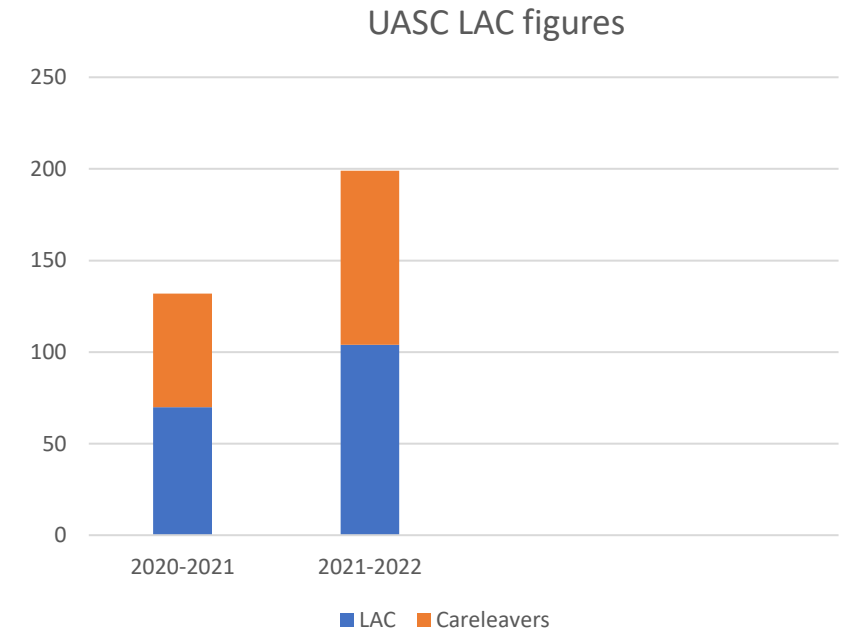
# Ethnicity of our Looked After Children (LAC)

30% of our Looked After Children (LAC) during 2021-22 identified as being of a minority ethnic background or of mixed heritage.



# Our Unaccompanied Asylum Seeking Children (UASC)

- East Sussex County Council (ESCC) cared for 104 UASC under 18 during 2021-22 (compared to 70 during 2020-21) plus 95 Care Leavers aged 18+. This is a significant increase on the year previously. Please see graph opposite.
- Our UASC were mainly male, 88% were aged 16 or over and the youngest was aged 13.
- In the last year, 25 young people came to ESCC through the National Transfer Scheme (NTS) and the remainder were spontaneous arrivals via Police involvement or directly from Newhaven Port.
- The majority of these children were Kurdish, predominantly Iranian, followed by Sudanese and Vietnamese. There were also small numbers of children from Eritrea, Afghanistan, Somalia, Ethiopia, Albania, Iraq, Libya, Syria and Egypt.





# Children looked after by the Disability Service

- The Children's Disability Service criteria for allocation is 'Children who have severe and enduring cognitive delay, severe learning disability, low functional abilities and physical disabilities.'
- As at 31st March 2022, this service worked with 20 LAC. 12 children were aged 0-15 and 8 were aged 16-18.
- Geographically, 3 children were living outside East Sussex. This figure has gradually reduced over the last 3 years.
- These 20 children were in receipt of full time care. In addition, the service provided extensive packages of support and respite to other children and their families in the community.

Placements	
ESCC foster carers	7
Agency foster carers	1
ESCC Residential Homes	6
Independent Residential Homes	5
Residential School	1

# Where our children are living

Increase in	Increase in children placed with total number of foster carers, kinship and ESCC foster carers.
Decrease in	Decrease in children placed for adoption.
Increase in	Increase in children aged 16+ living with our supported accommodation providers including with our inhouse supported lodgings providers.
Increase in	Increase in children living in both ESCC and agency Children's Homes.

Data shows a snapshot as of 31<sup>st</sup> March 2022

Placement Type	2020-2021	2021-2022
With foster carer	426	451
Of these: in house carers	265	276
Kinship carers	65	84
Agency carers	96	91
Placed for Adoption	23	14
Supported Accommodation / Supported Lodgings	57	63
ESCC Children's Homes	14	16
Agency Children's Homes	57	58
Agency Special Schools	1	1
Placed with Parents	22	22
Independent Living	7	0
Youth custody/secure unit	3	3
Hospital/NHS establishment	1	0
Absconded	0	0
Total	611	628

# How well did we do in 2021-22?

Indicator Ref	Description	2021/22 Value		2020/21 England	2020/21 Value		2019/20 England	2019/20 Value	
NI 58	Emotional & Behavioural Health of children in care	13.9	↑	13.7	14.1	↑	14.1	14.5	↓
Adoption 1	Percentage of children who ceased to be looked after who were adopted	8.4%	↓	10.2%	15.3%	↑	11.7%	15.2%	↓
Adoption 2	Average time between an LA receiving court authority to place a child and the LA deciding on a match with an adoptive family (3 year average)	301 days	↓	183 days	274 days	↓	175 days	252 days	↓
NI62 Placements 1	Number of children looked after with 3 or more placements during the year	10.4%	↑	8.9%	13.3%	↓	10.6%	13.0%	↓
NI63 Placements 2	% of LAC under 16 who've been lac for 2.5 years or more & in the same placement for 2 years or placed for adoption	73.9%	↑	70.3%	63.7%	↑	68.2%	62.3%	↓
Placements 3	% of LAC at 31 <sup>st</sup> March placed outside LA boundary and more than 20 miles from where they used to live	15.4%	↑	16.4%	17.3%	↓	15.6%	15.2%	↓

Where performance has improved/increased it is shown with a green arrow ↑ and where it has dipped with a red arrow ↓

# How well did we do in 2021-22? (continued)

Indicator Ref	Description	2021/22 Value		2020/21 England	2020/21 Value		2019/20 England	2019/20 Value	
Leaving Care 1 * <i>see note below</i>	% of former relevant young people aged 19-21 who were in education, employment or training	54.9%	↑	52.0%	46.3%	↓	52.6%	52.8%	↑
Leaving Care 2 * <i>see note below</i>	% of former relevant young people aged 19-21 who were in suitable accommodation	88.4%	↑	87.7%	87.8%	↑	85.3%	78.8%	↓
Leaving Care 3 * <i>see note below</i>	% of former relevant young people aged 17-18 who were in education, employment or training	71.8%	↑	65.0%	68.7%	↓	63.8%	76.3%	↑
Leaving Care 4 <i>*see note below</i>	% of former relevant young people aged 17-18 who were in suitable accommodation	94.5%	↓	90.6%	95.5%	↓	89.7%	97.4%	↑
Thrive PI 9	Rate of Children looked after per 10,000 population aged under 18	58.9	↓	67.0	57.5	↓	66.7	55.7	↑
Health 1	Percentage of children who had their teeth checked by a dentist	70.3%	↑	39.6%	32.6%	↓	85.6%	91.2%	↓
PAF C81	Final warnings, reprimands and convictions of lac	0.9%	↑	2.4%	1.8%	↑	2.9%	2.6%	↓

Where performance has improved/increased it is shown with a green arrow ↑ and where it has dipped with a red arrow ↓

\* Leaving Care Indicators—calculated using data collected at the time of each young person's 17<sup>th</sup>, 18<sup>th</sup>, 19<sup>th</sup>, 20<sup>th</sup> or 21<sup>st</sup> birthday

# How well did we do in 2021-22 - Summary

- Overall, the performance remained strong with significant improvements in some areas.
- The rate of LAC increased from 57.5 in 2020-21 to 58.9 per 10,000 population in 2021-22 but this is still well below the national average for England of 67.0.
- Performance against the Care Leavers indicators improved in relation to Education, Employment or Training (EET) and those young people in suitable accommodation.
- The emotional and behavioural health of children in care (Strengths and Difficulties Questionnaire - SDQ scores) improved slightly and the average score per child is 13.9 which is a reduction of 0.2.
- Performance in relation to placement stability, and children placed outside of ESCC boundaries, improved significantly from last year.
- The percentage of children who had a dental check markedly improved from 32.6% in 2020-21 to 70.3% in 2021-22, although this remained significantly below pre-Covid levels.
- Performance in relation to the adoption indicators was challenging and showed a overall deterioration across all indicators. However, this was a very small cohort of children, and 2 sets of siblings distorted the performance in relation to timeliness and length of time children were waiting to be adopted.

# Adoption

- The number of adoption orders made in 2021-22 dramatically decreased. This was largely due to delays in care proceedings, the granting of placement orders and adoption hearings.
- Some delays were also caused by the levels of complexity found in the presentations of LAC where additional specialist medical interventions were required (genetic testing etc).
- There were also 2 sets of sibling groups where the delay was appropriate to the care planning, but this significantly distorted the performance in relation to children waiting to be adopted.
- Adoption South East (ASE) increased the pool of adopters available during this period. This strengthened ESCC's position regarding matching and enabled Social Workers to more easily meet each child's individual needs. Where a match could not be identified in the region, ASE linked with other regions/organisations to identify suitable adopters.
- Early permanence was actively promoted by ASE aiming to improve the timeliness of placing children for adoption in ESCC.
- See ASE Annual Report (slide 34)

Family Finding & Linking in East Sussex	2021-22	2020-21
Number of children adopted (AOs)	10	27
Number of children approved for adoption	16	26
Number of relinquished children	0	1
Number of 2 sibling groups matched	0	1
Number of 3 sibling groups matched	0	0
Number of 4 sibling groups matched	0	0
Number of children matched outside of ASE	3	3
Number of children matched within ASE	10	22
Number of children placed for Foster to Adopt (F2A)	8	8

# Fostering Recruitment and Retention

The data provided is a snapshot as of 31st March each year.

East Sussex's recruitment activity during 2021/22 mirrored the challenges experienced by fostering services nationally. A number of new measures have been implemented to maximise the conversion of enquiries to approved foster carers for 2022-23:

- **Appointment of dedicated Marketing and Communications Officer.** Responsible for the fostering recruitment strategy including the development of the fostering website, marketing tools and the use of social media.
- **Referral and Transfer 'Incentive Schemes'.** This scheme rewards any foster carer who either refers or transfers a potential carer to the local authority, with a payment of £500 made at the point of approval, and a further £500 payment when a young person is first placed.

Recruitment	Households		
	2021-2022	2020-2021	2019-2020
Enquiries	200	227	268
Screening calls	68	92	114
Initial visits	32	42	71
Skills to foster training (STF)	15	37	21
Applications for assessment	36	53	35
Closed	7	7	7
Withdrew	9	13	6
Total allocated but did not progress	16	20	13
Approvals	14	20	22
Placements	21	30	39
Conversion rate Enquiry to approval	6%	9%	8%
Conversion rate Screening call to approval	16%	22%	19%
Conversion rate Initial visit to approval	34%	48%	31%

The percentage drop in conversion rate can be attributed to the quality of enquiries. Towards the end of the pandemic, there were a significant number of enquiries from applicants looking for alternative sources of income. However, many were sufficiently informed by the initial assessment process, to make the decision that fostering was not for them.

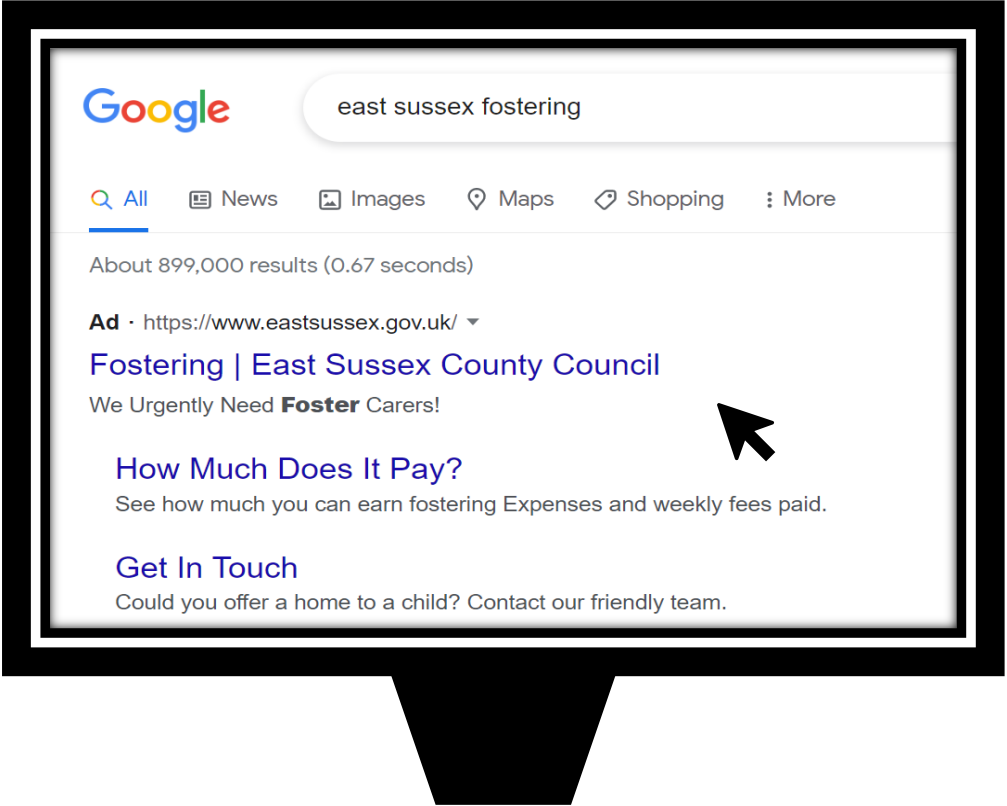
# Fostering Recruitment (continued)

## Google Adverts - Covid Recovery Funded Project

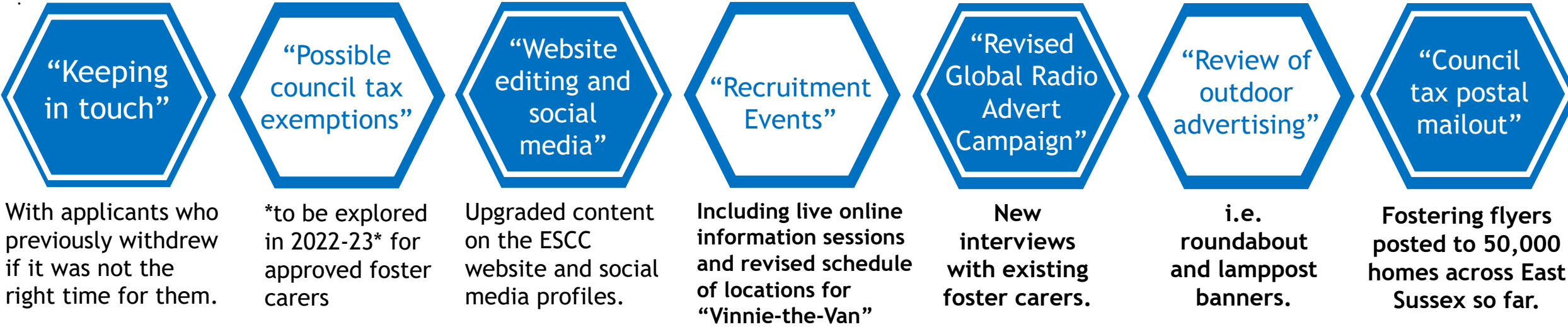
East Sussex has invested funding to improve ESCC Fostering’s position on “Google Ad Keyword Searches”. Carers transferring to ESCC had often advised that the presenting order of Google search results was a factor in their previous decisions to enquire with agencies.

## Fostering Friendly Employer Scheme

In conjunction with ESCC HR department, we are currently looking into whether ESCC can adopt Fostering Network’s policy which would help aid recruitment and retention of foster carers from ESCC’s workforce. This would more generally demonstrate that ESCC is a supportive and flexible employer.



## Other initiatives existing and targeted for 2022-23:





# Supported Lodgings

The data provided is a snapshot as of 31st March 2022

**The were 43 registered supported lodgings providers.**

- 32 of these providers cared for young people aged 16+ only
- 10 of these providers were also approved as “hybrid” (approved as foster carers and supported lodgings providers)
- 1 Provider was being assessed as a “hybrid” foster carer.

**46 Young people were placed in Supported Lodgings during 2021/22.**

- 10 of these young people were Homeless
- 10 were Unaccompanied Asylum Seeking Children
- 26 were Looked After Children.



# Placement Support Service

- During 2021-22 there were 142 packages of support delivered.

- Placement Support - 90 support packages
- Special Placement Scheme - 5 support packages
- Parent & Baby - 2 support packages
- Through Care Team - 40 support packages to Care Leavers
- Edge of care - 3 support packages to families in the community
- Agency - 2 support packages

- Feedback

*“Our placement support worker was amazing. M enjoys his time out each week”*

*“He talks to his placement support worker about the things he doesn’t talk to us about”*

*“Without the support from our placement support worker, we wouldn’t still be looking after our young person”*

*“The placement support workers really seem to ‘get’ R. They are great at communicating with us and we value their support”*

# Children in Care Council (CICC)

The CICC had a very busy and productive year 2021-22. A range of activities were organised which enabled young people to participate in key developments.

**SUSS it (Speak up Sessions)** - 29 activities giving 59 young people the opportunity to speak out and speak up about issues that were important to them.

**Digital Ambassadors** - Young people participated in the Digital Care Project which was set up to train, update and promote resources for keeping children safe and resilient online.

**Partnership working** - Young people worked with Ramshackle Productions and Eggtooth to create a social media channel and made a film entitled '10 things you don't say to people in care'.

**Youth Cabinet** - The CICC and Youth Cabinet came together at Bushy Wood to be consulted on various campaigns and service developments within East Sussex.

**Buddy Scheme** - 4 CICC members attended a bespoke training to become buddies for this scheme. It offers support to children when they first enter care from a care experienced buddy.

**Volunteering** - Over the last 12 months, the CICC have completed 964 volunteering hours in their local communities.

**Funding** - CICC have secured an extra £1288.30 funding this year to support additional team building activities.



# Our Children's Homes

## Hazel lodge St Leonards-on-Sea

- Judged as 'Good' by Ofsted in May 2021.
- A new manager has been appointed and registered with Ofsted.
- Young people engaged well with education.
- Young people enjoyed a number of fun activities over the summer including a number of short breaks.

