CABINET

TUESDAY, 24 JANUARY 2023

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 13 December 2022 *(Pages 3 - 4)*

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. Reconciling Policy, Performance and Resources: draft Council Plan 23/24, Revenue Budget and Capital Programme *(Pages 5 - 178)*
   Report by the Chief Executive.

   This item will include consideration of the Capital Programme and Revenue Budget 2023/24

6. Treasury Management Strategy 2023/24 *(Pages 179 - 212)*
   Report by the Chief Operating Officer.

7. Corporate Climate Emergency Plan *(Pages 213 - 290)*
   Report by the Director of Communities, Economy and Transport and the Chief Operating Officer.

8.1 Scrutiny Review of Use of Digital and Technology in Adult Social Care and Health - Report of the People Scrutiny Committee *(Pages 291 - 320)*
   Report by the Assistant Chief Executive.

8.2 Scrutiny Review of Use of Digital and Technology in Adult Social Care and Health - Observations on the Scrutiny Committee's report *(Pages 321 - 328)*
   Report by the Director of Adult Social Care and Health.

9. Annual Accounts for Lewes Public Library and Museum Charitable Trust *(Pages 329 - 336)*
Report by Director of Communities, Economy and Transport

10. Any other items considered urgent by the Chair

11. To agree which items are to be reported to the County Council

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

16 January 2023

Contact Georgina Seligmann, Governance and Democracy Manager
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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*

CABINET

MINUTES of a meeting of the Cabinet held at Council Chamber, County Hall, Lewes on 13 December 2022.

PRESENT Councillors Keith Glazier (Chair)

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

Members spoke on the items indicated:

Councillor Bennett	- item 5 (minute 29)
Councillor Bowdler	- item 6 (minute 30)
Councillor Claire Dowling	- item 9 (minute 33)
Councillor Field	- item 6 (minute 30)
Councillor Murphy	- item 6 (minute 30)
Councillor Shuttleworth	- item 5 (minute 29)
Councillor Swansborough	- item 5 (minute 29)
Councillor Tutt	- item 5 (minute 29)
Councillor Webb	- item 6 (minute 30)

26. MINUTES OF THE MEETING HELD ON 29 SEPTEMBER 2022

26.1 The minutes of the Cabinet meeting held on the 29 September 2022 were agreed as a correct record.

27. APOLOGIES FOR ABSENCE

27.1 An apology was received from Councillor Carl Maynard.

28. REPORTS

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

29. COUNCIL MONITORING: QUARTER 2 2022/23

29.1 The Cabinet considered a report by the Chief Executive.

29.2 It was RESOLVED to:

1) Note the latest monitoring position for the Council.

Reason

29.3 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 September 2022.

30. ANNUAL REPORT OF LOOKED AFTER CHILDREN'S SERVICES

30.1 The Cabinet considered a report by the Director of Children's Services.

30.2 It was RESOLVED to

1) Note the annual progress report of Looked After Children's Services in 2021/22.

Reason
30.3 The report summaries the performance of Looked After Children's Services in 2021/22.

31. TREASURY MANAGEMENT ANNUAL REPORT 2021/22 AND MID-YEAR REPORT 2022/23

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

31.2 It was RESOLVED to:

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

Reasons
31.3 The 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.

32. THE CONSERVATORS OF ASHDOWN FOREST - 2022/23 FORECAST OUT TURN POSITION, UPDATED MEDIUM TERM FINANCIAL PLAN AND ASHDOWN FOREST VISION AND MANAGEMENT STRATEGY

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

32.2 It was RESOLVED 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.

Reasons
32.3 The report 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.

32.4 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.

33. TO AGREE WHICH ITEMS ARE TO BE REPORTED TO THE COUNTY COUNCIL

33.1 It was agreed that items 5, 6 and 8 should be reported to the County Council.
[Note: the items being reports to the County Council refer to minute numbers 29, 30 and 32]

Committee:	**Cabinet**
Date:	**24 January 2023**
Title of Report:	**Reconciling Policy, Performance and Resources (RPPR)**
By:	**Chief Executive**
Purpose of Report:	**To ask Cabinet to approve the draft Council Plan, Council Tax levels, Revenue Budget and Capital Programme for recommendation to the County Council.**

RECOMMENDATIONS:
Cabinet is recommended to:

1. recommend the County Council to:
- **i) Approve in principle the draft Council Plan 2023/24 at Appendix 1 and authorise the Chief Executive to finalise the Plan in consultation with the relevant Lead Members;**
- **ii) Increase Council Tax by 2.99% in 2023/24;**
- **iii) Increase the Adult Social Care Precept by 2% in 2023/24;**
- **iv) Issue precepts to be paid by Borough and District Councils in accordance with the agreed schedule of instalments at Appendix 5 (Draft);**
- **v) Approve the net Revenue Budget estimate of £501.4m for 2023/24 set out in Appendix 2 (Medium Term Financial Plan) and Appendix 3 (Draft) (Budget Summary) and authorise the Chief Executive, in consultation with the Chief Finance Officer, Leader and Deputy Leader, to make adjustments to the presentation of the Budget Summary to reflect the final settlement and final budget decisions;**
- **vi) Agree the Reserves Policy set out in Appendix 6;**
- **vii) Approve the Capital Strategy and Programme at Appendix 8;**
- **viii) Note progress with the Council Plan and Budget 2022/23 since quarter 2 set out in section 4;**
- **ix) Note the Medium Term Financial Plan forecast for 2023/24 to 2025/26, set out in Appendix 2;**
- **x) Note the comments of the Chief Finance Officer on budget risks and robustness, as set out in Appendix 6;**
- **xi) Note the comments from engagement exercises set out in Appendix 7; and**
- **xii) Note the schedule of fees and charges that have increased above 4% at Appendix 9.**

1. Introduction

1.1 The past year has been another characterised by significant challenge and change. Once again this has placed a sharp focus on the essential support this Council provides for those in our county who are most vulnerable. National and international conditions have translated locally to increased costs of living for our residents and pressures on our services as demand grows, the costs of providing services increases and workforce shortages impact our capacity to deliver. Significant political changes nationally have led to uncertainty and change to major service reforms which will impact on many of our key frontline services, particularly those for children and vulnerable adults. We continue to respond to the short and longer term impacts of Covid-19 and the need to support recovery, along with reacting at pace to new and unforeseen challenges such as working with residents and partners to welcome hundreds of Ukrainians seeking sanctuary from the war with Russia to our county. The wide range of current and forthcoming pressures and challenges we face must all be factored into our planning for the future.

1.2 Our ambitions are captured each year in a detailed Council Plan which covers what we will do and the specific targets we will use to judge our performance during the year. The Council Plan, revenue budget and capital programme are fully integrated through our business planning process, Reconciling Policy, Performance and Resources (RPPR). Our business planning continues to be underpinned by a constant focus on our four priority outcomes and their supporting delivery outcomes. In June Cabinet agreed, for planning purposes, a number of changes to the delivery outcomes to ensure they remain up to date and appropriately reflect the post-Covid context.

1.3 The RPPR process matches available resources with our delivery plans for our priority outcomes so that we focus and protect our spending where it will deliver our priorities most effectively. RPPR also ensures we have the demographic trends and performance information to monitor our progress. The process of planning, through RPPR, for 2023/24 and beyond has taken into consideration our full analysis of key trends and pressures and translates this into updated service and financial plans. The RPPR process has been applied across all services in the development of the Council Plan (Appendix 1) supported by the Budget (Appendix 3), Medium Term Financial Plan (MTFP) (Appendix 2) and Capital Programme (Appendix 8) set out in this report.

1.4 During this challenging time the Council has been able to provide stability in our service offer to residents, as well as starting to see the impact of the additional one-off investments we have been able to make to help deliver our commitment to carbon neutrality and improvements to the roads and pavements which support our county's economy and communities. This relative stability in a very uncertain environment for local government is built on over a decade of relentless focus on innovation, working as One Council and proactively in partnership to transform services and to manage the resources we have as effectively as possible for local people. Part of this required taking difficult decisions to reduce or step back from services when we had to, in order to live within our means and protect services for the most vulnerable. Overall, this meant delivering savings of £138m between 2010 and 2022 to balance our books.

1.5 Additional short term support from Government, particularly for adult social care, will enable us to maintain this stability for the coming year despite the pressures we face. However, we know that, further ahead, demand and costs will continue to grow, and there will be additional expectations arising from national reforms, bringing new and sustained financial and service pressures which will impact on our MTFP and ability to meet needs. The details of key reforms in major, demand-led, service areas such as children's social care and special educational needs and disability (SEND) are expected in 2023, and significant reforms to adult social care have been postponed to 2025, all of which means significant risk and uncertainty for the future persists. The ongoing impacts of cost of living pressures on households and Covid recovery are also likely to generate increased demand for our services. We must continue to ensure we will be in the strongest possible position to manage these future challenges.

1.6 Our lobbying of Government, individually and through our networks and partnerships, has been robust in signalling the challenges we face. This consistent message from the sector contributed to some recognition in the autumn Budget Statement and the subsequent Provisional Local Government Finance Settlement of the pressures on local government in the form of a delay to the implementation of reforms to adult social care and the re-allocation of reform funding to current pressures, along with additional grant funding for social care. However, the settlement was again for a single year, with only indicative funding levels for a further year, leaving much uncertainty about the medium term. Plans to reform the way local government funding is allocated, through the Fair Funding Review, have been delayed again, beyond the end of this parliament.

1.7 In addition, there continues to be a reliance on Council Tax to fund ongoing core pressures from rising demand, particularly for social care. In light of cost and demand pressures on local authorities, Government has provided additional Council Tax flexibility and

extended the approach of expecting local authorities to apply an Adult Social Care Precept on local Council Tax bills to provide essential funding in response to rising demand for care services. Government funding calculations for 2023/24 assume councils with social care responsibilities will take both the higher level of Council Tax and the additional precept, with this factored into the allocation of funding to local authorities. Given the very significant risks we face in the medium term we do need to apply these increases to safeguard services for the future. We have long highlighted to Government that individual authorities' ability to raise Council Tax is unrelated to need for services and is particularly problematic for areas such as East Sussex with high need for social care services, but where capacity for local people to pay more to support these services is limited. We will continue to make this case.

1.8 The additional funding announced, together with our prudent planning, means that we can maintain a secure financial position for another year, and once again we do not need to seek any further savings beyond those already planned. We will continue to use this short-term stability to prepare for challenges ahead, particularly in children's social care where additional investment in more sustainable models, focused on keeping more children with their families, is proposed. However, the updated financial outlook presented in this report signals that we are likely to face a much more challenging position in future years.

1.9 The Capital Programme has been extended to maintain a 10 year outlook. The programme continues to provide for targeted basic need, including essential budgets for school places, SEND provision and highways infrastructure and the Council's commitment to work towards carbon neutrality from its operations. Highways capital investment was increased by £3.1m annually, in addition to a £5.8m one-off contribution, as part of the 2022/23 RPPR process to reflect the importance we place on our road network and its role in providing connectivity for our businesses and communities.

1.10 This report sets out:

- key changes to the national and local context since the report to Cabinet on 29 September 2022;
- the draft Council Plan 2023/24 and updated MTFP;
- key updates on performance since quarter 2;
- proposals for the 2023/24 revenue budget, taking account of changes in the financial picture since September and based on an increase in Council Tax of 2.99% and an Adult Social Care Precept of 2%;
- the savings planned for the next two years;
- the Capital Programme update and the rationale on which it has been developed; and
- feedback from engagement exercises and equalities impacts.

2. National and Local Context

2.1 Since the last report to Cabinet in September the national policy environment has continued to evolve rapidly, with significant announcements which will impact on us locally. Key developments are set out below along with detail of how we are responding:

2.2 **New Government:** Following the resignation of Liz Truss, and a leadership contest, Rishi Sunak was announced as the new Leader of the Conservative Party and Prime Minister. On taking office on 25 October, he indicated that his Government would prioritise economic stability and would return to a focus on delivering the 2019 Conservative Party manifesto. New ministerial appointments followed, including Michael Gove returning to the role of Secretary of State for Levelling Up, Housing and Communities and Jeremy Hunt remaining as Chancellor. Further detail of the new Government's policy agenda, and how that will impact on local government, continues to emerge, with details to date summarised below.

2.3 **National economic outlook and Government spending plans:** The Chancellor announced the autumn Budget Statement on 17 November, accompanied by new national economic forecasts from The Office for Budget Responsibility (OBR). The OBR judged that the country had entered recession; overall growth of 4.2% was forecast for 2022, but the size

of the economy was then predicted to shrink by 1.4% in 2023 before bouncing back to growth of 1.3% in 2024, 2.6% in 2025, and 2.7% in 2026. Debt was expected to hit a peak of 97.6% of Gross Domestic Product (GDP) in 2025/26 before falling to 97.3% in 2027/28. The unemployment rate was predicted to rise from 3.6% to 4.9% in 2024. The OBR forecasted inflation at 9.1% in 2022 and 7.4% in 2023, noting that actions taken by the Chancellor would help inflation fall sharply by the middle of 2023. The Bank of England raised interest rates in both November and December in a further effort to depress inflation, with rates reaching 3.5% in December, the highest level for 14 years.

2.4 In the Budget Statement the Chancellor indicated that the Government's focus was on protecting vital public services, prioritising the needs of low-income households and levelling up the country. The Budget announcements focused on measures designed to stabilise the economy and public finances, including changes to taxation policy and clarification on future Government spending plans. It was confirmed that Government department spending limits would be maintained at least in line with the 2021 Spending Review until 2024/25 and departmental resource spending would then rise by 1% a year in real terms. Further funding to support the healthcare system and schools was prioritised for the remainder of the current Spending Review period. The Budget also confirmed that means-tested and disability benefits and the state pension would rise 10.1% in line with inflation. The National Living Wage will also be increased to £10.42 for over 23s from April 2023. The statement included a number of high level announcements directly impacting on local authorities including: a delay to the implementation of adult social care charging reforms from October 2023 to 2025 and reallocation of the planned reform funding to address current pressures in the system; additional social care grant funding; and additional council tax flexibility through increasing the referendum limit for increases in council tax from 2% to 3% per year from April 2023 and enabling local authorities with social care responsibilities to increase the adult social care precept by up to 2% per year. A forthcoming review of the Council Tax system has also been announced, with further details expected in early 2023. The Chancellor has set a date of 15 March 2023 for the spring Budget Statement and updated OBR forecasts.

2.5 The one year Provisional Local Government Finance Settlement received in December provided further detail on the headline announcements for local government in the Budget, particularly the allocation of new grant funding. The provisional settlement indicated that Core Spending Power would increase by an average 9.2% for local authorities in England, based on the presumption that all councils will levy the maximum increase in Council Tax. Additional funding of £600m nationally has been awarded to support hospital discharge, delivered via the Improved Better Care Fund, and a new Adult Social Care Market Sustainability and Improvement Fund of £400m has been allocated. The Social Care Grant, which can be used on either adults' or children's social care, has also increased by £1.3bn compared to 2022-23 as a result of repurposing funding originally planned to support adult social care reforms. The detailed settlement was again for one year, but also included some indicative funding levels for 2024/25 to support future planning. Alongside the settlement, the Government announced an additional £100m of support for the most vulnerable households, indicating that this would allow councils to deliver additional support to households already receiving Council Tax support, whilst also providing flexibility to determine local approaches to support other vulnerable households. The implications of the Budget and provisional finance settlement announcements for the Council's MTFP are set out in section 5.

2.6 **Cost of living**: The increased cost of living has continued to impact on households, with inflation, as measured by the Consumer Prices Index (CPI), reaching 10.7% in the 12 months to November (down slightly from 11.1% in October). The high rate continues to be driven primarily by increases in the cost of energy and food, creating ongoing cost of living pressures for individuals and families, particularly those on low incomes, through the colder winter months. The impacts of increases in the cost of living on residents are resulting in increased need for public services and voluntary, community and social enterprise (VCSE) sector support locally. We continue to work with partners through the multi-agency East Sussex Financial Inclusion Steering Group on ways to maximise access for vulnerable residents to the advice and support available. In the autumn we launched our cost-of-living support webpages hosted on the ESCC website. The themes of the webpages include help,

advice and support with Money, Accessing Benefits, Grants, Keeping Warm and Well, Homelessness, Housing, Mental Health, Employment, Learning, Food, Clothing and Transport. We have developed a supporting communication strategy to help promote the information, advice and support available which includes household newsletters, postcards provided to all frontline staff which include a QR code, website address and basic information and posters displayed in libraries, public buildings, and places with high public footfall. We have also undertaken a social media campaign concentrating on each of the themes on the webpages. Throughout the festive period we also promoted information, advice and support available in relation to scams and loan sharks. The webpages are regularly refreshed and added to, informed by user testing with People Bank volunteers and service representatives.

2.7 Looking ahead to 2023/24, as part of the autumn Budget Statement it was announced that £1bn would be provided to extend the Household Support Fund, which is administered locally by ESCC, for the coming financial year. The Chancellor also indicated that households on means-tested benefits would be given an additional £900 cost of living payment, pensioner households would receive an additional £300, and individuals on disability benefits would receive an additional £150 Disability Cost of Living payment, in 2023-24. The household energy price cap will be extended for one year beyond April but made less generous, with typical bills capped at £3,000 a year instead of £2,500. Support for households using alternative fuels such as heating oil will double to £200. In January, Government announced a new Energy Bills Discount Scheme for businesses, charities and the public sector, to replace the current Energy Bills Relief Scheme which ends in March 2023. The new scheme will mean that eligible organisations receive a discount on high energy costs until 31 March 2024.

2.8 As well as increasing demand for services, high energy prices and inflation also impact directly on our operating costs as set out in more detail in section 5 below. Labour market conditions have continued to result in a challenging environment for recruitment and retention of staff and we are experiencing ongoing challenges in recruiting to posts across the organisation, particularly front line social care roles, which impacts on the capacity in services. One off investment agreed by Cabinet in September is supporting our ongoing work to maximise recruitment and retention of staff including the continuation of work on the development of an employer brand and updated recruitment materials to identify the Council as an employer of choice. In addition, the funding will also provide for the forecasting of workforce 'gaps' and future need, as well as investment in the continuous professional development of our staff and the promotion of the range of financial wellbeing services available to staff which can offer support in relation to current financial challenges.

2.9 **Levelling up and devolution**: The re-appointment of Michael Gove as Secretary of State for the Department for Levelling Up, Housing and Communities (DLUHC) signalled a renewed focus on the delivery of the Levelling Up White Paper published under his leadership earlier in the year. In December, details of planned devolution deals in Cornwall, Suffolk, Norfolk and the North East were announced, all based on adopting an elected mayor or directly elected Leader and a range devolved powers closely aligned to those set out in the Levelling Up White Paper for this model of governance. The Secretary of State also gave a statement on devolution in Parliament in which he restated Government's commitment to devolution as set out in the White Paper and clarified that discussions to identify potential candidates for the next set of devolution deals would start in early 2023, with clear indications that areas interested in a directly elected leader would be prioritised. In addition, the statement confirmed that a Devolution Accountability Framework would be published in early 2023, alongside a Funding Simplification Plan.

2.10 The Levelling Up and Regeneration Bill, which contains the legislation needed to enact county deal devolution arrangements, continues to progress through parliament. Planning provisions within the Bill were amended by Government in December, including increased flexibility on local housing targets. Linked to this, in December, DLUHC launched a consultation on its proposed approach to updating the National Planning Policy Framework (NPFF), including how planning policy could support Levelling Up. Proposals include changes to how new housing is planned for, including indications of more flexibility for planning

authorities, particularly in green belt areas (which do not include East Sussex), when it comes to meeting housing need. The potential impact of these proposed changes on Local Plans in East Sussex is not yet clear. Under the reformed system, which Government expects to go live in late 2024, there will be a requirement for local authorities with responsibility for Local Plans, including Waste and Minerals Plans, to start work on new plans by, at the latest, 5 years after adoption of their previous plan, and to adopt that new plan within 30 months. The proposals also include the introduction of new Infrastructure Delivery Strategies and a new Infrastructure Levy, and alterations to policy to reflect legislation that has already been introduced through the Environment Act, including the requirement for new development to achieve biodiversity net gain.

2.11 The Chancellor confirmed in the Budget that the previous Government policy of Investment Zones would be refocused on universities in 'left behind' areas and that expressions of interest submitted by councils would not be taken forward. The Budget also confirmed that the second round of the Levelling Up Fund would go ahead with at least the same level of funding as round one – ESCC was successful in the first round with our bid for Exceat bridge and therefore not eligible for round 2. In December, DLUHC approved local authority spending plans for the UK Shared Prosperity Fund (UKSPF). In East Sussex this includes plans for the Multiply numeracy programme, where ESCC has lead responsibility, as well as plans submitted by each district and borough council against the three investment themes set out by Government.

2.12 **Adult Social Care and Health**: As mentioned above, in light of concerns raised by local authorities, including ESCC, the implementation of adult social care charging reforms planned for October 2023 has been delayed to 2025. The associated reform funding for the next two years has instead been reallocated to support councils in responding to current pressures in the social care system. Locally the health and care system continues to be under pressure from high demand which is exacerbated by workforce challenges. In November, ESCC received an allocation of £2.1m from the Adult Social Care Discharge Grant for 2022/23. This has been used to support whole system winter plans through the procurement of additional independent sector bedded and home care capacity to support acute hospital discharge patient flow, as well as funding a number of care worker recruitment and retention schemes to help maintain the existing market capacity. In January, the Department for Health and Social Care published its Adult Social Care Winter Statement which set out the measures it has put in place to support the sector, alongside announcing a further £200m national funding to help NHS Integrated Care Boards buy extra beds in care homes and other settings to support the discharge of patients fit to leave hospital. As part of national measures to address NHS pressures, six 'discharge frontrunners', including the Sussex Integrated Care System, will trial additional measures to support patients to move out of hospital more quickly. In December, the Care Quality Commission (CQC) announced that the implementation of its new assessments of how local authorities deliver their ASC duties will be delayed to the end of 2023 to give providers time to prepare for the changes and for the Commission to spend more time on testing and development. The new assessments are intended to support sharing of best practice and improving Government's data, intelligence and understanding of the system.

2.13 In December the first Sussex-wide Integrated Care Strategy was agreed by the Sussex Health and Care Assembly following agreement by the Lead Member for Strategic Management and Economic Development and endorsement by the East Sussex Health and Wellbeing Board. The strategy sets out a high level strategic statement of common purpose across Sussex, and the critical areas of focus for the Assembly. This will support the local Health and Care Partnerships to lead and coordinate work in the three Places in Sussex (East Sussex, West Sussex and Brighton & Hove) aimed at delivering improved health outcomes, reduced health inequalities and integrated care for their populations. In response to earlier feedback from the County Council regarding the critical importance of good mental and physical health in early years in order to increase prevention of ill health in later life, a strong focus has been included on supporting children and young people's health and wellbeing. Partners on the Sussex Health and Care Assembly are expected to oversee the development

and impact of the Strategy. It will be the responsibility of NHS Sussex to coordinate development of the shared five-year delivery plan, which will need to be finalised by March 2023.

2.14 A review to consider the autonomy and accountability of Integrated Care Boards, led by former Health Secretary Patricia Hewitt, was announced in the Autumn Statement. As part of this, a call for evidence was launched in December to gather views from across the health and social care system, as well as from patients, the public, and the wider voluntary sector. The review, due to report in early 2023, will consider how oversight and governance of Integrated Care Systems can best enable them to succeed.

2.15 **Children's Services**: Children's Services nationally, regionally and locally continue to experience significant pressures from rising demand and increased complexity of need, coupled with workforce shortages and a lack of specialist placements, all of which is leading to escalating costs and operational challenges. Government responses to national reviews covering children's social care and special educational needs and disability (SEND) are still awaited, with latest indications that these are likely to be published in early 2023. National implementation plans in response to these reviews are expected to be significant for the future direction of these services and therefore have impacts for the County Council. In November 2022 Ofsted and CQC launched a new joint framework for inspecting provision for children and young people with SEND. Taking effect from January 2023, it will focus on whether local area partnerships are delivering improved outcomes and experiences. In December, the new Education Secretary confirmed that the Schools Bill, which was brought forward earlier in the year to make provision for the legislative changes required to implement plans in the Education White Paper, would not be progressed in this parliamentary session. Indications are that Government will look to take forward aspects of the proposals without legislation, including a proposed register for children who are not in school.

2.16 Locally, in response to rising demand in children's social care, Children's Services has developed a sustainability plan to improve outcomes for children while reducing costs to the council. As reported to Cabinet in September, this plan is based primarily on the proposed implementation of the nationally trialled Family Safeguarding model, which is also in line with the recommendations of the Independent Review of Children's Social Care. Further detail on the Family Safeguarding model, anticipated benefits and the projected costs and savings/cost avoidance is set out in Appendix 10. The proposed budget and MTFP makes provision for increased investment in this area.

2.17 The new East Sussex SEND Strategy 2022-25 was launched in December, following a ten-month consultation process that included extensive work with children and young people to identify areas for improvement. The strategy has been designed to improve access to education which is inclusive and reflects the needs of children with SEND, ensure opportunities are fully accessible so young people can develop life and workplace skills, and provide the ongoing support families and young people need. An East Sussex SEND Strategy Governance Board has been established which will oversee SEND work across the county and monitor the delivery of the strategy.

2.18 **Climate and environment**: In November the Conference of Parties (COP) 27, the governing body of the United Nations (UN) Convention on Climate Change, took place in Egypt. The summit restated the global commitment to tackling climate change in the face of the current energy crisis. However, while there was a breakthrough on the approach to Loss and Damage arising from the adverse effects of climate change, including establishing the first fund explicitly for this purpose, COP27 saw limited progress on global ambitions to reduce emissions, with these remaining largely unchanged from what was agreed at COP26 in 2021.

2.19 Locally, we have updated our corporate Climate Emergency Plan to form a new plan for 2022-2025 (included elsewhere on this agenda) which sets out how we will continue to make progress towards the Council's target of achieving carbon neutrality from our activities as soon as possible, and in any event by 2050. The plan includes details of the Council's

current carbon footprint, principles for the Council to follow in its approach to net zero, our science-based five year carbon budgets and the modelling work that has been used to steer some actions in the Plan. It also outlines how the additional investment of £9.9m made available by Cabinet for climate change will be spent up to March 2025. This additional investment will enable us to build on existing capacity and projects to assist the Council to mainstream our action on climate change.

2.20 **Transport**: In September, Cabinet agreed the award of our new contract for highways and infrastructure services to Balfour Beatty Living Places Ltd. The £297m contract will run for an initial seven years, and will start on 1 May 2023. Cabinet also agreed the County Council's response to the consultation by Transport for the South East (TfSE) on its Strategic Investment Plan (SIP), which broadly supported the plan. The transport and global policy interventions identified in the SIP 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. 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 (LTP).

2.21 A public consultation to inform the development of the fourth LTP for East Sussex took place during the autumn. The Plan (covering 2023-2050), which will be developed over the coming year, will set out how we will connect people to places around and through the county over the next three decades – by walking, cycling, public transport, car or by using new forms of travel. In September we received confirmation from Government of over £41m funding to implement our Bus Service Improvement Plan (BSIP), following the approval of the detailed plans we submitted to Government. The BSIP sets out our plans and supporting policies to improve bus services, working in close cooperation with our neighbouring Local Transport Authorities and with stakeholders including local bus operators.

2.22 Previous one-off investment in highways, agreed by Cabinet in November 2021, continues to be delivered. Investment of £5.8m, over and above our existing annual capital maintenance programme, was allocated to additional highway improvement works including further patching, lines and road markings, repairs to pavements and repair and replacement of road signs. These works have a visible positive impact for all road users. The additional carriageway patching and pavement works programmes are on track to be completed by 31 March 2023. The extra investment and work packaging has enabled an additional 752 carriageway patches to be completed up to the end of November, totalling 44,880m^2 over 398 sites with approximately a further 100 sites to be completed by March. In addition to the main footway resurfacing schemes 328 small footway patching schemes have been completed covering 15,617m^2 with £141,000 of additional road marking refresh works and £100,000 of new signs to replace worn out signs also completed. This is in line with the availability of the required resources and seasonal programming of lining works, with forecast completion both lining and sign work by 31 March 2024 to enable efficient delivery and ensure value for money.

2.23 **Migration**: The autumn and winter have seen most Homes for Ukraine scheme hosting arrangements reach the end of the minimum six month period. We have focussed on supporting hosts to extend their arrangements where possible and offering support to access the private rented sector for those ready to move on, reducing the risk of homelessness. The majority of guests remain successfully supported by their hosts, and the majority of people who have moved on are in settled accommodation. In East Sussex, we have offered an extra winter payment to hosts from October to March, topping up their 'thank you' payments to recognise their rising costs and support them to continue hosting if they can. In December, Government announced that all Homes for Ukraine sponsors' 'thank you' payments would be increased to £500 a month for Ukrainian guests who have been in the country for over a year and these payments would be available from 12 months to 2 years. In addition, £150m national funding was announced to help councils mitigate the risk of homelessness and a £500m Local Authority Housing Fund for councils to acquire housing for those fleeing conflicts (including Ukraine and Afghanistan). However, the tariff funding provided to local authorities

under the Homes for Ukraine scheme was reduced to £5,900 per person (from £10,500) for new arrivals entering the UK from 1 January 2023.

2.24 The autumn also saw the Home Office place migrants in hotels in most districts and boroughs of East Sussex, as part the national dispersal of people including those arriving on small boat crossings and from reception centres in Kent. The arrangements were made directly with hotels by the Home Office and its contractors who are responsible for arranging almost all services for people seeking asylum, including accommodation, food, and financial support but not including healthcare which is provided by local NHS services. For ESCC, the main impact of the hotel placements is on Children's Services, because a number of those placed in the hotels as adults are subsequently found to be aged under 18, meaning their accommodation and care becomes the responsibility of the County Council. These children are not currently eligible to be referred for placement through the National Transfer Scheme (NTS). We continue to argue for improved age assessment in the first instance by the Border Force so that the children can be provided for nationally through the NTS. Other local impacts include ESCC's legal responsibilities in relation to adult safeguarding and the provision of education (predominantly post-16), our Public Health responsibilities, and the provision of basic welfare support from voluntary sector organisations.

2.25 In December, the Prime Minister announced a range of new measures in relation to the processing of asylum claims and the Government response to migration pressures, including plans to identify alternative accommodation for a large number of people, including from Afghanistan, currently housed in hotels. The Home Office has indicated it is exploring use of a number of large sites, including holiday accommodation at Camber Sands, as options for replacing hotel accommodation. The County Council, with our partners, has raised significant concerns about the suitability of the Camber site for this purpose, the welfare of those people who may be placed there (including the ability of those entitled to work in this country to find employment), and the stretched capacity of local services. We will continue to engage with Government officials to ensure the local context is understood.

2.26 **Looking ahead**, the Prime Minister indicated in a speech on 4 January that the Government's main priorities for the next year would be responding to the ongoing challenges with the economy, cost of living challenges and the public finances, including halving inflation, growing the economy and reducing public debt. There will also be focus on reducing NHS waiting lists and migration, particularly small boat crossings. Implications for the Council and new developments will continue to be factored into our ongoing planning through RPPR.

3. Council Plan

3.1 The draft Council Plan is attached at Appendix 1. The Council Plan continues to be built on the Council's four overarching priority outcomes: driving sustainable economic growth; keeping vulnerable people safe; helping people help themselves; and making best use of resources now and for the future. Making best use of resources now and for the future is the priority test through which any activity must pass. The remaining three priority outcomes guide our activities, direct our resources and are reflected in our Council Plan activities and targets. The delivery outcomes have been updated to reflect the changes agreed at Cabinet in June.

3.2 The Council Plan contains the targets and milestones used to judge our performance. The Cabinet and County Council actively consider performance during the year and may decide to adjust targets to reflect any changed circumstances. We have reviewed and updated our targets where necessary to ensure these continue to reflect our ambitions. The Council Plan takes account of the resources available, so in some areas this means maintaining performance at current levels rather than seeking improvement. Clearly defining the outcomes we wish to achieve and monitoring our success in delivering these outcomes for the county's residents, communities and businesses is critical. We also keep track of a wide range of key data about East Sussex and related to our priority outcomes. These help us to assess our impact more fully and respond appropriately when we need to do so. Key data will be monitored annually as part of the State of the County report.

3.3 The Council Plan is still a work in progress until final budget allocations are made and firm targets can be set. It will be published in April 2023 and refreshed in July when final performance outturn figures for 2022/23 are available. Authorisation is sought for the Chief Executive to make final changes pre and post publication in consultation with Lead Members, as appropriate.

4. Progress with Council Plan and Budget 2022/23 since Quarter 2

4.1 Overall, our services are continuing to perform well. However, there are two performance measures where forecasted performance has changed since the quarter 2 monitoring report, that we need to consider as part of our business planning for future years, in advance of the quarter 3 monitoring report which will go to Cabinet on 7 March 2023.

4.2 **Percentage of Health and Social Care Connect (HSCC) referrals triaged and progressed to required services within 24 hours** – Updated figures are now available which include referrals from Community Nursing. These show an improved picture between April and November compared to the performance reported at quarter 2. The new figures show 86.7% of referrals were triaged and processed within 24 hours. This is still below target, but current performance has been impacted by particularly challenging operating conditions. In 2021/22 HSCC saw a 22% increase in Health referrals and this upward trend has continued in 2022/23. There has been 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 there has been an increase in sickness absence in the service. Sickness absence is being managed and there have been some phased returns to work in recent months. As a result the service is confident the proposed target for 2023/24 will be achievable.

4.3 **Support with Confidence** – At the end of November 2022 there are 335 Support With Confidence members (including 282 Personal Assistants and 53 businesses) against a target of 360. There are currently 73 live applications (69 Personal Assistants and 4 Businesses). At this point, due to the higher turnover of membership we have seen this year, we predict that the end of year target will not be achievable. In October and November six Personal Assistants have withdrawn their membership (personal reasons/change of circumstance cited as the main reason), and one business has closed. The number of applications into the schemes remains at a consistent level. However, due to the current workforce challenges with Adult Social Care and Health, it has become increasingly difficult to increase scheme membership.

4.4 There is currently no significant change to the projected quarter 2 revenue budget forecast.

5. Revenue Budget 2023/24

5.1 The Medium Term Financial Plan (MTFP) as set out in Appendix 2, and detailed in the table in paragraph 5.2 below, sets a balanced budget for 2023/24. Whilst balanced for 2023/24, the MTFP by 2025/26 projects a deficit of £40.7m, before the impact of Adult Social Care reform, which has now been delayed until 2025. If we assume grant funding for social care, currently announced for two years, continues into 2025/26, the deficit reduces to £21.2m.

5.2 To address pressures in the social care system, the Government announced grant funding as part of the Autumn Statement 2022 to support social care and hospital discharge, together with the continuation of the Services Grant and the delayed rollout of adult social care charging reform from October 2023 to October 2025.

ESCC Grants Announced at Provisional Settlement for 2023/24	£m
Social Care Grant *(rollover of 2022/23 Social Care Grant)*	23.674
Social Care Grant *(additional funding)*	13.927
Social Care Grant *(Independent Living Fund rolled into Social Care Grant)*	0.956
ASC Market Sustainability and Improvement Funding	6.055
Discharge Funding (via the Improved Better Care Fund)	3.053
Services Grant	2.916
Total	**50.581**

The grant funding, together with further flexibility on Council Tax and Adult Social Care Precept, have been incorporated into the MTFP as set out below, noting that the Provisional Settlement 2023/24 provided a one year settlement only, with uncertainty remaining on the impact on future years.

	Ref	Estimate (£m)			
		2023/24	2024/25	2025/26	Total
Cabinet 29 September 2022 DEFICIT after normal updates		**17.544**	**9.661**	**4.266**	**31.471**
Normal Updates					
Council Tax Increase: *Add a further 2.00% to our current 2.99% assumption (1.99% plus 1% ASC Precept) to get to **4.99%** (2.99% plus 2.00% ASC Precept) in 2023/24*	A	(6.630)	(0.324)	(0.218)	(7.172)
Council Tax Base and Collection Fund		*(2.207)*	*0.914*	*(0.083)*	*(1.376)*
Business Rates Retention (inflation, growth, and revaluation)	B	*(2.229)*	*(3.348)*	*1.537*	*(4.040)*
Continuation of Business Rates Pooling		*(1.787)*	*1.787*	*0.000*	*0.000*
Business Rates Reset/Reform delay to 2025/26	C	*0.000*	*(1.094)*	*4.480*	*3.386*
Revenue Support Grant	D	*(0.290)*	*(0.005)*	*0.295*	*0.000*
Reduction in New Homes Bonus	E	*0.537*	*(0.537)*	*0.000*	*0.000*
Reduction in Services Grant	F	*4.185*	*2.916*	*0.000*	*7.101*
Updated Inflation for contracts (normal and contract specific)	G	*13.829*	*(0.916)*	*(1.213)*	*11.700*
Updated Inflation for contracts (Waste PFI Model)		*(1.624)*	*3.082*	*(0.897)*	*0.561*
CET: Waste Housing Growth	H	*(0.061)*	*(0.036)*	*(0.053)*	*(0.150)*
Reversal of National Insurance 1.25% increase	I	*(1.544)*	*(0.031)*	*(0.032)*	*(1.607)*
Pay, Recruitment and Retention	J	*3.568*	0.108	0.108	3.784
Treasury Management	K	*(6.000)*	*1.400*	*2.000*	*(2.600)*
Employers Pension Contribution: valuation impact	L	*(1.800)*	*(0.020)*	*0.000*	*(1.820)*
General Contingency	M	*0.366*	*0.050*	*(0.370)*	*0.046*
Impact of the Autumn Statement – Social Care Funding					
Additional funding through Social Care Grant	N	*(13.927)*	*(5.509)*	*19.436*	*0.000*
Better Care Fund - Discharge Funding	O	*(3.053)*	*(2.035)*	*5.088*	*0.000*
Better Care Fund - Discharge Funding New Burdens		*3.053*	*2.035*	*(5.088)*	*0.000*
Adult Social Care Market Sustainability and Improvement Funding	P	*(6.055)*	*(3.017)*	*9.072*	*0.000*
Pressures and Savings added to / (removed from) the MTFP					
CET: Highways contract mobilisation	Q	*2.313*	*(2.313)*	*0.000*	*0.000*
Offset by reserve contribution		*(0.817)*	*0.817*	*0.000*	*0.000*
BSD: Savings Update	R	*0.373*	*(0.693)*	*0.000*	*(0.320)*

Pressures Protocol – bids approved by CMT	S	*2.256*	*(0.696)*	*0.148*	*1.708*
DEFICIT/(SURPLUS) AFTER NORMAL UPDATES		**0.000**	**2.196**	**38.476**	**40.672**

Normal Updates:

A Council Tax Increase, Tax Base and Collection Fund

The assumption for Council Tax was previously an increase of 1.99% in all years; the limit before referendum is triggered. The Adult Social Care Precept assumption was for 1% in 2022/23 and 2023/24 in line with the Spending Review 2021 (SR21) announcement that authorities with social care responsibilities were expected to have flexibility over this period.

The Government is giving local authorities in England additional flexibility in setting Council Tax by increasing the referendum limit for increases in Council Tax to 3% per year from April 2023 (previously 2%). In addition, local authorities with social care responsibilities will be able to increase the Adult Social Care Precept by up to 2% per year (previously 1% in 2023/24 and 2024/25). The MTFP has been updated to make use of this flexibility in 2023/24, increasing Council Tax rates by 4.99% (2.99% plus 2% ASC Precept). The Government has confirmed that this flexibility is to be extended into 2024/25, although this has not been assumed in the MTFP.

Council Tax Base returns setting out the base position as at October 2022 have been received from all District and Borough Councils (D&Bs). The result is a further £2.2m expected within the collection fund in 2023/24. In total the Council's estimated Tax Base increase is 1.37%.

The impact of additional collection fund deficit/surpluses identified in January 2023 by D&Bs will be managed through the collection fund reserve.

Wealden District Council is consulting on changes to its Local Council Tax Reduction Scheme (LCTRS), and to discounts on empty properties, the outcome of which is expected to net to zero.

B Business Rates Retention, Growth and Revaluation

Planning assumptions on business rates have been adjusted to reflect actual inflation reported and confirmed as part of the Provisional Settlement as CPI 10.1%

Revaluations will become 3-yearly starting from 1 April 2023. The government has confirmed that it intends to adjust each local authority's top-up or tariff to ensure that as far as practicable a local authority's retained income from business rates is no more, or less, than it would have been had the revaluation not taken place. The position will be assessed following detailed forecasts to be provided by D&Bs in January 2023.

It was confirmed at the Provisional Settlement that the business rates pooling arrangements will be allowable in 2023/24. Proceeds of pooling have been updated using published information from D&Bs.

C Business Rates Reset/reform delay to 2025/26

Although Government has given a strong commitment to update the current local government funding regime, the Autumn Statement 2022 and Provisional Financial Settlement have set indicative funding levels for 2024/25, and wider local government funding reforms are confirmed delayed until 2025/26 at the earliest. The MTFP therefore reflects the impact of a delay to funding reform to 2025/26. The net impact is taken from the LG Futures model and local assumptions of what reform may look like. The exact mechanism and impact, however, remain unknown.

D Revenue Support Grant

The Government confirmed that Revenue Support Grant (RSG) will be increased by 10.1% in line with the CPI for 2023/24. The model for planning assumptions on RSG has been updated to reflect the OBR estimate of CPI at 6.86% in 2024/25, ahead of potential funding reform and a multi-year settlement.

E New Homes Bonus

The New Homes Bonus has been confirmed for another year, less legacy payments. The future of New Homes Bonus is uncertain, and Government will set out its position ahead of the 2024/25 Local Government Finance Settlement.

F Services Grant

As part of the £1.6bn new Government Grant funding announced at SR21, the Council was allocated a one year Services Grant of £5.175m. The 2023/24 allocation has been reduced nationally to £464m, with ESCC share being reduced to £2.916m. In the absence of confirmation for future years, the continuation of the Services Grant has been assumed for 2023/24 only.

G Updated Inflation for Contracts (normal inflation and contract specific)

The OBR published its updated forecast inflation rates as part of its latest outlook for the economy and public finances on 17 November to coincide with the Autumn Statement. There have been material increases, reflecting specific contract and staffing pressures, which have now been reflected in our inflation and waste PFI (Private Finance Initiative) model as appropriate. The update includes a provision for further inflation risks which may arise in year to be held corporately.

H Communities, Economy and Transport (CET): Waste Housing Growth

The Waste Model has been updated for the latest housing growth estimates.

I 1.25% National Insurance Reversal

In September 2022, Government announced that the 1.25% National Insurance increase implemented in 2022/23 would be reversed from 6 November 2022. The MTFP had made a provision of £1.5m for the increase, which has now been reversed.

J Pay, Recruitment and Retention

An estimate for 2023/24 has been included at 5%, plus the impact of the 2022/23 pay award. Provision has been made in future years for potential pay award and costs of recruitment and retention.

K Treasury Management

The Treasury Management (TM) position has been reviewed taking a holistic approach to consider the impact of recent interest rate rises increasing returns on investments, and the impact of proposed capital strategy updates allowing further delay and reduction in external borrowing over the MTFP period. It is proposed that one off reductions to the TM budget are made over the three years of the MTFP, where recent increase in interest rates has resulted in significantly better than previously estimated returns on investments, with rates modelled to normalise in the medium term alongside increasing costs of capital programme borrowing.

L Local Government Pension Scheme (LGPS)

The triannual review of the pension scheme for 2023 to 2026 is currently under the period of valuation. Provisional statements have indicated that an uplift originally anticipated in the MTFP will not be required. The full impact of the valuation will be incorporated into the 2024/25 RPPR process once confirmed.

M General Contingency

This is calculated at an agreed formula of 1% of net budget less Treasury Management. The figures reflect the impact of the updates detailed throughout this report.

Impact of the Autumn Statement and Provisional Settlement – Social Care Funding:

N Additional funding through Social Care Grant

An additional £1.3bn in 2023/24 and £1.9bn in 2024/25 of repurposed ASC reform funding will be distributed to local authorities nationally through the Social Care Grant for adult and children's social care. This has resulted in an additional ESCC allocation of £13.9m in 2023/24, which is estimated to increase to £19.4m in 2025/26, with funding thereafter unclear with adult social care charging reforms now due to be introduced from October 2025.

O New Discharge Funding to be pooled as part of Better Care Fund

£600m will be distributed in 2023/24 and £1bn in 2024/25 through the Better Care Fund to assist people out of hospital into care settings, of which an element is to be distributed to local authorities. The funding is required to be pooled as part of the Improved Better Care Fund with associated additional burdens, having a net nil impact on the MTFP.

P Adult Social Care Market Sustainability and Improvement Funding

£400m in 2023/24 and £680m in 2024/25 will be distributed to local authorities nationally through a new grant ringfenced as part of an Adult Social Care Market Sustainability and Improvement Fund. In addition, the previous level of Fair Cost of Care funding for local authorities of £162m (ESCC share in 2022/23 being £1.7m) has been maintained for 2023/24 and "rolled" into the new fund, bringing the total fund to £562m nationally in 2023/24. The total ESCC share of the funding is £6.1m in 2023/24, and is estimated to increase to £9.1m in 2025/26, with funding thereafter unclear with adult social care charging reforms now due to be introduced from October 2025.

Pressures and Savings added to / (removed from) the MTFP:

Q CET: Highways Contract Mobilisation

Additional one off costs for mobilisation of the new Highways contract. This is offset by proposed use of set aside reserves.

R Business Services Department (BSD): Savings Update

BSD had an existing savings target of £1.242m within the MTFP. A report approved by Corporate Management Team (CMT) in September provided an update to saving options which proposed increasing the level of savings to £1.562m. Appendix 4 shows all of the savings targets for 2023/24 to 2025/26 with refreshed assessment of equalities impacts.

S Pressures Protocol

As is normal practice, a number of bids have been approved by CMT since September Cabinet, in line with the pressures protocol. The following table provides a summary of approved bids and impact on the MTFP:

Dept*	Description	2023/24	2024/25	2025/26	Total
CET	Parking - Income slippage	0.800	(0.800)		0.000
GOV	Coroners- Additional requirement	0.425	0.104	0.148	0.677
BSD	External Audit- Fee increase	0.090			0.090
BSD	Human Resources & Organisational Development- Staffing	0.040			0.040
BSD	Business Administration- Staffing	0.495			0.495
CSD	Home to School Transport	0.406			0.406
Total pressures bids		**2.256**	**(0.696)**	**0.148**	**1.708**

*CET - Communities, Economy and Transport, GOV - Governance Services, BSD – Business Services Department, CSD – Children's Services Department

6 2024/25 and beyond

6.1 Whilst the Council has received some very welcome additional funding from the Government, particularly in relation to social care, it remains challenging to plan for 2024/25 and beyond. The level of Government funding that ESCC will receive between 2024/25 – 2025/26 is not confirmed; the provisional settlement was one year only with indicative levels for the subsequent year, meaning there remains uncertainty over actual levels of funding ESCC will receive and how the Levelling Up agenda and future funding review will be implemented in future years.

6.2 This uncertainty in future local government funding beyond next year means that, whilst the budget is balanced in 2023/24, until next year's Local Government Finance Settlement, or other announcements, provide confirmation of funding, there is the potential requirement for further savings by 2025/26.

6.3 The Council has a robust planning process and sufficient reserves and will continue to work towards a balanced position in 2024/25. The Reserves and Robustness Statement is set out in Appendix 6.

7 Council Tax requirement

7.1 Cabinet agreed in September that budget planning should be on the basis that Council Tax is increased by 1.99%, the limit before a referendum is triggered, and the Adult Social Care Precept at 1.0% in 2023/24.

7.2 The Provisional Local Government Finance Settlement 2023/24 provided for an additional 1% Council Tax increase and an additional 1% Adult Social Care Precept. Taking into account the significant risks and uncertainties relating to inflationary impacts and pressures on services, particularly social care post-pandemic and in response to challenges facing the health system, it is proposed that this is included. It is therefore proposed that the County Council be asked to consider increasing Council Tax in 2023/24 by 4.99% (2.99% Council Tax plus 2.0% Adult Social Care Precept). If agreed, the proposed band D charge for 2023/24 would therefore be:

Changes in Council Tax	£ per house at Band D	
	Council Tax Annual	Council Tax Weekly
Band D 2022/23	£1,613.34	£31.02
Council Tax increase*	£48.24	£0.93
Adult Social Care Precept* 2.0%	£32.22	£0.62
Indicative Band D 2023/24*	£1,693.80	£32.57

* Council Tax is rounded to allow all bands to be calculated in whole pounds and pence.

7.3 The formal precept notices for issue to the Borough and District Councils will follow the formal recommendation by County Council. The current position is subject to change following final figures on Collection Fund and Business Rates provided by Borough and District Councils at the end of January 2023. The draft precept calculation is therefore set out at Appendix 5.

8 Capital Programme

8.1 Through the RPPR process the Capital Strategy and programme are reviewed annually to ensure that they support the Council's responsibilities and departmental service strategies. To manage investment to a sustainable level, the Capital Strategy focuses on the delivery of targeted basic need for the Council to continue to deliver services as efficiently as possible.

8.2 The current approved programme has now been updated to include the quarter 2 position and other approved variations and updates. Service Finance and Departmental Capital Teams have also completed a capital programme refresh, re-profiling their programmes and schemes as accurately as possible based on current knowledge over the planned programme. The planning horizon has been extended to 2032/33 to maintain the 10 year programme.

8.3 It is proposed that a capital programme of £342.4m be set over the MTFP period from 2022/23 to 2025/26 (current year plus three) and requiring £121.5m of borrowing, with the remaining years to 2032/33 being indicative to represent longer term planning. The update to the capital programme can be found at Appendix 8a.

8.4 The revenue impact of additional borrowing to fund the updates to the capital programme has been made in the MTFP. Treasury Management modelling takes a holistic approach considering a number of variable factors including availability of cash balances and interest rates impacting borrowing costs and return on investments. Therefore, any updates to the MTFP will consider the overall impact on the Treasury Management budget.

8.5 The Council's 20-year Capital Strategy recommended for approval can be found at Appendix 8c. The Capital Strategy covers the period 2023/24 to 2043/44 has been updated to reflect emerging risks, principles and corporate priorities.

9. Robustness and Reserves

9.1 At Full Council in February 2022 there was an estimated total reserves balance of £91.7m by March 2026. Since then there have been some updates and, moving the estimates on a year, the balance at 31 March 2027 is estimated at £83.4m of which £24.6m relates to strategic reserves. The current reserves position is shown below.

	01.04.22 Actuals per Q2 Cabinet Report	Estimated Balance at 31.03.26 per Full Council Feb 22	Full Council February 2023 (£m)	
			01.04.23 Estimate	Estimated Balance at 31.03.27
Earmarked Reserves:				
Held on behalf of others or statutorily ringfenced	**35.1**	**34.2**	**35.7**	**33.9**
Named Service Reserves				
Waste Reserve	17.0	9.7	18.8	7.5
Capital Programme Reserve	18.9	7.5	17.9	0.3
Insurance Reserve	7.3	5.3	7.2	7.1
Adult Social Care Reform Reserve	0.0	0.0	2.5	0.0
Subtotal named service reserves	**43.2**	**22.5**	**46.4**	**14.9**
Strategic Reserves				
Financial Management	47.3	21.8	41.3	22.5
Priority Outcomes and Transformation	17.3	3.2	12.7	2.1
Subtotal strategic reserves	**64.6**	**25.0**	**54.0**	**24.6**
Total Earmarked Reserves	**142.9**	**81.7**	**136.1**	**73.4**
General Fund Balance	***10.0***	***10.0***	***10.0***	***10.0***
TOTAL RESERVES	**152.9**	**91.7**	**146.1**	**83.4**

9.2 In the Autumn Statement and provisional Local Government Finance Settlement the Government noted that there has been a significant increase in some local authority reserves over the two years of the pandemic. Local authorities are encouraged to use reserves to maintain services in the face of immediate inflationary pressures, taking account of the need to maintain appropriate levels of reserves to support councils' financial sustainability and future investment. Government will be exploring the publication of user-friendly data, collected in the Local Authority Revenue Expenditure and Financial Outturn Statistics, to support council Members and local electorates to understand reserves held by their authorities.

9.3 The level of reserves held by the Council is considered appropriate. In the recent uncertain financial, economic and political times, councils have grappled with the challenge of delivering services within a difficult financial landscape. That uncertainty is brought into sharp focus given the lack of clarity about what funding will be provided for councils beyond next

year and the detail of planned service reforms. Therefore, wherever possible, transfers of resources to the Financial Management Reserve will be made. Details of the reserves held, and the Chief Finance Officer Statement on Reserves and Budget Robustness is set out in Appendix 6.

10. Engagement Feedback and Future Consultation

10.1 The views of the Scrutiny Committees are set out in Appendix 7. The views of partners are also included in the appendix.

10.2 The outcomes of engagement events with young people, Trades Unions and business ratepayers will be made available to Members once the meetings have been held and comments recorded.

11. Equalities

11.1 An initial Equalities Impact Assessment (EqIA) of each of the revenue savings proposals has been undertaken and is set out in Appendix 4. Further EqIAs will be undertaken where appropriate when individual proposals are being considered.

11.2 All proposed capital spending has been subject to an initial equalities assessment to identify potential impacts on people sharing legally protected characteristics and to identify whether a detailed EqIA is required (including if one has already been completed or is planned). Where the need for further equality assessment has been identified, this will be undertaken when individual proposals are being planned in more detail, to enable accurate analysis. A summary of the equality consideration of proposed capital spending is set out in Appendix 8b and where a detailed EqIA has been completed it is available to Members.

11.3 In considering the proposals in this report, Cabinet Members are required to have 'due regard' to the duties set out in Section 149 of the Equality Act 2010 (the Public Sector Equality Duty) as summarised in Appendix 8b. EqIAs are carried out to identify any adverse impacts that may arise as a result of proposals for people sharing legally protected characteristics and to identify appropriate mitigations. The full version of relevant completed EqIAs for capital projects are available on the Cabinet pages of the County Council's website. They can be inspected upon request at County Hall. Members must read the full version of the EqIAs and take their findings into consideration when determining these proposals.

11.4 Whilst the Cabinet is being asked to recommend, and subsequently the County Council asked to agree, the revenue budget and capital programme, the budget decision does not constitute final approval of what policies would be or what sums of money will be saved or spent under the service proposals. The recommendations in the report do not commit the Council to implement any specific saving or spending proposal. When the Executive come to make specific decisions on budget reductions or expenditure, where necessary, focussed consultations and the full equalities implications of doing one thing rather than another will be considered in appropriate detail. If it is considered necessary, in light of equalities or other considerations, it will be open to those taking the decisions to spend more on one activity and less on another within the overall resources available to the Council.

12. Fees & Charges

12.1 The Chief Finance Officer is delegated to approve all fees and charges and to report to Cabinet and County Council those set at a level above inflation; a reasonable inflation level with regard to the Consumer Price Index (CPI), Retail Price Index (RPI) and pay inflation. Appendix 9 is for noting and shows a schedule of the fees and charges approved at quarter 3 that have increased by more than 4.0%; whilst below current inflation, inclusion at this lower level provides further transparency and information.

13. Conclusion

13.1 Based on a firm foundation of sound financial management over many years, and with additional Government funding for the coming year, the Council can again offer service stability for our residents. Whilst the additional national funding is welcome, it is short term, with uncertainty about the level and distribution of funding in future years. Coupled with major reforms to key services, the implications of which remain unclear, this creates significant risk and uncertainty for the future and we must continue to do all we can now to prepare for the demands ahead.

13.2 There is continued reliance on raising funding for core pressures, particularly growing demand in adult social care, through local Council Tax which is unrelated to social care need and unsustainable. In this context we must again ask local people to contribute more to protect services for the most vulnerable for the future. This recommendation is not made lightly, given the current pressures on household budgets, but it is essential if we are to protect services for the years to come. Support will continue to be available through local Council Tax Support Schemes for those residents eligible and we will continue to work with partners to signpost residents to sources of support with the cost of living, including access to benefits they may be entitled to.

13.3 The budget presented is for one year, with significant uncertainty remaining about the outlook beyond this. Looking further ahead, we still face a significant gap between the funding we currently expect to have and the cost of providing our services as well as the undefined impacts of reforms. The proposals set out in this report put us in the best position we can to manage this situation and maintain our support to residents, particularly the most vulnerable children and adults, as well as making provision for investment to help manage future demand in Children's Services and achieve the best possible outcomes for families.

13.4 In this context, we will need to continue to work with our local, regional and national partners to highlight the specific needs of East Sussex and to press for fair and sustainable allocation of funding that enables us to continue to meet the needs of our residents. Core to this is a requirement for Government to ensure sustainable, needs-based funding for growth in demand. Until this is delivered our medium term financial position will remain very challenging. Lobbying to ensure that our residents and businesses have what they need to be successful in the future will be fundamental to achieving a strong recovery from current economic challenges and reducing the need for County Council support and services in future.

BECKY SHAW
Chief Executive

Council Plan 2023/24

Introduction

This Council Plan sets out our ambitions and what we plan to achieve by 2026 for our four overarching priority outcomes: driving sustainable economic growth; keeping vulnerable people safe; helping people help themselves; and making best use of resources now and for the future.

The Council provides services used by all residents in East Sussex, including providing care and support to children, families and the elderly; maintaining the roads and providing library services; and working to boost the local economy.

We provide services to some of the most vulnerable people in the county, and these services are vital in helping to keep these people safe and helping them to help themselves.

Local people and the local economy are still recovering from the COVID-19 pandemic and have also been impacted by the cost of living crises. We will continue to address these challenges, support recovery and help to tackle the long-term consequences for local people. We also know that demands on our services will continue to grow as a result of changing needs in our communities and a range of national developments which will have impacts on the Council's services.

The details of national reforms in major, demand-led, service areas, such as adults' and children's social care and special educational needs and disability, are yet to be confirmed, creating significant risk and uncertainty for the future. Current and forecast economic conditions contribute to a very challenging financial outlook for the Council over the coming years. These challenges are increased by major reforms in a number of key service areas. We will do all we can now to prepare for these future challenges whilst continuing to make the case for fair and sustainable funding to meet the needs of East Sussex residents and business.

Our planning for the years ahead continues to be underpinned by a relentless focus on our priority outcomes and their supporting delivery outcomes. We are committed to addressing and adapting to the impact of climate change on our county. With that in mind, we will consider the future impact of the choices we make about using resources, as well as the short-term impacts, across all that we do.

We do not work in isolation, so we will continue to work with all our partners to make sure there is a shared view of priorities and that we make the most of opportunities and resources available locally. We lobby hard to protect and promote the interests of East Sussex.

A key partner in East Sussex is the voluntary, community and social enterprise (VCSE) sector. The VCSE organisations are often the first to respond to the needs of communities, and provide specialist support that is often not available from other providers. Through working together we can ensure that our residents have the local support to access the different systems they need in order to be able to live an independent life. We also work closely with local businesses to identify and promote the conditions needed to grow our local economy in a sustainable way, helping improve access to quality jobs, goods and services for our communities. We continue to build on our long established partnerships with health and care organisations to help deliver joined-up care and to ensure that the most vulnerable receive the support they need in a timely manner

We consider equality, diversity and inclusion impacts throughout all aspects of our business planning processes. This ensures that our planned priorities are based on a good understanding of diversity and local needs and that we identify and respond to opportunities to remove barriers and maximise positive outcomes. We monitor the outcomes for people sharing different characteristics so that we understand our impact.

We have set a number of delivery outcomes under each overarching priority outcome. These shape the Council Plan performance measures and targets that are the main tool we use to assess our progress. We also keep track of a wide range of related key data evidencing local need in East Sussex.

These help us assess our impact more fully and respond appropriately when we need to do so. We review this data when making our plans and publish them with our State of the County report each year. A selection of this information is provided throughout the plan and listed in more detail at the end.

The Council played a key role, through Team East Sussex in the publication of the East Sussex Economy Recovery Plan. The plan set out six missions, with each mission outlining a different way in which the economy in the county can go beyond recovery from the COVID-19 pandemic and can grow and thrive while also becoming cleaner and greener. We are now updating the evidence base that will be used to inform future work to underpin a thriving economy.

The County Council has updated its corporate Climate Emergency Plan and, as a member of the Environment Board for East Sussex, is playing a key role in delivering some of the programmes and projects set out in the East Sussex Climate Emergency Road Map.

Our priorities and delivery outcomes

The Priority Outcomes

The Council has four overarching priority outcomes: driving sustainable economic growth; keeping vulnerable people safe; helping people help themselves; and making best use of resources now and for the future. Making best use of resources now and for the future is the gateway priority through which any activity and accompanying resources must pass. For each priority outcome there are specific delivery outcomes.

Driving sustainable economic growth - delivery outcomes

- East Sussex businesses are supported to succeed and grow sustainably
- The county is an attractive place to live, work and do business
- Individuals, communities and businesses thrive in East Sussex with the environmental, and social infrastructure to meet their needs
- The workforce has and maintains the skills needed for good quality employment to meet the needs of the current and future East Sussex economy
- The value of our role as both a significant employer and a buyer of local goods and services is maximised
- All children progress well from early years through school and into post-16 education, training and employment

Keeping vulnerable people safe - delivery outcomes

- All vulnerable people in East Sussex are known to relevant local agencies and services are delivered together to meet their needs
- People feel safe at home and well supported by their networks
- Children grow up supported by enduring, loving relationships
- People feel safe with services
- We work with the wider health and care system to support people to achieve the best outcomes possible

Helping people help themselves - delivery outcomes

- Commissioners and providers from all sectors put people first when providing services and information to help them meet their needs
- The most vulnerable get the support they need to maintain their independence and this is provided at or as close to home as possible
- Through working well with the voluntary, community and social enterprise sector, individuals, families and communities are supported to be independent and to thrive

Making best use of resources now and for the future - delivery outcomes

- To help tackle Climate Change East Sussex County Council activities are carbon neutral as soon as possible and in any event by 2050
- We work as One Council
- We work in strong and sustained partnership with the public, voluntary community, social enterprise and private sectors to ensure that our collective resources and influence are used to deliver maximum benefits
- Ensuring we achieve value for money in the services we commission and provide
- Maximising the funding available through bidding for funding and lobbying for the best deal for East Sussex
- We are an employer of choice and support our staff to achieve and develop

Priority - Driving sustainable economic growth

Priority Overview

A thriving economy in East Sussex is key to the wellbeing of the county. Ensuring that local people have access to relevant training and employment, well designed local infrastructure and services, a positively managed environment and accessible cultural activities, will have a positive impact on their wellbeing, enabling them to live independently of public sector support or benefits. Supporting our economy to recover and grow sustainably will help our communities to be more resilient and our businesses to be more competitive.

1.1 Economic Recovery

Delivery outcome: East Sussex businesses are supported to succeed and grow sustainably

Working with partners we will establish an evidence base to build on the success of the Economy Recovery Plan and help the county's economy build back better. This will include using Shared Prosperity Funding from our district and borough partners to deliver a specialist business support programme across the county. We will also work to shape new ways to attract more investment into the economy.

Trading Standards will continue to offer assistance to businesses in East Sussex to ensure they continue to adapt to and thrive in the changed regulatory regimes brought about by the UK's departure from the EU in December 2020. We will also commit resources to provide market surveillance activities at Newhaven Port.

1.2 Employment and productivity

Delivery outcome: The county is an attractive place to live, work and do business

We will build on the county's economic strengths and unique characteristics to drive economic growth in sectors with the most potential to grow and provide employment. We will build on the areas where the county performs strongly, such as the creative industries and the visitor economy, construction, engineering, health and social care, and food and drink production; and look to the future to attract and retain new businesses that will provide the jobs of tomorrow.

We will continue to deliver our grants and loans programme, East Sussex Invest, to support job creation and sustainable growth, and will deliver the Newhaven Town Deal Grants programme on behalf of Lewes District Council.

1.3 Local infrastructure

Delivery outcome: Individuals, communities and businesses thrive in East Sussex with the environmental and social infrastructure to meet their needs

Businesses can only thrive if they have the local infrastructure they need and access to the right skills in the local workforce. The Council has agreed a new seven-year highway maintenance contract worth £297m with Balfour Beatty Living Places. The new contract will commence on 1 May 2023, and includes enhanced quality requirements, carbon reduction targets and enhanced social value providing more apprenticeships and training and community benefits.

We also coordinate street works, deliver public realm schemes and local transport infrastructure improvements to cope with the changing but increasing demand on the

network. A number of infrastructure projects will continue or be delivered in 2023/24, including improvements to Terminus Road in Eastbourne, walking and cycling improvements in Eastbourne, Bexhill and Hastings and progressing the project to replace Exceat Bridge. We will continue updating our Local Transport Plan which currently covers the period from 2011 to 2026. The updated Plan will consider how transport can help support sustainable economic recovery and growth in the county and improve the economic connectivity of East Sussex whilst also working towards achieving the Council's commitment to achieve net zero carbon emissions by 2050.

Business in the 21st century also need modern digital infrastructure. Our e-Sussex project to rollout super and ultra-fast broadband across the county has improved access to services, jobs and education, and has helped support flexible working.

Over 98% of premises have been connected to improved broadband speeds during our first and second contracts of work with BT. We are now entering the final phases of our third contract with the aim of connecting as close to 100% of premises in the county as possible. We will continue to work with Government to support its plans to deliver gigabit-capable broadband infrastructure, ensuring East Sussex receives as much investment as possible and that any new contract generates social value benefits for our businesses and residents. We will also continue to top-up Gigabit vouchers.

Transport for the South East (TfSE) is a sub-national transport body (STB) representing sixteen Local Transport Authorities and five Local Enterprise Partnerships in the South East of England. TfSE's Transport Strategy, published in 2020 actively chooses a preferred future for the region and sets out a plan for how to get there. Achieving that future will require significant investment in a better transport network. TfSE have recently submitted their Strategic Investment Plan to Government. This plan is the blueprint for future investment in strategic transport infrastructure in the South East for the next thirty years. Over the next 12 months TfSE will be working on the delivery plan to implement the interventions in this ambitious plan.

The Council has developed an Enhanced Partnership following the launch of the Governments National Bus Strategy 'Bus Back Better' alongside leading on the development of an East Sussex Bus Service Improvement Plan (BSIP). The East Sussex BSIP is an ambitious plan that aims to deliver to East Sussex residents and visitors the highest possible quality bus services that provide frequent and comprehensive choice, reduces congestion, and makes a positive contribution to better air quality and decarbonisation. The plan also aims to deliver a raft of supporting measures on fares and ticketing, information provision, technological innovation, and bus stop facilities. East Sussex received a funding allocation of £41.4m over 2.5 years to March 2025, the third highest for shire/rural authorities, and the highest per head of population amongst these authorities.

The Council will also take on new duties and responsibilities arising from the Government's Environment Act. This includes developing a Local Nature Recovery Strategy, which we will develop in partnership with Brighton & Hove City Council, working through the Sussex Local Nature Partnership which is hosted by the Council.

1.4 Workforce skills

Delivery outcome: The workforce has and maintains the skills needed for good quality employment to meet the needs of the current and future East Sussex economy

We want all local people to have the skills they need to succeed and for businesses to have access to a skilled workforce. We will work with post-16 providers, strategic partners, and businesses through Skills East Sussex (SES) and priority sector task groups to understand and respond to local skills needs and economic priorities. This includes the priorities set to be achieved by 2030 for recovery, upskilling the workforce, supporting the unemployed and looking ahead to the skills the economy will need for a net-zero and digitised future.

Through our partnerships we will deliver a range of programmes to improve careers provision for young people and promote and deliver work-based training via schemes such as Apprenticeships and T-Levels. We will support those who are furthest from the workplace through careers, pre-employment and digital inclusion initiatives.

We are a major employer in East Sussex and are committed to supporting the on-going investment in continuous professional development of our staff. The Council has been paying the Apprenticeship Levy of approximately £1m per year since 2017. We have successfully implemented a workforce-based approach and have developed a strategy and action plan to maximise our draw down of the Levy to support employing new apprentices and to support current staff receiving qualifying apprenticeship training. We will continue to address identified areas of skills and employment shortages within the county by also using the levy scheme to fund apprenticeships in local small and medium businesses.

1.5 Our role

Delivery outcome: The value of our role as both a significant employer and a buyer of local goods and services is maximised

As a body with significant spending power in the county we constantly review our procurement processes to ensure they are accessible to local suppliers, maximise the use of local providers in the supply chains, and secure added economic, social and environmental benefits. To support this, we have launched the refreshed East Sussex Social Value Marketplace, which enables the sharing of resources across our suppliers, communities and charity partners. The Council is also dedicated to its responsibilities on mitigating modern slavery in supply chains.

The South East Grid Network Services Framework contract with MLL Telecom provides the Council's digital infrastructure, which connects 255 council and school sites. This contract secured a social value offer of circa £2.5m (around 20% of contract value) across East Sussex. This included local spend commitments, the creation of local jobs, apprentices and a sector-based work academy programme with training support.

In response to the current recruitment and retention challenges, the Council is seeking to maximise the use of apprenticeships, traineeships, intern arrangements and more flexible working arrangements as a way of attracting new talent. In support of this, we are attending events such as careers fairs to maximise our presence with

job seekers. We are also 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.

1.6 Children

Delivery outcome: All children progress well from early years through school and into post-16 education, training and employment

We want local people to have the skills they need to succeed and all children to progress well from early years through school and into education, training and employment.

Our partnership infrastructure remains the key local mechanism for delivering our shared ambitions. We will continue to work collaboratively to build capacity across the system for school-led improvement. We will work in partnership, within available resources, to meet the needs of all pupils and deliver excellent educational outcomes.

We will continue to place a strong focus on our most disadvantaged pupils to ensure that they achieve consistently high outcomes. We will also work closely with every school, setting and college to secure a strong Special Educational Needs and Disability (SEND) offer which makes education accessible to all children in their local community school.

Educational attainment is negatively affected by poor rates of attendance. We will work closely with providers to support them to identify best practice and secure improvements in attendance and reductions in exclusions for all groups of children and young people.

We will work with our partners, to promote and secure participation in post 16 education and training, including provision and support for vulnerable groups and young people with special educational needs and/or disabilities. We will ensure that we prepare young people for work by providing good quality careers guidance, work experience and new projects focussed on improving attendance and post 16 oracy. We will continue to provide targeted 1-1 support for vulnerable groups via the Youth Employability Service (YES) and we will implement robust tracking and data analysis to inform interventions that will improve transition and progression to post 16 education, training and employment.

The Schools White Paper sets out a clear role for the local authority as the ambassador for all children and young people, especially the most vulnerable. It also outlines the aspiration for all schools to be part of a Multi Academy Trust (MAT) by 2030. This means our role in facilitating partnerships between schools, and the strategic role of the Joint Board in shaping a strong school landscape across all phases, will become even more critical over time.

The national policy to promote a Trust led school system, alongside proposals being made in the SEND Green Paper, mean that it is timely to reshape our internal structures to reflect new national priorities. The Standards and Learning Effectiveness Service (SLES) and the Inclusion, Special Educational Needs and Disabilities Service (ISEND) will be brought into one single Education Division. This process will take place over the course of the academic year 2022-2023, following appropriate consultation with staff and stakeholders. We will also move to a locality-

based operational delivery model for some school-facing services which will ensure that we meet local needs and work effectively across different areas of the county.

1.7 Planned work

Examples of planned work during 2023/24

- We will produce an Economic Insight Analysis which will set out the evidence base for a range of interventions that will have most impact on the economy, particularly in relation to productivity, innovation and pre-scale up businesses
- We will support the delivery of the South East Create Growth Programme, providing access to business support, investment and grants for pre-scale up creative sector businesses
- We will work with Towner Eastbourne to maximise the benefits of Turner Prize coming to Eastbourne in 2023
- We will grow the value of our tourism sector by working with West Sussex and Brighton and Hove partners to create a “Sussex Story” marketing narrative and commission film and photography that all businesses can access to promote the county to local, national and international visitors
- We will deliver at least 60% of the Council’s circa £400m procurement spend through local companies
- We will work with stakeholders to further evolve the approach to social value, targeting areas where sector-specific factors require tailored approaches. This includes working with areas where supply chains are characterised by high levels of Voluntary, Community and Social Enterprise sector contribution.
- School improvement in East Sussex is delivered in partnership with schools. The priorities identified in partnership for the current academic year include a focus on improving language and communication across all phases; enhancing outcomes for disadvantaged learners and children with Special Educational Needs or Disabilities (SEND); ensuring leadership and governance are of the highest quality; improved transition from Year 6 into Year 7 and Year 11 into post-16; ensuring all schools maximise attendance and minimise exclusions

Priority - Keeping vulnerable people safe

Priority Overview

Ensuring vulnerable children and adults are safe is one of our key priorities and responsibilities to the community.

There will always be children and adults who cannot be looked after at home by their families. Where it is clear this is the case for children, we will intervene early and find permanent or long-term placements for them through fostering or adoption where appropriate. We will be ambitious so that they can achieve their best and we will continue with effective placement planning to ensure that the right child is cared for, in the right place, for the right amount of time and at the most appropriate cost. We will also ensure that vulnerable adults are safeguarded whether they are looked after at home or somewhere else.

The pandemic has resulted in some very specific new tasks and functions for Public Health and the challenges of adapting services and responding to new and emerging needs will continue to shape much of our work; whilst also changing the role of Public Health or the challenges already identified pre COVID-19. As demand for both health and social care services continues to increase and the financial challenges facing the Council remain, we will continue to ensure a focus on prevention and early intervention.

2.1 Vulnerable people

Delivery outcome: All vulnerable people in East Sussex are known to relevant local agencies and services are delivered together to meet their needs

One of our key objectives is that there is an effective multi-agency early help and child protection system, which ensures that children and young people who are, or are likely to be, at risk of harm are identified, supported and protected. This is part of a wider multi-agency safeguarding system, underpinned by strong statutory multi-agency governance and scrutiny by the East Sussex Safeguarding Children Partnership.

Through the partnership network of organisations which constitute the Children and Young People's Trust, we aim to work across health, social care, education, and criminal justice. We will work with partners in the statutory and voluntary sector to progress our priorities.

We will continue to support families with complex needs through the Government's Supporting Families (previously Troubled Families) programme. We will extend the number of teams and services taking a whole family approach as set out within the Supporting Families Outcomes Framework. We will continue to work with partners to promote a whole system, whole family approach for the planning and delivery of services. We will identify as many external funding streams as possible to sustain family support programmes and youth work.

We will also continue our work to safeguard vulnerable adults through the Safeguarding Adults Board (SAB). This is a multi-agency partnership, made up of statutory and voluntary partners as well as lay members, established to promote well-being and oversee Safeguarding Adults work county-wide.

Health and Social Care Connect, the Adult Social Care and Health contact centre, continues to provide a single point for information, advice and access to community health and social care services seven days a week, from 8am to 8pm.

The Council is a member of the Sussex Health and Care Partnership (SHCP), a partnership of health and care organisations working together across Sussex. The SHCP was awarded Integrated Care System (ICS) status in April 2020.

We will work with our partners in the SHCP to deliver the 5-year Sussex Integrated Care Strategy. The Strategy aligns with and builds upon the Health and Wellbeing Strategy and associated plans. The Strategy provides an overarching framework across Sussex, and describes a shared ambition to support people to live healthier longer lives, particularly those who are most disadvantaged, and to develop a new way of working with our different communities that better understands local people's need and responds to them in the best possible way. It focuses on keeping people healthy, supporting all aspects of people's lives and the specific needs of children and young people. To achieve this shared ambition, there will be a focus on doing more to grow and support our workforce and to improve the use of digital technology and information, as well as supporting stronger partnerships and collaboration necessary to enable delivery.

We will continue to pursue a range of projects and initiatives aimed at improving the mental health and wellbeing of East Sussex residents. We are committed to supporting people in crisis, including those at risk of suicide. We will take a lead role in developing the new ICS suicide and self-harm prevention strategy. This will include a local programme of activity and continuation of our work to reduce deaths at coastal locations.

The Homes for Ukraine visa scheme was launched in March 2022 in response to the war in Ukraine, providing Ukrainians without family connections in the UK with the opportunity to match with sponsors who can host them in their homes and provide support to access local services. We will work to ensure that Ukrainian families can take the next steps towards independence as East Sussex residents. This means ensuring all Ukrainians can access support with welfare and wellbeing, English language, employment support and routes into secure accommodation. We will share learning between the Homes for Ukraine programme and other arrangements and resettlement schemes for refugees, asylum seekers and migrant groups, to ensure East Sussex is a safe and welcoming county for all people arriving in our communities.

2.2 Safe at home

Delivery outcome: People feel safe at home and well supported by their networks

We work with partners, including health services, police, ambulance, and fire and rescue services, to ensure people are safeguarded and able to live independently and free from abuse. We will raise awareness of safeguarding issues and enquire into concerns of abuse.

We support the most vulnerable families, helping them to find ways to manage independently and cope with problems so that they can stay together where possible and achieve better outcomes for children and parents.

Early Help services support families to tackle their problems before they become more difficult to reverse. We will continue to deliver this via an integrated service with health visitors as part of the 0-19 Early Help service alongside the development of Family Hubs. The aim is to provide earlier support and prevent escalation to more intensive specialist services helping to manage demand for higher cost services. The strategy includes keywork with vulnerable families, early years family support services integrated with delivery of the Healthy Child Programme by our health visitors, and evidence-based youth work with vulnerable young people.

We also offer universal, open-access and drop-in early help services for children, families and young people where these are fully externally funded. We have a network of 16 children's and youth centres.

We work in partnership to reduce crime, anti-social behaviour and domestic abuse and help victims to stay safe from harm. We work with a number of partners to provide support services and raise awareness of domestic abuse across the county. Through our partnership work we continue to support East Sussex residents to address drug and alcohol misuse, sustain their recovery and to prevent drug and alcohol related deaths.

Our Trading Standards service helps to protect vulnerable people from exploitation such as rogue traders and cold callers. We also investigate food fraud, illicit tobacco and counterfeit alcohol to protect people from the increased risks associated with these. These services are provided in partnership with the police and other agencies to ensure an effective level of prevention and support work is offered to the residents and businesses of East Sussex.

2.3 Supportive relationships

Delivery outcome: Children grow up supported by enduring, loving relationships

Our aim is to ensure that all children grow up supported by enduring, loving relationships. We will implement the nationally trialled Family Safeguarding model which in line with the recommendations of the Independent Review of Children's Social Care. This model involves professionals from different agencies working together to support families to identify and implement the changes they need to make to ensure children can remain safely at home.

2.4 Support services

People feel safe with services

While we aim to help people stay safe and independent, this is not always possible. There will always be children and young people who cannot be cared for at home and with their families. Where it is clear this is the case for children, we will intervene early and find permanent or long-term, cost effective, placements for them through fostering or adoption where appropriate. Vulnerable adults that cannot cope by themselves need to have support services that are safe and of good quality; we will continue to monitor satisfaction with our commissioned services including through service user evaluations.

We will continue the development of our Adult Social Care strategy in partnership with local residents and partners. The strategy will be centred on the needs of local

people who require care and support. The strategy will provide a clear direction for staff and services, helping them work together to keep vulnerable people safe.

2.5 Health

Delivery outcome: We work with the wider health and care system to support people to achieve the best outcomes possible

As a result of the changes brought about during the COVID-19 pandemic, we have adapted the way we provide support to vulnerable adults. The East Sussex Health and Wellbeing Board Strategy 'Healthy Lives, Healthy People 2022 - 2027', sets out our shared vision and commitments in response to our population's health needs and challenges. We will work with partners to help deliver this and our rolling Health and Wellbeing Strategy. This provides the overarching framework for our plans for health and care services within the county and our shared work to improve the other factors that influence health.

2.6 Planned work

Examples of planned work during 2023/24

- We will continue to help prevent vulnerable people from becoming a victim of mass marketing fraud and intervene if people have already become a victim
- We will continue to protect people from the increased risks associated with food fraud, illicit tobacco and counterfeit alcohol through the risk based investigations undertaken by Trading Standards
- We will support people who have been a victim of sexual violence and domestic abuse through the specialist domestic abuse and sexual violence service

Priority - Helping people help themselves

Priority Overview

Whilst we must keep vulnerable people safe, people prefer and need to be independent. If we can encourage families and communities to work together to build better local communities, meet local need, and support individuals to stay independent, we can meet our objectives of breaking dependency, while reducing demand for services and therefore costs. Helping people to be self-supporting will become increasingly important as the resources available to public services decline.

3.1 Putting people first

Delivery outcome: Commissioners and providers from all sectors put people first when providing services and information to help them meet their needs

One of the best things we can do to support people is to focus very clearly on their needs when designing and providing services and when we make information available so people can help themselves.

Our focus is to provide people with the support they need as early as possible to help them remain healthy and independent. When they need them, our services will be provided by integrated health and care teams, meaning their care will be more efficient and personal, delivered by one system.

Our focus on providing support as early as possible should mean that people don't need health and care services as much. But when they do, we will make sure they can get services quickly, easily and, before they reach crisis point.

We want to ensure that local people receive the right services, in the right place, at the right time. This may mean they access and use services differently. We aim to empower them with the knowledge of how to best use available health and social care services, and how to best get the support they need.

As part of the core services for Adult Social Care we will provide information and advice for all those seeking care and support; and provide support that reduces the need for social care in the longer term and/or prevents the need for a more expensive service. We will continue to work with health partners to support hospital discharge.

Health inequalities are avoidable, unfair and systematic differences in health between different groups of people. We will ensure that tackling health inequalities is a principle applied throughout all aspects of our business planning processes and service delivery.

The COVID-19 pandemic had a disproportionate impact on people who were previously experiencing significant health and structural inequalities. Their recovery will require a detailed understanding of their concerns, a commitment and collaboration between agencies and genuine efforts to co-produce solutions. The three-year 'Living Well with COVID' programme started in May 2022 covers a range of statutory functions and good practice public health interventions. Taking a community leadership approach framed within a disaster recovery context the programme will seek to support three target communities: Young Adults living in deprived areas, Black and Ethnic Minority groups, and our Workforce. We will publish a county wide three-year Creative Health & Wellbeing Strategic Plan by May 2023 to help people's recovery.

We provide online access to information, for children and young people with Special Educational Needs and Disabilities (SEND) and their families, about services and expertise available in the area from a range of local organisations, including providers of education, health and social care. We will use feedback from service users to improve the accessibility of this information and address any gaps.

We are committed to ongoing co-production and participation activities to ensure the voice of children and young people and their families is central to the development of services and decision making.

The service helps improve the lives and outcomes of children and young people with SEND, helping them to achieve their ambitions and become successful adults. We will carry out statutory assessments of children with SEN where there are significant barriers to learning and we will aim to secure the right education provision for those with the greatest need.

3.2 Maintaining independence

Delivery outcome: The most vulnerable get the support they need to maintain their independence and this is provided at or as close to home as possible

It is often best if people in need of care and support receive this at home, if possible, with the help of friends and family. We work to ensure that people's homes are safe, providing access to care services, and personal budgets so that people can choose the care and support they need.

We will continue to encourage local adult social care providers to register with the Support With Confidence scheme, helping adults in need of support to find vetted and approved providers of services that meet their needs.

Five Mental Health Support Teams will continue to operate across the county, and we will work to embed them into 68 targeted schools. Their remit is to deliver high quality interventions to support children and young people who are referred to the service. We will use the learning from these schools to champion the Whole School Approach to mental health and emotional wellbeing, and work with partners to develop a cohesive offer of Whole School Approach support for all schools and colleges. Throughout the academic year, the Mental Health Support Teams service will extend the offer to children with Special Educational Needs and Disabilities in both mainstream and special schools and develop a cohesive programme of support for parents and carers in supporting their children with emotional wellbeing.

3.3 Local mutual support systems

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

People, families and communities across East Sussex have huge potential to thrive and to support each other. There is a substantial infrastructure of public, voluntary and community sector work across the county that can seek to help local people achieve their ambitions.

We work with partners and communities across the county to help local communities thrive and tackle some of the most difficult issues that impact on people's happiness and wellbeing, such as loneliness.

We are working with partners across health, social care, the voluntary and community sector, and others to increase community and personal resilience in East Sussex. We aim to increase volunteering; improve and coordinate support to strengthen communities; and help individuals to improve their own health and well-being and take action to prevent disease and ill health.

As driver error contributes to over 90% of road collisions where people are killed or seriously injured (KSI), funding of £700K has been allocated which will enable a comprehensive behaviour change programme to be developed and implemented, alongside our ongoing programme of work to improve the road infrastructure. The programme has identified a number of target groups who are at the greatest risk of having a road traffic collision resulting in a KSI casualty and potential projects working with these groups have been developed.

Community networks provide a range of prevention support, access to practical help and increase the availability of social opportunities to local communities. The Council will work in 2023/24 to ensure connections are made across all Council services, as well as with a joint leadership group made up of strategic partners, including the VCSE sector.

The County Council has developed a website and package of cost-of-living support which includes information, and advice on employment and skills, managing debt, maximising benefits and grants income, housing, homelessness, fuel poverty, warm spaces, mental health, food, clothing and transport costs. We have also established a multi-agency financial inclusion steering group with representation from a range of statutory services and the VCSE sector. Amongst its priorities is to maximise funding opportunities across the system, improve the take up of benefits and grants and provide access to the right information, advice and support at the right time.

3.4 Planned work

Examples of planned work 2023/24

- We will increase the number of members of the Support with Confidence scheme, which provides a register of people and organisations that have been vetted and approved by us, so users can be confident in their safety, training and quality
- Following the successful opening of new specialist facilities attached to mainstream schools across the county, we are looking to develop the facilities programme further over the next year and bring more capacity to local mainstream schools. Our SEN place planning strategy also identifies the need for an expansion of special school places in the north of the county
- Following an independent review of young people's emotional health and wellbeing services across Sussex, the East Sussex Children and Young People's Mental Health and Emotional Wellbeing (MHEW) Planning Group has been set up. The Group will drive and oversee improvements in MHEW services in East Sussex as part of implementing the new Sussex wide strategy 'Foundations for our Future'

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

Priority Overview

This priority underpins all our activities and is a key measure of success for all our priority outcomes. It applies to all the resources available for East Sussex, not only within the Council, but across the public sector, voluntary and community sector and private partners, and within local communities. We will work as a single unified organisation to deliver our priorities; ensuring high quality, streamlined services are commissioned and developed in partnership; working to reduce demand for services and focusing on our residents and communities. We will ensure that the decisions we take are sustainable both now and for the future, ensuring they provide best value for money and support our ambitions to become carbon neutral.

4.1 Carbon Neutral

Delivery outcome: To help tackle Climate Change East Sussex County Council activities are carbon neutral as soon as possible and in any event by 2050

We will build on our earlier work to ensure Council activities are carbon neutral as soon as possible and in any event by 2050. We will implement our second Climate Emergency Plan which covers the period April 2022 to March 2025. This includes a focus on reducing the carbon emissions from our buildings, as well as committing capital investment on heat decarbonisation in our schools and non-school buildings. The Council has committed an additional £9.9m of funding up to March 2025 to cut corporate carbon emissions.

During 2022/23 our LED lighting programme will roll out a further 10 sites and we will also install solar PV (photovoltaic) panels on 10 Council properties. We will complete the heat decarbonisation of two sites and will bid for external funding to decarbonise a further seven sites up to March 2025.

We will continue work to reduce carbon emissions from our supply chain. In line with our Environmentally Sustainable Procurement Policy we will seek to minimise negative, as well as promote positive, environmental impacts, where possible, within the Council's supply chain, from commissioning and procurement through to contract management.

4.2 One Council

Delivery outcome: We work as one Council

We will ensure that we work in a unified way so that resources are focused on delivering our priority outcomes. This means minimising the cost of back-office services and directing resources to frontline services. We will focus on delivering services close to local people in the most cost-effective way possible. We will also continue to work to exploit technology effectively as an enabler for providing efficient services.

The impact of the pandemic has created a large-scale shift to how organisations operate and has provided an unprecedented opportunity to accelerate our planned changes to how we work in the future. We will continue to invest in enabling technology and evolve our working practices to ensure we have modern, flexible workspaces and work styles that enable hybrid ways of working, building on the success of existing flexible working options. We will review our office estate as part of this work, ensuring that it is the right size for our future needs. New working

practices will drive efficiency, as well as significantly reducing carbon emissions through a reduced requirement for staff travel.

We continue to identify new opportunities to harness the power of technology to support new ways of working, connect with partners and support the delivery of resident and community outcomes through our Strategic Digital Framework. We will put people at the centre of our approach to implementing new technologies, whilst ensuring that these support our commitment to achieving best value for money.

The Managing Back Office Systems programme will continue the work to implement a new Oracle Fusion system to replace the Council's core finance and Human Resources systems. The improvements delivered by the new system will help support our new working practices.

4.3 Working in partnership

Delivery outcome: We work in strong and sustained partnership with the public, voluntary community, social enterprise and private sectors to ensure that our collective resources and influence are used to deliver maximum benefits

We will work in partnership across the public, voluntary and community, and private sectors to ensure that all appropriate available resources are used to deliver maximum benefits to local people. We will be proactive in making the best use of our assets, sharing property, staff, technology and data with partners so we work as efficiently as possible, removing duplication and increasing flexibility. We will join with partners to seek opportunities to achieve better value through our procurement.

Collaboration continues to be important as we continue to support our residents and businesses in recovering from the effects of the Covid-19 pandemic and challenges around the cost of living.

Orbis, our partnership with Surrey County Council and Brighton and Hove City Council for some of our back-office services, has allowed us to provide efficient and resilient services while achieving savings which are being used to sustain services for residents of all three areas.

The Strategic Property Asset Collaboration in East Sussex was formed by a number of public and third sector organisations coming together in partnership, to look for opportunities to co-locate and collaborate around property, to ensure cost effectiveness and to improve the customer journey by creating more effective environments to deliver services from.

The Council continues its partnership with West Sussex County Council (WSCC).

4.4 Value for money

Delivery outcome: Ensuring we achieve value for money in the services we commission and provide

Across all our resources, services, and partnerships we will seek to achieve the maximum positive impact to deliver our priority outcomes for people in East Sussex.

We will ensure the best value for money from our spend with third parties. We are actively working to strengthen our planning processes to enable better strategic decision making in this area and maximise value for money.

We are continuing to review our properties (excluding schools) to assess the needs of the organisation and ensure these are being used in the most efficient way. This includes reviewing the potential for income generation from our properties.

Work continues to ensure our office spaces are suitable for hybrid working. It is anticipated that this will lead to a smaller footprint for dedicated office space and we will, over time, be able to reduce the cost of occupancy in our corporate buildings. This reduction in office space will also support the Council's commitment to reduce carbon emissions.

4.5 Maximising funding

Delivery outcome: Maximising the funding available through bidding for funding and lobbying for the best deal for East Sussex

We will continue to take all opportunities to raise the distinct funding needs of the Council with Government, to address the long-term fair funding needs of our services. We will work with partners to press for the best outcomes for the county, lobbying with our local MPs and with our local, regional and national partners including the South East 7, County Councils Network (CCN), Society of County Treasurers and Local Government Association (LGA).

However, the current and forecast economic conditions present a very challenging financial outlook for the Council in the coming years and it may impact on our ability to deliver some services in the future.

4.6 Employer of choice

Delivery outcome: We are an employer of choice and support our staff to achieve and develop

We are committed to the development of our workforce and continue to embed our People Strategy into our culture. The People Strategy helps support our managers and staff to respond to the changing and challenging environment in which the Council is operating, for example, recruitment and retention challenges, future savings requirements and implementation of hybrid working arrangements. The Strategy is built around the four pillars of: i) Leadership and Management, ii) Performance, Development and Reward, iii) Employee Engagement and Inclusion and iv) Employee Health and Wellbeing.

We will continue to build on recent work on identifying the Council as an 'employer of choice' with work being undertaken on a new employer brand and updated recruitment materials, as well as ensuring our workforce policies and approaches support individuals to remain in work, such as our financial wellbeing services, wellbeing offer, occupational health and absence management services.

We continue to support the development of our managers to ensure they are best equipped to meet the continuing challenges we face as an organisation. This is informed by our Leadership and Management Capability Framework which sets out the management and leadership expectations in support of the Council's priority outcomes and operating principles.

4.6 Planned work

Examples of planned work 2023/24

- We will reduce the amount of CO_2e produced from Council operations

- We will maintain or reduce the number of working days lost to sickness absence
- We will refresh the Staff Travel Plan, particularly in response to evolving hybrid working practices
- We will review our use of assets to ensure effective utilisation of our property and land, with consideration of cost and carbon implications

Equality objectives

The Council recognises the diverse needs of our communities and is committed to promoting equality of opportunity and diversity in employment and service delivery. We challenge discrimination and encourage respect, understanding and dignity for everyone living, working and visiting East Sussex. We do this through our influence in the community, strategic planning and policy formation in employment and service delivery. The Council has identified two equality objectives that will be our focus for 2023/24:

- We will lead by example, delivering services that are informed by the views, strengths and needs of our communities and providing an inclusive and supportive working environment for our staff. To help achieve this we will take practical actions on equality, diversity and inclusion as set out in the Corporate Equality Diversity and Inclusion Action Plan.
- As part of the Workplace Adjustments Review, we will:
    - Engage with disabled staff to identify agreed areas for improvement.
    - Use a range of engagement mechanisms to raise manager and staff awareness of workplace adjustments and the process for requesting and implementing them.
    - Set up practical, useful and sustainable approaches across the council to improve consistency for disabled staff and monitor implementation.

Revenue budget: gross and net

The charts below show how we will spend your revenue budget money in 2023/24, and where the money will come from (gross and net). More information on our revenue budget can be found in our financial budget summary which explains the difference between the gross and net budgets.

How we will spend your money (gross)

Chart to be added

How we will spend your money (net)

Chart to be added

*Centrally Held Budgets include Treasury Management and contributions to the Capital Programme

Where the money comes from (gross)

Chart to be added

Where the money comes from (net)

Chart to be added

Revenue Spending

Chart to be added

Adult Social Care

Chart to be added

Public Health

Chart to be added

Business Services

Chart to be added

Children's Services

Chart to be added

Communities, Economy & Transport

Chart to be added

Governance Services

Chart to be added

Revenue Data

Table to be added

Capital programme

Capital programme: projects in the year ahead 2023/24

The planned capital programme supports the Council's Capital Strategy to 2042/43. It comprises targeted basic need investment that supports services in the delivery of priority outcomes and is supported by a planned programme to 2031/32. It includes providing for essential school places, investments in roads and transport infrastructure, support for climate change initiatives, enhancing the life of existing assets and ensuring they are fit for purpose, as well as support for strategic investment. Details of the full current capital programme are in our financial budget summary. Below are examples of key projects that will be underway in 2023/24 at a cost of £(to be added)m.

Chart to be added

Economic Growth & Strategic Infrastructure

- Examples of work to be added

Community & Social Care Facilities

- Examples of work to be added

Highways & Structural Maintenance

- Examples of work to be added

Integrated Transport Schemes

- Examples of work to be added

Schools

- Examples of work to be added

Building Maintenance & Efficiency

- Examples of work to be added

Capital Resourcing 2023/24 to 2026/27

Because capital projects may take several years to deliver, we need to know how we will fund the full £(to be added) million programme. Details of where this money will come from are given below.

Chart to be added

Promoting equality of opportunity

Equality impact assessment summary report for Council Plan 2023/24

Date of assessment: 23/12/2022

Summary of findings: There are no disproportionate negative impacts on people sharing any specific characteristics. The Council Plan as a whole is designed to support our objectives to promote equality and to address known inequalities. Many services or programmes will have benefits for all people in the county, across all legally protected characteristics. The Council's approach is to integrate consideration of equality impacts into planning, implementation and monitoring of all activities, so specific needs, assets, barriers and opportunities are assessed individually to maximise positive impacts and avoid or minimise negative impacts.

Summary of recommendations and key points of action plan: Our Council Plan priorities and delivery outcomes are designed to help address identified inequalities in outcomes for different groups in our local community and incorporate our equality objectives. We will take additional actions to mitigate against the potential issues we have identified.

Potential issues	**Mitigating actions**
Identification of potential disproportionate impacts or issues relating to people sharing specific characteristics that have not been identified at this stage.	The planned work set out in the Council Plan will be taken forward through specific programmes of activity within individual directorates. Robust equality analysis will be undertaken on each planned activity, to ensure that these are designed and implemented in a way that maximises opportunities to promote equality, whilst minimising any adverse impacts.
Our resources do not reflect the demand for services, which may mean we will have to adjust our services to match the funds we have.	Priorities will continue to be defined based on local evidence of need and what works and makes a difference locally. We will continue to be democratic, open and honest in determining the best level and quality of services we can provide, within available resources, and in communicating priorities.
The population of East Sussex is changing, and people's needs and assets change.	We will work closely with partners, including the Voluntary, Community and Social Enterprise sector, to make the most of opportunities, resources and links with diverse communities available locally. We recognise that VCSE organisations are often the first to recognise and respond to the needs of diverse communities and that they provide safe, accessible, and inclusive spaces for individuals, groups and the wider community, that support inclusion and belonging.

COVID19 and the lockdowns and social restrictions have impacted some people and communities sharing protected characteristics worse.	We continue to work to understand the ongoing ways in impacts of the pandemic on people sharing specific characteristics and to address the inequalities that have been revealed and/or worsened. Work across the Council and with statutory and VCSE partners is co-ordinating support and identifying ways to maximise access for vulnerable residents to the advice and support available. Portfolio Plans and service plans identify tailored responses to identified needs.

We will also continue to monitor our impact on outcomes for the people of East Sussex, including differences between outcomes for people sharing different protected characteristics. We will use this information to inform future business planning activities as part of our annual State of the County exercise. We will report quarterly on progress against the activities in the Council Plan, including any issues, as part of our Council Monitoring reports. We will also report on our progress in delivering the actions in this Council Plan that will advance equality as part of our Annual report, which will be published in Autumn 2023.

More information on equality and diversity can be found on our equality and diversity web page.

Performance measures and targets

Targets – Driving sustainable economic growth

Performance measure	2022/23 Outturn (Target)	2023/24 Target	2024/25 Target	2025/26 Target	2023 – 2026 Outcome Summary
Deliver East Sussex Skills priorities for 2021-2026	(Develop 6 action plans to address the 6 Skills East Sussex priorities)	a) Adult Learning Network established b) Deliver six interventions that meet the Skills East Sussex priorities c) Deliver six embedded numeracy interventions	To be set 2023/24	To be set 2024/25	Training providers are developing a curriculum which is informed by sector skills evidence and our local businesses are actively engaged in supporting training provision in the county, supporting sustainable economic development
East Sussex Careers Hub	(East Sussex Careers Hub to support schools to achieve an average of 5 national benchmarks. Recruit a further 15 employers as Industry Champions to support all 40 schools and colleges in the county to make progress in giving young people encounters with employers and experiences of the workplace)	East Sussex Careers Hub to support schools to achieve an average of 5 national benchmarks. 195 Industry Champions support schools and colleges in the county	To be set 2023/24	To be set 2024/25	Our young people and adults are helped to become aware of careers opportunities available to them, supporting sustainable economic development
Deliver new economic strategy	New measure 2023/24	Draft economic strategy developed	To be set 2023/24	To be set 2024/25	Support the creation of the conditions needed to sustainably grow the East Sussex economy

Performance measure	2022/23 Outturn (Target)	2023/24 Target	2024/25 Target	2025/26 Target	2023 – 2026 Outcome Summary
Create a pan-Sussex visitor economy group to re-start the leisure, hospitality, culture, retail and tourism economy and enhance existing marketing vehicles	(Establish Sussex Tourism Leadership Group)	Develop a shared Sussex Story and assets to promote the region. Develop a shared Sussex Meetings, Inceptive, Conferences and Events (MICE) initiative	To be set 2023/24	To be set 2024/25	Grow the visitor economy by raising the visibility of Sussex, enhancing perceptions, increasing the number of visitors to the coast, increasing length of stay and spend
Create a prioritised list of cultural projects ready for and seeking funding over the value of £100k	(Launch the list of cultural projects ready for and seeking funding over the value of £100k)	Maintain a list of cultural projects reading for and seeking funding over the value of £100k	To be set 2023/24	To be set 2024/25	Create the conditions to ensure that East Sussex benefits from one of the fastest growing sectors of the economy, growing the creative economy by fostering creative start ups, upscaling creative businesses and attracting businesses into East Sussex
Job creation from East Sussex Invest	New measure 2023/24	27 jobs created	To be set 2023/24	To be set 2024/25	Grow the East Sussex economy and create more jobs by supporting the growth of businesses through capital investment
Percentage of Principal roads requiring maintenance	(4%)	4%	4%	4%	Achieve and maintain a good standard of road condition across all road types
Percentage of Non-Principal roads requiring maintenance	(4%)	4%	4%	4%	Achieve and maintain a good standard of road condition across all road types

Performance measure	2022/23 Outturn (Target)	2023/24 Target	2024/25 Target	2025/26 Target	2023 – 2026 Outcome Summary
Percentage of Unclassified roads requiring maintenance	(14%)	14%	14%	14%	Achieve and maintain a good standard of road condition across all road types
Deliver a range of Family Learning programmes across East Sussex to provide high quality learning opportunities for parents/carers and their children to develop English, maths and language skills and to support a culture of learning in the family (subject to external funding)	(500 enrolments across Family English, maths and Language (FEML) and Wider Family Learning (WFL) programmes)	500 enrolments across Family English, maths and Language (FEML) and Wider Family Learning (WFL) programmes	To be set 2023/24	To be set 2024/25	Families, particularly those from areas of deprivation, have intergenerational learning opportunities and develop positive attitudes to learning
In partnership with funding organisations provide online learning (including skills for life and ICT courses) in libraries (subject to contract)	(70 achievements)	70 achievements	To be set 2023/24	To be set 2024/25	People have access to free qualifications that support them into, or back into, work and education
The number of businesses and professionals receiving advice and support through training and bespoke advice provided by Trading Standards	(350)	350	To be set 2023/24	To be set 2024/25	Businesses in East Sussex are equipped to thrive, comply with the law, and are supported to “get it right first time”

Performance measure	2022/23 Outturn (Target)	2023/24 Target	2024/25 Target	2025/26 Target	2023 – 2026 Outcome Summary
The Council's Apprenticeship Levy strategy supports the Council's workforce development and training plans	(Where appropriate Standards exist, to ensure apprenticeship training is available and taken up (subject to the needs of the business), which addresses skills shortages in the Council)	Where appropriate Standards exist, to ensure apprenticeship training is available and taken up (subject to the needs of the business), which addresses skills shortages in the Council	Where appropriate Standards exist, to ensure apprenticeship training is available and taken up (subject to the needs of the business), which addresses skills shortages in the Council	Where appropriate Standards exist, to ensure apprenticeship training is available and taken up (subject to the needs of the business), which addresses skills shortages in the Council	Apprenticeships in the Council provide a positive opportunity for staff to develop and grow, enhancing the Council's workforce and career opportunities
The percentage of Council procurement spend with local suppliers	(60%)	60%	60%	60%	Support local businesses and help drive economic growth and employment in the county through our purchasing power
Economic, social and environmental value committed through contracts, as a percentage of our spend with suppliers	(≥10.0%)	≥10.0%	≥10.0%	≥10.0%	The Social Value Measurement Charter is used to provide robust measures in eligible contracts that commit suppliers to deliver the Council's social value objectives
The percentage of eligible 2 year olds who take up a place with an eligible early years provider	(Equal to or above the national average)	Equal to or above the national average	Equal to or above the national average	Equal to or above the national average	All children engage, attain and progress well from early years into education, training and employment

Performance measure	2022/23 Outturn (Target)	2023/24 Target	2024/25 Target	2025/26 Target	2023 – 2026 Outcome Summary
The percentage of pupils achieving a “good level of development” at the Early Years Foundation Stage	(Ac Year 2021/22 Equal to or above the national average)	Ac Year 2022/23 Equal to or above the national average	Ac Year 2023/24 Equal to or above the national average	Ac Year 2024/25 Equal to or above the national average	All children engage, attain and progress well from early years into education, training and employment
Average Attainment 8 score for state funded schools	New measure 2023/24	Ac Year 22/23 To be set after national data is released for academic year 21/22	Ac Year 22/23 To be set 2023/24	Ac Year 23/24 To be set 2024/25	All children engage, attain and progress well from early years into education, training and employment
The percentage of disadvantaged pupils achieving at least the expected standard in each of reading, writing and maths at Key Stage 2	(Ac Year 2021/22 ≥45.8% (ESCC outturn for academic year 18/19))	Ac Year 2022/23 To be set after national data is released for academic year 21/22	Ac Year 2023/24 To be set 2023/24	Ac Year 2024/25 To be set 2024/25	The gap for disadvantaged pupils at all Key Stages is kept as small as possible so that all children attain and progress well from early years into education, training and employment
The average Attainment 8 score for disadvantaged pupils	(Ac Year 2021/22 ≥33.6 (ESCC outturn for academic year 18/19))	Ac Year 2022/23 To be set after national data is released for academic year 21/22	Ac Year 2023/24 To be set 2023/24	Ac Year 2024/25 To be set 2024/25	The gap for disadvantaged pupils at all Key Stages is kept as small as possible so that all children attain and progress well from early years into education, training and employment
The percentage of young people who are in Not in Education, Employment or Training (NEET) at academic age 16	New measure 2023/24	Below 4%	Below 4%	Below 4%	Young people participate in education, training or employment with training until they are at least 18 improving their long-term employment and health prospects

Performance measure	2022/23 Outturn (Target)	2023/24 Target	2024/25 Target	2025/26 Target	2023 – 2026 Outcome Summary
The percentage of young people who are in Not in Education, Employment or Training (NEET) at academic age 17	New measure 2023/24	Below 6%	Below 6%	Below 6%	Young people participate in education, training or employment with training until they are at least 18 improving their long-term employment and health prospects
Average Attainment 8 score for Looked After Children (LAC)	(Ac Year 2021/22 No more than 0.5 points below the national average for looked after children)	Ac Year 2022/23 To be set after national data is released for academic year 21/22	Ac Year 2023/24 To be set 2023/24	Ac Year 2024/25 To be set 2024/25	Looked after Children participate in education, training or employment with training until they are at least 18 improving their long-term employment and health prospects
The percentage of LAC participating in education, training or employment at academic age 16 (Year 12)	(80%)	80%	80%	80%	Looked after Children participate in education, training and employment with training until they are at least 18 improving their long-term employment and health prospects
The percentage of LAC participating in education, training or employment at academic age 17 (Year 13)	(70%)	70%	70%	70%	Looked after Children participate in education, training and employment with training until they are at least 18 improving their long-term employment and health prospects

Targets – Keeping vulnerable people safe

Performance measure	2022/23 Outturn (Target)	2023/24 Target	2024/25 Target	2025/26 Target	2023 – 2026 Outcome Summary
Percentage of Health and Social Care Connect referrals triaged and progressed to required services within 24 hours	(95%)	95%	95%	95%	Services are provided in a timely manner
Health and Social Care Connect – % of contacts that are appropriate and effective (i.e. lead to the provision of necessary additional services)	(95%)	95%	95%	95%	Contacts from health professionals are appropriate and effective
The % of people affected by domestic violence and abuse who have improved safety/support measures in place upon leaving the service	(80%)	80%	80%	80%	Vulnerable people who have been affected by domestic violence are enabled to feel more in control of their life, and better able to make decisions to increase their safety
When they leave the service the % of those affected by rape, sexual violence and abuse who have improved coping strategies	(88%)	88%	88%	88%	Vulnerable people who have been affected by rape, sexual violence and abuse, are protected and provided with skills which enable them to be more in control of their lives and more optimistic about the future
The percentage of people who access additional support from our specialist commissioned domestic abuse service who are older	New measure 2023/24	8%	8%	8%	Improved accessibility of service and support to older people who have been affected by domestic abuse, who are currently underrepresented within the service

Performance measure	2022/23 Outturn (Target)	2023/24 Target	2024/25 Target	2025/26 Target	2023 – 2026 Outcome Summary
Number of drug and alcohol related deaths in the county	New measure 2023/24	<2022/23 total	<2023/24 total	<2024/25 total	The number of drug and alcohol related deaths is reduced
The number of people accessing treatment for opiate misuse	New measure 2023/24	1,247	1,321	To be set	The number of people accessing treatment is increased
Rate of children with a Child Protection Plan (per 10,000 children)	(50.3 536 children)	To be set April 2023	To be set April 2023	To be set April 2023	Children at risk from significant harm are kept safe
Rate (of 0-17 population) of referrals to children's social care services (per 10,000 children)	(489)	To be set April 2023 in line with IDACI	To be set April 2023 in line with IDACI	To be set April 2023 in line with IDACI	Children at risk from significant harm are kept safe
Rate (of 0-17 population) of assessments completed by children's social care services (per 10,000 children)	(517)	To be set April 2023 in line with IDACI	To be set April 2023 in line with IDACI	To be set April 2023 in line with IDACI	Children at risk from significant harm are kept safe
Rate of Looked After Children (per 10,000 children)	(59.8 637 children)	To be set April 2023	To be set April 2023	To be set April 2023	Children at risk from significant harm are kept safe
The number of positive interventions for vulnerable people who have been or may be the target of rogue trading or financial abuse	(200)	200	To be set 2023/24	To be set 2024/25	Residents of East Sussex are safe in their own home and protected from criminals. Residents are empowered to feel safe and supported to say "no" to criminals and deter and disrupt criminal activity

Targets – Helping people help themselves

Performance measure	2022/23 Outturn (Target)	2023/24 Target	2024/25 Target	2025/26 Target	2023 – 2026 Outcome Summary
Road Safety: Deliver targeted cycle training activities to vulnerable road users	(Deliver Bikeability training to 4,000 individuals and complete 80 Wheels for All sessions)	Deliver Bikeability Training to 4,000 individuals and 100 Wheels for All sessions	To be set 2023/24	To be set 2024/25	The confidence and skills of cyclists is improved by delivering cycle training to cyclists through targeted Bikeability training sessions delivered at Schools and training centres across the county
Road Safety: Implement infrastructure schemes on identified high risk sites/routes to improve road safety	(Implement 22 Safety Schemes)	Implement 24 safety schemes	To be set 2023/24	To be set 2024/25	The number of crashes and casualties at identified high risk sites/routes sites is reduced through the implementation of infrastructure improvement schemes to improve outcomes for residents, businesses and visitors to East Sussex
National outcome measure: Proportion of working age adults and older people receiving self-directed support	(100%)	100%	100%	100%	Adults are able to take control of the support they receive
National outcome measure: Proportion of working age adults and older people receiving direct payments	(≥31.5%)	≥31.5%	≥31.5%	≥31.5%	Adults who require support are able to live as independently as possible
Number of carers supported through short-term crisis intervention	(390)	390	390	390	Carers are supported when they most need it enabling them to carry on in their caring role

Performance measure	2022/23 Outturn (Target)	2023/24 Target	2024/25 Target	2025/26 Target	2023 – 2026 Outcome Summary
Number of people receiving support through housing related floating support	(5,000)	5,000	5,000	5,000	Adults can maintain their independence
Percentage of respondents who strongly agree or agree that the professionals who are involved in organising and providing their care communicate well with each other and share information to make sure their support is the best it can be (Listening To You)	(≥56%)	To be set April 2023 when baseline year outturn for 2022/23 is known	To be set 2023/24	To be set 2024/25	Through joint and partnership working as part of the East Sussex Health and Care Partnership and Sussex Integrated Care System all available resources are used to deliver maximum benefits to local people and achieve value for money
Number of providers registered with Support With Confidence	(360 (10% increase on 2021/22 outturn))	10% increase on 2022/23 outturn	10% increase on 2023/24 outturn	10% increase on 2024/25 outturn	The options for people who need support are increased ensuring vulnerable people are given effective reliable support to help maintain their independence
The proportion of people who received short-term services during the year, where no further request was made for ongoing support	(>90.5%)	>90.5%	>90.5%	>90.5%	Effective early intervention is provided to ensure people are given the support they need as quickly as possible, also reducing the need for more expensive intensive interventions at a later date ensuring the most effective use of resources

Performance measure	2022/23 Outturn (Target)	2023/24 Target	2024/25 Target	2025/26 Target	2023 – 2026 Outcome Summary
National outcome measure: Achieve independence for older people through rehabilitation / intermediate care	(>90%)	>90%	>90%	>90%	Effective early intervention is provided to ensure people are given the support they need as quickly as possible; also reducing the need for more expensive intensive interventions at a later date ensuring the most effective use of resources
Through the Drug and Alcohol Funding streams, commission services that sustain the development of the recovery community in East Sussex	(Commission services)	Commission services	Commission services	Commission services	The rates of people entering recovery from drug and alcohol misuse are maximised and the stigma associated with misuse is reduced
Proportion of all new EHC Plans issued within 20 weeks (a) Including Exception Cases (b) Excluding Exception Cases	New measure 2023/24	(a) 65% (b) 70%	(a) 65% (b) 70%	(a) 65% (b) 70%	All children and young people with SEND with an agreed need for an EHCP receive their plan in a timely way to ensure that they receive appropriate support to achieve their full potential
The proportion of respondents to the feedback surveys who agree that things have changed for the better as a result of getting targeted support from the 0 – 19 Early Help Service	(80%)	80%	80%	80%	The services provided are making a difference to the lives of service users

Performance measure	2022/23 Outturn (Target)	2023/24 Target	2024/25 Target	2025/26 Target	2023 – 2026 Outcome Summary
Number of new service user interventions started through One You East Sussex as part of the Integrated Lifestyle Service	(5,000)	Recommission Service	To be set 2023/24	To be set 2024/25	People (particularly those with multiple lifestyle risk factors such as smoking, excessive alcohol consumption, poor diet and low physical activity) are supported to make changes to improve health outcomes and reduce their risk of developing conditions such as diabetes, cancer and heart disease
Improved targeting of NHS Heath Checks	(35% uptake rate by eligible patients from IMD1 (baseline 38.4%))	50% uptake rate by eligible patients from IMD1	Increase proportion of eligible people referred into lifestyles services as a result of NHS health check	To be set 2024/25	People understand their future risk of developing vascular disease and make changes to their lifestyle, or receive additional clinical advice and support to reduce their risk

Targets – Making best use of resources

Performance measure	2022/23 Outturn (Target)	2023/24 Target	2024/25 Target	2025/26 Target	2023 – 2026 Outcome Summary
Number of working days lost per FTE (Full Time Equivalent) employee due to sickness absence in non-school services	(9.10)	9.10	To be set following an assessment of the 22/23 and 23/24 target achievement	To be set following an assessment of the 23/24 and 24/25 target achievement	The use of resources is maximised and staff and customer wellbeing improved
Deliver the Property Asset Investment Strategy	(Outline Business cases brought forward against at least 2 priority projects)	Outline Business cases brought forward against at least 2 priority projects	Outline Business cases brought forward against at least 2 priority projects	To be set 2024/25	Income generation from property and capital receipts are optimised and our strategy helps promote economic growth across the county
Review use of corporate buildings	(Implement workstyles adaptations in 3 office hubs and review the impact)	Develop revised office strategy based on 2022/23 review	Implement reduction of office footprint identified in 2023/24	To be set 2024/25	Our corporate buildings better utilise space and enable new ways of working, leading to reduced cost of occupancy in our core corporate buildings
Reduce the amount of CO2 arising from County Council operations	(34% reduction on baseline year (2019/20) emissions (emissions not to exceed 8,206 tonnes CO2e))	43% reduction on baseline year (2019/20) emissions (emissions not to exceed 7,139 tonnes CO2e)	50% reduction on baseline year (2019/20) emissions (emissions not to exceed 6,211 tonnes CO2e)	To be set 2024/25	A reduction in the amount of CO2 arising from Council operations is recorded on an annual basis, thus reducing the cost of energy to the Council and shrinking the carbon footprint in line with our carbon budget
Progress on implementation of Carbon reduction schemes	(10 low energy lighting schemes, 10 solar PV schemes and 2 decarbonisation of heat schemes implemented)	10 low energy lighting schemes, 10 solar PV schemes and 6 decarbonisation of heat schemes implemented	To be set 2023/24	To be set 2024/25	The Council's carbon footprint is reduced and our operations support a more sustainable approach going forward

Performance measure	2022/23 Outturn (Target)	2023/24 Target	2024/25 Target	2025/26 Target	2023 – 2026 Outcome Summary
Delivery of Corporate Equality Diversity and Inclusion Action Plan actions planned for the year	New measure 2023/24	Deliver the key actions within the action plan	To be set 2023/24	To be set 2024/25	We lead by example, delivering services that are informed by the views, strengths and needs of our communities and providing an inclusive and supportive working environment for our staff
Achievement of key for the Workplace Adjustments Review	New measure 2023/24	Completion of appropriate milestones that support the objectives of the Workplace Adjustments Review	To be set 2023/24	To be set 2024/25	Appropriate workplace adjustments are in place for all staff who require them.

State of the County data

We review a wide range of data to help us understand the context for our plans and the impact we are having through our work and in partnership. We publish this data each year in State of the County – Focus on East Sussex, when we start the planning process that leads to this Council Plan. A selection of this data is listed below. Unless otherwise stated the data refers to 2021/22. Where possible official national statistics are used for comparison with the England average.

Driving sustainable economic growth

2021/22

Measure	East Sussex	England
Percentage of working age residents (16-64) with a level 4 qualification or above (includes degrees, Higher National Certificate, Higher National Diploma and others)	35.3% (Calendar Year 2021)	43.2% (Calendar Year 2021)
Percentage of working age residents (16-64) with no qualifications or qualified only to National Vocational Qualification 1	20.0% (Calendar Year 2021)	16.0% (Calendar Year 2021)
Annual gross full-time earnings, median average (residence based)	£31,145	£33,208
Percentage of working age population (16-64) in employment	77.1%	75.4%
People claiming unemployment benefits (JSA and Universal Credit) percentage of population 16-64 year olds at March	4.1%	4.2%
New business registration rate per 10,000 people over 16	51.4	71.0
New houses built, total completed / total affordable	1,549 / 290	-
Average Attainment 8 score per pupil state funded secondary schools	46.5	48.7
Average Progress 8 score for state funded secondary schools	-0.06 2018/19	-0.03 2018/19

2021/22

Measure	East Sussex	England
Percentage of pupils who achieved a 9-5 pass in English and maths GCSEs	46.1%	49.6%
Average point score (APS) per entry for level A levels (age 16-18)	36.19	37.77
Attainment of A level students (age 16-18) average point score (APS) per entry, best 3	34.81	39.01
Attainment of A level students (age 16-18) % achieving grades AAB or better at A level, of which at least two are in facilitating subjects	12.30%	23.00%

Keeping vulnerable people safe

2021/22

Measure	East Sussex	England
Rate per 10,000 (aged 0 –17 population) of Looked After Children	61	70
Rate per 10,000 (aged 0-17 population) of children with a Child Protection Plan	50.3	42.1
Number of children who ceased to be looked after adopted during the year ending 31 March	19	-
Percentage of people (65 and over) who were still at home 91 days after discharge from hospital	89.7%	81.8%
Suicide rate per 100,000 of population three-year average	12.1 (2019-21)	10.4 (2019-21)
Hospital admissions caused by unintentional and deliberate injuries in children aged 0-14 years, rate per 10,000 resident population	99.8 (2020/21)	75.7 (2020/21)

Helping people help themselves

2021/22

Measure	East Sussex	England
Percentage of children aged 4-5 years with excess weight (overweight or obese), by postcode of child	19.8%	22.3%
Percentage of children aged 10-11 years with excess weight (overweight or obese) by postcode of child	32.8%	37.8%
Percentage of adults (aged 18+) classified as overweight or obese	64.9% (2020/21)	63.5% (2020/21)
Long-term support needs of younger adults (aged 18-64) met by admission to residential and nursing care homes, per 100,000 population per year	10.8	13.9
Long-term support needs of older adults (aged 65 and over) met by admission to residential and nursing care homes, per 100,000 population per year	494.2	538.5
Proportion of older people aged 65 and over who received reablement services following discharge from hospital	1.6%	2.8%
The outcome of short-term services: sequel to service: proportion of people who received short-term services during the year, where no further request was made for ongoing support or support of a lower level	93.7%	77.6%
Emergency hospital admissions due to falls in people aged 65 and over per 100,000	2,314 (2020/21)	2,023 (2020/21)
Number of people killed or seriously injured on the roads	339 (Calendar Year 2021)	-

East Sussex County Council

Short Equality Impact Analysis

Equality Impact Analysis (EqIA) (or Equality Impact Assessment) aims to make services and public policy better for all service-users and staff and supports value for money by getting council services right first time.

We use EqIAs to enable us to consider all relevant information from an Equality requirements perspective when procuring or restructuring a service, or introducing a new policy or strategy. This analysis of impacts is then reflected in the relevant action plan to get the best outcomes for the Council, its staff and service-users.

EqIAs are used to analyse and assess how the Council's work might impact differently on different groups of people[1]. EqIAs help the Council to make good decisions for its service-users, staff and residents and provide evidence that those decision conform with the Council's obligations under the Equality Act 2010.

Title of Project/Service/Policy	Council Plan 2023/24-2025/26
Team/Department	Performance, Research and Intelligence
Directorate	Governance Services
Description of your Project (Service/Policy, etc.) including its Purpose and Scope	The Council Plan sets out our organisational priorities for the next three years. These are based on what we need to do to help deliver our four overarching priority outcomes; Driving sustainable economic growth, Keeping vulnerable people safe, Helping people help themselves and Making best use of resources for now and the future. It outlines the focus of our work with communities, businesses and partners. Performance measures and targets are set for the next three years that help us assess our progress against our aims and priorities. The plan includes a summary of our revenue budget and capital programme for 2023/24. The Council Plan is at the centre of our business planning processes. The activities outlined in the Council Plan feed through into the Portfolio Plans for each directorate. These activities are delivered across multiple services and programmes, often in collaboration with partners. There are designated leads for activities who are responsible for overseeing delivery and performance.

	We will continue to monitor our impact on outcomes for the people of East Sussex, including differences between outcomes for people sharing different protected characteristics. We will use this information to inform future business planning activities as part of our annual State of the County exercise. We will report quarterly on progress against the activities in the Council Plan, including any issues, as part of our Council Monitoring reports. Collectively this evidence gathering, prioritising, implementing and monitoring is called Reconciling Policy, Performance and Resources (RPPR). All aspects of the RPPR process have consideration of equality, diversity and inclusion impacts embedded within them, to ensure that planned priorities are based on a good understanding of diversity and local needs, identify and respond to opportunities to remove barriers and maximise positive outcomes, and that outcomes for people sharing different characteristics are monitored. The planned work set out in the Council Plan is intended to have a positive impact on all our residents, communities, businesses and visitors to the County. The priority outcomes and the corresponding activities, and measures have been identified based on evidence of need, taking into account any legislation, legislative change or service review outcomes which are relevant to that service area, and available resources. One of the delivery outcomes within the Council Plan is to ensure that we deliver through strong and sustained partnership working across the public, voluntary community and private sectors to ensure that all available resources are used to deliver maximum benefits to local people. We consider as part of our business planning processes the collective impact of any proposed work.

East Sussex County Council

Assessment of overall impacts and any further recommendations	
For clarity all disproportionate impacts on specific groups are highlighted in the single section below. Overall impacts and notes: There are no disproportionate negative impacts on people sharing any specific characteristics. The Council Plan as a whole is designed to support our objectives to promote equality and to address known inequalities. Many services or programmes will have benefits for all people in the county, across all legally protected characteristics. The council's approach is to integrate consideration of equality impacts into planning, implementation and monitoring of all activities, so specific needs, assets, barriers and opportunities are assessed individually to maximise positive impacts and avoid or minimise negative impacts. In addition, there are several activities or programmes of work outlined in the Council Plan that specifically seek to improve outcomes for people sharing one or more of the legally protected characteristics, where evidence indicates greater need or inequality – see all of the Portfolio Plans for full details of actions across all departments: • We have set out initiatives aiming to improve the connectivity of rural communities, through better transport links. • We will continue to work with partners support vulnerable groups and young people with learning difficulties/disabilities to participate in education and training and to prepare for work. • We will work with partners to address health inequalities. • We recognise the significant impact that the pandemic has had on the mental health of many young people. We will continue to deliver mental health support in schools to help support our children and young people. • We will continue to ensure there is the right support available to children and young people with Special Educational Needs and Disabilities, including increasing capacity within our mainstream schools. • With our partners we will continue to work to ensure that vulnerable and older adults receive the right services, in the right place, at the right time through our work on health and social care integration. • We will continue to provide support for frail adults to help manage risks and maintain their independence at home.	
Potential issues	**Mitigating actions**

• Identification of potential disproportionate impacts or issues relating to people sharing specific characteristics that have not been identified at this stage.	• The planned work set out in the Council Plan will be taken forward through specific programmes of activity within individual directorates. Robust equality analysis will be undertaken on each planned activity, to ensure that these are designed and implemented in a way that maximises opportunities to promote equality, whilst minimising any adverse impacts.
• Our resources do not reflect the demand for services, which may mean we will have to adjust our services to match the funds we have.	• Priorities will continue to be defined based on local evidence of need and what works and makes a difference locally. We will continue to be democratic, open and honest in determining the best level and quality of services we can provide, within available resources, and in communicating priorities.
• The population of East Sussex is changing and people's needs and assets change.	• We will work closely with partners, including the Voluntary, Community and Social Enterprise (VCSE) sector, to make the most of opportunities, resources and links with diverse communities available locally. We recognise that VCSE organisations are often the first to recognise and respond to the needs of diverse communities and that they provide safe, accessible, and inclusive spaces for individuals, groups and the wider community, that support inclusion and belonging.
• COVID-19 continues to have greater ongoing impacts on some people and communities sharing protected characteristics.	• We continue to work to understand the ongoing impacts of the pandemic on people sharing specific characteristics and to address the inequalities that have been revealed and/or worsened.
• The effects of the national rise in the cost of living are being disproportionately felt by some people more than others, linked to their characteristics.	• Work across the council and with statutory and VCSE sector partners is co-ordinating support and identifying ways to maximise access for vulnerable residents to the advice and support available. Portfolio Plans and service plans identify tailored responses to identified needs.

Actions planned
Our Council Plan priorities and delivery outcomes are designed to help address identified inequalities in outcomes for different groups in our local community and incorporate our equality objectives. The planned work set out in the Council Plan will be taken forward through specific programmes of activity within individual directorates. Robust equality analysis will be undertaken on each planned activity, to ensure that these are designed and implemented in a way that maximises opportunities to promote equality, whilst minimising any adverse impacts. The impacts of activities carried forward from the previous plan will be kept under review, which will include considering whether existing mitigating actions remain sufficient, or if any further measures are required. We will continue to monitor our impact on outcomes for the people of East Sussex, including differences between outcomes for people sharing different protected characteristics. We will use this information to inform future business planning activities as part of our annual State of the County exercise. We will report quarterly on progress against the activities in the Council Plan, including any issues, as part of our Council Monitoring reports. We will also report on our progress in delivering the actions in this Council Plan that will advance equality as part of our Annual Report, which will be published in Winter 2023.

EqIA sign-off: (for the EqIA to be final an email must be sent from the relevant people agreeing it, or this section must be signed)

Staff member competing Equality Impact Analysis: Victoria Beard, Head of Performance, Research and Intelligence **Date:** 23/12/22

Directorate Management Team rep or Head of Service: as above **Date:**

Equality lead: Sarah Tighe-Ford **Date:** 23/12/22

Medium Term Financial Plan	**2022/23 Approved Budget £million**	***2023/24 Estimate £million***	***2024/25 Estimate £million***	***2025/26 Estimate £million***
TAXATION & GOVERNMENT FUNDING		*(453.231)*	*(501.446)*	*(522.028)*
Council Tax	(325.290)	*(12.063)*	*(9.239)*	*(12.831)*
Adult Social Care Precept	(7.840)	*(6.635)*	*(3.488)*	
Business Rates (Inclusive of BR Pooling in 2022/23)	(86.749)	*(8.341)*	*(4.890)*	*(0.122)*
Social Care Grant	(23.674)	*(14.883)*	*(5.509)*	*19.436*
ASC Market Sustainability and Improvement Grant		*(6.055)*	*(3.017)*	*9.072*
Services Grant	(5.175)	*2.259*	*2.916*	
Funding reform - net impact				*(2.056)*
Revenue Support Grant	(3.687)	*(0.389)*	*(0.279)*	*4.355*
Local Council Tax Support Grant 2021/22		*(2.114)*	*2.114*	
Local Tax Income Guarantee for 2020/21		*(0.459)*	*0.459*	
New Homes Bonus	(0.816)	*0.465*	*0.351*	
TOTAL TAXATION & GOVERNMENT FUNDING	**(453.231)**	***(501.446)***	***(522.028)***	***(504.174)***
SERVICE PLAN				
Service Expenditure	392.195	*396.461*	*457.488*	*472.888*
Inflation				
Contractual inflation (contract specific)	1.747	*5.140*	*3.847*	*0.023*
Normal inflation for contracts	13.664	*30.405*	*10.401*	*10.916*
Allocation of 2021/22 pay award to service departments		*2.428*		
Allocation of 2022/23 pay award to service departments		*8.544*		
Adult Social Care				
Improved Better Care Fund	(21.776)			
Better Care Fund - Discharge Funding		*(3.053)*	*(2.035)*	5.088
Better Care Fund - Discharge Funding New Burdens		*3.053*	*2.035*	(5.088)
Growth & Demography		*3.413*	*3.917*	
Future demand modelling net of attrition (Covid-related)		*1.133*	*(0.365)*	
Market Sustainability and Fair Cost of Care (MSFCC) Fund	(1.745)	*1.745*		
MSFCC Fund Pressures	1.745	*(1.745)*		
MFSCC - Support for New Burdens (from precept)	3.149	*(3.149)*		
Independent Living Fund rolled into Social Care Grant		*0.956*		
Voluntary Sector, Community Hubs, Shielded Group	(0.440)	*0.440*		
Children's Services				
Dedicated Schools Grant	0.422			
Growth & Demography (G&D)	4.091	*1.760*	*0.973*	*0.808*
Disabled Access Regulations for Buses/Coaches	0.098			
Looked After Children Placements Covid-related	1.393	*(0.872)*	*(0.347)*	*(1.758)*
Covid Grant Funding for Looked After Children Placements	(1.393)	*0.077*	*(0.442)*	*1.758*
Pressures approved via protocol	(0.124)	*(0.124)*	*0.124*	
Financial Sustainability ex. G&D and Covid LAC				
School Attendance (new duty)		*1.500*		
Home to School Transport (incl. approved pressures)	0.523	*4.427*		
Family Safeguarding (Appendix 10)		*0.316*	*(0.194)*	*(2.075)*
Net Operational Pressures incl. Careleavers and Locality		*2.285*	*(0.204)*	*0.475*

Medium Term Financial Plan	**2022/23 Approved Budget £million**	***2023/24 Estimate £million***	***2024/25 Estimate £million***	***2025/26 Estimate £million***
SEND High Needs Block Additional funding	(2.138)			
Social Worker Pay	1.493			
Communities, Environment & Transport				
Waste PFI Efficiencies	(0.100)	*(0.100)*		
Waste Housing Growth	0.150	*0.190*	*0.267*	*0.305*
Pressures approved via protocol	0.265	*0.815*	*(0.800)*	
Support to Economic Development	0.025	*(0.055)*		
Highways Contract Mobilisation		*2.313*	*(2.313)*	
Highways Contract Mobilisation – Reserve Contribution		*(0.817)*	*0.817*	
Business Services				
Pressures approved via protocol	0.411	*0.551*	*(0.078)*	
Modernising Back Office Systems (MBOS)			*0.386*	
Governance Services				
Pressures approved via protocol		*0.425*	*0.104*	*0.148*
Savings				
Temporary mitigations to savings	(0.388)	*(0.100)*		
Removal of CSD Safeguarding Savings	0.854			
Removal of CET Trading Standards Saving	0.100	*0.100*		
Removal of Early Help Saving	0.893			
Savings Slippage	1.347	*(1.347)*		
Review of BSD Savings Options		*0.373*	*(0.693)*	
NET SERVICE EXPENDITURE	**396.461**	***457.488***	***472.888***	***483.488***
Corporate Expenditure		*56.770*	*43.958*	*51.336*
Treasury Management	19.930	*(6.000)*	*1.500*	*4.400*
New Homes Bonus to Capital Programme	0.816	*(0.816)*		
General Contingency	4.330	*0.550*	*0.190*	*(0.230)*
Contingency for Potential Pay, Recruitment and Retention	5.691	*5.592*	*5.673*	*5.840*
National Insurance 1.25% Increase	1.514	*(1.514)*		
Contract inflation and collection fund risk	4.755	*(1.783)*	*0.003*	
Provision for Energy Price Increase		*1.300*		
Pensions	8.023			
Apprenticeship Levy	0.600			
Levies & Grants	0.952	*0.018*	*0.012*	*0.012*
One off investment opportunities (held in reserve)	5.175	*(5.175)*		
Future Risks: CSD/SEND/ASC and Funding Reform/COVID legacy (held in reserve)	4.984	*(4.984)*		
TOTAL CORPORATE EXPENDITURE	**56.770**	***43.958***	***51.336***	***61.358***
TOTAL PLANNED EXPENDITURE	**453.231**	***501.446***	***524.224***	***544.846***
CUMULATIVE DEFICIT/(SURPLUS)	***0.000***	***0.000***	***2.196***	***40.672***
ANNUAL DEFICIT/(SURPLUS)	***0.000***	***0.000***	***2.196***	***38.476***

Budget Summary 2023/24

Revenue Budget 2023/24

Medium Term Financial Plan 2023/24 to 2025/26

Capital Programme to 2032/33

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East Sussex County Council

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Further information can also be obtained from our website: eastsussex.gov.uk

or by writing to:
Ian Gutsell
Chief Finance Officer
East Sussex County Council
County Hall, St Anne's Crescent
Lewes
East Sussex BN7 1UE
or by email to:
finance@eastsussex.gov.uk

Chief Finance Officer's Foreword

Introduction

This budget summary provides detail on the 2023/24 revenue budget and the Capital Programme to 2032/33. It gives analysis of expenditure by type and also by accountability, along with detail of our resources to finance that expenditure. The summary provides a useful source of information for Council officers, elected members and the public alike.

The 2023/24 Approved Budget

In 2023/24 the Council (including schools) will spend £501.4m to deliver services to the people of East Sussex, with a further £96.7m of investment in infrastructure and assets through its capital programme. The Council's stated priorities outcomes are:-

- Driving Sustainable Economic Growth;
- Helping people to help themselves;
- Keeping vulnerable people safe; and
- Making the best use of resources in the short and long term.

Revenue Budget

The Spending Review 2022, announced in November 2022, provided high level funding totals across a number of service areas. The Provisional Local Government Settlement, announced on 21 December 2022, whilst providing more funding than our planning assumptions had modelling, was largely a one year settlement. The uncertainty of future funding continues. In setting the balanced budget for 2023/24, no additional savings to those identified in previous years have been sought; £1.0m will be delivered in 2023/24, out of the £1.7m to be delivered over the Medium Term Financial Plan (MTFP) period.

In setting a balanced budget for 2023/24, there still remains an deficit on the MTFP of £40.7m by 2025/26. There remain significant uncertainties which may have an impact:

- What will be the announcement of Funding Reform when implemented from 2023/24?
- What will happen with regard to the Business Rates system, particularly as Business Rates Retention seems to be off the table?
- How will the Levelling Up agenda impact?
- How long will inflation remain comparatively high and what impact will this have on services?
- What financial impact will the reforms to Adult Social Care and Children's Services have in the coming years?
- What pressures will arise as the climate change agenda moves forward?
- What are long term implications of the pandemic?

Chief Finance Officer's Foreword (cont'd)

Capital Programme

The planned programme aligned to the Capital Strategy to 2043/44 has been reviewed and extended to maintain a 10 year planned programme. Work has been completed to reset priorities and present realigned targeted basic need capital investment to maintain capital assets, deliver core services to the residents of East Sussex, as well as to support carbon reduction targets.

The programme to 2032/33 is £724.9m gross. The projected income to fund the programme is £392.0m, leaving a potential borrowing requirement of £332.9m.

Ian Gutsell
Chief Finance Officer
February 2023

Medium Term Financial Planning

£'m	2022/23 Budget	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate
TAXATION & GOVERNMENT FUNDING		(453.231)	(501.446)	(522.028)
Council Tax	(325.290)	(12.063)	(9.239)	(12.831)
Adult Social Care Precept	(7.840)	(6.635)	(3.488)	
Business Rates (Inclusive of BR Pooling in 2022/23)	(86.749)	(8.341)	(4.890)	(0.122)
Social Care Grant	(23.674)	(14.883)	(5.509)	19.436
ASC Market Sustainability and Improvement Grant		(6.055)	(3.017)	9.072
Services Grant	(5.175)	2.259	2.916	
Funding reform - net impact				(2.056)
Revenue Support Grant	(3.687)	(0.389)	(0.279)	4.355
Local Council Tax Support Grant 2021/22		(2.114)	2.114	
Local Tax Income Guarantee for 2020/21		(0.459)	0.459	
New Homes Bonus	(0.816)	0.465	0.351	
TOTAL TAXATION & GOVERNMENT FUNDING	**(453.231)**	**(501.446)**	**(522.028)**	**(504.174)**
SERVICE PLAN				
Service Expenditure	392.195	396.461	457.488	472.888
Inflation				
Contractual inflation (contract specific)	1.747	5.140	3.847	0.023
Normal inflation for contracts	13.664	30.405	10.401	10.916
Allocation of 2021/22 pay award to service departments		2.428		
Allocation of 2022/23 pay award to service departments		8.544		
Adult Social Care				
Improved Better Care Fund	(21.776)			
Better Care Fund - Discharge Funding		(3.053)	(2.035)	5.088
Better Care Fund - Discharge Funding New Burdens		3.053	2.035	(5.088)
Growth & Demography		3.413	3.917	
Future demand modelling net of attrition (Covid-related)		1.133	(0.365)	
Market Sustainability and Fair Cost of Care (MSFCC) Fund	(1.745)	1.745		
MSFCC Fund Pressures	1.745	(1.745)		
MFSCC - Support for New Burdens (from precept)	3.149	(3.149)		
Independent Living Fund rolled into Social Care Grant		0.956		
Voluntary Sector, Community Hubs, Shielded Group	(0.440)	0.440		
Children's Services				
Dedicated Schools Grant	0.422			
Growth & Demography (G&D)	4.091	1.760	0.973	0.808
Disabled Access Regulations for Buses/Coaches	0.098			
Looked After Children Placements Covid-related	1.393	(0.872)	(0.347)	(1.758)
Covid Grant Funding for Looked After Children Placements	(1.393)	0.077	(0.442)	1.758
Pressures approved via protocol	(0.124)	(0.124)	0.124	

Medium Term Financial Planning

£'m	2022/23 Budget	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate
Financial Sustainability ex. G&D and Covid LAC				
School Attendance (new duty)		1.500		
Home to School Transport (incl. approved pressures)	0.523	4.427		
Family Safeguarding (Appendix 10)		0.316	(0.194)	(2.075)
Net Operational Pressures incl. Careleavers and Locality		2.285	(0.204)	0.475
SEND High Needs Block Additional funding	(2.138)			
Social Worker Pay	1.493			
Communities, Environment & Transport				
Waste PFI Efficiencies	(0.100)	(0.100)		
Waste Housing Growth	0.150	0.190	0.267	0.305
Pressures approved via protocol	0.265	0.815	(0.800)	
Support to Economic Development	0.025	(0.055)		
Highways Contract Mobilisation		2.313	(2.313)	
Highways Contract Mobilisation – Reserve Contribution		(0.817)	0.817	
Business Services				
Pressures approved via protocol	0.411	0.551	(0.078)	
Modernising Back Office Systems (MBOS)			0.386	
Governance Services				
Pressures approved via protocol		0.425	0.104	0.148
Savings				
Temporary mitigations to savings	(0.388)	(0.100)		
Removal of CSD Safeguarding Savings	0.854			
Removal of CET Trading Standards Saving	0.100	0.100		
Removal of Early Help Saving	0.893			
Savings Slippage	1.347	(1.347)		
Review of BSD Savings Options		0.373	(0.693)	
Net Service Expenditure	**396.461**	**457.488**	**472.888**	**483.488**
Corporate Expenditure		56.770	43.958	51.336
Treasury Management	19.930	(6.000)	1.500	4.400
New Homes Bonus to Capital Programme	0.816	(0.816)		
General Contingency	4.330	0.550	0.190	(0.230)
Contingency for Potential Pay, Recruitment and Retention	5.691	5.592	5.673	5.840
National Insurance 1.25% Increase	1.514	(1.514)		

Medium Term Financial Planning

£'m	2022/23 Budget	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate
Contract inflation and collection fund risk	4.755	(1.783)	0.003	
Provision for Energy Price Increase		1.300		
Pensions	8.023			
Apprenticeship Levy	0.600			
Levies & Grants	0.952	0.018	0.012	0.012
One off investment opportunities (held in reserve)	5.175	(5.175)		
Future Risks: CSD/SEND/ASC and Funding Reform/COVID legacy (held in reserve)	4.984	(4.984)		
TOTAL CORPORATE EXPENDITURE	**56.770**	**43.958**	**51.336**	**61.358**
TOTAL PLANNED EXPENDITURE	**453.231**	**501.446**	**524.224**	**544.846**
CUMULATIVE DEFICIT/(SURPLUS)	**0.000**	**0.000**	**2.196**	**40.672**
ANNUAL DEFICIT/(SURPLUS)	**0.000**	**0.000**	**2.196**	**38.476**

Resources - funding / core spending power

Settlement Funding Assessment (SFA) 2023/24

The SFA represents the general funding level provided by Government to local authorities. For only the forth time since the introduction of current formula in 2013/14, Government funding to local authority services has increased. For 2023/24, the increase in SFA is £3.198m or 4.06%. The change from 2022/23 includes inflationary increases to both the Baseline Funding Level and the Revenue Support Grant.

Settlement Funding Assessment (SFA):

Funding	2022/23	2023/24	1 year change	1 year change
	£'000	£'000	£'000	%
Business Rates Retention	12,291	13,043	751	6.11%
Business Rates Top-up	62,773	64,831	2,058	3.28%
Total Business Rates (Baseline Funding Level)	75,064	77,873	2,809	3.74%
Revenue Support Grant (RSG)	3,687	4,076	389	10.54%
Total - ESCC	**78,752**	**81,950**	**3,198**	**4.06%**

(NB: this data comes from DHULC and therefore there may be rounding differences)

Business rates retention is based on the Government's national assessment of business rate yield. The Council's budget for business rates retention reflects its 9% share of locally collected business rates from information provided by the District and Borough Councils at set points in time.

Resources - funding / core spending power

Core Spending Power

Core Spending Power represents the Government's assessment of the funding they provide to us. It includes their assumptions on growth and inflation. The calculation is designed to give their view as to how local authority spending is changing overall.

The table below details changes to the County Council's Spending Power for 2015/16 to 2023/24; 2023/24 reflecting a one-year settlement only (NB: this data comes from DHULC and therefore there may be rounding differences)

Core Spending Power	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	Change from 2015/16	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	%
Business Rates retention	*11,302*	*11,396*	*11,462*	*11,855*	*34,939*	*12,291*	*12,291*	*12,291*	*13,043*	*1,741*	*15.4%*
Business Rates Top-Up	*56,828*	*57,302*	*58,638*	*60,351*	*42,413*	*62,773*	*62,773*	*62,773*	*64,831*	*8,003*	*14.1%*
Revenue Support Grant	*68,875*	*45,107*	*26,727*	*14,966*		*3,548*	*3,568*	*3,687*	*4,076*	*-64,799*	*-94.1%*
Settlement Funding Assessment	137,005	113,805	96,827	87,172	77,352	78,612	78,632	78,752	81,950	-55,055	-40.2%
Compensation for business rates capping	994	994	1,053	1,655	2,407	3,009	3,911	7,672	13,265	12,271	1235.0%
Council Tax	227,221	242,632	257,380	276,720	287,676	300,874	310,355	327,722	346,063	118,842	52.3%
Improved Better Care Fund			11,313	15,157	18,551	21,136	21,136	21,777	21,777	21,777	
New Homes Bonus	2,275	2,720	2,078	1,231	886	761	505	816	351	-1,924	-84.6%
New Homes Bonus returned funding	222	159	168							-222	-100.0%
Transition Grant		*2,704*	2,696								
Adult Social Care Support Grant			2,597	1,616							
Winter pressures Grant [1]				2,586	2,586						
Social Care Support Grant [2]					4,417						
Social Care Grant [3]						14,631	17,083	23,674	38,557	38,557	
Market Sustainability and Fair Cost of Care Fund [4]								1,745			
Adult Social Care Market Sustainability and Improvement Fund									6,055	6,055	
Adult Social Care Discharge Fund									3,053	3,053	
Services Grant								5,175	2,916	2,916	
Grants rolled in [3]	832	1,053	1,018	986	956	956	956	971		-832	
ESCC Core Spending Power	**368,547**	**364,065**	**375,131**	**387,122**	**394,831**	**419,979**	**432,578**	**468,303**	**513,986**	**145,438**	**39.5%**

[1] For 2020-21, Winter Pressures Grant allocations were rolled into the Improved Better Care Fund, and no longer ringfenced.

[2] For 2020-21, Social Care Support Grant allocations were rolled into the Social Care Grant.

[3] For 2023-24, Independent Living Fund has been rolled into the Social Care Grant

[4] For 2023-24, Market Sustainability and Fair Cost of Care Fund allocations were rolled into the ASC Market Sustainability and Improvement Fund.

For the Council, last years Spending Power calculation showed that spending would increase by £96.8m or 26.3% in the 7 years since 2015/16, which has since revised to £99.8m or 27.07%. This year's calculation suggests an increase in Spending Power of £145.4m or 39.5% since 2015/16. The increase includes Government's assumption that the Council will take up the maximum allowance to increase Council Tax by 4.99% in 2023/24, which includes an adult social care precept at 2.0%. The increase also includes increases to the Social Care Grant and other grants to support social care and hospital discharge, together with the continuation of the Services Grant at a reduced level.

The Government revises this measure each year, the combination of additional inclusions and changes to Core Spending Power mean the Government's presentation of Core Spending Power may lead to public confusion with regards to the County Council's financial position.