## Brodrick House Eastbourne

- Continuing 'Outstanding' judgement by Ofsted.
- Ofsted came January 2022 following a series of safeguarding notifications, setting compliance notices which were duly met by March 2022.
- Young people continue to demonstrate positive outcomes and achieve personal goals overall.
- Young people have enjoyed a number of trips away and positive activities.
- All young people despite challenges with education are now on full educational courses / timetables.

## Homefield Cottage Seaford

- Was judged by Ofsted to be 'outstanding' in Sept 2021
- The children/young people all made positive progress.
- The children/young people enjoyed the summer holidays and engaged in lots of fun activities.
- The staff team continue to be resilient, child focussed and have high aspirations for our resident children/young people.

# Our Children's Homes (continued)

## Lansdowne Secure Children's home Hailsham

- Judged as Good in all areas December 2021
- New permanent manager appointed
- Building works completed - defect works being completed
- Covid 19 recovery plan included recruitment and retention strategy revision

## Silver Birches Hastings

- Granted registration by Ofsted on 04/05/2022.

# Our Children's Homes(Continued)

## The Bungalow Eastbourne

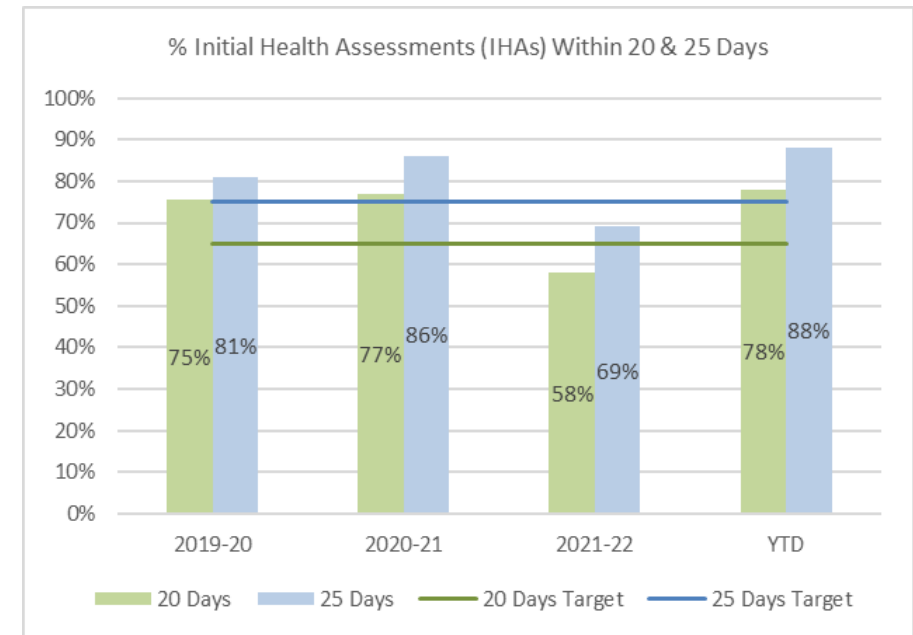
- Registered for 7 children aged 7-19 and provides full time accommodation to children with a severe level of disability who are unable to live in a family setting.
- During the period 2021-22, all children attended local schools and all maintained contact with their families.
- The Bungalow received and Ofsted judgement of 'Good' in 2022.

## Acorns Bexhill-on-Sea

- Continued to provide care for 2 young people, both of which have a high level of complex needs.
- Staff worked closely with colleagues in the Positive Behaviour Support Services and the Child Adolescent Mental Health Service.
- Judged as 'Good' by Ofsted in September 2021.

# The health of our children

- Following 2 years of improved performance in the completion of Initial Health Assessments (IHA's) there was a marked decline in 2021-22. This was largely due to the reintroduction of a requirement for written consent to be obtained from families for IHA/s.
- A performance improvement plan was agreed and implemented which should drive up the IHA performance again.



# The mental and emotional wellbeing of our children

- Following the Foundations for our Future review, a Sussex Children and Young Peoples' Emotional Wellbeing and Mental Health Strategy 2022-2027 for Sussex Children and Young People up to the age of 25 has been produced by the Sussex Health and Care Partnership. Although a Sussex wide strategy, it recognises the importance of responding to the specific needs of local communities.
- The refreshed Sussex Local Transformation Plan (LTP) September 2021 recognises that some children and young people, including Looked After Children, will need more help and risk support. The LTP includes an action to recognise the increasing number of children who are looked after, to review and align the current service offers and increase the investment to allow more access to timely specialist services for children and carers.
- During the year the Looked After Children's Mental Health Service (LACMHS) offered 40 consultations to networks, 90 Drop Ins and at least one Therapeutic Parenting Group each quarter, either to foster carers or Residential Children's Home staff. The numbers of cases opened at any one time varied between 82 (Q2) and 74 (Q4).
- A review of LACMHS by ESCC Children's Services Looked After Children service during 2021-2022 concluded that there had been:
  - Longer waiting times due to increasing demand due to children coming into care, Section 20 cases, and Section 31 return home assessments; more LAC presenting with significant risk of harm to themselves or others; crisis situations, urgent assessments and interventions for high risk; the number of placement breakdowns and associated support for children affected; and the level of need arising in RCH.
  - A CCG funded one-year pilot to support high risk cases and reduce waiting times commenced in August 2021. Over 11 months, Duty screened 71 referrals in total, responded to 36 crisis incidents and offered 9 short term pieces of stabilisation work.
- Due to ongoing staffing challenges within SPFT within the Adopted Children's Mental Health Service (ADCAMHS), the service ceased to take new clients from October 2021 but has continued to support existing clients. Following a review of ADCAMHS undertaken by ESCC Children's Services during 2021-2022, work is in hand to identify a way forward to provide MH services for adopted children and their families.



# Education of our children - Headline data

- Academic Outcomes showed improvement across all stages this year despite the disruption our LAC experienced in their education due to Covid. All current data is provisional and progress data is not yet available for GCSEs.
- **Key Stage 1** data showed the percentage of ESCC LAC reached the expected standard in Reading 57.1% compared with 46.0% of LAC nationally, Writing was 42.09% compared with 35.0% nationally, and Maths was 50.0% compared with 45.0% nationally. There were no ESCC children working at greater depth, but there were also fewer children nationally reaching greater depth in writing and Maths, but not in reading.
- **Key Stage 2** data showed a 19% increase of ESCC LAC reaching expected levels in reading, little change in the percentage of children reaching expected levels in writing, a small drop in Maths but a greater drop in Grammar, Punctuation & Spelling. However, there were excellent progress scores in all areas, the highest progress scores being 27.34 in reading, 10.87 in writing and 14.03 in Maths.
- **GCSE results** showed the percentage of ESCC LAC gaining a level 5 and above in English and Maths increased from 4.2% in 2019 to 16%, and a level 4 and above from 8.1% to 27%.
- **Excellent individual results** ranging from one student gaining 9 in English, 8 in Maths and French, another achieved 7's across all subjects, another achieved a 7 in Physics, one also gained a 9 in Persian and another, who attends a special school, a 9 in Sport. Several students gained distinctions in practical BTECs.
- **Post 16 results** enabled 11 Care Leavers to gain University places with two students gaining A grades and 2 others gaining Distinction stars in their BTEC qualifications. Many other post 16 young people also achieved level 1 and 2 qualifications which will enable them to progress onto other courses.
- **Overall Attendance** was 90.22% (June 2022). 77% of our children and young people had attendance of above 90%. There were no permanent exclusions last year. 56 CYP (13.14%) received 1 or more suspensions last academic year which was a 2% increase on the previous year and higher than the national CLA figure.

# Virtual School (VS)

- **Virtual Head extended duties** - The Virtual Head Teacher took on a strategic role to promote the educational outcomes for any child 0-18 who has, or previously has had, a Social Worker.
- **Post 16 Pilot** - This pilot was developed to enhance the educational outcomes for young people aged 16+ and additional developments in FE provision. This included academic tutoring and coaching, a staff training programme and partnership with post 16 providers to more effectively track attendance and performance.
- **Tuition** - 176 blocks of tuition were provided to 118 children. 100% of all children and young people said their confidence against their targets had increased.
- **English as an Additional Language (EALS)** - 45 UASC were provided with additional language tuition through the year.
- **Training** - An extensive training programme was delivered including online Designated Teacher Training using pre-recorded training and live discussions, 'A Journey Through Care' and 'Change Your Mind, Change Your World' reaching 80 members of staff.
- **Alternative education provision** - A range of providers were commissioned to deliver alternative educational support for young people with complex behaviours and who were not in full time education including South Brockwell's Farm, Audio Active, Eggtooth, TLP etc.
- **Mental Health and Wellbeing Conference** - The VS contributed to the planning and delivery of the conference which was held in July 2022.
- **Extra-curricular activities** - A range of these activities were delivered throughout 2021-22 and included options such as a film making course, spring school at University and participation in Glyndebourne performances.

# The Through Care Team (TCT)

## What we have achieved in 2021-22

- A hybrid model of groupwork was adopted during this period. This enabled some visits and group activities to return to face to face, but also supported virtual meetings where groups of young people could more easily come together from across the county such as the Care Leavers Council (CLC).
- Young people all had access to laptops and Wi-Fi in order to continue with their education, facilitate their access to employment and to keep in touch with their families.
- The Local Offer was reviewed and updated with extensive additional supports put in place for Care Leavers by ESCC. Developments were also agreed to extend the wider corporate parenting role across all agencies in East Sussex.
- The service piloted a Health and Wellbeing Project for 6 months to support young people to use personalised budgets for activities designed to improve their overall wellbeing. The outcomes and reported feedback was extremely positive, and an agreement to extend the project for a further 12 months has been made.
- Placement Support Workers (PSWs) continued to work closely with our young people who were isolated in their own accommodation or who were struggling to maintain their placements.
- A Rent Guarantor pilot scheme was implemented to secure better quality private rental accommodation options for young people.

# The Through Care Team

## What we have achieved in 2021-22 (continued)

- The housing pathway was extended during 2021-22 to include more commissioned providers.
- Closer working relationships with the East Sussex Rough Sleepers Initiative (RSI) enabled us to provide accommodation options with support to our most vulnerable young people.
- A closer working relationship has been established with East Sussex County Council Adult Social Care Specialist Accommodation Team ensuring a smoother transition for those Care Leavers with diagnosed mental health needs or trauma related diagnoses.
- The passport to independence was redesigned in collaboration with a group of care leavers and will be rolled out next year. Known as a Skills Journal, it also includes a version that is accessible to UASC and includes additional discussion points about laws, cultures and process in the UK.

# Our Unaccompanied Asylum Seeking Children (UASC)

## Developments 2021-22

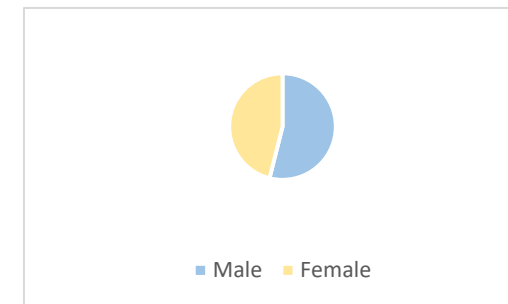
- Further investment was made to increase the capacity of the UASC team.
- Enhanced collaboration with the South East Regional Group and the Home Office (HO) pilot team for age assessments.
- 'Welcome to the UK' groups were initiated this year and received positive feedback from our young people. Further options to promote social opportunities for this cohort of young people were explored including encouragement of attendance at other ESCC LAC events and celebrations. The service also supported young people to celebrate other important festivals such as Eid Mubarak and the Chinese New Year.
- The Refugee Council were commissioned to offer specialist therapeutic interventions for the UASC young people.
- The UASC accommodation offer was extended during this period particularly for Care Leavers who did not have leave to remain, were unable to access public funds or hold a tenancy.

# Our Unaccompanied Asylum Seeking Children (UASC) (continued)

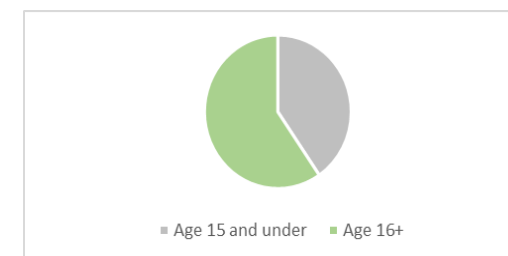
- The service enhanced its working relationships with education providers across ESCC and Brighton and Hove (B&H). This was particularly assisted by taking part in a pilot scheme to enable post 16 learners to access pupil premium funding.
- Joint work with health colleagues to design a more appropriate health assessment tool was completed and is due to be disseminated next year.
- This team has extended its remit to process and support unaccompanied children from the Ukraine.
- UASC young people were supported to access a Young Peoples' Panel hosted by HO to feedback any issues relating to immigration and their experiences of the processes involved.

# Our Children who went missing

In 21/22, 89 LAC went missing, of these, 48 were male and 41 were female



53 of the 89 missing LAC were aged 16 and over, while the other 36 were aged 15 and under



55 of the missing LAC went missing more than once



In 2021-22 there were 494 missing episodes throughout the year, 403 episodes of children being missing for less than 24 hours, 49 episodes of children being missing for between 24 to 48 hours, 30 episodes where children were missing between 2 and 4 days and 12 episodes where they were missing for 5 days or more.

All these children were tracked by Sussex Police and by Children Services staff. Risk assessments were regularly reviewed on high profile children who went missing and where necessary, formal strategy discussions were held in line with safeguarding procedures

# Our children who are at risk of criminal exploitation

- During 2021-22, 34 children were subject to ESCC MACE operational oversight and therefore categorised as being at high risk of exploitation.
- 8 of these children were ESCC LAC, 6 were female and 2 were male.
- 2 of these children were deemed to be a risk of sexual exploitation, 2 deemed to be at risk of criminal exploitation and 4 deemed to be at risk of both criminal and sexual exploitation.



# Our children involved in the Youth Justice Service

- The Youth Justice Service (YJS) worked with 21 looked after children/young people during 2021-22.
- A snapshot of the looked after status of open cases showed that the YJS were working with 3 LAC on March 31<sup>st</sup> 2022 which equates to 2% of the YJS caseload.
- LAC aged 10 - 17 represent less than 1% of the total population of this age group across the county, therefore they are over represented within the YJS cohort.

# My Voice Matters

- Improved performance in timeliness of My voice matters meetings (MVM) 97% of all My Voice Matters Meetings were held early or on time in 2021-22 compared to 2019-20 - 92%, 2020-21 - 95%.
- 11% of late reviews were due to a 1 day scheduling error.
- 21% of late reviews were held within 4 weeks of the scheduled date. The majority of late reviews were delayed in the child's best interests or because an essential party was unable to attend.
- Further improvement work is being completed to address the reasons for late MVMs.
- Meetings were largely scheduled well in advance which contributed to a high level of compliance.



# Participation

Children and Young People make their voices heard in lots of different ways

- In 2021-22, 97% of Children aged 4+ participated in some way in their own review process. This was an increase from 2020-21 of 95% and from 2019-20 of 91%.
- Of children aged 4yrs+, 56% attended their meeting and 41% sent their views.
- A Participation Lead was recruited during this period to work with social workers, partner agencies, carers and children and young people, to develop and support meaningful participation.
- My Voice Matters letters improved communication with children so that they received their review outcome in their own age appropriate language or in their preferred communication style.
- Positive feedback from children and young people was received about the IRO profiles that were shared routinely with them during the year.

# The role of our elected members

The Corporate Parenting Panel met virtually three times during 2021-22 to discuss the agenda items set out below. The panel is planning to review it's role and function during 2022-23.

## 30<sup>th</sup> July 2021

- Fostering Service Annual Progress Report
- Looked after Children's statistics
- Ofsted Report for Hazel Lodge
- Regulation 44 Inspection Reports for the following Children's Homes - Acorns, Brodrick House, Hazel Lodge, Homefield Cottage, Lansdowne Secure Children's Home and The Bungalow.

## 29<sup>th</sup> October 2021

- Ofsted Inspection Reports for the following Children's Homes - Brodrick House, Acorns, Homefield Cottage and Lansdown Secure Children's Home.
- Regulation 44 Inspection Reports for the following Children's Homes - Acorns, Brodrick House, Hazel Lodge, Homefield Cottage, Lansdowne Secure Children's Home and The Bungalow.
- Virtual School Annual Report
- Looked after Children's Annual Progress Report
- Looked after Children's statistics

## 21<sup>st</sup> January 2022

- Ofsted Inspection Reports for the following Children's Homes for Lansdown Secure Children's Home.
- Regulation 44 Inspection Reports for the following Children's Homes - Acorns, Brodrick House, Hazel Lodge, Homefield Cottage, Lansdowne Secure Children's Home and The Bungalow.
- Annual Report for East Sussex Foster Care Association
- Strengthening the Local Offer for Care Leavers in East Sussex
- Looked after Children's statistics

# National Sufficiency Context

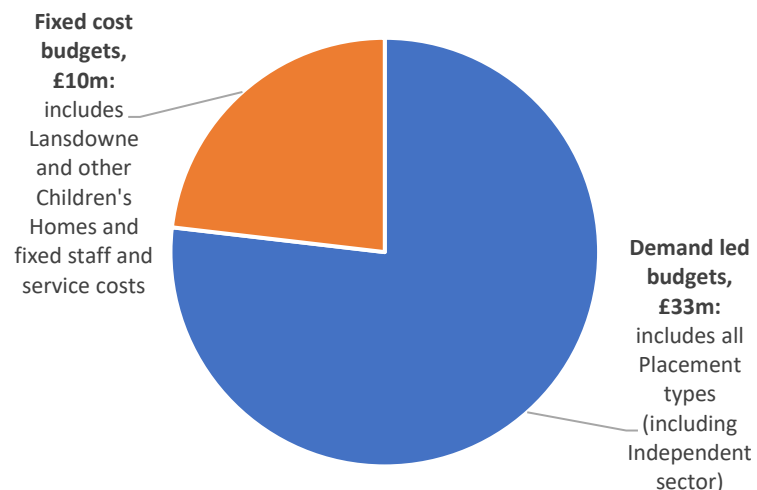
- Increased numbers of children in care nationally (up 35% from 2008).
- Higher numbers of children in care in all placement options other than adoption.
- Children in care presentations show an increase in levels of complexity - trauma, risk, behaviour, learning, disabilities( including neurodiversity).
- Demand for placements has outstripped supply.
- Market unable to develop and keep pace with levels of need/demand.
- South central LA consortia reported that across 17 LA's **379** live searches for fostering and residential placements on any given day. **247** vacancies reported but 'true' vacancies less than half that number.