Resources - Council Tax

To be included in the final version following signing of the precept notices

Resources - specific and special grant funding

Direct impact on County Council Services

	Rebased Budget 2022/23 £'000	Estimate 2023/24 £'000	Change £'000
Adult Social Care/Public Health			
Public Health Grant	28,862	28,862	0
DoH ADDER Grant	1,350	1,350	0
Improved Better Care Fund (IBCF)	21,777	21,777	0
Discharge Funding (administered via IBCF)	0	3,053	3,053
Local Reform and Community Voices Grant - War Pensions scheme disregard	218	218	0
Local Reform and Community Voices Grant	361	361	0
Healthy Aging through Innovation in Rural Europe	56	0	(56)
Market Sustainability and Fair Cost of Care	1,745	0	(1,745)
DWP Resource Management	5	5	0
	54,374	**55,626**	**1,252**
Children's Services			
Troubled Families Grant	1,527	1,851	324
Unaccompanied Asylum Seeking Children (UASC)	2,328	2,920	592
Extended Rights to Free Transportation	714	714	0
Staying Put	297	270	(27)
Youth Offending Team Grant - Core	457	457	0
Youth Offending Team Grant - Secure Remand	197	197	0
School Improvement grant	217	217	0
Hastings Opportunity Area Fund	441	0	(441)
DfE 18+ Care Leavers Service	34	81	47
KS2 moderation and phonics	18	18	0
Homelessness Prevention	47	47	0
Multiply Adult Numeracy	0	878	878
Virtual School Heads	51	67	16
	6,328	**7,717**	**1,389**
Communities Economy and Transport			
PFI Grant - Waste	2,996	2,996	0
Transport of the South East	1,725	1,725	0
Bus Service Improvement Plan	0	9,503	9,503
Bus Service Operators Grant	439	437	(2)
DEFRA - Area of Outstanding Natural Beauty High Weald	987	1,318	331
Bikeability Grant for Local Highway Authorities	118	163	45
DfT Transport Services	4	6	2
Active Travel	220	0	(220)
	6,489	**16,148**	**9,659**
Business Services			
PFI Grant - Peacehaven Schools	1,759	1,759	0
External Audit	33	0	(33)
Homes for Ukraine	0	16	16
	1,792	**1,775**	**(17)**
Centrally Held items			
Inshore Fisheries Conservation Authorities Grant	58	58	0
MHCLG New Burdens grant	12	12	0
	70	**70**	**0**
Total Direct Impact	**69,053**	**81,336**	**12,283**

Indirect impact - where the Council passports funds to schools/other organisations

	Rebased Budget 2022/23 £'000	Estimate 2023/24 £'000
Children's Services		
Dedicated Schools Grant	236,893	239,232
Pupil Premium Grant	17,086	9,283
Teachers Pension Grant	108	0
Universal Infant Free School Meals	3,074	3,074
PE and Sport Grant	1,883	790
Teachers Pay Grant	27	0
Higher Education Funding Council grant	658	612
Ukraine Funding	0	0
	259,729	**252,991**
Communities Economy and Transport		
Skills Funding Agency	564	564
Community Learning	202	202
Total Indirect Impact	**260,495**	**253,757**

Grant Funding Summary

Government Specific and Special Grants		
Total Direct Impact	69,053	81,336
Total Indirect Impact	260,495	253,757
	329,548	**335,093**
Grants from other agencies		
-	0	0
	0	**0**
Total	**329,548**	**335,093**

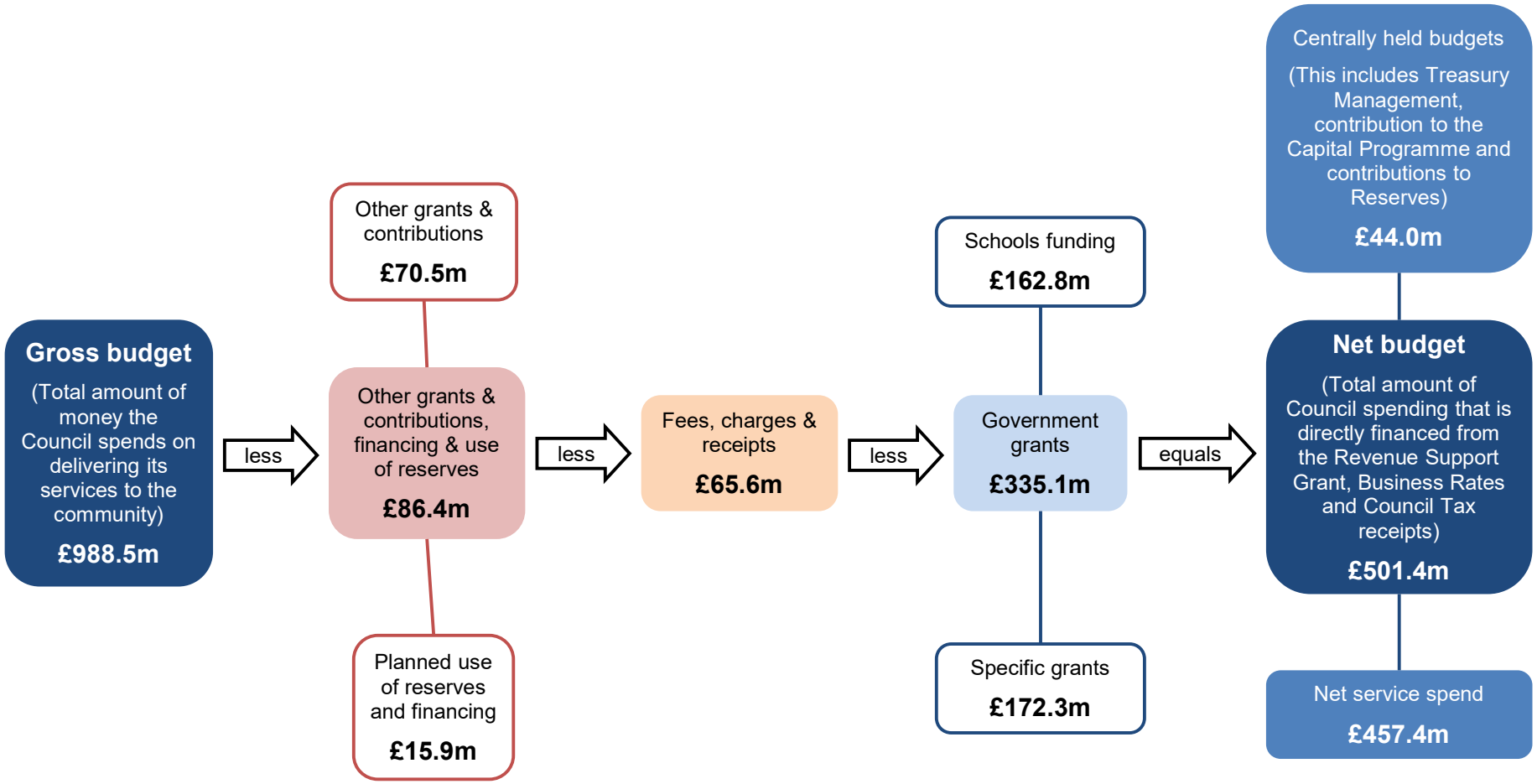
Summary by department		
Adult Social Care/Public Health	54,374	55,626
Children's Services	266,057	260,708
Communities Economy and Transport	7,255	16,914
Governance Services	0	0
Business Services	1,792	1,775
	329,478	**335,023**
Corporate items	70	70
	329,548	**335,093**
Grants from other agencies	0	0
Total	**329,548**	**335,093**

(please note, at this stage not all grants are confirmed)

Revenue Budget Summary 2023/24

ESCC Budget	2022/23 Budget £000	2023/24 Budget £000	Change £000	%
Gross Expenditure	**921,363**	**988,505**	**67,142**	**7.29%**
Less:				
Fees, Charges & Receipts	(69,390)	(65,621)	3,769	
Specific Government Grants	(331,501)	(335,093)	(3,592)	
Financing and Planned use of reserves	(5,901)	(15,919)	(10,018)	
Other grants and contributions	(61,340)	(70,426)	(9,086)	
Net Expenditure	**453,231**	**501,446**	**48,215**	**10.64%**
Made up of:-				
Net Service Expenditure	**396,461**	**457,488**	**61,027**	**15.39%**
Treasury Management	19,930	13,930		
Funding Capital Programme - New Homes Bonus	816			
General Contingency	4,330	4,880		
Contingency for Potential Pay, Recruitment and Retent	5,691	11,283		
National Insurance 1.25% Increase	1,514			
Contract inflation and collection fund risk	4,755	2,972		
Provision for Energy Price Increase		1,300		
Pensions	8,023	8,023		
Apprenticeship Levy	600	600		
Levies and Grants	952	970		
One off investment opportunities (held in Financial Management reserve)	5,175			
Future Risks: CSD/SEND/ASC and Funding Reform/COVID legacy (held in Financial Management reserve)	4,984			
Net corporate expenditure	**56,770**	**43,958**	**(12,812)**	**-22.57%**
Net Budget	**453,231**	**501,446**	**48,215**	**10.64%**
Funded by:-				
Business Rates (Inclusive of BR Pooling in 2021/22 & 2022/23)	(86,749)	(95,090)		
Social Care Grants	(23,674)	(44,612)		
Services Grant	(5,175)	(2,916)		
Revenue Support Grant	(3,687)	(4,076)		
Local Council Tax Support Grant 2021/22		(2,114)		
Local Tax Income Guarantee for 2020/21		(459)		
New Homes Bonus	(816)	(351)		
Collection Fund Adjustment		1,248		
Collection Fund Council Tax (Surplus)/Deficit	(4,763)	(4,287)		
Funding Other Than Council Tax	**(124,864)**	**(152,657)**	**(27,793)**	**22.26%**
Council Tax Requirement	**328,367**	**348,789**		
Taxbase: Number of "Band D" equivalent dwellings	203,532.3	205,921.2		
Band D Council Tax	**£1,613.34**	**£1,693.80**	**£80.46**	**4.99%**

Revenue Budget Summary 2023/24 - gross budget to net budget

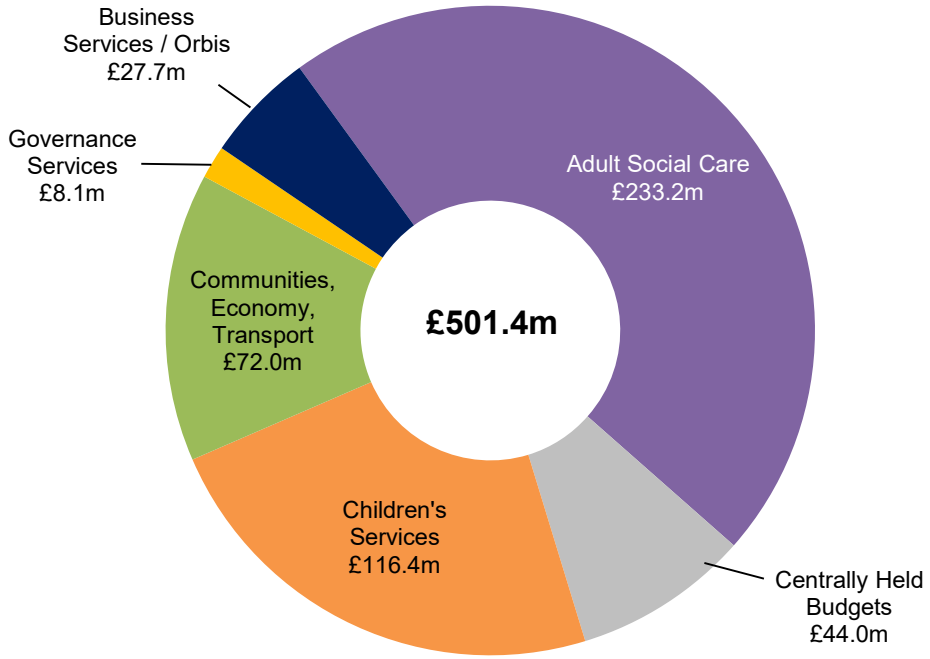


Revenue Budget Summary - departmental budget movements 2019/20 to 2022/23

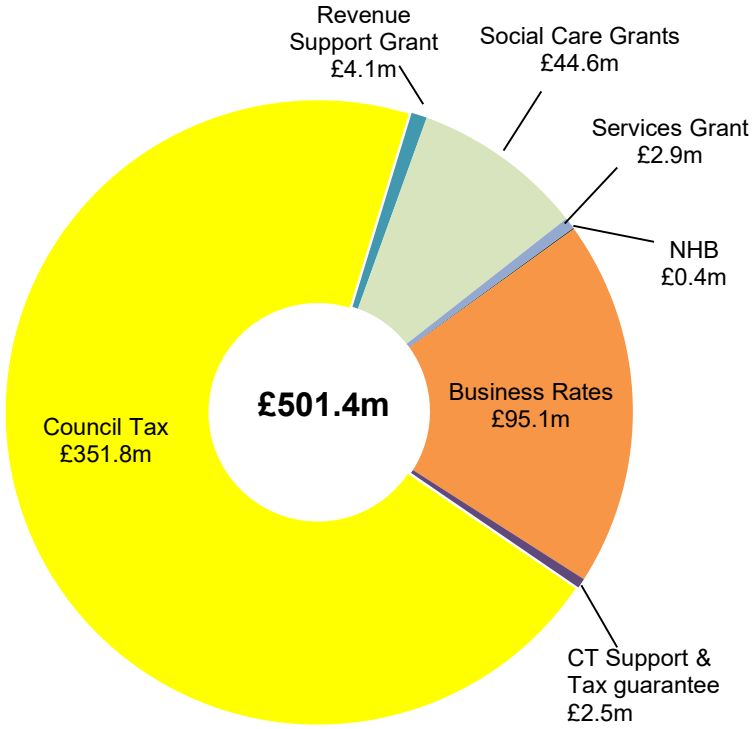
	2019/20 Rebased Budget	Net Movt	2020/21 Rebased Budget	Net Movt	2021/22 Rebased Budget	Net Movt	2022/23 Rebased Budget	Net Movt 19/20 to 22/23
	£'000	%	£'000	%	£'000	%	£'000	%
Adult Social Care	171,456	7.37%	184,093	4.64%	192,628	4.84%	201,945	17.78%
Public Health	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Business Services / Orbis	23,227	3.48%	24,036	1.20%	24,324	6.06%	25,797	11.06%
Children's Services (excl. schools)	77,314	14.91%	88,838	7.24%	95,271	6.52%	101,479	31.26%
Communities, Economy & Transport	61,626	-0.48%	61,330	1.00%	61,942	2.26%	63,339	2.78%
Governance Services	7,366	-5.15%	6,987	3.18%	7,209	2.80%	7,411	0.61%
Total Departments	**340,989**	**7.12%**	**365,284**	**4.40%**	**381,374**	**4.88%**	**399,971**	**17.30%**

Revenue Budget Summary 2023/24 - net revenue budget

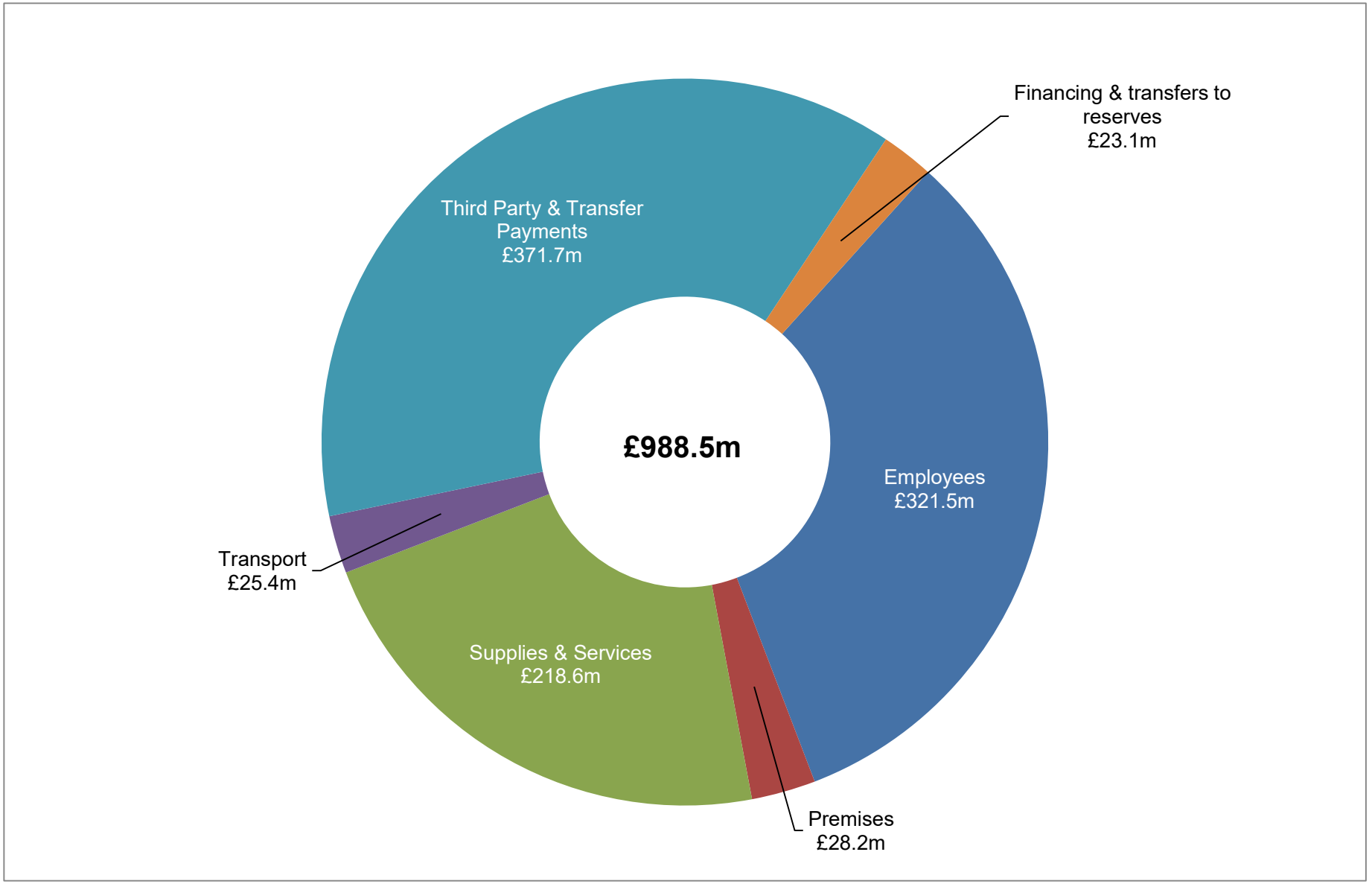
How we will spend your money (net)



Where the money comes from (net)

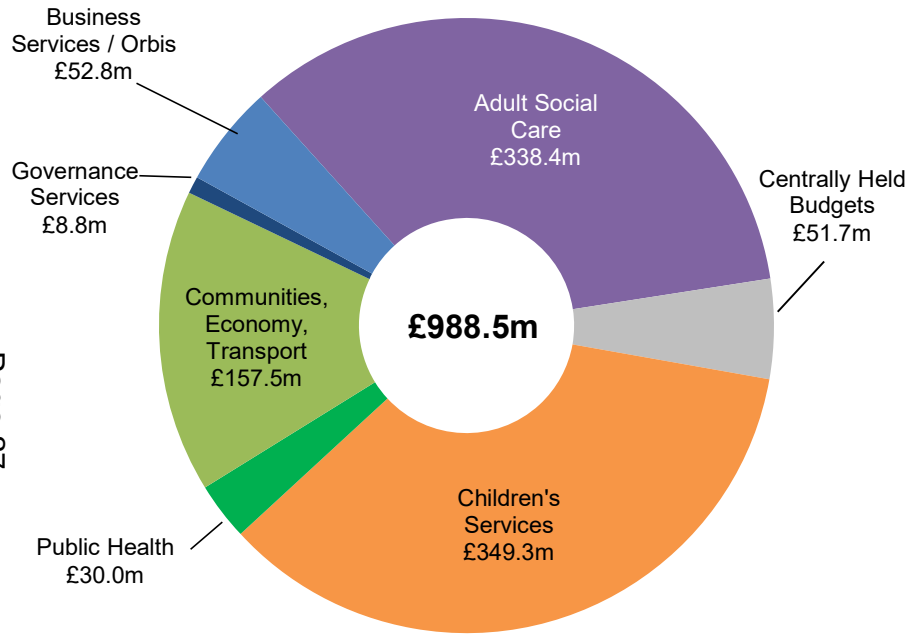


Revenue Budget Summary 2023/24 - subjective analysis

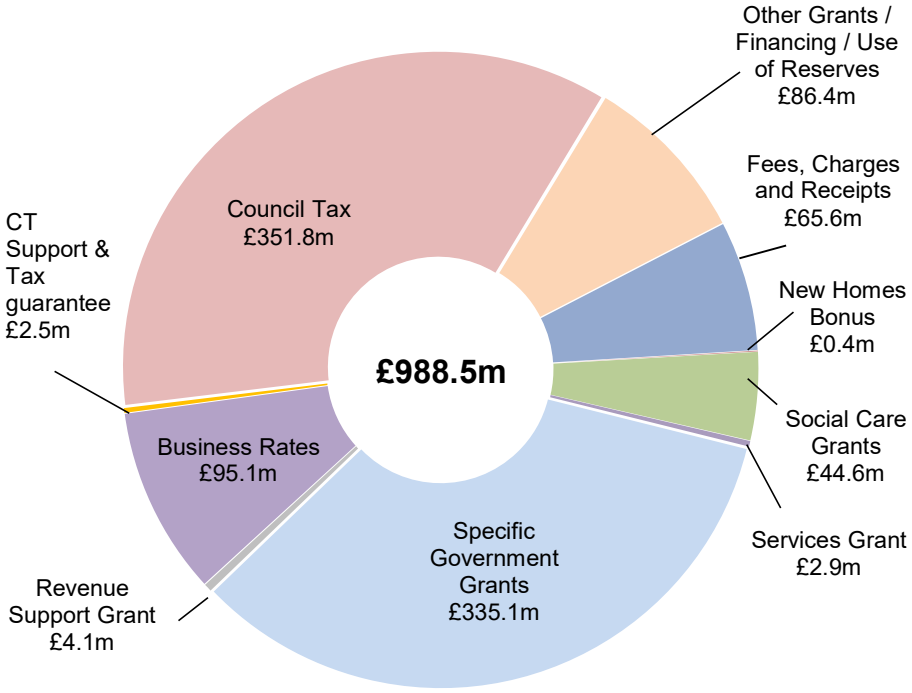


Revenue Budget Summary 2023/24 - gross revenue budget

How we will spend your money (gross)



Where the money comes from (gross)



Revenue Budget Summary 2023/24 - budget changes 2022/23 to 2023/24

	2022/23 Rebased Net Budget	Additions	Reductions	2023/24 Net Budget	Change	
	£'000	£'000	£'000	£'000	£'000	%
Adult Social Care	201,945	31,299	-	233,244	31,299	15.50%
Public Health	-	-	-	-	-	0.00%
Business Services / Orbis	25,797	2,745	(869)	27,673	1,876	7.27%
Children's Services (inc. schools)	101,479	14,918	(16)	116,381	14,902	14.68%
Communities, Economy & Transport	63,339	8,821	(119)	72,041	8,702	13.74%
Governance Services	7,411	740	(2)	8,149	738	9.96%
Total Departments	**399,971**	**58,523**	**(1,006)**	**457,488**	**57,517**	**14.38%**
Centrally held budgets	56,770	7,450	(20,262)	43,958	(12,812)	-22.57%
Total	**456,741**	**65,973**	**(21,268)**	**501,446**	**44,705**	**9.79%**

Revenue Budget Summary 2023/24 - subjective analysis

Department	Employees	Premises	Transport	Supplies & Services	Transfers & Third Party Payments	Financing & Transfers to Reserves	**Total Expenditure**	Government Grants	Other Grants & Contributions	Fees, Charges & Receipts	Financing & Planned Use of Reserves	**Total Income**	Internal Recharges (exp & inc)	**Net Service Expenditure**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Adult Social Care	59,237	836	746	24,067	253,502	4	**338,392**	(25,414)	(43,409)	(36,706)	-	**(105,529)**	381	**233,244**
Public Health	2,624	-	16	67	27,332	-	**30,039**	(30,212)	-	-	(1,320)	**(31,532)**	1,493	**-**
Business Services / Orbis	19,896	12,240	43	19,030	1,492	79	**52,780**	(2,214)	(6,943)	(5,534)	(198)	**(14,889)**	(10,218)	**27,673**
Children's Services	194,488	10,714	2,032	54,134	87,929	-	**349,297**	(260,216)	2,844	(5,661)	(1,565)	**(264,598)**	31,682	**116,381**
Communities Economy & Transport	19,089	4,094	22,517	109,629	518	1,612	**157,459**	(16,914)	(22,640)	(17,407)	(5,115)	**(62,076)**	(23,342)	**72,041**
Governance Services	6,272	319	47	2,164	8	-	**8,810**	(53)	(278)	(313)	(21)	**(665)**	4	**8,149**
Services	**301,606**	**28,203**	**25,401**	**209,091**	**370,781**	**1,695**	**936,777**	**(335,023)**	**(70,426)**	**(65,621)**	**(8,219)**	**(479,289)**	**-**	**457,488**
Centrally held budgets	19,905	-	-	9,533	930	21,360	**51,728**	(70)	-	-	(7,700)	**(7,770)**	-	**43,958**
Total	**321,511**	**28,203**	**25,401**	**218,624**	**371,711**	**23,055**	**988,505**	**(335,093)**	**(70,426)**	**(65,621)**	**(15,919)**	**(487,059)**	**-**	**501,446**

Revenue Budgets - Adult Social Care

2022/23		2023/24												
Rebased Net Budget		Employees	Premises	Transport	Supplies and Services	Third Party & Transfer Payments	Financing and Transfer to Reserves	**Total Expenditure**	Government Grants	Other Grants and Contributions	Fees, Charges & Receipts	Financing and Planned Use of Reserves	**Total Income**	Internal Recharges (exp & inc)	**Net Service Expenditure**
£'000		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
	Independent Sector - Physical, Sensory and Memory & Cognition Support														
50,444	Residential & Nursing	-	-	-	-	76,032	-	**76,032**	-	(35)	(18,262)	-	**(18,297)**	-	**57,735**
6,537	Supported & Other Accommodation	-	-	-	-	7,230	-	**7,230**	-	-	-	-	**-**	-	**7,230**
21,992	Home Care	-	-	-	-	24,325	-	**24,325**	-	-	-	-	**-**	-	**24,325**
1,273	Day Care	-	-	-	-	1,643	-	**1,643**	-	-	(312)	-	**(312)**	117	**1,448**
18,543	Direct Payments	-	-	-	-	20,510	-	**20,510**	-	-	-	-	**-**	-	**20,510**
(7,702)	Other Services	-	-	-	13,161	1,285	-	**14,446**	(25,048)	(15,607)	-	-	**(40,655)**	-	**(26,209)**
(10,347)	Fairer Charging *	-	-	-	-	-	-	**-**	-	-	(10,347)	-	**(10,347)**	-	**(10,347)**
-	Meals in the Community	-	-	-	-	-	-	**-**	-	-	-	-	**-**	-	**-**
80,740	**Subtotal**	**-**	**-**	**-**	**13,161**	**131,025**	**-**	**144,186**	**(25,048)**	**(15,642)**	**(28,921)**	**-**	**(69,611)**	**117**	**74,692**
	Independent Sector - Learning Disability Support														
43,548	Residential & Nursing	-	-	-	-	51,968	-	**51,968**	-	-	(3,227)	-	**(3,227)**	-	**48,741**
12,620	Supported & Other Accommodation	-	-	-	2	13,956	-	**13,958**	-	-	-	-	**-**	-	**13,958**
1,367	Home Care	-	-	-	-	1,512	-	**1,512**	-	-	-	-	**-**	-	**1,512**
1,624	Day Care	-	-	-	-	1,952	-	**1,952**	-	-	(141)	-	**(141)**	-	**1,811**
7,506	Direct Payments	-	-	-	-	8,302	-	**8,302**	-	-	-	-	**-**	-	**8,302**
1,097	Other Services	-	-	3	-	1,349	-	**1,352**	-	(332)	-	-	**(332)**	-	**1,020**
(1,352)	Fairer Charging *	-	-	-	-	-	-	**-**	-	-	(1,352)	-	**(1,352)**	-	**(1,352)**
66,410	**Subtotal**	**-**	**-**	**3**	**2**	**79,039**	**-**	**79,044**	**-**	**(332)**	**(4,720)**	**-**	**(5,052)**	**-**	**73,992**
	Independent Sector - Mental Health Support														
15,945	Residential & Nursing	-	-	-	-	18,231	-	**18,231**	-	-	(538)	-	**(538)**	-	**17,693**
2,702	Supported & Other Accommodation	-	-	-	-	2,988	-	**2,988**	-	-	-	-	**-**	-	**2,988**
431	Home Care	-	-	-	-	477	-	**477**	-	-	-	-	**-**	-	**477**
32	Day Care	-	-	-	-	38	-	**38**	-	-	(2)	-	**(2)**	-	**36**
1,033	Direct Payments	-	-	-	-	1,143	-	**1,143**	-	-	-	-	**-**	-	**1,143**
(9,858)	Other Services	-	-	-	-	56	-	**56**	-	(9,875)	-	-	**(9,875)**	-	**(9,819)**
(497)	Fairer Charging *	-	-	-	-	-	-	**-**	-	-	(497)	-	**(497)**	-	**(497)**
9,788	**Subtotal**	**-**	**-**	**-**	**-**	**22,933**	**-**	**22,933**	**-**	**(9,875)**	**(1,037)**	**-**	**(10,912)**	**-**	**12,021**

Revenue Budgets - Adult Social Care

2022/23		2023/24												
Rebased Net Budget		Employees	Premises	Transport	Supplies and Services	Third Party & Transfer Payments	Financing and Transfer to Reserves	**Total Expenditure**	Government Grants	Other Grants and Contributions	Fees, Charges & Receipts	Financing and Planned Use of Reserves	**Total Income**	Internal Recharges (exp & inc)	**Net Service Expenditure**
£'000		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
	Adult Operations														
25,975	Assessment & Care Management	28,580	140	209	716	879	-	**30,524**	(54)	(2,174)	(132)	-	**(2,360)**	106	**28,270**
10,326	Directly Provided Services - Older People	11,683	238	320	616	2,169	-	**15,026**	-	(3,964)	(334)	-	**(4,298)**	200	**10,928**
7,107	Directly Provided Services - Learning Disability	7,240	240	97	215	1	4	**7,797**	-	(5)	(587)	-	**(592)**	354	**7,559**
43,408	**Subtotal**	**47,503**	**618**	**626**	**1,547**	**3,049**	**4**	**53,347**	**(54)**	**(6,143)**	**(1,053)**	**-**	**(7,250)**	**660**	**46,757**
	Strategy, Commissioning and Supply Management														
2,881	Strategy, Commissioners and Supply Management	3,992	195	19	56	276	-	**4,538**	-	(472)	(20)	-	**(492)**	-	**4,046**
5,619	Housing Support Services	352	20	3	8	5,764	-	**6,147**	-	(391)	-	-	**(391)**	-	**5,756**
3,833	Equipment and Assistive Technology	163	-	-	5,224	2,968	-	**8,355**	-	(3,388)	(850)	-	**(4,238)**	-	**4,117**
694	Carers	1,212	-	78	205	1,898	-	**3,393**	-	(2,694)	-	-	**(2,694)**	-	**699**
122	Mental Health Commissioned Services	37	3	1	15	3,166	-	**3,222**	-	(3,098)	-	-	**(3,098)**	-	**124**
13,149	**Subtotal**	**5,756**	**218**	**101**	**5,508**	**14,072**	**-**	**25,655**	**-**	**(10,043)**	**(870)**	**-**	**(10,913)**	**-**	**14,742**
5,298	**Planning, Performance and Engagement**	4,936	-	13	452	1,882	-	**7,283**	(312)	(667)	(105)	-	**(1,084)**	4	**6,203**
(17,934)	**Service Strategy (including Director & support)**	450	-	1	3,372	99	-	**3,922**	-	(198)	-	-	**(198)**	-	**3,724**
1,086	**Safer Communities**	592	-	2	25	1,403	-	**2,022**	-	(509)	-	-	**(509)**	(400)	**1,113**
201,945	**Total**	**59,237**	**836**	**746**	**24,067**	**253,502**	**4**	**338,392**	**(25,414)**	**(43,409)**	**(36,706)**	**-**	**(105,529)**	**381**	**233,244**

* Fairer Charging is income from clients for non residential/nursing services. This represents contributions towards packages of care that may include a combination of Supported Accommodation, Home Care, Day Care, Direct Payments or Other Services.

Main changes between years	£'000
Rebased Net Budget 2022/23	**201,945**
Growth / Pressures	2,451
Inflation	28,845
Savings	-
Pay award	-
Tfrs between depts	3
Departmental Estimate 2023/24	**233,244**

Revenue Budgets - Public Health

2022/23		2023/24												
Rebased Net Budget		Employees	Premises	Transport	Supplies & Services	Transfers & Third Party Payments	Financing & Transfers to Reserves	**Total Expenditure**	Government Grants	Other Grants & Contributions	Fees, Charges & Receipts	Financing & Planned Use of Reserves	**Total Income**	Internal Recharges (exp & inc)	**Net Service Expenditure**
£'000		**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
10,807	Mental Health and Best Start	-	-	-	-	10,884	-	**10,884**	-	-	-	-	**-**	400	**11,284**
10,672	Risky Behaviours and Threats to Health	43	-	-	15	11,432	-	**11,490**	(1,350)	-	-	-	**(1,350)**	612	**10,752**
3,073	Health Systems	-	-	-	10	3,458	-	**3,468**	-	-	-	-	**-**	-	**3,468**
1,128	Communities	-	-	-	-	1,008	-	**1,008**	-	-	-	-	**-**	-	**1,008**
(25,680)	Central Support	2,581	-	16	42	550	-	**3,189**	(28,862)	-	-	(1,320)	**(30,182)**	481	**(26,512)**
-	**Total**	**2,624**	**-**	**16**	**67**	**27,332**	**-**	**30,039**	**(30,212)**	**-**	**-**	**(1,320)**	**(31,532)**	**1,493**	**-**

Main changes between years	**£'000**
Rebased Net Budget 2022/23	
Growth / Pressures	
Inflation	
Savings	
Pay award	
Tfrs between depts	
Departmental Estimate 2023/24	**-**

Revenue Budgets - Business Services / Orbis

2022/23 Rebased Net Budget		2023/24 Employees	Premises	Transport	Supplies & Services	Transfers & Third Party Payments	Financing & Transfers to Reserves	Total Expenditure	Government Grants	Other Grants & Contributions	Fees, Charges & Receipts	Financing & Planned Use of Reserves	Total Income	Internal Recharges (exp & inc)	Net Service Expenditure
£'000		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
4,393	Finance	8,122	582	4	2,285	16	78	**11,087**	(250)	(2,681)	(592)	(84)	**(3,607)**	(2,122)	**5,358**
7,700	IT & Digital	6,046	99	1	5,318	-	-	**11,464**	(121)	(1,173)	438	(23)	**(879)**	(2,793)	**7,792**
1,804	HR & Organisational Development	2,782	-	2	402	(38)	1	**3,149**	(61)	-	(637)	(91)	**(789)**	(371)	**1,989**
-	Procurement	-	-	-	-	-	-	**-**	-	-	(100)	-	**(100)**	-	**(100)**
8,200	Property	2,946	11,559	36	7,305	1,514	-	**23,360**	(1,782)	(3,089)	(4,643)	-	**(9,514)**	(4,932)	**8,914**
3,700	Contribution to Orbis Partnership	-	-	-	3,720	-	-	**3,720**	-	-	-	-	**-**	-	**3,720**
25,797	**Total**	**19,896**	**12,240**	**43**	**19,030**	**1,492**	**79**	**52,780**	**(2,214)**	**(6,943)**	**(5,534)**	**(198)**	**(14,889)**	**(10,218)**	**27,673**

Main changes between years	£000
Rebased Net Budget 2022/23	25,797
Growth / Pressures	392
Inflation	2,324
Savings	(869)
Pay award	-
Tfrs between depts	29
Departmental Estimate 2023/24	**27,673**

Revenue Budgets - Children's Services

2022/23 Rebased Net Budget		2023/24 Employees	Premises	Transport	Supplies & Services	Transfers & Third Party Payments	Financing & Transfers to Reserves	Total Expenditure	Government Grants	Other Grants & Contributions	Fees, Charges & Receipts	Financing & Planned Use of Reserves	Total Income	Internal Recharges (exp & inc)	Net Service Expenditure
£'000		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
	Early Help & Social Care														
1,147	Policy Support & Commissioned Services	409	-	2	40	660	-	**1,111**	-	(90)	-	-	**(90)**	206	**1,227**
5,890	Early Help Keywork and Children's Centres	7,241	421	181	312	100	-	**8,255**	-	(1,703)	(55)	-	**(1,758)**	(97)	**6,400**
18,333	Locality Social Work & Family Assessment	12,161	-	282	342	9,655	-	**22,440**	(800)	(200)	-	-	**(1,000)**	15	**21,455**
40,963	Looked After Children	16,670	286	570	1,376	31,135	-	**50,037**	(1,667)	(246)	(3,782)	-	**(5,695)**	223	**44,565**
3,473	Other Children & Families	3,760	32	85	925	4,325	-	**9,127**	(2,920)	(510)	-	(1,382)	**(4,812)**	(763)	**3,552**
757	Youth Justice	1,370	28	31	29	197	-	**1,655**	(654)	(212)	-	-	**(866)**	-	**789**
70,563	**Subtotal**	**41,611**	**767**	**1,151**	**3,024**	**46,072**	**-**	**92,625**	**(6,041)**	**(2,961)**	**(3,837)**	**(1,382)**	**(14,221)**	**(416)**	**77,988**
	Education														
6,273	Inclusion and Special Educational Needs	19,171	21	246	10,487	38,401	-	**68,326**	(60,047)	(97)	(699)	-	**(60,843)**	(141)	**7,342**
2,859	Standards & Learning Effectiveness	4,593	-	376	24,785	1,281	-	**31,035**	(27,039)	(2,817)	(192)	-	**(30,048)**	1,878	**2,865**
281	Other Education	214	-	-	7	-	-	**221**	(6)	-	-	-	**(6)**	-	**215**
9,413	**Subtotal**	**23,978**	**21**	**622**	**35,279**	**39,682**	**-**	**99,582**	**(87,092)**	**(2,914)**	**(891)**	**-**	**(90,897)**	**1,737**	**10,422**
1,090	**Adoption South East**	1,142	-	37	255	-	-	**1,434**	-	(228)	-	-	**(228)**	-	**1,206**
-	**Schools**	118,680	9,875	153	13,830	2,084	-	**144,622**	(162,834)	9,513	-	(100)	**(153,421)**	**8,799**	**-**
	Management & Support														
15,773	Admissions & Transport	533	-	7	112	2	-	**654**	(1,101)	-	(30)	(83)	**(1,214)**	22,511	**21,951**
2,911	Management & Support	6,718	51	31	1,501	89	-	**8,390**	(3,148)	(447)	(895)	-	**(4,490)**	(966)	**2,934**
1,729	Safeguarding	1,826	-	31	133	-	-	**1,990**	-	(119)	(8)	-	**(127)**	17	**1,880**
20,413	**Subtotal**	**9,077**	**51**	**69**	**1,746**	**91**	**-**	**11,034**	**(4,249)**	**(566)**	**(933)**	**(83)**	**(5,831)**	**21,562**	**26,765**
101,479	**Total**	**194,488**	**10,714**	**2,032**	**54,134**	**87,929**	**-**	**349,297**	**(260,216)**	**2,844**	**(5,661)**	**(1,565)**	**(264,598)**	**31,682**	**116,381**

Main changes between years	**£'000**
Rebased Net Budget 2022/23	**101,479**
Growth / Pressures	8,938
Inflation	5,980
Savings	-
Pay award	-
Tfrs between depts	(16)
Departmental Estimate 2023/24	**116,381**

Revenue Budgets - Communities, Economy & Transport

2022/23		2023/24												
Rebased Net Budget		Employees	Premises	Transport	Supplies and Services	Third Party & Transfer Payments	Financing and Transfer to Reserves	**Total Expenditure**	Government Grants	Other Grants and Contributions	Fees, Charges & Receipts	Financing and Planned Use of Reserves	**Total Income**	Internal Recharges (exp & inc)	**Net Service Expenditure**
£'000		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
	Community Services														
603	Archives	406	677	2	736	-	-	**1,821**	-	(1,075)	(122)	-	**(1,197)**	3	**627**
768	Road Safety	978	7	31	146	-	-	**1,162**	(164)	(97)	(69)	-	**(330)**	(7)	**825**
963	Trading Standards	980	-	9	118	-	-	**1,107**	-	-	(45)	(44)	**(89)**	1	**1,019**
83	Travellers Sites	221	94	5	13	-	-	**333**	-	(111)	(129)	-	**(240)**	-	**93**
237	Emergency Planning	435	-	3	14	-	-	**452**	-	(196)	(1)	-	**(197)**	-	**255**
2,654	**Subtotal**	**3,020**	**778**	**50**	**1,027**	**-**	**-**	**4,875**	**(164)**	**(1,479)**	**(366)**	**(44)**	**(2,053)**	**(3)**	**2,819**
	Customer, Library & Registration Services														
3,729	Libraries	2,881	939	40	1,766	-	3	**5,629**	(202)	(92)	(297)	(934)	**(1,525)**	(256)	**3,848**
299	Records	149	150	-	13	-	-	**312**	-	-	(32)	-	**(32)**	(1)	**279**
232	Customer Care	269	-	1	11	-	-	**281**	-	-	-	(36)	**(36)**	-	**245**
(337)	Registration	1,593	80	26	43	-	-	**1,742**	-	(7)	(1,970)	-	**(1,977)**	4	**(231)**
3,923	**Subtotal**	**4,892**	**1,169**	**67**	**1,833**	**-**	**3**	**7,964**	**(202)**	**(99)**	**(2,299)**	**(970)**	**(3,570)**	**(253)**	**4,141**
	Transport & Operational Services														
7,300	Passenger Services	233	-	-	20,534	-	-	**20,767**	(9,939)	(156)	(29)	(26)	**(10,150)**	(1,810)	**8,807**
-	Home to School and ASC Transport	119	-	21,757	1,497	-	-	**23,373**	(6)	(650)	(60)	-	**(716)**	(22,657)	**-**
(265)	Parking	879	-	2	3,404	-	128	**4,413**	-	(286)	(6,193)	(270)	**(6,749)**	2,072	**(264)**
30,204	Waste Disposal	405	468	12	56,708	276	-	**57,869**	(2,996)	(16,224)	(4,041)	(2,335)	**(25,596)**	2	**32,275**
702	Rights of Way/Countryside Management	781	7	39	216	3	-	**1,046**	-	(88)	(207)	-	**(295)**	10	**761**
437	Other Transport & Operational Services	883	17	535	187	-	31	**1,653**	-	-	(211)	(155)	**(366)**	(804)	**483**
38,378	**Subtotal**	**3,300**	**492**	**22,345**	**82,546**	**279**	**159**	**109,121**	**(12,941)**	**(17,404)**	**(10,741)**	**(2,786)**	**(43,872)**	**(23,187)**	**42,062**

Revenue Budgets - Communities, Economy & Transport

2022/23		2023/24													
Rebased Net Budget		Employees	Premises	Transport	Supplies and Services	Third Party & Transfer Payments	Financing and Transfer to Reserves	**Total Expenditure**	Government Grants	Other Grants and Contributions	Fees, Charges & Receipts	Financing and Planned Use of Reserves	**Total Income**	Internal Recharges (exp & inc)	**Net Service Expenditure**
£'000		**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
	Highways														
1,339	Contract Management	786	-	9	647	-	-	**1,442**	-	-	-	(88)	**(88)**	10	**1,364**
10,967	Contract Costs (fixed and reactive)	-	1,423	-	17,309	-	-	**18,732**	-	(147)	(2,317)	(817)	**(3,281)**	-	**15,451**
596	Non Contract Works	-	79	-	501	181	-	**761**	-	(114)	(25)	-	**(139)**	-	**622**
12,902	**Subtotal**	**786**	**1,502**	**9**	**18,457**	**181**	**-**	**20,935**	**-**	**(261)**	**(2,342)**	**(905)**	**(3,508)**	**10**	**17,437**
	Planning & Environment														
216	Environment	666	70	2	(31)	-	-	**707**	-	-	(239)	(224)	**(463)**	(9)	**235**
679	Planning	1,600	-	18	156	-	-	**1,774**	-	(17)	(999)	(15)	**(1,031)**	12	**755**
-	High Weald	530	28	4	1,142	-	-	**1,704**	(1,318)	(361)	(61)	-	**(1,740)**	36	**-**
895	**Subtotal**	**2,796**	**98**	**24**	**1,267**	**-**	**-**	**4,185**	**(1,318)**	**(378)**	**(1,299)**	**(239)**	**(3,234)**	**39**	**990**
1,638	**Economic Development Skills and Growth**	1,949	55	10	896	35	-	**2,945**	(564)	(309)	(360)	(171)	**(1,404)**	83	**1,624**
2,949	**Management & Support**	2,346	-	12	3,603	23	1,450	**7,434**	(1,725)	(2,710)	-	-	**(4,435)**	(31)	**2,968**
63,339	**Total**	**19,089**	**4,094**	**22,517**	**109,629**	**518**	**1,612**	**157,459**	**(16,914)**	**(22,640)**	**(17,407)**	**(5,115)**	**(62,076)**	**(23,342)**	**72,041**

Main changes between years	**£'000**
Rebased Net Budget 2022/23	**63,339**
Growth / Pressures	2,233
Inflation	6,588
Savings	(105)
Pay award	-
Tfrs between depts	(14)
Departmental Estimate 2023/24	**72,041**

Revenue Budgets - Governance Services

2022/23		2023/24													
Rebased Net Budget		Employees	Premises	Transport	Supplies & Services	Transfers & Third Party Payments	Financing & Transfers to Reserves	**Total Expenditure**	Government Grants	Other Grants & Contributions	Fees, Charges & Receipts	Financing & Planned Use of Reserves	**Total Income**	Internal Recharges (exp & inc)	**Net Service Expenditure**
£'000		**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
2,564	**Corporate Governance**	1,612	4	29	1,162	8	-	**2,815**	-	(66)	(31)	-	**(97)**	6	**2,724**
	Corporate Support														
1,026	Communications	1,195	-	2	70	-	-	**1,267**	(53)	(47)	(1)	(21)	**(122)**	(2)	**1,143**
2,021	Legal	2,250	-	10	134	-	-	**2,394**	-		(281)	-	**(281)**	-	**2,113**
3,047	**Subtotal**	**3,445**	**-**	**12**	**204**	**-**	**-**	**3,661**	**(53)**	**(47)**	**(282)**	**(21)**	**(403)**	**(2)**	**3,256**
	Community Services														
998	Coroners	710	315	4	410	-	-	**1,439**	-	(10)	-	-	**(10)**	-	**1,429**
-	Third Sector	-	-	-	-	-	-	**-**	-	-	-	-	**-**	-	**-**
998	**Subtotal**	**710**	**315**	**4**	**410**	**-**	**-**	**1,439**	**-**	**(10)**	**-**	**-**	**(10)**	**-**	**1,429**
802	**Senior Management & Organisational Development**	505	-	2	388	-	-	**895**	-	(155)	-	-	**(155)**	-	**740**
7,411	**Total**	**6,272**	**319**	**47**	**2,164**	**8**	**-**	**8,810**	**(53)**	**(278)**	**(313)**	**(21)**	**(665)**	**4**	**8,149**

Main changes between years	**£'000**
Rebased Net Budget 2022/23	**7,411**
Growth / Pressures	388
Inflation	352
Savings	-
Pay award	-
Tfrs between depts	(2)
Departmental Estimate 2023/24	**8,149**

Capital programme to 2032/33

Introduction

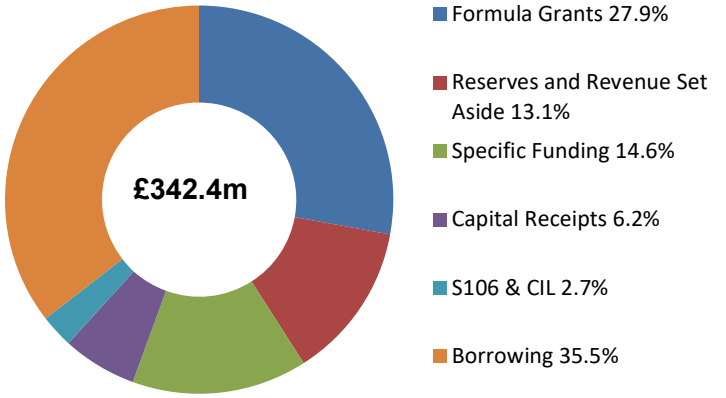
The planned capital programme supports the Council's Capital Strategy to 2043/44. It comprises targeted basic need investment that supports services in the delivery of priority outcomes and is supported by a planned programme to 2032/33. It includes providing for essential school places, investments in roads and transport infrastructure, support for climate change initiatives, enhancing the life of existing assets and ensuring they are fit for purpose, as well as support for strategic investment.

The proposed programme includes:

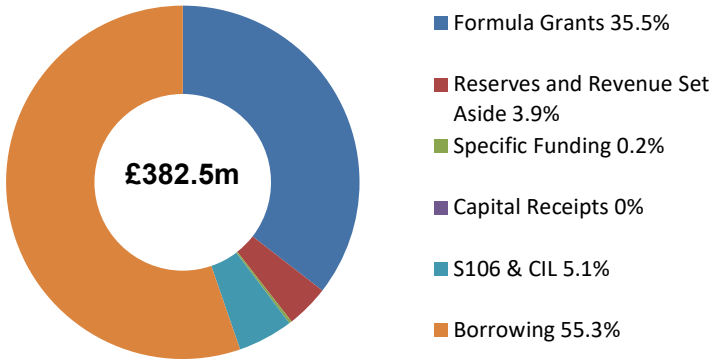
- Improvements to roads and transport infrastructure, to reflect the importance we place on our road network and its role in providing connectivity for our businesses and communities.
- Investment to support essential works to highway structures and to address a backlog of life-expired street lighting columns.
- Providing necessary school places and school access initiatives, safeguarding and temporary accommodation.
- Investment for important additional school places for pupils with Special Educational Needs and Disabilities (SEND).
- Investment to support the Council's commitment of carbon neutrality by 2050 at the latest.
- Capital Building Improvements and energy saving measures;
- Essential Libraries work to keep libraries in their current condition and stop them from deteriorating;
- Support of Economic Growth and Strategic Infrastructure investment.
- Supported accommodation and improvements

Total Programme of £724.9m comprising:

MTFP Programme to 2025/26



Programme 2026/27 to 2032/33



An estimated 32**%** (£231.1m) will be funded from Government grants, with 11% (£79.7m) funded from scheme-specific income, requiring the remainder (£414.1m) funded locally through borrowing, capital receipts and use of reserves set aside for a specific purpose.

Capital programme - current programme and resources

Capital Programme	2022/23	2023/24	2024/25	2025/26	2022-26 Programme Total	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	Remaining Budget Total
	MTFP Period												
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Adult Social Care	394	2,050	4,040	281	**6,765**								**6,765**
Business Services	26,018	30,581	34,321	23,742	**114,662**	31,976	28,273	16,935	20,767	19,532	25,586	15,093	**272,824**
Children's Services	1,450	1,200	1,200	1,200	**5,050**								**5,050**
Communities, Economy & Transport	54,345	62,913	62,815	35,827	**215,900**	32,119	30,660	31,706	31,618	31,946	32,746	33,571	**440,266**
Gross Expenditure by Department	**82,207**	**96,744**	**102,376**	**61,050**	**342,377**	**64,095**	**58,933**	**48,641**	**52,385**	**51,478**	**58,332**	**48,664**	**724,905**
Section 106 and CIL	(1,961)	(3,285)	(2,972)	(1,186)	**(9,404)**	(254)	(102)	(25)	(25)	(25)	(25)		**(9,860)**
Other Specific Funding	(8,332)	(15,395)	(24,001)	(2,231)	**(49,959)**	(930)							**(50,889)**
Net Expenditure	**71,914**	**78,064**	**75,403**	**57,633**	**283,014**	**62,911**	**58,831**	**48,616**	**52,360**	**51,453**	**58,307**	**48,664**	**664,156**

Current Funding Assumptions	2022/23	2023/24	2024/25	2025/26	2022-26 Programme Total	2026-33 Programme Total	Total Resource
		MTFP Period					
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Capital Receipts	9,591	5,149	3,149	3,360	**21,249**		**21,249**
Formula Grants	33,418	25,243	17,937	17,960	**94,558**	135,738	**230,296**
New Homes Bonus	816				**816**		**816**
Section 106 and CIL Target						18,970	**18,970**
Recycled Loans	347	500	500	500	**1,847**		**1,847**
Reserves and revenue set aside	20,088	12,268	5,040	5,600	**42,996**	15,106	**58,102**
Borrowing	7,654	34,904	48,777	30,213	**121,548**	211,328	**332,876**
	71,914	**78,064**	**75,403**	**57,633**	**283,014**	**381,142**	**664,156**

Capital programme - Adult Social Care

Adult Social Care	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	Budget Total
	MTFP Period											
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Specific Projects:												
Greenacres	144											144
Learning Disability Supported Living Scheme	200	2,000	3,990	231								6,421
House Adaptations	50	50	50	50								200
Gross Expenditure	**394**	**2,050**	**4,040**	**281**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**6,765**
S106 & CIL												
Other Specific Funding	(144)	(1,500)	(3,990)	(231)								(5,865)
Net Expenditure	**250**	**550**	**50**	**50**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**900**

Capital programme - Business Services

Business Services	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	Budget Total
	MTFP Period											
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Target led basic need:												
Schools Basic Need (delivered on behalf of CSD)	2,749	2,536	7,274	6,628	17,195	7,378	2,054	6,182	2,891	8,663	2,854	66,404
Capital Building Improvements (Schools)	5,179	4,182	4,182	4,182	4,182	4,182	4,182	4,182	4,182	4,182	4,182	46,999
Capital Building Improvements (Corporate)	3,439	4,520	4,520	4,520	4,520	4,520	4,520	4,520	4,520	4,520	4,000	48,119
IT & Digital Strategy Implementation	4,186	10,109	8,624	3,412	5,650	12,193	6,179	5,883	7,939	8,221	4,057	76,453
Specific Projects:												
Lansdowne Secure Unit Phase 2	75											75
Energy Efficiency - SALIX scheme	350	350	350									1,050
Special Educational Needs	175	1,667	1,347									3,189
Special Educational Needs – Additional Places	750	5,000	8,000	5,000	429							19,179
Specialist Provision in Secondary Schools	120											120
Disability Children's Homes	57	705	24									786
Westfield Lane (delivered on behalf of CSD)	721											721
IT & Digital Strategy implementation (MBOS)	8,193	1,512										9,705
IT & Digital - Utilising Automation	24											24
Gross Expenditure	**26,018**	**30,581**	**34,321**	**23,742**	**31,976**	**28,273**	**16,935**	**20,767**	**19,532**	**25,586**	**15,093**	**272,824**
S106 & CIL	(1,709)	(1,806)										(3,515)
Other Specific Funding	(425)	(350)	(350)									(1,125)
Net Expenditure	**23,884**	**28,425**	**33,971**	**23,742**	**31,976**	**28,273**	**16,935**	**20,767**	**19,532**	**25,586**	**15,093**	**268,184**

Capital programme - Children's Services

Children's Services	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	Budget Total
	MTFP Period											
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Target led basic need:												
Schools Delegated Capital	1,385	1,150	1,150	1,150								4,835
Specific Projects:												
House Adaptations	50	50	50	50								200
Conquest Centre redevelopment	15											15
Gross Expenditure	**1,450**	**1,200**	**1,200**	**1,200**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**5,050**
S106 & CIL												
Other Specific Funding	(1,385)	(1,150)	(1,150)	(1,150)								(4,835)
Net Expenditure	**65**	**50**	**50**	**50**	**0**	**0**	**0**	**0**	**0**		**0**	**215**

Capital programme - Communities, Economy & Transport

Communities, Economy & Transport	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	Budget Total
	MTFP Period											
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Target led basic need:												
Highways Structural Maintenance	21,686	20,647	21,688	22,246	22,819	23,412	24,022	24,649	25,295	25,961	26,647	259,072
Bridge Assessment Strengthening	1,981	4,749	1,775	3,025	2,777	1,830	1,885	1,942	2,000	2,060	2,122	26,146
Rights of Way Surface Repairs and Bridge Replacement Programme	565	565	514	484	494	504	514	524	540	556	573	5,833
Street Lighting and Traffic Signals (life expired)	2,973	4,542	3,839	3,888	989	1,041	1,095	1,135	1,192	1,250	1,310	23,254
Specific Projects:												
Broadband	911	2,757	2,757									6,425
Salix Solar Panels	77											77
Salix Decarbonisation - Herstmonceux Primary School Low Carbon Heating	207											207
Street Lighting and Traffic Signals - SALIX scheme	650											650
Climate Emergency Works	2,090	1,516	5,922									9,528
Flood & Coastal Resilience Innovation Programme	641	898	935	850	930							4,254
Bexhill & Hastings Link Road (BHLR)	318											318
BHLR Complementary Measures	167	60										227
Community Match Fund	69	411										480
Economic Growth & Strategic Infrastructure Programme												
Economic Intervention Fund - Grants	242	435	300	300	300	300	194					2,071
Economic Intervention Fund - Loans	347	500	500	500	123							1,970
Stalled Sites	35	120	124									279
EDS Upgrading Empty Commercial Property		7										7
Hailsham HWRS	171											171
Other Integrated Transport Schemes	3,260	5,324	5,209	4,024	3,153	3,014	2,919	2,919	2,919	2,919	2,919	38,579
Integrated Transport Schemes - A22 Corridor Package	533											533
Visually Better Roads	4,809	800										5,609
The Keep	26	202	26	0	85	110	628					1,077
Library Refurbishment	497	789	449	449	449	449	449	449				3,980
Peacehaven Library Refurbishment & Conversion	1	27										28
Covid-19 Recovery - Libraries Targeted Support	211											211

Capital programme - Communities, Economy & Transport

Communities, Economy & Transport	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	Budget Total
		MTFP Period										
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Community Road Safety Interventions		500	250									750
Newhaven Port Access Road	257	20	708									985
Real Time Passenger Information	74	78	60	61								273
Bus Service Improvement Plan	1,125	5,940	15,250									22,315
Queensway Depot Development (Formerly Eastern)	175	466										641
Exceat Bridge	2,955	3,954	2,509									9,418
Emergency Active Travel Fund - Tranche 1												0
Emergency Active Travel Fund - Tranche 2	756											756
Local Enterprise Funded Schemes												
Eastbourne Town Centre Phase 2	532	2,709										3,241
Bexhill Enterprise Park North												0
Eastbourne/South Wealden Walking & Cycling Package	540	1,811										2,351
Hailsham/Polegate/Eastbourne Movement & Access Corridor	684	275										959
Hastings & Bexhill Movement & Access Package	2,265	2,811										5,076
Skills for Rural Businesses Post Brexit	915											915
Getting Building Fund - Food Street	100											100
Getting Building Fund - Seven Sisters	200											200
Getting Building Fund - UTC Maritime and Sustainable Technology Hub	1,300											1,300
Gross Expenditure	**54,345**	**62,913**	**62,815**	**35,827**	**32,119**	**30,660**	**31,706**	**31,618**	**31,946**	**32,746**	**33,571**	**440,266**
S106 & CIL	(252)	(1,479)	(2,972)	(1,186)	(254)	(102)	(25)	(25)	(25)	(25)		(6,345)
Other Specific Funding	(6,378)	(12,395)	(18,511)	(850)	(930)							(39,064)
Net Expenditure	**47,715**	**49,039**	**41,332**	**33,791**	**30,935**	**30,558**	**31,681**	**31,593**	**31,921**	**32,721**	**33,571**	**394,857**

Reserve Balances

	Anticipated Balance 31st Mar 2023 £'000	Net planned Movements 2023/24 £'000	Anticipated Balance 31st Mar 2024 £'000	Estimated Balance 31st Mar 2027 £'000
Held on behalf of others or statutorily ringfenced				
Balances held by Schools	21,328	0	21,328	21,328
Extended Schools	1,809	0	1,809	1,809
Schools Supply Teacher Insurance	321	0	321	0
Schools	**23,458**	**0**	**23,458**	**23,137**
Public Health	7,407	(1,320)	6,087	6,086
On Street Car Parking	2,979	(323)	2,656	3,233
EU Exit Funding	649	0	649	427
ACRES (Adult College of Rural East Sussex)	422	0	422	422
The Keep - Archive Service	579	(202)	377	368
High Weald	212	0	212	212
Sussex Air Quality Partnership	24	0	24	0
Lewes Athletics Track	20	0	20	20
Subtotal held on behalf of others or statutorily ringfenced	**35,750**	**(1,845)**	**33,905**	**33,905**
Service-Specific Reserves:				
Corporate Waste	18,801	(3,123)	15,678	7,480
Capital Programme	17,865	(6,228)	11,637	302
Insurance Risk	7,175	(6)	7,169	7,103
Adult Social Care Reform	2,500	0	2,500	0
Total Named Service Reserves	**46,341**	**(9,357)**	**36,984**	**14,885**
Strategic Reserves:				
Priority Outcomes and Transformation reserve: to fund the transformation programme to change, protect and improve Council services	12,662	(2,976)	9,686	2,090
Financial Management reserve: to manage the potential financial consequences of risks recognised in the Council's risk management arrangements and the CFO's robustness statement, and to enable the effective management of the medium-term financial strategy and investment strategy	41,255	(4,584)	36,671	22,530
Total Strategic Reserves	**53,917**	**(7,560)**	**46,357**	**24,620**
General Fund	**10,000**	**0**	**10,000**	**10,000**
Total Reserves	**146,008**	**(18,762)**	**127,246**	**83,410**

This table provides a summary of planned movements in and out of the individual reserves over the financial year 2023/24, plus estimated balances by March

Explanation of key terms

Balances
A working balance is needed so that payments can be made before income is received, and as a cushion against unexpected expenditure during the year.

Band D Property
Property band commonly used to specify the average council tax. The band includes property values between £68,001 and £88,000 (as at 1st

Budget
An expression mainly in financial terms of the Council's policy for a specific period.

Business Rates
A charge on commercial and industrial buildings fixed by the Government and collected by District and Borough Councils. As of 2013/14 a proportion is retained and shared locally amongst authorities (including Fire & Rescue), rather than going to the Government for redistribution on a national basis. That part of business rates going to Government is redistributed as "Top-Up" grant, where local need is assessed as greater than the share of business rates retained locally. All County Councils are "Top-Up" authorities, receiving only a small share of business rates.

Depreciation
Amounts charged to services revenue for the use of assets/infrastructure.

Capital Expenditure / Capital Programme
Expenditure on the acquisition of assets, or which adds to rather than maintains the value of existing assets. It is financed mainly from borrowing and charged to the revenue account over a number of years.

Capital Financing
Capital expenditure is financed by loans, Government grants, external contributions (e.g. developers' contributions to specific schemes) contribution from the revenue account, and proceeds from the sale of assets. The revenue budget bears the cost of direct revenue contributions, together with interest and the provision for repayments of these loans.

Capital Receipts
Income received from the sale of capital assets, together with specific contributions, including Government grants, towards capital expenditure.

Contingency
A sum set aside to meet future pay and price rises over and above provision made in departmental budgets.

Council Tax Requirement
This is an amount calculated, in advance of each year, by each billing authority (e.g. Lewes District Council) and by each major precepting authority, (e.g. East Sussex County Council). It is the amount of revenue to be met from Council Tax, and is equivalent to an authority's Band D Council Tax multiplied by its council tax base.

Dedicated Schools Grant (DSG)
A major ring-fenced government specific grant, introduced in 2006/07, which provides funding for schools and schools-related expenditure.

Earmarked Reserves
Reserves which are set aside for specific purposes.

Government Grants
Contributions by central Government towards either the revenue or capital cost of local authority services.

Levies
A contribution which the County Council is required to make towards the costs of Ashdown Forest Conservators, Environment Agency (for flood defence) and Sussex Inshore Fisheries and Conservation Authority.

Net Budget Requirement
The total expenditure (after deduction of income) that the Council can finance from the aggregation of Revenue Support Grant, Business Rates and Council Tax.

New Homes Bonus
A government grant which is aimed at encouraging local authorities to increase the number of homes in their area.

Precept
The income which the Council requires a District or Borough Council to raise on its behalf from Council Tax.

Provisions and Reserves
Provisions are made from liabilities and losses which are likely or certain to be incurred but the amount or dates on which they will arise cannot be determined accurately. Internal reserves are set aside to finance future expenditure for purposes falling outside the definition of provisions.

Revenue Expenditure
Expenditure that the Council incurs on the day-to-day costs of providing services including principally on pay, running costs of buildings, equipment, third party payments and capital financing costs.

Revenue Support Grant (RSG)
Additional funding received from central government, outside that received through the business rates retention scheme.

Slippage
Actual capital payments or income, spent or received in a year different to that planned in the capital programme.

Specific and Special Grants
Grants paid by central Government for specific services and allocated to local authorities according to specific policies criteria.

Supported Borrowing
The level of borrowing that the Government will support via grant towards interest and principal repayments.

Tax Base
All domestic properties are placed in one of eight valuation bands. The council tax base is calculated according to Government regulations to assess, by proportion, the equivalent number of Band D properties. The County's net expenditure is divided by this number to give the council tax levy.

Third Party Payments
Payments made to agencies and contracted service providers, e.g. payments to private sector nursing homes.

Transfer Payments
Money paid by a local authority to an individual specifically to enable them to pay someone else e.g. awards paid to students to enable them to pay fees.

Savings 2023/24 to 2025/26

Summary

East Sussex County Council - Savings 2023/24 to 2025/26	Savings			
Department	**2023/24**	**2024/25**	**2025/26**	**Total**
	£'000	**£'000**	**£'000**	**£'000**
Communities, Economy & Transport	105			105
Business Services / Orbis	869	693		1,562
Total Departments	**974**	**693**	**0**	**1,667**

NB: new savings are currently not being sought

Communities, Economy & Transport

East Sussex County Council - Savings 2023/24 to 2025/26		Gross budget	Net budget	Savings			
		2018/19[1]	2018/19[1]	2023/24	2024/25	2025/26	Total
Activity	**Savings Proposal**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Community Services							
Library Services	We will further reduce the operating costs of our Library and Information Service by improving the cost efficiency of provision and/or relocating back office functions/libraries. In addition, we'll achieve further efficiencies in ICT through the implementation of a new contract for self-service facilities in libraries. In 2022/23, we'll deliver £183k of the £288k savings, followed by £105k in 2023/24.	4,214	3,595	105			**105**
Total Communities, Economy & Transport				**105**	**0**	**0**	**105**

[1] 2018/19 is the budget on which the original three-year savings plan (2019/20 to 2022/23) was based

NB: new savings are currently not being sought

Business Services / Orbis

East Sussex County Council - Savings 2023/24 to 2025/26		Gross budget	Net budget	Savings			
		2018/19[1]	2018/19[1]	2023/24	2024/25	2025/26	Total
Activity	**Savings Proposal**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
IT&D	SEG wide area network operating costs	47,534	22,270	300	100		**400**
Property	Courier cost reduction based on reducing the frequency of pickups			24			**24**
Procurement	Identified income generation			100			**100**
Central Management	Resources for support			15			**15**
IT&D	Reduced printing costs			220			**220**
Property assets - offices	Rationalisation of corporate estate			210	593		**803**
Total Business Services / Orbis				**869**	**693**	**0**	**1,562**

[1] 2018/19 is the budget on which the original three-year savings plan (2019/20 to 2022/23) was based

NB: new savings are currently not being sought

Communities, Economy & Transport

East Sussex County Council - Savings 2023/24 to 2025/26		Protected characteristics										
Activity	**Savings Proposal**	**Age**	**Disability**	**Sex**	**Gender Reassignment**	**Ethnicity**	**Marriage / Civil Partnership**	**Pregnancy /Maternity**	**Religion / Belief**	**Sexual Orientation**	**No impacts identified**	**Further Information**
Community Services												
Library Services	We will further reduce the operating costs of our Library and Information Service by improving the cost efficiency of provision and/or relocating back office functions/libraries. In addition, we'll achieve further efficiencies in ICT through the implementation of a new contract for self-service facilities in libraries. In 2022/23, we'll deliver £183k of the £288k savings, followed by £105k in 2023/24.										*y*	No disproportionate impacts are identified. Savings will be made through cost efficiency and back-office changes. No EqIA is required.
Total Communities, Economy & Transport												

Business Services / Orbis

East Sussex County Council - Savings 2023/24 to 2025/26		Protected characteristics										
Activity	**Savings Proposal**	**Age**	**Disability**	**Sex**	**Gender Reassignment**	**Ethnicity**	**Marriage / Civil Partnership**	**Pregnancy /Maternity**	**Religion / Belief**	**Sexual Orientation**	**No equality impacts**	**Further Information**
IT&D	SEG wide area network operating costs										y	There are no equality impacts identified on staff or residents.
Property	Courier cost reduction based on reducing the frequency of pickups										y	There are no equality impacts identified on staff or residents.
Procurement	Identified income generation										y	No equality impacts are identified.
Central Management	Resources for support										y	No activity will stop, therefore no equality impacts are identified.
IT&D	Reduced printing costs										y	No equality impacts for staff or residents are identified.
Property assets - offices	Rationalisation of corporate estate										y	No impacts are identified at this stage. Learning will be applied from previous accommodation changes and Equality Impact Assessments and consultation will be undertaken in the normal way as plans progress.
Total Business Services / Orbis												

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East Sussex County Council
Council Tax Precepts for 2023/24 (DRAFT)

		£	£	£
Gross Expenditure			***988,505,000***	
Income			***487,059,000***	
Net Budget				501,446,000
	Business Rates & S31 Grants	30,259,000		
	Business Rates Top Up	64,831,000		
	Revenue Support Grant	4,076,000		
	Services Grant	2,916,000		
	Local Tax Income Guarantee	459,000		
	Local Council Tax Support Grant	2,114,000		
	New Homes Bonus	351,000		
	Social Care Grant	38,557,000		
	ASC Market Sustainability and Improvement Grant	6,055,000		
	Previous year's surpluses/(deficits)			
	Collection Fund Adjustment	- 1,248,328		
	Council Tax Collection Fund	4,287,000		
			152,656,672	
				152,656,672
	Council Tax Requirement			348,789,328
#	*Tax base (total equivalent Band D properties)*			205,921.2
	Basic council tax			1,693.80

Therefore Council Tax per Category of Dwelling:-

	Proportion of Basic Council Tax	£
Band A	6/9	1,129.20
Band B	7/9	1,317.40
Band C	8/9	1,505.60
Band D	9/9	1,693.80
Band E	11/9	2,070.20
Band F	13/9	2,446.60
Band G	15/9	2,823.00
Band H	18/9	3,387.60

Precept to Each Billing Authority

	No of band D equivalent dwellings	£
Eastbourne	35,294.8	59,782,332
Hastings	26,473.0	44,839,967
Lewes	37,839.4	64,092,376
Rother	38,520.8	65,246,531
Wealden	67,793.2	114,828,122
Total	205,921.2	348,789,328

Schedule of Instalments for payment from Districts & Boroughs

12 April 2023
23 May 2023
29 June 2023
04 August 2023
12 September 2023
18 October 2023
23 November 2023
03 January 2024
08 February 2024
14 March 2024

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Reserves and Budget Robustness Statement

1.0 Reserves

1.1 The Council's (ESCC) approach to the management and accounting for earmarked reserves is set out in the Reserves and Balances Policy approved by Cabinet in September 2021, at Annex A. The Reserves have been reviewed using the principles set out in the Policy ensuring that they are appropriately giving consideration to the Council's strategic agenda and the current financial risks and issues the Council faces through the medium term.

1.2 It is crucial to bear in mind that the reserves are the only source of financing to which the Council has access to fund risks and one-off pressures over a number of years. If the Council minimises the level of reserves too significantly there is a risk that in future, the ability to properly manage unforeseen or one-off costs will be significantly impaired. Reserves can only be spent once and the possibility of creating new reserves is limited in an era where budgets are tight and can become overspent, not just individually but corporately.

1.3 Reserves are a key element of the Council's financial management arrangements. Reserves can be broadly categorised as follows:

- **Earmarked Reserves** - funds that are held to meet known or anticipated future one-off requirements, facilitating transformation and the management and mitigation of future financial risk and uncertainty.
- **General Fund Balance** - a working balance to manage in-year risks if they cannot be managed via other mitigations. It is best practice for a well-run authority to hold such a balance to assist in delivering services over a period longer than one financial year.

1.4 Earmarked Reserves and the General Fund Balance are estimated to total £146.1m as at 1 April 2023, falling to an estimated £83.4m by 31 March 2027; the majority of these reserves are held on behalf of others, statutorily ringfenced or set aside for known risks. £24.6m relates to available strategic reserves. This position represents the known planned use for these reserves and is summarised in table 1 below, with further detail following.

Table 1: Summary of Reserves	**01.04.22 Actuals per Q2 Cabinet Report**	**Estimated Balance at 31.03.26 per Full Council Feb 22**	**Full Council February 2023 (£m)**	
			01.04.23 Estimate	**Estimated Balance at 31.03.27**
Earmarked Reserves:				
Held on behalf of others or statutorily ringfenced	**35.1**	**34.2**	**35.7**	**33.9**
Named Service Reserves				
Waste Reserve	17.0	9.7	18.8	7.5
Capital Programme Reserve	18.9	7.5	17.9	0.3
Insurance Reserve	7.3	5.3	7.2	7.1
Adult Social Care Reform Reserve	0.0	0.0	2.5	0.0
Subtotal named service reserves	**43.2**	**22.5**	**46.4**	**14.9**
Strategic Reserves				
Financial Management	47.3	21.8	41.3	22.5
Priority Outcomes and Transformation	17.3	3.2	12.7	2.1
Subtotal strategic reserves	**64.6**	**25.0**	**54.0**	**24.6**
Total Earmarked Reserves	**142.9**	**81.7**	**136.1**	**73.4**
General Fund Balance	***10.0***	***10.0***	***10.0***	***10.0***
TOTAL RESERVES	**152.9**	**91.7**	**146.1**	**83.4**

1.5 **Held on behalf of others or statutorily ringfenced** balances cannot be used for everyday Council activity and comprise, at 1 April 2023, £21.3m schools' balances which cannot legally be spent on ESCC activities, ringfenced Public Health Reserve of £7.4m and other balances held on behalf of others totalling £7.0m.

1.6 **Named Service Reserves** are set aside at a level considered appropriate to manage specific financial risk, amount to £46.4m and comprise of: -

- Waste Reserve – to manage financial risks relating to the waste contract and legislative change. These risks are reviewed and managed through this reserve on a 4-year rolling programme; the reserve is shown as reducing to reflect emerging risks, which include but are not limited to reduced recyclate prices increasing disposal costs, reduced recycling during collection contractor transition in the next two years, and changes in law/compliance with waste regulations/contractor policy change.
- Capital Programme Reserve – to support the Council's Capital Programme and to reduce the need to borrow, that has a consequential increase in pressure on revenue budgets.
- Insurance Reserve – this is to fund insurance liabilities that have arisen over previous years, based on the liability estimated by the Actuary in 2022 and other local knowledge and represents estimates that may become payable in 2023/24 and beyond.
- Adult Social Care Reform Reserve – set up to support the financial risk of this reform. Unallocated funding to support reform in 2022/23 will be held in reserve to meet the costs of preparing for reform in 2025.