# National Sufficiency Context (continued)

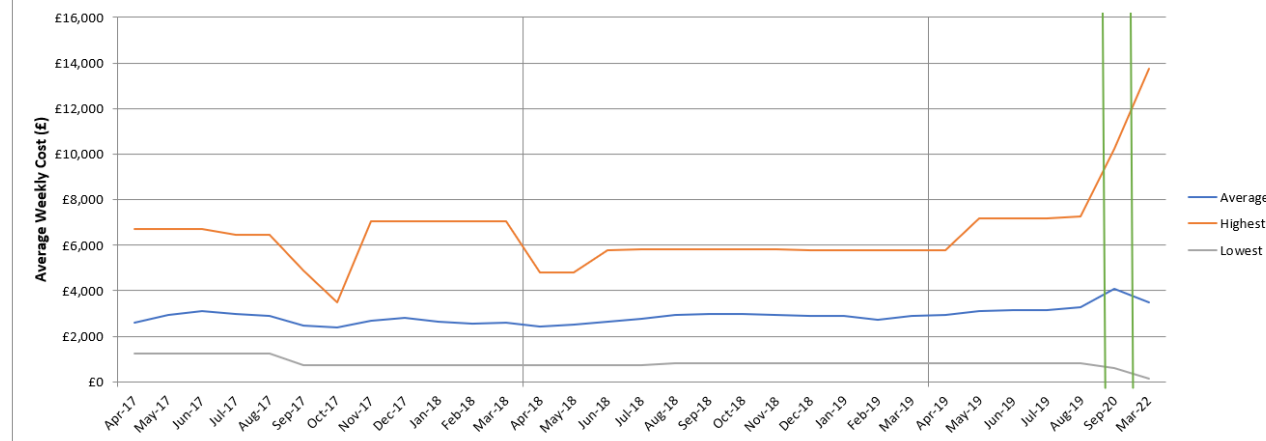
- Nationally **45,370** fostering households available - 2% increase in households but 11% increase in children in care placed in fostering households.
- Recruitment for foster carers nationally and locally not keeping pace. Despite high profile recruitment strategies fewer families choosing for foster.
- Children who previously could have been fostered now often placed in residential homes.
- Unintended consequence of Ofsted activity resulting in independent children's homes making offers for children with less challenging behaviours. Therefore often no placement options for children with more complex needs and behaviours.
- National growth of children placed in unregulated provision due to lack of capacity in fostering and residential provision. At times this results in children in care being placed illegally if they have a care need or are under 16 years.
- Authorities across the region are reporting that, due to no other options, for the first time, having to place children, even under 16s, in "unregistered placements". This is illegal for under 16s.
- Demand for emergency placements and lack of supply can at times mean that Social Workers are having to care directly for children in care or deliver intensive round the clock support in family homes.

# Financial snapshot

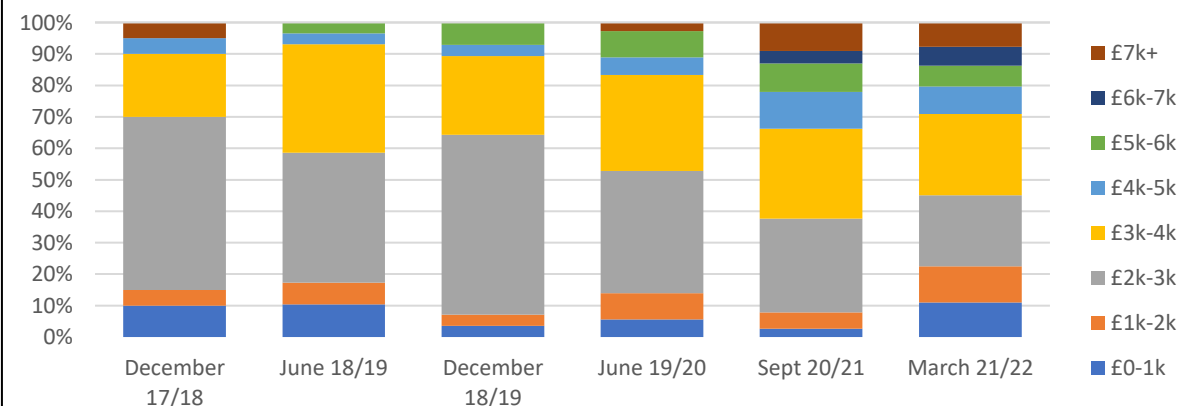
21/22 net spend (£43m)



Agency Residential Average Weekly Cost: All Placements  
(excluding unregulated and semi-independent)



Agency Residential Average Weekly Cost: All Placements  
(excluding unregulated and semi-independent)



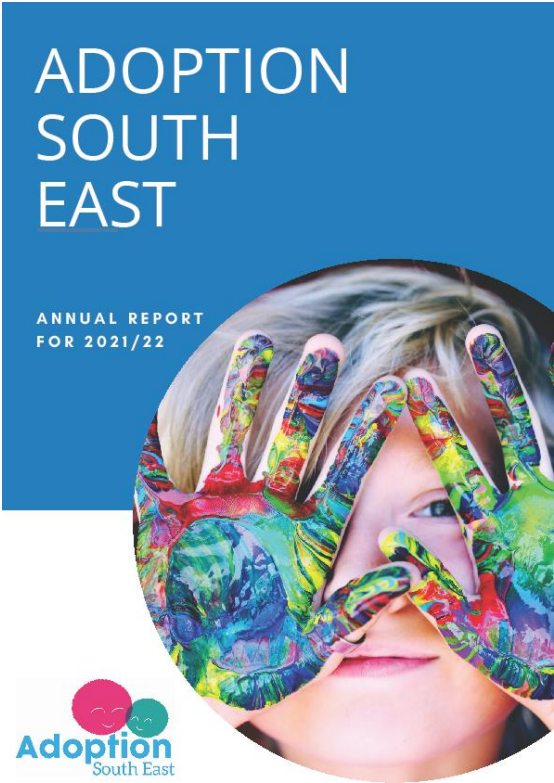
- Majority of the budget covers placement costs, which are determined by the levels of activity and unit costs (which are often dependent on a commercial market)
- Costs are often unpredictable, particularly in the context of sufficiency issues set out in the previous slides, although (excluding these and semi-independent placements) other weekly placement costs are now relatively more stable.

# Priorities for 2021-22

- Review sufficiency policy to include all placement and family options with associated services such as education and mental health provision.
- Complete review of LACCAMHS and AdCAMHS.
- Contribute to service developments in relation to emotional wellbeing and mental health of our looked after children.
- Extend the Local Offer for our Care Leavers with key partners responsible for corporate parenting.
- Further develop and focus on meeting the identity needs of our children, young people and their families.
- Develop ambitious programme to enable our children and Care Leavers to maintain safe relationships within their networks. Promote children returning home or to extended family members where possible.
- In partnership with ASE, promote best practice in relation to early permanence, keeping in touch and post adoption support.



# Children's Services Annual Reports 2021/22



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Report to: **Cabinet**

Date: **13 December 2022**

By: **Chief Operating Officer**

Title of report: **Treasury Management Annual Report 2021/22 and mid-year report 2022/23**

Purpose of report: **To present a review of the Council's performance on Treasury Management for the year 2021/22 and Mid-Year Review for 2022/23.**

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## **RECOMMENDATION:**

**Cabinet is recommended to:**

**Note the Treasury Management performance in 2021/22, incorporating the Mid-Year Review for the first half of 2022/23.**

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### **1. Background**

1.1 The annual stewardship report presents the Council's treasury management performance for 2021/22 and Mid-Year performance for 2022/23, as required by the Code of Practice for Treasury Management.

### **2. Supporting Information**

2.1 The Council's treasury management activities are regulated by a variety of professional codes, statutes and guidance. The Council has adopted the CIPFA Code of Practice for Treasury Management in the Public Sector and operates the treasury management function in compliance with this Code. These require that the prime objective of the treasury management activity is the effective management of risk, and that its borrowing activities are undertaken in a prudent, affordable and sustainable basis and treasury management practices demonstrate a low risk approach. The Code requires the regular reporting of treasury management activities to:

- Forecast the likely activity for the forthcoming year (in the Annual Treasury Strategy Report); and
- Review actual activity for the preceding year (this Stewardship Report).
- A mid-year performance review (this Stewardship Report).

2.2 This report sets out:

- A summary of the original strategy agreed for 2021/22 and the economic factors affecting this strategy (Appendix A).
- The treasury management activity during the year 2021/22 (Appendix B);
- The treasury management midyear activity for 2022/23 (Appendix C);
- The Prudential Indicators, which relate to the Treasury Management function, Minimum Revenue Policy (MRP) and compliance with limits (Appendix D).

### **3. The economic conditions compared to our Strategy for 2021/22**

3.1 The original 2021/22 strategy was set against a backdrop of low Bank of England (BoE) interest rates and modest increases to that rate over the medium term. The economic environment remained a challenging one with concerns over the UK, European and Global economies. The global impact of the coronavirus pandemic, and the national recovery from measures taken during that period, weighed heavily on the economy as a whole.

3.2 The economic situation since the original strategy formulation has seen heightened uncertainties in the UK economy, particularly from inflationary, geopolitical and domestic political factors. Inflationary pressure has been driven by the price of fuel and the fallout from the conflict in the Ukraine. Energy security has put further pressure on inflationary concerns across Europe since January 2022. The Fiscal Event on 23 September 2022 saw gilt yields surge and sterling fall, as

markets reacted to the announcements made. Despite the subsequent change of approach market sentiment is still in the direction of a higher interest rate environment for the UK in the near term, with a potential BoE base rate of 5% by March 2023 currently forecast.

3.3 The strategy and the economic conditions prevailing in 2021/22 are set out in Appendix A with an updated economic summary set out in Appendix C.

#### **4. Treasury Management activity during 2021/22**

##### The Treasury Management Strategy

4.1 The strategy for 2021/22, agreed in February 2021, continued the prudent approach and ensured that all investments were only to the highest quality rated institutions with regard to security, liquidity and yield. Treasury Management officers have explored ways in which the Council's cash balances can be utilised to support Environmental, Social and Governance (ESG) factors.

##### Short term lending

4.2 The Bank of England (BoE) Base Rate increased three times during 2021/22. By March 2022 the rate was 0.75%. These marginal increases reflected the concern, at the time, that inflationary pressures could result in headline inflation being above 2%.

4.3 The total amount received in short term interest for 2021/22 was £1.2m at an average rate of 0.38%. This was above the average base rate in the same period (0.19%) and above the average returns achieved with peer authorities from treasury advisors (Link Asset Services) investment benchmarking. The Return for 2021/22 was against a backdrop of ensuring, as far as possible in the financial climate, the security of principal and the minimisation of risk about liquidity to support the Council's cashflow should it be required.

##### Longer term lending

4.4 During 2021/22 a number of longer term local authority investments were placed with the aim of locking in certainty of return. These investments have secured a fixed level of return without compromising credit quality in a low interest rate environment.

##### Long term borrowing

4.5 Details of long term borrowing are included in Appendix B of the report. The important points are:

- No new borrowing was undertaken in 2021/22.
- The average interest rate of all debt at 31 March 2022 (£232.9m) was 4.63%.
- Public Works Loan Board (PWLb) Debt maturing during 2021/22 totalled £3.6m and was at an average rate of 6.84%.

##### Minimum Revenue Provision (MRP)

4.6 Full details of the 2021/22 MRP policy are set out in appendix D.

#### **5. Treasury Management 2022/23 Mid-Year Review.**

5.1 The Treasury Management and Annual Investment Strategy for 2022/23 was approved by Full Council on 8 February 2022 and was prepared within the context of the financial challenge being faced by the County Council.

5.2 The Bank of England Base Rate as of 30 September 2022 is 2.25%. During the first 6 months of the year, it has increased four times. The latest economic commentary provided by Link Asset Services (LAS) is set out in Appendix D.

5.3 Opportunities to place fixed term deposits during the period have been undertaken to secure a fixed rate of return on a ladder maturity profile in a rising interest rate environment. During the period fixed term bank deposits totalling £80m were placed at rates between 1.50% and 3.90%. Deposits included £30m with Standard Chartered Bank that are ringfenced within a sustainable lending ESG framework. These investments fulfilled the key principals of security, liquidity and yield with the overlay of ESG included.

5.4 The total amount received in short term interest for 6 months to 30 September 2022 was £1,650,000 at an average rate of 1.07%. This was below the average base rates in the same period (1.28%) and with peer authorities through benchmarking. The laddered approach to investment maturities will result in a pick up in return in the next 6 months.

5.5 No PWLB borrowing was undertaken in the period, with the Council's long-term debt at 30 September 2022 being £228.7m.

5.6 Opportunities for cost effective repayment of existing debt and restructuring opportunities are constantly monitored but none emerged in the first six months of the year. However, during October 2022, a LOBO loan with Commerzbank was repaid early in full at par value £6.45m. This was following a call option date where the lender proposed a new rate of interest on the loan. The Council had the options to either accept the new rate, a movement from 3.75% to 4.50%, or repay in full at no additional cost. Following advice from the Treasury Management Team's external advisors the loan was repaid on the 11 October 2022.

## **6. Prudential Indicators which relate to the Treasury function and compliance with limits**

6.1 The Council is required by the CIPFA Prudential Code to report the actual prudential indicators after the end of each year. There are eight indicators which relate to treasury management and they are set out in Appendix D, the Council is fully compliant with these indicators.

## **7. Conclusion and reason for recommendation**

7.1 This report fulfils the requirement to submit an annual/half yearly report in the form prescribed in the Treasury Management Code of Practice. Short term lending throughout the 18 month period covered achieved returns between 0.35% and 1.40%. The key principles of security, liquidity and yield are still relevant. Officers are currently investigating further opportunities within the strategy to increase investment income whilst minimising costs and maintaining security, in a period of significant uncertainty.

**ROS PARKER**  
**Chief Operating Officer**

Contact Officer: Ian Gutsell Tel No. 01273 481399

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**A summary of the strategy agreed for 2021/22 and the economic factors affecting this strategy**

**1. Background information**

- 1.1 Full Council approved the annual Treasury Management Strategy report in February 2021, which sets out the proposed strategy for the year ahead. This strategy includes the limits and criteria for organisations to be used for the investment of cash surpluses and has to be approved by the Council.
- 1.2 This Council has always adopted a prudent approach to its investment strategy and in the last few years, there have been regular changes to the list of the approved organisations used for investment of surpluses. This list is regularly reviewed to ensure that the Council is able to invest in the best available rates consistent with low risk; the organisations are regularly monitored to ensure that their financial strength and low risk has been maintained.
- 1.3 The original strategy for 2021/22 was prepared within the context of the financial challenge being faced by the County Council over the Medium Term Financial Plan:
- Utilising long term cash balances as effectively as possible by investing in longer term instruments and/or using to fund borrowing to reduce borrowing costs;
  - Ensuring the investment portfolio is working hard to maximise income by further use of alternative appropriate investment opportunities during 2021/22;
  - Ensuring effective management of the borrowing portfolio by exploring rescheduling opportunities and identifying and exploiting the most cost effective ways of funding the Council's borrowing requirement.
- 1.4 At the same time, the Treasury Management Policy Statement was agreed as unchanged for 2021/22.

East Sussex County Council defined its treasury management activities as:

"The management of the organisation's cash flows, its banking, money market and Capital market transactions (other than those of the Pension Fund) the effective management of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."

The Council regards the successful identification, monitoring and management of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the organisation.

This authority acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving best value in treasury management, and to employing suitable performance measurement techniques, within the context of effective risk management."

**2. Investment**

- 2.1 When the strategy was agreed in February 2021, it emphasised the continued importance of credit quality. The Treasury Management Advisors Link Asset Services commented on short term interest rates, the UK economy, inflation, the outlook for long term interest rates and these factors were taken into account when setting the Strategy. The

2021/22 Investment Strategy was set in the context of diminishing returns and opportunities in the post Covid-19 pandemic economic environment.

2.2 During the period investments to other Local Authorities could secure an enhanced fixed level of return over traditional bank deposits with an increased level of credit security

2.3 Officers continue to monitor opportunities to invest in Environmental Social and Governance (ESG) products. In reality, the market for green and ESG investments is relatively immature, which reduces the ability to actively invest in products that support the Council's aspirations. However, research and the consideration of suitability of ESG investment products is ongoing.

2.4 This Council, in addition to other tools, uses the creditworthiness service provided by Link Asset Services. This service employs a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies - Fitch, Moody's and Standard and Poor's. The credit ratings of counterparties are supplemented with the following overlays:

- credit watches and credit outlooks from credit rating agencies;
- credit default swap (CDS) spreads to give early warning of likely changes in credit ratings; and
- sovereign ratings to select counterparties from only the most creditworthy countries.

2.5 The strategy going forward was to continue with the policy of ensuring minimum risk, but was also intended to deliver secure investment income on the Council's cash balances.

2.6 As was clear from events globally and nationally since 2008, it is impossible in practical terms to eliminate all credit risk.

2.7 The strategy aimed to ensure that in the economic climate it was essential that a prudent approach was maintained. This would be achieved through investing with selected banks and funds which met the Council's rating criteria. The emphasis would continue on security (protection of the capital sum invested) and liquidity (keeping money readily available for expenditure when needed) rather than yield.

2.8 The Council's investment policy has regard to the Department for Levelling Up, Housing & Communities Guidance on Local Government Investments ("the Guidance") and the revised CIPFA Treasury Management in Public Services Code of Practice and Cross Link Asset Services Guidance Notes ("the CIPFA TM Code"). The Council's investment priorities will be security first, liquidity second, and then return.

2.9 Investment instruments identified for use in the financial year are listed in section 3.2 and 4.1 under the 'Specified and Non-Specified' Investments categories. Counterparty limits will be as set through the Council's Treasury Management Practices – Schedules.

2.10 The weighted scoring system produces an end product of a series of colour coded bands which indicate the relative creditworthiness of counterparties. These colour codes are used by the Council to determine the suggested duration for investments, i.e., using counterparties within the following durational bands provided they have a minimum AA+ sovereign rating from three rating agencies:

- Yellow 2 years
- Purple 2 years
- Blue 1 year (only applies to nationalised or semi nationalised UK Banks)
- Orange 1 year
- Red 6 months
- Green 3 months



<ul style="list-style-type: none"> <li>No Colour, not to be used</li> </ul>						
Y	P	B	O	R	G	N/C
Up to 2yrs	Up to 2yrs	Up to 1yr	Up to 1yrs	Up to 6 mths	Up to 100days	No Colour

2.11 The Link credit worthiness service uses a wider array of information than just primary ratings and by using a risk weighted scoring system, does not give undue influence to just one agency's ratings.

2.12 Typically the minimum credit ratings criteria the Authority use, will be a short term rating (Fitch or equivalents) of short term rating F1, long term rating A-, viability rating of A-, and a support rating of 1. There may be occasions when the counterparty ratings from one rating agency are marginally lower than these ratings but may still be used. In these instances consideration will be given to the whole range of ratings available, or other topical market information, to support their use.

All credit ratings will be monitored daily. The Authority is alerted to changes to ratings of all three agencies through its use of the Link Asset Services credit worthiness service.

- if a downgrade results in the counterparty or investment scheme no longer meeting the Authority's minimum criteria, its further use as a new investment will be withdrawn immediately.
- in addition to the use of credit ratings the Authority will be advised of information in movements in Credit Default Swap against the iTraxx benchmark and other market data on a weekly basis. Extreme market movements may result in downgrade of an institution or removal from the Authority's lending list.

2.13 The Link Asset Services methodology determines the maximum investment duration under the credit rating criteria. Key features of Link Asset Services credit rating policy are:

- a mathematical based scoring system is used taking ratings from all three credit rating agencies;
- negative and positive watches and outlooks used by the credit rating agencies form part of the input to determine a counterparty's time band (i.e. 3, 6, 9, 12 months etc.).
- CDS spreads are used in Link Asset Services creditworthiness service as it is accepted that credit rating agencies lag market events and thus do not provide investors with the most instantaneous and "up to date" picture of the credit quality of a particular institution. CDS spreads provide perceived market sentiment regarding the credit quality of an institution.
- After a score is generated from the inputs a maximum time limit (duration) is assigned and this is known as the Link Asset Services colour which is associated with a maximum suggested time boundary.

2.14 All of the investments were classified as Specified (i.e., investment is sterling denominated and has a maximum maturity of 1 year) and non-Specified Investments (i.e., any other type of investment not defined as Specified). These investments were sterling investments for up to two years maturity with institutions deemed to be high credit quality or with the UK Government (Debt Management Account Deposit Facility). These were considered low risk assets where the possibility of loss of principal or investment income was small.

2.15 If investment instruments identified in the financial year under the 'Non-Specified and Specified' Investments categories were used, the Council funds would be invested as follows:

### 3. Specified Investments

3.1 An investment is a specified investment if all of the following apply:

- the investment is denominated in sterling and any payments or repayments in respect of the investment are payable only in sterling;
- the investment is not a long term investment (i.e. up to 1 year);
- the making of the investment is not defined as Capital expenditure by virtue of regulation 25(1)(d) of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 [SI 3146 as amended];
- the investment is made with a body or in an investment scheme of high credit quality (see below) or with one of the following public-sector bodies:
  - The United Kingdom Government;
  - A local authority in England or Wales (as defined under section 23 of the 2003 Act) or a similar body in Scotland or Northern Ireland; and
  - High credit quality is defined as a minimum credit rating as outlined in section 4.2 of this strategy.

### 3.2 The use of Specified Investments

Investment instruments identified for use in the financial year are as follows:

- The Table below set out the types of investments that fall into each category, counterparties available to the Council, and the limits placed on each of these. A detailed list of each investment type is available in the Treasury Management Practices guidance notes;
- all investments will be within the UK or AA+ sovereign rated countries.

Criteria for specified Investments:

Counterparty	Country/ Domicile	Instrument	Min. Credit Criteria/LAS colour band	Max. Amount	Max. maturity period
Debt Management and Deposit Facilities (DMADF)	UK	Term Deposits (TDs)	N/A	unlimited	12 Months
Government Treasury bills	UK	TDs	UK Sovereign Rating	unlimited	12 Months
UK Local Authorities	UK	TDs	UK Sovereign Rating	£60m	12 Months
Banks – part nationalised	UK	<ul style="list-style-type: none"> <li>▪ TDs</li> <li>▪ Deposits on Notice</li> <li>▪ Certificates of Deposit (CDs)</li> </ul>	N/A	£60m	12 Months
Banks	UK	<ul style="list-style-type: none"> <li>▪ TDs</li> <li>▪ Deposits on Notice</li> </ul>	Blue	£60m	12 Months
			Orange	£60m	12 Months

Counterparty	Country/ Domicile	Instrument	Min. Credit Criteria/LAS colour band	Max. Amount	Max. maturity period
		▪ CDs	Red	£60m	6 Months
			Green	£60m	100 Days
Building Societies	UK	▪ TDs ▪ Deposits on Notice ▪ CDs	Blue	£60m	12 Months
			Orange	£60m	12 Months
			Red	£60m	6 Months
			Green	£60m	100 Days
Individual Money Market Funds (MMF) CNAV and LVNAV	UK/Ireland/ EU domiciled	AAA Rated Money Market Fund Rating	N/A	£60m	Liquid
VNAV MMF's and Ultra-Short Dated Bond Funds	UK/Ireland/EU domiciled	AAA Rated Bond Fund Fund Rating	N/A	£60m	Liquid
Banks – Non-UK	Those with sovereign rating of at least AA+*	▪ TDs ▪ Deposits on Notice ▪ CDs	Blue	£60m	12 Months
			Orange	£60m	12 Months
			Red	£60m	6 Months
			Green	£60m	100 Days

#### 4. Non Specified Investments

4.1 Non-Specified investments are any other types of investment that are not defined as specified. The identification and rationale supporting the selection of these other investments and the maximum limits to be applied are set out below.

Counterparty	Minimum credit criteria	Maximum investments	Period
UK Local Authorities**	Government Backed	£60m	2 years
Corporate Bond Fund(s)	Investment Grade	£30m	2 - 5 years
Pooled Property Fund(s)	N/A	£30m	5+ years
Mixed Asset Fund(s)	Appropriate rating	£30m	2 - 5 years
Short Dated Bond Fund(s)	N/A	£30m	2 – 5 years

**\*\* Local Authorities appear on both Specified and Non-specified investment list – an investment with a LA for up to a year is Specified, and between 1-2 years is Non-specified. The maximum amount that can be lent to any single Local Authority is £60m across both specified and Unspecified Investments**

4.2 The maximum amount that can be invested will be monitored in relation to the Council surplus monies and the level of reserves. The approved counterparty list will be maintained by referring to an up-to-date credit rating agency reports, and the Council will liaise regularly with brokers for updates. Where Externally Managed Funds are not rated a selection process will evaluate relative risks & returns. Security of the council's money and fund volatility will be key measures of suitability. Counterparties may be added to or removed from the list only with the approval of the Chief Finance Officer.

## **5. The economy in 2021/22 – Commentary from Link Asset Services (Treasury Management Advisors) in April 2022**

5.1 Over the last two years, the coronavirus outbreak has done huge economic damage to the UK and to economies around the world. After the Bank of England took emergency action in March 2020 to cut Bank Rate to 0.10%, it left Bank Rate unchanged at its subsequent meetings until raising it to 0.25% at its meeting on 16th December 2021, 0.50% at its meeting of 4th February 2022 and then to 0.75% in March 2022.

5.2 The UK economy has endured several false dawns through 2021/22, but with most of the economy now opened up and nearly back to business-as-usual, the GDP numbers have been robust (9% y/y Q1 2022) and sufficient for the MPC to focus on tackling the second-round effects of inflation, now that the CPI measure has already risen to 6.2% and is likely to exceed 8% in April.

5.3 Gilt yields fell towards the back end of 2021, but despite the war in Ukraine gilt yields have shot higher in early 2022. At 1.38%, 2-year yields remain close to their recent 11-year high and 10-year yields of 1.65% are close to their recent six-year high. These rises have been part of a global trend as central banks have suggested they will continue to raise interest rates to contain inflation.

5.4 Historically, a further rise in US Treasury yields will probably drag UK gilt yields higher. There is a strong correlation between the two factors. However, the squeeze on real household disposable incomes arising from the 54% leap in April utilities prices as well as rises in council tax, water prices and many phone contract prices, are strong headwinds for any economy to deal with. In addition, from 1st April 2022, employees also pay 1.25% more in National Insurance tax. Consequently, inflation will be a bigger drag on real incomes in 2022 than in any year since records began in 1955.

5.5 Until recent years, world growth has been boosted by increasing globalisation i.e. countries specialising in producing goods and commodities in which they have an economic advantage and which they then trade with the rest of the world. This has boosted worldwide productivity and growth, and, by lowering costs, has also depressed inflation. However, the rise of China as an economic superpower over the last 30 years, which now accounts for 18% of total world GDP (the USA accounts for 24%), and Russia's recent invasion of Ukraine, has unbalanced the world economy. In addition, after the pandemic exposed how frail extended supply lines were around the world, both factors are now likely to lead to a sharp retrenchment of economies into two blocs of western democracies v. autocracies. It is, therefore, likely that we are heading into a period where there will be a reversal of world globalisation and a decoupling of western countries from dependence on China (and to a much lesser extent Russia) to supply products and vice versa. This is likely to reduce world growth rates.

5.6 Central banks' monetary policy. During the pandemic, the governments of western countries have provided massive fiscal support to their economies which has resulted in a big increase in total government debt in each country. It is therefore very important that bond yields stay low while debt to GDP ratios slowly subside under the impact of economic growth. This provides governments with a good reason to amend the mandates given to central banks to allow higher average levels of inflation than we have generally seen over the last couple of decades. Both the Fed and Bank of England have already changed their policy towards implementing their existing mandates on inflation, (and full employment), to hitting an average level of inflation. Greater emphasis could also be placed on hitting subsidiary targets e.g. full employment before raising rates. Higher average rates of inflation would also help to erode the real value of government debt more quickly.

## The Treasury Management activity during the year 2021/22

### 1. Investment activity interest rates

- 1.1 Investments were placed with reference to the core balance and cash flow requirements and the outlook for interest rates. Base interest rates averaged during the period were 0.19%, a low rate environment.
- 1.2 Following consultation, changes to the strategy were made from 2017/18 to broaden the risk profile by reducing liquidity and to include some suitable, alternative investment products that are held for the medium (2-5 years) to longer term (5 years+). These products can generate better overall returns but there is a higher risk of volatility of performance so a longer term commitment is required.
- 1.3 The following table below summarises the changes made since 2017/18 no further changes were proposed for 2021/22. The inclusion of an investment product category in the strategy does not automatically result in investments being placed.

Investment options	2017/18	2018/19	2019/20	2020/21	2021/22
Money Market Funds (Including LVNAV)	✓	✓	✓	✓	✓
Bank Notice Accounts	✓	✓	✓	✓	✓
Fixed Term Bank Deposits	✓	✓	✓	✓	✓
UK Local Authorities	✓	✓	✓	✓	✓
Enhanced Money Market Funds (VNAV)	✓	✓	✓	✓	✓
Building Societies	✗	✓	✓	✓	✓
Pooled Property Funds	✗	✓	✓	✓	✓
Corporate Bond Funds	✗	✓	✓	✓	✓
Mixed Asset Funds	✗	✓	✓	✓	✓
Equity Funds	✗	✗	✓	✓	✓

The primary principle governing the Council's investment criteria is the security of its investments, although the return on the investment is also a key consideration. After this main principle, the Council will ensure that:

- It maintains a policy covering both the categories of investment types it will invest in and the criteria for choosing investment counterparties with adequate security, and monitoring their security;
- It has sufficient liquidity in its investments;
- It receives a yield that is aligned with the level of security and liquidity of its investments;
- Where possible, it actively seeks to support Environmental, Social and Governance (ESG) investment products and institutions that meet all of the above requirements.

- 1.4 The total amount received in short term interest for 2021/22 was £1.17m at an average rate of 0.38%. This was above the average of base rates in the same period (0.19%) and against a backdrop of ensuring, as far as possible in the financial climate, the security of principal and the minimisation of risk within a broader boundary.

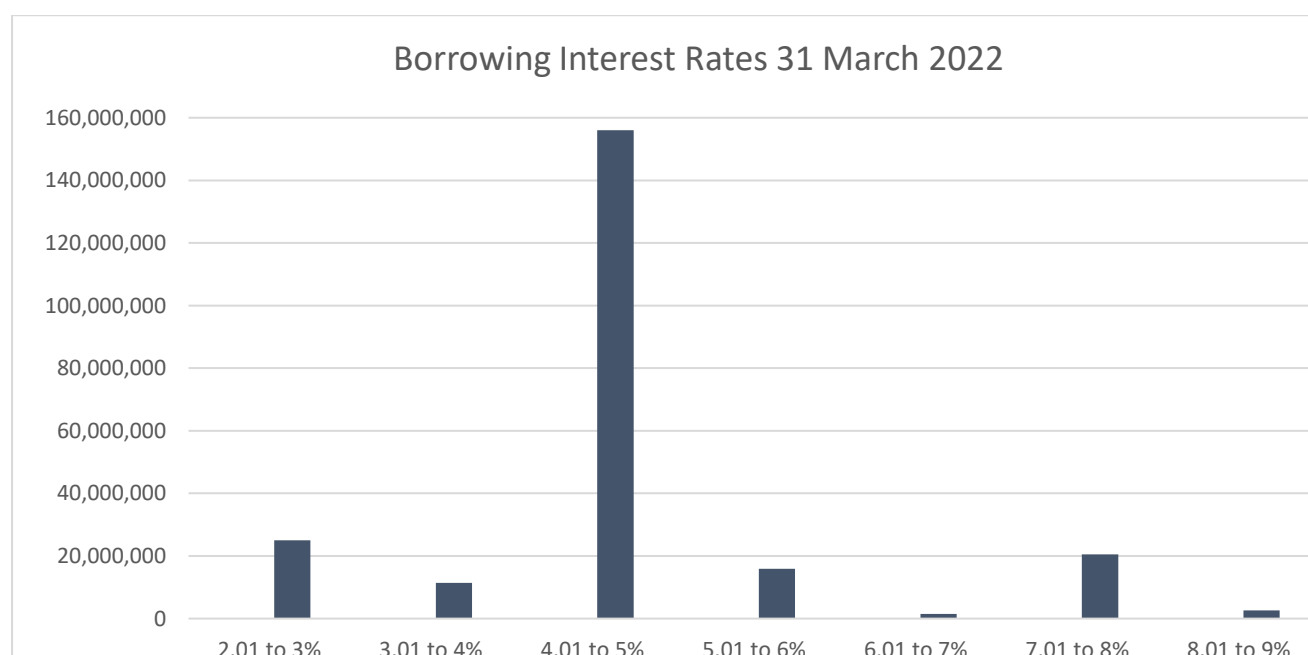
## 2. Long term borrowing

2.1 Officers constantly reviewed the need to borrow taking into consideration the potential movements in borrowing costs, the need to finance new capital expenditure, refinancing maturing debt, and the cost of carry that might incur a revenue loss between borrowing costs and investment returns.

2.2 During 2021/22 £3.6m of PWLB debt matured at a coupon rate of 6.84%. This historic maturing debt was not replaced with additional in year new borrowing.

2.3 The average interest rate of all debt at 31 March 2022 of £232.9m was 4.63%. No beneficial rescheduling of debt has been available, due to a considerable widening of the difference between new borrowing and repayment rates, which has made PWLB debt restructuring much less attractive. Consideration would have to be given to the large premiums (cash payments) which would be incurred by prematurely repaying existing PWLB loans. It is very unlikely that these could be justified on value for money grounds if using replacement PWLB refinancing.

2.4 The range of interest rates payable in all of the loans is illustrated in the graph below:



## 3. Short term borrowing

3.1 No borrowing was undertaken during 2021/22 to cover temporary overdraft situations.

## 4. Treasury Management Advisers

4.1 The Strategy for 2021/22 explained that the Council uses Link Asset Services as its treasury management consultant on a range of services which include:

- Technical support on treasury matters, Capital finance issues and advice on reporting;
- Economic and interest rate analysis;
- Debt services which includes advice on the timing of borrowing;
- Debt rescheduling advice surrounding the existing portfolio;

- Generic investment advice on interest rates, timing and investment instruments;
- Credit ratings from the three main credit rating agencies and other market information;
- Assistance with training on treasury matters

4.2 Whilst the advisers provide support to the internal treasury function, under current market rules and the CIPFA Code of Practice the final decision on treasury matters remained with the Council. This service remains subject to regular review.

4.3 Link Asset Services is the largest provider of Treasury Management advice services to local authorities in the UK and they claim to be the market leading treasury management service provider to their clients. The advice has been and will continue to be monitored regularly to ensure a continued excellent advisory service.

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## The Treasury Management Activity Mid-Year Report – 2022/23

### 1. Background

- 1.1 The Treasury Management and Annual Investment Strategy for 2022/23 were approved by the Cabinet 25 January 2022. The 2022/23 strategy maintained the approved instruments adopted previously to improve yield and diversify the investment portfolio. Changes to the strategy are summarised below.

Investment options	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Money Market Funds (Including LVNAV)	✓	✓	✓	✓	✓	✓
Bank Notice Accounts	✓	✓	✓	✓	✓	✓
Fixed Term Bank Deposits	✓	✓	✓	✓	✓	✓
UK Local Authorities	✓	✓	✓	✓	✓	✓
Enhanced Money Market Funds (VNAV)	✓	✓	✓	✓	✓	✓
Building Societies	✗	✓	✓	✓	✓	✓
Pooled Property Funds	✗	✓	✓	✓	✓	✓
Corporate Bond Funds (Including Short Dated Bond Funds)	✗	✓	✓	✓	✓	✓
Multi Asset Funds	✗	✓	✓	✓	✓	✓
Equity Funds	✗	✗	✓	✓	✓	✓

- 1.2 This report considers treasury management activity over six months of the financial year.