1.7 **Strategic reserves** are as follows: -

- A Financial Management reserve – to manage the potential financial consequences of risks recognised in the Council's risk management arrangements and the Chief Finance Officer's (CFO) robustness statement, including the risk of the pay award being over that planned within the Medium Term Financial Plan (MTFP). It also enables wider management of the medium-term financial strategy and the investment strategy.
- The Priority Outcomes and Transformation reserve – to fund the transformation programme to change, protect and improve Council services, and programmes that meet the Council's priority outcomes.

1.8 **Movement**: The Earmarked Reserves and General Fund balances estimate totalling £146.1m at 1 April 2023 have decreased by £6.8m against the actual reserves at 1 April 2022 totalling £152.9m. Movements in year are:

- Capital reserve – a net decrease of £1.0m; the key movements being £4.0m estimated spend on specific projects offset by £3.0m transfer from the Treasury Management underspend reported for quarter 2. This is reflective of the use of reserve to fund items of investment for which the Council would not want to borrow and is consistent with the new capital strategy.
- A net increase of £0.6m in reserves held on behalf of others or statutorily ringfenced.
- Insurance reserve – a small decrease of £0.1m.
- An increase of £1.8m in the Waste reserve, to reflect risks relating to the waste contract and legislative change.
- An estimated increase of £2.5m in the Adult Social Care Reform reserve; the remaining balance of core funding earmarked for the initial costs less additional committed resources to support preparation for the reforms.
- Financial Management (FM) – a net decrease of £6.0m, movements shown in Table 2 below.

Table 2: Movements in FM Reserve 1 April 2022 to 1 April 2023

Description	Movement
Balance after 2022/23 Finance Settlement to mitigate future risks around Children's Services, SEND, Adult Social Care, Funding Reform and Covid legacy.	£5.0m
Set aside for new Highways contract inflation	£0.5m
Investment Projects - Accommodation and Floating Support	£(0.5)m
Investment Projects - Edge of Care (formerly No Wrong Door)	£(1.1)m

Redundancies (all Depts)	£(1.2)m
Modernising Back Office Systems (MBOS)	£(8.1)m
Various other movements not exceeding £0.5m individually	£(0.6)m
Total Movement	**£(6.0)m**

- Priority Outcomes and Transformation (POT) – a net decrease of £4.6m, movements shown in Table 3 below.

Table 3: Movements in POT Reserve 1 April 2022 to 1 April 2023

Description	**Movement**
Services Grant set aside for one-off investment	£4.9m
Services Grant set aside for Cost of Living and Recruitment & Retention	£0.3m
Workstyles programme	£(0.7)m
Work to undertake the relocation of libraries and records management from Ropemaker Park	£(1.4)m
Future one-off investment on visible road improvements and climate change projects - capital element	£(6.2)m
Various other net movements not exceeding £0.5m individually	£(1.5)m
Total Movement	**£(4.6)m**

1.9 There has been a small movement overall in the estimated balances of strategic reserves since they were last reported; The balance at 31 March 2026 of the strategic reserves was estimated to be £25.0m and is now estimated at £24.6m as of 31 March 2027.

1.10 In addition to the reserves and balances set out above, Covid grant balances are held in the Grants and Contributions (IAS20) Reserve. The carry forward into 2022/23 of £23.1m of COVID funds provided the opportunity to continue to mitigate the impact of COVID during 2022/23, within grant conditions. The estimated balances are shown in Table 4 below:

Table 4: Covid Grant Balances

COVID-19 Grants	**Carried forward 2022/23 £m**	**Estimated use in-year (including payback) £m**	**Future years set aside for Looked After Children £m**	**Estimated Balance £m**
COVID-19 General Funding	14.1	(4.3)	(3.1)	6.7
COVID-19 Specific Funding	9.0	(9.0)		-
Total funding	**23.1**	**(13.3)**	**(3.1)**	**6.7**

1.11 It is essential that we maintain sufficient reserves to weather ongoing financial uncertainty and risk. It therefore continues to be a priority to, where possible, bolster the Financial Management reserve and the Priority Outcomes and Transformation reserve where the opportunity presents, and therefore this will apply to any unused contingency once the final outturn position is known, plus other one-off funding.

1.12 As in previous years, any changes to Business Rates and Collection Fund, as a result of movements at District and Borough estimates provided, will be managed through reserves in the form of a collection fund adjustment on the precept notice. Details of the reserves summarised above can be found in the Budget Summary at Appendix 3.

2.0 Chief Finance Officer Statement on the Budget Robustness

2.1 Section 25 of the Local Government Act 2003 places a statutory duty on the Chief Financial Officer (CFO) to review the Medium Term Financial Plan (MTFP) and comment upon the robustness of the budget and the adequacy of the reserves to be held by the authority when it is making the statutory calculations required to determine its Council Tax or precept. The authority is required to take this report into account when making that decision.

2.2 Section 26 of the Local Government Act 2003 places an onus on the CFO to ensure the authority has established a minimum level of reserves to be retained to cover any unforeseen demands that could not be reasonably defined within finalising the proposed budget.

3.0 Report of the Chief Financial Officer on the robustness of the 2023/24 budget proposal.

3.1 It is the opinion of the CFO that the draft budget for 2023/24 is based upon a sound financial strategy that will enable the Council to deliver its proposed Council Plan successfully.

3.2 Both the Revenue Budget and Capital Programme have been formulated having regard to a number of factors including funding availability; risks and uncertainties; inflation; priorities; demography and service pressures.

3.3 As the development of the Council Plan and budget for 2023/24 has progressed, the position has been subject to reviews with Chief Officers, other Officers, and Members, including Cabinet and Scrutiny Committees. Due consideration has also been given to reconciling the over-arching financial strategy with corporate priorities and hence all the proposals have been developed as an integral part of service planning (the process known as Reconciling Policy, Performance and Resources (RPPR)).

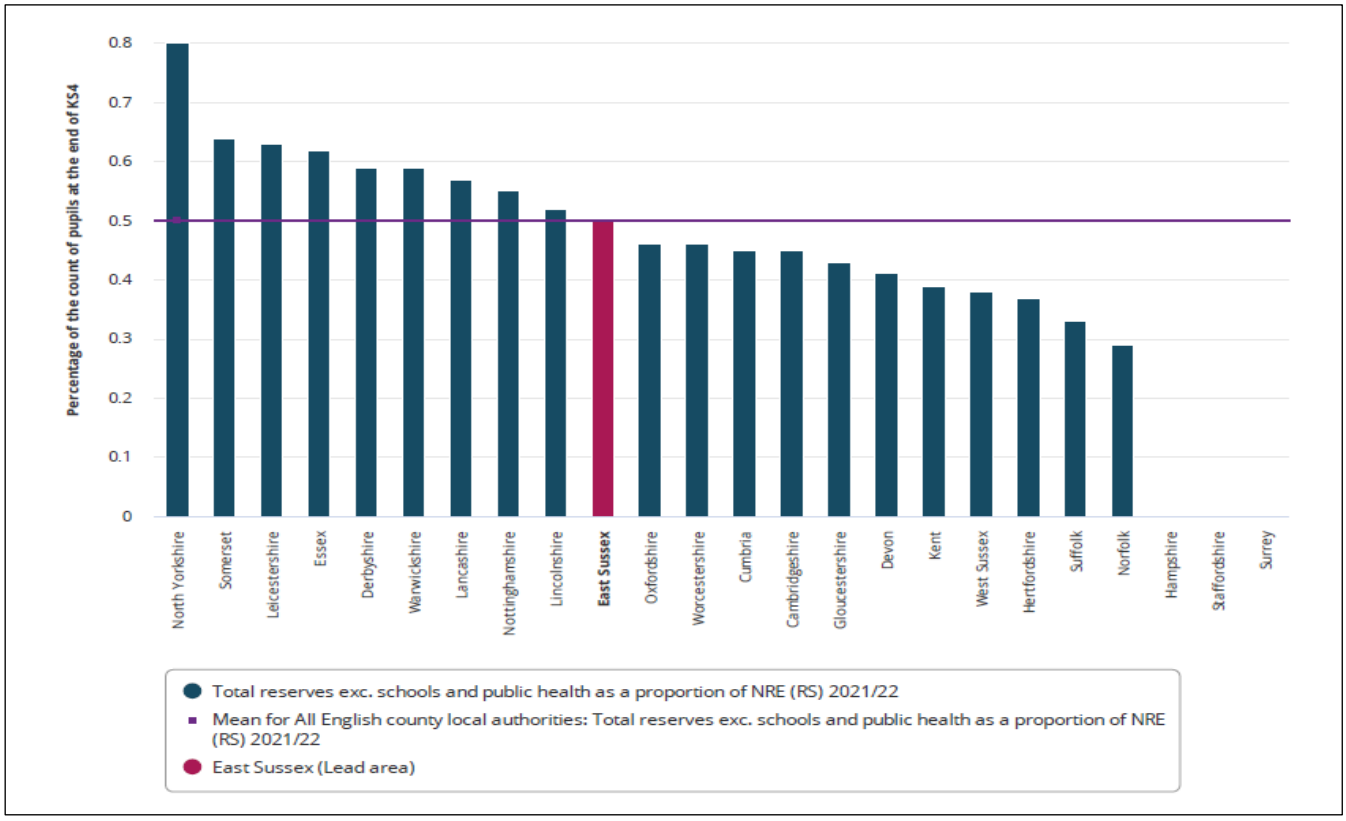
3.4 **The 2023/24 budget is balanced** and, in finalising the budget, consideration has been given to unforeseen issues that could arise during the year and ensuring that those risks can be managed. The strategic risk register has been reviewed and an analysis of ESCC's financial position in the current year has been carried out, to identify direct impacts and risks that are inherent within the 2022/23 budget. Notwithstanding that the draft budget for 2023/24 is balanced, there are risks to the budget around demand for social care, particularly within Children's Services, the cost-of-living crisis and the ongoing impact of inflation. The County Council holds a general contingency of £4.9m within the base revenue budget to cushion the impact of unexpected events and emergencies in year.

3.5 Increasing the Council Tax will provide a more sustainable income to the Council which will help to protect services. Implementing a 2.0% Adult Social Care precept and an allowed 2.99% Council Tax (before triggering referendum) will support and help protect services that are already under significant pressure.

3.6 The **Adequacy of Earmarked Reserves** has been reviewed and is considered reasonable. The approach remains to take every opportunity to increase reserves to help future proof Council services. The strategic reserves of £54.0m remain available for support to the MTFP and any unforeseen events arising; essential when considered in the context of recent events such as the pandemic and impact of the war in Ukraine. This represents 11% of Net Revenue Expenditure (NRE).

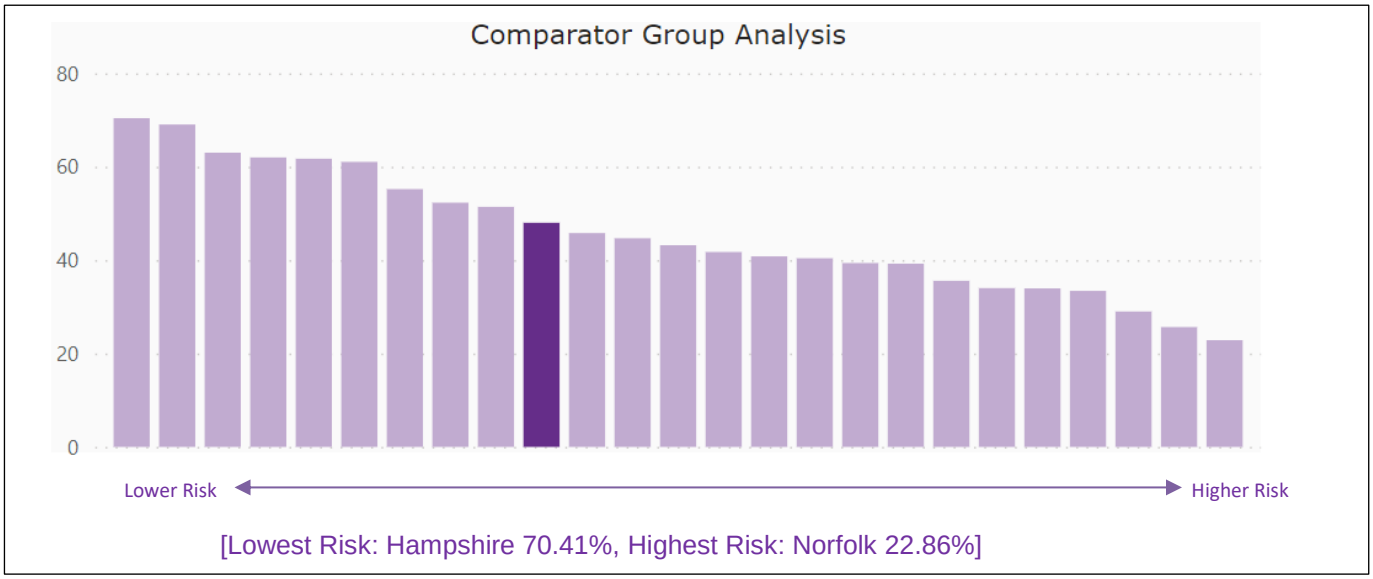
3.7 In support of this consideration, graph 1 below shows the LGA's analysis of unringfenced reserves as a % of net revenue expenditure in 2021/22. The Council is placed at 10th out of the 21 shire counties with available data, with reserves at 50% of net revenue expenditure.

Graph 1: Unringfenced Reserves as a % of Net Revenue Expenditure 2021/22



3.8 The CIPFA resilience index also provides an indicator of the robustness and reasonableness of levels of reserves. Graph 2 below published by CIPFA as part of this index in February 2022 looks at the current level of reserves as a percentage of net revenue budget (NRB). CIPFA describes these as usable reserves and exclude the public health reserve. It shows that ESCC (highlighted) held reserves of 48% in 2020/21 of NRB. The Council is in the lower middle quartile of risk, at 10th lowest risk of the 25 Shire Counties.

Graph 2: Usable Reserves as a % of Net Revenue Budget 2020/21

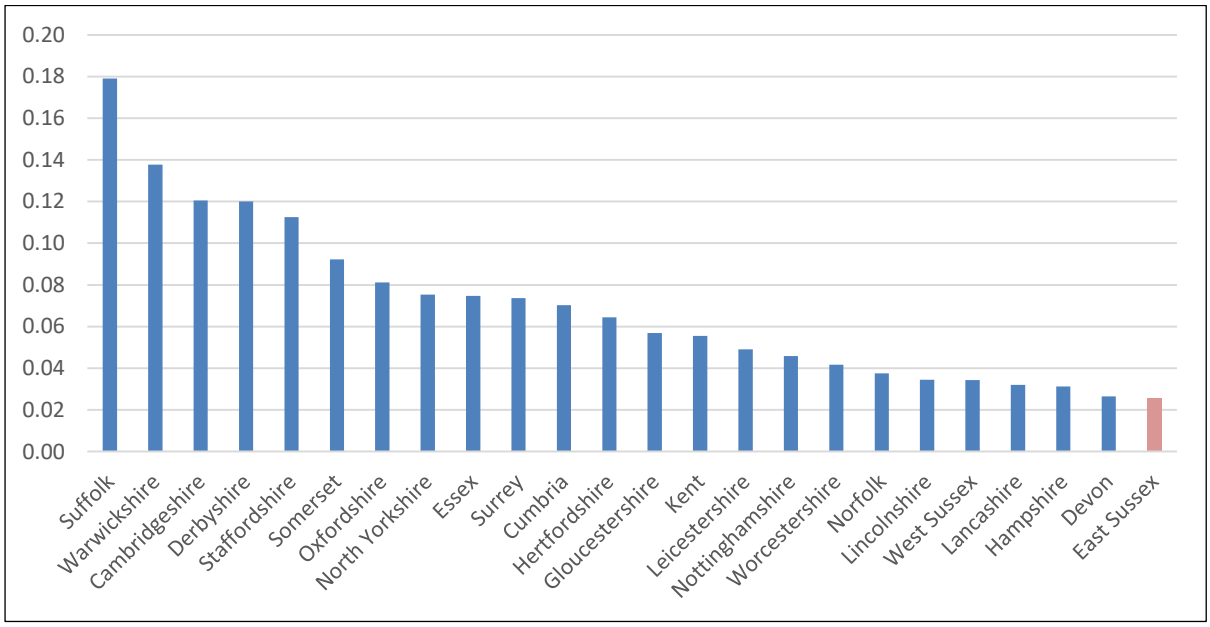


3.9 For the **General Fund Balance** there are two main approaches taken by Councils to determine their required minimum level; past guidance recommended that general fund should be equivalent to a certain percentage of an authority's budget but in recent years that prescribed level has been

replaced by an assumption that finance officers will set aside an amount that they feel is appropriate given the levels of risk facing their authority.

3.10 The Local Government Association provided benchmarking data which shows that in 2021/22, the Council was ranked last out of the 24 shire counties in terms of general fund balance as a % of net revenue expenditure, see Graph 3 below.

Graph 3: General Fund (unallocated reserve) as a % of Net Revenue Expenditure 2021/22



3.11 Despite holding the lowest percentage of General Fund compared to other county councils at 2.57%, it is still considered sufficient as, in addition, the Council holds a general contingency of £4.9m (1% of NRE less Treasury Management) within the base revenue budget to cushion the impact of unexpected events and emergencies in year. If this contingency was included, the percentage for ESCC would increase to 3.82% which would put the Council at 7th lowest in the graph above.

3.12 The challenge is to maintain an appropriate level of reserves, whilst also mitigating the pressures faced within the MTFP.

3.13 In the Autumn Statement (17 November 2022) and provisional Local Government Settlement (19 December 2022) the government notes that there has been a significant increase in some local authority reserves over the two years of the pandemic. Local authorities are encouraged to use reserves to maintain services in the face of immediate inflationary pressures; taking account of the need to maintain appropriate levels of reserves to support councils' financial sustainability and future investment. Government will be exploring the publication of user-friendly data, collected in the Local Authority Revenue Expenditure and Financial Outturn Statistics, to support Council Members and local electorates to understand reserves held by their authorities.

3.14 A risk-based assessment of issues, which could have a major impact on the Council's finances, has been undertaken, which considers the type of risk, the estimated financial magnitude of the risk, considered potential variance to that risk, with the resulting financial impact should the scenario arise. Table 5 below identifies a number of the high-level risks that may have financial implications, which assist in determining and considering the required minimum level of General Fund Balance to be retained.

Table 5: Financial Assessment of 2023/24 Risks

Risk	Estimated Magnitude	Estimated Variance	Estimated Financial Impact
			£m
Risk of Growth in demand for services, particularly ASC hospital discharge and CSD Inclusion and Special Educational Needs (ISEN) plus Home to School Transport (HTST).	ASC 2023/24 budget £233.2m. CSD ISEN & HTST budgets for 2023/24 £29.2m.	3% increase	7.9
Risk that inflation on utilities where budgets were not uplifted for inflation become unmanageable within budget allocations, and the £1.3m provision being held centrally is not sufficient.	Total utilities budget 2023/24 circa £4.0m, less £1.3m provision.	10% increase	0.3
Risk that inflation on areas where budgets were not uplifted for inflation become unmanageable within budget allocations.	Total other budget (gross) 2023/24 circa £191.4m.	5% increase	9.6
Risk that inflation on pay is more than the contingency of 5% due to pressure from unions and political commitment.	Each 0.5% increase is approx. £0.8m.	0.5% to 2.5% increase	0.8 to 4.0
Non achievement of Fees & Charges targets built into the revenue budget, due to post pandemic impacts and the prevailing economic climate.	Planned Fees & Charges for 2023/24 is £65.6m.	Underachievement of 5%	3.3
Impact of the Cost-of-Living Crisis and recession on Business Rates and Council Tax collection rates.	Reduction in anticipated revenue from Business Rates and Council Tax.	Collection decrease by 5%	22.3
Changes in weather patterns leading to adverse weather conditions may present the Council with additional unfunded costs. The impact of weather as opposed to additional prevention cannot be quantified.	Historic winter maintenance spend is circa £1.1m. Pressures due to unknown event impacts i.e., floods, subsidence.	10% increase 5% of insurance reserve	0.1 0.4
National and international trade and supply chain issues causing excess inflation.	Inflation provided in MTFP is £35.5m for 2023/24.	5% increase to current provision	1.8

3.15 Taking everything into account, the General Fund Balance of £10.0m, is sufficient based on professional judgement which, given the level of risks, is a minimum general balance and remains lower proportionately than other shire counties. This is, however, considered adequate on the basis that the budget balances for 2023/24 and that in addition, as noted at 3.11, an in-year contingency is held.

3.16 The MTFP provides an estimated position for the next three years, shown at Table 6.

Table 6: Medium Term Financial Plan Position

£m	2023/24	2024/25	2025/26
Estimated Annual Deficit / (Surplus) - non cumulative	0.000	2.196	38.476
Estimated Annual Deficit / (Surplus) - cumulative	0.000	2.196	40.672

3.17 We are balancing the budget for 2023/24, and although there are challenges and significant levels of uncertainty, the Council has a robust planning process and sufficient reserves and will continue to strive towards a balanced position in 2024/25.

3.18 For future years work will continue to identify financial risks and pressures. In addition, the effects of a number of national funding decisions will impact on the financial position, the timing of which is yet to be determined. These are significant areas of change that currently are not fully understood and cannot be fully quantified but will have potential significant financial impact, and include: -

- Adult Social Care reform and potential new burdens; whilst delayed until at least 2025.
- The impact of the levelling up agenda.
- A solution to Home to School Transport financial challenges.
- The future funding of social care.
- Impact of new Government policies.
- Potential taxation reform; and
- Environmental targets, including the impact of Climate Emergency.

3.19 The uncertainty regarding the future finance system means it is increasingly important to hold sufficient reserves to manage this unquantifiable financial risk. Therefore, it continues to be proposed that every opportunity should be taken to top up the Council's strategic reserves.

Annex A - Reserves and Balances Policy

1.0 Background

This policy sets out the Council's approach to reserves and balances. The policy has regard to Local Authority Accounting Panel (LAAP) Bulletin 77 "Local Authority Reserves and Balances", issued in November 2008.

1.1 In reviewing medium-term financial plans and preparing annual budgets, the Council will consider the establishment and maintenance of reserves for the general fund. The nature and level of reserves will be determined formally by the Council, informed by the judgement and advice of the Chief Finance Officer (CFO).

2.0 Types of Reserve

The Council will maintain the following reserves:

- A working balance to manage in-year risks, called the General Fund Balance.
- A means of building up funds to meet known or predicted requirements, called Earmarked Reserves.

2.1 Earmarked reserves will be maintained as follows:

- priority outcomes and transformation reserve: to fund the transformation programme to change, protect and improve Council services, and programmes that meet the Council's priority outcomes.
- financial management reserve: to manage the potential financial consequences of risks recognised in the Council's risk management arrangements and the CFO's robustness statement, and to enable the effective management of the medium-term financial strategy and investment strategy.
- named service reserves will be held specifically for the capital programme, waste contract risk, insurance risk and risks around Adult Social Care Reform.
- other reserves will be held on behalf of others (e.g., Schools) and/or statutorily ring-fenced (e.g., Public Health).

2.2 The Council will also maintain a number of other reserves that arise out of the interaction between legislation and proper accounting practices. These reserves, which are not resource-backed, are for accounting purposes and will be specified in the annual Statement of Accounts.

3.0 Principles to assess the adequacy of reserves

The CFO will advise the Council on the adequacy of reserves. In considering the general reserve, the CFO will have regard to:

- the strategic financial context within which the Council will be operating through the medium-term.
- the overall effectiveness of governance arrangements and the system of internal control.
- the robustness of the financial planning and budget-setting process.
- the effectiveness of the budget monitoring and management process

3.1 Having had regard to these matters, the CFO will advise the Council on the monetary value of the required general reserve.

3.2 In considering specific reserves, the CFO will have regard to matter relevant in respect of each reserve and will advise the Council accordingly.

4.0 Underspends

The process for determining the specific use of any underspend will be based upon the principles of effective financial management. Therefore, underspends will not automatically be carried forward via reserves, nor will they only be available to the service that has identified the underspend.

4.1 Periodically during the year, Services will be asked to submit business cases for the use of underspend. Business cases will be determined by the CFO in conjunction with the Corporate Management Team. These will then be held in a Strategic Reserve.

5.0 Use of reserves

Members, as part of agreeing the budget, will agree the policy for drawdown of reserves on the advice of the CFO. Use of reserves will be approved by CMT and reported to Cabinet as part of the RPPR monitoring process.

5.1 The CFO will monitor the drawdown of specific reserves in accordance with the agreed policy, and keep Members advised.

Appendix 7

Feedback from Engagement Exercises

1. People Scrutiny Committee

1.1. The People Scrutiny RPPR Board met on the 16 December 2022 and agreed comments to be put to Cabinet, on behalf of the parent Committee, for its consideration in January 2023. The information supplied to the Board to support its discussions comprised of:

- a Local Government Association (LGA) briefing on the Autumn Statement 2022;
- a summary of the Department for Levelling Up, Housing and Communities (DLUHC) Local Government Finance Policy Statement 2023/24 – 2024/25; and
- the draft portfolio plans for the Adult Social Care and Health and the Children's Services Departments.

1.2 The Board met before the provisional Local Government Finance Settlement 2023 to 2024 was published on 19 December 2022. The Board received an update from the Chief Finance Officer at their meetings on the finance briefings circulated and asked clarifying questions on publication of Council Tax limits and specific grants.

1.3 The comments of the People Scrutiny RPPR Board are set out below:

Adult Social Care and Health

1.4 The Board received an update from the Director of Adult Social Care and Health (ASCH) on the draft ASCH portfolio plan, and noted that the delay to implementation of the planned reforms to Adult Social Care charging would provide greater capacity for the Department to focus on delivery of other priority plans and agendas in the coming year. These included:

- Working with health partners to deliver the Sussex Integrated Care Strategy and its pan-Sussex priorities to grow and support the health and care workforce, improve the use of digital technology and information, and support stronger partnerships and collaboration at a locality level.
- Developing an integrated community model to strengthen links between community health and social care services, borough and district councils, and voluntary, community and social enterprise organisations and ensure a joined up offer in East Sussex.
- Preparing for reintroduction of Care Quality Commission assurance inspections in 2023.
- Working with partners to: maximise financial inclusion and coordinate a cross-sector response to the rising cost of living; provide support to refugees, asylum seekers and migrants, including through ongoing delivery of the Homes for Ukraine scheme; and build community networks, with this work all brought together under a new Partnerships Team.

1.5 The Board welcomed the draft Portfolio Plan for ASCH and supported the priorities and plans set out within it, which responded to strategic challenges for ASCH (such as around workforce, digitisation and safeguarding) that the Committee had considered in the last year. No changes were requested.

1.6 The Board had concerns about the ongoing real-terms reduction to the Public Health Grant that had been signalled nationally. The Board received assurances that uncertainty around future allocations was factored into planning and any reductions in the grant in 2023/24 would be managed through the Public Health Reserve.

Children's Services

1.7 The Board received an update from the Director of Children's Services, Lead Member for Education and Inclusion, Special Educational Needs and Disability and Lead Member for Children and Families on the Department's priorities for the coming year, outlined in the draft Children's Services Portfolio Plan.

1.8 The Board discussed the draft plan and priority areas of work outlined, and asked:

- if health visiting targets were being met, which the Director confirmed was an area of focus and challenge for the service;
- about challenges with recruitment in, and community access to, schools;
- questions to understand the Department's strategy around use of Special School Placements and mainstream provision in meeting Special Educational Needs (SEN), and the role of cost and parental choice in determining provision;
- about mechanisms for assessing the performance of, and inclusion in, academies;
- about progress with reshaping the internal structures of the Education Division; and
- about parental concerns around SEN provision potentially driving increasing numbers of children being Electively Home Educated.

1.9 The Board supported the draft Children's Services Portfolio Plan and the plans and priorities within it. No changes were requested.

1.10 The Board agreed that, in light of previous updates the Committee had received on particular challenges with improving school attendance in the county, the Board was supportive of the Department's work to improve school attendance and that this should be a priority area of focus in the coming year.

2. **Place Scrutiny Committee**

2.1. The Place Scrutiny RPPR Board met on the 22 December 2022 and agreed comments to be put to Cabinet, on behalf of the parent Committee, for its consideration in January 2023. The information supplied to the Board to support its discussions comprised of:

- a Local Government Association (LGA) briefing on the Autumn Statement 2022;
- a summary of the Department for Levelling Up, Housing and Communities (DLUHC) Local Government Finance Policy Statement 2023/24 – 2024/25; and
- the draft portfolio plans for the Communities, Economy and Transport, Business Services and Governance Services Departments.

2.2. The Board met after the provisional Local Government Finance Settlement 2023 to 2024 was published on 19 December 2022. The Board received an update from the Chief Finance Officer at their meeting on the implications of the provisional Settlement for the Council's financial position and the specific grant allocations, where these were known. The Board were also able to ask clarifying questions on the financial briefings and any implications for the Council.

2.3. The Board reviewed the draft portfolio plans for the three departments within its remit and asked a number of questions about the services and future plans for each department. The Board did not recommend any changes to the draft portfolio plans and considered them within the context of the emerging financial outlook for the Council.

2.4. The comments of the Place Scrutiny RPPR Board are set out below.

Comments to Cabinet

Provisional Local Government Finance Settlement

2.5. The Chief Finance Officer provided the Board with further detailed information on the provisional Local Government Finance Settlement. Overall, this will mean an estimated increase in the Core Spending Power of the Council of 9.8% (assuming that the Council exercises the option for the maximum increase in Council Tax). This includes an increase of almost £14 million in the Social Care Grant which will go some way to meeting cost pressures the Council is facing in these areas.

2.6. Although the Fair Funding Review has been delayed until after the current Parliament ends in 2025, there is a greater degree of financial certainty regarding the funding position for the Council over next two financial years than had been anticipated.

2.7. The RPPR Board welcomed the relatively positive provisional Local Government Finance Settlement, and that additional grant funding had been provided in a number of areas.

Savings

2.8. No new savings have been planned for 2023/24 whilst awaiting more detail on the Council's future funding position. The Board heard that the information contained in the provisional Local Government Finance Settlement confirms that there will not be a requirement to identify new areas for savings in the next financial year.

2.9. The Board welcomed that there will be no requirement for new savings in 2023/24.

Income Generation

2.10. The RPPR Board notes that income generation as well as savings can help with meeting the budget pressures the Council faces. The Board heard that all Council departments regularly review the opportunities for income generation both through new initiatives and increasing existing fees and charges.

2.11. The Board considers that the Communities Economy and Transport department should continue to consider the opportunities for income generation, such as the equalisation of some on street parking charges across different Civil Parking Enforcement schemes and use the income to invest in areas such as transport improvement schemes and highways maintenance.

Reserves and one-off investment of Services Grant

2.12. The Board noted that the Government is looking at the level of reserves held by councils. As part of the Council's financial planning Cabinet had previously agreed to hold the majority of the £5.175 million Services Grant in reserves, rather than committing it to one-off investment projects, until there was more certainty about the Council's financial position.

2.13. The Board asks that Cabinet, through the RPPR process, considers re-instating some of the one-off investment proposals such as the speed limit survey and measures to improve road safety to reduce the number of Killed and Seriously Injured (KSI) incidents in the County.

Communities, Economy and Transport (CET) Portfolio Plan - Community Match Fund

2.14. The RPPR Board notes that the Community Match capital fund has been undersubscribed with a lower number of bids submitted by community groups. This is in part due to the cost of some schemes requiring a large amount of match funding to meet the 50% match funding requirement, which can be beyond the capacity of some community groups and smaller Parish Councils. The Board recommends that if the Community Match Fund continues to be underspent, consideration is given to reviewing the contribution level required by community groups and raising the amount the Council contributes (e.g. 50% - 70% funding provided by the Council for larger schemes).

3. East Sussex Wider Strategic Partners

3.1 The Leader, Deputy Leader and Chief Officers held a virtual meeting with representatives of the Council's wider strategic partners on 6 January 2023. 32 partner organisations were represented in the meeting, from public, voluntary and private sector organisations and service user groups.

3.2 The Leader opened the session and thanked partners for joining, as it was a valuable opportunity for partners to provide feedback, help shape ESCC's planning for the year ahead and ensure our priorities were aligned wherever possible, to achieve the best outcomes for residents and make the best use of collective resources.

3.3 The Chief Executive and Chief Finance Officer then delivered a presentation which provided an overview of the evidence base that underpins ESCC's Reconciling Policy, Performance and Resources (RPPR) planning for 2023/24; the national policy context and public service reforms planned for the year ahead; the anticipated financial position for 2023/24 onwards; and updates to the Capital Programme. The presentation explained that following announcements in the Autumn Statement and provisional Local Government Finance Settlement, ESCC expected to be in a stable financial position for 2023/24, and there were no plans to seek any new savings. However, the financial position further ahead was much more uncertain and there was a recognition of the impact that the national economic context and cost of living pressures were having on demand for council services and their cost of delivery, and that partners were experiencing similar pressures. Difficulties in recruiting and retaining staff, expected policy changes, in particular reforms to adult and children's social care, and repeated one year financial settlements were additional challenges that meant there was long-term financial uncertainty. ESCC remained committed to partnership working wherever possible, and joint lobbying would continue to be very important to ensure ESCC and the county received sufficient funding in future.

3.4 After the presentation, the following questions, comments and feedback were provided by partners:

- The high rate of inflation was noted as a significant challenge and partners asked whether the rise had impacted on the Council's 10-year Capital Programme. It was confirmed that inflation is factored into the Medium Term Financial Plan (MTFP) and Capital Programme, using indices provided by the Office of Budget Responsibility and industry specific indices. In addition, many of the Council's contracts have price fluctuation clauses included in them which offer protection from some of the impacts of inflation, however the current high inflation rate meant the Council may ultimately not be able to do as much as it had planned to. The inflation rate was a national issue that ESCC was not in a position to solve and which the Government had committed to reducing as a priority. The Chief Finance Officer added that rising interest rates would result in increased returns from investments, generating extra income which could offset some additional costs.

- Partners also noted the impact that the high rate of inflation was having on their costs, in particular in the adult social care sector where a large proportion of staff are paid close to the level of the national living wage. ESCC reassured partners that it was aware that the associated costs of high inflation were putting pressures on their budgets. The Director of Adult Social Care and Health explained that ESCC was prioritising support for adult social care providers as much as possible, but national funding was necessary to ensure the market would be viable for the future. Partners asked what scope there was for ESCC to provide an inflationary uplift to grants and contracts it had with Voluntary, Community and Social Enterprise (VCSE) sector organisations. It was explained that the MTFP included an allowance for contractual inflationary uplift, however the current rate of inflation was excessively high which meant ESCC could not guarantee an inflation matching uplift to all contracts. Wherever possible, ESCC would engage with partners to discuss any extra support it could provide, as it recognised the importance of the VCSE sector's work in supporting residents and reducing service demand for its own services.

- Partners understood the cost of living pressures people across the county were facing, and noted that this was a significant driver of increased service demand for all. Partners highlighted the importance of welfare and debt advice services and asked for an update on the Council's work to increase financial security and ensure those in need get support. As an individual local authority ESCC could not solve the significant cost of living pressures felt by residents which were driven by national factors, however the work of the Council and partners through the East Sussex Financial Inclusion Group aimed to alleviate some of these pressures. It had worked to signpost residents to financial advice and support services, and maximise benefits claims for those entitled to them. While welfare and debt advice services were under review as part of this work, ESCC recognised that they provided a very important and valuable service at the current time. Responding to concerns on the impact that the rising cost of living was having on families of children with Special Educational Needs and Disabilities (SEND), the Director of Children's Services also highlighted that the Children's Services Department regularly shared updates on cost of living information, advice and guidance with schools, early years settings and other services, and worked closely with the Financial Inclusion Group.

- In light of the significant service demands and pressures being felt in the NHS and social care sector, partners asked for more detail on ESCC's allocation from the Adult Social Care Discharge Fund and how it was being spent. ESCC was working in close partnership with the NHS Sussex Integrated Care Board (ICB) to jointly use local allocations to improve the flow of patients through the health and social care system. The grant was being used to increase the number of social care beds and home care packages. ESCC was also working to increase the capacity of the independent care sector, particularly addressing workforce challenges by recruiting more care staff from overseas. Challenges in the care market were seen as long-term and would require a whole system response to be adequately addressed.

- The Chair of the East Sussex Parent Carers Forum raised a number of concerns impacting on children and young people with SEND, including disparities in attainment, inclusion and support in education, increases in the number of requests for Education, Health and Care Plans, mental health waiting lists and successful appeals at SEND tribunals, and asked whether ESCC's new SEND strategy would do enough to address these issues and ensure ESCC was seen as a source of support. The Leader gave reassurance that councillors and officers were acutely aware of these issues and remained focused on addressing them. The Director of Children's Services recognised

the frustrations felt by many parents and carers of children with SEND and noted that the number of SEND tribunals ruling against ESCC was reflective of the national picture. ESCC aimed to ensure that children were supported both in mainstream schools and in special schools, in the right way to meet their needs. It was committed to working with children, young people, families and schools to ensure that specialist provision was made for the right children and that all children were supported appropriately. The Government had pledged to make a number of reforms to address the current system-wide challenges, and ESCC was keenly awaiting the Government's response to the SEND and Alternative Provision green paper consultation.

- Partners recognised the difficulties in connecting many of the rural parts of the county to the transport network and asked what ESCC was doing to address this. ESCC's Bus Service Improvement Plan (BSIP) aimed to provide better value for money for rural bus services, given that many rural bus routes did not have sufficient demand to make them economically viable. The BSIP featured greater use of demand responsive transport and mobility hubs to provide greater rural connectivity to areas that were not covered by conventional bus routes. Demand led services would also help connect rural communities to schools, hospitals and GP surgeries. Building on successful work to improve access to high speed broadband over a number of years, ESCC would continue work to maximise broadband coverage across the county to further support increasing rural connectivity. This would be particularly important in the context of the county's limited transport infrastructure and the trend towards increased remote working.

- Reflecting on the presentation and the current high demand for business space in the county, the Chair of Team East Sussex asked all partners to assess their property portfolios for underutilised assets that could be reclassified for business use, helping to encourage job creation and boost economic growth in the county. The Director of Communities, Economy and Transport was supportive of this suggestion.

- Partners found the presentation and discussion informative and helpful, and welcomed the County Council's commitment to partnership working. The innovative, open and positive relationships partners had with officers across the organisation were strongly valued.

3.5 Partners were thanked for providing a clear message on what their priorities were, and they were encouraged to contact the Leader, Deputy Leader or Chief Officers if they wished to any make further comments on the budget or council plan proposals following the meeting.

Capital Programme Update

1 Background

1.1 At Full Council in February 2022 the target led basic need capital strategy of 20 years, supported by a 10-year planned capital programme, was approved. The approved programme was further updated at State of the County in July 2022 to reflect the 2021/22 outturn, project and programme reprofiles and approved variations, revising the gross programme to £676.0m to 2031/32. For planning purposes, the first 3 years of the programme, to 2024/25 are considered approved. Whilst the remaining years are indicative to represent the longer term planning for capital investment. The approved Capital Strategy provides for the programme being updated annually to maintain a 10-year planning horizon unless there is a compelling reason not to.

1.2 Through the Reconciling Policy Performance and Resources (RPPR) process, the Capital Strategy and programme are reviewed annually to ensure that they support the Council's responsibilities and departmental service strategies. To manage investment to a sustainable level, the Capital Strategy focuses on the delivery of targeted basic need for the council to continue to deliver services as efficiently as possible, rather than rationing through prioritisation. Basic need for the purpose of strategic capital planning is provided below:

- Place: ensuring we can deliver services by planning for future need.
- Asset Condition: maintaining our assets to an agreed level.
- ICT Strategy: ensure that our ICT is fit for purpose for delivering modern council services in a digital era and protecting data.
- Climate Change: supporting the Council's aim of reaching carbon neutrality from our activities as soon as possible and in any event by 2050 in an appropriate and cost-efficient way.

1.3 In addition to the basic need programme, the Capital Strategy allows for the Council to consider business cases where a clear payback or funding stream can be demonstrated. As such they are not included in the Capital Programme until their overall impact, including funding implications, have been assessed and approved.

1.4 Updated estimates to funding assumptions are reflected as part of normal capital strategy updates. Further updates to Formula Grant assumptions will be made to reflect government announcements, noting that changes in funding formula and allocation criteria will alter the level of grants anticipated and impact on the level of borrowing required.

1.5 The financial outlook for local authorities remains challenging, with factors such as the volatile economic situation, undefined impact of national reforms and uncertain long term funding allocations leaving much uncertainty about the Council's future financial position. Capital investment decisions have a direct impact on the council's revenue budget, particularly relating to the increasing cost of borrowing, and are therefore considered in the context of their impact on the Medium Term Financial Plan (MTFP).

1.6 The Capital Strategy therefore continues to drive the authority's capital investment ambition whilst also ensuring appropriate capital expenditure, capital financing and treasury management within the context of the sustainable, long-term delivery of services.

2 Capital Programme Update

2.1 Table 1 below summarises the gross movements to the approved capital programme since State of the County in July 2022 and proposed updates to be made in accordance with Capital Strategy principles. Noting that the first three years of the programme over the MTFP period to 2025/26 are being presented for approval, whilst the remaining years to 2032/33 are indicative

to represent the longer-term planning for capital investment. The proposed updates are detailed throughout this report and at Annex A.

Table 1 – Capital Programme Updates (£m)	Current Year 2022/23	MTFP Period			2026/27 to 2032/33	Total
		2023/24	2024/25	2025/26		
Approved Gross Expenditure (State of the County 2022)	**95.588**	**82.720**	**83.761**	**76.649**	**337.329**	**676.047**
Capital Programme Departmental Reviews (2.2)	(17.015)	5.124	(1.560)	(16.680)	44.269	14.138
Approved Variations (2.3)	3.634	8.900	20.175	1.081	0.930	34.720
Revised Gross Expenditure	**82.207**	**96.744**	**102.376**	**61.050**	**382.528**	**724.905**

2.2 **Capital Programme Departmental Reviews**: As part of the normal RPPR process, Service Finance and Departmental Capital Teams have completed a capital programme refresh, re-profiling their current approved programmes and projects as accurately as possible based on current knowledge held. This included a review of the School Basic Need (SBN) requirements and Special Education Needs and Disability (SEND) provision. The movement is summarised in table 2 below.

Table 2 – Capital Programme Departmental Reviews (£m)	Current Year 2022/23	MTFP Period			2026/27 to 2032/33	Total
		2023/24	2024/25	2025/26		
(a) Capital Programme Reprofiles	(17.854)	8.596	8.387	(0.461)	1.332	0.000
(b) School Basic Need Update	-	(4.177)	(9.971)	(17.119)	(0.773)	(32.040)
(c) IT&D Programme added year	-	-	-	-	4.057	4.057
(d) Investment Beyond Basic Need	0.839	0.705	0.024	-	-	1.568
(e) Other updates incl. added Year	-	-	-	0.900	39.653	40.553
Total Capital Programme Departmental Reviews	**(17.015)**	**5.124**	**(1.560)**	**(16.680)**	**44.269**	**14.138**

(a) Capital Programme Reprofiles: Review of current programme profiles across years to reflect current best knowledge and to be consistent with Quarter 2 monitoring.

(b) Schools Basic Need (SBN) Update: There remains a large degree of uncertainty over precisely how many school places will be required in the future and when. Much will be dependent on local planning authorities developing their local plans to an extent that will inform and enable housing growth and for those developments to happen. A best estimate has therefore been included in the revised programme. The SBN programme has reduced by £32.0m as a result of the removal of 4FE and extension of the Temporary Accommodation Programme across the ten-year programme. There have also been some revisions to land purchases to align to the strategy that solutions will be found where possible from land provided net nil from developers, use of existing sites and from the Council's surplus assets (net reduction of £8m). The update also includes increased scope of provision at Wadhurst CE Primary School, which was previously included in the Temporary Accommodation Programme (TAP), but following feasibility design identified that mobile provision would not meet the project requirements and has now been incorporated as basic need at an increased cost of £0.5m.

(c) IT&D Programme: has been subject to separate review and an extension of the programme by 1 year to maintain a ten-year planning horizon would require an additional £4.1m investment as set out below:-

- Compliance £2.0m
- Cyber Defence £0.3m
- IT Core Provision £1.7m

- Staff Technology Refresh £0.1m

(d) Investment beyond basic need: In addition to the basic need programme, the Capital Strategy allows for the Council to consider business cases where a clear payback or funding stream can be demonstrated. Approved investment projects are as follows:

- **Disability Children's Homes (Sorrel Drive):** Approved as part of the Q1 monitoring to Cabinet in September 2022, design work has identified that an increased scope would deliver additional benefits including future cost avoidance relating to alternative provision. The revised cost has increased by £0.568m, of which £0.261m has been identified within Children's Services revenue budgets, and £0.307m from capital programme borrowing. This addition to the capital programme was approved in accordance with the Capital Strategy via business case, demonstrating value for money when considering the cost of alternative provision and its potential ongoing impact on revenue budgets.
- **Exceat Bridge (Blight Notice)** - A Blight Notice was issued to the Council in August 2022 on the grounds that a Property has been blighted by the Council's proposed highways works at Exceat Bridge. Provision has been made in the capital programme for the property purchase, the costs being in part offset by the future sale now included in capital receipt forecasts.

(e) Other Updates including added year - The capital programme has been updated to extend the programme by a further year to maintain a 10-year planning horizon. This extends annual envelopes of funding for ongoing programmes of work and those fully funded by grants by one year and therefore assumes these at the same level. Exceptions to this include SBN and SEND that have been considered separately across the entire programme.

Special Education Needs and Disability (SEND) School Places: The current capital budget allocation for SEND provision is £22.4m over the capital programme. The programme updates include a reprofile to reflect current best estimates and SEND provision is being reviewed across the County. From 2023 there will be a requirement to report on SEN places in the annual School Capacity (SCAP) return to the DfE in the same way for mainstream school places. As a result, capital funding for SEND places is likely to come through the council's annual school basic need funding allocation each year.

Highways Maintenance: The Highways Maintenance capital programme was uplifted as part of the 2022/23 RPPR process to stem the rate of road deterioration and ensure the basic need target maintained current road conditions. The council has now concluded a tender exercise to re-procure the Highways Infrastructure Service Contract to commence from May 2023. There is no tendered schedule of rates for capital works, but a Targeted Cost for each scheme is agreed and capital works will be paid for at the actual cost of works with a contractor's fee applied. Capital works will need to be managed within the approved budget envelope which, given high levels of inflation, may impact on the ability to meet previously agreed condition targets.

Workstyles investment: a joint review of investment need to support changing working practices. Phase 1 of the workstyles programme has now been completed and a staff survey is currently being carried out to inform the next phase to commence in Spring 2023. There is a specific amount set aside in the Transformation Reserve to support the Workstyles programme, and therefore any capital requirements for the next phase will have a net nil impact on the capital programme and will be added to the programme via variation.

2.3 **Approved Variations:** Table 3 below provides a summary of the approved variations to the programme relating to fully funded schemes having a net nil impact on the capital programme totalling £34.7m. Funded increases to the programme have been partly offset by a large reduction of £2.5m in the LEP programme. This is due to the Riding Sunbeams project not progressing as planned and funding therefore being withdrawn following approval of the SELEP Accountability Board.

Table 3: Approved Capital Variations (£m)	Total
Schools Delegated Capital (funded from specific grant and schools contributions)	0.656
Learning Disability Support Living (funding from specific grant and revenue contributions)	6.421
Bus Service Improvement Plan (funding from DfT grant)	22.315
Hailsham HWRS (funded from revenue contribution)	0.007
Flood & Coastal Resilience Innovation Programme (funded from specific grant)	4.004
IT & Digital Strategy Implementation – MBOS (funded from reserves set aside)	3.254
Salix Low Carbon Heating at Herstmonceux Primary School (funded from specific grant)	0.207
A22 Corridor Package	0.333
Getting Building Fund: Riding Sunbeams (LEP specific funding removed)	(2.477)
Total	**34.720**

3 Funding Updates

3.1 Table 4 provides an updated capital programme funding position to reflect the capital programme updates and their associated funding assumptions outlined above and other more specific updates.

Table 4 – Capital Programme Funding Update (£m)	Current Year 2022/23	MTFP Period			2026/27 to 2032/33	Total
		2023/24	2024/25	2025/26		
Gross Expenditure	**82.207**	**96.744**	**102.376**	**61.050**	**382.528**	**724.905**
Specific Funding (3.2)	(10.293)	(18.680)	(26.973)	(3.417)	(1.386)	(60.749)
Net Expenditure	**71.914**	**78.064**	**75.403**	**57.633**	**381.142**	**664.156**
Formula Grants (3.3)	(33.418)	(25.243)	(17.937)	(17.960)	(135.738)	(230.296)
New Homes Bonus Grant (3.4)	(0.816)	-	-	-	-	(0.816)
Capital Receipts (3.5)	(9.591)	(5.149)	(3.149)	(3.360)	-	(21.249)
Reserves and Revenue Set Aside (3.6)	(20.435)	(12.768)	(5.540)	(6.100)	(15.106)	(59.949)
Developer Contributions Target (3.7)	-	-	-	-	(18.970)	(18.970)
Programme Borrowing (3.8)	**7.654**	**34.904**	**48.777**	**30.213**	**211.328**	**332.876**

3.2 **Specific Funding:** The approved programme is supported by £60.7m of scheme specific grants and external funding which is sourced and managed by services at a project level, in the main comprising of Development Infrastructure Contributions allocated to specific projects; DfT grants for Bus Service Improvement Plan, grants for Broadband project; Salix contributions to support energy efficiency measures; and Devolved Formula Capital grant toward schools delegated capital works. The level of this specific funding is shown at a departmental level at Annex A.

3.3 **Formula Grants**: The capital programme is supported by £230.3m of non-specific formula grant, which represents 32% of the total gross programme funding. Formula grant assumptions reflect best estimates but noting that there continues to be considerable risk in relation to these grants as values for future years are still yet to be announced. Changes made to formula grants include reducing the Schools Basic Need Allocation grant estimates by £7.7m in the later years

of the programme to reflect updated estimates for required pupil places and the continuation of assumptions for the one-year extension to the programme. Further updates to Formula Grants assumptions will be made once the detailed implications of any announcements are known, noting that changes in funding formula could change the level of grants anticipated and impact on the level of borrowing.

3.4 **New Homes Bonus Grant:** New Homes Bonus is a (non-specific) grant given by Central Government to councils based on the number of homes built or brought back into habitation in the previous year. New Homes Bonus can be used to fund revenue or capital expenditure, and it was approved as part of the RPPR process for the 2022/23 grant to fund the capital programme. Due to the pressures on revenue budget, the current MTFP planning assumption is that any future New Homes Bonus grant will support the revenue budget.

3.5 **Capital Receipts:** Property Services hold a schedule of capital receipts available to support the capital programme, which is reviewed regularly and estimates are based on Property Officers' professional judgment on a site by site basis. At this stage, it is suggested that anticipated capital receipts can be increased by £1.9m for capital planning purposes. Further work is being completed on a range that could potentially be provided for community assets.

3.6 **Reserves and Revenue Set Aside**: The Council can use revenue resources to fund capital projects, where these have been approved as part of the budget setting process or an approved business case. This includes specific reserves, payback from invest to save schemes and revenue contributions.

3.7 **Developer Infrastructure Contributions (Section 106 and Community Infrastructure Levy) Target:** The capital programme reported as part of the State of the County 2022 included a total of £28.8m of Developer Infrastructure Contributions, of which £9.6m was identified as applied to specific project / programme funding, and an additional £19.2m targeted over the capital programme. Work is ongoing through the S106 and CIL Working Group to maximise specific sums that can be applied to basic need projects / programme to reduce the funding target, which has resulted in £0.2m being applied as funding towards basic need project / programmes. There continues, however, to be a risk that the current target for Developer Infrastructure Contributions to support the programme is too high, and opportunities will be sought through the RPPR process to reduce the funding target while not increasing the need to borrow.

3.8 **Borrowing:** The updated capital programme has a borrowing requirement for the period 2022/23 to 2032/33 of £332.9m, which represents 46% of the total gross programme funding. This is a reduction of just £0.3m compared to that reported in the State of the County 2022 of £333.2m due to the updates presented at section 2 in this report. Most notably an added year of investment offset in part by changes in School Basic Need requirements. The Capital Strategy seeks to maximise the application of other funding sources in order to reduce the council's borrowing requirement which has a long term revenue implication.

4 Impact on the Revenue Medium Term Financial Plan and Treasury Management Capacity

4.1 Decisions on future capital investment should be considered in the context of the impact on the Treasury Management (TM) capacity to fund the investment and the revenue budget, whereby the cost of funding and Minimum Revenue Provision needs to be included within the MTFP. The current capital programme already requires borrowing in future years, which together with the Minimum Revenue Provision accounting requirements, will need the TM budget to be increased beyond the current MTFP.

4.2 Current TM modelling for the direct costs of borrowing estimates that for every £10m of additional borrowing, there would be an associated revenue cost of approximately £750,000 over the full life of the asset (based on a 30 year asset life).

4.3 As highlighted at budget setting in February 2022, the current planned programme borrowing requirement will need Treasury Management budget increases outside the current MTFP. Treasury Management modelling takes a holistic approach considering a number of variable factors including availability of cash balances and interest rates impacting borrowing costs and return on investments. Therefore any updates to the MTFP will consider the overall impact on the TM budget.

5 Risk provision update

5.1 A £7.5m ongoing risk provision was approved in February 2022 to mitigate against capital programme risks, representing approximately 3% of the programme over the MTFP period. This risk provision is a permission to borrow for emerging risks and is managed through ensuring Treasury Management capacity rather than representing funds that are within the Council's accounts. Its utilisation, if approved by CSAB would, therefore, require additional borrowing and be reported through the RPPR process and quarterly monitoring in the normal way.

5.2 There are several risks and uncertainties regarding the programme to 2025/26 and beyond which have necessitated holding a risk provision. These risks as reported at State of the County 2022 include:

- Excess inflationary pressures on construction costs
- Uncertainty about delivery of projects in the programme, e.g. highways and infrastructure requirements
- Any as yet unquantifiable impact of supply issues and cost increases
- Any as yet unknown requirements
- Residual project provision (previously removed) if required; and
- Uncertainty regarding the level of government grants and the ability to meet CIL and S106 targets.

5.3 There are currently increased uncertainties that exist within the construction industry in terms supply chain issues and volatile cost inflation. 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) such as Highways of 3% annually, with any increases above this level to be covered by the risk provision.

5.4 It is anticipated that there will be increasing pressures on the current programme due to the climate change agenda meaning additional requirements will need to be incorporated into the current programme, such as emerging environmental planning requirements and low carbon replacements of current assets. The risk provision and potential provision for this area will be reviewed as these requirements become clearer.

6 Capital Strategy

6.1 In 2017, the CIPFA (Chartered Institute of Public Finance and Accountancy) Prudential Code was revised and included the requirement for Local Authorities to produce a Capital Strategy. The Council's current Capital Strategy covers the period 2022/23 to 2042/43 and was approved as part of RPPR 2022/23. The Capital Strategy is being updated as part of the 2023/24 RPPR process to reflect emerging risks, principles and corporate priorities, and informed by decisions at State of the County 2022 and discussions at CSAB.

6.2 Updates to the Capital Strategy include clarification on the Council's policy on Flexible Use of Capital Receipts and clarification on cost avoidance being used as a consideration for investment projects. Another key update relates to the increasing pressure on SEND Place Planning and for this basic need requirement to be incorporated into the wider school place planning process.

7 Conclusion and reasons for recommendations

7.1 It is recommended that updates to the capital programme to 2032/33 are noted. The programme will continue to be reviewed through the RPPR, Capital Strategic Asset Board, Sub Boards and variation process to ensure it remains aligned to the MTFP, Treasury Management Strategy and other council strategies.

7.2 It is recommended that updates to the Capital Strategy to 2043/44 are noted, to reflect updates to target driven basic need, which supports the Council's responsibilities and wider service strategies adopted.

Annex A – Revised Capital Programme

Capital Programme (gross) (£m)	Current Year 2022/23	MTFP Period			2026/27 to 2031/32	Total
		2023/24	2024/25	2025/26		
Adult Social Care:						
House Adaptations	0.050	0.050	0.050	0.050	-	**0.200**
Learning Disability Support Living Scheme	0.200	2.000	3.990	0.231	-	**6.421**
Greenacres	0.144	-	-	-	-	**0.144**
Adult Social Care Gross	**0.394**	**2.050**	**4.040**	**0.281**	**-**	**6.765**
Scheme Specific Funding	(0.144)	(1.500)	(3.990)	(0.231)	-	**(5.865)**
Adult Social Care Net	**0.250**	**0.550**	**0.050**	**0.050**	**-**	**0.900**
Business Services:						
Salix Contract	0.350	0.350	0.350	-	-	**1.050**
Lansdowne Secure Unit – Phase 2	0.075	-	-	-	-	**0.075**
Schools Basic Need	2.749	2.536	7.274	6.628	47.217	**66.404**
Special Educational Needs	0.175	1.667	1.347	-	-	**3.189**
Special Educational Needs – Additional Places	0.750	5.000	8.000	5.000	0.429	**19.179**
Special Provision in Secondary Schools	0.120	-	-	-	-	**0.120**
Disability Children's Homes	0.057	0.705	0.024	-	-	**0.786**
Westfield Lane	0.721	-	-	-	-	**0.721**
Capital Building Improvements (Schools)	5.179	4.182	4.182	4.182	29.274	**46.999**
Capital Building Improvements (Corporate)	3.439	4.520	4.520	4.520	31.120	**48.119**
IT & Digital Strategy Implementation	4.186	10.109	8.624	3.412	50.122	**76.453**
IT & Digital Strategy Implementation - MBOS	8.193	1.512	-	-	-	**9.705**
IT & Digital Strategy Implementation - Utilising Automation	0.024	-	-	-	-	**0.024**
Business Services Gross	**26.018**	**30.581**	**34.321**	**23.742**	**158.162**	**272.824**
Scheme Specific Funding	(2.134)	(2.156)	(0.350)	-	-	**(4.640)**
Business Services Net	**23.884**	**28.425**	**33.971**	**23.742**	**158.162**	**268.184**
Children's Services:						
House Adaptations	0.050	0.050	0.050	0.050	-	**0.200**
School Delegated Capital	1.385	1.150	1.150	1.150	-	**4.835**
Conquest Centre Redevelopment	0.015	-	-	-	-	**0.015**
Children's Services Gross	**1.450**	**1.200**	**1.200**	**1.200**	**-**	**5.050**
Scheme Specific Funding	(1.385)	(1.150)	(1.150)	(1.150)	-	**(4.835)**
Children's Services Net	**0.065**	**0.050**	**0.050**	**0.050**	**-**	**0.215**
Communities, Economy & Transport:						
Broadband	0.911	2.757	2.757	-	-	**6.425**
Salix Solar Panels	0.077	-	-	-	-	**0.077**

Salix Low Carbon Heating at Herstmonceux Primary School	0.207	-	-	-	-	**0.207**
Climate Emergency Works	2.090	1.516	5.922	-	-	**9.528**
Flood & Coastal Resilience Innovation Programme	0.641	0.898	0.935	0.850	0.930	**4.254**
Bexhill and Hastings Link Road	0.318	-	-	-	-	**0.318**
Bexhill and Hastings Link Road – Complementary Measures	0.167	0.060	-	-	-	**0.227**
Economic Intervention Fund – Grants	0.242	0.435	0.300	0.300	0.794	**2.071**
Economic Intervention Fund – Loans	0.347	0.500	0.500	0.500	0.123	**1.970**
Stalled Sites	0.035	0.120	0.124	-	-	**0.279**
Upgrading Empty Commercial Properties	-	0.007	-	-	-	**0.007**
Community Match Fund	0.069	0.411	-	-	-	**0.480**
Community Road Safety Interventions	-	0.500	0.250	-	-	**0.750**
Newhaven Port Access Road	0.257	0.020	0.708	-	-	**0.985**
Real Time Passenger Information	0.074	0.078	0.060	0.061		**0.273**
Bus Services Improvement Plan	1.125	5.940	15.250	-	-	**22.315**
Queensway Depot Development	0.175	0.466	-	-	-	**0.641**
Hailsham HWRS	0.171	-	-	-	-	**0.171**
The Keep	0.026	0.202	0.026	-	0.823	**1.077**
Other Integrated Transport Schemes	3.260	5.324	5.209	4.024	20.762	**38.579**
Integrated Transport Schemes – A22 Corridor	0.533	-	-	-	-	**0.533**
Exceat Bridge Replacement	2.955	3.954	2.509	-	-	**9.418**
Emergency Active Travel Fund – Tranche 2	0.756	-	-	-	-	**0.756**
Libraries Basic Need	0.497	0.789	0.449	0.449	1.796	**3.980**
Peacehaven Library Refurbishment and Conversion	0.001	0.027	-	-	-	**0.028**
Libraries Targeted Support	0.211	-	-	-	-	**0.211**
Highways Structural Maintenance	21.686	20.647	21.688	22.246	172.805	**259.072**
Bridge/Structures Assessment Strengthening	1.981	4.749	1.775	3.025	14.616	**26.146**
Street Lighting and Traffic Signals	2.973	4.542	3.839	3.888	8.012	**23.254**
Street Lighting and Traffic Signals – Salix Scheme	0.650	-	-	-	-	**0.650**
Visibly Better Roads	4.809	0.800	-	-	-	**5.609**
Rights of Way Surface Repairs and Bridges	0.565	0.565	0.514	0.484	3.705	**5.833**
Communities, Economy & Transport (LEP Funded Schemes):						
Eastbourne Town Centre Phase 2	0.532	2.709	-	-	-	**3.241**
Eastbourne/South Wealden Walking & Cycling Package	0.540	1.811	-	-	-	**2.351**
Hailsham/Polegate/Eastbourne Movement & Access Corridor	0.684	0.275	-	-	-	**0.959**
Hastings & Bexhill Movement & Access Package	2.265	2.811	-	-	-	**5.076**

Skills for Rural Businesses Post-Brexit	0.915	-	-	-	-	**0.915**
Getting Building Fund – UTC Maritime and Sustainable Technology Hub	1.300	-	-	-	-	**1.300**
Getting Building Fund – Food Street	0.100	-	-	-	-	**0.100**
Getting Building Fund – Seven Sisters	0.200	-	-	-	-	**0.200**
Communities, Economy & Transport Gross	**54.345**	**62.913**	**62.815**	**35.827**	**224.366**	**440.266**
Scheme Specific Funding	(6.630)	(13.874)	(21.483)	(2.036)	**(**1.386)	**(45.409)**
Communities, Economy & Transport Net	**47.715**	**49.039**	**41.332**	**33.791**	**222.980**	**394.857**
Total Programme Gross	**82.207**	**96.744**	**102.376**	**61.050**	**382.528**	**724.905**
Scheme Specific Funding	(10.293)	(18.680)	(26.973)	(3.417)	(1.386)	(60.749)
Total Programme Net	**71.914**	**78.064**	**75.403**	**57.633**	**381.142**	**664.156**

Equality Impact Assessment for CAPITAL PROGRAMME 2023-24 to 2032-33

Following the introduction of the Equality Act 2010 ('the EA') a public authority must, in the exercise of its functions, have due regard to the need to –

(a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the EA;
(b) advance equality of opportunity between persons who share a relevant protected characteristic (as defined by the EA) and persons who do not share it;
(c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

The protected characteristics set out in the EA are age, disability, ethnicity, gender reassignment, pregnancy/ maternity, religion or belief, sex and sexual orientation. Marriage and civil partnership are also protected characteristics for the purposes of the duty to eliminate discrimination. When making decisions the County Council also considers other matters such as the impact of rurality, deprivation and being a carer, where relevant.

The Capital Programme requires Members to have due regard to the Equality Duty contained in Section 149 of the EA as set out above.

Having "due regard" does not necessarily require the achievement of all the aims set out in section 149 of the EA. Instead it requires that Members understand the consequences of the decision for people in relation to their protected characteristics and consider these alongside other relevant factors when making the decision to pursue one course of action rather than another, alternative course of action that may have different consequences. The regard which is necessary will depend upon the circumstances of the decision in question and should be proportionate. Where a decision is likely to have an impact on a significant number of people, or where it is likely to have a significant impact on even a small number of people, the regard required will be high.

This means that in setting the Capital Programme, the three equality aims set out above have to be considered as a relevant factor alongside financial constraints and all other relevant considerations. Due to the ongoing financial pressures the Council is facing, the current capital programme focusses on a strategy to deliver core need as efficiently as possible. As agreed, service developments and investment opportunities that are outside core need are required either to be match funded or produce a business case that demonstrates benefits. Approved bids are added to the programme in line with current variation policy and financial regulations. Members must consider the equalities impacts, as identified, of agreeing this capital programme.

Specifically, Members need to take account of what the potential impacts of spending on this proposed programme will be for the communities in East Sussex, and take the same account of equality impacts if proposing amendments or alternative spending. It will be open to Directors and Lead Members at the time of taking those decisions to spend more on one activity and less or none on another, with due reference to equality impacts. Where further assessment of equality impact is needed to assess more detailed plans, this has been indicated, and Directors and Lead Members will need to further consider these impacts and their implications for decisions.

The EA does not require the use of a specific template for an equality impact assessment (EqIA); however the cases considering the public sector equality duty have held that a documented process is the best way to demonstrate that the equalities impacts have been identified and considered, proportionate to the impacts identified. All proposals have been assessed for their equality impacts. Where a project which was included in the Capital Programme is likely to have disproportionate impacts upon people sharing protected characteristics, officers have considered the consequences of that particular project or bid and have summarised these impacts for Members to consider and identified potential mitigating actions. Where impacts are potentially greater and a full EqIA has been conducted these are available as background documents. Members must read the full version of the EqIAs and take their findings into consideration when determining these proposals.

CAPITAL PROGRAMME 2023/24 to 2032/33	
Proposal	**Summary of equality impact assessment**
Adult Social Care	
House Adaptations (Adults): Older People's/LD Service Improvements	No disproportionate equality impacts are identified. Requests for this fund are based upon individual assessment of need, and comprehensively screened to ensure they meet the agreed defined criteria for funding. Older People's/LD Service Improvements EqIA, updated in February 2021, is attached.

Learning Disability Supported Living	A business case has been developed which includes reference to an initial EqIA, completed with involvement from the care provider and from the Community Learning Disability Team. Further equality assessment will be undertaken, subject to proposals and funding being agreed. The initial analysis in the EqIA has also indicated that, if the project progresses as expected, there is unlikely to be a long-term detrimental impact relating to people's protected characteristics as a result of any service model changes. Initial EqIA for this proposal is attached "Affinity Trust (Beckley Close and Jasmine Lodge) deregistration and change from Residential Care to Supported Living" (updated July 2022 from original assessment in October 2021). This EqIA remains a draft and will be updated as the proposal develops.
Business Services	
SALIX Contract	No disproportionate equality impacts are identified in relation to this programme. Funding for this scheme was agreed previously. Programme relates solely to carbon reduction measures in schools and ESCC buildings, identified and prioritised based on energy consumption. No further equality impact assessment is required.
Core Programme - Schools Basic Need	A full EqIA Schools Basic Need Capital Programme EqIA was completed in January 2021 and updated in November 2022 and is attached.

Special Educational Needs (SEN)	The EqIA for the schools' basic need capital programme includes information about the need for more SEN places. In addition, parents/carers and school communities were consulted on our SEND place planning strategy in May / June 2021. Respondents agreed with our priorities for provision and also identified further gaps in SEND provision across the county. A report on the findings of the consultation was shared with the East Sussex Parent and Carer Forum and posted on the ISEND local offer pages. The recently published School Organisation Plan 2022 to 2026 sets out our SEND place planning strategy in further detail. Schools Basic Need Capital Programme EqIA, updated in November 2022, is attached.
Special Educational Needs – Grove Park Additional Places	The EqIA for the schools' basic need capital programme includes information about the need for more SEN places. In addition, we consulted parents/carers and school communities on our SEND place planning strategy in May / June 2021. Respondents agreed with our priorities for provision and also identified further gaps in SEND provision across the county. Schools Basic Need Capital Programme EqIA, updated in November 2022, is attached. A full EqIA specifically for the Grove Park proposal will be undertaken at the stage of statutory proposals.
Disability Children's Homes	The proposal will lead to improvements in the service that can be provided to disabled children that need residential care, as more children who require this support will be able to access it. Plans for the site respond to the changing profile and needs of the disabled children and young people currently requiring full-time accommodation or respite care. Feedback from parents and carers clearly sets out the demand for more residential provision. This proposal responds directly to this identified need and feedback. There are potential benefits here for young people who need more of their own space and who are approaching transition period. There are benefits to young people and their families of more availability of specialist provision. No negative impacts are identified and no additional actions are required beyond those already included in the plans. 'Disability Children's Homes: Sorrel Drive – Adaptations' EqIA, completed in November 2022, is attached.

Core Programme - Capital Building improvements	No EqIA needed as spend is prioritised according to agreed Capital Programme priorities.
Core Programme - IT & Digital Strategy implementation	'IT&D Core Programme' EqIA was completed in 2021 on this project and is attached.
Children's Services	
House Adaptations for Disabled Children's Carers Homes	The proposal has the potential for positive impact on the protected characteristic of 'age' and 'disability' – as the capital for house adaptations is aimed at support children and young people who are disabled. The is to improve the adaptability of homes so that disabled children can have accessible facilities. The Disabled Facility Grant (DFG) is allocated by central Government direct to District and Borough Councils. The grant is intended to provide for adaptations to the homes of adults and children with disabilities. Where the needs of young people cannot be met by the DFG then the councils can approach ESCC for additional capital funding (with a fixed maximum). Each application is assessed against previously agreed criteria to ensure fair allocation of resource. No further equality assessment is required.
Schools Delegated Capital	No disproportionate equality impacts are identified. Schools delegated capital is funding that comes into the LA for maintained schools and then delegated to each school via a formula to be used for small capital works. No further equality impact assessment is required.

Communities, Economy & Transport	
Broadband	No disproportionate equality impacts are identified. Equality impacts were assessed prior to contract award for each of the three infrastructure delivery contracts (2013, 2015 and 2018) and prior to becoming a "top up" funder to DCMS's Gigabit Voucher Scheme (2020). No disproportionate impacts were identified, as eligibility is based on technical criteria relating to properties not occupiers. No further equality impact assessment is required.
Council's Climate Emergency Plan (CEP)	No disproportionate equality impacts are identified. The CEP is a high-level plan and, as such, much of the implementation detail will be in plans and strategies that fit in below the main CEP. These plans will receive their own EqIAs, where appropriate. No further equality impact assessment is required at this stage.
Flood & Coastal Resilience Innovation Programme	The project will monitor water levels to understand and then better manage flooding risk in the catchment area. Communications and engagement plans will need to identify, understand and be responsive to diverse people's needs. An engagement and communication strategy is being developed at present and equality implications are a key part of this process in order to ensure actions to address these are embedded in the implementation phases. There is also an ongoing process of evaluation throughout the programme and any additional impacts identified through this will be reviewed and considered to improve engagement over time. Potential equality implications of the communications and engagement strategy will be identified and actions defined as part of the strategy development and then reviewed and evaluated as part of the project implementation.
Bexhill and Hastings Link Road (BHLR) Complementary Measures	No disproportionate equality impacts are identified. Work on the Link Road has been completed. Remaining spend relates to completion costs and there are no equality impacts arising from the remaining funding. No further equality impact assessment is required.

Economic Intervention Fund - Grants	No disproportionate equality impacts are identified. Grants are offered to expanding or relocating businesses, thus the applicants are generally established companies. Efforts to improve equality access earlier in the business life cycle, at pre-start or start-up stage, are addressed elsewhere in the Economic Development service. An EqIA is not required at this time but this will be reassessed at the point of re-contracting (2023).
Economic Intervention Fund - Loans	No disproportionate equality impacts are identified. The ESI Loan fund is a revolving self-financing fund from an original allocation from the capital programme and the Government's Regional Growth Fund eight years ago. As with the grants it is aimed at supporting existing businesses grow or relocate to the county and is delivered in partnership with Locate East Sussex, our commissioned Inward Investment service. No further equality impact assessment is required.
Stalled Sites	No disproportionate equality impacts are identified. This is a residual fund originally allocated in 2015. It is open to owners of sites that are undeveloped due to difficult site constraints and helps with funding site investigation and business cases and in some cases provides loans for pre-development work. The eligibility is based on the site not the owners. Applications also come from local authorities. No further equality impact assessment is required.
Upgrading Empty Commercial Properties	Project now closed. Remaining spend relates to completion costs and there are no equality impacts arising from the remaining funding. No further equality impact assessment is required.
Community Match Fund	Equality Impact Assessments are completed for each project within this fund. Impacts may vary depending on the project funded. Funding for this scheme was agreed previously. Funding allocation is per agreed annual spend and follows agreed spend criteria.

Community Road Safety Interventions	No disproportionate equality impacts are identified. Allocation of £250k per year from the current Community Match underspend to provide community focused road safety interventions, based on two stage appraisal process and criteria. Criteria include assessment of location, including proximity to schools, GP surgeries, hospitals and shops where road users may be more vulnerable. No EqIA is needed.
Newhaven Port Access Road	No disproportionate equality impacts are identified. Note: this project is concluding and has followed previously agreed plans. No further equality impact assessment is required.
Real Time Passenger Information	The project is an ongoing one, based on previously agreed principles. Impacts are positive in that the project aims to provide additional, accessible information to support people to access bus services. The impacts of this project are considered within the 'Bus Service Improvement Plan' EqIA – attached.
Bus Service Improvement Plan	People sharing the following characteristics may experience barriers when accessing buses which the BSIP aims to address: age (older and younger people), disability, ethnicity, religion, sexual orientation, gender reassignment, sex (women). There are also potential positive impacts in relation to rurality and people on low incomes. The improvements made by the BSIP aim to improve accessibility for all. There will also be an ongoing engagement mechanism organised with the independent watchdog Transport Focus. 'Bus Service Improvement Plan' EqIA, completed November 2022, is attached
Queensway Depot Development (Formerly Eastern)	No disproportionate equality impacts are identified. The project is to develop a new building. Any requirements in relation to building accessibility will be considered in planning stages. No further equality impact assessment is required.