### 2. Treasury Management Strategy

- 2.1 The Council approved the 2022/23 treasury management strategy at its meeting on 25 January 2022. The Council's stated investment strategy is to prudently manage an investment policy achieving first of all, security (protecting the Capital sum from loss), liquidity (keeping money readily available for expenditure when needed), and to consider what yield can be obtained consistent with those priorities.

- 2.2 The 2022/23 Investment Strategy has been set in the context of diminishing returns and opportunities in the current economic environment. The provides the framework for officers to seek new opportunities to invest long-term cash in suitable longer term instruments in order to assist in delivering treasury efficiencies by securing a level of investment income.

- 2.3 The pandemic, and resultant market uncertainty, has limited the scope for new investments. Actions to explore the available options for Short Dated Bond Funds and Multi Asset Funds have been paused but will be explored in the future when appropriate.

- 2.4 In response to the Council declaring a Climate Emergency, the Annual Investment Strategy for 2021/22 included Environmental Social and Governance (ESG) as a factor when undertaking investment decisions to allow the Treasury Management Strategy to actively support the Council's aspirations to tackle climate change and other ESG factors. Officers have been exploring how the Council's current counterparties are contributing to this area and

are being asked how investment solutions can complement this strategy. In reality, the market for green and ESG investments is relatively immature, which reduces the ability to actively invest in products that support the Council's aspirations. However, research and the consideration of suitability of ESG investment products will continue into 2021/22.

2.5 The Chief Finance Officer is pleased to report that all treasury management activity undertaken from April 2021 to September 2022 period complied with the approved strategy, the CIPFA Code of Practice, and the relevant legislative provisions.

### **3 Summary of financial implications / activity**

3.1 The Bank of England's Monetary Policy Committee (MPC) raised interest rates on four occasions over the period in May, June, August and September. The rate as at 30 September is 2.25%. Our Treasury Advisors Link Asset Services are forecasting MPC to increase interest rates further and faster, from 2.25% to a peak of 5.00% in February 2023.

3.1 During the first half year investments have been held in Money Market Funds, Bank Notice Accounts, other Local Authorities and the CCLA Local Authority Property Fund. Counterparty credit quality remains a primary concern for the treasury team, with security, liquidity and yield in that order a priority.

3.2 Measures have been undertaken to ensure that levels of liquidity are available during the last 6 months but also opportunities explored in this rising interest rate environment to secure investment returns. Several fixed term bank deposits have been reinvested up to 12 months securing a fixed rate of return between 1.50% - 3.90% within a low credit risk parameter.

3.3 Local Authority deposits have been placed in the period at moderate returns compared to the current bank rates, but their inclusion forms part of a balanced portfolio. Deposits held for liquidity purposes in Money Market Funds are providing a return nearing the current base rate, compared to previous years where they performed well below that benchmark.

3.4 The Council is continuing to invest in deposits with regard to ESG and sustainable lending, through Standard Chartered Bank. These investments are assigned to sustainable assets with the aim of addressing the UN sustainable development goals. The offering fulfils the key principle of security, liquidity and yield and is consistent with the banks current other fixed term deposit rates.

3.5 The average investment balance to September 2022 was £307m and generated investment income of £1,650,000. The forecast for 2022/23 is £5.4m and is within budgeted provision.

3.7 No short term loan borrowing was arranged during the period. Future short-term borrowing in the current year is not forecasted but remains an option to cover temporary cashflow requirements.

3.8 The level of Council long-term debt at 30 September 2022 was £228.7m, two loans matured with the PWLB during the period on the 30 June (£2.3m) and the 30 September 2022 (£1.98m) held at 5.75% and 7.75%. The next maturity is on the 31 December 2022 a £1.3m PWLB Loan at a rate of 7.625%. The forecast for interest paid on long-term debt in 2022/23 is approximately £10.5m and is within the budgeted provision.

3.9 Opportunities to reduce the cost of carry (interest paid against interest received) are constantly being explored as and when options arise. In October, a LOBO market loan was called by the borrower, Commerzbank. Exercising their option to increase the coupon rate of

the loan from 3.75% to 4.50%. The Council could accept the new borrowing rate for the next 6 months or repay the principal. The Loan was repaid early by the Council at par value £6.45m. This was the last LOBO loan in the Council's wider debt portfolio.

#### **4. Economic Review (provided by Link Asset Services, September 2022)**

4.1 The second quarter of 2022/23 saw:

- GDP revised upwards in Q1 2022/23 to +0.2% q/q from -0.1%, which means the UK economy has avoided recession for the time being;
- Signs of economic activity losing momentum as production fell due to rising energy prices;
- CPI inflation ease to 9.9% y/y in August, having been 9.0% in April, but domestic price pressures showing little sign of abating in the near-term;
- The unemployment rate fell to a 48-year low of 3.6% due to a large shortfall in labour supply;
- Bank Rate rise by 100bps over the quarter, taking Bank Rate to 2.25% with further rises to come;
- Gilt yields surge and sterling fall following the "fiscal event of the new Prime Minister and Chancellor on 23<sup>rd</sup> September.

4.2 The UK economy grew by 0.2% q/q in Q1 2022/23, though revisions to historic data left it below pre-pandemic levels.

4.3 There are signs of higher energy prices creating more persistent downward effects in economic activity. Both industrial production (-0.3% m/m) and construction output (-0.8% m/m) fell in July 2022 for a second month in a row. Although some of this was probably due to the heat wave at the time, manufacturing output fell in some of the most energy intensive sectors (e.g., chemicals), pointing to signs of higher energy prices weighing on production. With the drag on real activity from high inflation having grown in recent months, GDP is at risk of contracting through the autumn and winter months.

4.4 The fall in the composite PMI from 49.6 in August to a 20-month low preliminary reading of 48.4 in September points to a fall in GDP of around 0.2% q/q in Q3 and consumer confidence is at a record low. Retail sales volumes fell by 1.6% m/m in August, which was the ninth fall in 10 months. That left sales volumes in August just 0.5% above their pre-Covid level and 3.3% below their level at the start of the year. There are also signs that households are spending their excess savings in response to high prices. Indeed, cash in households' bank accounts rose by £3.2bn in August, which was below the £3.9bn rise in July and much smaller than the 2019 average monthly rate of £4.6bn.

4.5 The labour market remained exceptionally tight. Data for July and August provided further evidence that the weaker economy is leading to a cooling in labour demand. Labour Force Survey (LFS) employment rose by 40,000 in the three months to July (the smallest rise since February). But a renewed rise in inactivity of 154,000 over the same period meant that the unemployment rate fell from 3.8% in June to a new 48-year low of 3.6%. The single-month data showed that inactivity rose by 354,000 in July itself and there are now 904,000 more inactive people aged 16+ compared to before the pandemic in February 2020. The number of vacancies has started to level off from recent record highs but there have been few signs of a slowing in the upward momentum on wage growth. Indeed, in July, the 3my/y rate of average earnings growth rose from 5.2% in June to 5.5%.

- 4.6 CPI inflation eased from 10.1% in July to 9.9% in August, though inflation has not peaked yet. The easing in August was mainly due to a decline in fuel prices reducing fuel inflation from 43.7% to 32.1%. And with the oil price now just below \$90pb, we would expect to see fuel prices fall further in the coming months.
- 4.7 However, utility price inflation is expected to add 0.7% to CPI inflation in October when the Ofgem unit price cap increases to, typically, £2,500 per household (prior to any benefit payments). But, as the government has frozen utility prices at that level for two years, energy price inflation will fall sharply after October and have a big downward influence on CPI inflation.
- 4.8 Nonetheless, the rise in services CPI inflation from 5.7% y/y in July to a 30-year high of 5.9% y/y in August suggests that domestic price pressures are showing little sign of abating. A lot of that is being driven by the tight labour market and strong wage growth. CPI inflation is expected to peak close to 10.4% in November and, with the supply of workers set to remain unusually low, the tight labour market will keep underlying inflationary pressures strong until early next year.
- 4.9 During H1 2022, there has been a change of both Prime Minister and Chancellor. The new team (Liz Truss and Kwasi Kwarteng) have made a step change in government policy. The government's huge fiscal loosening from its proposed significant tax cuts will add to existing domestic inflationary pressures and will potentially leave a legacy of higher interest rates and public debt. Whilst the government's utility price freeze, which could cost up to £150bn (5.7% of 4.10 GDP) over 2 years, will reduce peak inflation from 14.5% in January next year to 10.4% in November this year, the long list of tax measures announced at the "fiscal event" adds up to a loosening in fiscal policy relative to the previous government's plans of £44.8bn (1.8% of GDP) by 2026/27. These included the reversal of April's national insurance tax on 6th November, the cut in the basic rate of income tax from 20p to 19p in April 2023, the cancellation of next April's corporation tax rise, the cut to stamp duty and the removal of the 45p tax rate, although the 45p tax rate cut announcement has already been reversed.
- 4.10 Fears that the government has no fiscal anchor on the back of these announcements has meant that the pound has weakened again, adding further upward pressure to interest rates. Whilst the pound fell to a record low of \$1.035 on the Monday following the government's "fiscal event", it has since recovered to around \$1.12. That is due to hopes that the Bank of England will deliver a very big rise in interest rates at the policy meeting on 3rd November and the government will lay out a credible medium-term plan in the near term. This was originally expected as part of the fiscal statement on 23rd November but has subsequently been moved forward to an expected release date in October. Nevertheless, with concerns over a global recession growing, there are downside risks to the pound.
- 4.11 The MPC has now increased interest rates seven times in as many meetings in 2022 and has raised rates to their highest level since the Global Financial Crisis. Even so, coming after the Fed and ECB raised rates by 75 basis points (bps) in their most recent meetings, the Bank of England's latest 50 basis points hike looks relatively dovish. However, the UK's status as a large importer of commodities, which have jumped in price, means that households in the UK are now facing a much larger squeeze on their real incomes.
- 4.12 Since the fiscal event on 23rd September, we now expect the Monetary Policy Committee (MPC) to increase interest rates further and faster, from 2.25% currently to a peak of 5.00% in February 2023. The combination of the government's fiscal loosening, the tight labour market and sticky inflation expectations means we expect the MPC to raise interest rates by 100bps at the policy meetings in November (to 3.25%) and 75 basis points in December (to 4%) followed by further 50 basis point

hikes in February and March (to 5.00%). Market expectations for what the MPC will do are volatile. If Bank Rate climbs to these levels the housing market looks very vulnerable, which is one reason why the peak in our forecast is lower than the peak of 5.50% - 5.75% priced into the financial markets at present.

4.13 Throughout 2022/23, gilt yields have been on an upward trend. They were initially caught up in the global surge in bond yields triggered by the surprisingly strong rise in CPI inflation in the US in May. The rises in two-year gilt yields (to a peak of 2.37% on 21st June) and 10-year yields (to a peak of 2.62%) took them to their highest level since 2008 and 2014 respectively. However, the upward trend was exceptionally sharply at the end of September as investors demanded a higher risk premium and expected faster and higher interest rate rises to offset the government's extraordinary fiscal stimulus plans. The 30-year gilt yield rose from 3.60% to 5.10% following the "fiscal event", which threatened financial stability by forcing pension funds to sell assets into a falling market to meet cash collateral requirements. In response, the Bank did two things. First, it postponed its plans to start selling some of its quantitative easing (QE) gilt holdings until 31st October. Second, it committed to buy up to £65bn of long-term gilts to "restore orderly market conditions" until 14th October. In other words, the Bank is restarting QE, although for financial stability reasons rather than monetary policy reasons.

4.14 Since the Bank's announcement on 28th September, the 30-year gilt yield has fallen back from 5.10% to 3.83%. The 2-year gilt yield dropped from 4.70% to 4.30% and the 10-year yield fell back from 4.55% to 4.09%.

4.15 There is a possibility that the Bank continues with QE at the long-end beyond 14th October or it decides to delay quantitative tightening beyond 31st October, even as it raises interest rates. So far at least, investors seem to have taken the Bank at its word that this is not a change in the direction of monetary policy nor a step towards monetary financing of the government's deficit. But instead, that it is a temporary intervention with financial stability in mind.

## **5.0 Link Asset Services interest rate forecasts (27/09/2022)**

5.1 The latest forecast sets out a view that both short and long-dated interest rates will be elevated for some little while, as the Bank of England seeks to squeeze inflation out of the economy, whilst the government is providing a package of fiscal loosening to try and protect households and businesses from the ravages of ultra-high wholesale gas and electricity prices.

5.2 The increase in PWLB rates reflects a broad sell-off in sovereign bonds internationally but more so the disaffection investors have with the position of the UK public finances after September's "fiscal event". To that end, the MPC has tightened short-term interest rates with a view to trying to slow the economy sufficiently to keep the secondary effects of inflation – as measured by wage rises – under control, but its job is that much harder now.

5.3 We now expect the MPC to swiftly increase Bank Rate during the remainder of 2022 and into Q1 2023 to combat the sharp increase in inflationary pressures. We do not think that the MPC will embark on a series of increases in Bank Rate that would take it to more than 5%, but it is possible.

Link Group Interest Rate View 27.09.22												
	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25
BANK RATE	4.00	5.00	5.00	5.00	4.50	4.00	3.75	3.25	3.00	2.75	2.75	2.50
3 month ave earnings	4.50	5.00	5.00	5.00	4.50	4.00	3.80	3.30	3.00	2.80	2.80	2.50
6 month ave earnings	4.70	5.20	5.10	5.00	4.60	4.10	3.90	3.40	3.10	3.00	2.90	2.60
12 month ave earnings	5.30	5.30	5.20	5.00	4.70	4.20	4.00	3.50	3.20	3.10	3.00	2.70
5 yr PWLB	5.00	4.90	4.70	4.50	4.20	3.90	3.70	3.50	3.40	3.30	3.20	3.20
10 yr PWLB	4.90	4.70	4.60	4.30	4.10	3.80	3.60	3.50	3.40	3.30	3.20	3.20
25 yr PWLB	5.10	4.90	4.80	4.50	4.30	4.10	3.90	3.70	3.60	3.60	3.50	3.40
50 yr PWLB	4.80	4.60	4.50	4.20	4.00	3.80	3.60	3.40	3.30	3.30	3.20	3.10

5.4 Our central forecast for interest rates was previously updated on 9th August and reflected a view that the MPC would be keen to further demonstrate its anti-inflation credentials by delivering a succession of rate increases. This has happened but Friday's "Fiscal Event" has complicated the picture for the MPC, who will now need to double-down on counteracting inflationary pressures stemming from the Government's widespread fiscal loosening.

5.5 Further down the road, we anticipate the Bank of England will be keen to loosen monetary policy when the worst of the inflationary pressures are behind us – but that timing will be one of fine judgment: cut too soon, and inflationary pressures may well build up further; cut too late and any downturn or recession may be prolonged

5.6 The CPI measure of inflation will peak at close to 11% in Q4 2022. Despite the cost-of-living squeeze that is still taking shape, the Bank will want to see evidence that wages are not spiralling upwards in what is evidently a very tight labour market.

5.7 Regarding the "provisional" plan to sell £10bn of gilts back into the market each quarter, starting in September, this is still timetabled to take place but given the large-scale funding of the priorities set out in the Government's "Fiscal Event", the Bank may be reticent to add to an already high supply of gilts for investors to purchase.

5.8 In the upcoming months, our forecasts will be guided not only by economic data releases and clarifications from the MPC over its monetary policies and the Government over its fiscal policies, but the on-going conflict between Russia and Ukraine. (More recently, the heightened tensions between China/Taiwan/US also have the potential to have a wider and negative economic impact.)

5.9 On the positive side, consumers are still estimated to be sitting on over £160bn of excess savings left over from the pandemic so that will cushion some of the impact of the above challenges. However, most of those are held by more affluent people whereas lower income families already spend nearly all their income on essentials such as food, energy and rent/mortgage payments.

## Appendix D

### 1. Prudential Indicators which relate to the Treasury function and compliance with limits

1.1 The Council is required by the Prudential Code to report the actual prudential indicators after the end of each year. There are eight indicators which relate to treasury management and they are set on an annual basis and monitored, they comprise:-

- Operational and authorised borrowing limits which includes short term borrowing (paragraph 2.1 below)
- Interest rate exposure (paragraph 3.1 below)
- Interest rate on long term borrowing (paragraph 4.1 below)
- Maturity structure of investments (paragraph 5.1 below)
- Compliance with the Treasury Management Code of Practice (paragraph 6.1 below)
- Interest on investments (paragraph 7.1 below)
- Capital Financing Requirement and Minimum Revenue Provision (paragraph 8.1 below)

### 2. Operational and authorised borrowing limits.

2.1 The tables below sets out the estimate and projected Capital financing requirement and long-term borrowing in 2021/22

	<b>Capital Financing Requirement</b>	<b>2021/22 Estimate</b>	<b>2021/22 Actual</b>
		<b>£m</b>	<b>£m</b>
	<b>Capital Financing Requirement at 1 April 2021</b>	<b>355</b>	<b>335</b>
add	Capital Expenditure	92	77
add	Impact for IFRS 16 Leases	-	-
less	Capital Financing	(59)	(51)
less	Provision for repayment of debt (MRP)	(11)	(11)
	<b>Capital Financing Requirement at 31 March 2022</b>	<b>377</b>	<b>350</b>
add	Short Term Borrowing Provision	10	
	<b>Operational Boundary</b>	<b>387</b>	
add	Short Term Borrowing Provision	20	
	<b>Authorised Limit</b>	<b>407</b>	

	<b>Actual Borrowing</b>	<b>2021/22 Actual</b>
		<b>£m</b>
	<b>Long Term Borrowing at 1 April 2021</b>	<b>237</b>
less	Loan redemptions	(4)
add	New Borrowing	-
	<b>Long Term Borrowing at 31 March 2022</b>	<b>233</b>



2.2 The 2021/22 actual Capital Financing Requirement of £350m included PFI Schemes and Finance Leases totalling £75.4m, excluding these balances the underlying need to borrow was £274.6m.