The Keep	1. Internal maintenance, flooring and furniture: No equality impacts are identified as there will be no changes to accessibility within the building. No further assessment required. 2. Building Maintenance System (BMS): No equality impacts are identified as the BMS regulates only temperature and humidity of building. No further assessment required. 3. Foyer improvements: Changes to physical layout have the potential to impact on disabled people and others with limited mobility. An EqIA will be completed as part of the planning process to ensure ongoing accessibility of the physical layout. This will also allow exploration of options for wider engagement with groups and communities. 4. There is potential for some impacts on disabled people in relation to access to and exit from the alternative research spaces, but proposed mitigations minimise these impacts. A full EqIA will be completed if this proposal is accepted. 5. Security improvements: No disproportionate equality impacts are identified. No further equality assessment is required.
Other Integrated Transport Schemes	EqIAs are completed for each project in this programme. Impacts may vary according to the detail of the project. Impacts and actions are identified in the specific EqIA for each project
Exceat Bridge Replacement (Formerly Maintenance)	Work on this project is ongoing and impacts identified in the EqIA remain accurate. 'Exceat Bridge' EqIA, completed in 2019 and reviewed in 2021, is attached.
Core Programme - refurbishment of Hollington, Rye and Newhaven libraries	An EqIA and access audit are being completed for each refurbishment once initial scoping has been completed. Opportunities have been identified to improve access to the buildings, review stock, and to include hearing loops and these will be built into the developments. All alterations linked to findings have been made prior to full specifications being drafted for tender to ensure that we have an accurate assessment of works proposed which reflect the needs of the service. 'Libraries Capital Programme' EqIAs for Hollington, Newhaven and Rye are attached.

Core Programme - Highways Structural Maintenance	No disproportionate equality impacts are identified. Maintenance of public highways and public rights of way across the county is a statutory requirement of the County Council under the Highways Act. Priorities are defined based on the overarching principle of 'Asset Condition', which is that the Council ensures that it is investing in its assets to maintain a basic level of condition, which allows the Council to deliver its Priority Outcomes, meeting any security and health and safety requirements. All potential projects are assessed against agreed criteria. No further equality impact assessment is required.
Core Programme - Bridge Assessment Strengthening	No disproportionate equality impacts are identified. As traffic continues to increase on our roads there is requirement for a programme of bridge strengthening and replacement to ensure they remain safe. Priorities are defined based on the overarching principle of 'Asset Condition', which is that the Council ensures that it is investing in its assets to maintain a basic level of condition, which allows the Council to deliver its Priority Outcomes, meeting any security and health and safety requirements. All potential projects are assessed against agreed criteria. No further equality impact assessment is required.
Core Programme - Street Lighting and Traffic Signals - life expired equipment	No disproportionate equality impacts are identified. Programme ensures that street lighting is adequate and, as the existing stock comes to the end of its life, it is replaced with modern, energy efficient, technology that also addresses the issue of light pollution. Also ensures that the maintenance of traffic signals is adequate to meet the needs of maintaining safe roads and that meet the needs of all users. Priorities are defined based on the overarching principle of 'Asset Condition', which is that the Council ensures that it is investing in its assets to maintain a basic level of condition, which allows the Council to deliver its Priority Outcomes, meeting any security and health and safety requirements. All potential projects are assessed against agreed criteria. No further equality impact assessment is required.

Visibly Better Roads	No disproportionate equality impacts are identified. Maintenance of public highways and public rights of way across the county is a statutory requirement of the County Council under the Highways Act. All potential projects are assessed against agreed criteria. No further equality impact assessment is required.
Core Programme - Rights of Way Surface Repairs and Bridge Replacement Programme	No disproportionate equality impacts are identified. Programme maintains and protects the public's right to use the 2000 miles (3,500km) of footpaths, bridleways and byways in East Sussex. Priorities are defined based on the overarching principle of 'Asset Condition', which is that the Council ensures that it is investing in its assets to maintain a basic level of condition, which allows the Council to deliver its Priority Outcomes, meeting any security and health and safety requirements. All potential projects are assessed against agreed criteria. No further equality impact assessment is required.
Local Enterprise Partnership (LEP)/South East Local Enterprise Partnership (SELEP) schemes	LEP funding is allocated for specific, defined projects, and the council's role in these varies, whether that be lead, partner or funding manager. In the course of the development of the project business case and the delivery of the project, the promoting local authority ensures that any equality implications are considered as part of their decision-making process and where possible identify mitigating factors where an impact against any of the protected characteristics has been identified. Criteria for some funding is set externally (for example, by government) and cannot be influenced by the council. Teams will continue to ensure that equality impacts and actions are identified in LEP funded projects as appropriate, in line with the council's role in the projects and the scope to influence. Projects where the County Council is the lead will be subject to the same EqIA processes that apply to all projects in the capital programme.

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Capital Strategy 2023/24 to 2043/44

Document summary

With a scope of 20 years, the Capital Strategy 2023/24 to 2043/44 sets the framework in which the capital programme is planned and allows the Council to prioritise the use of resources to support the long-term priorities.

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1. Purpose of the Strategy

1.1 The purpose of the Capital Strategy is to drive the authority's capital investment ambition whilst also ensuring appropriate capital expenditure, capital financing and treasury management within the context of the sustainable, long-term delivery of services.

1.2 The Capital Strategy supports the Council Plan, which is our vision for a basic but decent level of service for East Sussex, in a difficult financial climate, set out under the following priority outcomes:

- Driving sustainable economic growth
- Keeping vulnerable people safe
- Helping people help themselves
- Making best use of resources now and for the future

1.3 The Strategy prioritises investment in assets that support the objectives of the Council Plan.

1.4 The aim of this Capital Strategy is also to ensure that all elected members fully understand the overall long-term policy objectives and resulting Capital Strategy requirements, governance procedures and risk appetite.

2. Technical Background

2.1 The Capital Strategy is framed within the following statute and guidance:

Legislation

Local Government Act 2003

- Chapter 1:
  - 1.1 – Power to Borrow
  - 1.3 – Duty to determine affordable borrowing limit
  - 1.12 – Power to invest
  - 1.15 – Regard to guidance issued

Professional Codes

CIPFA Professional Codes

- Prudential Code 2021
- Treasury Code of Practice 2021

Guidance

Government and CIPFA guidance

- Minimum Revenue Provision 2018
- Local Government Investments 2018

2.2 In response to a growing number of authorities increasing their use of non-financial investments (such as commercial property portfolios) to generate income to compensate for reducing resources supporting the delivery of their core services, the Prudential Code was updated in 2017. The revised code and guidance sought to increase transparency and to provide a single place to assess the proportionality of this activity in comparison to an authority's core services.

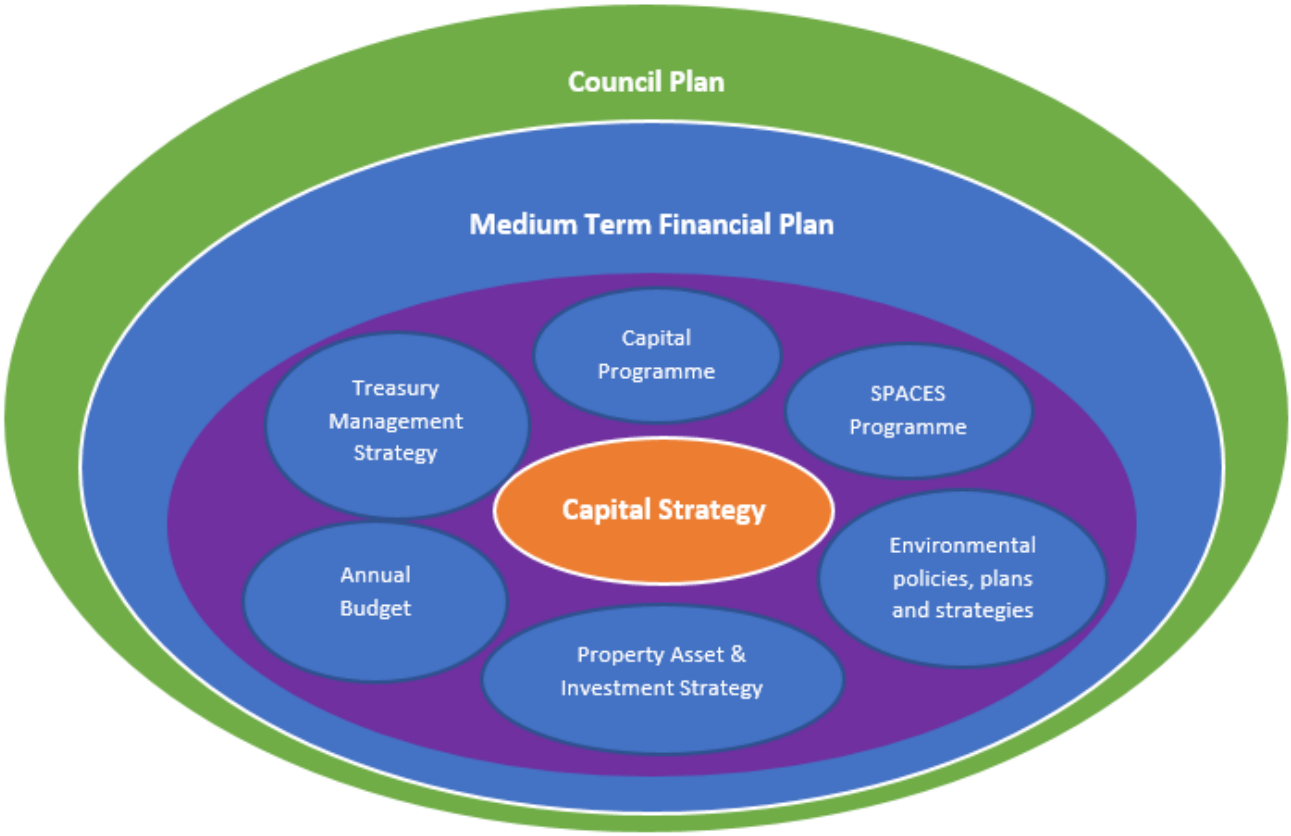
2.3 The Strategy is completed in line with best practice as outlined within the Chartered Institute of Public Finance and Accountancy (CIPFA) revised 2021 Treasury and Prudential Code, it:

- Applies a long-term approach.
- Explores external influence on Capital Strategy e.g. Local Enterprise Partnership (LEP).
- Examines Commercial activity/ambition.

- Determines implications of Treasury Management Strategy.
- Ensures Council Plan priorities drive capital investment.
- Examines available resources and capacity to deliver.
- Assesses affordability against ambition and address any gap.
- Identify capital financing principles.
- Demonstrate integration with other strategies and plans.
- Produce a 10-year capital investment plan, with actions, timescale, outputs and outcomes; plus a 3-year funded programme in line with the Medium Term Financial Plan (MTFP).
- Identify risks and mitigation.
- Outline Governance, monitoring processes and procedures.

3. Reconciling Policy, Performance and Resources Framework

3.1 The Capital Strategy is an integrated part of the Council's planning framework, Reconciling Policy, Performance and Resources (RPPR). It will have an impact on, and will be impacted by, the other strategies and documents both internally and externally: Internally this includes:



Name	Description
Council Plan	Sets ambitions and plans for each of the four overarching priority outcomes: driving sustainable economic growth; keeping vulnerable people safe; helping people help themselves; and making best use of resources and for the future.

Medium Term Financial Plan	The Medium Term Financial Plan covers up to the next three years, it is updated each year to encompass any economic or political impacts.
Capital Planned Programme	The programme sets out for the coming 10 years the programme of capital investment that supports delivery of the Council's priority outcomes updated each year to maintain the 10-year horizon.
Annual Budget	The annual budget details the intended revenue (current) expenditure for the next financial year, it allows the Council to set its Council Tax rate for that year. Including any impact from planned investment.
Treasury Management Strategy	Setting out the acceptable limits on ratings, investment periods, amounts to be invested and the borrowing strategy.
Property Asset & Investment Strategy	The key purpose of the Strategy is to deliver an ongoing net income stream to the Council with investment defined as allocating money in the expectation of some benefit in the future.
SPACES Programme (Strategic Property Asset Collaboration in East Sussex)	A well-established multi organisation partnership that has been delivering property and land co-location and collaboration projects across East Sussex and Brighton & Hove since 2011.
Environmental policies, plans and strategies	The County Council agreed a Climate Emergency Action Plan in June 2020 and is also a partner in the Environment East Sussex Board, which has developed an Environment Strategy for East Sussex.
Capital Strategy	With a scope of 20 years, the strategy sets the framework in which the capital programme is planned and allows the Council to prioritise the use of its resources to support the long term priorities.

3.2 In addition to the internal framework there are a number of external organisations and partners who inform our capital strategies, these include, but are not limited to:

- South East Local Enterprise Partnership (*SELEP*);
- Coast to Capital Local Enterprise Partnership;
- District and Borough Councils via their Local Plans: There is a requirement for contribution receiving authorities to publish an annual 'Infrastructure Funding Statement' (IFS). Each authority IFS will improve provides transparency, increased accountability and promoted infrastructure delivery through publication of Section 106 (S106) and Community Infrastructure Levy (CIL) monies held, including details on allocations and spending. Districts and boroughs will also provide future spending priorities on infrastructure linked to their Local Plans with a statement on projects or types of infrastructure they intend will be funded by CIL. Providing the opportunity to actively bring processes together on monitoring, spending and promote delivery. The Council will continue to work in partnership with its districts and boroughs on infrastructure planning and delivery though the IFS and Local Plan reviews;
- Local Planning Authorities, such as District and Borough Councils and the South Downs National Park Authority may impose planning conditions to specific schemes.
- NHS Sussex Integrated Care Board;
- Brighton University;
- SPACES *(Strategic Property Asset Collaboration in East Sussex Programme)* is a partnership that includes East Sussex County Council (ESCC), all District and Borough Councils, Brighton & Hove City Council, three emergency services, representatives from the voluntary and community sector, NHS and some central government departments such as Probation Services, Job Centre Plus (Department for Work and Pensions - DWP) and Department for Transport (DfT).

3.3 The Council will actively seek opportunities to engage with other partner organisations to achieve positive outcomes for our residents, using all available forums to develop connections that can be utilised to achieve mutually beneficial approaches to deliver capital projects.

4. Principles

4.1 Capital expenditure can be defined as expenditure that results in the acquisition, construction or enhancement of an asset (e.g. land, buildings, roads, plant and equipment), that continues to benefit the Council for a period of more than one financial year. At East Sussex County Council (ESCC), projects can be capitalised if they meet the definition of capital expenditure and are over the current approved de minimus of £20,000. Any item below this limit is charged to revenue.

4.2 The strategy sets the strategic direction for next 20 years and is supported by a 10 year planned programme. Published as a separate document, the Capital Programme will be updated annually through the RPPR process, to ensure that the Council continues to focus on the right priorities and is able to react to changes in circumstances.

4.3 The Prudential Code requires that authorities demonstrate that they make capital expenditure and investment decisions in line with services objectives and have proper stewardship arrangements, provide value for money, are prudent, sustainable and affordable.

4.4 To ensure that the Council meets the requirements, it will:

- **Ensure capital expenditure contributes to the achievement of the Council's Priority Outcomes.** Capital is considered annually as part of the RPPR process, which underpins the financial planning process;

- **Ensure investment decisions make best use of resources**. A capital and treasury model is in place to ensure that the impact of capital expenditure and use of resources is understood and a holistic view taken;

- **Have a clear framework for making capital expenditure decisions.** Basic need provides a platform that **must** be funded. Other decisions require a business case that meet certain criteria to be approved (see Appendix B);

- **Ensure a corporate approach to generating capital resources is established.** The approach to providing funding for capital is set out in section 5 of this strategy**;**

- **Prioritise the implementation of key risk management tools.** Including prudential indicators as part of the Council's Treasury Management Policy and Strategy and follow the core principles of the codes;

- **Have access to sufficient long-term assets to provide services.** The Council use statistical information, including population trends and housing development plans along with asset condition surveys and regular valuations of our assets to help plan long-term need**.**

4.5 **Basic Need -** The strategy focusses on the delivery of basic need for the Council to continue to deliver our services as efficiently as possible. Basic need for the purposes of the capital strategy is provided below, and further detail is provided in in Appendix A*:*

- **Place:** ensuring we can deliver services by planning for future need.
- **Asset Condition:** maintaining our assets to an agreed level.
- **ICT Strategy:** ensure that our ICT is for for purpose for delivering modern council services in a digital era and protecting data.

- **Climate Change:** supporting the Council's aim of reaching carbon neutrality from our activities as soon as possible and in any event by 2050 in an appropriate and cost-efficient way.

4.6 **Investment Projects** - In addition to the basic need programme the Council will consider business cases where a clear payback, funding stream or future cost avoidance can be demonstrated. Any payback will reduce borrowing in the year it is received and contribute to the sustainability of the programme.

4.7 **Capital Loans –** Where loans to third parties that are being used to fund expenditure that is classed as capital in nature, the loans will be accounted for as capital expenditure and will therefore be approved as part of the capital programme. Capital loans to third parties will only be considered where there is an agreed terms of repayment, and repayments will be treated in accordance with the Council's Treasury Management Strategy.

5. Funding

5.1 The Councils Capital Programme is funded from a range of sources including:

- **Prudential Borrowing** – The introduction of the Prudential Code in 2004 allows the Council to undertake unsupported borrowing itself. This borrowing is subject to the requirements of the Prudential Code for Capital Expenditure for Local Authorities. This has revenue implications for the Council in the form of financing costs, including Minimum Revenue Provision, which will be considered via the annual RPPR process.
- **External Grants for Specific Purposes** – these include grant allocations categorised for specific purposes to deliver specific schemes or outcomes. Where the Council is already funding a scheme or targeted outcome from council funding streams such or borrowing or capital receipts, then such grants will be used to reduce the use of council funding in the defined order outlined at 5.2.
- **External Grants for Non-Specific Purposes** – grant allocations for the delivery of the Council's capital plans (most often from government departments), that are categorised as non-specific. Any grants attracted are used to fund the approved Basic Need capital programme and reduce the Councils need to borrow.
- **Infrastructure Contributions (Section 106 and Community Infrastructure Levy) -**

  S106 Contributions – some projects within the Capital Programme are funded by contributions from private sector developers. Where applicable we request contributions for infrastructure such as roads and transport, schools, libraries, household waste recycling centres and rights of way relating to development that has an impact in East Sussex.

  Community Infrastructure Levy (CIL) - CIL is a standard charge on developments used to fund a wide range of infrastructure that is needed because of the development. The Charging Authorities (District & Borough Councils) are required to produce a CIL Charging Schedule, which sets out the rates of CIL to be charged on development, East Sussex County Council can then approach the Charging Authority to drawdown some or all of the CIL to fund infrastructure projects.

  Infrastructure Contributions represents an important source of funding as it can act to facilitate leverage of additional external funding crucial to meet the County's infrastructure requirements. The capital strategy will seek to maximise the use of Infrastructure Contributions to fund basic need requirements and unfunded infrastructure schemes (via net nil variation), and for future planning purposes, the capital programme will include a reasonable funding target for future years. This target has an inherent risk of not being secured, and will therefore be reviewed annually for reasonableness and, if necessary, actions taken to reduce the target whilst not increasing the need to borrow.

- **Other External Contributions** - Other organisations and partners such as may from time to time make a contribution towards the delivery of a specific capital project. The same principles will apply as to External Grants for Specific Purposes (see above).
- **Reserves and Revenue Set Aside** – The Council can use revenue resources to fund capital projects, where these have been approved as part of the budget setting process or an approved business case. This includes specific reserves, payback from invest to save schemes and revenue contributions (CERA).
- **Capital Receipts** – The Council can generate capital receipts through the sale of surplus assets such as land and buildings. The Council seeks to maximise the level of these resources, which will be available to support the Council's plans. This funding source will be prioritised to fund assets with the shortest useful life, such as IT equipment, to reduce the requirement to borrow for assets that attract a greater annual Minimum Revenue Provision cost.
- **Capital Reserve** – The Council has set aside funds in a reserve that can be drawn upon to fund capital schemes, however reserves can only be used once and therefore are a finite resource. The purpose of the Capital Reserve is to support the Council's Capital Programme and to reduce the need to borrow. This funding source will be prioritised where possible and appropriate to fund assets with the shortest useful life, such as IT equipment, to reduce the requirement to borrow for assets that attract a greater annual Minimum Revenue Provision cost.
- **New Homes Bonus** – New Homes Bonus is a (non-specific) revenue grant given by Central Government to Councils which is based on the number of homes build or brought back into habitation in the previous year and is payable for four years. New Homes Bonus can be used to fund revenue or capital expenditure. This will be decided annually through the RPPR process.

5.2 The application of these funding sources to capital expenditure incurred during the year will be applied in the following order where possible to minimise revenue implications:

a. Scheme specific income e.g. specific grants, S106 contributions, Community Infrastructure Levy and Other External Contributions
b. Reserves and Revenue set aside funding where agreed;
c. Non-Specific grants
d. New Homes Bonus
e. Capital Receipts
f. Capital reserve (dependant on allocations for any specific items of investment set aside for future years)
g. Borrowing

5.3 **Leasing** - Lease obligations are similar to borrowing as they have an ongoing revenue budget commitment. Leasing will be considered following due diligence over the life of the asset, comparing the financial and non-financial benefits and risks to the Council owning and delivering such assets itself.

5.4 **Flexible Use of Capital Receipts** – Capital receipts cannot usually be used to fund revenue costs under statutory guidance, however, in 2016 the government introduced a direction, that has since been extended, to enable local authorities to fund the revenue costs of transformation projects that generate ongoing revenue savings or reduce the cost of service delivery. This direction recommends that a council that intends to use this flexibility should produce a Flexible use of Capital Receipts Strategy setting out details of projects to be funded through flexible use of capital receipts prior to the start of each financial year. The Council does not intend to use this flexibility as it would limit the amount of funding available to fund

the Capital Programme or increase the level of borrowing which would have revenue implications for the Council.

6. Environmental, Social and Governance (ESG) Considerations

6.1 Environmental, Social and Governance (ESG) considerations are relevant in capital decision making in order to support the Council's strategies. ESG requirements will need to be supported within the business case (see Section 4), and once approved, any capital items will enter the programme via the variation process.

6.2 In October 2019 the County Council declared a Climate Emergency and set a target of achieving carbon neutrality from its activities as soon as possible and in any event by 2050, in line with the new target for the UK agreed by Parliament in 2019. The County Council agreed a Climate Emergency Action Plan in June 2020. In accordance with the Climate Emergency Action Plan, where possible, officers will support these strategies through identifying a programme of energy efficient projects linked to capital programmes and embed low carbon outcomes in where appropriate in capital contracts.

6.3 To ensure that the costs and benefits of any potential projects is balanced with the social, economic and environmental implications of carbon reduction initiatives, the following should be considered.

- Energy efficiency measures should be considered at the start of any capital project and included in the whole project costs when establishing a business case;
- Where possible, ESG schemes should be integrated within existing funded programmes, e.g. boiler replacement programme with carbon low carbon replacements as part of the capital building maintenance programme;
- A whole building approach should include whole life costings which will range from shorter to longer term pay back periods, and it may be possible to use short term savings to subsidise longer term improvements.
- Scheme Specific Funding, such as external grants and Section 106/CIL contributions should be considered and actively sought to fund projects. This should include lobbying of government departments to provide funding for low carbon measures, such as the Department of Education when funding new schools and major improvements.

7. Equalities Impact

7.1 Following the introduction of the Equality Act 2010 ('the EA') a public authority must, in the exercise of its functions, have due regard to the need to – (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the EA; (b) advance equality of opportunity between persons who share a relevant protected characteristic (as defined by the EA) and persons who do not share it; (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

7.2 The protected characteristics set out in the EA are age, disability, race, pregnancy/ maternity, religion or belief, sex, gender reassignment, and sexual orientation. Marriage and civil partnership are also protected characteristics for the purposes of the duty to eliminate discrimination. When making decisions the County Council also considers other matters such as the impact of rurality, deprivation and being a carer.

7.3 This means that in setting the Capital Programme, the three equality aims set out above have to be considered as a relevant factor alongside financial constraints and all other relevant considerations. The EA does not require a specific template or format for this assessment

however, cases considering the public sector equality duty have held that an Equality Impact Assessment (EqIA) is the best way to demonstrate that the equalities impacts have been identified and considered.

7.4 Where a capital project is added to the Capital Programme, officers will demonstrate that the equalities impacts have been assessed and considered by carrying out an initial high level EqIA. This will identify whether a further EqIA is required if the proposal is agreed. Where EqIAs are in place for existing projects in the capital programme, these must be reviewed and refreshed annually as part of the RPPR process.

8. Debt, Borrowing and Treasury Management

8.1 A requirement under the Chartered Institute for Public Finance and Accountancy (CIPFA) Code of Practice for Treasury Management in the Public Services is to prepare a Treasury Management Policy and Strategy setting out the Council's policies for managing investments and borrowing. The Local Government Act 2003 and supporting regulations requires the Council to 'have regard to' the Prudential Code and to set Prudential Indicators to ensure that the Council's capital investment plans are affordable, prudent and sustainable.

8.2 The Local Government Act 2003 permits local authorities to borrow to finance capital expenditure provided that the plans are affordable, prudent and sustainable in the long term. The Treasury Management Policy and Strategy and the Capital Programme identifies a borrowing need. The treasury management function ensures that the Council's cash is organised in accordance with the relevant professional codes so that sufficient cash is available to meet the capital expenditure plans.

8.3 Under the Prudential Code and Treasury Management Code, the Council is required to set parameters around its borrowing and treasury activity, including an authorised borrowing limit for each year which cannot be breached. Additionally, when funding capital expenditure through borrowing, the Council is required to set aside a sum from revenue each year to repay the debt, known as the Minimum Revenue Provision (MRP).

8.4 To ensure the separation of the core treasury function under security, liquidity and yield principles (SLY), and the policy and commercialism investments usually driven by expenditure on an asset, the Capital Strategy is reported separately from the Treasury Management (TM) Strategy. Therefore, the debt related to the activity and the associated interest costs, payback period, Minimum Revenue Provision policy or for non-loan type investments, the cost against the current market value and the financial risks are part of the Treasury Management Policy and Strategy.

8.5 The proposed capital programme investment has consideration directly to the Treasury Management Strategy. A specific model developed for this purpose continues to be used and updated to remain currents so that it remains responsive to any treasury management risks, such as interest rate volatility. Any borrowing required is within the limits set by the Treasury Management Strategy, which sets out the acceptable limits on ratings, investment periods, amounts to be invested and the borrowing strategy.

8.6 The Treasury Management revenue budget currently holds capacity due to the following items, but it is anticipated that this capacity will dimmish and cease over time as the need to borrow to finance the capital programme increases.

- Capacity is held for a capital programme risk provision (approved annually as part of the RPPR process).
- Slippage in the capital programme will create temporary capacity in MRP budgets.

- The Treasury Management Strategy seeks to maximise return on investments (commensurate with the Council's risk appetite) and allow for an appropriate level of internal borrowing.

Subject to annual consideration as part of the Council monitoring process, any underspends within the Treasury Management revenue budget will be reinvested into the capital programme (managed through the Capital Reserve), to reduce the need to borrow and significantly increase the Treasury Management revenue budget in the future.

9. Commercial Activity

9.1 The Council's Property Asset Disposal and Investment Strategy was approved at Cabinet on 24 April 2018. The key purpose of the Strategy is to deliver an ongoing net income stream to the Council with investment defined as allocating money in the expectation of some benefit in the future, providing the framework and template for the Council's approach to considering the commercial opportunities that exist, or can be created, in order to drive value for residents and businesses.

10. Governance

10.1 The Council's constitution and financial regulations govern the capital programme as set out below:

- All capital expenditure must be carried out in accordance with the financial regulations and the Council's constitution;
- Capital expenditure must comply with the statutory definition of capital purposes as defined within this document and wider financial standards;
- The Capital Programme approved by Full Council as part of the Council's annual RPPR budget report sets the capital funding availability for the Council. This is updated and approved by Full Council as part of the Council's RPPR State of the County report;
- All schemes are formally approved into the capital programme by following the process set out in the financial regulations;
- With the exception of strategic projects supported by a business case, Basic Need will only be added to, or removed from, the Capital programme as part of the annual budget setting process or as part of State of the County. Any request outside of this process would have to be approved by Cabinet;
- Officers are not authorised to commit expenditure without prior formal approval as set out in the financial regulations;
- Each scheme must be under the control of a responsible person/project manager.

10.2 The Council has a Capital Strategic Asset Board (CSAB), a cross-departmental group consisting of officers from each service department, finance, property and procurement. CSAB oversees the development and delivery of the Council's capital programme.

10.3 Departmental Capital Boards/sub boards exist for the school basic need programme, Property Maintenance and related projects; Communities, Economy and Transport; and Information, Technology and Digital. There is also a CIL & Section 106 Working Group that reports to the CSAB.

10.4 In year, the Capital Programme is monitored and reported to the Corporate Management Team and then to Cabinet and Full Council, on a quarterly basis, as part of the Council's RPPR monitoring.

10.5 Governance arrangements, including risk management (see section 10), will be reviewed to ensure that it remains fit for purpose and is in line with best practice.

11. Risk

11.1 The Council seeks to minimise its exposure to risks that are unwanted and unrewarded. Capital is managed centrally on an ongoing basis to ensure that there is sufficient liquidity in the short and medium term to meet costs and support front line services, as well as meeting long-term solvency and funding requirements.

11.2 The Council is exposed to a range of risks that could be triggered by local, national or global events resulting in, for example:

- Financial risks related to the investment of the Council's assets and cash flow, market volatility, currency etc.
- Macroeconomic risks related to the growth or decline of the local economy, interest rates, inflation and, to a lesser degree, wider national and global economics.
- A credit and counterparty risk related to investments, loans to institutions and individuals and counterparties in business transactions.
- Operational risks related to operational exposures within its organisation, its counterparties, partners and commercial interests.
- Strategic risks related to key initiatives undertaken by the Council such as significant purchases, new ventures, commercial interests and other areas of organisational change deemed necessary to help the Council meet its Priority Outcomes.
- Reputational risks related to the Council's dealings and interests, and the impact of adverse outcomes on the Council's reputation and public perception.
- Environmental and social risks.
- Governance risks related to ensuring that prudence and careful consideration sit at the heart of the Council's decision-making, augmented by quality independent advice and appropriate checks that balance oversight and efficiency.

11.3 Managing the Council's risks is an area of significant focus for senior management and members, and the Council adopts an integrated view to the management and qualitative assessment of risk.

11.4 The Council aims to minimise its exposure to unwanted risks – risks that are avoidable and which carry no commensurate reward for the Council – through a range of cost effective mitigation strategies.

11.5 To ensure that risks to the delivery of the capital programme, a structured framework of planning and monitoring is maintained as detailed in section 9, which is intended to identify those schemes at risk of non or late delivery.

11.6 The Council maintains a contingency at a corporate level, to mitigate possible risks arising from the capital programme. Control of this contingency is maintained by the CSAB, which operates within the normal governance arrangements (see section 9).

11.7 As part of capital planning, a number of potential projects or needs for additional funding maybe identified, these are added to a register of such schemes, with the risks and impacts analysed. The CASB will review these on a regular basis and commission further work as necessary to bring the business cases forward if risk is deemed to have developed to a point where further action is required.

12. Skills and Knowledge

12.1 The Capital Programme and Treasury Management Strategy are managed by a team of professionally qualified accountants with extensive Local Government Finance experience, who attend courses on a regular basis to keep abreast of new developments. The Council's

Section 151 Officer is the officer with overall responsibility for Capital and activities and is a qualified accountant.

Appendix 1: Basic Need Definitions

Place

The overarching principle of “Place” is that the Council ensures that it is investing in its assets to meet future need. The areas of agreed investment are:

Schools Basic Need Programme

Ensuring the provision of sufficient school places is a statutory duty of the Council and needs to be funded. The requirement for school places in East Sussex is driven by housing growth, inward migration and changes in birth rates.

The programme will recognise the potential need for additional primary school places in areas of new housing development together with the increase in secondary school places required for those children already at primary school, which reflects an historic increase in births.

Special Educational Needs and Disability (SEND) Place Planning

Local authorities have a statutory duty to ensure there are sufficient good school places for all pupils, including for those with Special Educational Needs and Disabilities (SEND). Provision is an area of pressure for the Council, with forecasted growth in need over the capital programme period.

SEND requirements will be considered as basic need as part of school place planning, whilst also considering the implication of alternative provision (such as providing places within the independent sectors).

Economic Development including Place Shaping

A Council's priority outcome is to drive sustainable growth. Working with our partners, the Council will include in its capital programme schemes that support this outcome.

The Council will consider, as part of the "Other Investments" outside of basic need, schemes that will provide long-term benefits and demonstrate payback of the initial investment.

House Adaptations

House adaptions for both adults and children are an important element of allowing people to remain in their homes (District & Boroughs) or in accommodation, which meets their needs (County).

Working alongside our partners in Districts and Boroughs to ensure Disabled Funding Grant is utilised, along with our own resources, to provide the best outcomes for our residents.

Integrated Transport

The integrated transport delivers the objectives of the County's Local Transport Plan, which is complemented five-year implementation plans, delivering priority schemes. The schemes to be delivered are only added to the capital programme when external grant or contributions have been secured.

Climate Change

To achieve the Council's aim of reaching carbon net zero by 2050 at the latest in an appropriate and cost-efficient way, extensive works to decarbonise ESCC's estates operations will be necessary. The capital strategy will support an annual programme of energy efficiency projects linked to capital maintenance programmes, and consider the identification of additional resources required to meet actions identified in climate emergency plans, based on a robust process for identifying, prioritising and delivering projects.

Asset Condition

The overarching principle of "Asset Condition" is that the Council ensures that it is investing in its assets to maintain a basic level of condition, which allows the Council to deliver its Priority Outcomes, meeting any security and health and safety requirements. The areas include:

Highways Structural Maintenance

Maintenance of public highways and public rights of way across the county is a statutory requirement of the County Council under the Highways Act. ESCC has very clear obligations to maintain the public highway, and, therefore, without adequate supporting capital maintenance budget the pressure on

revenue budgets will undoubtedly increase and the Council will be at greater risk of third party claims for damages.

Road condition, and the ability to prevent the formation of potholes, has long been a priority for Members, and, in recent years, the focus of the Capital Maintenance Programme has been to improve the overall condition of the carriageway through programmes of preventative patching and carriageway resurfacing. The capital strategy will support the basic need target of maintaining road condition at 4% (A Roads), 4% (B&C Roads), 14% (Unclassified) being in “red” condition, based on a method of survey and analysis prescribed by the Department for Transport.

We receive many requests to install physical features to prevent driving or parking in unsuitable places. All requests are assessed by the Road Safety team and will not be taken forward unless the location meets the criteria used by our scoring system.

If we can improve safety by making minor changes, this will be carried out as part of the highway’s maintenance programme. However, more complex improvements, such as traffic calming schemes, pedestrian crossings or cycle lanes are funded from our budget for transport improvements and undergo a strict scoring process.

To ensure that highways drainage is adequate to meet the needs of maintaining safe roads and, as the occurrence of extreme weather events increases, is able to cope with those events

Bridge Strengthening/Street Lighting/Traffic Signals

As traffic continues to increase on our roads there is requirement for a programme of bridge strengthening and replacement to ensure they remain safe.

To ensure that street lighting is adequate and, as the existing stock comes to the end of its life, it is replaced with modern, energy efficient, technology that also addresses the issue of light pollution.

To ensure that the maintenance of traffic signals is adequate to meet the needs of maintaining safe roads and that meet the needs of all users.

Rights of Way

Maintaining and protecting the public's right to use the 2000 miles (3,500km) of footpaths, bridleways and byways in East Sussex.

Real Bus Information

Real Time Passenger Information (RTPI) has been introduced in East Sussex to help provide better, more reliable information about bus services. The County Council continues to work with neighbouring local authorities and bus operators to roll out the system, which enables live bus times (real time information) to be displayed on electronic RTPI signs installed at a number of major bus stops and also on the Traveline website, text messages and smartphone apps.

Building Maintenance - schools

Work related to legislation, statutory requirement, health and safety and urgent repair work, as identified via the condition surveys and plans that ensure that schools are maintained at a minimum requirement, including the provision of temporary classrooms, plans based on birth rates and population projections are included in the Place section above.

Building Maintenance – non schools

Work related to legislation, statutory requirement, health and safety and urgent repair works. The money spent on capital will avoid higher running costs helping to reduce the cost of occupancy of corporate buildings.

Libraries

To maintain libraries in a safe and suitable condition from which to deliver the outcomes of the Libraries Strategic Commissioning Strategy.

Energy Efficient Projects

Where funding from Salix can be attracted that pays back the investment, these will be added to the capital programme.

IT&D Strategy Programme

The overarching principle of the IT&D strategy is to ensure that our Information and Communications Technology (ICT) is fit for purpose for delivering modern council services in a digital era and protecting any data held.

The business has a dependent on a basic level of infrastructure in order to be able to function. A substantive proportion of the ICT Strategic Investment bid is for operational activity, essential to keep working, services that support the rest of the organisation.

Continued investment in provisioning operational services keeps the Council's technology tools up to date and working, to ensure that as an organisation, contractual support obligations are maintained and ESCC remains secure, resilient and compliant.

In order to stay ahead of business user expectation, investment in developing current systems is fundamental. Failure to keep pace with technological development will, in the short-term, paralyse Council infrastructure. The current development activity will become the future operational activity. Failure to build upon the technology investments already made will leave the Council ill prepared for the future, compromising the ability of the infrastructure to support the business in achieving its goals, making it difficult to share business information securely with partners and access it more flexibly across traditional boundaries.

Appendix 2: Business Case Guidance

B1. The Council does not prescribe how a business case should be made but a template is available for services to use as necessary. There are also some basic principles.

B2. The 5-Case Business Case model, as recommended by HM Treasury, sets out some basic questions that all business cases should answer.

The Strategic Case

- **Is the proposal needed?**
    - Will it further the Council's objectives?
    - Is there a clear case for change?

The Economic Case

- **Is it value for money?**
    - Have a range of options been considered?
    - Is it the best balance of cost, benefits and risk?

The Commercial Case

- **Is it viable?**
    - Is there a supplier who can meet our need?
    - Can we secure a value for money deal?

The Financial Case

- **Is it affordable?**
    - Are the costs affordable and realistic?
    - Is there funding available and is it supported?
    - Is there a clear payback?

The Management Case

- **Is it achievable?**
    - Are we capable of delivering the project?
    - Do we have robust systems and processes in place?

Appendix 9 - Fees and Charges increases over 4.0% for those identified at Q3 2022/23 as part of RPPR

Dept	Service	Description	Current £	Proposed £	Movt £	Movt %
Communities, Economy and Transport	Environmental Advice. The main purpose of this area is to give Advice services in relation to Historic Environment, Ecological and Landscape for development and specialized information about environmental issues. This group also provides reactive services.	Advice services	58.00	62.00	4.00	6.9%
Communities, Economy and Transport	Flood Management: The focus of the Flood Risk Management service is on surface water, minor watercourse and groundwater flooding,. The team is responsible for Ordinary Watercourse consenting, responding to general land drainage enquiries, and is involved in identifying funding streams to deliver flood alleviation/management schemes in the county.	Land Searches	16.00	17.60	1.60	10.0%
		Data provision	130.00	280.00	150.00	115.4%
		Pre application hourly review	110.00	121.00	11.00	10.0%
Communities, Economy and Transport	Transport Development Control. The team is responsible for : •Providing highway authority advice in the preparation of Local Plans by Borough & District Councils. •Site supervision and management of developer led improvement schemes and development. •Providing the statutory highway comments on planning applications and pre-application enquiries. •Presenting evidence at appeals. •Securing development transport contributions and highway improvements. •Travel Plans, negotiating Section 38/278 agreements. •Responding to Local Land Charge Searches. •Maintaining the Highway Terrier, and producing highway land information. •The team also provides Section 184 licences for dropped kerbs and new accesses.	Traffic schemes questions is for details of a specific planned scheme	23.00	24.00	1.00	4.3%
		Copy Agreement - is for electronic copies of either a Sec 38 or Sec 278 agreement	11.00	11.50	0.50	4.5%
Communities, Economy and Transport	ROW & Countryside Parks - Various income streams at resulting from enforcing Rights of Way access and income from activities at our Countryside Parks.	Land Charge Fees for CON29	17.00	19.00	2.00	11.8%

Appendix 9 - Fees and Charges increases over 4.0% for those identified at Q3 2022/23 as part of RPPR

Dept	Service	Description	Current £	Proposed £	Movt £	Movt %
Communities, Economy and Transport	Registration - The Service is responsible for registering all births, deaths and still-births, and for registering and conducting all civil marriages and civil partnerships that occur within East Sussex, in addition to providing citizenship ceremonies for all of the county's new British citizens. The team also retains responsibility for the custody of all registers dating back to 1837, and licences over 100 Approved Marriage Premises located across the county.	Change of Name Deed (replacement of lost copy)	20.00	25.00	5.00	25.0%
		Proof of Life Signing	10.00	15.00	5.00	50.0%
		PD2	20.00	25.00	5.00	25.0%
		Commemorative Certificate	6.00	8.00	2.00	33.3%
		Private Citizenship Ceremony (face to face and virtual)	120.00	125.00	5.00	4.2%
		Ceremony Amendment Fee	25.00	30.00	5.00	20.0%
		Two Part Ceremony Bolt on	150.00	175.00	25.00	16.7%
		Register Office Marriage/CP Fees Monday-Thursday				
		Tier 1 - Hookstead	165.00	215.00	50.00	30.3%
		Tier 3 - Council Chambers/Court Room/Winterbourne	290.00	440.00	150.00	51.7%
		Tier 4 - Evelyn Room/Newton Room	335.00	485.00	150.00	44.8%
		Tier 5 - Ainsworth Room	385.00	535.00	150.00	39.0%
		Register Office Marriage/CP Fees Friday/Saturday/Sunday				
		Tier 1 - Hookstead	290.00	390.00	100.00	34.5%
		Tier 3 - Council Chambers/Court Room/Winterbourne	415.00	515.00	100.00	24.1%
		Tier 4 - Evelyn Room/Newton Room	460.00	560.00	100.00	21.7%
		Tier 5 - Ainsworth Room	510.00	610.00	100.00	19.6%
		Register Office Marriage/CP Fees Bank Holidays				
		Tier 3 - Council Chambers/Court Room/Winterbourne Suite/Southbourne Suite	540.00	740.00	200.00	37.0%
		Tier 4 - Evelyn Room/Newton Room	585.00	785.00	200.00	34.2%
		Tier 5 - Ainsworth Room	635.00	835.00	200.00	31.5%
		Approved Marriage Premises Marriage/CP Fees				
		AMP Marriage/CP - Bank Holidays	655.00	855.00	200.00	30.5%
Communities, Economy and Transport	Traveller Sites in Hailsham, Maresfield, Polegate, Robertsbridge and Bridies Tan.	Rentals at Hailsham, Maresfield, Polegate, and Robertsbridge.	68.00	73.98	5.98	8.8%
		Service charges at Hailsham, Maresfield, Polegate, and Robertsbridge.	6.00	8.00	2.00	33.3%
		Rental at Bridies Tan	64.00	72.00	8.00	12.5%
		Service charges at Bridies Tan	6.00	8.00	2.00	33.3%
Children's Services	SLES Work Experience - Providing a work experience service to maintained and academy secondary schools with East Sussex to enable them to manage the process of arranging their work experience placements including undertaking pre-placement HS checks on businesses hosting a student.	Health and Safety Assessment and Support (Subscriber rate)	16.00	17.00	1.00	6.3%
		Bespoke matched placements (Subscriber rate)	72.00	94.00	22.00	30.6%
		Bespoke matched placements (Non Subscriber rate)	95.00	118.00	23.00	24.2%

Appendix 9 - Fees and Charges increases over 4.0% for those identified at Q3 2022/23 as part of RPPR

Dept	Service	Description	Current £	Proposed £	Movt £	Movt %
Children's Services	Buzz Active provides outdoor activities out of three locations in East Sussex, Bushy Wood, Eastbourne and Cuckmere. We run nationally accredited courses, taught by qualified instructors, for individuals, groups and families, for children from 6 onwards, for schools, and groups with special needs. Buzz also provides schools and educational establishments with advice and support, resources, training and planning for leading offsite activities.	Various charges for courses, activities etc. Proposed 6% increase for all activities.	various	various	various	6.0%
Children's Services	Data, Research, Information and Management: External Services to Schools – The services provided by DRIM are as follows: DS01 – Comprehensive Key Stage Data Package – including access to FFT Aspire, DS02 – School Performance Data Training Visit, DS03 – School Performance Data Audit Visit and DS04 COLLECT Pupil and Workforce Census Support – Academies.	DS01 - combination of NoR x multiplier plus Addition:				
		Primary Multiplier	1.08	1.20	0.12	11.1%
		All Through Multiplier	0.90	0.96	0.06	6.7%
		All Through Addition	450.00	500.00	50.00	11.1%
		Secondary Multiplier	0.90	0.96	0.06	6.7%
		Secondary Addition	450.00	500.00	50.00	11.1%
		DS04 Primary & Special Academies	150.00	160.00	10.00	6.7%
		DS04 Secondary Academies	300.00	320.00	20.00	6.7%
Children's Services	Lansdowne is one of 15 Secure Children's Homes in England and Wales. There are two purposes for secure children's homes; the first is to provide care for vulnerable children who are remanded or sentenced by a criminal court, and, the second is to care for children who need to be placed for their own safety, or the safety of others. Young people placed in secure establishments under the latter circumstances are usually placed for welfare reasons under Section 25 of the Children Act (1989).	Secure Accommodation Charges per night charge	1,350.00	1,970.00	620.00	45.9%

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Appendix 10 – Family Safeguarding: Investment for Financial Sustainability on Children's Services

1. Summary proposal

1.1 The proposed Medium Term Financial Plan (MTFP) for the Council incorporates an ambitious plan to improve outcomes for children while reducing costs to the council, through the implementation of the nationally trialled Family Safeguarding model. Under this plan, the Children's Services Department (CSD) budget would be increased in 2023-2024 for this and then progressively reduced so that by 2026/2027 (the year after the MTFP period) the budget would be back to the equivalent level of 2022-2023 with a view to costs being sustained in the medium term at this level if possible. Through the plan, the profile of costs to the service would be re-engineered through investment in stronger support for families (the Family Safeguarding model), which evidence suggests would then lead to reduced need for children to be provided with care outside their family, reducing costs to the council. The plan is in line with the recommendations of the national care review and best practice adopted by several high performing councils.

1.2 The cost of this plan, above the current budget allocation to Children's Services, is expected to be just over £6m. However, over that period the plan is expected to lead to cost avoidance/ savings of over £11m, given the current trend of rising demand, leading to net savings of over £5m.

1.3 This plan will not address two areas of projected increased spend by the Department, which are reflected separately as pressures in the council MTFP. These are:

(i) Costs related to Home to School Transport driven by a combination of increased numbers of children needing places at special schools/facilities and additional energy costs.

(ii) The costs of meeting the proposed new statutory school attendance duty, from September 2023. This is a duty to provide family support, at no cost to schools, to the families of all children whose attendance at school is less than 50%. Currently over 1,000 children fall into this category who are not currently known to Children's Services. Implementation of the duty from September 2023 depends on the Government finding a legislative vehicle to impose it now that the proposed Schools Bill has been withdrawn. The Department for Education (DfE) has signalled that Ministers propose to identify such a vehicle however, so we need to be prepared.

1.4 Over the proposed four year implementation period for Family Safeguarding, we aim to reduce the number of looked after children, not including unaccompanied asylum seekers (UASC), from the current number of around 595 (excluding UASC) to around 530, reducing/ avoiding alternative care costs by £11.6m over that period. We propose to implement the programme in two stages, primarily because of the challenge of recruiting and developing the workforce required. A further factor is the acute pressure which current and expected demand poses for our current management capacity and the need to ensure change is managed carefully in that context. The proposed start date for Family Safeguarding delivery (January 2024) reflects the need to allow up to September 2023 to focus on successful implementation of CSD's edge of care programme (Connected Families). It is important to note that we are proposing a major change programme for the service at a time when headwinds for Children's Services are strong and may well increase further as a result of cost of living pressures.

1.5 Our modelling of the impact of implementing Family Safeguarding focuses at this stage on reduction in care costs alone. Other areas of the country which have implemented the model have seen reductions in addition to the numbers of children on child protection plans. This will enable us to sustain appropriate caseloads. A strong service, delivering cutting edge

Family Safeguarding, in which social workers have manageable caseloads, will be important in the current extremely competitive labour market.

1.6 It should also be noted that, in addition to re-engineering social care spend for both service sustainability and better outcomes for children, CSD is planning over the next three years to deliver a wider, ambitious, but essential, associated policy agenda. Key strands of this, which are particularly relevant to our budget sustainability, are:

- reversing recent significant deterioration in school attendance and in the emotional wellbeing of children. Poor school attendance drives social care demand: equally addressing it, (including delivery of the proposed new statutory duty from September 2023) requires resource.
- addressing long term issues of poor access to education by some of the most vulnerable young people, for example through currently unchallenged part-time timetables. Again, this requires resource for oversight, but is essential if we are to tackle a major driver of poor outcomes, including need for alternative care.
- strengthening collaboration between schools to secure the best possible shared approaches to supporting vulnerable young people, including those with Special Educational Needs (SEN), and raising standards of educational achievement. We need to continue to support our local partnership structure to deliver this objective.
- integrating our education facing services: we are currently taking forward a major restructure of the Education Division designed to strengthen our support and challenge for schools, working on an area basis.
- encouraging all partner agencies to make support for children and young people a priority, as indicated (for example) in the new NHS Integrated Care System (ICS) Strategy.

2. The strategic case: managing service demand

2.1 Over recent years Children's Services nationally and locally have experienced a significant increase in demand. Since 2010 there has been a 53% increase in the number of children subject to child protection planning and a 28% increase in the number of children in care nationally (LGA, 2020). This has been further exacerbated by the pandemic and more recently the cost of living increases, with a continued projected increase in demand and complexity, specifically in the areas of child protection planning and looked after children.

2.2 East Sussex Children's Services has a strong track record in relation to the quality of services for children and families, having been judged as outstanding in the most recent ILACS (Inspections of Local Authority Children's Services) inspection of 2018. Our rate of looked after children per head of population has been and currently remains below the expected IDACI (Income Deprivation Affecting Children Index) rate. We are not immune to the pressures in demand being experienced across the system, however. Over the past two years East Sussex has experienced a 28% increase in demand at the front door, a 9% increase in children in need, and a 2% increase in children subject to child protection planning. There has been an 8% increase in the number of looked after children since 2015-16 (not including UASC). Our current looked after children rate is above the average for the three statistical neighbour areas currently rated either good or outstanding, with one of those areas (Essex) having a rate 50% lower than ours. Essex has invested heavily in the Family Safeguarding approach.

2.3 The national Independent Review of Children's Social Care published in 2022 pointed to a significant shift nationally in the last ten years from preventative to late and more costly intervention and placements, reducing the resources available to deliver practical and intensive earlier support for families. That pattern can be seen in East Sussex.

2.4 In East Sussex we support the majority of our children in care through in-house foster care (78%) However, due to a combination of national demand, shortage of placements and complexity of need for some of our children, we have seen an increase in the number of children requiring residential provision and increased costs as illustrated in Table 1.

Table 1: Increasing costs of residential placements

Number of children in residential agency placements	Costing >£10k/ week	Costing >£100k/ year
2017/18	5	16
2021/22	8	51
Increase	60%	219%

2.5 The national care review has referenced that for every child entering care, who could have remained safely at home with the right support, there is a significant financial (as well as human) cost, *"the provision of public services for those who enter care are valued at £70,900 per year, compared to £26,900 for children who need a social worker"* (MacAlistair, J. 2022, p47).

2.6 Our data demonstrates that domestic abuse, parental mental health and substance misuse play a dominant part in driving social care referral activity. The Family Safeguarding programme aims to tackle the main causes of parental and family breakdown, through delivering rapid and proactive support through multi-agency support teams, made up of practitioners who specialise in working with the adults in the family on the key areas of domestic abuse, mental health and substance misuse, working alongside social workers.

3. The model

3.1 The Family Safeguarding model provides a planned and strategic approach which will enhance our demand management, whilst also delivering better outcomes for our children and families.

3.2 The model provides intensive support for adults in the three key areas of domestic abuse, mental health and substance misuse. These three key areas are the most common factors nationally and locally in assessments of the needs of children for protection. There is also a strong correlation with family poverty. Demand for support services in these areas in East Sussex as elsewhere exceeds the available supply. They are often co-morbidities and are a significant factor in family breakdown, premature deaths and poor outcomes for people with care experience. Access to these mental health and substance misuse services is based on clinical need, and whilst Children's Services works in partnership with these services, there is a limit on how much influence it can have on how NHS services operate.

3.3 The Family Safeguarding model of small multi-agency teams of specialist adult workers, trained in a range of highly effective interventions integrated with social work teams was originally developed by Hertfordshire in 2015. It has been independently evaluated as effective and has been adopted by 12 other local authorities. Through its implementation Hertfordshire has evidenced a radical impact on outcomes for children and families including reductions in children subject to child protection planning and significant reductions in children who become looked after. Whilst drawing heavily on Hertfordshire's approach, the initiative will reflect and build on our own successful and well-established East Sussex 'Connected Practice', approach, which is strength based, trauma informed and relationship-based (in common with Family Safeguarding). We have an effective multi-disciplinary SWIFT service and 'Foundations' programme which this initiative will be able to build upon to offer earlier intensive support and interventions to families and increase resources for reunification. Much of the infrastructure needed to support the implementation of Family

Safeguarding, for example in terms of protocols for joint working with and supervision by adult services, is already available through those existing local programmes. Family Safeguarding would not draw qualified social workers from the wider Children's or Adult Social Care (ASC) workforce as the workers needed do not have to be social work qualified. The Director of Adult Social Care and Health and Director of Public Health support the development and have agreed to detailed discussions to ensure that their expertise informs the programme and to avoid conflicts with ASC capacity requirements.

3.4 The Family Safeguarding model is referenced heavily within the national Care Review, which recommends that Children's Services should draw on a multidisciplinary workforce with the time, skills, and autonomy to give children and families the support they need, pursuing adult as well as child outcomes. Investing in the model now will allow East Sussex to develop and embed the approach within our services ahead of the expected DfE national implementation programme. We know that both West Sussex and Brighton and Hove are pursuing the same course and there would be significant merit in not delaying entry into what will inevitably become a competitive recruitment market. The financial modelling includes an investment in workforce development: it is recognised that there may be some recruitment challenges, and these could be addressed through an investment in "growing our own".

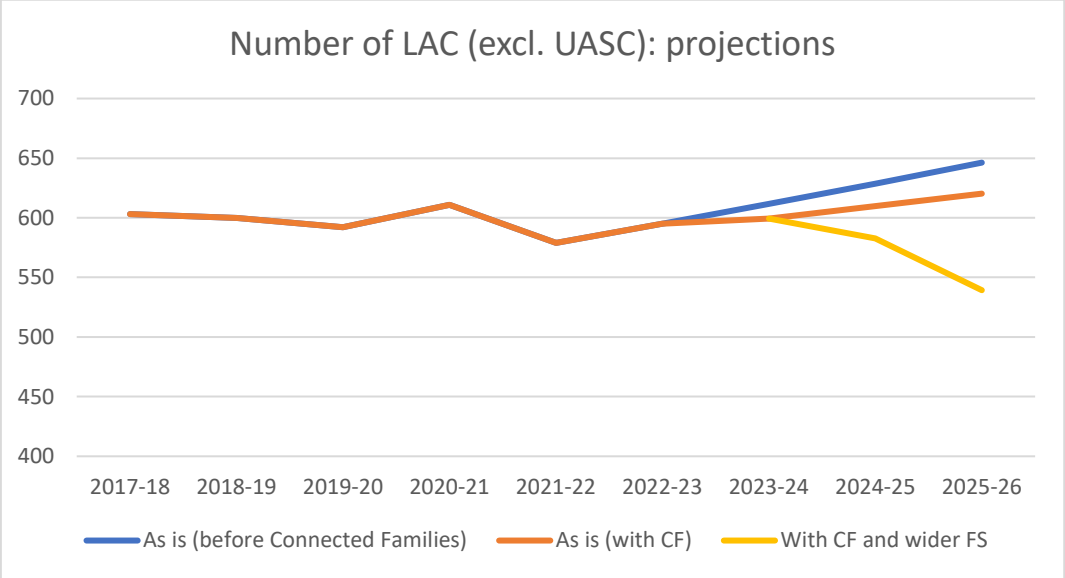
3.5 Investment will be required for multi-disciplinary teams of key adult services. The programme aims to deliver more rapid, earlier multi-disciplinary interventions to enable children to live safely within their families and will also focus on delivering support to parents and carers where there is potential for looked after children to be reunified with their families.

3.6 Three multi-disciplinary teams will be developed. Each team will consist of four Domestic Abuse workers, four Substance Misuse workers, four Adult Mental Health workers and one Practice Manager. The teams will be co-located with social workers and practitioners within Locality Social Work and Family Assessment teams as well as the Looked After Children's Service. The costs of the programme incorporate Operational Management and administrative support.

3.7 The model uses evidence-based interventions that contribute to improved levels of engagement and safeguarding with parents and children. The key intervention models will be:

- Motivational Interviewing (part of our 'Connected Practice' approach)
- Structured parenting assessments
- Tailored parenting interventions
- Intervention programmes for perpetrators of domestic abuse (including impact on children)
- Intervention programmes for victims of domestic abuse (including impact on children)
- Programmes to increase children's resilience
- Drug and Alcohol Recovery programmes
- Mental Health Interventions

3.8 The graph below illustrates the looked after children (LAC) (excluding UASC) projections following implementation of these proposals.



4. The financial case

4.1 To deliver whole service Family Safeguarding Transformation, £2.299m investment is required annually. The costs and anticipated savings are detailed in the table below. We have based these financials on evaluation data from Hertfordshire and the DfE 2020 evaluation of the early implementation of the programme in three other local authorities. It should be noted that the savings identified in our model are based on the average cost of a looked after episode. Other benefits from the model include a reduction in child protection cases, which would maintain manageable caseloads, a key factor in social worker recruitment and retention.

£m	**23/24**	**24/25**	**25/26**	**26/27**
Costs	0.316	1.264	2.299	2.299
Saving	-	(1.458)	(4.374)	(5.832)
Net Cost/ (Saving)	**0.316**	**(0.194)**	**(2.075)**	**(3.533)**
Cumulative Net Cost/ (Saving)	**0.316**	**0.122**	**(1.952)**	**(5.485)**

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Report to:	**Cabinet**
Date:	**24 January 2023**
By:	**Chief Finance Officer**
Title of report:	**Treasury Management Policy and Strategy 2023/24**
Purpose of report:	**This report proposes the Treasury Management Policy and Strategy for 2023/24. The Council is also required to set Prudential Indicators as set out in the Prudential Code which are included in this strategy for approval.**

RECOMMENDATIONS

Cabinet is recommended to recommend Council to:

1) **approve the Treasury Management Policy and Strategy Statement for 2023/24;**
2) **approve the Annual Investment Strategy for 2023/24;**
3) **approve the Prudential and Treasury Indicators 2023/24 to 2025/26;**
4) **approve the Minimum Revenue Provision (MRP) Policy Statement 2023/24 at Appendix A (Section 3).**

1. Background

1.1 A requirement under the Chartered Institute for Public Finance and Accountancy (CIPFA) Code of Practice for Treasury Management in the Public Services is to prepare a Treasury Management Policy and Strategy setting out the Council's policies for managing investments and borrowing.

1.2 The Local Government Act 2003 and supporting regulations requires the Council to 'have regard to' the Prudential Code and to set Prudential Indicators for the next three years to ensure that the Council's capital investment plans are affordable, prudent and sustainable.

1.3 The Treasury Management Policy and Strategy Statement (TMSS) for 2023/24 is presented in **Appendix 'A'** to this report. The strategy includes the Treasury Management Policy Statement, the Treasury Management Strategy Statement, the Annual Investment Strategy, Prudential and Treasury Indicators for the next three years and the annual Minimum Revenue Provision (MRP) Policy Statement.

1.4 The 2023/24 TMSS has been prepared within the context the financial challenge being faced by the County Council over the Medium Term Financial Plan and seeks to compliment the Council Plan by:

- 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 2023/24;
- 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.

Investment Strategy

1.5 The 2023/24 Investment Strategy has been set in the context of improved investment returns as a result of increases in the Bank of England (BofE) Base Rate as a response to global and national inflation caused by a multitude of factors. The Base Rate is currently forecast to peak during 2023/24, after which is expected to start falling again as the BofE is expected to tighten monetary policy in order to contain the impact of recession. The investment performance for 2023/24 is therefore forecast at 4.45%. The average rate of return for 2021/22 was 0.38% and for the first six months of 2022/23 was 1.08%.

1.6 Some changes in the Annual Investment Strategy are recommended as outlined in the table below:

2022/23 Strategy	2023/24 Proposed Strategy	Reason for proposed change
Non-UK banks – minimum criteria of AA+ banks in AA+ sovereign countries.	Non-UK banks – minimum criteria of AA- banks in AA- sovereign countries.	Whilst a reduction in the credit criteria of non-UK banks, in reality, there are no AA+ Banks that can be used under the existing criteria. The change therefore expands the list of names that the council can lend to (allowing better diversification of the investment portfolio) whilst still maintaining a high level of security. The Approved Counterparty List at Annex A has been updated to reflect this change.
No risk benchmarking criteria.	Introduction of benchmarking the risk of the investment portfolio against historic default rates of counterparties.	To ensure that the risk of the portfolio is monitored closely and reported to members quarterly. A maximum risk indicator will be set to ensure that security is prioritised within acceptable levels.
No performance benchmarking	Introduction of benchmarking the return of the portfolio against the Sterling Overnight Interbank Average Rate (SONIA)	Monitoring the investment portfolio against market interest rates will assess whether the portfolio is maintaining its value. This will be reported to members quarterly.

1.7 Officers continue to seek out Environmental Social & Governance (ESG) investment opportunities with counterparties that meet the council's investment parameters. The council continues to invest in Standard Chartered's sustainable fixed deposits which aligns the Council's

investments with the bank's ESG strategy. The market for green and broader ESG investments is still relatively immature, which reduces the ability to actively invest in products that support the Council's aspirations. However, research and the consideration of the suitability of ESG investment products will continue into 2023/24.

Borrowing Strategy

1.8 The Borrowing Strategy and the Capital Programme identifies a borrowing need of £113m over the next 3 years (between 2023/24 and 2025/26). The Council currently has sufficient cash balances, therefore, officers will seek to use cash from the Council's own reserves to initially fund borrowing. This will decrease the Council's cash balances, reducing counterparty risk, and reduce borrowing costs. Modelling of the Council's capital plans and cashflows has identified an appropriate level of internal borrowing of around £50m. This strategy will be kept under constant review and borrowing will be undertaken where it is felt there is a significant risk of steep increases in borrowing rates.

1.9 The budget within the Medium Term Financial Plan (MTFP) is calculated using the Treasury Management Tool that reflects the costs of borrowing in support of the targeted basic need programme offset by returns on investment of the Council's balances. It is therefore reflective of a point in time. The treasury management tool, developed as part of the Capital Strategy, is reviewed regularly for reasonableness.

1.10 The introduction of the liability benchmark in Section 2.4 of Appendix A demonstrates that if the council were to internally borrow to utilise its cash-backed reserves and balances whilst maintaining a buffer for cash requirements, external borrowing could be avoided until 2026/27. This indicator will be used to assist with future borrowing decisions, in conjunction with the Treasury management Tool.

Revenue impact

1.11 The Treasury Management budget within the Medium Term Financial Plan (MTFP) supports the cost of borrowing which includes MRP provision and interest. The budget has been reviewed to take into account the impact of recent interest rate rises, which have increased returns on investments, and the impact of proposed updates to the capital strategy/programme. It is proposed that a reduction of £6m is made to the Treasury Management budget in 2023/24. With interest rates modelled to normalise at a lower level in the medium term, alongside increasing costs of capital programme borrowing, the budget reduction will be removed over 2024/25 and 2025/26.

Supporting Information

Treasury Management Reporting

2.1 As well as this annual strategy, the CIPFA Code requires the Council reports as a minimum:

- A mid-year review;
- An annual report at the close of the year.

2.2 The Council meets this requirement with the Treasury Management Annual Report 2021/22 and mid-year report 2022/23 presented to Cabinet on 13 December 2022. Additionally, the treasury management monitoring position is reported to Cabinet as part of the Reconciling, Policy, Performance and Resources quarterly monitoring.

Update to Treasury and Prudential CIPFA Code 2023/24

2.3 CIPFA published the revised Treasury and Prudential codes in 2021. Full adoption of the new Codes is incorporated within this strategy. The main changes to the codes are as follows:

- Adoption of a new liability benchmark treasury indicator to support the financing risk management of the capital financing requirement. This is included in Section 2.4 of Appendix A.
- Amendment to the knowledge and skills register for officers and members involved in the Treasury management function. This will be maintained as part of the Treasury Management Team's records and Council members will be contacted in the new year to assess training requirements for delivery of training.
- Quarterly reporting to members of performance against forward looking indicators. As outlined in 1.2.2 of Appendix A, this will be built into the quarterly Council Monitoring process.
- ESG issues to be addressed within the authority's treasury management policies and practices (TMP1). This isn't a change in the council's investment strategy, but how ESG is incorporated into the monitoring of counterparties' credit standing. The Council's Treasury Management Practices (TMPs) are in the process of being updated for the new financial year to include this requirement. These will be reviewed and implemented by the Chief Finance Officer.
- An update to ensure that authorities are more transparent in their service and commercial investments. This includes a requirement that the Council acknowledges that it will not borrow to invest in the primary purpose for commercial return. These changes are reflected in the Capital Strategy.

Economic Background

2.4 The Council takes advice from Link Asset Services on its treasury management activities. A detailed view of the current economic situation and forecasts, as prepared by Link Asset Services is included in **Appendix A (Annex B)** to this report.

3. Conclusion and recommendations

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

3.2 Cabinet recommends the 2023/24 Treasury Management Policy and Strategy Statement for approval by Council.

4. Decision Maker

4.1 The Treasury Management Strategy 2023/24 will be presented to Cabinet and approved by Full Council

IAN GUTSELL
Chief Finance Officer

Contact Officer: Haley Woollard, Principal Accountant (Treasury & Taxation)
Tel. No. 01273 291246
Email: Haley.Woollard@brighton-hove.gov.uk

Local Member(s): All

BACKGROUND DOCUMENTS

CIPFA Prudential Code and CIPFA Treasury Management Code
Local Government Act 2003 – Capital Finance
DLUHC Statutory Guidance on Local Authority Investments and the Minimum Revenue Provision.

Appendix A

TREASURY MANAGEMENT POLICY AND STRATEGY 2023/24



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Annex C Prudential & Treasury Indicators
Annex D Scheme of Delegation
Annex E Investment Product Glossary

1. INTRODUCTION

1.1 Background

The Council is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in counterparties or instruments commensurate with the Council's risk appetite, providing adequate liquidity initially before considering investment return.

The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer-term cash flow planning, to ensure that the Council can meet its capital spending obligations. This management of longer-term cash may involve arranging long or short-term loans or using longer-term cash flow surpluses. On occasion, when it is prudent and economic, any debt previously drawn may be restructured to meet Council risk or cost objectives.

The contribution the treasury management function makes to the authority is critical, as the balance of debt and investment operations ensure liquidity or the ability to meet spending commitments as they fall due, either on day-to-day revenue or for larger capital projects. The treasury operations will see a balance of the interest costs of debt and the investment income arising from cash deposits affecting the available budget. Since cash balances generally result from reserves and balances, it is paramount to ensure adequate security of the sums invested, as a loss of principal will in effect result in a loss to the General Fund Balance.

CIPFA defines treasury management as:

"The management of the local authority's borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."

1.2 Reporting Requirements

1.2.1 Capital Strategy

The CIPFA 2021 Prudential and Treasury Management Codes require all local authorities to prepare a capital strategy report, to provide the following:

- a high-level long term overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services
- an overview of how the associated risk is managed
- the implications for future financial sustainability

The aim of the capital strategy is to ensure that all elected members on the Council fully understand the overall long-term policy objectives and resulting capital strategy requirements, governance procedures and risk appetite.

This capital strategy is reported separately from the Treasury Management Strategy Statement; non-treasury investments will be reported through the former. This ensures the separation of the core treasury function under security, liquidity and yield principles, and the policy and commercialism investments usually driven by expenditure on an asset.

1.2.2 Treasury Management reporting

The Council is currently required to receive and approve, as a minimum, three main treasury reports each year, which incorporate a variety of policies, estimates and actuals.

a. **Prudential and treasury indicators and treasury strategy** (this report) - The first, and most important report is forward looking and covers:

- the capital plans, (including prudential indicators);
- a minimum revenue provision (MRP) policy, (how residual capital expenditure is charged to revenue over time);
- the treasury management strategy, (how the investments and borrowings are to be organised), including treasury indicators; and
- an investment strategy, (the parameters on how investments are to be managed).

b. **A mid-year treasury management report** – This is primarily a progress report and will update members on the capital position, amending prudential indicators as necessary, and whether any policies require revision.

c. **An annual treasury report** – This is a backward looking review document and provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.

This Council delegates responsibility for implementation and monitoring treasury management to Cabinet and responsibility for the execution and administration of treasury management decisions to the Section 151 Officer. Cabinet therefore receives the Mid-Year and Annual treasury reports in December each year.

The above reports are required to be adequately scrutinised before being recommended to the Council. This role is undertaken by the Audit Committee.

Quarterly reports – In addition to the three major reports detailed above, from 2023/24 quarterly reporting is also required. However, these additional reports do not have to be reported to Full Council/Board but do require to be adequately scrutinised. This role is undertaken by Cabinet, and will be incorporated into the quarterly Council Monitoring process.

1.3 Treasury Management Strategy for 2023/24

The strategy for 2023/24 covers two main areas:

Capital issues

- the capital expenditure plans (section 2) and the associated prudential indicators (Annex C);
- the minimum revenue provision (MRP) policy (Section 3).

Treasury management issues

- the current treasury position (section 1.5);
- treasury indicators which limit the treasury risk and activities of the Council (Annex C);
- prospects for interest rates (Annex B);
- the borrowing strategy (section 2);
- policy on borrowing in advance of need (section 2.2);
- debt rescheduling (section 2.3);
- the investment strategy (section 4);
- creditworthiness policy (section 4.4); and
- the policy on use of external service provider (section 5.3).

These elements cover the requirements of the Local Government Act 2003, the CIPFA Prudential Code, DLUHC MRP Guidance, the CIPFA Treasury Management Code and DLUHC Investment Guidance.

1.4 Treasury Management Policy Statement

The policies and objectives of the Council's treasury management activities are as follows:

i) This Council defines its treasury management activities as:

'The management of the authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks'.

ii) This Council regards the successful identification, monitoring and control 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 Council, and any financial instruments entered into to manage these risks.

iii) This Council 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 value for money in treasury management, and to employing suitable comprehensive performance management techniques, within the context of effective risk management.

1.5 Current Treasury Position

A summary of the Council's borrowing & investment portfolios as at 30 November 2023 and forecast at the end of the financial year is shown in **Table 1** below:

Table 1	Actual at 30 November 2022			Forecast to 31 March 2023		
	£'000	% of portfolio	Average Rate	£'000	% of portfolio	Average Rate
Investments						
Banks	146,000	52%	2.74%	160,000	63%	4.30%
Local Authorities	73,350	26%	1.61%	60,000	24%	4.30%
Money Market Funds	54,800	20%	3.02%	30,000	11%	4.20%
CCLA Pooled Property Fund	5,000*	2%	3.85%	5,000	2%	4.00%
Total Investments	**279,150**	**100%**	**2.56%**	**255,000**	**100%**	**4.28%**
Borrowing						
PWLB loans	215,777	97%	4.61%	214,460	97%	4.60%
Market loans	6,450	3%	4.25%	6,450	3%	4.25%
Total external Borrowing	**222,227**	**100%**	**4.60%**	**220,910**	**100%**	**4.60%**

*£4,632,871 capital valuation 30 November 2022

2. BORROWING STRATEGY

The capital expenditure plans of the Council are set out in the Capital Strategy Report being considered by Full Council on 7 February 2023. The treasury management function ensures that

the Council's cash is organised in accordance with the relevant professional codes so that sufficient cash is available to meet this service activity and Capital Strategy. This will involve both the organisation of the cash flow and, where capital plans require, the organisation of appropriate borrowing facilities. The strategy covers the relevant treasury / prudential indicators, the current and projected debt positions, and the Annual Investment Strategy.

Any capital investment that is not funded from these new and/or existing resources (e.g. capital grants, receipts from asset sales, revenue contributions or earmarked reserves) increases the Council's need to borrow, represented by the Capital Financing Requirement (CFR). However, external borrowing does not have to take place immediately to finance its related capital expenditure: the Council can utilise cash being held for other purposes (such as earmarked reserves and working capital balances) to temporarily defer the need for external borrowing. This is known as 'internal borrowing'.

The Council's primary objective is to strike an appropriate balance between securing cost certainty, securing low interest rates.

2.1 Capital Prudential Indicators

The Authority's capital expenditure plans are a key driver for Treasury Management activity. The output of the capital expenditure plans is reflected in the prudential indicators, which are designed to assist members' overview and confirm capital expenditure plans.

Tables 2 and 3 show the capital expenditure plans of the Authority, and the implications of these on the Capital Financing Requirement over the 3 year period to 2025/26. These indicators have been included in the Treasury Management Strategy for a number of years to demonstrate the affordability and sustainability of the Authority's capital activity.

A further prudential indicator required by the 2021 code for 2023/24 is the Liability Benchmark. This benchmark measures the authority's external debt levels net of the external investments, with the inclusion of a liquidity buffer against the Authority's CFR projection. This measure assumes that the authority will internally borrow almost all its available cash balances held in reserves and balances, with an allowance ensure it is able to meet is cash obligations.

There are four components to the Liability Benchmark: -

1. **Existing loan debt outstanding**: the Authority's existing loans that are still outstanding in future years.
2. **Loans CFR**: this is calculated in accordance with the loans CFR definition in the Prudential Code and projected into the future based on approved prudential borrowing and planned MRP.
3. **Net loans requirement:** this will show the Authority's gross loan debt less treasury management investments at the last financial year-end, projected into the future and based on its approved prudential borrowing, planned MRP and any other major cash flows forecast.
4. **Liability benchmark (or gross loans requirement)**: this equals net loans requirement plus short-term liquidity allowance.

The Liability Benchmark has been produced below in section 2.3 and notes included to explain each element and the Authority's assumptions and forward view.

2.2 Borrowing Strategy for 2023/24

The Council has been carrying an internal borrowing position since 2019/20, a policy which reduces cost and reduces investment counterparty risk as the council are using cash from its own reserves to fund its borrowing requirement as opposed to entering into external borrowing.

There is £8m expected to be funded via borrowing in the 2022/23 Capital Programme. No new external borrowing is expected to be undertaken to fund this, and this will be funded through cash balances. This is expected to increase the Council's under-borrowed position compared to its CFR from £41m at 31 March 2022 to £51m by 31 March 2023 (the increase is in part as a result of repayment of borrowing during 2022/23).

The Council's Capital Programme 2023/24 to 2025/26 forecasts £260m of capital investment over the next three years with £147m met from existing or new resources. The increase in the Council's borrowing need over this period is therefore £113m as shown in **Table 2** below.

2022/23 Projected	Table 2	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	Total
£m		£m	£m	£m	£m
82	Capital Expenditure	97	102	61	260
	Financed by:				
(74)	New & existing resources	(62)	(54)	(31)	(147)
8	**Borrowing Need**	**35**	**48**	**30**	**113**

Table 3 below shows the actual expected external borrowing against the capital financing requirement, identifying any under or over borrowing.

2022/23 Estimate	Table 3	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate
£m		£m	£m	£m
233	External Debt at 1 April	224	252	292
(9)	Expected change in Debt	27	40	20
224	**External Debt at 31 March**	**251**	**292**	**312**
274	CFR* at 1 April	274	302	342
8	Borrowing need (Table 2)	35	48	30
(7)	MRP	(7)	(8)	(10)
275	**CFR* at 31 March**	**302**	**342**	**362**
51	**Under / (Over) borrowing**	**51**	**50**	**50**

**CFR in Table 3 is the underlying need to borrow and excludes PFI and lease arrangements, which are included in the CFR figure in the Prudential Indicators in Annex C*

Table 2 demonstrates that the Council has a borrowing need of £113m over the next three years. The strategy will initially focus on meeting this borrowing need from internal borrowing; avoiding external borrowing by utilising the Council's own surplus funds. Modelling of the movement of reserves and the Council's capital expenditure plans demonstrates that the Council's long term reserves can support a level of at least £50m of internal borrowing. This will mitigate the increase in the cost of borrowing and reduce counterparty risk within the Council's investment portfolio by reducing the portfolio size. The strategy and budget have been prepared based on this assumption. The Liability Benchmark, in section 2.3 below, demonstrates that if the Council were to utilise its cash-backed reserves and balances as far as possible, external borrowing can be avoided until 2028.

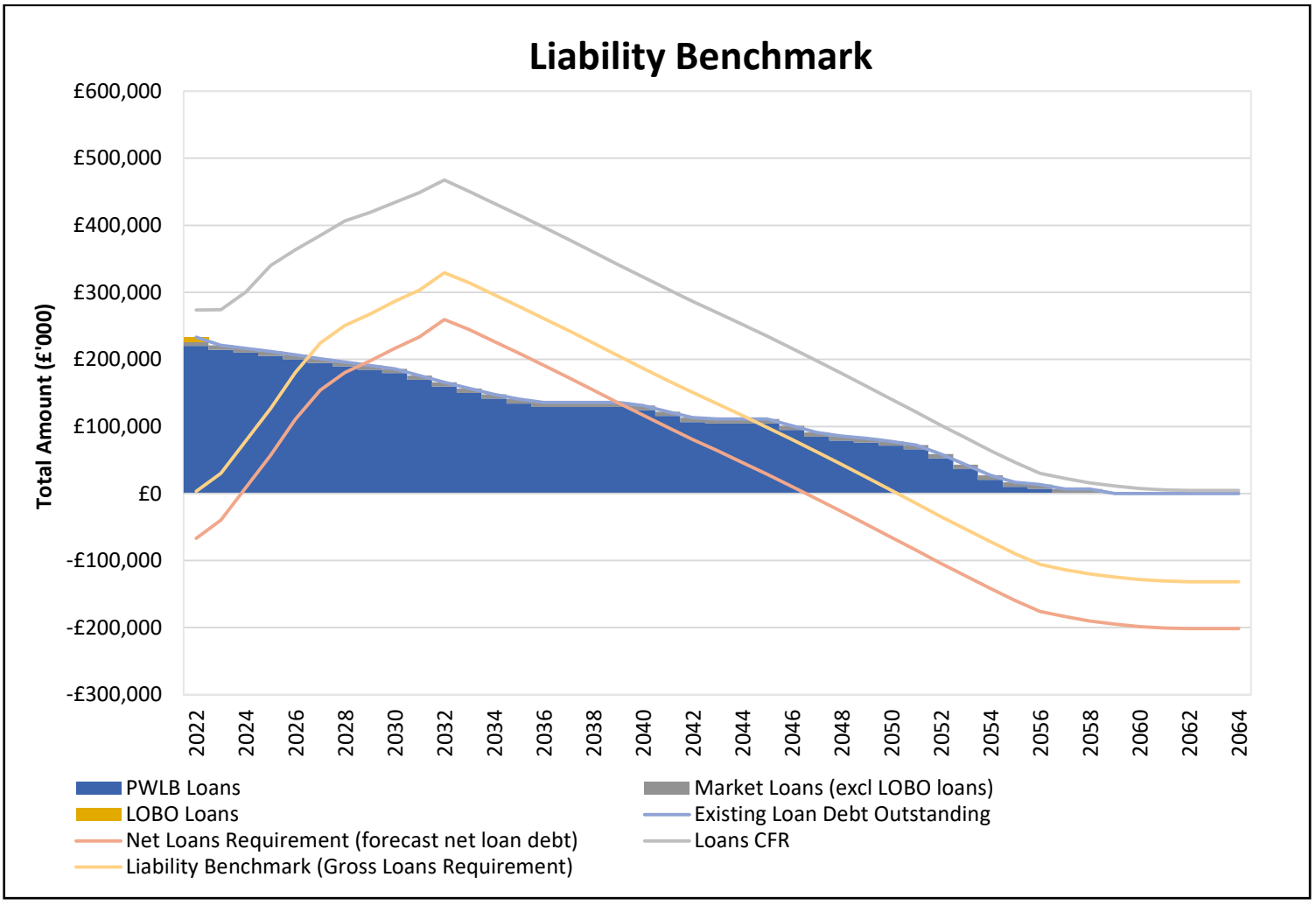
The council's priority is to strike a balance between cost and certainty, and therefore the internal borrowing position will be carefully monitored to avoid incurring higher borrowing costs in the

future at a time when the authority may not be able to avoid new borrowing to finance capital expenditure or refinance maturing debt.

2.3 Liability Benchmark

The Liability Benchmark is a new requirement of the 2021 Treasury Management Code. It's a measure of the Council's borrowing need were it to fully utilise its cash-backed reserves and balances to avoid external borrowing. It assumes a liquidity buffer is maintained to ensure the Council's obligations are able to be met.

The Council's liability benchmark is shown below:



1) ***External Debt –*** *The maturity profile of the current portfolio of external debt is shown by the bars. The debt has a very gradual maturity profile which means that there are no requirements to pay back large amounts of debt in any one year.*

2) ***Loans CFR –*** *This is the projections of the Council's underlying borrowing requirement (or CFR) based on the Council's capital plans, and is shown by the top, grey line. The 2022/23 opening Loans CFR was £274m, and it is expected to peak at £467m in 2031/32. This only shows the Loans CFR projection based on the current capital programme of the council, therefore if ongoing borrowing is required beyond 2031/32 then the CFR would rise further and for longer.*

3) ***Net Loans Requirement –*** *The expected net treasury position is shown by the bottom orange line. This shows a projection of the loan requirements measured by opening*

external debt for 2022/23 (£233m) less the opening external investments for 2022/23 (£300m). The projections are then based on the expected borrowing within the capital programme and the expected movement in reserves and balances, and shows the borrowing requirement if the Council were to utilise all of its reserves and balances for internal borrowing. This shows that the Council had more external investments than external debt as at 31/03/22, which is expected to change from 2023/24 as reserves reduce and borrowing is required in the capital programme. The Net Loans Requirement also peaks in 2031/32 as a result of the end of current capital planning period.

4) ***Liability Benchmark –*** *The liability benchmark shows the Net Loan Requirement, but with a buffer of £70m incorporated to ensure the Council has sufficient cash to meet its cash obligations. This measure shows the level to which the council can internally borrow based on the projection of the capital programme, movement of reserves and allowing for a liquidity buffer. Where the liability benchmark rises above the current debt portfolio, this shows a need for external borrowing, and where the benchmark reduces back below the current portfolio, it shows that the council will be over-borrowed based on current plans.*

   This graph demonstrates that the Council may not need to externally borrow until 2026/27, and that the external borrowing requirement will peak at £329m in 2031/32, before falling. The graph also shows that based on current plans, new borrowing will be required until 2043/44, so a shorter period than the Council historically borrows for.

Whilst the Liability Benchmark is a good indicator of the Council's direction of travel in terms of borrowing need, it assumes that capital borrowing stops after the current capital planning period, and ignores future borrowing beyond the planning period. Therefore it should not be used in isolation when making long term decisions, but as part of a range of factors.

2.4 Policy on Borrowing in Advance of Need

The Council will not borrow purely in order to profit from investment of extra sums borrowed. Any decision to borrow in advance will be within approved Capital Financing Requirement estimates and will be considered carefully to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds. Risks associated with any borrowing in advance activity will be subject to prior appraisal and subsequent reporting.

2.5 Debt Rescheduling

Officers continue to regularly review opportunities for debt rescheduling, but there has been a considerable widening of the difference between new borrowing and repayment rates, which has resulted in much fewer opportunities to realise any savings or benefits from rescheduling PWLB debt.

The reasons for any rescheduling to take place will include:

- the generation of cash savings and / or discounted cash flow savings;
- helping to fulfil the treasury strategy;
- enhance the balance of the portfolio (amend the maturity profile and/or the balance of volatility).

The strategy is to continue to seek opportunity to reduce the overall level of Council's debt where prudent to do so, thus providing in future years cost reduction in terms of lower debt repayments costs, and potential for making savings by running down investment balances to repay debt prematurely as short term rates on investments are likely to be lower than rates paid on current debt. All rescheduling will be agreed by the Chief Finance Officer.

2.5 Interest Rate Risk & Continual Review

The total borrowing need in **Table 2,** as well as the debt at risk of maturity shown in **Table 4** is the extent to which the Council is subject to interest rate risk.

Table 4	2023/24	2024/25	2025/26
	£m	£m	£m
Maturing Debt	4	5	5
Debt Subject to early repayments options	0	0	0
Total debt at risk of maturity	**4**	**5**	**5**

Officers continue to review the need to borrow taking into consideration the potential increases in borrrowing 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.

Against this background and the risks within the economic forecast, caution will be adopted with the 2023/24 treasury operations. The Chief Finance Officer will continue to monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances:

- if it was felt that there was a significant risk of a sharp FALL in borrowing rates, then borrowing will be postponed.

- if it was felt that there was a significant risk of a much sharper RISE in borrowing rates than that currently forecast, fixed rate funding will be drawn whilst interest rates are lower than they are projected to be in the next few years.

3. MINIMUM REVENUE PROVISION POLICY STATEMENT

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). The Department for Levelling Up, Housing and Communities (DLUHC) 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).

The policy below reflects a change in the policy as approved and implemented for 2018/19 onwards; The Council is recommended to approve the following MRP Statement for 2023/24 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).

For loans to third parties that are being used to fund expenditure that is classed as capital in nature, the policy will be to charge an MRP over the life of the loan.

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.

4. ANNUAL INVESTMENT STRATEGY

The DLUHC and CIPFA have extended the meaning of 'investments' to include both financial and non-financial investments. This report deals with financial investments. Non-financial investments are covered in the Capital Strategy.

The Council's investment policy has regard to the following:

- DLUHC's Guidance on Local Government Investments (the "Guidance")
- CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes 2021 (the "Code")
- CIPFA Treasury Management Guidance Notes 2021

The Council's investment priorities will be the security of capital first, portfolio liquidity second and then yield (return). *The Authority will aim to achieve the optimum return (yield) on its investments commensurate with proper levels of security and liquidity and with regard to the Authority's risk appetite.*

4.1 Annual Investment Strategy for 2023/24

Investments will be made with reference to the core balance and cash flow requirements and the outlook for interest rates.

Greater returns are usually obtainable by investing for longer periods. However, based on the forecast of Bank Rate below, it is recommended that an "agile" investment strategy is recommended as an appropriate way of optimising returns.

While most cash balances are required in order to manage the ups and downs of cash flow, where cash sums can be identified that could be invested for longer periods, the value to be obtained from longer term investments will be carefully assessed.

- If it is predicted that Bank Rate is likely to rise significantly within the time horizon being considered, then consideration will be given to keeping most investments on short term or variable terms.
- Conversely, if it is predicted that Bank Rate is likely to fall within that time period, consideration will be given to locking in the higher rates currently obtainable, for longer periods.

It is currently expected that the Bank Rate will increase further, but there is the prospect for Bank Rate to peak in the first half of 2023, and possibly reducing in the latter part of 2023. Link Asset Service's (LAS) Bank Rate forecasts for financial year ends (March) are:

Year	2022/23	2023/24	2024/25	2025/26
Bank Rate	4.25%	4.00%	3.00%	2.50%

LAS's view on the prospect for interest rates, including their forecast for short term investment rates is appended at Annex B.

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.

The preservation of capital is the Council's principal and overriding priority.

4.1.1 Changes from 2022/23 Strategy

The use of Sovereign credit ratings, as outlined in paragraph 4.3, has been amended. It is recommended that the policy is amended to allow the Council to lend to Sovereign nations and their Banks that meet a minimum credit criterion of AA- (a reduction from AA+ as adopted in the 2022/23 strategy). Whilst this is a reduction in the allowable credit criteria of non-UK countries, it is consistent with the UK credit rating criteria in the strategy, and also allows a wider list of counterparties to lend to, which will help increase the diversification of the investment portfolio. The Counterparty List at Annex A has been amended to reflect the wider set of counterparties allowable under this change in strategy.

Additionally, new benchmarking criteria has been added to paragraph 4.5. Inclusion of this benchmarking within the strategy will assist in monitoring the security and performance of the investment portfolio on an ongoing basis. The benchmarking will be reported alongside the Prudential and Treasury Indicators as part of the quarterly reporting.

4.2 Investment Policy – Management of risk

The guidance from the DLUHC and CIPFA place a high priority on the management of risk. This authority has adopted a prudent approach to managing risk and defines its risk appetite by the following means: -

i) Minimum acceptable credit criteria are applied in order to generate a list of highly creditworthy counterparties. This also enables diversification and thus avoidance of concentration risk. The key ratings used to monitor counterparties are the short term and long-term ratings.

ii) Other information: ratings will not be the sole determinant of the quality of an institution; it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To achieve this consideration the Council will engage with its advisors to maintain a monitor on market pricing such as "credit default swaps" and overlay that information on top of the credit ratings.

iii) Other information sources used will include the financial press, share price and other such information pertaining to the banking sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.

iv) This authority has defined the list of types of investment instruments that the treasury management team are authorised to use.

   a. **Specified investments** are those with a high level of credit quality and subject to a maturity limit of one year. The limits and permitted instruments for specified investments are listed within Table 7.

   b. **Non-specified investments** are those with less high credit quality, may be for periods in excess of one year, and/or are more complex instruments which require greater consideration by members and officers before being authorised for use. The limits and permitted instruments for non-specified investments are listed within Table 8.

v) Lending limits (amounts and maturity) for each counterparty will be set through applying the credit criteria matrix (within Table 7).

vi) This authority will set a limit for the amount of its investments which are invested for longer than 365 days, detailed in the Treasury Indicators in Annex C.

vii) Investments will only be placed with counterparties from countries with a specified minimum sovereign rating of AA- (see paragraph 4.3).

viii) This authority has engaged external consultants, (see paragraph 5.3), to provide expert advice on how to optimise an appropriate balance of security, liquidity and yield, given the risk appetite of this authority in the context of the expected level of cash balances and need for liquidity throughout the year.

ix) All investments will be denominated in sterling.

x) As a result of the change in accounting standards for 2022/23 under IFRS 9, this Authority will consider the implications of investment instruments which could result in an adverse movement in the value of the amount invested and resultant charges at the end of the year to the General Fund. (In November 2018, the MHCLG, concluded a consultation for a temporary override to allow English local authorities time to adjust their portfolio of all pooled investments by announcing a statutory override to delay implementation of IFRS 9 for five years ending 31.3.23. At the current juncture it has not been determined whether a further extension to the over-ride will be agreed by Government.

However, this authority will also pursue value for money in treasury management and will monitor the yield from investment income against appropriate benchmarks for investment performance. Regular monitoring of investment performance will be carried out during the year and included within the quarterly reporting.

4.3 Sovereign Credit Ratings

For 2023/24 it is recommended to amend the policy of lending to sovereign nations and their banks which hold a minimum of AA-. This is a change from the 2022/23 Strategy, where the policy was to lend to Non-UK Sovereigns and their Banks that had a rating of AA+. The proposed Maximum investment limits and duration periods will remain the same as in the previous strategy at £60 million and one year respectively. The list of countries that qualify using this credit criteria (as at the date of this report) are shown below:

AAA Germany, Netherlands, Singapore, Sweden
AA+ Canada, Finland, USA

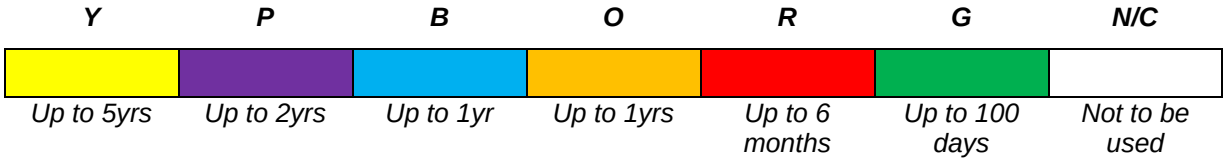
AA Abu Dhabi (UAE)
AA- United Kingdom

4.4 Creditworthiness Policy

The Council applies the creditworthiness service provided by the Link Group. This service employs a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies which is then 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;
- sovereign ratings to select counterparties from only the most creditworthy countries.

This weighted scoring system then 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. The Council (in addition to other due diligence consideration) will use counterparties within the following durational bands provided they have a minimum A- (UK Banks) and AA- (Non-UK Banks) credit rating:



Typically the minimum credit ratings criteria the Council use will be a Short Term rating (Fitch or equivalents) of F1 and a Long Term rating of A- for UK Banks. 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.

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.

All credit ratings are monitored daily. The Council is alerted to changes to ratings of all three agencies through its use of the LAS credit worthiness service. If a downgrade results in the counterparty or investment scheme no longer meeting the Council's minimum criteria, its further use as a new investment will be withdrawn immediately.

In addition to the use of credit ratings, the Council is advised of information re 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 Council's lending list. The counterparties in which the Council will invest its cash surpluses is based on officer's assessment of investment security, risk factors, market intelligence, a diverse but manageable portfolio and their participation in the local authority market.

Table 7 below summarises the types of specified investment counterparties available to the Council, and the maximum amount and maturity periods placed on each of these. A full list of the Council's counterparties and the current limits for 2023/24 are appended at Annex A.

Criteria for Specified Investments

Table 7	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	▪ TDs ▪ Deposits on Notice ▪ Certificates of Deposit (CDs)	N/A	£60m	12 Months
Banks	UK	▪ TDs ▪ Deposits on Notice ▪ CDs	Blue	£60m	12 Months
			Orange	£60m	12 Months
			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	Liqiuid
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

** 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*

***See Paragraph 4.3 for full list of countries that meet these criteria*

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 in **Table 8** below:

Table 8	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)	N/A	£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*

The maximum amount that can be invested will be monitored in relation to the Council's 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. A full list of the Council's counterparties and the current limits for 2023/24 are appended at Annex A.

4.5 Investment Risk Benchmarking

The weighted average benchmark risk factor for 2023/24 is recommended to be 0.05%. This is unchanged from 2022/23. This is a measure of the percentage of the portfolio deemed to be at risk of loss by reference to the maturity date, value of investment, and credit rating of the individual investments within the portfolio compared to the historic default data for those credit ratings.

This benchmark is a simple target (not limit) to measure investment risk and so may be breached from time to time, depending on movements in interest rates and counterparty criteria. The purpose of the benchmark is that the in-house treasury team can monitor the current and trend position and amend the operational strategy depending on any changes. Any breach of the benchmarks will be reported with supporting reasons in the mid-year or end of year reviews.

This matrix will only cover internally managed investments, excluding externally managed cash that has been subject to an individual selection process. It also excludes funds lend to other Local Authorities, consistent with the CIPFA Accounting Code.

4.6 Investment Performance Benchmarking

The performance of the Council's investment portfolio will be measured against the overnight SONIA Rate.

5. OTHER TREASURY ISSUES

5.1 Banking Services

NatWest, which is part Government owned, currently provides banking services for the Council.

5.2 Training

The CIPFA Treasury Management Code requires the responsible officer to ensure that members with responsibility for treasury management receive adequate training in treasury management. This especially applies to members responsible for scrutiny.

The scale and nature of this will depend on the size and complexity of the organisation's treasury management needs. Organisations should consider how to assess whether treasury management staff and board/ council members have the required knowledge and skills to undertake their roles and whether they have been able to maintain those skills and keep them up to date.

As a minimum, authorities should carry out the following to monitor and review knowledge and skills:

- Record attendance at training and ensure action is taken where poor attendance is identified.
- Prepare tailored learning plans for treasury management officers and board/council members.
- Require treasury management officers and board/council members to undertake self-assessment against the required competencies (as set out in the schedule that may be adopted by the organisation).
- Have regular communication with officers and board/council members, encouraging them to highlight training needs on an ongoing basis."

In further support of the revised training requirements, CIPFA's Better Governance Forum and Treasury Management Network have produced a 'self-assessment by members responsible for the scrutiny of treasury management', which is available from the CIPFA website to download.

Training was last provided for members of the Audit Committee on 19 November 2021 and further training will be arranged for November 2023.

The training needs of treasury management officers are periodically reviewed.

A formal record of the training received by officers central to the Treasury function and members who are responsible for decision making and scrutiny of the Treasury function will be maintained by the Principal Accountant (Treasury & Taxation).

5.3 Policy on the use of External Service Providers

The Council uses Link Asset Services as its external treasury management advisors.

The Council recognises that responsibility for treasury management decisions remains with the Council at all times and will ensure that undue reliance is not placed upon our external service providers. It also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed, documented and subject to regular review.

5.4 Lending to Third Parties

The Council has the power to lend monies to third parties subject to a number of criteria. These are not treasury type investments rather they are policy investments. Any activity will only take place after relevant due diligence has been undertaken.

5.5 Updates to Accounting Requirements

- **IFRS9 – local authority override – English local authorities**

  The MHCLG (DLUHC) enacted a statutory over-ride from 1.4.18 for a five-year period until 31.3.23 following the introduction of IFRS 9 in respect of the requirement for any unrealised capital gains or losses on marketable pooled funds to be chargeable in year. This has the effect of allowing any unrealised capital gains or losses arising from qualifying investments to be held on the balance sheet until 31.3.23: this was intended to allow authorities to initiate an orderly withdrawal of funds if required. In addition, IFRS9 impacts the write-down in the valuation of impaired loans.

  At the time of writing, we are still waiting to hear whether the application of IFRS9 will be deferred for a further period.

- **IFRS 16 – Leasing**

  The CIPFA LAASAC Local Authority Accounting Code Board has deferred implementation of IFRS16 until 1.4.24, the 2024/25 financial year. Once implemented, this has the following impact to the Treasury Management Strategy:

  - The MRP Policy sets out how MRP will be applied for leases bought onto the balance sheet;
  - The Council's Capital Financing Requirement authorised limit and operational boundary expectations for 2024/25 onwards have been increased to reflect the estimated effect of this change.

Counterparty List 2023/24

ANNEX A

Bank with duration colour	Country	Fitch Ratings				Moody's Ratings		S & P Ratings		CDS Price	ESCC Duration	Link Duration Limit	Money Limit
Specified Investments:		L Term	S Term	Viab.	Supp.	L Term	S Term	L Term	S Term		(Months)	(Months)	(£m)
UK Counterparties:													
Lloyds Bank PLC (RFB)	UK	A+	F1	a	WD	A1	P-1	A+	A-1	74.27	6	6	60
Lloyds Bank Corporate Markets Plc (NRFB)	UK	A+	F1	-	WD	A1	P-1	A+	A-1	-	6	6	
Bank of Scotland PLC (RFB)	UK	A+	F1	a	WD	A1	P-1	A+	A-1	54.13	6	6	
NatWest Bank (RFB)	UK	A+	F1	a	WD	A1	P-1	A	A-1	-	12	12	60
NatWest Markets Plc (NRFB)	UK	A+	F1	WD	WD	A1	P-1	A-	A-2	-	6	6	
Royal Bank of Scotland (RFB)	UK	A+	F1	a	WD	A1	P-1	A	A-1	-	12	12	
HSBC UK Bank (RFB)	UK	AA-	F1+	a	WD	A1	P-1	A+	A-1	-	12	12	60
HSBC Bank (NRFB)	UK	AA-	F1+	a	WD	A1	P-1	A+	A-1	61.20	12	12	
Barclays Bank UK (RFB)	UK	A+	F1	a	WD	A1	P-1	A	A-1	-	6	6	60
Barclays Bank (NRFB)	UK	A+	F1	a	WD	A1	P-1	A	A-1	105.96	6	6	
Santander UK	UK	A+	F1	a	WD	A1	P-1	A	A-1	-	6	6	60
Santander Financial Services (NRFB)	UK	A+	F1	-	WD	A1	P-1	A	A-1	-	6	6	
Goldman Sachs International Bank	UK	A-	F1	-	WD	A1	P-1	A+	A-1	98.68	6	6	60
Handlesbanken PLC	UK	AA	F1+	-	WD	-	-	AA-	A-1+	-	12	12	60
SMBC Bank International Plc	UK	A-	F1	-	WD	A-	P-1	A+	A-1	59.18	6	6	60
Standard Chartered Bank	UK	A+	F1	a	WD	A1	P-1	A+	A-1	59.98	6	6	60
Close Brothers Ltd	UK	A-	F2	a-	WD	Aa3	P-1	-	-	-	6	6	60
Clydesdale Bank PLC	UK	A-	F2	bbb+	WD	A3	P-2	A-	A-2	-	3	3	60
Nationwide Building Society	UK	A	F1	a	WD	A1	P-1	A+	A-1	-	6	6	60
Non UK Counterparties:													
Royal Bank of Canada	Canada	AA-	F1+	aa-	WD	Aa1	P-1	AA-	A-1+	-	12	12	60
Toronto-Dominion Bank	Canada	AA-	F1+	aa-	WD	Aa1	P-1	AA-	A-1+	-	12	12	60
Nordea Bank Abp	Finland	AA-	F1+	aa-	WD	Aa3	P-1	AA-	A-1+	-	12	12	60

Landwirtschaftliche Rentenbank	Germany	AAA	F1+	-	WD	Aaa	P-1	AAA	A-1+	-	12	24	60
Continued Counterparty list Bank with duration colour	**Country**	**Fitch Ratings**				**Moody's Ratings**		**S & P Ratings**		**CDS Price**	**ESCC Duration**	**Link Duration Limit**	**Money Limit**
		L Term	S Term	Viab.	Supp.	L Term	S Term	L Term	S Term		(Months)	(Months)	(£m)
NRW.BANK	Germany	AAA	F1+	-	WD	Aa1	P-1	AA	A-1+	-	12	24	60
Bank Nederlandse Gemeenten N.V.	Netherlands	AAA	F1+	-	WD	Aaa	P-1	AAA	A-1+	-	12	24	60
DBS Bank Ltd.	Singapore	AA-	F1+	aa-	WD	Aa1	P-1	AA-	A-1+	-	12	12	60
Oversea-Chinese Banking Corp. Ltd.	Singapore	AA-	F1+	aa-	WD	Aa1	P-1	AA-	A-1+	-	12	12	60
United Overseas Bank Ltd.	Singapore	AA-	F1+	aa-	WD	Aa1	P-1	AA-	A-1+	-	12	12	60
Svenska Handelsbanken AB	Sweden	AA	F1+	aa	WD	Aa2	P-1	AA-	A-1+	-	12	12	60
First Abu Dhabi Bank PJSC	UAE	AA-	F1+	a-	WD	Aa3	P-1	AA-	A-1+	-	12	12	60
Bank of New York Mellon	USA	AA	F1+	aa-	WD	Aa1	P-1	AA-	A-1+	-	12	12	60

Yellow	***Purple***	***Blue***	***Orange***	***Red***	***Green***	***No Colour***
Up to 5yrs	*Up to 2yrs*	*Up to 1yr (semi nationalised UK banks)*	*Up to 1yr*	*Up to 6 months*	*Up to 100 days*	*Not to be used*

Non-Specified Investments:

	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)	N/A	£30m	2 - 5 years
Short Dated Bond Fund(s)	N/A	£30m	2 - 5 years

ANNEX B

ECONOMIC OVERVIEW

Provided by Link Asset Services December 2022

Against a backdrop of stubborn inflationary pressures, the easing of Covid restrictions in most developed economies, the Russian invasion of Ukraine, and a range of different UK Government policies, it is no surprise that UK interest rates have been volatile right across the curve, from Bank Rate through to 50-year gilt yields, for all of 2022.

Market commentators' misplaced optimism around inflation has been the root cause of the rout in the bond markets with, for example, UK, EZ and US 10-year yields all rising by over 200bps since the turn of the year. The table below provides a snapshot of the conundrum facing central banks: inflation is elevated but labour markets are extra-ordinarily tight, making it an issue of fine judgment as to how far monetary policy needs to tighten.

Q2 of 2022 saw UK GDP revised upwards to +0.2% q/q, but this was quickly reversed in the third quarter, albeit some of the fall in GDP can be placed at the foot of the extra Bank Holiday in the wake of the Queen's passing. Nevertheless, CPI inflation has picked up to what should be a peak reading of 11.1% in October, although with further increases in the gas and electricity price caps pencilled in for April 2023, and the cap potentially rising from an average of £2,500 to £3,000 per household, there is still a possibility that inflation will spike higher again before dropping back slowly through 2023.

	UK	Eurozone	US
Bank Rate	3.0%	1.5%	3.75%-4.00%
GDP	-0.2%q/q Q3 (2.4%y/y)	+0.2%q/q Q3 (2.1%y/y)	2.6% Q3 Annualised
Inflation	11.1%y/y (Oct)	10.0%y/y (Nov)	7.7%y/y (Oct)
Unemployment Rate	3.6% (Sep)	6.6% (Sep)	3.7% (Aug)

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The UK unemployment rate fell to a 48-year low of 3.6%, and this despite a net migration increase of c500k. The fact is that with many economic participants registered as long-term sick, the UK labour force actually shrunk by c£500k in the year to June. Without an increase in the labour force participation rate, it is hard to see how the UK economy will be able to grow its way to prosperity, and with average wage increases running at 5.5% - 6% the MPC will be concerned that wage inflation will prove just as sticky as major supply-side shocks to food and energy that have endured since Russia's invasion of Ukraine on 22nd February 2022.

Throughout Q3 Bank Rate increased, finishing the quarter at 2.25% (an increase of 1%). Q4 has seen rates rise to 3% in November and the market expects Bank Rate to hit 4.5% by May 2023.

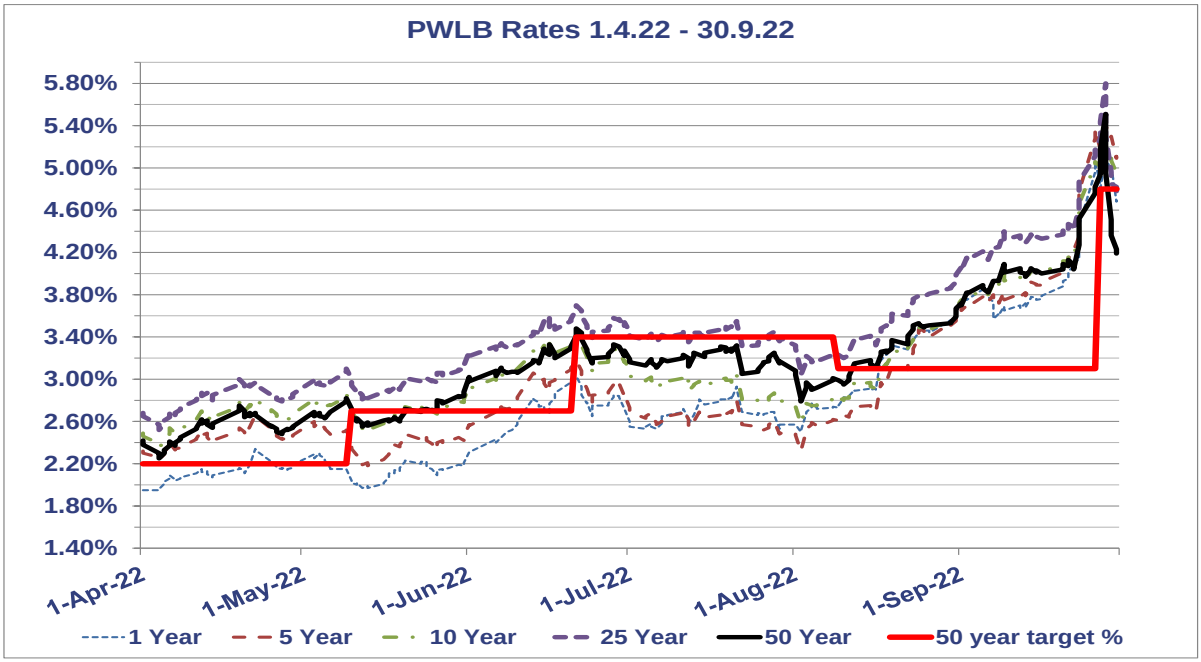
Following a Conservative Party leadership contest, Liz Truss became Prime Minister for a tumultuous seven weeks that ran through September and December. Put simply, the markets

did not like the unfunded tax-cutting and heavy spending policies put forward by her Chancellor, Kwasi Kwarteng, and their reign lasted barely seven weeks before being replaced by Prime Minister Rishi Sunak and Chancellor Jeremy Hunt. Their Autumn Statement of 17th November gave rise to a net £55bn fiscal tightening, although much of the "heavy lifting" has been left for the next Parliament to deliver. However, the markets liked what they heard, and UK gilt yields have completely reversed the increases seen under the previous tenants of No10/11 Downing Street.

Globally, though, all the major economies are expected to struggle in the near term. The fall below 50 in the composite Purchasing Manager Indices for the UK, US, EZ and China all point to at least one if not more quarters of GDP contraction. In November, the MPC projected eight quarters of negative growth for the UK lasting throughout 2023 and 2024, but with Bank Rate set to peak at lower levels than previously priced in by the markets and the fiscal tightening deferred to some extent, it is not clear that things will be as bad as first anticipated by the Bank.

The £ has strengthened of late, recovering from a record low of $1.035, on the Monday following the Truss government's "fiscal event", to $1.20. Notwithstanding the £'s better run of late, 2023 is likely to see a housing correction of some magnitude as fixed-rate mortgages have moved above 5% and affordability has been squeezed despite proposed Stamp Duty cuts remaining in place.

In the table below, the rise in gilt yields, and therein PWLB rates, through the first half of 2022/23 is clear to see.



However, the peak in rates on 28th September as illustrated in the table covering April to September 2022 below, has been followed by the whole curve shifting ever lower. PWLB rates at the front end of the curve are generally over 1% lower now whilst the 50 years is over 1.75% lower.

	1 Year	5 Year	10 Year	25 Year	50 Year
Low	1.95%	2.18%	2.36%	2.52%	2.25%
Date	01/04/2022	13/05/2022	04/04/2022	04/04/2022	04/04/2022
High	5.11%	5.44%	5.35%	5.80%	5.51%
Date	28/09/2022	28/09/2022	28/09/2022	28/09/2022	28/09/2022
Average	2.81%	2.92%	3.13%	3.44%	3.17%
Spread	3.16%	3.26%	2.99%	3.28%	3.26%

After a shaky start to the year, the S&P 500 and FTSE 100 have climbed in recent weeks, albeit the former is still 17% down and the FTSE 2% up. The German DAX is 9% down for the year.

Prospect for Interest Rates

The Council has appointed Link Group as its treasury advisor and part of their service is to assist the Council to formulate a view on interest rates. Link provided the following forecasts on 19 December 22. These are forecasts for certainty rates, gilt yields plus 80 bps

Link Group Interest Rate View	19.12.22												
	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25
BANK RATE	3.50	4.25	4.50	4.50	4.50	4.00	3.75	3.50	3.25	3.00	2.75	2.50	2.50
3 month ave earnings	3.60	4.30	4.50	4.50	4.50	4.00	3.80	3.30	3.00	3.00	2.80	2.50	2.50
6 month ave earnings	4.20	4.50	4.60	4.50	4.20	4.10	3.90	3.40	3.10	3.00	2.90	2.60	2.60
12 month ave earnings	4.70	4.70	4.70	4.50	4.30	4.20	4.00	3.50	3.20	3.10	3.00	2.70	2.70
5 yr PWLB	4.20	4.20	4.20	4.10	4.00	3.90	3.80	3.60	3.50	3.40	3.30	3.20	3.10
10 yr PWLB	4.30	4.40	4.40	4.30	4.10	4.00	3.90	3.80	3.60	3.50	3.40	3.30	3.30
25 yr PWLB	4.60	4.60	4.60	4.50	4.40	4.20	4.10	4.00	3.90	3.70	3.60	3.50	3.50
50 yr PWLB	4.30	4.30	4.30	4.20	4.10	3.90	3.80	3.70	3.60	3.50	3.30	3.20	3.20

Our central forecast reflects a view that the MPC will be keen to demonstrate its anti-inflation credentials by delivering a succession of rate increases. This has happened throughout 2022, but the new Government's policy of emphasising fiscal rectitude will probably mean Bank Rate does not now need to increase to further than 4.5%.

Further down the road, we anticipate the Bank of England will be keen to loosen monetary policy when the worst of the inflationary pressures have lessened – 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.

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. Wage increases, excluding bonuses, are currently running at 5.7%.

Regarding the plan to sell £10bn of gilts back into the market each quarter (Quantitative Tightening), this has started but will focus on the short to medium end of the curve for the present. This approach will prevent any further disruption to the longer end of the curve following on from the short-lived effects of the Truss/Kwarteng unfunded dash for growth policy.

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.)

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.

PWLB RATES

Yield curve movements have become less volatile under the Sunak/Hunt government. PWLB 5 to 50 years Certainty Rates are, generally, in the range of 3.75% to 4.50%. The medium to longer

part of the yield curve is currently inverted (yields are lower at the longer end of the yield curve compared to the short to medium end).

We view the markets as having built in, already, nearly all the effects on gilt yields of the likely increases in Bank Rate and the poor inflation outlook but markets are volatile and further whipsawing of gilt yields across the whole spectrum of the curve is possible.

The balance of risks to the UK economy: -

- The overall balance of risks to economic growth in the UK is to the downside. Indeed, the Bank of England projected two years of negative growth in their November Quarterly Monetary Policy Report.

Downside risks to current forecasts for UK gilt yields and PWLB rates include: -

- **Labour and supply shortages** prove more enduring and disruptive and depress economic activity (accepting that in the near-term this is also an upside risk to inflation and, thus, rising gilt yields).
- **The Bank of England** acts too quickly, or too far, over the next two years to raise Bank Rate and causes UK economic growth, and increases in inflation, to be weaker than we currently anticipate.
- **UK / EU trade arrangements** – if there was a major impact on trade flows and financial services due to complications or lack of co-operation in sorting out significant remaining issues.
- **Geopolitical risks,** for example in Ukraine/Russia, China/Taiwan/US, Iran, North Korea and Middle Eastern countries, which could lead to increasing safe-haven flows.

Upside risks to current forecasts for UK gilt yields and PWLB rates: -

- The **Bank of England is too slow** in its pace and strength of increases in Bank Rate and, therefore, allows inflationary pressures to build up too strongly and for a longer period within the UK economy, which then necessitates an even more rapid series of increases in Bank Rate faster than we currently expect.
- **The Government** acts too slowly to increase taxes and/or cut expenditure to balance the public finances, in the light of the cost-of-living squeeze.
- **The pound weakens** because of a lack of confidence in the UK Government's fiscal policies, resulting in investors pricing in a risk premium for holding UK sovereign debt.
- Longer term **US treasury yields** rise strongly, if inflation numbers disappoint on the upside, and pull gilt yields up higher than currently forecast.

Borrowing advice: Our long-term (beyond 10 years) forecast for Bank Rate stands at 2.5%. As all PWLB certainty rates are now above this level, borrowing strategies will need to be reviewed in that context. Better value can generally be obtained at the shorter end of the curve and short-dated fixed LA to LA monies should be considered. Temporary borrowing rates are likely, however, to remain near Bank Rate and may also prove attractive whilst the market waits for inflation, and therein gilt yields, to drop back later in 2023.

Our suggested budgeted earnings rates for investments up to about three months' duration in each financial year are as follows: -

Average earnings in each year	
2022/23 (remainder)	3.95%
2023/24	4.40%
2024/25	3.30%
2025/26	2.60%
2026/27	2.50%
Years 6 to 10	2.80%
Years 10+	2.80%

As there are so many variables at this time, caution must be exercised in respect of all interest rate forecasts.

Our interest rate forecast for Bank Rate is in steps of 25 bps, whereas PWLB forecasts have been rounded to the nearest 10 bps and are central forecasts within bands of + / - 25 bps. Naturally, we continue to monitor events and will update our forecasts as and when appropriate.

ANNEX C

PRUDENTIAL AND TREASURY INDICATORS 2023/24 to 2025/26

The Council's capital expenditure plans are a key driver of treasury management activities. The output of the capital expenditure plans is reflected in prudential indicators. Local Authorities are required to 'have regard to' the Prudential Code and to set Prudential Indicators for the next three years to ensure that the Council's capital investment plans are affordable, prudent and sustainable. The Code sets out the indicators that must be used but does not suggest limits or ratios as these are for the authority to set itself.

The Prudential Indicators for 2023/24 to 2025/26 are set out in **Table A** below:

Table A	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate
Capital Expenditure £m (gross) Council's capital expenditure plans	£97m	£102m	£61m
Capital Financing Requirement £m* Measures the underlying need to borrow for capital purposes (including PFI & Leases)	£366m	£421m	£435m
Ratio of financing costs to net revenue stream** Identifies the trend in the cost of capital (borrowing and other long term obligation costs) against net revenue stream	3.71%	3.89%	4.50%

** From 2024/25, the CFR includes an estimate for leases that will be bought onto the balance sheet under a change in leasing accounting regulations.*

*** the ratio of financing costs to net revenue stream illustrates the percentage of the Council's net revenue budget being used to finance the council's borrowing. This includes interest costs relating to the council's borrowing portfolio and MRP. This was previously reported net of the investment income from the council's investment portfolio, but this is no longer allowable under the 2021 Code, and therefore the ratio is higher than previously reported.*

The Treasury Management Code requires that Local Authorities set a number of indicators for treasury performance in addition to the Prudential Indicators which fall under the Prudential Code. The Treasury Indicators for 2023/24 to 2025/26 are set out in **Tables B & C** below. These have been calculated and determined by Officers in compliance with the Treasury Management Code of Practice.:

Table B	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate
Authorised Limit for External Debt £m* The Council is expected to set a maximum authorised limit for external debt. This represents a limit beyond which external debt is prohibited, and this limit needs to be set or revised by Full Council.	£396m	£451m	£465m
Operational boundary for external debt £m* The Council is required to set an operational boundary for external debt. This is the limit which external debt is not normally expected to exceed. This indicator may be breached temporarily for operational reasons.	£376m	£431m	£445m
Principal Sums invested for longer than 365 days	£60m	£60m	£60m

Control on interest rate exposure: Upper limit for fixed interest rate exposure Identifies a maximum limit for fixed interest rates for borrowing and investments.	100%	100%	100%
Control on interest rate exposure: Upper limit for variable interest rate exposure Identifies a maximum limit for variable interest rates for borrowing and investments.	15%	15%	15%

**From 2024/25 The Authorised Limit and Operational Boundary includes an estimate for leases that will be bought onto the balance sheet under a change in leasing accounting regulations.*

Table C

Maturity Structure of fixed interest rate borrowing

The Council needs to set upper and lower limits with respect to the maturity structure of its borrowing.

	Lower	Upper
Under 12 months	0%	25%
12 months to 2 years	0%	40%
2 years to 5 years	0%	60%
5 years to 10 years	0%	70%
Over 10 years	0%	90%

ANNEX D

SCHEME OF DELEGATION

1. Full Council

In line with best practice, Full Council is required to receive and approve, as a minimum, three main reports each year, which incorporate a variety of polices, estimates and actuals. These reports are:

i. Treasury Management Policy and Strategy Report

The report covers:

- the capital plans (including prudential indicators);
- the Capital Strategy;
- a Minimum Revenue Provision Policy (how residual capital expenditure is charged to revenue over time);
- the Treasury Management Strategy (how the investments and borrowings are to be organised) including treasury indicators; and
- an investment strategy (the parameters on how investments are to be managed).

ii. A Mid-Year Review Report and a Year End Stewardship Report

These will update members with the progress of the capital position, amending prudential indicators as necessary, and indicating whether the treasury strategy is meeting the strategy or whether any policies require revision. The report also provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.

2. Cabinet

- Approval of the Treasury Management quarterly update reports;
- Approval of the Treasury Management outturn report.

3. Audit Committee

- Scrutiny of performance against the strategy.

4. Role of the Section 151 Officer

The Section 151 (responsible) Officer:

- recommending clauses, treasury management policy/practices for approval, reviewing the same regularly, and monitoring compliance;
- submitting regular treasury management policy reports;
- submitting budgets and budget variations;
- receiving and reviewing management information reports;
- reviewing the performance of the treasury management function;
- ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function;
- ensuring the adequacy of internal audit, and liaising with external audit;
- recommending the appointment of external service providers.

There are further responsibilities for the S151 Officer identified within the 2017 Code in respect of non-financial investments. They are identified and listed in the Capital Strategy where relevant.

ANNEX E

INVESTMENT PRODUCT GLOSSARY

Bank / Building Society: Accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies, other than multilateral development banks. These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail.

Bank / Building Society Secured (Covered Bonds): These investments are secured on the bank's assets, which limit the potential losses in the unlikely event of insolvency, and means that they are exempt from bail-in.

Corporate Bonds: Bonds issued by companies other than banks and registered providers. These investments are not subject to bail-in but are exposed to the risk of the company going insolvent.

Enhanced Cash / Ultra Short Dated Bond Funds: Funds designed to produce an enhanced return over and above a Money Market Fund. The manager may use a wider range of alternative options to try and generate excess performance. These could include different counterparties, instruments as well as longer dated investments.

Equity Fund: Equity funds are pooled investment vehicles that will focus investments primarily in UK equities.

Government: Loans, bonds and bills issued or guaranteed by UK government, local authorities and supranational banks. These investments are not subject to bail-in, and there is a minimal risk of insolvency.

Money Market Funds: An open ended fund that invests in short term debt securities, offers same-day liquidity and very low volatility.

Mixed Asset Funds: Rather than focus on a particular asset class, these funds will look to invest across a broader range of classes in an effort to provide investors with a smoother performance on a year-to-year basis. Primarily, the asset classes will be equities and fixed income, but the latter will include both corporate and government-level investments.

Pooled Property Funds: Shares in diversified property investment vehicles. Property funds offer enhanced returns over the longer term but are more volatile in the short term. The funds have no defined maturity date, but are available for withdrawal after a notice period

Short Dated Bond Funds: Funds designed to produce an enhanced return over and above an Ultra Short Dated Fund. The manager may use a wider range of alternative options to try and generate excess performance. These could include different counterparties, instruments as well as longer dated and a proportion of lower rated investments. The return on the funds are typically much higher but can be more volatile than Ultra-Short Dated bond funds, so a longer investment time horizon is recommended.

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Report to:	**Cabinet**
Date of meeting:	**24 January 2023**
By:	**Director of Communities, Economy and Transport and the Chief Operating Officer.**
Title:	**Final draft corporate Climate Emergency Plan for 2023-25**
Purpose:	**To seek approval of the corporate Climate Emergency Plan that will go to Full Council on 7 February 2023**

RECOMMENDATIONS

Cabinet is recommended to:

1) agree the final draft of the corporate Climate Emergency Plan (appendix 1); and
2) agree the draft summary version of the Climate Emergency Plan (appendix 2).

1 Background

1.1 In October 2019 the County Council set a target of achieving carbon neutrality from its activities as soon as possible and in any event by 2050. In June 2020 Cabinet approved a corporate climate emergency action plan for 2020-22. In 2021-22 Cabinet agreed an additional £9.9m to address corporate climate change up to March 2025. This report covers an updated corporate Climate Emergency Plan covering 2023-25. The final draft of the Climate Emergency Plan is set out in Appendix 1 and a summary version is set out in Appendix 2.

2 Supporting information

2.1 A clear understanding of the carbon emissions generated by our activities is a key foundation for working towards net zero. The carbon emissions of an organisation are usually divided into the following 3 categories:

- Scope 1 – emissions from the use of gas and oil in Council buildings and petrol and diesel in Council-owned vehicles. These are about 2% of total Council emissions.
- Scope 2 – emissions from the electricity purchased by the Council. These are also about 2% of total Council emissions.
- Scope 3 – emissions that result from all other activities of the Council, including business travel, water usage, waste, procurement and staff commuting. These are about 96% of total Council emissions, with the vast majority from procurement of the goods, works and services that the Council needs to pay for in order to deliver its statutory services. This is similar to other local authorities.

2.2 The Council has good quality data for scope 1 and 2 emissions, as these are under the direct control of the Council. The quality of scope 3 emission data is much more variable, in particular for the goods, works and services that are purchased by the Council in order to deliver its functions. Further work is required to quantify most scope 3 emissions before they can begin to be integrated reliably into the Council's carbon footprint and modelled for future emission reductions. Most local authorities are in a similar position.

2.3 Following the declaration of a climate emergency in 2019 the Council developed a corporate climate emergency plan for 2020-22, which set out the baseline carbon emissions and the actions to be delivered during 2020-22. A Scrutiny review of progress in becoming a carbon neutral council was carried out in 2019-20, which included a set of recommendations that were accepted by the Council in 2020. Since then, six monthly reports have been taken to the Place Scrutiny Committee

on progress in delivering against the recommendations and an annual progress report on the climate emergency plan was presented to full Council in October 2021 and in October 2022.

2.4 The Council's scope 1 and 2 carbon emissions have been reduced by over 66% over the last decade, due to the decarbonisation of the national electricity grid, through a reduction in the Council's estate and as a result of investment made by the Council in carbon reduction measures.

2.5 The draft Climate Emergency Plan for 2023-25 in appendix 1 sets out:

1) The Council's current carbon footprint;
2) Some principles for the Council to follow in its approach to net zero;
3) The Council's science-based 5 year carbon budgets;
4) The modelling work that has been used to steer some of actions in the Plan;
5) How the additional investment of £9.9m made available by Cabinet for climate change will be spent up to March 2025;
6) The governance, monitoring and reporting systems in place to cover the Plan.

2.6 In June 2022 a cross party working group of the Place Scrutiny Committee was set up to input to the development of the updated Climate Emergency Plan. It held five meetings, first to gather evidence and then to review early drafts of the climate emergency plan and to shape the final version. The plan set out in appendix 1 incorporates the comments made by Members of the working group, who have added their names to the Foreword, alongside the Lead Member for Resources and Climate Change. The working group also requested that a shorter summary version of the full Climate Emergency Plan be produced, to help communicate the Plan. This shorter version, which has also been reviewed by the working group, is set out in appendix 2.

3. Conclusion

3.1 The modelling work carried out to inform the development of the Climate Emergency Plan indicates that the Council is currently investing in an appropriate mix of measures to cut its carbon emissions, including low energy lighting, heat decarbonisation, solar PV and vehicle electrification. In order to increase the pace and scale of corporate carbon reduction the additional resources agreed by Cabinet are being used to invest in more of these measures and to establish a more structured, One Council programmatic approach. This includes the delivery of interventions such as staff behavioural change, greater focus on scope 3 emissions, an assessment of carbon off-setting and developing a more robust approach to climate change adaptation across the Council.

3.2 The modelling work also indicated that a significant and long-term uplift in budget provision would be required to meet the Council's carbon reduction target. However, this needs to be set in the context of wider Council pressures and budgetary constraints. The Council has bid for, and will continue to bid for, short-term funding that has been made available by central government to support the public sector to decarbonise. However, there is currently no indication from government as to how local authorities will be able to access the necessary scale of funding to get to net zero. Without access to significant external funding or finance it is unclear how the Council will be able to remain within its carbon reduction ambition.

4. Conclusion and recommendations

4.1 Cabinet is recommended to:

1) agree the final draft of the corporate Climate Emergency Plan for 2023-25 (appendix 1)
2) agree the draft summary version of the Climate Emergency Plan (appendix 2).

ROS PARKER
Chief Operating Officer

RUPERT CLUBB
Director of Communities, Economy and Transport

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Appendix 1.

East Sussex County Council's Climate Emergency Plan 2023-25

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Foreword

Climate change is one of the defining issues of our time: the UN's Intergovernmental Panel on Climate Change concluded recently that if we fail to achieve rapid, far-reaching and unprecedented changes in all aspects of society then we will face catastrophic and irreversible climate change.

More than half of the reduction in carbon emissions required in the UK rely on decisions that are made at a local level – by individuals, businesses and organisations changing what we buy, how we travel and what we eat. East Sussex County Council declared a climate emergency in 2019 in order to play its part.

The aim is simple: for the County Council to become both net zero and resilient to changes in the climate that are already happening. The road to get there is anything but simple: for instance, modelling of how we could get to net zero tells us that it could cost the County Council around £200m between now and 2050 just for those carbon emissions that we control directly.

This action plan takes us part of the way. It sets out the size of our carbon footprint, describes the science-based carbon budget that we need to keep within to play our part in keeping global average temperatures below a 1.5^{o}C increase above pre-industrial levels, and sets out the no and low-regret actions that we will deliver over the next couple of years.

There are many additional benefits of addressing climate change that provide a compelling narrative for change. As an organisation, this includes becoming less vulnerable to the impacts of volatile energy prices, encouraging staff and Members to adopt healthier and more active lifestyles, supporting growth in good quality jobs locally through our investment in carbon reduction measures, and improved local air quality – amongst many others.

Alongside what the Council is doing to show leadership in reducing its own emissions it is also working on a range of projects that reduce carbon emissions across the county, from assisting those in fuel poverty, providing grants to businesses to cut carbon to improving local bus services.

The County Council recognises that no single organisation, acting alone, has the powers or resources to secure the scale of change we need at a local level. It requires shared responsibility for making change and collective effort across the county from all of us. We look forward to working with you to address this critical challenge.

Councillor Bennett, Deputy Leader and Lead Member for Resources and Climate Change.

Councillors Redstone (Chair), Hilton, Hollidge, Holt and Kirby-Green. Working Group on Climate Change (Place Scrutiny).

1. Introduction

In 2018 the UN's Intergovernmental Panel on Climate Change (IPCC) concluded that "rapid, far-reaching, and unprecedented changes in all aspects of society" are required to limit the average global temperature rise to 1.5^{o}C above pre-industrial levels. Even half a degree above that will significantly worsen the risks of drought, floods, mass extinctions of animal species, and extreme heat and poverty for hundreds of millions of people. The IPCC's latest report, in 2022, concluded that global greenhouse gas emissions need to stop rising withing the next 3 years to keep the average global temperature rise to below 1.5^{0}C.

The impacts of climate change are already being felt here in East Sussex, for instance with the record-breaking temperatures and drought experienced in 2022. These impacts are predicted to worsen in the coming years, with 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 vulnerable and elderly, damage to essential infrastructure, increased cost of food and disruption to supply chains and service provision.

The Council has declared a climate emergency and committed to getting to net zero as soon as possible, and by 2050 at the latest. This is to ensure that the Council makes its fair contribution to cutting carbon emissions, that it adapts to the effects of climate change that are unavoidable, and that it maximises the many benefits of transitioning to become a net zero council. These include reducing energy costs, having healthier and more active staff, and improving local air quality. The Council's commitment has been embedded into the full Council Plan, which can be found here: Council Plan 2022/23 | East Sussex County Council, and into relevant service delivery plans.

The Council developed a corporate Climate Emergency Plan for 2020-22, which can be found here: Climate change – what we are doing | East Sussex County Council. This new Climate Emergency Plan, covering the period up to March 2025, leaves off from where that Plan ended. It sets out the Council's:

- Aim to become net zero as soon as possible.
- Carbon footprint and science-based carbon target.
- Progress to date in cutting carbon emissions.
- Action plan up to March 2025.
- Resources dedicated to delivering the Action Plan.
- Governance, monitoring and reporting systems in place.
- Main risks to delivering the Action Plan.

The Council recognises that the journey to net zero requires additional organisational change, to ensure that climate change is embedded throughout the organisation. It has developed a One Council programme approach, building additional staff capacity within existing teams and committing significant extra funding to increase

the pace and scale of carbon reduction activities. The Council recognises that the earlier and greater the reduction in emissions the more likely we are to contribute to keeping the average global temperature rise to below 1.5^0C and, conversely, the later and slower the reduction in emissions the more likely we are to contribute to exceeding the global carbon budget.

Alongside what the Council is doing to show leadership in reducing its own emissions, it is leading on a range of projects that will reduce carbon emissions across the county, such as significant improvements to local bus services and developing a co-ordinated approach to the provision of on-street electric vehicle charge points, amongst others. The Council is also working with a range of partners, who are shown in section 10. Further details of what is being done across the county can be found here: Environment Strategy 2020 | East Sussex County Council.

This new Climate Emergency Plan has been developed in consultation with a working group of elected Members who sit on the Place Scrutiny Committee, as well as with representatives from all Council departments that sit on the Climate Emergency Board. It has also been peer-reviewed by the Greater South East Net Zero Hub, which has been established by government to accelerate net zero projects across the south east (see: Greater South East Net Zero Hub - Accelerating clean local energy projects (gsenetzerohub.org.uk).

The success of this plan depends on having an effective combination of appropriate policy, decision-making, governance, data, finance, technical competence, communication and forward strategy. This plan sets out how these are in place, or are being put in place, at the Council, alongside the need to maintain the delivery of statutory services and achieve a balanced financial budget.

This report does not cover:

- Embodied carbon, which refers to the carbon emissions associated with the mining, manufacture, transport, construction, repair, maintenance, replacement and deconstruction of materials, such as those required in building works.
- Homeworking, as we currently lack the data to enable this to be calculated.
- The Council's pension fund, because this is being addressed by the Pension Committee and covers many other organisations beyond the Council.
- Carbon emissions that are outside the Council's own corporate carbon emissions. However, as noted above, further details of what is being done across the county can be found here: Environment Strategy 2020 | East Sussex County Council.

2. Terminology

There are six main greenhouse gases (GHGs) that contribute to global warming. Most of these gases arise from combustion of fossil fuels, and some originate from refrigeration, agriculture, chemical production and electrical applications. Each gas has its own global warming potential over a 100 year period (GWP). Carbon dioxide (CO_2) has the lowest GWP of all the gases but is by far the most abundant GHG

gas, hence the focus on CO_2 when discussing climate change. By comparing each gas's GWP to that of CO2 we are able to derive a CO_2 equivalent value (expressed as 'CO_2e'). For example, CO_2 has a GWP of 1, methane has a GWP of 24, therefore we can say that 1 tonne of methane emissions is equal to 24 tonnes of CO_2 (expressed as '24 tCO_2e'). This enables the total global warming potential of a range of greenhouse gases to be presented as a single figure, which simplifies analysis and reporting. In this report 'carbon' is used interchangeably with 'CO_2e'.

Figures for CO_2e are calculated by multiplying the amount of energy used, for instance in units of kWhs for gas or electricity or litres of fuel used in a vehicle, by the amount of carbon produced per unit, using standardised units set by government to ensure consistency in reporting over time.

The terms 'carbon neutral' and 'net zero carbon' are sometimes used inter-changeably and sometimes defined in different ways. For the purposes of this report they are considered to be inter-changeable.

3. UK Climate Change Policy Context

The UK's primary climate change legislation is the Climate Change Act (2008). The Act sets legally binding carbon reduction targets. Originally, it committed the UK to an 80% reduction in carbon emissions from a 1990 baseline by 2050. In 2019 this level of ambition was increased to net zero by 2050.

The Act includes a system of five-year carbon budgets, forming a pathway to net zero. Budgets are set at least twelve years in advance of the budget period, to allow time for planning and investment. The budgets are developed with the guidance of the Committee on Climate Change, an independent body established by the Act, who also monitor and report on progress towards targets.

In 2021 the UK Government published its Net Zero Strategy 'Build Back Greener'. This did not include any statutory responsibility for local authorities to reduce carbon emissions but did set out commitments to:

- Set clearer expectations for local places, clarifying how the partnership with local government should work, and considering how action at national, regional, local, and community levels fits together.
- Provide resources for local places to deliver stronger contributions to national net zero targets,
- Build local capacity and capability.

As the Net Zero Strategy indicates, local authorities are widely considered to have a key role in decarbonising services such as local transport, waste disposal, public buildings and other local services. More broadly, local authorities are seen to have a key role to play in creating change amongst local residents and businesses, via their investment and procurement decisions, planning and placemaking responsibilities, and by direct engagement with residents. In 2021 the National Audit Office reported that 91% of local authorities have adopted a commitment to decarbonise either their own activities, or their local area, or both.

4. The Council's Carbon Footprint

The Council provides services used by all residents in East Sussex, including providing care and support to children, families and the elderly; maintaining the roads and providing library services; and working to boost the local economy. To deliver these services the Council owns a wide range of assets including schools, offices, day centres, care facilities and depots. The Council's property portfolio extends to over 9,000 plots of land (including highways) and over 470 building assets. The Council has used the Greenhouse Gas Protocol, which is the most widely used and accepted global standard for measuring and reporting on greenhouse gas emissions, to measure its carbon footprint from the services it delivers and the assets it owns.

The Greenhouse Gas Protocol divides carbon emissions into 3 categories, or scopes, which are illustrated in figure 1. These are made up as follows:

- Scope 1 – emissions from fossil fuels used in Council buildings and fuel used in our fleet vehicles.
- Scope 2 – emissions from the electricity purchased by the Council.
- Scope 3 – emissions that result from all other activities of the Council, including business travel, water usage, waste, procurement and staff commuting.

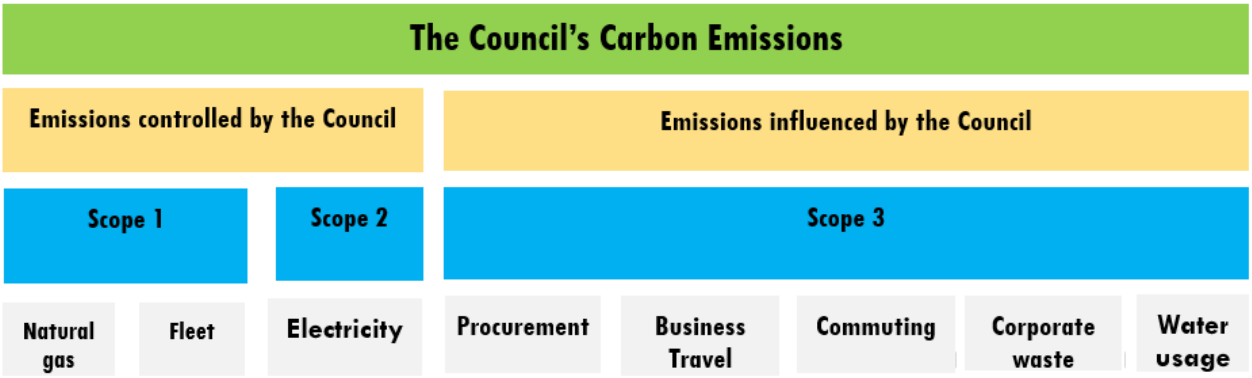


Figure 1. The Council's carbon emissions.

The Council's total carbon emissions in 2021-22 were estimated at 240,650 tonnes of CO2e. This is equivalent to the average annual emissions of about 34,380 people in the UK and represents roughly 12% of the total CO2e emissions from East Sussex, based on government data for 2020 (see: UK local authority and regional greenhouse gas emissions national statistics, 2005 to 2020 - GOV.UK (www.gov.uk). The split of emissions across scopes 1-3 is shown in figure 1a, below, which highlights that by far the largest part of the Council's emissions are from scope 3. This is typical for most local authorities, because most of the Council's budget is spent on procuring goods, works and services from third parties.

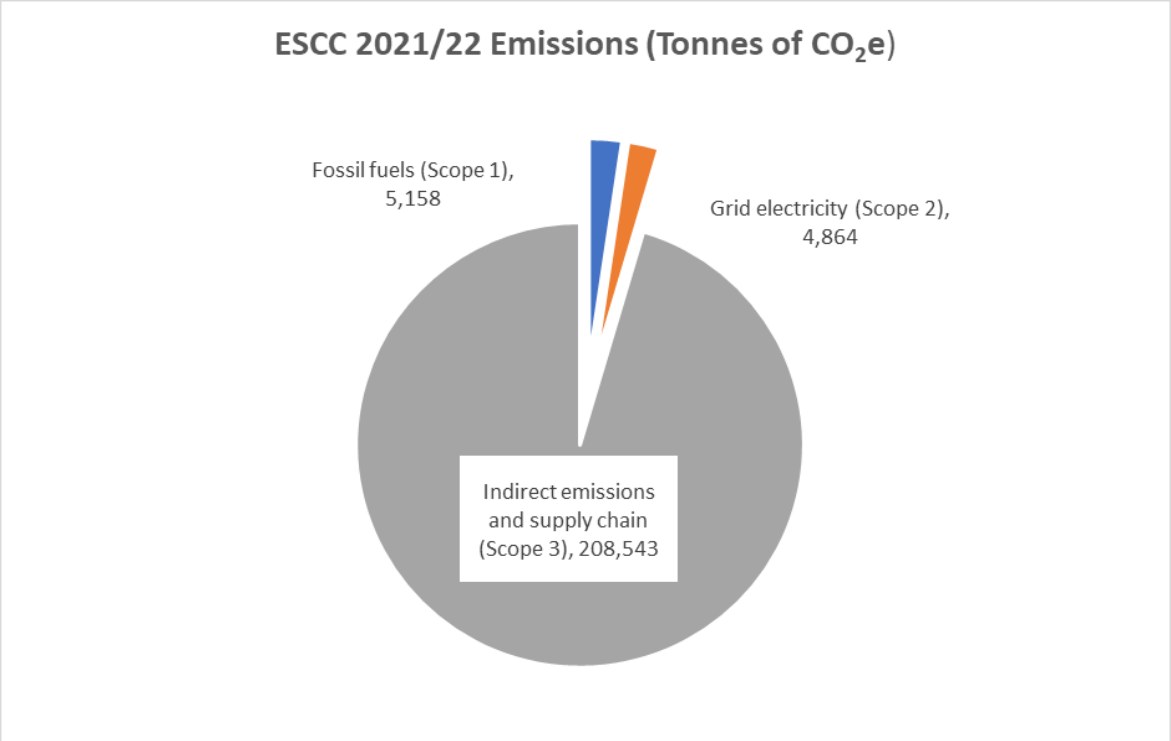


Figure 1a. Council scope 1-3 emissions in 2020-21.

The Council has good quality data for scope 1 and 2 emissions, as these elements are under the direct control of the Council. Our targets in this plan relate to this part of the Council's carbon footprint. How the Council is addressing scope 3 emissions is set out on pages 10 and 11.

Emissions we have direct control over

Figures 2 and 2a provide a detailed breakdown of emissions that the Council has direct control over (i.e. scope 1 and 2 emissions). Figure 2 highlights that schools are the largest source of carbon emissions and that emissions from the Council's own fleet are very small compared with emissions from using gas, oil and electricity in buildings. The government announced in 2022 that its policy is for all schools to convert to academy status by 2030. If this were to happen then all emissions from academy schools would leave the Council's portfolio, although they would clearly remain a source of carbon emissions within the county and would become the responsibility of each academy trust to address.

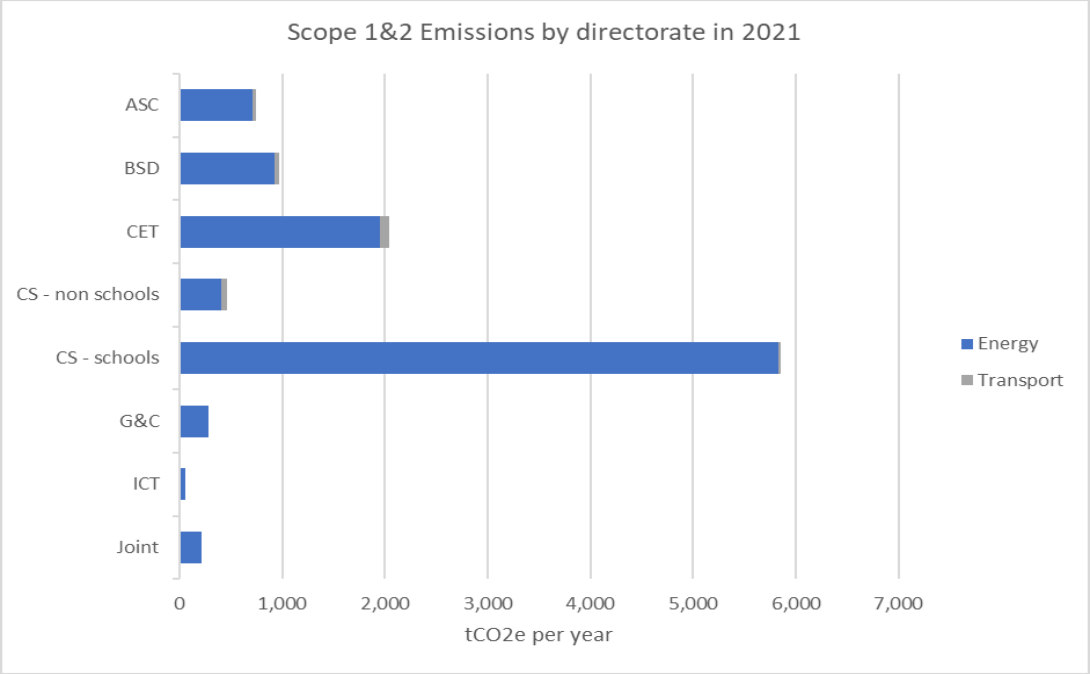


Figure 2: Scope 1 and 2 carbon emissions by department in 2020-21.

(Note: ASC is Adult Social Care. BSD is Business Services Department. CET is Communities, Economic & Transport. CS is Childrens Services and G&C is Governance and Communities).

Figure 2a highlights that scope 1 and 2 emissions are dominated by the use of grid electricity and gas.

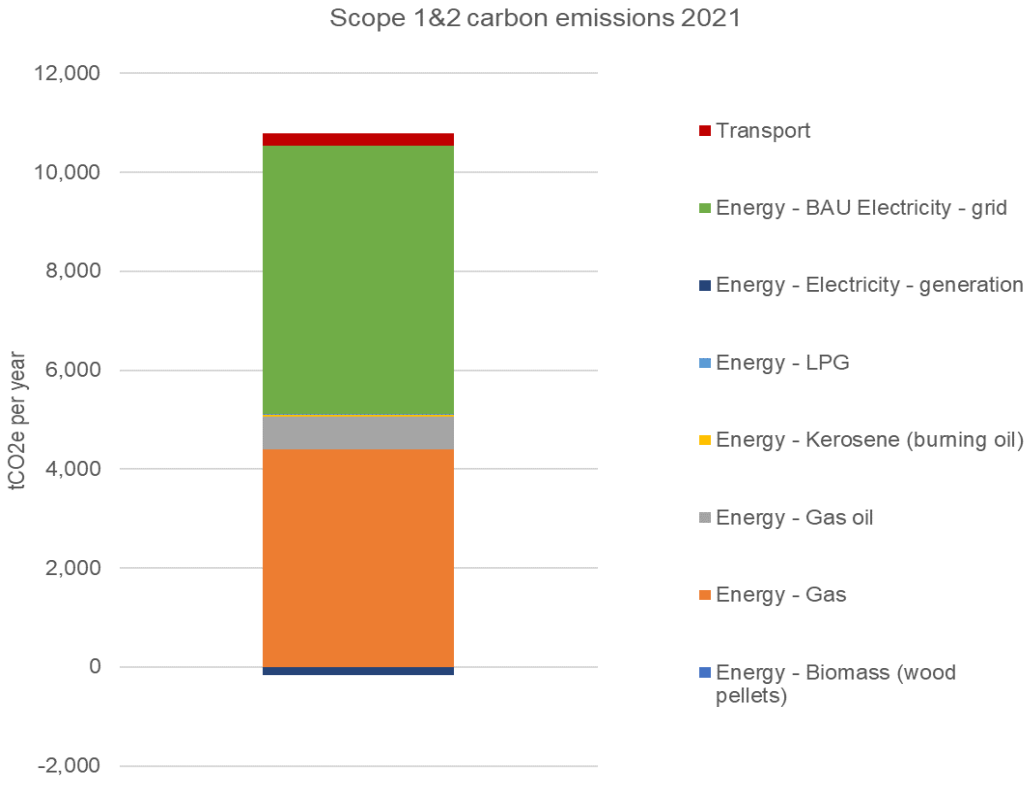


Figure 2a. Scope 1 and 2 carbon emissions by energy type in 2020-21.