2.3 The Operational Boundary was consistent with the Council's current commitments, existing plans and the proposals for Capital expenditure and financing, and with its approved treasury management policy statement and practices. It was based on the estimate of most likely, prudent but not worst case scenario. Risk analysis and risk management strategies were taken into account as were plans for Capital expenditure, estimates of the Capital financing requirement and estimates of cash flow requirements for all purposes. The Operational boundary represents a key management tool for in year monitoring and long term borrowing control.

2.4 The Authorised Limit for borrowing was based on the same estimates as the Operational Boundary but includes additional headroom for a short term borrowing to allow, for example, for unusual cash movements or late receipt of income.

2.5 The Authorised limit is the "Affordable Borrowing Limit" required by S3 of the Local Government Act 2003 and must not be breached. The Long Term borrowing at 31<sup>st</sup> March 2021 of £236m is under the Operational boundary and Authorised limit set for 2020/21. The Operational boundary and Authorised limit have not been exceeded during the year.

### 3. Interest rate exposure

2.1 The Council continued the practice of seeking to secure competitive fixed interest rate exposure 2021/22. There are three debt related treasury activity limits. The purpose of these are to restrain the activity of the treasury function within certain limits, thereby managing risk and reducing the impact of any adverse movement in interest rates. However, if these are set to be too restrictive they will impair the opportunities to reduce costs or improve performance. The indicators are:

- Upper limits on variable interest rate exposure. This identifies a maximum limit for variable interest rates based upon the debt position net of investments;
- Upper limits on fixed interest rate exposure. This is similar to the previous indicator and covers a maximum limit on fixed interest rates;
- Maturity structure of borrowing. These gross limits are set to reduce the council's exposure to large fixed rate sums falling due for refinancing and are required for upper and lower limits.

	2021/22	2022/23	2023/24
<b>Interest rate exposure</b>	<b>Upper</b>	<b>Upper</b>	<b>Upper</b>
Limits on fixed interest rates based on net debt	100%	100%	100%
Limits on variable interest rates based on net debt	15%	15%	15%
<b>Maturity structure of fixed interest rate borrowing 2021/22</b>			
	Lower	Upper	Actual 2021/22
Under 12 months	0%	25%	2%
12 months and within 24 months	0%	40%	2%
24 months and within 5 years	0%	60%	7%
5 years and within 10 years	0%	80%	15%
10 years and within 20 years	0%	80%	21%
20 years and within 30 years	0%	80%	22%



30 years and within 40 years	0%	80%	31%
40 years and above	0%	80%	0%

3.2 The Council has not exceeded the limits set in 2021/22. Not more than £20m of debt should mature in any financial year and not more than 15% to mature in any two consecutive financial years. Borrowing has been undertaken giving due consideration to the debt maturity profile, ensuring that an acceptable amount of debt is due to mature in any one financial year. This helps to minimise the authority's exposure to the risk of having to replace a large amount of debt in any one year or period when interest rates may be unfavourable. The bar chart in the attached Annex 1 shows the maturity profile.

#### **4. Interest rate on long term borrowing**

4.1 The rate of interest taken on any new long term borrowing will be defined with the assistance of Link Asset Services.

#### **5. Maturity structure of investments**

5.1 The Investment Guidance issued by the government, allowed local authorities the freedom to invest for more than for one year. All investments over one year were to be classified as Non-Specified Investments. The Council had taken advantage of this freedom and non-Specified Investments are allowed to be held within our overall portfolio of investments and in line with our prudent approach in our strategy.

#### **6. Compliance with the Treasury Management Code of Practice**

6.1 East Sussex County Council has adopted the Chartered Institute of Public Finance and Accountancy (CIPFA), Code of Practice for Treasury Management in the Public Services. In December 2018, CIPFA, issued a revised Treasury Management Code and Cross Sectoral Guidance Notes, and a revised Prudential Code.

A particular focus of these revised codes was how to deal with local authority investments which are not treasury type investments e.g. by investing in purchasing property in order to generate income for the Authority at a much higher level than can be attained by treasury investments. The outcome is a new Capital Strategy document which now forms part of the annual budget papers.

#### **7. Interest on investments 2021/22**

7.1 The table below sets out the average monthly rate received on our investments and compares it to the Bank of England Base rate to reflect both the interest rates available in the market and limitation in the use of counterparties.

Month	Amount £'000	Monthly rate	Average Base Rate	Margin against Base Rate
April	103	0.43%	0.10%	+0.33%
May	101	0.37%	0.10%	+0.27%
June	98	0.39%	0.10%	+0.29%
July	100	0.38%	0.10%	+0.28%
August	101	0.37%	0.10%	+0.27%
September	96	0.38%	0.10%	+0.28%
October	91	0.35%	0.10%	+0.25%
November	105	0.40%	0.10%	+0.30%

December	97	0.38%	0.18%	+0.20%
January	95	0.37%	0.25%	-0.12%
February	88	0.39%	0.48%	-0.09%
March	98	0.40%	0.62%	-0.22%
<b>Total for 2021/22</b>	<b>1,173</b>	<b>0.38%</b>	<b>0.19%</b>	<b>+0.19%</b>

7.2 The total amount received in short term interest for the year was £1.173m at an average rate of 0.38%. This was above the average of base rates in the same period (0.19%) but ensuring, as far as possible in the financial climate, the security of principal and the minimisation of risk. This Council has continued to follow a prudent approach with security and liquidity as the main criteria before yield.

## **8. Capital Financing Requirement and Minimum Revenue Provision (MRP)**

8.1 The Council is required to pay off an element of the accumulated General Fund capital spend each year (the Capital Financing Requirement - CFR) through a revenue charge (the Minimum Revenue Provision - MRP). Ministry of Housing, Communities and Local Government (MHCLG) regulations require the full Council to approve an MRP Statement in advance of each year. A variety of options are available to Councils, so long as the principle of any option selected ensures a prudent provision to redeem its debt liability over a period which is commensurate with that over which the capital expenditure is estimated to provide benefits (i.e. estimated useful life of the asset being financed).

8.2 The Council was recommended to approve the following MRP Statement for 2020/21 onwards:

### **For borrowing incurred before 1 April 2008, the MRP policy will be:**

- Annuity basis over a maximum of 40 years.

### **From borrowing incurred after 1 April 2008, the MRP policy will be:**

- Asset Life Method (annuity method) – MRP will be based on the estimated life of the assets, in accordance with the proposed regulations. A maximum useful economic life of 50 years for land and 40 years for other assets. This option will also be applied for any expenditure capitalised under a capitalisation directive.

### **For PFI schemes, leases and closed landfill sites that come onto the Balance Sheet, the MRP policy will be:**

- Asset Life Method (annuity method) - The MRP will be calculated according to the flow of benefits from the asset, and where the principal repayments increase over the life of the asset. Any related MRP will be equivalent to the “capital repayment element” of the annual charge payable.

There is the option to charge more than the prudent provision of MRP each year through a Voluntary Revenue Provision (VRP).

8.3 For loans to third parties that are being used to fund expenditure that is classed as capital in nature, the policy will be to set aside the repayments of principal as capital receipts to finance the initial capital advance in lieu of making an MRP.

8.4 In view of the variety of different types of capital expenditure incurred by the Council, which is not in all cases capable of being related to an individual asset, asset lives will be assessed on a basis which most reasonably reflects the anticipated period of benefit that arises from the expenditure. Also, whatever type of expenditure is involved, it will be grouped together in a manner which reflects the nature of the main component of expenditure. This approach also allows the Council to defer the introduction of an MRP charge for new capital

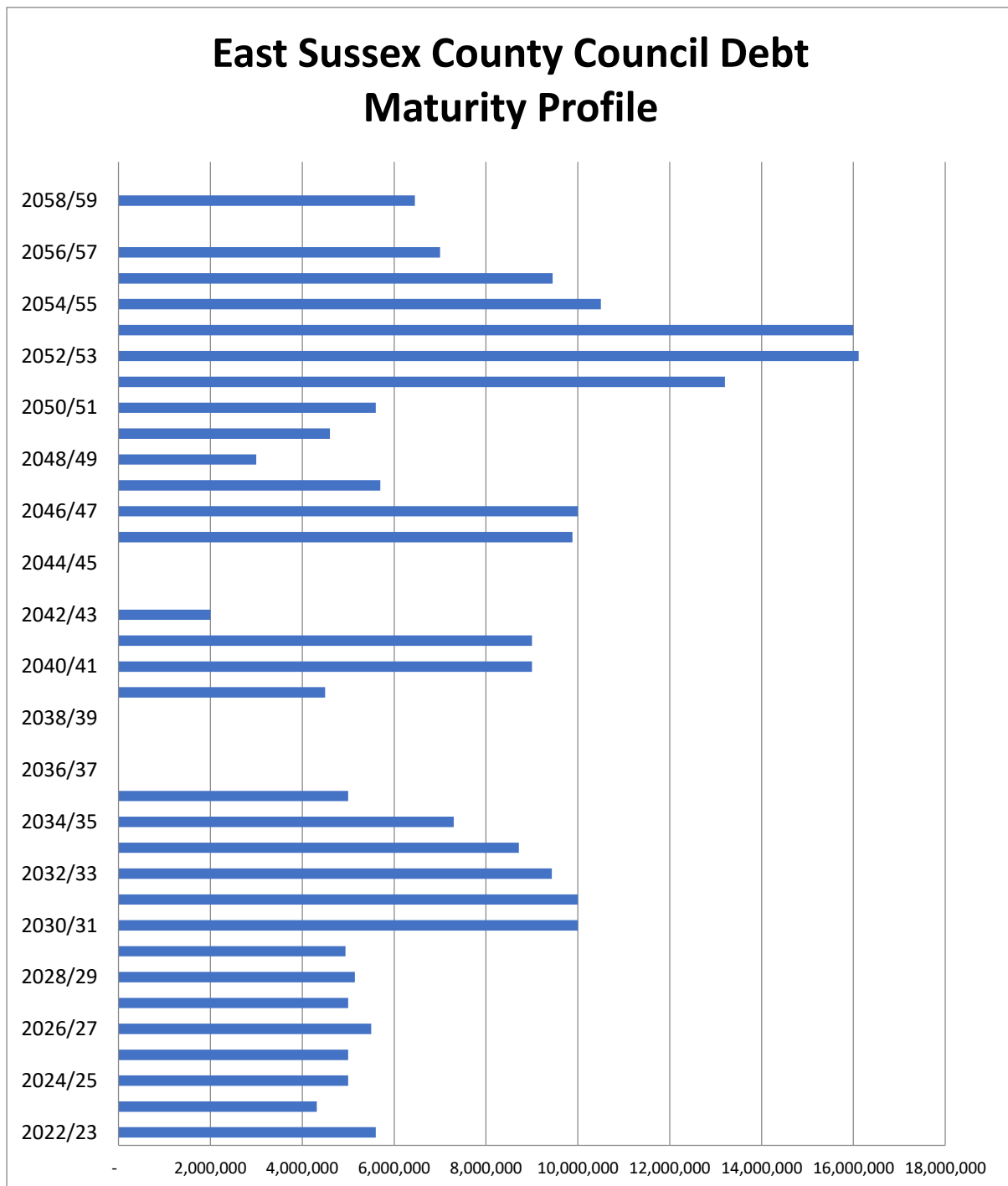
projects/land purchases until the year after the new asset becomes operational rather than in the year borrowing is required to finance the capital spending.

8.5 The Council's CFR for the year is shown below, and represents a key prudential indicator. It includes PFI and leasing schemes on the balance sheet, which increase the Council's borrowing need. No borrowing is actually required against these schemes as a borrowing facility is included in the contract.

*CFR including appropriate balances and MRP charges for PFI Schemes and Finance Leases.*

	<b>2021/22 Actual</b>	<b>2022/23 Estimate</b>	<b>2023/24 Estimate</b>	<b>2024/25 Estimate</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b>Total CFR</b>	<b>350</b>	<b>403</b>	<b>427</b>	<b>458</b>
<b>Movement in CFR</b>	<b>-</b>	<b>53</b>	<b>24</b>	<b>31</b>

## Annex 1



**Report to:** Cabinet

**Date of meeting:** 13 December 2022

**By:** Chief Operating Officer

**Title:** The Conservators of Ashdown Forest – 2022/23 Forecast outturn position, updated medium term financial plan and Ashdown Forest Vision and Management Strategy.

**Purpose:** To present the forecast financial position as at the end of 2022/23 and the updated medium term financial plan. To share the Ashdown Forest Vision and Management Strategy document.

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## **RECOMMENDATIONS**

**Cabinet is recommended to:**

1. note the Quarter 2 budget position for the Conservators' 2022/23 Core Budget and the potential requirement for ESCC to contribute towards the Core Budget deficit, currently forecast to be £125,168.
2. note the Conservators of Ashdown Forest medium term financial plan.
3. note the Ashdown Forest Vision and Management Strategy document.

---

## **1 Background**

1.1 This report, at Appendix 1, sets out the financial position of the Conservators of the Ashdown Forest (COAF) for 2022/23, against the approved budget agreed by the Board of Conservators at their meeting on 29 November 2021 and presented to Cabinet in January 2022. It also shows the COAF Medium Term Financial Plan (MTFP) and the Ashdown Forest Vision and Management Strategy.

## **2 Financial Year 2022/23**

2.1 The 2022/23 original budget set out a deficit budget of £13,223, being a deficit on the Core Budget of £122,980, partially offset by a surplus on the Countryside Stewardship (CS) budget of £109,757. At the end of September there is a forecast deficit of £125,168 in the Core budget, is being presented against a deficit of £122,980; a small increase in planned deficit.

2.2 The Core budget is projecting lower income from licences, permits and rates, together with income from car parking due to the delayed implementation of the charging scheme, which came into effect on 21 November 2022. Although there is an increase recharge income from the amount of Core staff time recharged to CS projects.

2.3 Expenditure is higher than budgeted due to the additional cost arising from the staff pay award, which has been agreed at £1,925 per person which is a much higher rate than the 1.75% included in the budget. Administrative overheads have increased mainly due to the cost of car parking where a proportion of the income is retained by the parking contractor in return for the capital cost of providing the machinery. Expenditure from ringfenced funding includes the cost of a Test and Trial project which is offset by additional income.

2.4 The current Countryside Stewardship (CS) budget is forecast to overspend by £78,060 this year due to planned additional works and will be funded from the CS reserve.

2.5 East Sussex County Council is required to meet the shortfall on the Core budget which is forecast to be £125,168. The actual contribution will be known once the 2022/23 statement of accounts have been prepared.

## Medium Term Financial Plan 2023/24 to 2026/27

2.6 The COAF MTFP is shown at appendix 2. The MTFP reflects the positive impact of the Ashdown Forest Vision and Management Strategy (Appendix 3) and forecasts a Core budget surplus at the end of 2023/24 largely attributable from the income from car parking. In support of the MTFP the narrative at paragraph 2.7 has been provided by James Adler the Chief Executive Officer of the Conservators of Ashdown Forest.

2.7 *“There has been a small increase in the forecast deficit in the current financial year due to the impact of inflation and the delay in the implementation of car parking payments whilst planning permission was secured. The MTFP shows a surplus position for the coming years with the introduction of payments. We will need to continue to diversify the Forest’s income streams if we are to avoid future deficits.*

*The Ashdown Forest Act 1974 and the environmental protections on the Forest fundamentally limit the commercial opportunities available. With the introduction of car park payments, the Act will have been exhausted in terms of headline income generation that is possible. It already limits elements such as catering to six mobile vans, none of which can serve hot food. Undeterred, the Forest is looking closely at businesses that have developed since the Act was created in 1974. The Forest’s supporting charities are assisting with external reviews of diversification, fundraising and communication opportunities which will require capital expenditure but present options. Alongside this, the Ashdown Forest Visitor Centre has potential for a modest income generation enhancement and plans are being created to deliver this. The charities have already supported development of a new website and a carbon sequestration review meaning that these elements, whilst necessary, are not contributing to the deficit figure.*

*It has also been recognised that the objects of the three supporting charities are similar and there is an option to enhance project fundraising possibilities by closer working. This work has commenced in August. The three charities are independent of the Conservators but are working closely with the Forest to understand how to evolve.”*

## 3 Recommendations

3.1 Cabinet is recommendation to:

4. note the Quarter 2 budget position for the Conservators’ 2022/23 Core Budget and the potential requirement for ESCC to contribute towards the Core Budget deficit, currently forecast to be £125,168.
  - note the Conservators of Ashdown Forest medium term financial plan.
  - note the Ashdown Forest Vision and Management Strategy document.