Emissions we can influence

The largest part of the Council's carbon footprint is in areas that we don't have direct control over but can influence (ie. Scope 3 emissions). These emissions are estimated to be around 20 times greater than the emissions over which we have direct control. Figure 3 shows that the vast majority of the emissions from areas that the Council can influence are from the goods, works and services that are purchased by the Council in order to deliver its functions, including major services such as highways maintenance, waste disposal, education and social care provision. This is typical for a local authority, as most of the Council's revenue and capital budgets are used to procure goods, services and works from third parties. In other words, the Council's scope 3 emissions are mostly the scope 1 and 2 emissions of the Council's suppliers.

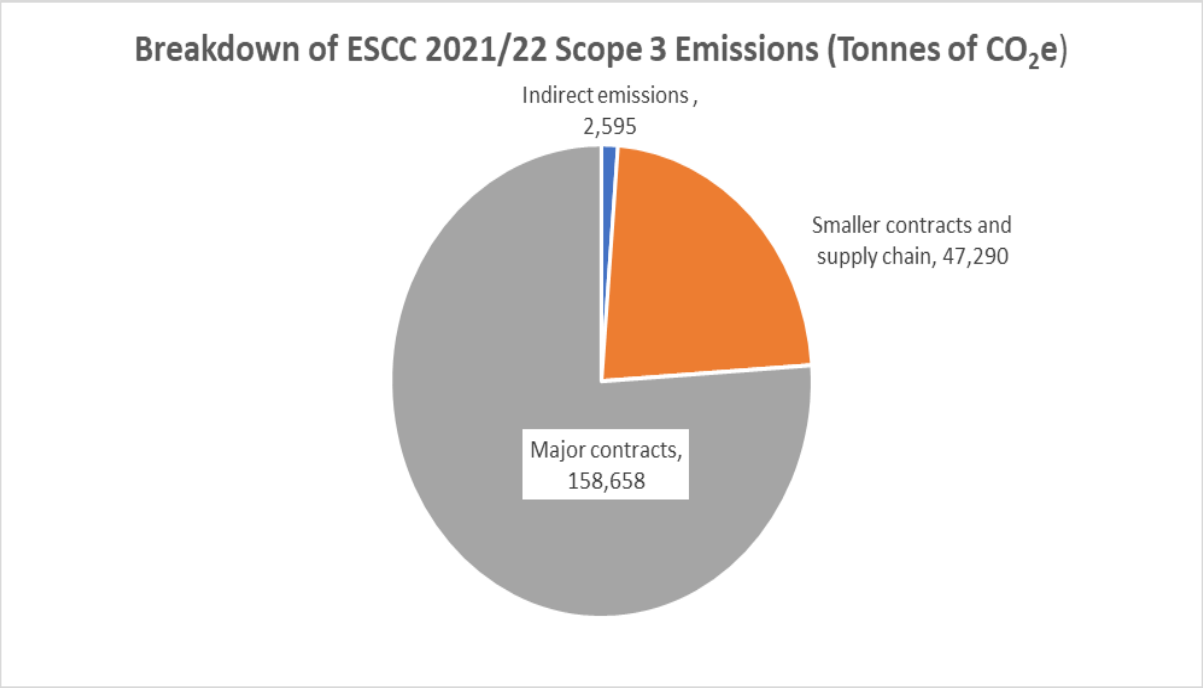


Figure 3. Overview of ESCC's scope 3 emissions in 2020-21 (tCO_2e).

Figure 3a provides the estimated breakdown of emissions from the Council's supply chain, using proxy values in the absence of accurate carbon data from most suppliers. Using proxy values indictes that about 90% of procurement emissions come from about 11% of our suppliers. Figure 3a highlights that the four main areas are transport, waste, care services and property, which form part of statutory functions that the Council must deliver.

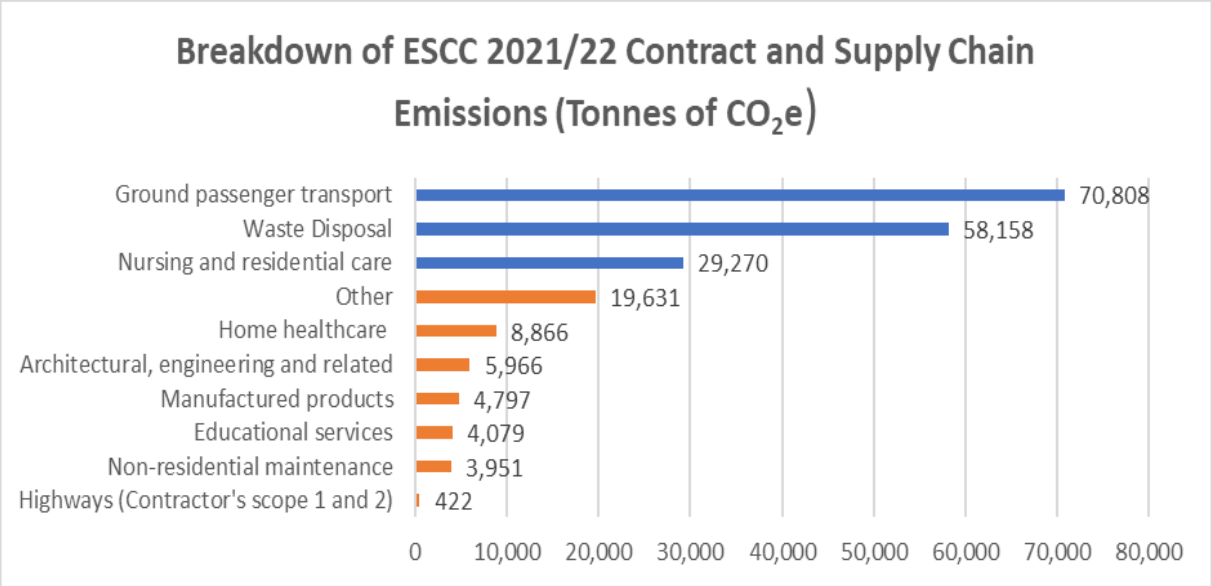


Figure 3a. The breakdown of carbon emissions by different types of supplier.

It's more difficult to measure the carbon emissions from suppliers than from our own buildings and fleet because we rely on information being provided by suppliers. We are unable to include these emissions in the Council's carbon reduction target until we have a reliable baseline, otherwise we will not be able to measure and report on progress in any meaningful way. This action plan includes steps that the Council is taking to work with our partners and supply chain to measure a more reliable carbon baseline and establish reduction targets, possibly on a contract-by-contract or service area basis. An estimated 54% of local authorities are currently reporting on scope 3 emissions (LGA, 2021).

A more detailed assessment of the Council's carbon footprint is provided in appendix 1.

5. The Council's Carbon Targets

In 2015 196 countries, including the UK, signed up to the UN's Paris Climate Change Agreement to try to keep the increase in average global warming below 1.5^0C above pre-industrial levels. To keep below a 1.5^oC increase requires a limit to the total quantity of greenhouse gases released to the atmosphere. This is the global carbon budget, which can be divided into national and sub-national budgets. All emissions above this budget will contribute to exceeding the 1.5^0C threshold.

The UK's Tyndall Centre for Climate Change Research has developed a methodology to calculate the total remaining carbon budget for each local authority area between now and 2100. This methodology tells us how quickly we need to cut carbon emissions in East Sussex in order to keep within our carbon budget. The Tyndall Centre estimates that the total remaining carbon dioxide (CO_2) budget for the whole county is about 14 million tonnes, which equates to driving round the circumference of the earth about 2.4m times in an average petrol car. At current

emission levels this budget will be exceeded in 7 years. To stay within this budget requires cutting emissions from the county in half every 5 years.

In 2009 the Council committed to cutting corporate carbon emissions by 3% per year, which was in line with the previous national target of an 80% reduction between 1990 and 2050. In 2019 the Council updated this and committed to becoming carbon neutral from its own activities as soon as possible, and by 2050 at the latest. In 2020 it set out a corporate Climate Emergency Plan for 2020-22 that committed to reducing scope 1 and 2 carbon emissions in line with the Tyndall Centre's methodology, namely to reduce carbon emissions in half every 5 years. This is a science-based target that ensures that the Council is making its fair contribution to keeping average global warming to 1.5^0C above pre-industrial levels, as agreed by at the UN's Paris Climate Change Agreement in 2015. Figure 4 sets out the Council's five year carbon budgets from 2020-50.

This approach to targets is in line with advice to Councils from the Local Government Association, which has stated that: "*There is no science to picking an end year where emissions are zero*. *Setting a target year by which emissions will be zero can be symbolically important. However, what counts is the trajectory of the commitments to carbon reduction between now and the target zero emissions year. This defines the actual level of emissions reduction being promised over the budget period. This is what matters to climate change*".

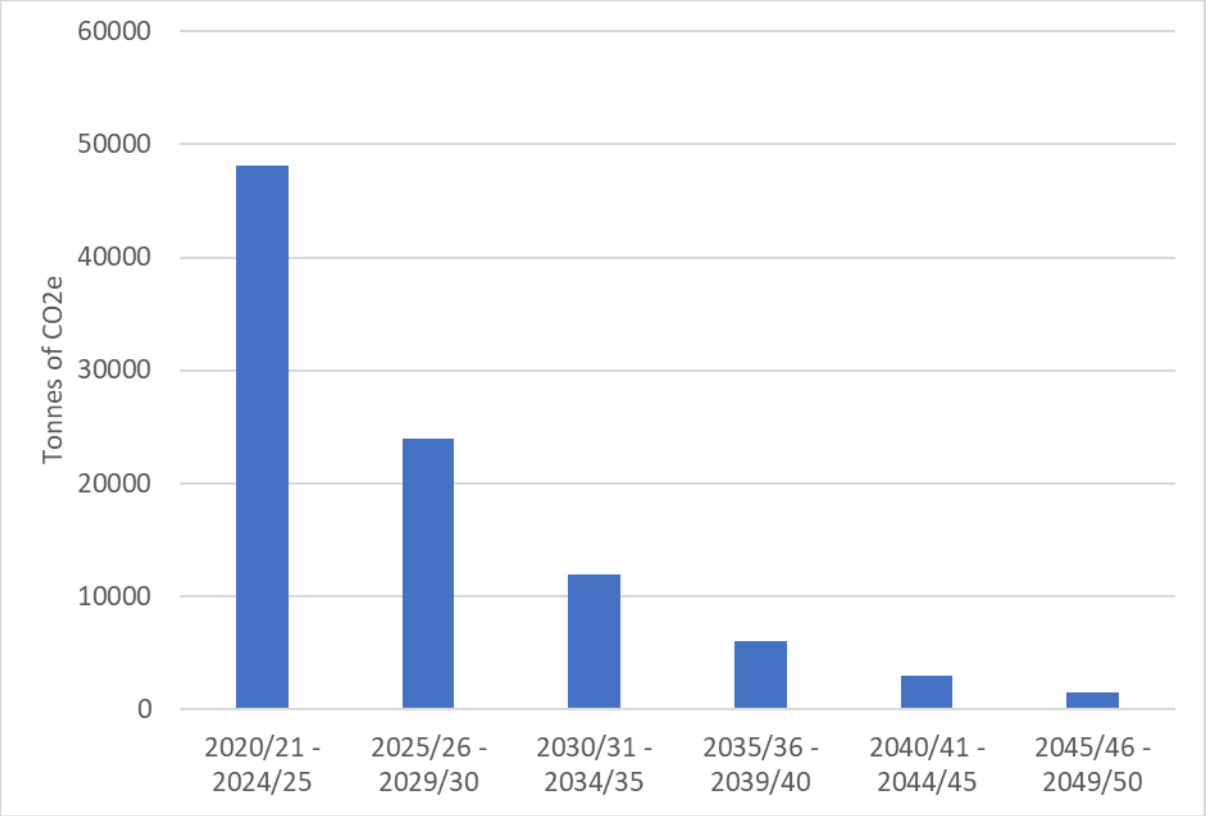


Figure 4. The Council's five year science-based carbon reduction budgets for scope 1 and 2 emissions.

As mentioned above, the Council's carbon reduction target currently applies to scope 1 and 2 emissions but not currently to scope 3 emissions. As noted in section 3, further work is required to quantify most scope 3 emissions before they can begin to be integrated reliably into the Council's carbon baseline and against which progress can then be measured. Most local authorities are in a similar position.

Figure 5, below, provides an indication of the scale of the challenge for the Council to keep within a science-based carbon budget. The orange bars show how emissions are expected to reduce over time in the business-as-usual scenario. In other words, if the Council were to do nothing then its carbon emissions will reduce because of the national measures being taken to decarbonise the UK electricity grid, with renewables and nuclear power continuing to replace coal and gas, as well as the gradual take up of electric vehicles to replace petrol and diesel vehicles. The blue dotted line on the graph shows the carbon reduction that the Council needs to achieve up to 2050 in order to keep within its science-based carbon budget. Therefore, the Council's challenge is to cut out all the carbon emissions shown as the orange columns that are above the blue dotted line. Achieving this is extremely challenging and is likely to become more costly and complex to reach over time as the more cost-effective and simpler measures are delivered.

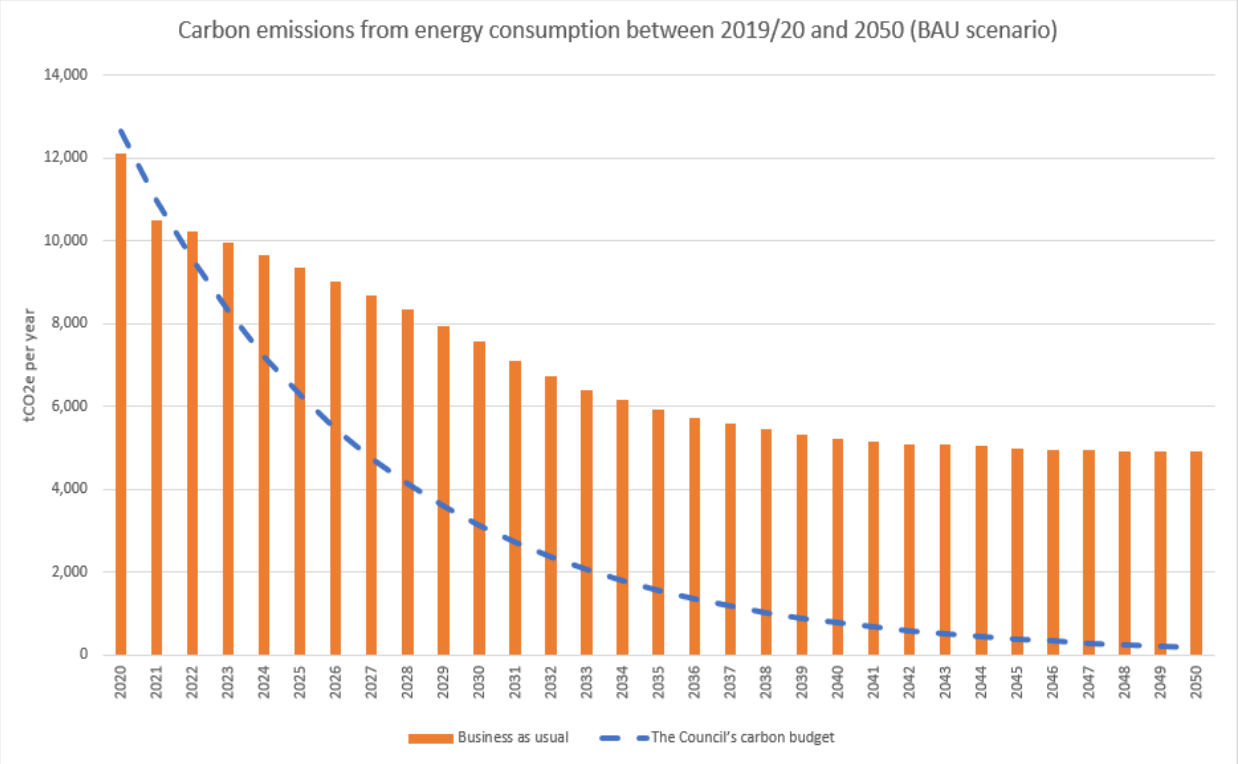


Figure 5. Scope 1 and 2 business-as-usual carbon emissions to 2050 and the Council's science-based target.

Figure 5 indicates that the earlier and greater the reduction in carbon emissions the more likely we are to contribute to remaining within the global carbon budget and, conversely, the later and slower the reduction in emissions the more likely we are to contribute to exceeding the global carbon budget.

6. Progress to Date in Reducing Council Carbon Emissions

Between 2009-10 and 2021-22 the Council's scope 1 and 2 emissions reduced by over 66% (figure 6). This was achieved by the council investing in over 300 projects worth more than £4m that have generated annual savings of £850,000. The decarbonisation of the national electricity grid has also assisted, with gas and renewables largely replacing coal over recent years. Finally, the reduction in the size of the corporate estate has also had an impact (eg. through the conversion of some schools to Academy status).

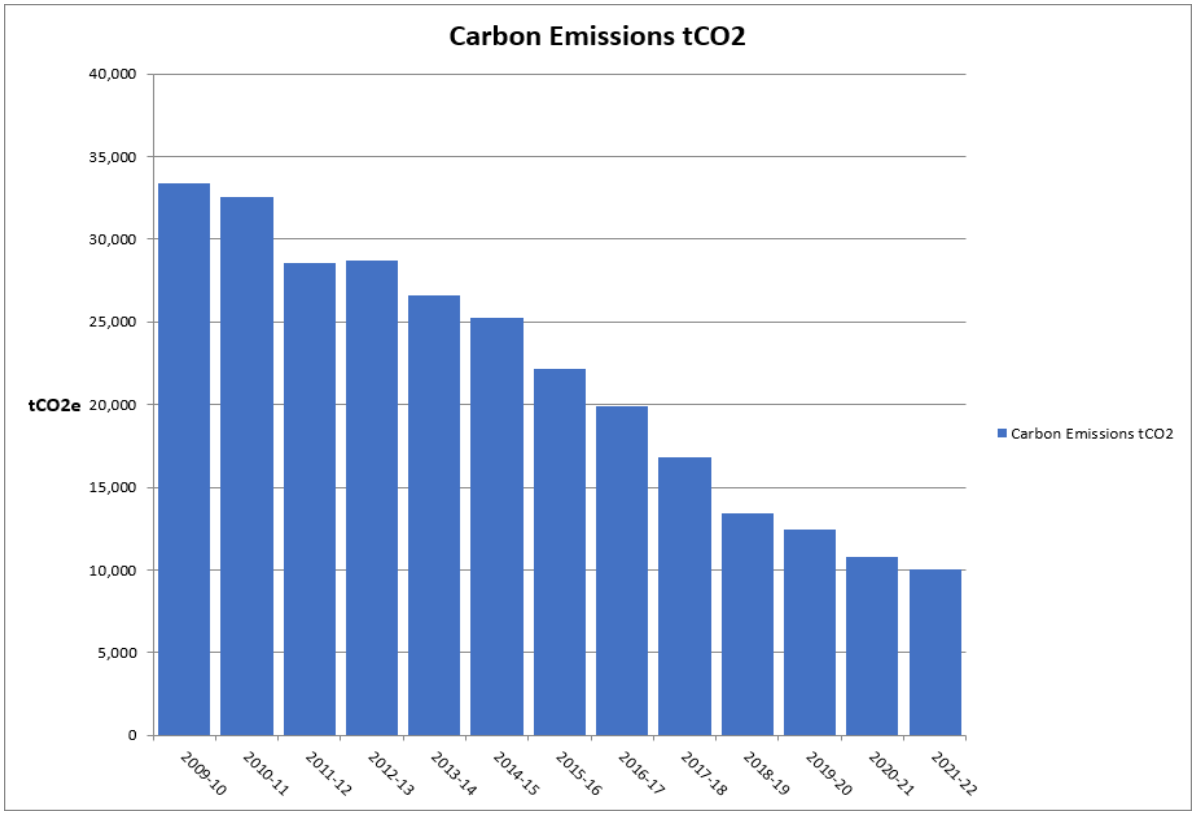


Figure 6. The Council's carbon reduction between 2008-9 and 2021-22.

The following are some of the measures that the Council has delivered:

1. Installed a number of energy efficiency measures in ESCC buildings and street lighting through the £1.025m Salix invest-to-save fund and County Council maintenance budgets, including replacing all the windows at County Hall. The Salix fund has been used in over 300 projects worth more than £4m, which have generated annual savings of over £850,000.

2. Installed nearly 1.5MW of renewable energy generation on buildings which, in addition to reducing energy bills, generated an income from the Renewable Heat Incentive and Feed In-Tariff of approximately £8,000 in 2021-22.

3. Changed the way we work. For example, our agile working programme enables staff to work flexibly from a range of sites, including from home. It enables the Council to have a reduced number, and to make more efficient use, of buildings and enables a reduction in travel through staff and Members being able to be connected whilst working remotely.

4. Improved the energy efficiency of our ICT services, for instance through moving to the Surrey Data Centre.

5. Encouraged behaviour change, for example by providing the ICT equipment, tools and support to enable Members and staff to work digitally and providing discounted travel by public transport and season-ticket loans to encourage the use of public transport.

6. Changed our approach to procurement to enable more goods and services to be delivered by local businesses, which reduces the transport impact of our supply chain.

7. Purchased electricity for buildings and street lighting supplied from renewable sources, independently certified through the Renewable Energy Guarantees of Origin scheme (REGOs). This started on 1 April 2020 and will continue, subject to availability and price. This applies to corporate sites and has been offered to schools. This action is not counted towards the Council's carbon reduction target as this is not considered to be good practice because, although it signals a growing interest in renewables to companies that generate and supply electricity, it does not directly increase the investment in renewable energy generation.

Table 1 and figure 7 set out the Council's progress to date in meeting its first five year carbon reduction budget, which covers 2020-25. A reduction of 13% was achieved in 2020-21, due to a combination of investment in carbon reduction measures, the continued decarbonisation of the national electricity grid and because Covid lockdowns led to lower heating demand for many buildings and less business mileage. In 2021-22 the Council achieved a reduction of 7%, which was also due to a combination of continued investment in carbon reduction measures and the ongoing decarbonisation of the national electricity grid. The carbon reduction achieved in 2021-22 was lower than in 2020-21 because there was a rebound in carbon emissions as schools and staff began to return to a post-Covid new 'normal' and because the spring of 2021 was colder than the spring of 2019-20, which led to an increase in energy usage for heating.

Table 1. Scope 1 and 2 target and actual emissions 2019-20 to 2024-25.

Year	Target footprint (CO_2e)	Actual emissions (CO_2e)	Actual reduction (%)	Cumulative target (%)	Cumulative reduction (%)
2019-20	Baseline year	12,461	n/a		n/a
2020-21	10,841	10,791	-13%	-13%	n/a
2021-22	9,432	10,023	-7%	-24%	-20%
2022-23	8,206			-34%	
2023-24	7,139			-43%	
2024-25	6,211			-50%	

Figure 7 provides a summary of progress during 2020-22 against the five year carbon budget for 2020-25.

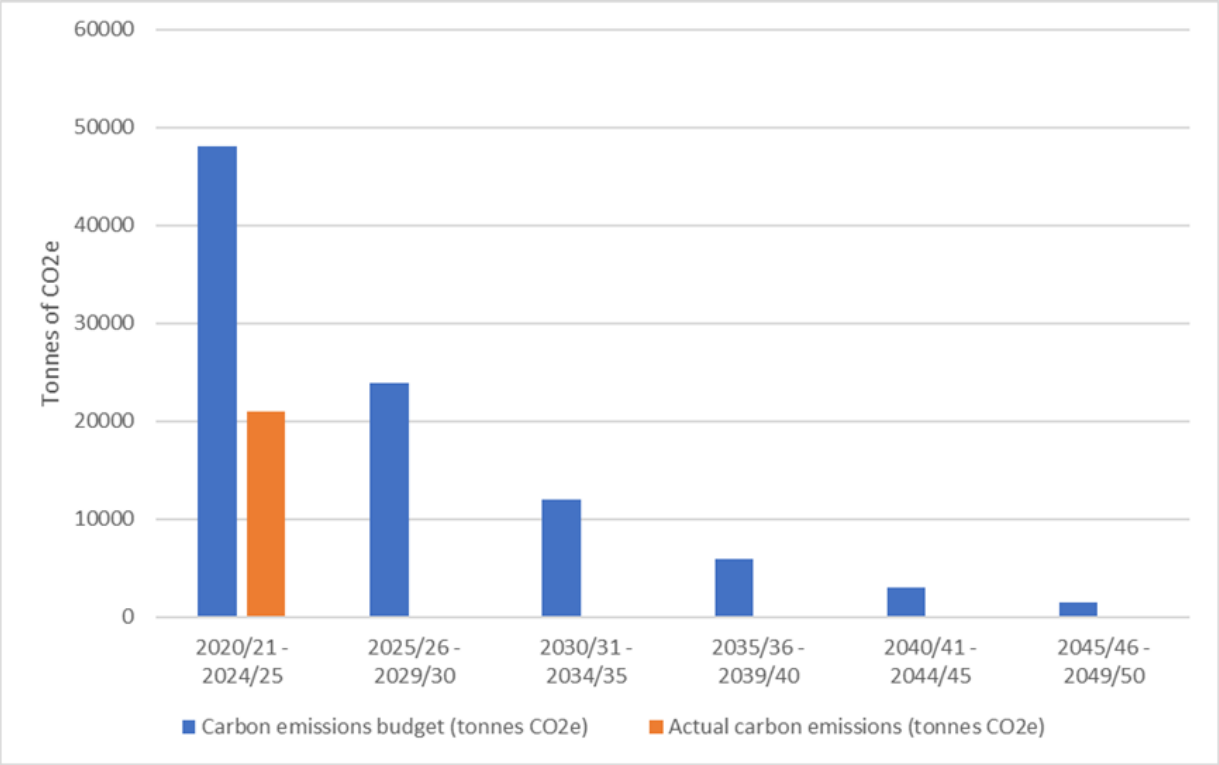


Figure 7. The scope 1 and 2 five year carbon budgets and actual emissions to date.

7. Delivery Plan Up to March 2025

The following section sets out the action plan up to March 2025. The reason why the plan does not cover a longer period is because this is as far into the future as we can reliably predict our finances. The actions beyond March 2025 will be shaped into an updated climate emergency plan during 2024. These future actions will be developed based on the modelling that has been carried out, the lessons that we learn in delivering this Action Plan and in light of changes to legislation, resources and technology (eg. hydrogen for heating and transport).

This section sets out:

1) The guiding principles that the Council will work to.
2) The conclusions from modelling work as to what the Council should prioritise.
3) The resources that the Council is dedicating to addressing climate change.
4) The actions that the Council will deliver up to March 2025.

7.1 Guiding Principles

The following sets out the principles that the Council has adopted to guide the development and delivery of this Action Plan:

1) Organisational change: the Council will seek to embed climate change throughout the organisation, from relevant policies and decision-making

through to everyday employee and Member working practices, as it is a cross-cutting challenge.

2) Carbon budget: the Council recognises the importance of early action and will aim to cut carbon emissions as quickly as possible, within the constraints of existing resources.

3) Carbon hierarchy: figure 8 illustrates the carbon hierarchy, which sets out the actions that should be taken to address climate change, from the most sustainable option at the top to the least sustainable option at the bottom. The Council will follow the hierarchy in a pragmatic way, prioritising measures higher up the hierarchy where possible but aiming to cut carbon rapidly and at least cost.

4) Prioritisation: the Council will predominantly invest in decarbonising buildings that are expected to be retained in the long term and will only invest in assets, such as new boilers, where existing assets are due for replacement and/or are particularly energy inefficient. These are identified through a robust and documented process.

5) Making best use of resources: the Council will invest in measures that bring the best carbon and cost return on investment, for example measures that will reduce energy bills.

6) Mobility: the Council will support transport options for staff and Members that reduce carbon, support equality and do not adversely impact on service delivery.

7) Offsetting: the Council will invest in high quality and verifiable offsets. The Council will develop a policy that will guide its investment in carbon offsetting and review the policy as both best practice and offset markets evolve.

8) New build: the Council will look to ensure that major construction works are net zero, where practicable, to minimise the risk of increasing the Council's carbon footprint and having to incur further costs to retrofit buildings later on.

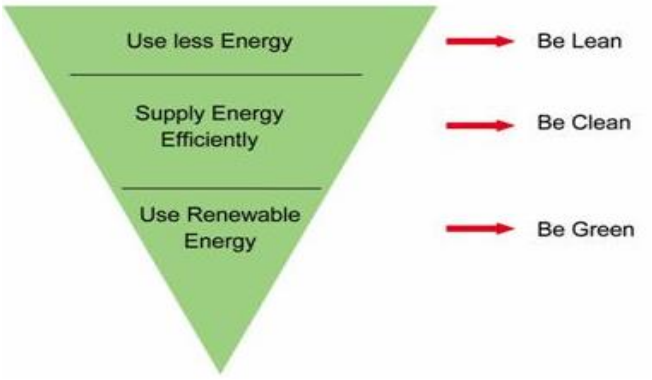


Figure 8. The carbon hierarchy.

7.2 Modelling Results

The Council commissioned Currie & Brown, an international asset management and construction consultancy, to investigate how the Council could get to net zero and at what cost. Currie & Brown were asked to produce:

- A strategic heat decarbonisation plan for the Council's buildings portfolio.
- A number of building-specific heat decarbonisation plans, which identified the most cost effective mix of carbon reduction measures to implement.
- A model to help identify how the Council could get to net zero and at what estimated cost for scope 1 and 2 emissions.

The model included the following four scenarios for scope 1 and 2 emissions:

1) The effect of no further Council expenditure on carbon reduction.
2) The effect of the existing budget of £9.8m up to March 2025.
3) The effect of the Council spending £3m per year up to 2050.
4) The scale of budget required to get to net zero by 2050 at the latest.

The model assessed the optimal mix of investment across various types of carbon reduction measures, namely decarbonising heat in buildings, installing solar PV, entering into a power purchase agreement (essentially a contract between the Council and a supplier of renewable electricity) and investing in vehicle electrification. Table 2 provides a summary of the costs and carbon reduction that were modelled with each scenario. This includes the total cost (the gross cost) and the net discounted cost to 2050, which takes into account a reduction in the Council's energy bills as a result of the investment in energy efficiency and renewable energy measures, and using a discount rate of 3.5% per year.

The model includes a number of simplifying assumptions, for example that the Council's estate and service delivery do not change over time and that technology and energy costs also remain static. Consequently, the modelling should be seen as a useful indication of the scale of the challenge rather than a definitive road map for decarbonising the Council's scope 1 and 2 emissions. Officers have been trained to use the model so that different scenarios, including a blend of different measures, can be tested, and to update the assumptions over time. This will include, for example, asset rationalisation (using fewer buildings) in line with the Council's Asset Management Plan for 2020-25, carbon offsetting, behavioural change programmes and so on, in order to identify the greatest carbon reduction at least cost. This work has helped to provide the evidence base for the carbon reduction investments outlined in this action plan to March 2025 and will be used to inform Council investment beyond March 2025. The model will also be used with scope 3 emissions, once the quality of scope 3 data is suitably robust. The executive summary of the modelling report is set out in appendix 1.

The modelling work indicates that:

1) The Council is currently investing in an appropriate mix of interventions, including low energy lighting, heat decarbonisation, solar PV and vehicle electrification. By far the largest opportunity to meet the Council's decarbonisation target is to reduce the consumption of gas and gas oil in buildings, notably by replacing gas and oil-fired boilers with heat pumps.

2) As illustrated in figure 5, a significant reduction in scope 1 and 2 carbon emissions is predicted to occur with little to no intervention from the Council, as a result of the continued activity at a national level to decarbonise the UK electricity grid and the gradual replacement of petrol and diesel vehicles with electric alternatives.
3) The cost for the Council to get to net zero for scope 1 and 2 emissions could be approximately £200m between now and 2050.
4) There is no one single 'correct' route to net zero but a variety of possible paths, each with different cost and carbon implications, some of which are currently uncertain (eg. the future role of hydrogen in heating and transport).
5) An area the Council is exploring is power purchasing agreements, which could deliver carbon reduction from 2026, once the Council's current electricity supply arrangements have ended.

Table 2. Summary of modelled scenarios.

Scenario	**Measures**	**Gross cost (£)**	**Net discounted cost to 2050 (£) [1]**	**% carbon reduction by 2050 [2]**
1. Business as usual	National measures only: continued grid decarbonisation, move to EVs & tighter building regulations	0	0	59%
2. Current budget for climate change (£9.9m to March 2025)	National measures plus: energy efficiency, decarbonisation of buildings, solar PV, electric vehicles and offsetting	£9.9m	£2m	61%
3. Additional budget for climate change (£3m p.a. to 2050)		£77m	£23m	74%
4. Budget required to reach net zero, including schools		£200m	£50m	98%

[1] = This is the cumulative net cost up to 2050, taking into account the savings in energy bills and using a discount rate of 3.5%.

[2] = This is the reduction in annual carbon emissions by 2050 in CO_2e compared with the baseline year of 2019-20.

The modelling indicates that, for the Council to remain within its science-based carbon budget, most of the estimated £200m required to get to net zero would need to be incurred over the next 15 years, as illustrated in figure 8a. This is because cutting carbon emissions early leads to a greater cumulative reduction of carbon over time.

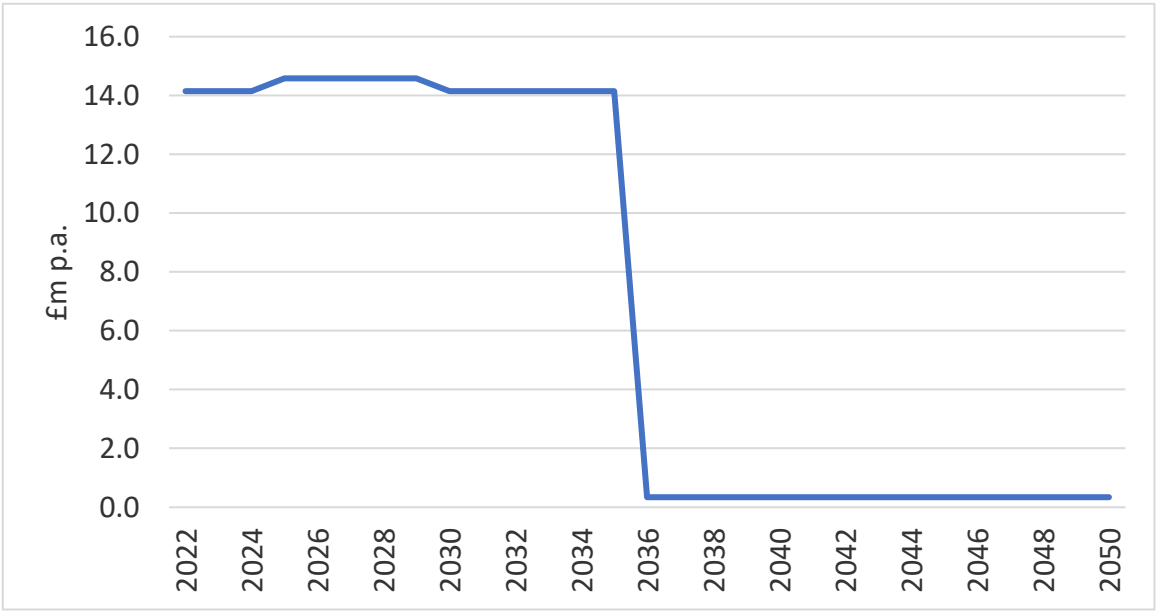


Figure 8a. The annual spend required to remain within the Council's carbon budget (Currie & Brown modelling, 2022).

7.3 Resources to Deliver the Plan

The resources required to deliver an effective climate change mitigation and adaptation programme are primarily staff and finance. The Council currently funds carbon reduction measures through a mix of its own resources, a 'Salix recycling fund' and bids for external funding.

The Council has had a 'Salix recycling fund' of £1.025m since 2007. The fund was set up by government to increase capital investment in energy-efficient technologies across the public sector. It is a ring-fenced fund with capital provided by government and matched by the Council, to be spent on corporate energy-saving projects with payback periods of up to 10 years. The financial savings delivered by the projects are returned to the fund, allowing further spending on projects, hence the term 'Recycling Fund'. The government has decided that the fund will cease in March 2025 and the Council will have to return the government's match funding. Since 2007 the Council has invested more than £4m in over 300 projects, which have generated annual savings of approximately £850,000.

In order to increase the pace and scale of carbon reduction, in November 2021 Cabinet committed an additional £3.867m of Council funding to address corporate climate change, and in February 2022 agreed a further £3m per year for 2023-25. This has been supplemented by successful bids for external funding of £878,000 in the last 18 months. A further bid has been submitted to the government's Public Sector Decarbonisation Fund in October 2022 for £1.3m to part-fund the decarbonisation of heat at 7 additional sites that need new heating systems (see appendix 2). The Council will continue to bid for all suitable external funding to support delivery of its carbon reduction programme.

The Council has also invested in staff resources to establish an appropriately resourced and co-ordinated One Council climate change programme. New posts are being funded from the additional budget allocated by Cabinet up to March 2025 and will be less than 10% of the annual budget for climate change. The additional staff resources will mostly be embedded into existing teams, notably the Property, Procurement and Finance teams, which will enable the pace and scale of change to be increased and will help to ensure that climate change workstreams become part of business-as-usual within key teams. Staff resources are supplemented from time to time with external consultancy expertise, where this is a more cost-effective means to address a particular need, for instance on modelling scenarios to net zero.

Despite the significant investment being made by the Council to address climate change it is clear from the modelling work that the scale of funding to get to net zero is significantly greater than the Council can afford, given other financial uncertainties and pressures. Some investments, such as in low energy lighting and solar PV, deliver a return on investment and represent relatively low cost and low complexity measures. However, a key challenge is that the costs are incurred up-front and the savings take time to be delivered. Other measures to reduce carbon, notably heat decarbonisation, provide a payback over a very long period, and some interventions increase costs and deliver no financial savings, for instance purchasing carbon offsets.

Table 3 provides a summary of the budget and the current expenditure profile up to March 2025. The budget allocations for 2023-24 and 2024-25 are indicative at this stage, as they are partly dependent on the outcome of bids for external funding. Therefore, the budget in table 3 and the action plan in table 4 will be reviewed regularly, in light of changing resources and other key factors.

The Council will also assess other sources of funding for carbon reduction measures, including the Public Works Loan Board and possible finance from third parties for schemes such as solar PV. However, the clear main need is for significant, non-competitive and long-term financial support from central government. Currently, there is no indication from central government as to how local authorities will be able to access the necessary scale of funding to get to net zero.

Table 3. Budget summary.

Budget source	**Spend & forecast (£m)**				**Total (£m)**
	2021-22	**2022-23**	**2023-24**	**2024-25**	
ESCC	0.62	2.542	3.853	2.852	9.867
Salix Fund	0.293	0.174	0.113	Tbc	0.579
External funding	0.670	0.207	0.853	Tbc	1.731
TOTALS:	**1.583**	**2.923**	**4.819**	**2.852**	**12.177**

For funding beyond 2024-25, the Council has a well-established annual process (called ‘reconciling policy, performance and resources’) through which budget allocation is made for core needs, including climate change.

7.4 The Climate Change Actions

This section sets out the actions and outputs that will be delivered up to March 2025. Together, they represent a comprehensive programme that will continue to embed net zero into how the Council operates, that will engage and empower staff and Members to take action, will drive evidence-based investment into measures that reduce carbon and energy costs, and begin to plan for those climate change impacts that are unavoidable.

The additional funding agreed by the Council for climate change work up to March 2025 will mainly be invested in low energy lighting, decarbonising heat in buildings, solar PV, enabling the transition to electric vehicles and behavioural change. The pipeline of projects is under continual review and so the actions may change during the lifetime of this Climate Emergency Plan, for instance if the Council secures additional external funding or due to unforeseen challenges, such as in the supply chain.

Organisational Change

A priority action is to embed climate change into the culture of the Council. A number of the measures within the Action Plan support this objective, for instance embedding climate change staff into key teams and rolling out carbon literacy training. The Council will also develop and implement a process to align relevant decisions with its net zero commitment. This will include reviewing existing Council policies, strategies and programmes and ensuring that net zero is a whole organisational endeavour. To support this, a communications and engagement programme is being delivered with staff and Members, to provide the knowledge and skills to support organisational change.

Asset Rationalisation

One of the most effective ways to reduce an organisation's carbon footprint is to reduce the number of buildings and other assets needed to deliver its services. The Council will continue to carry out regular reviews of its assets, particularly in light of the new ways of working post Covid which may mean that fewer buildings are needed by the Council to carry out its functions. Figure 9 summarises the number and types of sites owned by the Council.

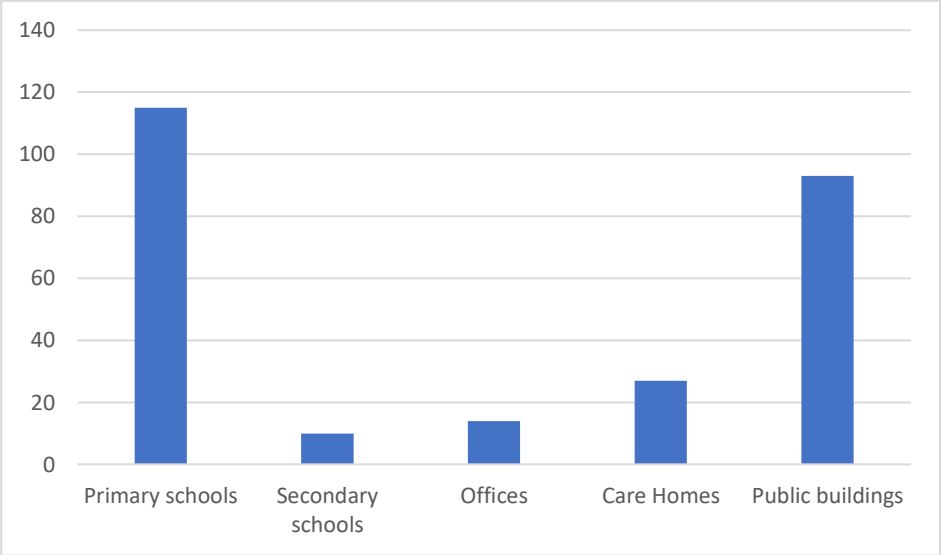


Figure 9. The number and types of sites owned by the Council.

Decarbonising Heat

Decarbonising heat in existing buildings is a key priority for the Council because heating accounts for over 50% of total scope 1 and 2 emissions. The independent modelling carried out made it clear that the Council cannot get to net zero without significant investment in decarbonising heat. In addition, the government has set out an ambition to prohibit the installation of oil-fired boilers from 2024 and gas fired boilers from 2035.

Decarbonising heat usually entails replacing gas or oil-fired boilers with heat pumps, which are powered by electricity, which has a lower carbon footprint than oil or gas. This often requires additional work to improve the building fabric in order to reduce heat demand (or cooling in the summer), as heat pumps tend to have a lower heat output and currently have higher running costs. This 'whole building' and 'fabric first' approach can be a complex process, particularly in older buildings. In addition, switching to a heat pump currently costs significantly more than a like-for-like oil or gas boiler replacement, as building fabric and other load reduction measures are usually required to prevent an increase in site running costs. Currently, capital costs are approximately 8 times higher than a like-for-like replacement. To mitigate the additional cost the Council will continued to bid for external funding to help pay for decarbonising heat in buildings.

The decarbonisation studies of a number of buildings commissioned by the Council have identified the best ways to decarbonise heating and have quantified the estimated cost and carbon savings. This has helped to prioritise a pipeline of sites to be decarbonised, where heating systems are coming to the end of their operational life and are due to be upgraded as part of the planned maintenance programme. This presents a once in a 15-20 year opportunity to cut site operational carbon by 60-70%. Appendix 2 lists the priority sites to be taken forward over the next couple of years. To date, the Council has completed the decarbonisation of heat at Ninfield primary school and is progressing with Herstmonceux primary school, which have

both provided significant learning that will inform the development and delivery of the next phase of heat decarbonisation schemes. A further pipeline of decarbonisation of heat projects will be developed for delivery beyond March 2025. The number of schemes delivered will depend on the amount of external funding that can be secured to contribute to the high capital cost.

Currently, there are no widely recognised metrics to assess value for money for heat decarbonisation projects. In the absence of nationally agreed metrics the Council has selected decarbonisation schemes on the basis that they both reduce site operational energy bills and meet a lifetime carbon cost of £2,000/tCO2e or less, which compares favourably with other carbon reduction schemes (see below).

Low Energy Lighting

The Council has converted all of its street lighting to low energy LED lighting, which has saved an estimated 600 tonnes of CO_2e per year. The Council has also had a programme to install low energy lighting in buildings since 2012 and approximately 30% of sites have had lighting upgrades, most of which are schools. The Council will install low energy lighting into a further 30 sites up to March 2025 using local contractors, which will take the total number of sites that will have had lighting upgrades to approximately 40%. The sites are selected on the basis that they meet the payback and lifetime carbon cost criteria set out below:

- Payback – 25 years or less
- Lifetime Carbon cost - £4,000/ tCO2e or less

Appendix 2 sets out the prioritised list of schemes that the Council has identified so far for delivery up to March 2025. This list includes a few exceptions to the criteria set out above, for instance in small schools where the operational hours are relatively short and so the payback periods can be longer than 25 years, but where the schemes are still deemed to be worth the investment. These criteria will be kept under review in light of the effect of inflation and supply chain issues on costs.

Solar PV

Installing solar PV reduces carbon emissions, reduces demand from, and dependence on, the national electricity grid and reduces energy costs, particularly on sites which can use all of the electricity generated. Solar PV can either be ground-mounted or roof-mounted. However, the carbon benefits of solar PV decrease over time because electricity from the national grid will gradually continue to become less carbon-intensive as renewables and nuclear replace coal and gas.

In 2015 the Council reviewed the opportunity to develop large scale ground-mounted solar PV schemes, notably on closed landfill sites. No sites were developed, primarily because the cost of connecting to the electricity grid was prohibitive. These schemes have recently been reviewed to identify whether new opportunities have arisen. The review has identified that the company that manages the electricity network in East Sussex, UK Power Networks, will no longer accept the connection of

new sites that generate more than 1MW of power until after 2029, because of constraints with the national electricity grid. The Council will continue to explore potential options that address these barriers, for instance battery storage and private wire.

The Council has so far installed solar PV at 57 sites (22% of all sites, including schools and non-schools). It will install schemes on a further 10 sites per year up to 2024-25, which will take the total to 34% of current sites. Further work is being carried out to develop the on-going pipeline of projects, to check key issues such as roof integrity and financial viability. The schemes will be selected using the same payback and lifetime carbon cost criteria as set out above for low energy lighting, with 25 years being the payback criterion because this is generally accepted to be the lifetime of solar PV panels. A few sites that do not meet these criteria will be taken forward where they meet other objectives, such as making it easier to decarbonise heating at a later stage by reducing the demand for grid electricity. Appendix 2 sets out the current list of schemes that the Council will develop, which will be expanded to 30 sites following appropriate site assessments. Most of these sites will also include battery storage.

The key challenge to implementation is with constraints in the supply chain for solar PV.

New Build

The Council first developed a Sustainable Buildings Policy in 2008, which was updated in 2016. The policy sets out the Council's aspirations in respect of sustainable buildings. The implementation of the Policy has historically been subject to a traditional cost benefit analysis and has been focussed on major capital projects such as Hailsham Community College.

The Council will review and update the Sustainable Building Policy to reflect its commitment to net zero and changes to the government's National Planning Policy Framework and the Building Regulations.

Travel

There are 3 aspects to Council travel:

1) The Council's own fleet, which generated an estimated 250 tonnes of CO2e in 2021-22.
2) Travel by staff and Members for business purposes in their own vehicles, which contributed approximately 685 tonnes of CO2e in 2021-22.
3) Commuting by staff and Members to and from work, which was estimated to have generated roughly 1,360 tonnes of CO2e in 2021-22.

There are three main ways to decarbonise transport, namely:

1. Avoid the need to travel by, for instance, enabling home working.
2. Shift journeys to those that generate no or very little carbon including walking, cycling and public transport.

3. Improve the carbon efficiency of transport networks and vehicles where journeys are necessary, for instance through car sharing and by using electric vehicles.

The Council developed its first travel plan in 2001. The recent significant change in work and travel patterns brought about by Covid mean that there's a need to develop a new staff travel plan. This includes the following actions:

- Own fleet: smaller fleet vehicles are to be replaced with electric alternatives when the current leases expire, where suitable alternatives are available.

- Business and commuting travel:
  - A staff survey was carried out in autumn 2022 to provide an updated insight into new staff travel patterns and help inform the development of appropriate incentives for staff to decarbonise their travel.
  - The existing Council schemes to support low carbon travel will be maintained as part of the staff benefits package. These include loans for the purchase of bicycles and e-bikes and reduced cost travel on buses and trains, for instance through corporate membership of the Easit scheme (see: Welcome to easitNETWORK).
  - The lease car scheme will be reviewed to encourage staff to select low emission/zero emission vehicles.
  - Car mileage subsidy bandings will be reviewed to reduce unnecessary car journeys and to make the scheme more attractive to staff.
  - EV charge points will be installed at County Hall and other sites will be assessed for their suitability for charge points. Beneficiaries will include staff who have to travel significant mileage for work, staff who commute to work by car, nearby local residents who could charge overnight and at weekends, and visitors.

The available incentives will be publicised widely to staff and Members. Key challenges to delivery of the actions above include uncertainty over future travel patterns, the limited choice and high cost of EV vehicles, and post-pandemic supply chain constraints.

Procurement

The Council has adopted an Environmentally Sustainable Procurement Policy, which it has developed with its Orbis partners at Surrey County Council and Brighton & Hove City Council. It also has a number of work strands to address carbon emissions from its supply chain. These include:

- Learning from Surrey County Council's trial of a database that will enable suppliers to measure their baseline emissions, set a carbon reduction target and report on their progress in reducing emissions.

- Commissioning specialist consultancy support to assess the potential cost of decarbonising the supply chain, through engagement with a representative

sample of suppliers, and to recommend a targeted approach to different sectors that matches their ability to decarbonise.

- Offering free energy audits and match funded grants of up to £10,000 to support East Sussex-based small and medium sized businesses in its supply chain to cut their energy costs and carbon footprint.

- Recruiting additional staff to lead on reducing carbon emissions from the supply chain.

- Working through the contracts that contribute 90% of the Council's supply chain carbon emissions, when these are being re-procured, to embed requirements for suppliers to measure their carbon emissions, commit to carbon reduction targets and to report on their progress. The contracts that are scheduled to be procured up to March 2025 include construction, a range of physical and mental health services, facilities management, catering and bus services.

Collectively, these actions will improve our understanding of carbon emissions from Council procurement and drive carbon reduction through key parts of the supply chain.

Waste and Water

Waste from schools and non-schools sites were estimated to have contributed about 55 tonnes of CO2e to the Council's carbon footprint in 2021-22. This is about double the figure from waste in 2020-21 but less than half the figure of 2019-20, which indicates the significant temporary effect that Covid had in reducing some of the Council's carbon emissions. In 2021-22 about 13% of waste was composted, which was mostly food waste, 68% was incinerated and 19% was recycled. The waste contractor is tasked with continuing to encourage schools in particular to reduce, reuse, recycle and compost waste, all of which tend to contribute to reducing carbon emissions. For example, in autumn 2022 the contractor will support the 10 schools with the lowest recycling rates to improve their performance, which may bring cost savings to the schools.

Water usage across the Council and in schools in 2021-22 contributed about 64 tonnes of CO2e. Water efficiency measures, such as urinal controls and lower flush toilets, will continue to be installed as part of regular building maintenance work.

Communications, Engagement and Behaviour Change

A number of ways to cut the Council's carbon emissions rely on schools, staff and Members deciding to take up low carbon solutions, for instance in their travel choices and their use of energy in buildings. Some of these decisions depend on having the right supporting information, infrastructure and systems in place to empower and engage schools, staff and Members, including using their skills and ideas to identify further opportunities to cut carbon. The UK's Committee on Climate Change, which is the government's independent advisory body on how to get to net zero by 2050,

estimates that about 2/5^{ths} of the change required to get to net zero in the UK requires individuals and organisations to make changes to what they buy and about 1/5th needs to come directly from behavioural change, such as changes to how we travel and what we choose to eat.

The Council has delivered communications on climate change for a number of years, including via long-established working relationships with schools. For example, over 60 schools have participated in Ashden 'Less CO_2' workshops and the Council has worked with the Youth Cabinet to develop a school energy auditing process that will be led by pupils.

The Council has developed a climate change communications plan, which includes rolling out carbon literacy training for staff and Members, launching a new e-learning module on climate change for staff, and running energy saving workshops for school site managers and business managers. The latest communications plan is set out in appendix 5 and will guide delivery of communications, engagement and behavioural change work up to March 2025. This will continue to be reviewed regularly, for example to include the communications work that is currently being developed by Children's Services in response to the government's climate change 'Strategy for the education and children's services systems', which was published in April 2022. These activities support staff to cut their carbon emissions at work and at home.

Offsetting

The modelling work summarised in section 7.2 makes it clear that the Council cannot meet its carbon reduction target of halving emissions between 2020-25 without increasing its investment in carbon reduction measures to a level that is currently beyond its means. Consequently, offsetting of some of the Council's carbon emissions will be required.

There are broadly 3 types of offsets:

1) large-scale off-site renewables, for instance via a power purchasing agreement.
2) land use sequestration, such as tree planting or changes to land management.
3) carbon removal technologies.

Off-site renewables are the most straightforward and measurable method and could deliver carbon reduction at scale. However, UK Power Networks will not accept the connection of new sites that generate more than 1MW of power until after 2029. This means that there is unlikely to be significant local off-site renewables coming on to the market between now and March 2025 for the Council to be able to purchase. However, the Council is exploring the opportunity for a power purchasing agreement, which would need to be based on new renewable energy schemes based in areas in the UK that do not face the same grid constraints.

Land use sequestration usually requires significant land, which the Council does not hold. In addition, there is scientific uncertainty about how to measure carbon

sequestered in most types of habitats and the market for voluntary natural capital carbon offsetting is still in its infancy, with few agreed standards and limited protection for buyers. The Council is exploring this market with partners across Kent and Essex as part of a project funded by the South-East Local Enterprise Partnership.

The third carbon offsetting option, namely carbon capture and storage technologies, are at a very early stage of development and there is insufficient evidence to provide a realistic estimate of their potential contribution at this stage.

The Council will develop an offset policy and plan to guide its purchase of carbon offsets.

Climate Change Adaptation

Even if global warming can be limited to 1.5^{0}C above pre-industrial levels significant additional investment is likely to be needed in measures to adapt to the effects of climate change that are already locked in due to past emissions of greenhouse gases. The main effects in East Sussex include increased flooding, droughts and heat waves. The greater the change in climate the more investment will be needed, whilst unmitigated global warming could result in catastrophic scenarios that outstrip our capacity to adapt. This is more likely to occur in countries that have fewer resources to pay for adaptation to climate change, which increases the risk of mass migration to temperate countries such as the UK.

Climate change adaptation refers to the adjustments that we need to make in response to actual and expected climate change, to ensure that the Council can continue to operate effectively even as the climate changes. These include engineered solutions such as flood defences and nature-based solutions such as sustainable urban drainage. The objective is to build resilience into the Council's estate, services and supply chain so that the Council can continue to deliver its services regardless of the difficulties extreme weather can present.

The actions that the Council will undertake up to March 2025 will be to:

1) Assess the Council's vulnerability to climate change.
2) Produce a climate risk register.
3) Develop a climate-adaptation/ resilience strategy and programme.
4) Embed climate adaptation into business-as-usual decision making and risk management.

To do this the Council will work together with partners, for example in the Sussex Resilience Forum, to identify and map climate change risks over time for our services, our estate, our supply chain and our communities.

A key challenge with adaptation is that the long timescales and the level of uncertainty involved tend to make it difficult to plan and to justify the required up-front costs.

Lobbying and Financing

The Council has lobbied government for additional and more flexible resources for climate change and will continue to do so, working with partners and existing networks where this may be more effective. The Council will also investigate other sources of finance to pay for the transition to net zero.

Summary Action Plan

Table 4 below provides a summary of the actions described above up to March 2025. The list is not exhaustive, as we are likely to find new projects over the next couple of years, and some projects that have been identified so far may be subject to change in response to circumstances beyond the control of the Council, such as supply chain issues or national grid constraints.

The estimated carbon saving from the identified actions are stated where possible. For some actions these figures will change. For example, we have not yet identified all 30 solar PV schemes to March 2025, therefore the estimated carbon figures shown in table 4 will increase as further schemes are added to the pipeline. For actions where it's not possible to quantify the carbon reduction, such as training programmes, the description of 'high', 'medium' or 'low' has been used to give an approximate indication as to the likely relative effectiveness of these actions in reducing carbon emissions.

Table 4. Action Plan Summary

Action	Description	Outputs			Carbon Reduction
		2022-23	2023-24	2024-25	
Corporate decision-making					
Organisational change	Develop and deliver a system to align relevant Council decisions with the commitment to net zero	Develop a process to support decision-makers.	Review Council policies, strategies and programmes.	Review the process and update the programme.	High
Buildings					
Decarbonisation of heat schemes	Decarbonise 7 sites (3% of the current total)	Deliver 2 schemes	Deliver 3 schemes	Deliver 3 schemes	190 tonnes of CO2e
Low energy lighting schemes	Install low energy lighting at 30 sites (taking the total to 40% of sites)	Deliver 10 schemes	Deliver 10 schemes	Deliver 10 schemes	100 tonnes CO2e
Solar PV schemes on buildings	Install solar PV at 30 sites (taking the total to 34% of sites).	Deliver 10 schemes	Deliver 10 schemes	Deliver 10 schemes	17 tonnes CO2e
Training & maintenance in place	Train site managers to commission and maintain energy systems	Training developed & delivered to 40 site managers	Training delivered to 40 site managers	Training reviewed & updated	Medium
New build and major refurbishment	Review, update and apply the Sustainable Buildings Policy	Review the policy	Update and apply the policy	Evaluate the policy	Medium
Hydrogen for heating	Understand and implement potential opportunities to use hydrogen	Monitor policy and infrastructure changes			n/a

Action	Description	Outputs			Carbon Reduction
Travel					
Own fleet	Replace smaller fleet vehicles with suitable electric alternatives	Review the leases & EV market	Dependent on the review & market	Dependent on the review & market	Low
Business travel & commuting	Review and revise the lease car scheme	Review the scheme & subsidy bandings	Dependent on the review	Dependent on the review	Low
	Install electric vehicle charge points	Install EV charge points at County Hall	Review other ESCC sites	Dependent on the review	Low
	Develop and implement an updated staff travel plan for staff & Members	Develop an updated staff travel plan	Implement the travel plan measures	Implement and evaluate the plan	Medium
Hydrogen for transport	Understand and implement potential opportunities to use hydrogen	Monitor policy and infrastructure changes			n/a
Street lighting					
Policies and technologies	Review dimming and part-night lighting policy and changes in technology	Review intelligent lighting systems	Review lighting policies	Dependent on reviews	Medium
Renewables					
Solar PV on land	Assess options for large scale solar PV on ESCC land	Revisit closed landfill sites options	Dependent on option review	Dependent on option review	High
Procurement					
Understand the cost of decarbonising the supply	Work with a specialist consultancy to engage with key suppliers	Complete specialist consultancy review	Dependent on the review	Dependent on the review	High

Action	Description	Outputs			Carbon Reduction
chain					
Improve the procurement carbon baseline	Gather more carbon data from suppliers to help set targets	Work with Surrey CC to trial data collection systems	Roll out data collection to ESCC suppliers	Continue roll out, and review data collection	n/a
Embed carbon reduction in new large contracts	Require carbon baseline, reduction targets and reporting	Embed carbon reduction and adaptation into the re-procurement of major contracts in waste, transport, care and construction.			High
Support small local suppliers to cut carbon	Deliver support scheme to small suppliers	Promote free energy audits and grants	Develop new support scheme	Deliver new support scheme	Medium
Waste and water					
Reduce, reuse, recycle, compost	Continue to extend recycling and composting facilities	Continue roll out of composting facilities	Embed into new Facilities contract	Continue roll out to more sites	Low
Reduce water usage	Improve water efficiency	Continue roll out of water efficiency measures through buildings maintenance			Low
Offsetting					
Offsetting policy and plan	Establish and implement a carbon offset policy and plan	Develop the policy and plan	Implement the policy and plan	Review the policy and plan	High
Off-site renewables	Explore a power purchasing agreement (PPA)	Review the PPA market	Dependent on the review	Dependent on the review	High
Land use carbon sequestration	Evaluate opportunities in East Sussex	Review Council land	Dependent on the review	Dependent on the review	Low
Engagement, behaviour change and communications					

Action	Description	Outputs			Carbon Reduction
Carbon literacy training for staff & Members	Offer carbon literacy training to all staff and Members	500 staff to complete training	500 staff to complete training	500 staff to complete training	Low
Schools engagement plan	Co-develop comms and engagement for schools with the Youth Cabinet	Develop the Plan	Deliver the Plan	Review the Plan	Low
Staff engagement	Deliver staff engagement sessions	'Town Hall' event	Follow up Town Hall event	Tbc	Low
Climate change adaptation					
Develop and implement an adaptation plan	Embed climate adaptation into business-as-usual decision making and risk management	Assess the Council's vulnerability to climate change.	Produce a climate risk register.	Develop a climate-adaptation plan.	n/a
Monitoring and reporting					
Quarterly progress	Report on outputs delivered	Quarterly reports to the Climate Emergency Board			n/a
Annual review & report	Report to Full Council	Report in October 2022, October 2023 and October 2024			n/a
Lobbying					
Lobby government	Lobby for additional resources for climate change, with partners where appropriate	Use government consultations and existing networks to lobby government for additional and more flexible funding and to make policy changes that support the Council's journey to net zero			n/a
Financing of Net Zero					
Review financing options	Identify and assess additional sources of finance	Research additional sources of finance	Assess the costs, risks & benefits	Tbc, dependent on the review	n/a

8. Governance

The Council has set up a robust structure of roles, responsibilities and accountability for delivering the Climate Emergency Plan. This includes:

1) a senior Officer Climate Emergency Board to provide oversight of delivery of the action plan, to remove barriers to change and to drive continuous improvement.
2) Annual reporting to Cabinet and full County on progress against the carbon budget and commitment to becoming carbon neutral.
3) a Scrutiny review of the Council's programme of work to address the climate emergency and a Scrutiny Place Committee working group review of this action plan.

9. Monitoring, Reporting and Review

The Council has a comprehensive system in place to collate and analyse data for scope 1, 2 and some scope 3 emissions. These are summarised in appendix 3. Carbon emissions data and delivery of the climate change programme outputs summarised in table 4 are tracked, and progress is reported quarterly to the Climate Emergency Board.

The key means of measuring progress will continue to be against the five year carbon budget for 2020-25 (see figure 7). Annual CO2e emissions data are collated, checked and analysed, following the process set out in appendix 3. In addition, progress in delivering all of the actions listed in the Action Plan in table 4 will be monitored, assessed and reported.

The action plan will be reviewed in 2023 by the Climate Emergency Board and adjusted in light of changing legislation, technology, levels of resources available and knowledge about new projects. A new Climate Emergency Plan will be developed in 2024 to continue from where this plan ends in March 2025. The new Action Plan will be based on an updated version of the model that has been used to inform this Action Plan and also on the lessons learned over the next couple of years and any relevant changes to legislation, policy, technology, resources and good practice.

10. A Net Zero County

As mentioned in the introduction, the Council's emissions are a relatively small percentage of the county's total emissions. This highlights that no single organisation, acting alone, has the powers or resources to secure the scale of change required at a county level to reach net zero. It requires shared responsibility for making change, strong leadership and strategic collaboration across multiple stakeholders, to pool resources in order to maximize the opportunities and benefits. For the Council, this includes staff, Members, schools, its suppliers and partners.

The Council also works with a number of partners across a range of areas to share resources, good practice and learning. This includes:

- Participating in the Local Government Association's Net Zero Innovation Programme;
- Sharing resources across the Orbis partnership with Surrey County Council and Brighton & Hove City Council on procurement;
- Working with all Sussex local authorities in the Sussex Nature Partnership and the Sussex Air Quality partnership, both of which are hosted by the Council;
- Developing a co-ordinated approach to EV charge points across the county with SPACES partners;
- Participating in the Hydrogen Sussex partnership;
- Meeting regularly with District and Borough Climate Change Officers;
- Exploring opportunities to align the Council's climate change work with that of community energy groups by working through the Community Energy Pathways Programme.

In addition, the Council works through a range of partnerships to lobby government, for instance ADEPT, which is the Association of Directors of Environment, Economy, Planning and Transport.

Whilst this action plan is about the Council's own carbon emissions it's important to note that the Council delivers a number of programmes and projects, often in partnership with others, that contribute to reducing carbon emissions across the county. These include:

- The fuel poverty programme, overseen by the East Sussex Energy Partnership, which has coordinated a programme worth over £10m since 2016 to provide energy advice and improvements to insulation and heating for thousands of fuel poor residents. In the last year the service has provided advice to around 10% of households in fuel poverty and delivered improvements to about 2% of households in fuel poverty.
- Investing over £20m since 2014 to deliver improvements to walking and cycling infrastructure.
- Securing over £40m to improve bus services in the county.
- Delivering approximately £500,000 of grants to local businesses since 2018 to implement energy efficiency measures, which cut their energy costs and carbon emissions.
- Supported over 250 households to install solar PV panels on their properties through the Sussex Solar Together programme.

11. Risks and Challenges

There are a number of risks and challenges to delivering this Action Plan. Some of these have been mentioned already, such as issues with the supply chain. Table 5 summarises the key risks and how the Council will manage them.

Table 5. Key Risks to delivering the climate emergency plan for 2023-25.

No.	Date raised	Risk [1]	Impact [2]	Risk assessment 1 = Low; 3 = High Impact x Likely = Result			Proposed or actual Countermeasure(s) [3]	Owner	Status open/ closed
				Impact	Likely	Result			
1	5/7/22	Carbon footprint increases through business-as-usual	Less likely to meet carbon reduction target	3	1	3	Build carbon reduction into business-as-usual (policies & practice)	Climate programme manager	Open
2	5/7/22	Electricity grid decarbonisation does not occur	Less likely to meet carbon reduction target	3	2	6	Identify robust pipeline of carbon reduction projects	Climate programme manager	Open
3	5/7/22	Statutory and/or national policy change (eg. ASC reform)	Less likely to meet carbon reduction target and/or may increase costs to ESCC	3	2	6	Model potential impacts early and develop mitigation options	Climate programme manager	Open
4	5/7/22	Reduction in ESCC resources, including staff	Less likely to meet carbon reduction target	3	1	3	Bid for external funding & review alternative financing options	Climate programme manager	Open
5	5/7/22	Climate emergency actions impact on service delivery	Reduced ability to deliver service needs	3	1	3	Understand effects on services & plan for minimal disruption	Climate programme manager	Open

6	5/7/22	Changes to technology (e.g. hydrogen for heating)	Investment made in stranded and/or more expensive assets	3	1	3	Procure tried and tested and/or hybrid technology	Climate programme manager	
7	5/7/22	Lack of skills and capacity in the supply chain	Less likely to meet carbon reduction target & higher maintenance costs	3	1	3	Engage with the supply chain early and work with Skills East Sussex	Climate programme manager	Open
8	5/7/22	Supplier costs increase due to supply chain issues.	Less likely to meet carbon reduction target & higher costs	3	2	6	Track market costs closely and lock in lower costs through procurement practices	Climate programme manager	Open
9	5/7/22	Covid 19 related restrictions that delay project delivery	Less likely to meet carbon reduction target	1	2	2	Build flexibility into delivery timeframes	Climate programme manager	Open
10	5/7/22	Offsetting opportunities are not available at scale	Less likely to meet carbon reduction target & higher costs	3	2	6	Engage with the offset market early & manage expectations	Climate programme manager	Open
11	5/7/22	Key stakeholders / staff are unwilling to play their part	Less likely to meet carbon reduction target & higher costs	2	1	2	Develop a robust comms plan with compelling narrative & incentives to act	Climate programme manager	Open
12	5/7/22	Adaptation measures become more urgent	Less likely to meet carbon reduction target & higher costs	3	1	3	Establish adaptation risks early	Climate programme manager	Open

Glossary

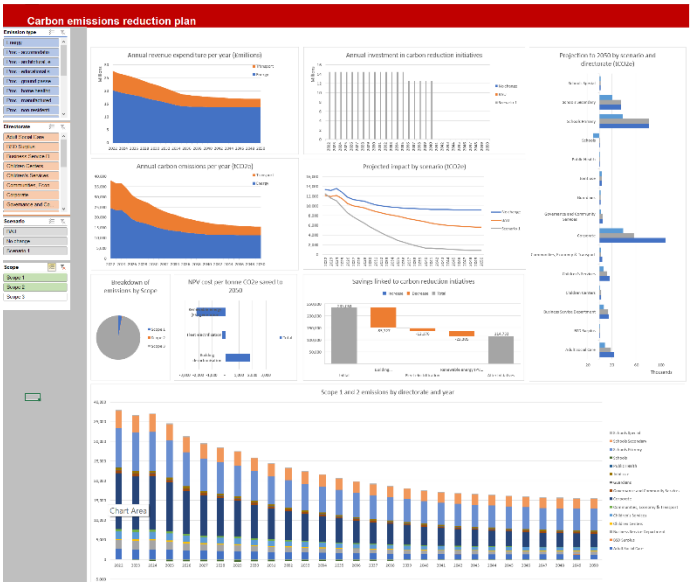
Acronym	
ASC	Adult Social Care
BAU	Business-as-usual
BSD	Business Services Department
CS	Children's Services
CET	Communities, Economy & Transport
GHG	Greenhouse gas
G&CS	Community Services
GWP	Greenhouse warming potential
CO2	Carbon dioxide
CO2e	Carbon dioxide equivalent
REGOs	Renewable Energy Guarantees Origin

Appendix 1 – Modelling report executive summary

Carbon modelling and pathways tool

Building on the decarbonisation assessment toolkit developed previously for East Sussex County Council (the council), we have produced an easy to use and flexible tool for assessing and projecting your organisational level carbon baseline and reduction pathways. The toolkit incorporates the following:

- Building by building decarbonisation strategies – drawn from or extrapolated from the 2021 decarbonisation strategy work and 20 LCSF Phase 2 Heat Plans from March 2022
- Additional carbon baselines and projections for other sources of scope 1 and 2 emissions including corporate fleet.
- Additional carbon baselines and projections for Scope 3 emissions based on analysis of council expenditure.
- Ability to add/remove assets from the baseline at a specific time and to adjust the carbon intensity over time based on external changes (e.g., carbon emission factor projections) and specific interventions that reduce energy consumption or switch to lower carbon sources of energy/activity.
- Dashboard functionality to assess, analyse and filter carbon emissions by source, scope and reduction scenario.



Included carbon emissions

This report and analysis cover the following sources of carbon emission:

- **Scope 1 emissions:** from fossil fuels used for heating schools and corporate buildings, together with the Council's vehicles.
- **Scope 2 emissions:** purchased electricity used in building and for street lighting.
- **Scope 3 emissions:** arising from all other Council activities including business travel, water usage, waste, procurement and staff commuting.

As is typical for a local authority, Scope 3 emissions dominate, as most of the Council's revenue and capital budgets are used to procure goods, services and works from third parties. Scope 3 emissions mostly comprise the Scope 1 and 2 emissions of other organisations (e.g., contractors). Carbon reduction strategies prioritise Scope 1.

Summary of key findings

The following key conclusions can be drawn from this analysis of the council's carbon emissions in 2020-21 and of the options available to achieve the 13%YoY reduction target:

- Council emissions are dominated by the Scope 3 impact of its supply chain. Engagement with key suppliers to develop strategies for reducing these emissions must be a critical component of the council's strategy.
- Current Scope 1&2 emission were in the order of 10,700 tCO2e in 2020-21 this is lower than the previous year and is depressed by the COVID-19 pandemic. In 2021-22 it would be expected that energy use will be higher than in 2021-21 making it more difficult for the council to remain on its 13% YoY reduction target.

- Decarbonisation of the electricity grid presents a significant opportunity for the council to reduce its Scope 2 and overall emissions, Scope 2 emissions can be further reduced by arranging a PPA for a portion of the council's energy use.
- Renewable energy generation in the form of roof or ground mounted PV is a cost-effective means of reducing carbon emissions and unlike building decarbonisation provides the council with a positive rate of return, in the order of 6%. However, the council's capacity to install the necessary volume of PV is constrained by two factors the speed of deploying roof top PV and a limitation on the capacity of electricity grid to receive power from ground mounted PV arrays of above 1MW.
- Building decarbonisation is an expensive but essential component of the council's strategy and the ability of the council to remain on its emission reduction target after mid 2020's is closely linked to the level of investment in building decarbonisation. The Target Focus (TF) scenario requires investment of c.£20million per year in building decarbonisation between 2023 and 2035.
- Lower levels of building decarbonisation result in the council falling significantly short of its reduction targets with the currently approved budget of £3million per year between 2022-2024 only delivering an annual carbon saving of c.150 tCO2e.
- Currently available funding from central government via the Public Sector Decarbonisation Fund provides a means to gain additional investment into building decarbonisation and thereby reduce the cost to the council and accelerate this critical component of the council's decarbonisation journey. Every effort should therefore be made to support the production of high quality and well targeted applications to this fund.