**Ros Parker**  
**Interim Chief Operating Officer**

Contact Officer: Jill Fisher  
Tel. No. 07701 394955  
Email: [jill.fisher@eastsussex.gov.uk](mailto:jill.fisher@eastsussex.gov.uk)

### LOCAL MEMBERS

Councillors Galley, Howell, Lunn & Georgia Taylor

### ESCC MEMBERS ON THE BOARD OF CONSERVATORS

Councillor Howell

## Ashdown Forest Finances to 31 March 2023

## Income and Expenditure Forecast and Budget Summary

## Core Budget and Countryside Stewardship Budget Combined

	2022/23 Original Budget	2022/23 Current Budget	2022/23 Forecast
	£	£	£
<b>CORE INCOME</b>			
Licences & Forest Rate	196,465	196,465	169,205
Unrestricted funding (WDC, AFT, T/PCs)	78,100	103,100	96,219
Income generation and Donations	4,100	20,980	21,080
Forest Products incl. Meat and Deer Carcasses	23,980	17,100	20,881
Visitors	15,200	15,200	19,745
Financial	200	200	240
Car Parking	78,869	78,869	61,222
Recharges from Countryside Stewardship programme	123,814	123,814	150,136
<b>Unrestricted Core Income</b>	<b>520,728</b>	<b>555,728</b>	<b>538,728</b>
<b>Other Restricted Core Funding/Grants</b> (specific purpose)	45,250	10,250	59,239
<b>TOTAL CORE INCOME</b>	<b>565,978</b>	<b>565,978</b>	<b>597,967</b>
<b>COUNTRYSIDE STEWARDSHIP INCOME</b>			
Grant funding for CS work programme	496,162	496,162	605,168
Income from changes to land pocket valuations	97,757	0	0
<b>TOTAL CS INCOME</b>	<b>593,919</b>	<b>496,162</b>	<b>605,168</b>
<b>TOTAL CORE AND COUNTRYSIDE STEWARDSHIP INCOME</b>	<b>1,159,897</b>	<b>1,062,140</b>	<b>1,203,135</b>

	2022/23 Original Budget	2022/23 Current Budget	2022/23 Forecast
<b>CORE EXPENDITURE</b>	<b>£</b>	<b>£</b>	<b>£</b>
Core Forest Staff Costs	389,702	389,702	347,808
Operational expenses	137,691	137,691	144,324
Administration Overheads	98,305	98,305	130,589
Financial	18,160	18,160	22,992
Visitors	6,300	6,300	8,282
Expenditure from Ringfenced Funding (primarily education prog)	5,000	5,000	55,141
Core capital expenditure	33,800	33,800	14,000
<b>TOTAL CORE EXPENDITURE</b>	<b>688,958</b>	<b>688,958</b>	<b>723,135</b>
<b>COUNTRYSIDE STEWARDSHIP EXPENDITURE</b>			
Countryside Stewardship Work Programme Project Expenditure	252,215	252,215	392,505
Staff Costs	231,947	231,947	290,723
<b>TOTAL COUNTRYSIDE STEWARDSHIP EXPENDITURE</b>	<b>484,162</b>	<b>484,162</b>	<b>683,228</b>
<b>TOTAL CORE AND COUNTRYSIDE STEWARDSHIP EXPENDITURE</b>	<b>1,173,120</b>	<b>1,173,120</b>	<b>1,406,362</b>
<b>SURPLUS OF INCOME OVER EXPENDITURE</b>	<b>(13,223)</b>	<b>(110,980)</b>	<b>(203,228)</b>
Core Budget surplus/(deficit)	(122,980)	(122,980)	(125,168)
CS Budget surplus/(deficit)	109,757	12,000	(78,060)
<b>Total Budget surplus/(deficit)</b>	<b>(13,223)</b>	<b>(110,980)</b>	<b>(203,228)</b>



## Ashdown Forest Medium Term Financial Plan

	2023/24	2024/25	2025/26	2026/27
<b>INCOME SUMMARY</b>	£	£	£	£
Licences & Forest Rate	188,670	202,518	211,955	216,195
Unrestricted funding (WDC,T/PCs)	97,600	99,402	101,240	103,115
Income generation and Donations	226,748	226,748	286,961	286,961
Forest Products incl. Meat and Deer Carcasses	23,280	25,099	25,601	26,113
Visitors	20,881	21,299	21,725	22,159
Education	38,745	39,520	40,310	41,117
Car Parking	240	240	240	240
CS Recharges	177,243	182,974	186,791	188,480
Other Restricted Funding	31,419	31,419	32,403	32,980
<b>Total Core Income</b>	<b>804,826</b>	<b>829,219</b>	<b>907,226</b>	<b>917,360</b>

Countryside Stewardship Funding from Natural England	605,168	605,168	597,918	597,918
<b>Total Countryside Stewardship Income</b>	<b>605,168</b>	<b>605,168</b>	<b>597,918</b>	<b>597,918</b>

<b>TOTAL INCOME</b>	<b>1,409,994</b>	<b>1,434,388</b>	<b>1,505,143</b>	<b>1,515,278</b>
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	2023/24	2024/25	2025/26	2026/27
<b>EXPENDITURE SUMMARY</b>	£	£	£	£
Core Forest Staff Costs	370,726	388,849	400,917	406,257
Operational expenses	138,584	148,756	155,688	158,801
Administration Overheads	115,642	124,130	129,915	132,513
Financial	22,988	23,678	24,152	24,635
Visitors	23,032	24,183	39,078	40,026
Capital purchases -Core	-	-	-	-
Car Parking	92,154	92,154	116,625	116,625
Expenditure from Ringfenced Funding	16,603	19,432	7,250	7,250
<b>Total Core Expenditure</b>	<b>779,729</b>	<b>821,182</b>	<b>873,625</b>	<b>886,107</b>

Staff Costs (Countryside Stewardship)	332,261	348,503	359,319	364,106
CS Work Programme Project Expenditure	412,510	441,532	238,599	233,812
<b>Total CS Expenditure for Funded Projects</b>	<b>744,771</b>	<b>790,035</b>	<b>597,918</b>	<b>597,918</b>
<b>TOTAL EXPENDITURE</b>	<b>1,524,500</b>	<b>1,611,217</b>	<b>1,471,543</b>	<b>1,484,025</b>

<b>Core Budget Surplus/(Deficit)</b>	25,097	8,037	33,601	31,253
<b>CS Budget Surplus/(Deficit)</b>	(139,603)	(184,867)	0	0
<b>Total Budget Surplus/(Deficit)</b>	<b>(114,506)</b>	<b>(176,830)</b>	<b>33,601</b>	<b>31,253</b>

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## Ashdown Forest Vision & Management Strategy

# 2021 - 2031





## Introduction

Marsh Gentian

*Humanity is facing pressing biodiversity loss and climate change emergencies. Ashdown Forest has a critical role in responding to these challenges. We have an opportunity, with our vision and accompanying plan, to increase and protect rare habitats on the Forest for the species that depend on them, enhance our wetland areas to sequester more carbon to mitigate climate change whilst improving the mental and physical wellbeing of our visitors.*

Ashdown Forest is a living time capsule of the culture and history of our county and nation. The internationally important heathland that we care for, alongside our woodlands, represent generations of human activity. At the heart of our ecosystem is grazing by wild and domestic animals that, alongside woodland clearance, created the original Forest landscape.

This process intensified in the medieval era with the Forest's enclosure as a royal hunting park behind a 23 mile long pale or fence. Large areas of the Forest were enclosed in the eighteenth century, with the remainder retaining its rights of common. Records show the battles waged to keep these rights. These fights, and the creation of the Conservators in 1885, allow us all to enjoy open access to the beautiful landscape of Ashdown Forest today.

Yet public access can lead to disturbance or damage of the Forest's natural landscape. As the custodians of Ashdown Forest, we must solve a complex puzzle. We are responsible for protecting the wildlife communities and spectacular landscape, especially the internationally designated heathland and valley mire areas, whilst also facilitating public access. We believe the solution lies in dialogue, careful management and appropriate funding. This is against the backdrop of having seen significant reductions in our income from public sources. Our budget is constrained exactly at a time when understanding of the importance of the Forest is growing and our responsibilities are increasing. We will need to make difficult, bold decisions over the next ten years to ensure we meet our responsibilities.

Rather than be deterred, we will develop innovative, alongside proven, approaches to funding, community engagement and access whilst protecting the Forest.

A key focus will be on the health, both physical and mental, of all our visitors. Use of the Forest by the public has grown steadily in recent years and monitoring suggests 1.4 million visits were made during 2016. The number of visits increased greatly during the Coronavirus pandemic of 2020/21 with the Forest remaining open throughout challenging lockdowns. We want to enhance the experience for our visitors, providing a welcoming environment that is rich in wildlife while offering activity and adventure and peace and tranquility in equal measure.

“

*We will need to make difficult decisions over the next 10 years just to ensure we meet our various statutory responsibilities and obligations*

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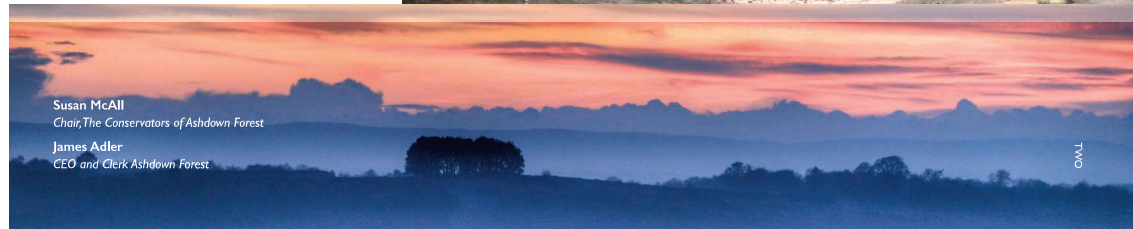
*We want the people making 1.4 million visits to the Forest every year, to enjoy and value this incredible place*

We will help our local visitors in treasuring the Forest whilst assisting our visitors from further afield to create lasting memories. As an outdoor laboratory, we will strive for National Nature Reserve status, the last major designation that the Forest lacks.

Below we set out five priorities that meet our binding obligations to protect and enhance the unique heathland environment of Ashdown Forest whilst also delivering on our commitment to providing the largest open-access, wildlife-rich place in the Southeast.

*This remarkable place needs our care more now than ever and this document sets out how we will honour that commitment.*

Susan McAll  
Chair, The Conservators of Ashdown Forest  
James Adler  
CEO and Clerk Ashdown Forest





**6,500** acres of land makes up Ashdown Forest

**1.4** million visits per year

**27** Ponds

**2** International environmental designations

Highest level of UK environmental protection

**2.5%** of the UK's extent of Lowland Heathland

**1** Visitor centre

**15** Bridges

Number of Conservator cattle (30), sheep (335) and ponies (44)

**10** Members of staff (FTE)

**1** Golf course

**2** Waterfalls

**9** Regular birds of prey (Hobby, Kestrel, Sparrowhawk, Goshawk, Red Kite, Honey-buzzard, Buzzard, Tawny Owl, Barn Owl)

**150km** Forest boundary length

Home of one of the UK's only native bears - Winnie the Pooh

**24** Dragonfly and Damselfly species

**47** Car parks

**120km** Path length

Commoner cattle (156) and sheep (600)

**12** Historic tree clumps

**1** Bowling Green

An original Rothschild Reserve, one of only eight in Sussex

Home to Sussex's largest populations of Dartford Warblers and Marsh Gentians

**7** Scheduled Monuments

**5** Cricket pitches

One of only two Sussex locations for the rare Marsh Fern



## Our vision

Round-leaved Sundew

*Ashdown Forest is a jewel in the crown of the Sussex landscape for our and future generations. Ashdown Forest is treasured by local, regional, and international communities for its extraordinary nature and culture. It is a cornerstone of a bigger, better, and more interconnected landscape. It is a place where people understand and enjoy the natural environment around them, and where wildlife and people thrive together.*

## Our mission

*To protect, conserve and enhance the nature and culture of Ashdown Forest as the largest biodiverse heathland and open space in Sussex for the enjoyment, education, health and recreation of all.*

## Our strategic aims

*Ashdown Forest is an internationally recognised site for protecting rare and threatened species and heathland habitats and, just by existing, helps provide clean air and water whilst reducing flood risk.*

It is a treasured and well-used landscape, especially important to residents, commoners and local communities. It has an opportunity to be a centre of excellence for education where people come to learn about themselves and the natural world.

It is an area of outstanding natural beauty with powerful connections to the past and contemporary culture. Ashdown Forest, and its surroundings, deserve National Nature Reserve (NNR) status which we will work to achieve.



*Ashdown Forest has an opportunity to be a centre of excellence for education where people come to learn about themselves and the natural world*





Heath Spotted-Orchid

Raft Spider  
Dartford Warbler



The delivery of the mission will take a great deal of management. Ashdown Forest is faced with complex challenges and great opportunities. To grasp these, the organisation needs to evolve. Over the next ten years we will check our work against three strategic aims.

## 1 Protect, enhance and broaden

We aim to enhance and protect Ashdown Forest's unique natural, cultural and historical value. We will be at the core of a broader conservation landscape.

## 2 Collaborate and engage

We aim to collaborate and engage widely and effectively. We will develop partnerships to help us to sustainably manage Ashdown Forest for current visitors and future generations.

## 3 Welcome and inspire

We aim to welcome everyone and inspire people about Ashdown Forest including our visitors, our stakeholders and our team.





## Our strategic priorities and their outcomes

Our three strategic aims will guide us in the actions we undertake to deliver outcomes and positive changes in the future for Ashdown Forest. These will be designed under five priorities.

**1** A beautiful and diverse place sustaining an internationally, nationally and locally important mosaic of wildlife habitats and cultural landscapes.

### Outcomes:

- a** Ongoing favourable conservation of the Site of Special Scientific Interest (SSSI) status is secured. Appropriate management of the Special Area of Conservation (SAC) and Special Protection Area (SPA) is delivered.
- b** Ashdown Forest is granted National Nature Reserve (NNR) status.
- c** There is extensive conservation grazing across Ashdown Forest undertaken with appropriate livestock type and numbers. This will be driven by the conservation need and delivered in partnership with stakeholders including Commoners.
- d** Scrub and bracken encroachment is reduced, bogs and wetlands hold more water and carbon, heathland habitats are diversified and extended, and the woodland habitat is improved with increased areas of wood pasture created.
- e** Ashdown Forest's historic and cultural assets are well maintained, protected, relevant, enjoyed and accessible.

**2** A welcoming destination for all.

### Outcomes:

- a** Ashdown Forest is a high-quality visitor destination that is accessible for all. The Forest attracts a broad range of visitors, visiting for a variety of recreational, educational and wellbeing purposes.
- b** Visitors are informed about what Ashdown Forest offers and are supported to use the Forest in the most sustainable way. They are directed to areas of the Forest that best support their activities.
- c** The inspiring views and vistas of Ashdown Forest are recovered, maintained and enhanced.
- d** Ashdown Forest's rich cultural heritage is accessible by our visitors. Our visitor experience will reflect this including the world imagined by A.A. Milne and E.H. Shepherd as the home of Winnie the Pooh.
- e** Our communities, local and regional, are actively and positively engaged. This includes both our commoner and resident communities.
- f** Effective litter, waste and dog management is delivered reducing environmental damage and visual pollution.



**“**  
We will deliver outcomes and positive changes in the future for Ashdown Forest.  
**”**



### 3 An inspiring space benefiting peoples' health, and providing opportunities for education, recreation and enjoyment.

#### Outcomes:

- a There will be an increased understanding and awareness of the international and national importance of Ashdown Forest for biodiversity and the mitigation of and adaption to climate change.
- b Ashdown Forest is recognised and funded for its commitment to and role in supporting mental and physical health.
- c A passionate, expanded and deeply engaged volunteer network will assist in every element of Forest activity.
- d Schools, universities and individuals are encouraged to study, report and present their findings on all elements of the Forest.

### 4 Lying at the heart of a partnership extending and connecting land for conservation and amenity.

#### Outcomes:

- a The wider Ashdown Forest area is recognised as a significant conservation and heritage landscape in its own right, bordering and buffering the protected land area.
- b A culture of engaging and partnering to position Ashdown Forest at the heart of a greater conservation and amenity landscape. Swathes of suitable habitat will link the Forest to other key wildlife sites. This will allow species to respond to a changing climate. Wildlife and people will be able to move through these landscapes.
- c A sustainable, balanced, controlled and monitored deer population across Ashdown Forest and neighbouring lands.

### 5 A resilient and open organisation, where challenges are embraced, and opportunities explored.

#### Outcomes:

- a Sustainable core funding delivered by a business model that will achieve consistent income appropriate to the day-to-day management of Ashdown Forest.
- b A strong pipeline of funded projects will further improve Ashdown Forest. The Ashdown Forest Foundation (TAFF), alongside governmental environmental funding, will play a central role in this delivery.
- c An informed, engaged, diverse, inclusive and well-trained staff working with an enthusiastic and well supported volunteer team are equipped and resourced to manage the Forest effectively and efficiently.
- d Passionate and knowledgeable people will continue to want to become Conservators, driving changes to governance and developing the ongoing vision for the Forest.
- e A funded plan for assessing Ashdown Forest's carbon sequestration and emissions and demonstrating climate positive operations by 2027.



“  
an enthusiastic and well supported volunteer team are equipped and resourced to manage the Forest effectively and efficiently

## Preparing for the future

Nightjar chick

*This document details our strategic objectives agreed by the Conservators of Ashdown Forest for the period 2021-2031. However, to deliver this long-term strategy, a short term (initially three years) business plan will be developed following the publication of this vision.*

This will contain waypoints against which overall progress towards the strategic objectives can be monitored and achievements tracked. The plan will also outline key projects which,

while not driven by our core business, contribute to the strategic objectives. Financial and human resources will be adjusted to ensure that agreed goals can be achieved.

## Monitoring and evaluation

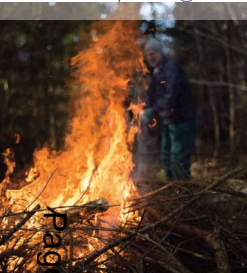
*To manage and improve our performance, we will measure and monitor our impacts. We will identify performance waypoints within the Business Plan relevant to each strategic priority and will use a combination of quantitative and qualitative analysis to determine our performance.*

Measures of success will be reported to visitors, stakeholders and communities through publication and dissemination of our Annual Report.

The Annual Report will evaluate whether we have achieved our aims and assess how successful we have been in delivering the outcomes identified in the Strategy.

“

**We need to always achieve our legislative and regulatory obligations, alongside the protection and conservation of the Forest whilst maintaining spaces for sustainable recreation**





## Implementing our strategy

We will work to deliver our mission and strategic priorities by undertaking actions relevant to our three strategic aims.

1. **Protect, enhance and broaden** 2. **Collaborate and engage** 3. **Welcome and inspire**

In the context of our five strategic priorities, we will be bound by our legislative and regulatory obligations, striving to deliver protection and conservation while remaining an open and accessible space.

# 1

## Protect, enhance and broaden

- a We will develop and implement conservation management plans for key species, habitats, historic features and landscapes.
- b We will monitor species and habitats as well as visitor experience and attitudes to allow continual improvement of management actions.
- c We will be at the forefront of researching, investigating and applying innovative as well as tried-and-tested management practices to improve Ashdown Forest's habitats and wildlife populations.
- d We will develop an innovative business model that will generate the required income to support a well-resourced and sustainable organisation and allow for continual investment and improvement.
- e We will develop a network of relations and partnerships with neighbours and others to place Ashdown Forest at the centre of a larger, better and more joined up landscape for conservation and amenity. We will explore how this may be funded by public and private means.
- f We will explore practical options to extend conservation programmes, including grazing, across the Forest through partnerships with Commoners and others.
- g We will work with partners within the High Weald AONB to study and influence the local Fallow deer population.
- h We will explore the process to become an "Approved Body" to manage Ashdown Forest as a potential National Nature Reserve.
- i We will work with experts to understand Ashdown Forest's ability to sequester climate gases and reduce our operational carbon footprint. We will work with other organisations to align environmental and climate objectives.

# 2

## Collaborate and engage

- a We will position Ashdown Forest at the heart of its local communities through engagement, building partnerships and providing opportunities for people to help protect it especially around volunteering.
- b We will seek out and engage with those around us who can help Ashdown Forest to improve and diversify.
- c We will build and invest in our workforce of staff and increasing base of volunteers that is motivated, trained and resourced to deliver high quality services and governance.
- d We will, as Ashdown Forest expands, become a significant local employer and generator of employment through support of local businesses.
- e We will encourage schools and universities to visit, support them in their study of Ashdown Forest, and integrate research and research findings into management.

# 3

## Welcome and inspire

- a We will carefully manage visitor access to Ashdown Forest operating within recognised standards to ensure safety and high levels of enjoyment. We will use, and where necessary develop, our byelaws effectively to support this.
- b We will improve visitor access to Ashdown Forest, partnering to promote and enhance sustainable transport for access and review opportunities to improve car parks and other facilities. This will be designed alongside the legislation governing the environmental protections on the area. We will actively explore opportunities for a gateway site for visitors including toilets, catering, information, education and dog management.
- c We will develop an educational and engagement offer to share and explain the Forest's natural, cultural, landscape and heritage values.
- d We will inspire healthy and active lifestyles by promoting and managing use of the Forest as a welcoming place for recreation, inspiration, enjoyment and wellbeing.



## Our core values

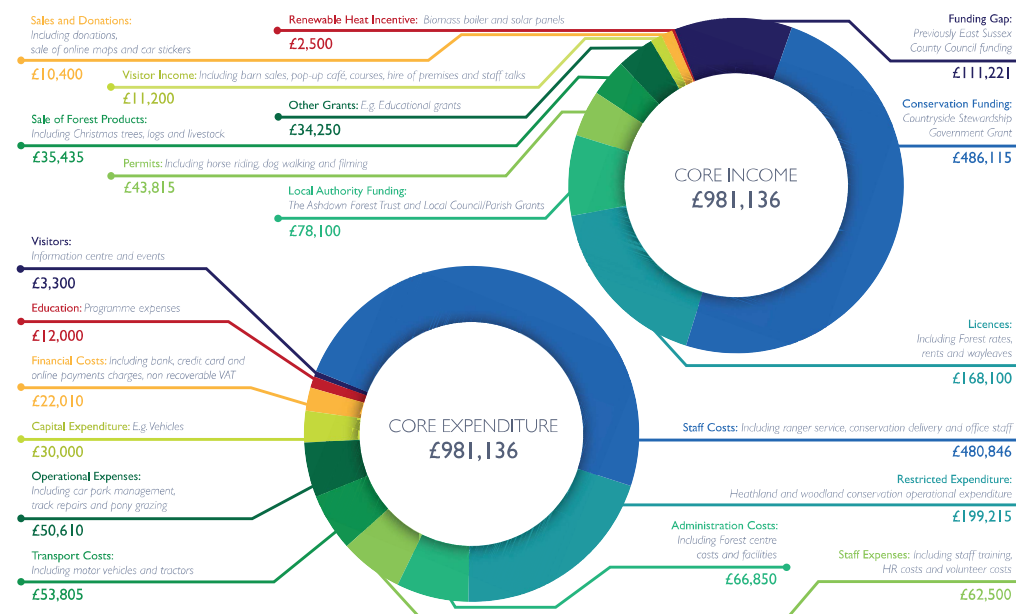
### Ashdown Forest will be:

- Welcoming, informative and inspiring
- Sustainable – ecologically and financially
- Inclusive and collaborative
- Innovative
- Rooted in the community

## Resource allocation



Generic Year based on 2021/22 Figures



## Glossary



### Area of Outstanding Natural Beauty (AONB):

The purpose of an AONB designation is to conserve and enhance the natural beauty of a designated landscape. Unlike National Parks, AONBs do not have their own planning powers. Ashdown Forest is within the High Weald AONB.

### Ashdown Forest Trust

Set up in 1988, the Trust owns Ashdown Forest. It is set up as a Charitable Trust with one trustee: East Sussex County Council. Day to day management of the Forest is delivered by the Conservators of Ashdown Forest under The Ashdown Forest Act 1974 and the Declaration of Trust creating the Ashdown Forest Trust of 1988. The Trust has no staff. [www.register-of-charities.charitycommission.gov.uk/charity-search/charity-details/800437/charity-overview](http://www.register-of-charities.charitycommission.gov.uk/charity-search/charity-details/800437/charity-overview)

### Ashdown Forest Conservation Trust

The Charitable Trust was set up in 1979 to manage expenditure for the Ashdown Forest Centre when it was built. It continues to hold investments. It is not involved in the day to day management of the Forest and has no staff. [www.register-of-charities.charitycommission.gov.uk/charity-search/charity-details/278920/charity-overview](http://www.register-of-charities.charitycommission.gov.uk/charity-search/charity-details/278920/charity-overview)

### Biodiversity

The variety of plant and animal life in the world or in a particular habitat, a high level of which is considered to be important and desirable.

### Bracken

A species of fern. One of the most successful species of plants in the world, it is found on all continents except Antarctica. Due to its ability to rapidly colonise areas, bracken can outcompete other plants including specialist heathland species. As such it requires significant management interventions.

### Carbon sequestration

This is the long-term removal or capture of carbon dioxide or other climate gases from the atmosphere. It can slow or reverse climate change.

### Climate Positive

An activity that goes beyond achieving net zero carbon emissions to create an environmental benefit by removing additional climate change gases from the atmosphere.

### Common Land

Land that is subject to the rights of other people to carry out certain activities. These Common Rights may include grazing animals or collecting wood. All common land has an owner, whether it is a local authority, the National Trust or a private individual. The public has the right to walk on all commons under the Countryside and Rights of Way Act 2000. Some commons already had a right for the public before that act and those rights persist. The public were allowed to walk on Ashdown Forest before the CROW Act.

### Conservation Grazing

Grazing is often the most effective and natural way to maintain certain habitats such as heathland. It helps to keep areas open and ensures a wider variety of plants and animals. Traditional systems carried out by rural people grazing their animals and living off the land maintained the habitats on Ashdown Forest that are protected today. In the past, where people cleared land for cultivation and pasture, their grazing animals helped replicate the effect of wild large herbivores which had previously existed. Conservation grazing aims to continue this traditional system to help maintain habitats.

### Conservation Management Plan

A plan that sets out the significance of an area of land and details how management will be carried out in order to maintain or enhance that significance.

### Conservators' Land

The Conservators of Ashdown Forest have, when possible, acquired land within the pale of the old Royal Hunting Forest. These areas are close to the present Forest area, are managed by the Conservators, but are not subject to the terms of the Ashdown Forest Act 1974. As of 2021, the area of this land is 201.46 acres.



### Conservators of Ashdown Forest

This is the body with the day to day management of the Forest. It employs a Chief Executive (who is also the Clerk for the Conservators) and a team of staff and rangers. It has a range of rights under the 1974 Act to manage the Forest. It can create and enforce byelaws, collect rates and regulate the common land usage. It was originally created under the Common Lands Regulation (Ashdown Forest) Provisional Order Confirmation Act of 1885. The Board of 16 Conservators is made up of the "Lord of the Manor", who represents the owner (the Ashdown Forest Trust). This role is filled by the Chair of East Sussex County Council. Eight Conservators are assigned by East Sussex County Council. These roles do not need to be filled by elected County Councillors. Five Conservators are elected by the 731 households with Commoners' Rights. Two are assigned by Wealden District Council.

### Environmental Land Management schemes (ELMs)

This is the English Government's programme of payments for the delivery of "public goods". These goods include biodiversity improvements and maintenance and the delivery of clean air and water.

### Favourable Condition

That a SSSI's habitats and features are in a healthy state and are being conserved by appropriate management. Natural England has a range of other condition statuses below this level.

### Forest

It is important to note that Ashdown Forest has a capital F at its beginning. This prefix is used by previous UK Royal Forests. Royal forests included large areas of heath, grassland and wetland. Ashdown Forest is famous for its ancient heathland rather than for its trees. A Forest designation, and its associated Law, also applied to the villages, towns and fields that lay within its boundary. This restricted the inhabitants in their use of land that they had relied upon for their livelihoods. The enclosure and attempted removal of these rights in the 19th century is what led to the creation of the Conservators.

### The Friends of Ashdown Forest

A charity set up in 1961 to assist the Conservators of Ashdown Forest to maintain the Forest by provision of additional funds for specific items which they would otherwise not be able to afford. It is not involved in the day to day management of the Forest and has no staff. Since 1991 the Friends have donated over £720,000 to the Conservators for projects including land purchase, education programmes and vehicles.

[www.register-of-charities.charitycommission.gov.uk/charity-search/charity-details/205245/charity-overview](http://www.register-of-charities.charitycommission.gov.uk/charity-search/charity-details/205245/charity-overview)

### Gorse

Common gorse is a large, evergreen shrub, covered in needle-like leaves and distinctive, coconut-perfumed, yellow flowers. It provides shelter and food for many insects and birds, such as Dartford warblers, Stonechats and Linnets. However it can dominate other, rare species and requires considerable management. Controlled burning and grazing have been used to control the species. Ashdown Forest is also home to Dwarf gorse which is a smaller and less aggressive plant found within the heather sward.

### Lowland Heathland

This is a habitat, usually dominated by heather species, found mainly on infertile, acidic soils. It is separated from moorland primarily by altitude. Moorland starts at 300 metres above sea level. Lowland heath supports some of the rarest species in southern England including the specialist bird species of Dartford Warbler and Nightjar; plants such as Marsh Gentian and White beak sedge, all six native British reptiles and more arachnid species than any other UK habitat. Over 85% of the lowland UK heaths have been lost in the last 150 years. Both international designations of Ashdown Forest are for its heathland habitats.





### Historic Clump

There are 12 dumps of Scots Pine trees in prominent positions on the Forest. It is believed that many were planted by Countess Elizabeth De La Warr when she inherited the Buckhurst Estate, of which Ashdown Forest was part of until 1988. It is believed she started planting the dumps from 1825. The reasons behind her planting of these dumps and the species of tree chosen are unknown.

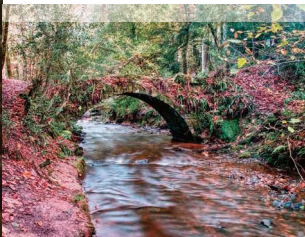
### Invasive Non-Native Species (INNS)

There are a number of invasive, non-native (alien) species that are of concern within the UK because of their invasiveness and ability to overwhelm native populations of other species. They cause severe problems for native animals and the environment. They are also known as non-indigenous, exotic, invasive or introduced species. The main species of concern on the Forest are Rhododendron, Japanese Knotweed and Black Cherry.

### The Lawton Review

The headline of this landmark review is "more, bigger, better, more joined up". The Lawton Review, published in 2010, was requested by Hilary Benn, then Environment Secretary. It was chaired by Sir John Lawton and aimed to review how England's wildlife and ecological network could be improved to help nature thrive in the face of climate change and other pressures. The review fed into production of the Natural Environment White Paper, published in 2011, which ensured Government commitment to implementing the Lawton principles. The review concluded that England's wildlife sites, despite their diversity, did not exist as a coherent and resilient ecological network, let alone one capable of coping with the challenge of climate change and other pressures. It called for a step change in nature conservation. Its key principles are summarised as:

- (1) Improve the quality of current sites by better habitat management.
- (2) Increase the size of current wildlife sites.
- (3) Enhance connections between, or join up, sites, either through physical corridors, or through 'stepping stones'.
- (4) Create new sites.
- (5) Reduce the pressures on wildlife by improving the wider environment, including through buffering wildlife sites.



### National Nature Reserve (NNR)

These were established to protect some of England's most important habitats, species and geology, and to provide 'outdoor laboratories' for research. Most NNRs offer opportunities to schools, specialist interest groups and the public to experience wildlife at first hand and to learn more about nature conservation. There are currently 225 NNRs in England with a total area of over 98,600 hectares - approximately 0.7% of the country's land surface. The largest is The Wash, covering almost 8,800 hectares, while Dorset's Horn Park Quarry is the smallest at 0.32 hectares. Two thirds of NNRs are managed by Natural England (the Government's advisor on nature conservation). The others are run by "approved bodies". Examples include the Wildlife Trusts and the National Trust.

### Pale

The ditch, bank and/or fence that was set up around the perimeter of the Forest to mark the boundary and retain game.

### Rothschild Reserve

Between 1912 and 1915, Charles Rothschild, a banker and naturalist, conducted a survey of sites of conservation importance in England, with a view to setting up a nationwide network of nature reserves. The list, subsequently published in 1916, had 182 sites in England, now widely known as 'Rothschild's Reserves'. These were considered the jewels in the crown of the English landscape. Ashdown Forest is one of those reserves.

### Scheduled Monument

A scheduled monument is a site that is legally protected because of its historical importance.

### Scrub

Scrub is a natural part of other habitats, such as grassland and woodland, and an important component of the landscape. It is usually formed of woody species and is a transitory habitat. It needs management to maintain it otherwise it will develop into woodland or can become invasive and reduce the biodiversity of a site. It is important to plan how it is going to be managed to ensure a balance with other features such as open habitat, species of conservation importance or geological features.

### Site of Special Scientific Interest (SSSI)

Area identified by Natural England and its predecessors under the National Parks and Access to the Countryside Act, 1949 for protection by reason of the rarity of its nature conservation, wildlife features or geological interest.

### Special Area of Conservation (SAC)

This is a designation under the European Union's Habitats Directive (92/43/EEC), also known as the Directive on the Conservation of Natural Habitats and of Wild Fauna and Flora. The designation is to protect habitats and species listed in annex I and II of the directive which are of European interest. Ashdown Forest's SAC designation is due to it containing one of the largest, single continuous blocks of lowland heath in south-east England, with both European dry heaths and, in a larger proportion, wet heath. The M16 Erica tetralix - Sphagnum compactum wet heath element provides suitable conditions for several species of bog-mosses Sphagnum spp., Bog asphodel, Deerglass, Common cotton-grass, Marsh gentian and Marsh dubmoss. The site supports important assemblages of beetles, dragonflies, damselflies and butterflies, including the nationally rare Silver-studded blue, and birds of European importance, such as European nightjar, Dartford warbler and Eurasian hobby.



### Special Protection Area (SPA)

This is a designation under the European Union Directive on the Conservation of Wild Birds. Under the Directive, Member States of the European Union have a duty to safeguard the habitats of migratory birds and certain particularly threatened birds. Together with Special Areas of Conservation, the SPAs form a network of protected sites across the EU, called Natura 2000. Ashdown Forest is designated for supporting over 1% of the UK national population for both Dartford warbler and European nightjar.

### Statutory Corporation

This is the definition of the status of the Conservators of Ashdown Forest. This is a legislative solution that establishes a body to exercise statutory functions, where it has been decided that those functions should be exercised by a public authority, rather than by Ministers, an existing public authority or a voluntary or private sector body. The reasons for establishing a new body or office as a statutory corporation, rather than in another form, generally relate to the fact that a statutory corporation has its own legal personality distinct from that of the individual members or office holder; it can therefore enter into legal relations and hold property and continues to exist despite changes in the membership of the body.

### Suitable Alternative Natural Greenspaces (SANGs)

This is the name given to the green space that is of a quality and type suitable to be used as mitigation in the context of Special Protection Areas. The intention is to encourage visitors to visit these SANGs ahead of the SPA to reduce disturbance to the ground nesting bird species of the heath.

### The Ashdown Forest Foundation (TAFF)

An independent charity established in 2018 to ensure the best possible future for the Forest by supporting the Conservators. Through engagement, education and philanthropy, the intention is to conserve the special landscape for public enjoyment, whilst raising quality of life and well-being in the community. It is not involved in the day to day management of the Forest and in September 2021 has no staff albeit that it is considering employing fundraisers. [www.register-of-charities.charitycommission.gov.uk/charity-search/charity-details/5115633/charity-overview](http://www.register-of-charities.charitycommission.gov.uk/charity-search/charity-details/5115633/charity-overview)

### Valley Mire

These are areas of waterlogged peat in valley bottoms with characteristic acid wetland plant communities. They are not only found in valley bottoms but also natural basins and old mineral workings where peat has accumulated. They are often biodiversity gems and make valuable contributions to locking up climate changing gases. If they dry out, they can release both methane and carbon dioxide. On Ashdown Forest, they are home to some of the site's rarest plant species.

### Wood-pasture

Wood pasture is made up of a mixture of habitats, from denser wooded groves to more open areas. Grazing is often involved in their management. These include old trees and large pieces of decaying wood. They often develop ancient and veteran trees which are full of holes, dead and rotting wood. They offer a range of homes for both widespread and rare species.



# Strategic Partners

Ashdown Bird Group  
Ashdown Forest Conservation Trust  
The Ashdown Forest Foundation (TAFF)  
Ashdown Forest Riders Association  
Ashdown Forest Tourist Association  
AONB High Weald Unit  
Butterfly Conservation  
Cleeve Common  
City of London  
CPRE, The Countryside Charity  
(formerly known as the Campaign to Protect Rural England)  
Commoners of Ashdown Forest  
East Sussex County Council (ESCC)  
Forestry Commission  
Friends of Ashdown Forest  
Girlguiding  
Knepp Estate  
London Youth  
Malvern Hills  
Ministry of Defence  
Natural England  
Parish and Town Councils around the Forest  
Pippingford Park  
Royal Society for the Protection of Birds  
Scouts Association  
Sussex Botanical Recording Society  
Sussex Local Nature Partnership  
Sussex Wildlife Trust (SWT)  
Wakehurst — Kew Gardens  
Wealden District Council

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## THE CONSERVATORS OF ASHDOWN FOREST

Ashdown Forest Centre, Wych Cross, Forest Row, East Sussex RH18 5JP

T: 01342 823583 E: [conservators@ashdownforest.org](mailto:conservators@ashdownforest.org)

[www.ashdownforest.org](http://www.ashdownforest.org)



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