Current carbon emissions

The council's carbon emissions are dominated by Scope 3 emissions linked to procurement of services such as waste management, transportation, and nursing care. Only around 4% of emissions are currently directly linked to council activities such as energy use in buildings and fleet. Figure E.1 provides a breakdown of the over 240kt of CO_2e emitted in 2020-21 by scope[1].

Scope 3 emissions mostly comprise the Scope 1 and 2 emissions of other organisations (e.g., contractors) and are a best estimate of the likely scale of emissions since it is not practical to collect robust direct data from every contract and transaction. The modelling tool has enabled an enhanced best estimate by using proxy values aligned with the type of expenditure, to combine Scope 3 emissions where robust directly reported data is readily available, to give a total estimated value.

[1] Note emissions from energy consumption are net of 167tCO_2e saved by energy generated on the council's buildings.

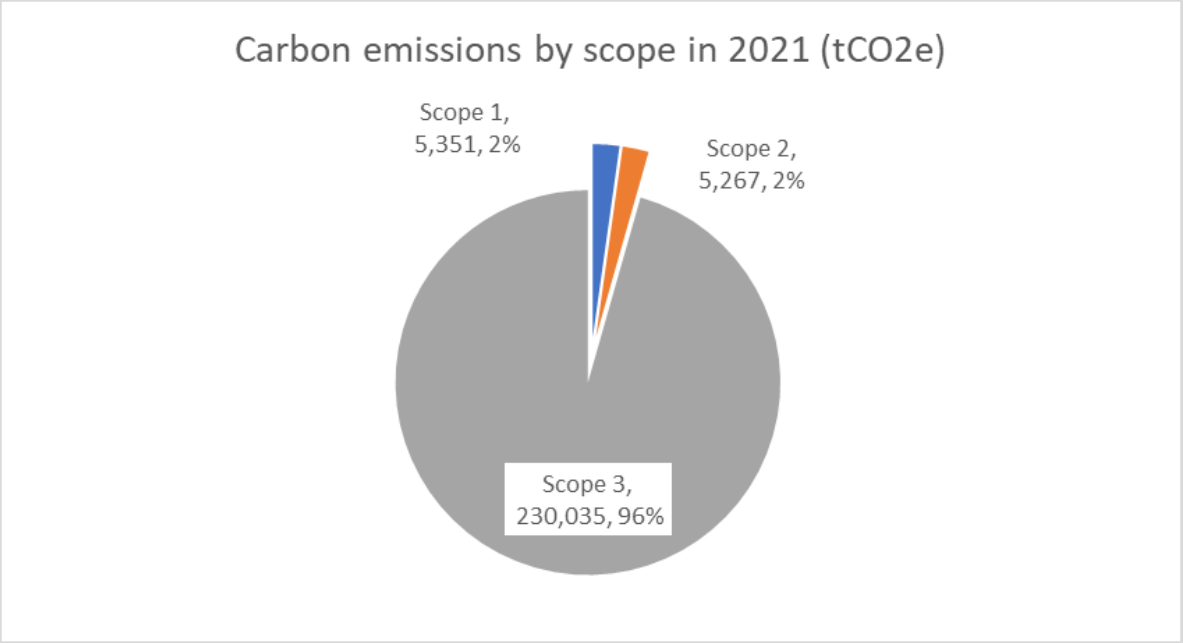


Figure E.1: Carbon emissions by Scope in 2020-21 (tCO_2e)

Excluding Scope 3 emissions, which are currently not allocated to directorates, 10.79 kt CO_2e was emitted in 2020-21. These are broken down by council Directorate as shown in Figure E.2.

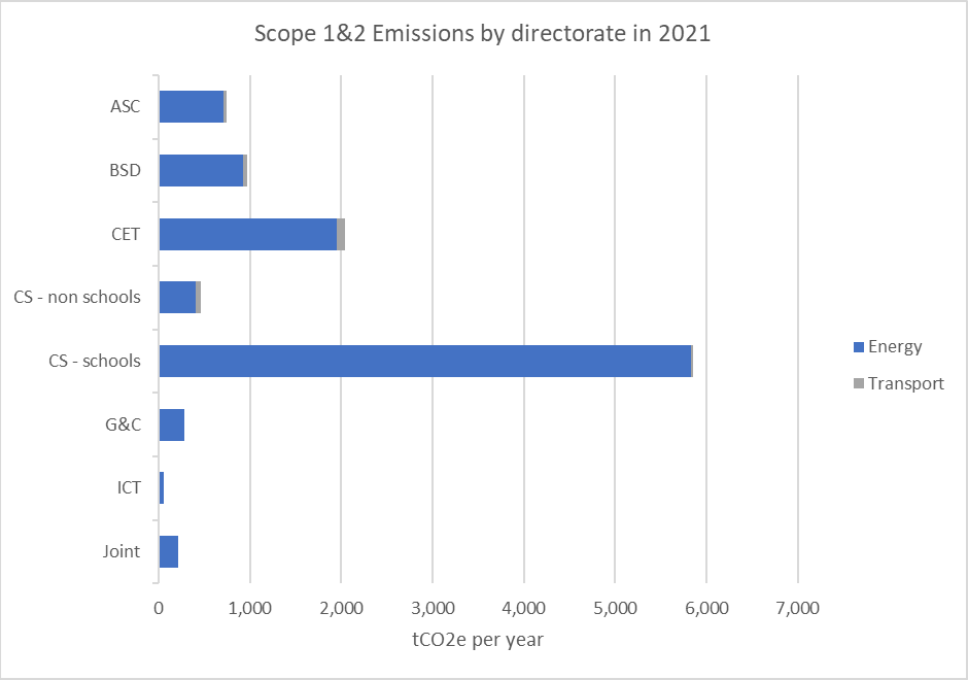


Figure E.2: Scope 1 and 2 carbon emissions by directorate in 2020-21

Potential emission reduction scenarios

Future carbon emissions associated with council activities (Scope 1 & 2) are projected through to 2050 for 5 alternate scenarios:

1. **Business as usual** (BAU) – this scenario includes for anticipated external changes that will influence the council's emissions principally decarbonisation of grid electricity, progressive switch over to electric vehicles and the completion of like for like works to council buildings which do not prioritise decarbonisation.

2. **Current budget** (CB) – this scenario includes existing allocated budget of c.£3 million per year between 2022 and 2025 to invest in measures to reduce carbon emissions in addition to the background changes included within BAU.
3. **Extended current budget** (ECB) – this scenario considers the carbon impacts of extending the agreed £3 million per year budget through to 2050.
4. **Target focus** (TF) – this scenario builds on the CB scenario but also includes additional decarbonisation measures after 2025 to the extent necessary to deliver the council's 13% YoY reduction strategy with minimal or no use of offsetting.
5. **Academisation** (Acad) – this scenario considers the impact of all the council's schools becoming academies after 2030.

The decarbonisation assessment toolkit enables council officers to add additional decarbonisation measures to any scenario to add further depth to the council's strategy.

Figure E.3 shows the council's projected Scope 1&2 carbon emissions under the BAU scenario to 2050. Scope 1&2 emissions in 2019-20 are dominated by gas and electricity consumption. However, this changes markedly from 2025 onwards as the relative impact of grid electricity consumption diminishes rapidly so that by 2050 it comprises only around 2.5% of the total (see Figure E.3).

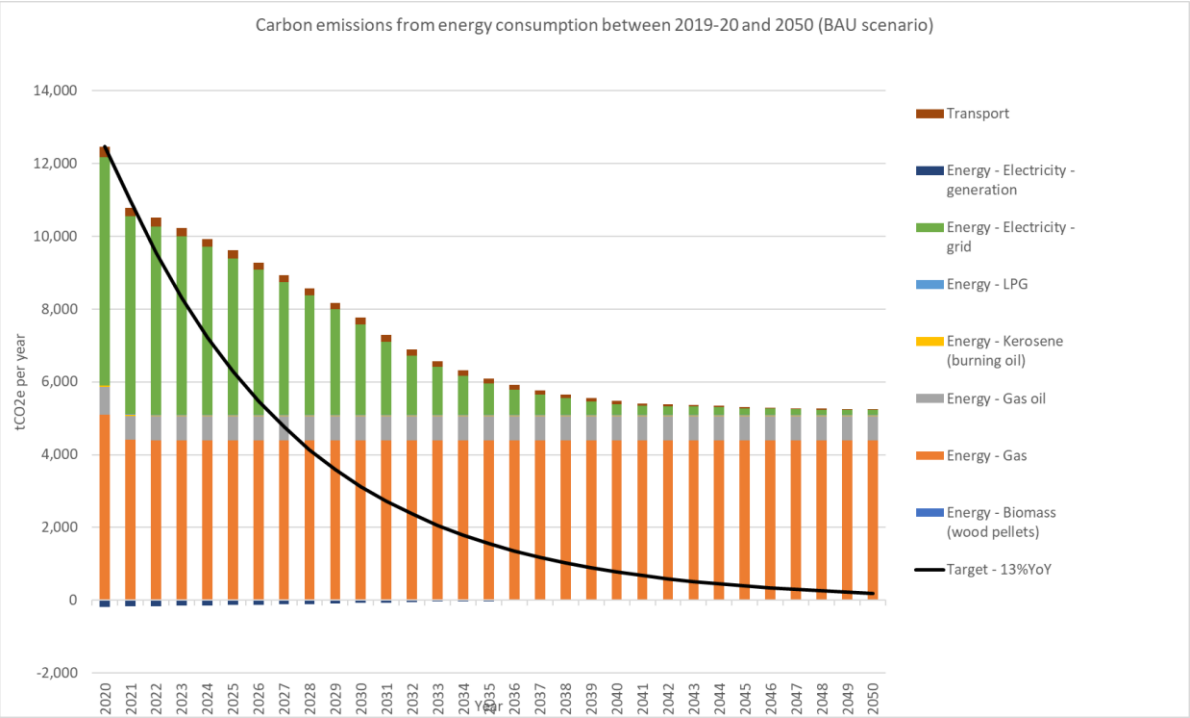


Figure E.3 Scope 1&2 emissions by emission source between 2021-50 (tCO_2e)

Despite the impact of significant electricity decarbonisation, the council's ongoing consumption of gas, kerosene, gas oil and transport fuels results in emissions only declining by around 40% by 2050, far short of the council's 13% YoY target. The BAU scenario would result in annual emissions in 2050 being over 5kt CO_2e higher than the council's target.

Figure E.4 shows the projected carbon emissions to 2050 for the council's Scope 1 and 2 emissions under each scenario. It is important to note that under the Academisation Scenario, these emissions are not falling in practice, they remain within the County even though they are no longer included in the council's carbon account.

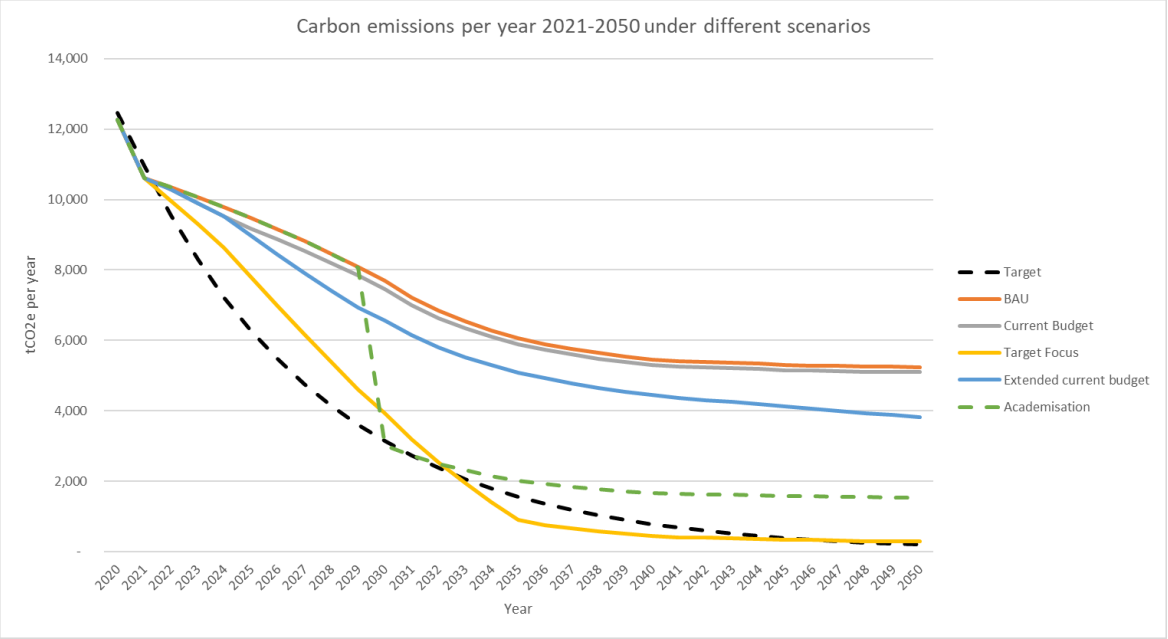


Figure E.4: Carbon emissions to 2050 for each scenario

Figure E.5 shows the implications of using a power purchase agreement (PPA) to reduce the Scope 2 emissions linked to electricity consumption.

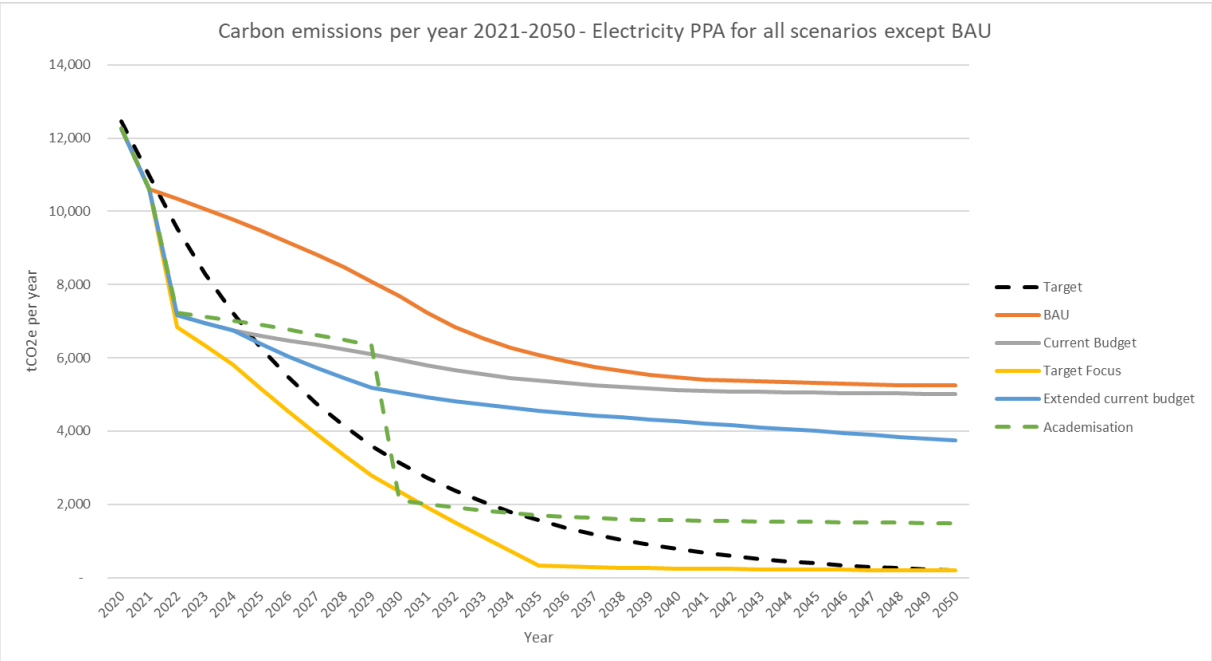


Figure E.5 Carbon reductions over time by scenario with a PPA for electricity consumption

None of the carbon reduction scenarios are able to stay on the council's reduction strategy without the use of a power purchase agreement to reduce emissions linked to electricity consumption. This is because of limitations in the speed and extent of both renewable energy generation and building decarbonisation and for the CB and ECB scenarios on budget constraints. When combined with a PPA it is possible for the council to remain on (or even out perform) its YoY target until the mid 2020's, however the potential further savings from PPA or

renewable energy generation are limited and it is necessary to invest significantly in building decarbonisation to remain on target.

Investment under the CB and ECB scenarios is limited to c.£3million per year, whereas the TF scenario involves investments of around £20million per year between 2022 and 2035.

Figure E.6 shows the cumulative discounted cashflow (combined investment costs and utility costs) for each scenario through to 2050 net of the BAU scenario. This shows the scale of additional net investment that the council would need to fund to deliver on its climate reduction target.

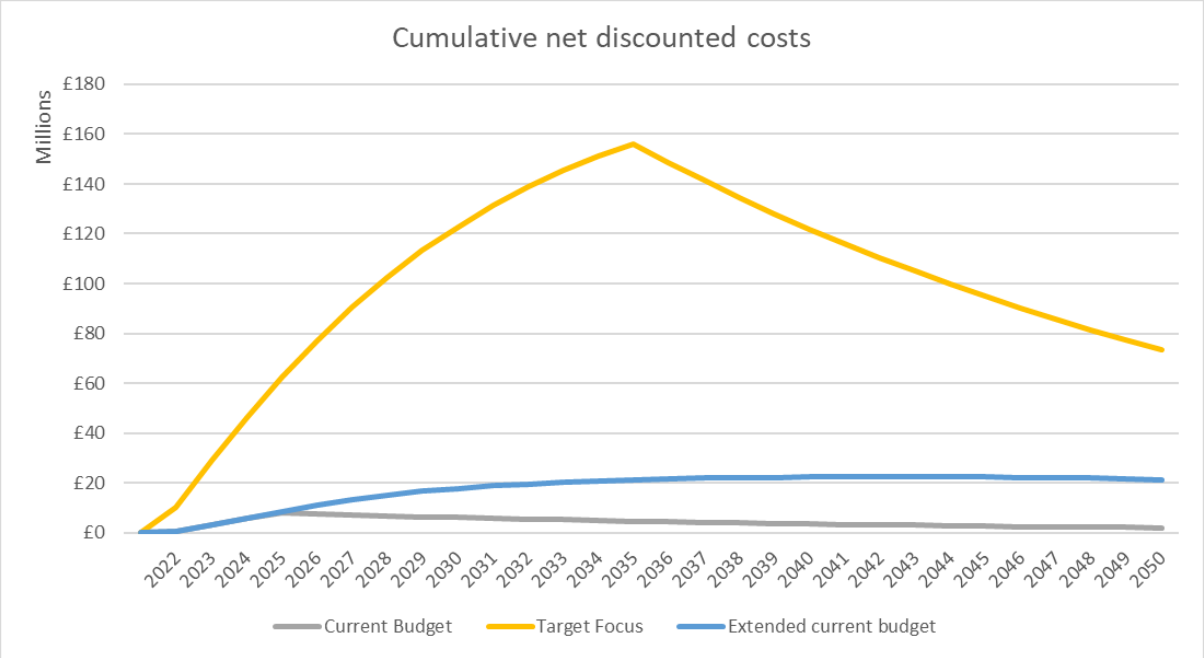


Figure E.6 Cumulative net discounted costs over time under each scenario

Addressing Scope 3 emissions

Figure E.7 shows the council's scope 3 emissions in 2020-21[2]. These make up c.96% of the council's carbon footprint so it is important that initiatives to address these impacts through procurement and other measures are given due attention. Close attention to the procurement of waste and transportation contracts could prove to be the single largest opportunities to reduce the council's footprint. Measures could include requiring the accelerated adoption of EVs by transport providers and inclusion of estates, operations and fleet decarbonisation clauses within appointments for council funded care providers.

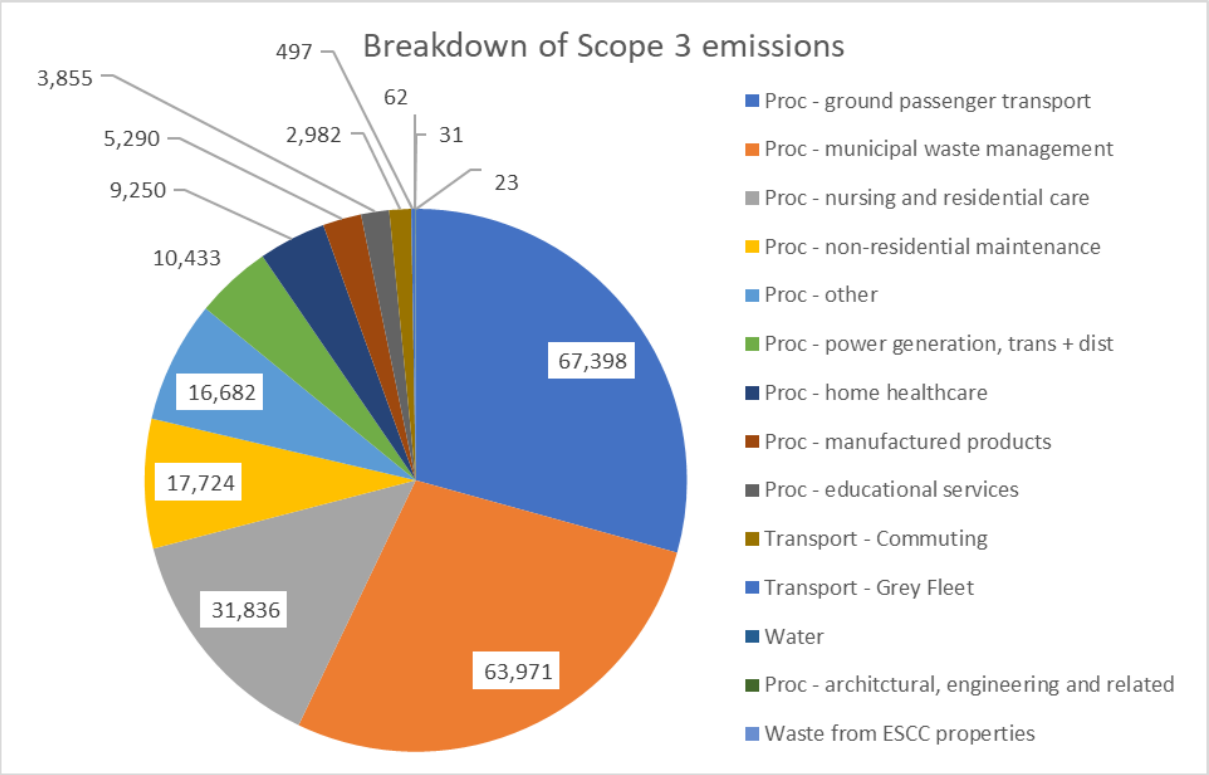


Figure E.7: Breakdown of Scope 3 emissions in 2020-21 (tCO_2e)

[2] Emissions linked to Education Services relate to additional expenditure on educational activities including agency workers, school trips and other support.

Appendix 2 – Detailed list of decarbonisation schemes

Heat decarbonisation schemes

Site	Heating fuel	Cost (£)	Possible grant (£)	ESCC match (£)	£/LTtCO2e	Annual energy bill savings (£)
Chiddingly school	Oil	£709,981	£266,862	£380,227	£600	£500
Plumpton school	Oil	£841,582	£122,188	£601,680	£1,600	£700
Bodiam school	Oil	£562,115	£234,341	£252,011	£600	£850
Hellingly school	Gas	£813,994	£114,702	£626,725	£1,800	£11,000
Rocks Park school	Gas	£951,881	£275,673	£567,789	£700	£5,250
Rotherfield school	Gas	£899,552	£281,831	£463,169	£800	£5,500
TOTAL		**£4,779,105**	**£1,295,597**	**£2,891,601**	**£1,017 (average)**	**£23,800**

Low energy lighting schemes

Site	Total Project Cost (£)	kWh savings	Annual Bill Saving (£)	Payback (years)	Year 1 CO2 Saving (tCO2)	Lifetime Carbon Saving (tCO2eLT)	Carbon Cost (£/tCO2eLT)
Wadhurst PS	33785	6750	1728	19	2	9	3842
Netherfield CE Primary School	170662	6415	1656	18	1	8	3606
Polegate School	54527	6771	1681	28	2	9	5537
Hellingly Community Primary School	128227	10757	2844	13	2	14	2808
Fletching CE Primary School	47507	5740	1521	9	1	7	1940
Chailey (St Peters) CofE Primary School	85374	8065	1925	18	2	10	3434
Southover Primary School	130049	24879	6202	14	6	31	2697
Dallington CE Primary (VC)	69913	8048	2073	12	2	10	2402
Laughton Primary School	13336	6274	1635	8	1	8	1687
Little Horsted PS (VA - £10k DoC cont.)	18624	8305	2144	9	2	10	1780
Hankham Primary School	65536	9176	2417	14	2	12	3015
Milton Grange	154111	73323	12815	12	17	92	1601
St Mary's House	323654	178421	33047	9	41	225	1382
Maynards Green C Primary School	104251	13123	3417	12	3	17	2547
Iford and Kingston CE Primary School	53951	3509	913	20	1	4	4112
Catsfield Primary School	70177	19363	4653	8	4	24	1445
Frant Primary School (est.)	71718	9846	2425	12	2	12	2371
Mayfield Primary School (est.)	86800	9846	2425	15	2	12	2869
West Rise Infant & Junior Schools (est.)	90242	9846	2425	15	2	12	2983
Totals:	**1,772,444**	**418,457**	**87,944**	**(average) 14**	**97**	**527**	**(average) 2,740**

Solar PV schemes

Site	Cost (£)	Annual Generation (kWh)	Site Consumption (kWh/year)	Annual Saving (£)	Year 1 Carbon Saving (tCO2e)	Lifetime Carbon Saving (tCO2e)	Payback (years)	£/tCO2e lifetime
Hollington Library	34713	8690	5600	839	1	5	41	6734
Hailsham East Children's Centre	102717	55880	52030	5438	6	34	19	3022
Bellbrook Centre	88306	54570	19750	2611	3	16	34	5504
Hampden Park Library	31404	9270	9480	1268	1	8	25	4030
Silverlands Centre	70603	40770	31410	4341	5	25	16	2813
Phoenix Centre	62778	40088						
The Keep	186214	113040	764250	18885			10	
Totals:	**576,735**	**322,308**	**882,520**	**33,383**	**16**	**88**	**(average) 24**	**22,104**

Appendix 3 – Carbon data management plan

Scope		What is included	Data Source	Key exclusions & uncertainty	Date Available
Scope 1	Gas Consumption	All natural gas used in ESCC buildings or those which we occupy to which ESCC is the counter party to the energy bill, including schools, properties closed and sold in 2020-21 and our portion of shared use.	Based on metered gas bills that ESCC pays, including schools	Excludes schools that don't buy in to the energy supply service.	Billed mid-April, validation required May/June
	Gas Oil, Burning Oil and Propane Consumption	All gas oil, burning oil, propane and biomass used in ESCC buildings or those which we occupy to which ESCC is the counter party to the energy bill, including schools, properties closed and sold in 2020-21 and our portion of shared use.	Based on oil and propane that ESCC pays, including schools	Excludes schools that don't buy in to the energy supply service.	Billed mid-April, validation required May/June
	Owned Transport	All core fleet owned and operated by ESCC.	Based on fuel usage and vehicle type		Billed mid-April, validation required May/June
		Joint Use sites	Bills for site apportioned on % pay under the joint use agreement	Not metered based on % as per joint use agreement	June
	Process Emissions	Excluded as not applicable to ESCC activities.	N/A	N/A	N/A
	Fugitive Emissions	Excluded due to cost of data collection.	N/A	N/A	N/A
Scope 2	Purchased Electricity	All purchased electricity used in ESCC buildings or those which we occupy to which ESCC is the counter party to the energy bill, including schools, properties closed and sold in 2019-20 and our portion of shared use. Including street lighting and traffic signals.	Based on metered electricity bills that ESCC pays, including schools	Excludes schools that don't buy in to the energy supply service.	Billed mid-April, validation required May/June
		Streetlighting purchased electricity	Unmetered supply so usage is estimated by inventory and usage pattern		Billed mid-April, validation required May/June
		ICT Data Centre metered electricity consumption also included.	Metered kWh data from Surrey Data centre sub-metering on ESCC Servers	N/A	May
		On-site renewable generation	Metered KWh for around 50% of sites, the rest based on kWp estimated generation data using kWp	Around 50% is estimated based on kWp size of solar panel	June

Scope		What is included	Data Source	Key exclusions & uncertainty	Date Available
		Joint Use sites	Bills for site apportioned on % pay under th e joint use agreement	Not metered based on % as per joint use agreement	June
Scope 3	Transmission and Distribution	Transmission and distribution loss associated with all purchased electricity.	Losses associated with electricity purchased under scope 2	Excludes schools that don't buy in to the energy supply service.	Billed mid-April, validation required May/June
	Business Travel	All mileage claimed in private or leased vehicles, but excludes public transport and taxis, as below.	Based on the fuel type, distance travelled and engine size of private cars used for business travel	Excludes public transport, flights, cycling, taxis, rental cars and overnight accommodation.	May
	Employee Commuting	Based on distance from home to work, days worked per year, and ONS data on commuting by car in East Sussex and adjusted to reflect greater homeworking and reduced business travel during pandemic.	Based on distance from home to work, days worked per year, and ONS data on commuting by car in East Sussex	Excludes the use of public transport and school staff, simplifies days worked & uses average emission factor.	
	Waste Disposal	Waste tonnages for corporate buildings and schools.	Based on waste, recycling and composting tonnage figures x emissions factors	Excludes emissions from waste transport and sites that have not joined the contract	
	Water	Measured m3 water use in ESCC buildings.	Based on metered water usage	Excludes unmetered sites (12.5% of the 136 corporate sites)	Billed mid-April, validation required May/June
	Product in Use	Excluded due to cost of data collection.			
	Supply chain	See appendix 4			

Appendix 4 - How scope 3 emissions have been calculated

1. Overview

Scope 3 emissions relate to business emissions from assets not owned or directly controlled by the reporting organisation. In the Council's case, these range from water used in Council buildings to energy used in our supply chain. For many organisations, including the Council, the bulk of their emissions fall under scope 3.

The quality of data available across the Council's scope 3 sources varies significantly. We have high confidence in the data for some activities, such as water used in our buildings and some large contracts where emissions are reported as a contractual obligation. However, accurate data are not currently available from the majority of contracts and from areas such as commuting. Consequently, most emissions are estimated using proxy values.

Calculating ESCC's scope 3 emissions therefore involves bringing together high and low confidence data. In common with other local authorities, our intention is to improve data quality in coming years, for example by requiring major suppliers to report on their emissions. As the data is subject to continual improvement, scope 3 emissions should not be compared directly between reporting years.

2. 2021/22 Scope 3 Emissions

Estimates for the Council's scope 3 emissions for 2021/22 are shown in **Error! Reference source not found.**, with supply chain emissions (excluding contracts with directly reported emissions) shown in

3. Calculation Methodology for Scope 3 Emissions

3.1. High Confidence Data

- **Water and Wastewater in Council Buildings**. Our property team manage water bills and collate data for all metered sites. Of the 136 corporate water supplies that are billed, 17 are unmetered (12.5%) and are excluded from the data. A BEIS emission factor[Error! Bookmark not defined.] is then applied to water supply and wastewater. Note that this emission factor was reduced in 2022 to reflect decarbonisation of grid electricity used in the water industry, and the Council's emissions from water are therefore significantly lower than in previous years.

Table 2. Note that these figures are provisional and may be subject to change as we improve the quality of data collected. What tables 1 and 2 highlight is that procurement is by far the largest part of the Council's carbon footprint.

Table 1: ESCC 2021/22 Scope 3 Emissions Summary

Emissions source	2021/22 emissions CO2e (tonnes)
Electricity Transmission and Distribution	430
Business Travel	686
Waste Disposal from ESCC Sites	55
Water/Sewage	64
Employee Commuting	1,360
Contract: Waste Disposal	58,158
Contract: Highways (scope 1 & 2)	422
Rest of Supply Chain	151,644
Total	**212,819**

4. Calculation Methodology for Scope 3 Emissions

4.1. High Confidence Data

- **Water and Wastewater in Council Buildings**. Our property team manage water bills and collate data for all metered sites. Of the 136 corporate water supplies that are billed, 17 are unmetered (12.5%) and are excluded from the data. A BEIS emission factor**Error! Bookmark not defined.** is then applied to water supply and wastewater. Note that this emission factor was reduced in 2022 to reflect decarbonisation of grid electricity used in the water industry, and the Council's emissions from water are therefore significantly lower than in previous years.

Table 2: ESCC 2021/22 Supply Chain Emission Estimates (excluding contracts with directly reported emissions)

Emissions source	2021/22 emissions CO2e (tonnes)
Ground passenger transport	67,398
Nursing and residential care	31,836
Non-residential maintenance	17,302
Other	16,682
Home healthcare	9,250
Manufactured products	5,290
Educational services	3,855
Architectural, engineering and related	31
Total	**151,644**

- **Business Travel (Grey Fleet).** This category relates to business travel, excluding Council owned or managed vehicles (which are reported under scope 1). It includes all mileage claimed in private or leased vehicles but excludes public transport and taxis. From the 2021-22 reporting year, car hire is included. The calculation is based on BEIS emission factors**Error! Bookmark not defined.** for the fuel type and engine size of the vehicle, applied to the distance travelled.

- **Electricity Transmission and Distribution Losses.** Losses related to electricity consumption reported in scope 2 are reported under scope 3. Standard emissions factors**Error! Bookmark not defined.** are applied to all electricity purchased (this excludes schools that do not buy in to the Council's energy supply service).

- **Waste Disposal from Council Sites**. Tonnages for total waste collected and individual disposal routes (e.g. landfill, incineration, recycling, composting) are provided by our contractor, Veolia. BEIS emissions factors[3] are then applied to these figures to calculate total emissions.

- **Highways Contract**. The highways contract is one of the Council's largest by value. Emissions related to the use of fuels, power, etc under the contract are directly reported by the current contractor, Costain.

- **Municipal Solid Waste Disposal Contract**. Emissions related to the disposal of municipal solid waste are the largest single component of the Council's scope 3 emissions. Inputs into contracted facilities are provided by the contractor, Veoila, and apportioned between the joint contractees (ESCC and Brighton & Hove City Council) by contract value. Emission factors are applied to these tonnages**Error! Bookmark not defined.** to calculate overall emissions.

4.2. Low Confidence Data

- **Employee Commute**. An estimate of employee commuting emissions was produced in 2020, based on home to work distances, days worked per year, ONS data on commuting by car in East Sussex[4] and BEIS figures for emissions from an average car**Error! Bookmark not defined.**. Emissions in 2021/22 were affected by pandemic related working from home, which fluctuated over the course of the year. We have therefore applied the same reduction seen in business mileage claimed to the employee commute emissions figure (and updated the average vehicle emission factor). A travel survey scheduled for late 2022 should enable us to better understand new working locations and produce a higher confidence estimate.

- **Supply Chain.** The Council currently has over 300 active contracts and purchases a large volume of goods and services through one off purchase

[3] Greenhouse gas reporting: conversion factors 2021 - GOV.UK (www.gov.uk)
[4] Mode of travel - GOV.UK (www.gov.uk)

orders[5]. Three large contracts report their emissions to us directly (covered under high confidence data, see **Error! Reference source not found.**), but emissions are estimated for the large bulk of contracts. For 2021/22, the Council contracted the consultancy Currie & Brown to produce a new estimate of supply chain emissions using the monetary value of the contract and activity-specific emission factors. The Council will continue to use this approach in-house. We also aim to require an increasing number of larger contractors to directly report their emissions as a contract condition, as contracts are re-procured.

4.3. Missing Data

- **Employees Working From Home.** Employees spending significant amounts of time working from home is likely to be a lasting side-effect of the pandemic. Additional emissions from heating, IT and lighting in employees' homes as a result of their home working (over and above their domestic use) form part of ESCC's scope 3 emissions. Currently, the Greenhouse Gas Protocol does not include a methodology for estimating these emissions and we lack the data to enable this to be calculated. Once the Protocol includes a methodology and we have the data available we will aim to include this information.

Appendix 5 – Draft Climate Change Communications and Engagement Plan



ESCC's Climate Change Communications Strategy: Corporate emissions

In 2019, East Sussex County Council declared a climate emergency and set a target of achieving net zero from our activities as soon as possible and in any event by 2050.

This Corporate Climate Change Communications plan sets out a strategy for corporate communications on climate change, relating to its own buildings, activities and the goods, works and services it buys.

Our aims for corporate communications and engagement are:

[5] See here Local Government Transparency Code for Contracts and Purchase Orders over £5k | East Sussex County Council

1. To raise awareness about climate change and net zero with staff and Members across the organisation and help them understand why there is a climate emergency, how ESCC's operations impact on climate change, and how they can reduce their impact on climate change in their work and in their daily lives.
2. To involve staff, Members, partners and service users in net zero plans. All staff members impact on climate change, and we are all part of the solution.
3. To demonstrate how ESCC is taking action on climate change and progress towards targets.

Corporate Climate Change Communications Plan

Aims	Outcome	Activities	Indicators	Audiences
Raising awareness	Staff awareness has been raised and staff have developed action plans to reduce emissions	**Training** • Create and launch 45-minute e-module for staff on climate change. • Further roll-out of 3-hour climate awareness workshops on line. • Pilot support sessions for staff for developing action plans after awareness training. • Promote opportunities for all climate emergency training through comms channels. • Carbon literacy training to be made mandatory for all new staff, subject to HRMB approval. **Comms** • Directorate environment champions scheme to launch (tbc). • Set up new climate yammer group. • Regular content to be shared to keep staff and Members engaged. • Spotlight specifically local impacts of climate change and celebrate stories of local positive action. • Seed climate change news and conversations through Yammer and other internal channels. Maintain content calendar of key dates. • Create an online newsletter for staff and public (tbc). • Comms via media, social media and *Your East Sussex* website.	• No. people undertaken e-learning and workshop. • No. staff developed action plans. • No. people attending action plan support sessions. • No. directorate champions. • Increased awareness levels (feedback forms)	All staff + Members

	Web content is up to date, is easy to find and informative.	• Review information architecture and set new structure for web content. • Web team undertaking analytics for existing webpages. • New content to be developed for website and intranet. • Dashboard to be created showing where we are on carbon targets. • Lists of schemes that people can access locally to be on webpage.	• Increased web traffic for climate change webpages.	Staff, Members and public
	Members are up to date and can communicate effectively about CC with constituents	• Members can find up to date information on the ESCC website about support available for residents and businesses to address climate change so that they can share this with the public.		Members and public
Engage staff from across the organisation	Staff ideas, energy and personal contributions have shaped ESCC's climate actions	• Town Hall event on 9 November 2022 – all staff invited. Aims are to: engage staff, raise awareness about targets and action plan, and brainstorm best ways for them to get involved. This should influence subsequent comms and engagement output. • Recognise variety of positions – some will want to move faster, others will not be interested. • brainstorm how to reach the less engaged. • Share aggregate updates about personal action plans from staff training. • Display team and individual contributions to reducing CO2 output. Share ideas.	No. attendees at town hall event. No. plans shared online.	Staff, Members
	Emphasise	• Focus on decarbonising strategy and delivery plans. (e.g. East Sussex environment strategy, electric vehicle charging, travel offers, electricity purchasing,		Public,

	and celebrate collaboration with partners	crowdfunding for community projects). • Embed simple, clear lists of available schemes, help and resources in our new climate change web pages. • Publicise grants, offers and crowdfunders through media, social media and newsletters (external and internal). • Use existing professional contact networks (including schools, businesses, suppliers) to share relevant ESCC policy updates (e.g. procurement policy).		Members, staff, partners
Demonstrate ESCC's approach and progress towards targets	Simple, regular and public reporting on our action to meet carbon reduction targets	• Develop and maintain a dashboard online to show progress against carbon budget. • Regular media, social media and internal communications coverage of ESCC projects (including schools) • Narrative and commentary pieces on progress (e.g. lead member video clips, occasional newsletters) • Bullet list of points agreed internally which can be used in emails to members of the public / staff / comments on press releases e.g. progress towards targets. • Transparency about both the figures and our challenges. • clearly differentiate between scope 1, 2 and 3 emissions in our communications.		Public, Members, staff, partners.

Branding

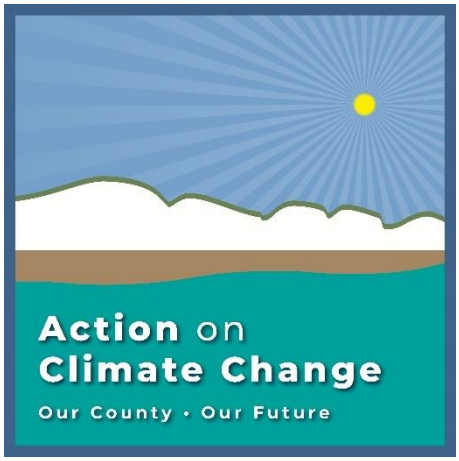
All ESCC comms around climate change should use the visual brand developed for this purpose ‘Action on Climate Change. Our County. Our Future’

This visual identity was devised in consultation with staff, Members and representatives of the youth cabinet.

It offers a variety of formats including email newsletter headers, web banners and square images for social media use.







Where we’re sharing campaigns with other partners, especially boroughs and districts, we have agreed that each will be free to apply their own branding to campaigns to tie into their mainstream activity. We will not seek to create a unified climate change brand for East Sussex, recognising different political priorities and approaches to the issue.

Evaluation

It will be important to measure not only the take-up of individual campaigns or stories but also to develop ways of measuring the depth and growth of engagement with staff, Members and the public.

These could include:

- Annual sample surveys to gauge knowledge and attitude.
- Take-up of carbon literacy training and/or offers (staff/Members).
- Community applications for Crowdfunder projects or other green grants.
- Numbers of businesses taking up climate change support.

Communications and engagement risks

- Members are not given clear explanations about climate change
- People do not understand communications due to jargon / are put off by technical language and concepts.
- Sustained criticism of ESCC in periods when climate targets are not met
- Failure to keep Members and staff engaged with progress
- Impatience from staff who want to move faster
- ESCC is blamed for issues outside its control
- Failure to build communication and engagement frameworks beyond the short term (especially meaningful data and evaluation)
- Possibility that climate change communication from within ESCC is fragmented and not coherent.

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Action on Climate Change

Our County • Our Future

East Sussex County Council's Climate Emergency Plan

2023 to 2025

East Sussex
County Council

Why does climate change matter?

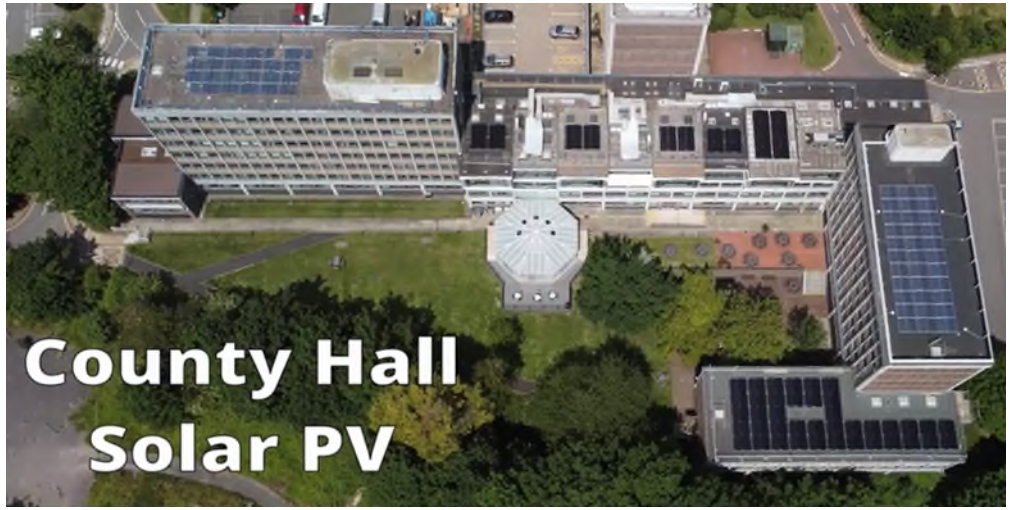
In 2018 the UN's Intergovernmental Panel on Climate Change (IPCC) concluded that "rapid, far-reaching, and unprecedented changes in all aspects of society" are required to limit the average global temperature rise to 1.5^{o}C above pre-industrial levels. Even half a degree above that will significantly worsen the risks of drought, floods, mass extinctions of animal species, and extreme heat and poverty for hundreds of millions of people. In 2022 the IPCC concluded that global greenhouse gas emissions need to stop rising withing the next 3 years to keep the average global temperature rise to below 1.5^{0}C.

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 vulnerable and elderly, damage to essential infrastructure, increased cost of food and disruption to supply chains and service provision, as well as greater coastal erosion.

The earlier and greater the reduction in carbon emissions the more likely we are to contribute to remaining within the global carbon budget and, conversely, the later and slower the reduction in emissions the more likely we are to contribute to exceeding the global carbon budget.

This Climate Emergency Action Plan covers the council's own activities. A more detailed report can be found here:

www.eastsussex.gov.uk/environment/priorities/what-we-are-doing



Between 2009-10 and 2021-22 the council cut the emissions within its direct control by over 66%. It invested in over 300 energy efficiency and renewable energy projects worth about £4m that have generated annual savings of over £850,000.

The council has also worked with partners to produce a separate Climate Emergency Plan that covers the whole county, which can be found here:

www.eastsussex.gov.uk/environment/priorities/environment-strategy

This provides more background information on climate change including the estimated costs, benefits and key challenges of getting to net zero in the UK.



The Benefits of Tackling Climate Change

Investing in measures that cut carbon emissions will bring a number of benefits, including:

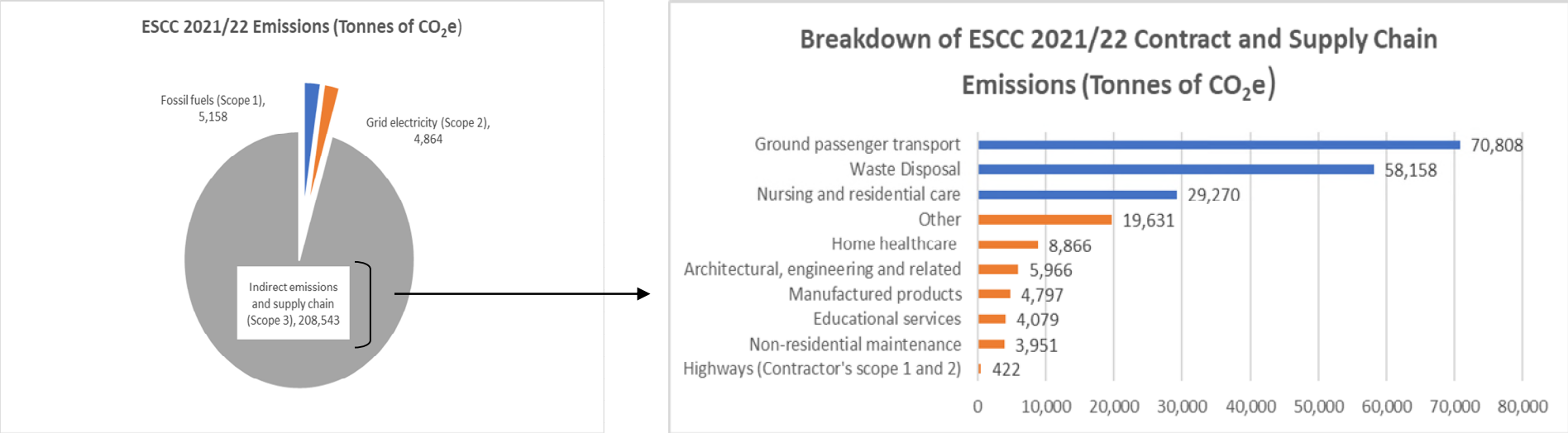
- **Greater prosperity**: as it will drive growth in those local businesses that provide environmental goods and services, such as insulation and solar PV.
- **Lower costs**: the government estimates that getting to net zero will cost less than 1% of GDP, but failing to stop run-away climate change will cost about 5% of GDP from having to invest in measures to adapt to the effects of climate change, such as more flood defences.
- **Better health**: there will be fewer excess winter deaths as a result of living in more energy efficient and warmer homes, whilst more exercise as a result of walking and cycling rather than driving, and replacing diesel and petrol vehicles with electric vehicles, will reduce the 40,000 premature deaths caused by poor air quality and reduce the cost burden on the NHS caused by ill-health.
- **Greater energy security and lower energy bills**: becoming more energy efficient and generating more power locally will reduce our reliance on imported oil and gas from other countries, many of which are in politically volatile regions.
- **An improved natural environment**: making changes to how land is managed and used can reduce carbon emissions from agriculture and offset carbon emissions.
- **Reducing the risks of conflict and need for migration**: the UN predicts that climate change will increase conflicts over resources and make a number of areas uninhabitable, which will force some populations to migrate.
- **Helping to address the parallel ecological emergency**: many measures that reduce carbon emissions also bring ecological benefits, such as tree planting.

We also need to continue to invest in measures to adapt to the effects of climate change that are now unavoidable.

The County Council's Carbon Footprint

The council provides services used by all residents in East Sussex, including providing care and support to children, families and the elderly; maintaining the roads and providing library services; and working to boost the local economy. To deliver these services the council owns a wide range of assets including schools, offices, day centres, care facilities and depots.

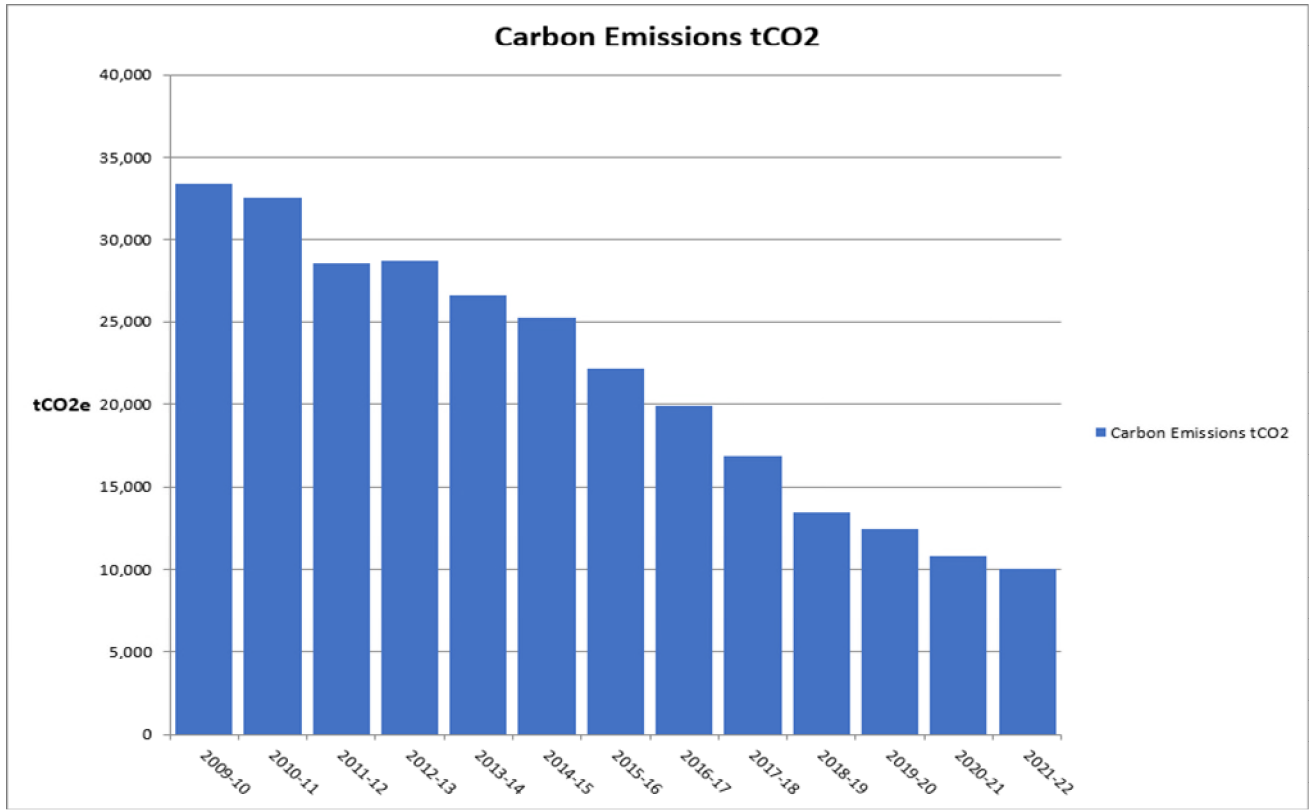
The figures below show the estimated carbon emissions from delivering these services and managing these assets. The council's emissions are about 12% of total emissions from East Sussex.



Most of the emissions within our control are from heating our buildings and most of this is from schools. Emissions that we can influence but don't control directly are from our suppliers, with the four main areas being contracts covering transport, waste, care services and property.

The Past

The council has had a carbon reduction programme in place since 2008. The graph below illustrates that between 2009-10 and 2021-22 the council cut the emissions within its direct control by over 66%. Steps taken by the council include investing in over 300 projects worth about £4m that have generated annual savings of over £850,000. Examples of projects include installing energy efficient street lighting and deploying about 1.5MW of renewable energy generation on buildings.





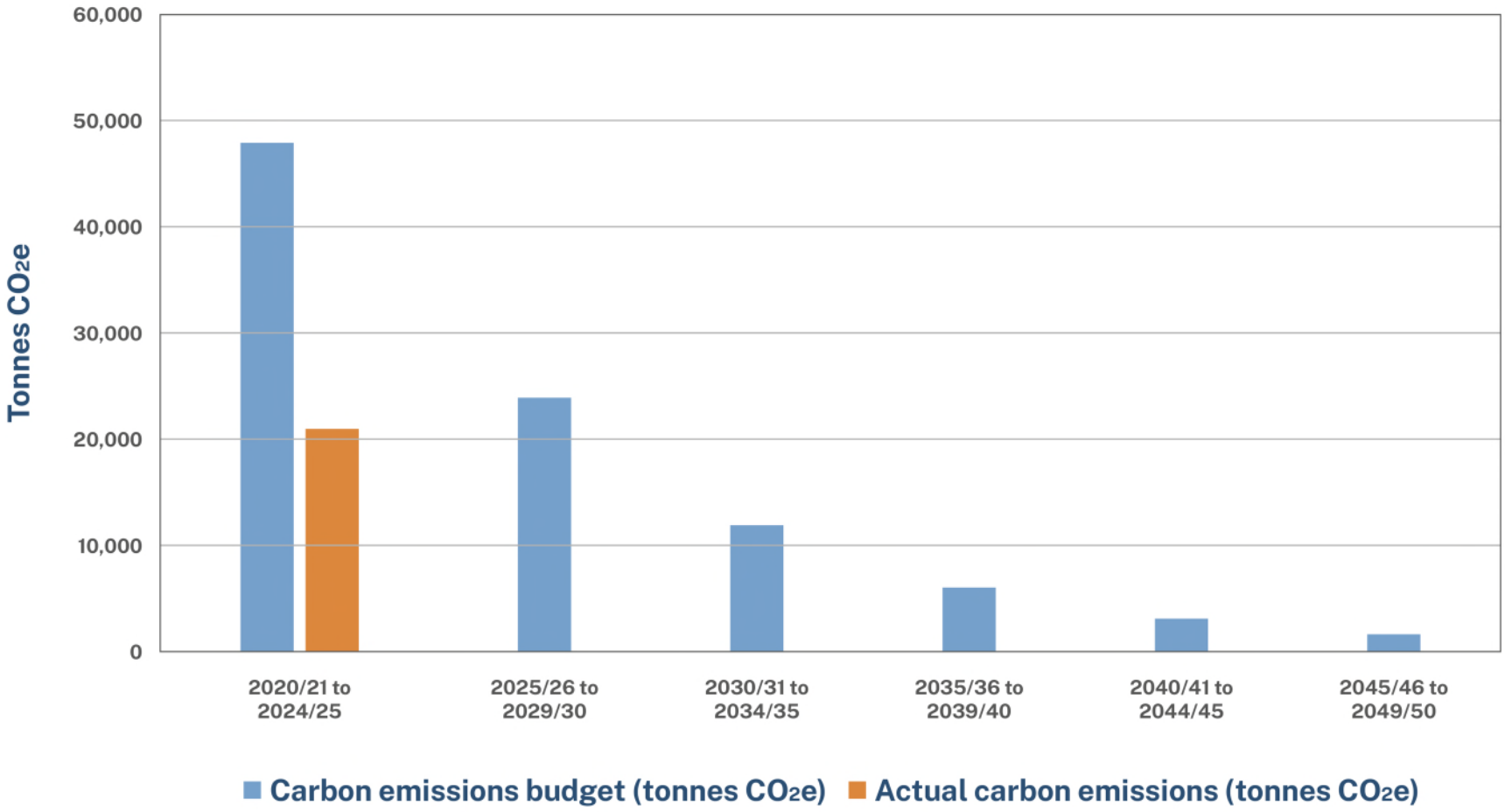


The Present

The council recognizes the important local leadership role that it has in contributing to net zero. In 2019 the council declared a climate emergency, developed a climate emergency plan for 2020-22 and committed a further £9.9m up to March 2025 to cut council carbon emissions further and faster.

To play its part in keeping the average global temperature rise to 1.5ºC above pre-industrial levels the council has committed to cutting its own emissions in half every 5 years. The graph on page 8 shows the rate of carbon reduction required for the emissions over which the Council has direct control up to 2050 (in blue) and progress over the last 2 years against the 5-year carbon budget for 2020/21 to 2024/25 (in orange).

Modelling commissioned by the council in 2022 highlighted that the most cost-effective measures to cut carbon are to improve energy efficient lighting, install solar PV, replace oil and gas boilers with heat pumps and replace petrol and diesel vehicles with electric vehicles. The modelling also concluded that it would cost the council about £200m up to 2050 to get to net zero for those emissions within its direct control.


60,000
50,000
40,000
30,000
20,000
10,000
0
Tonnes CO2e
2020/21 to 2024/25
2025/26 to 2029/30
2030/31 to 2034/35
2035/36 to 2039/40
2040/41 to 2044/45
2045/46 to 2049/50
Carbon emissions budget (tonnes CO2e)
Actual carbon emissions (tonnes CO2e)

Emissions We Can Influence

The council's total carbon emissions in 2021-22 were estimated to be 240,650 tonnes. This is equivalent to the average annual emissions of about 34,380 people in the UK and represents roughly 12% of the total carbon emissions from East Sussex. The vast majority of these emissions are from areas that the council can influence but does not have direct control over.

This is mostly from the goods, works and services that the council pays for to help deliver its functions, including major services such as highways maintenance, waste disposal, education and social care provision (the 'procurement' box below). This is typical for most local authorities.

The Council's Carbon Emissions		
Emissions controlled by the council		**Emissions influenced by the council**
Scope 1	**Scope 2**	**Scope 3**
Natural Gas | Fleet	Electricity	Procurement | Business Travel | Commuting | Corporate Waste | Water Usage

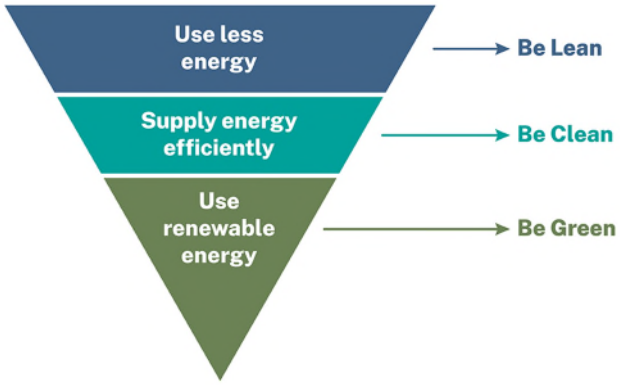
The council has developed an Environmentally Sustainable Procurement Policy with its partners at Surrey County Council and Brighton & Hove City Council. We are focusing on those contracts which generate the most carbon first, including transport, waste, care services and property. We are asking key suppliers to provide data on their carbon emissions and beginning to work with them to understand what they can do cut emissions.

For smaller, local suppliers we are offering them support to cut their carbon emissions and energy bills with grants of up to £10,000.

Guiding Principles

The council has set out the following principles to guide the development and delivery of its corporate carbon reduction programme:

1. **Organisational change**: the council will seek to embed climate change throughout the organisation.
2. **Carbon budget**: the council recognises the importance of early action and will aim to cut carbon emissions as quickly as possible, within the constraints of existing resources.
3. **Carbon hierarchy**: the council will follow the carbon hierarchy (see the figure) in a pragmatic way, seeking to cut emissions as quickly as possible and at least cost.



4. **Prioritisation**: the council will invest in decarbonising buildings that are expected to be retained in the long term and will only invest in assets, such as new boilers, where existing assets are due for replacement and/or are particularly energy inefficient.
5. **Making best use of resources**: the council will prioritise investing in carbon reduction measures in buildings where this will reduce energy bills.
6. **Mobility**: the council will support transport options for staff and Members that reduce carbon, support equality and do not adversely impact on service delivery.
7. **Off-setting**: the council will invest in high quality and verifiable offsets.
8. **New build**: the council will look to ensure that major construction works are net zero, where practicable, to minimise the risk of increasing the council's carbon footprint.

The Action Plan up to March 2025

The main actions that the council will implement over the next couple of years on its journey to net zero are set out below:

Area	Description	Carbon reduction
Corporate decisions	Develop and deliver a system to align council decisions with net zero objectives.	N/a
Buildings	1. Replace oil and gas boilers with heat pumps in 9 buildings (out of 259 buildings). 2. Install low energy lighting in 30 buildings. 3. Install solar PV on 30 buildings (taking the total to 34% of all buildings). 4. Update the Sustainable Buildings Policy.	190 tonnes of CO2e 100 tonnes of CO2e 17 tonnes of CO2e Medium
Travel	1. Develop and implement an updated staff travel plan. 2. Install electric vehicle charge points at key sites & replace smaller fleet vehicles with EVs.	Medium Low
Procurement	1. Gather more carbon data from suppliers to help set targets 2. Require carbon reduction and reporting from new contracts with high carbon emissions. 3. Support small local suppliers to cut carbon.	N/a High Medium
Offsetting	1. Establish and implement a carbon offset policy and plan. 2. Explore a power purchasing agreement.	High High
Adaptation	Develop and implement an adaptation plan.	N/a
Communication	1. Offer carbon literacy training to all staff, Members and schools. 2. Hold staff engagement sessions, co-develop communications for schools with Youth Cabinet.	Low Medium

For a list of all the actions please see:
www.eastsussex.gov.uk/environment/priorities/what-we-are-doing

Key Challenges

Despite the significant investment being made by the council to address climate change it is clear from the modelling work that the scale of funding to get to net zero is significantly greater than the council can afford, given other financial uncertainties and pressures. This is the same for most councils. Some investments, such as in low energy lighting and solar PV, deliver an acceptable return on investment. Other measures, such as replacing oil and gas boilers with heat pumps, provide a payback over a very long period, whilst interventions such as buying off-sets increase costs and deliver no financial savings.

The council has a good track record of bidding for external funds to help pay for carbon reduction. It will continue to do so, as well as explore other sources of funding and finance, such as the Public Works Loan Board. However, today it is unclear where all the money will come from to get to net zero.

The Future

The reason why the plan does not go beyond 2025 is because this is as far into the future as the council can reliably predict its finances. For funding beyond 2024-25 the council has a well-established annual process (called 'reconciling policy, performance and resources') through which budget allocation is made for core needs, including for climate change.

We are also in the early stages of having a comprehensive approach to some areas, for example carbon offsetting. The pipeline of activities is continually being developed and so the Action Plan will be reviewed each year. A new climate emergency plan will be developed in 2024 to carry on from where this plan ends in March 2025. The new plan will take into account changes in legislation, resources and technology.

We will continue to report on our progress every year.

The Bigger Picture

This Climate Emergency Action Plan covers the council's own activities. The council also delivers a number of programmes and projects that have reduced carbon emissions across the county, often in partnership with others. These include:

- **The fuel poverty programme**, overseen by the East Sussex Energy Partnership, which has coordinated a programme worth over £10m since 2016 to provide energy advice and improvements to insulation and heating for thousands of fuel poor residents.
- **Investing over £20m since 2014** to deliver improvements to walking and cycling infrastructure.
- **Securing over £40m** to improve bus services in the county.
- **Delivering approximately £500,000 of grants** to local businesses since 2018 to implement energy efficiency measures, which cut their energy costs and carbon emissions.
- **Working with public sector partners** to develop a co-ordinated plan for the roll-out of electric vehicle infrastructure in the county.
- **Supported over 250 households** to install solar PV panels on their properties through the Sussex Solar Together programme.

The County Council recognises that no single organisation, acting alone, has the powers or resources to secure the scale of change we need at a local level. It requires shared responsibility for making change and collective effort across the county from all of us. About 2/5^{ths} of the change required to get to net zero in the UK requires individuals and organisations to make changes to what we buy and about 1/5th needs to come directly from behavioural change, such as changes to how we travel and what we choose to eat.

We are all part of the solution to climate change.

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Report to:	**Cabinet**
Date of meeting:	**24 January 2023**
By:	**Assistant Chief Executive**
Title:	**Scrutiny Review of Use of Digital and Technology in Adult Social Care and Health – Report of the People Scrutiny Committee**
Purpose:	**To provide an opportunity for the Cabinet to consider the report of the People Scrutiny Committee.**

RECOMMENDATION:

To consider any comments the Cabinet wishes to make to the County Council on the report of the People Scrutiny Committee.

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1 Background

1.1 In March 2022 the People Scrutiny Committee established a Scoping Board to look into the merit of conducting a scrutiny review of use of digital and technology in Adult Social Care and Health (ASCH).

1.2 The Scoping Board heard that in line with the approach being taken by other councils, the Department was looking to encourage greater use of self-service options, such as online financial assessments and needs assessments; and linked to this, working towards implementing a 'digital by default' approach whereby digital and self-service means of contacting, accessing services from, and transacting with the Department are encouraged to be used as the primary route by those who are able to do so. 'Traditional' means of accessing services and contacting ASCH (in person or via telephone) will remain in place for those who require them. The Scoping Board also heard that significant cultural and behavioural changes are required to support this planned direction of travel. The Scoping Board concluded that based on the discussion with officers about the strategic challenges being 'digital by default' would help with, including the Department having capacity to deliver the planned care charging reforms, the topic would benefit from closer examination by People Scrutiny.

1.3 People Scrutiny Committee agreed at their July 2022 meeting that this review should explore what cultural and behavioural changes are needed to support greater use of online services, self-service options and adoption of a 'digital by default' approach by the Department, with a focus on the following service areas to avoid the review being too broad:

- Financial assessments
- Reviews (especially carer reviews)
- Information, advice and signposting
- Carer assessments

2 Supporting information

2.1 The People Scrutiny Committee has completed its review of the Use of Digital and Technology in ASCH. A copy of the report is attached at appendix 1.

2.2 The review considered the current take-up of digital and self-service options within the above service areas; the behavioural and cultural changes required to support greater take-up of digital and self-service options; and how those changes could be supported.

2.3 The review concluded it is supportive of the Department's ambitions to be 'digital by default' and the balanced approach the Department is taking to this planned direction of travel. The Review found there are a number of positive projects and programmes already underway -

including one on behavioural change that is specifically working to address the lines of enquiry for this review - and recommends the People Scrutiny Committee is kept up to date on progress and outcomes of those. The review has identified areas where activity, both internally in ASCH and with partners, could support greater use of the platforms and innovations being put in place that it is recommended that the Department now explore in greater detail.

2.4 The Committee's report will be submitted to the County Council on 7 February 2023. The Cabinet has the opportunity to comment to the County Council on the recommendations in the Scrutiny Committee's report, although it cannot alter the report. Elsewhere on this Cabinet meeting agenda (item 8b) there is a separate report by the Director of Adult Social Care and Health commenting on the Scrutiny Committee's report and recommendations.

3. Conclusion and reasons for recommendations

3.1 Cabinet is invited to consider any comments it wishes to make to the County Council on the report of the People Scrutiny Committee.

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East Sussex County Council

Scrutiny Review of Use of Digital and Technology in Adult Social Care and Health.

Report by the Review Board:

Councillor Penny di Cara (Chair)

Councillor Nuala Geary

Councillor Wendy Maples

People Scrutiny Committee – 16 December 2022

Cabinet – 24 January 2023

Full Council – 7 February 2023

The report of the Scrutiny Review of Use of Digital and Technology in Adult Social Care and Health

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Recommendations

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2	**The People Scrutiny Committee should be informed of the progress of take up of Online Financial Assessments, and feedback received, as part of the monitoring of this Scrutiny Review.**	11
3	**The Department should continue implementation of learning from other local authority Adult Social Care departments to improve take-up of Online Financial Assessments and turnaround time of financial assessments, particularly considering introducing Robotic Process Automation.**	12
4	**The Department should continue to explore opportunities to simplify operational processes alongside implementing the Being Digital programme.**	16
5	**The People Scrutiny Committee should be informed of progress against Being Digital programme targets as part of the monitoring of this Scrutiny Review.**	16
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7	**The Department should reflect feedback from residents who have benefited from digital and self-service options in communications to staff.**	19
8	**Information on Being Digital and the digital and self-service platforms on offer in ASCH, should be included in all new ASCH staff inductions.**	19
9	**Digital transformation should be included as a discussion point in team and 1-2-1 (where appropriate) meetings within areas undergoing rollout of a new digital or self-service platform; and in ongoing departmental communications (such as Yammer, To The Point and Brief Encounter).**	19
10	**The Department should continue to work with colleagues through the One Council Digital Inclusion programme to map the digital inclusion offer in East Sussex, and, where appropriate, share this with adult social care and health staff and partners.**	21
11	**The Department should ensure it is promoting to staff, and utilising, the range of national and local digital inclusion resources and schemes available in moving to being digital by default.**	21
12	**The Department should explore opportunities for partners, including voluntary sector organisations, to support engagement with and signposting to ASCH's digital offer.**	23

13	**The Department should consider whether a Digital Ambassador Scheme could provide added value to Being Digital, informed by learning from the NHS Digital First Digital Ambassador pilot when it concludes, and consideration of other models.**	24

Introduction

1. The Adult Social Care and Health (ASCH) Department has an overarching medium term digital strategy, the Being Digital Strategy (2020-23). The Strategy was developed in autumn 2020 to provide the Department with a more structured oversight of the range of digital developments and innovations taking place; and to set a vision for the Department to have in place digital capabilities that meet the range of needs of the ASCH community and workforce, in order to support and enable effective service delivery.

2. The People Scrutiny Committee was made aware at its March 2022 meeting that although the ASCH Department has an established digital strategy for the medium term, there is a need to look further ahead at how digital technology and other technological innovations can maintain provision of a high standard of care and support sustainability of ASCH services in the next five-to-ten years, and the Department welcomed the Committee's input on this.

3. A Scoping Board met on 5 July 2022 to consider whether to proceed with a review of this topic. In addition to hearing about the range of work underway to deliver the Being Digital Strategy and discussing additional opportunities technology offered for meeting the needs of ASCH clients, the Board heard that the Department had recently agreed a future direction of travel for its digital work.

4. In line with the approach being taken by other councils, the planned direction of travel includes encouraging greater use of self-service options, such as online financial assessments and needs assessments; and linked to this, working towards implementing a 'digital by default' approach whereby digital and self-service means of contacting, accessing services from, and transacting with the Department are encouraged to be used as the primary route by those who are able to do so. 'Traditional' means of accessing services and contacting ASCH (in person or via telephone) will remain in place for those who require them.

5. The Scoping Board heard that introducing the digital capabilities to support this direction of travel is expected to result in better and simpler experiences for clients and carers in their interactions with the Department (particularly in being able to manage their care and access services at a time that works for them), as well as improvements in the efficiency and accuracy of work with partners and providers. The approach will also ensure ASCH resources are being used most effectively given ongoing demographic, resource and workforce pressures, and anticipated increased demand arising from the planned care charging reforms. However, the Department knows that significant cultural and behavioural changes are required to move to being 'digital by default'. These changes relate to both the way staff work and to clients', carers' and providers' behaviour and attitudes towards use of digital services and channels.

6. The Scoping Board concluded that based on the discussion with officers about the strategic challenges being 'digital by default' would help with, including the Department having capacity to deliver the planned care charging reforms, the topic would benefit from closer examination by People Scrutiny.

Terms of Reference

7. On the recommendation of the Scoping Board, the People Scrutiny Committee agreed at their July 2022 meeting that this review should explore what cultural and behavioural changes are needed to support greater use of online services, self-service options and adoption of a 'digital by default' approach by the Department, with a focus on the following service areas to avoid the Review being too broad:

- Financial assessments
- Reviews (especially carer reviews)
- Information, advice and signposting
- Carer assessments

8. Members agreed that this would be explored through the following key lines of enquiry:

1. Within the service areas outlined above:
    a) To what extent are residents, clients, carers and/or providers currently using online services, self-service options and/or digital communication channels?
    b) If there is high or low use, why is that?
    c) Why do people choose to use the channels they do to communicate with ASC in these areas?
    d) What cultural and behavioural changes are needed to support greater use of online services, self-service options and/or digital communication channels?
    e) How can that cultural and behavioural change be encouraged?
2. The review should also look more broadly at:
    a) What insights are there from other councils that have a high take-up of online services and have implemented a ‘digital by default’ approach on the cultural and behavioural changes needed?
    b) How have they encouraged those?

Background

Being Digital Strategy and Programme 2020-23

9. The Being Digital Strategy 2020-23 is published on the East Sussex County Council (ESCC) website. The Strategy is supported by an ambitious programme of work, spanning some 35 projects, focussed on deploying digital technology to improve the way clients and carers transact with ASCH, improve efficiency of business processes and support smoother and enhanced partnership working within the broader health and social care system. A Being Digital project team is leading delivery of the Strategy and Programme and this work is overseen by a Departmental Being Digital Steering Group.

10. The Programme is underpinned by a detailed roadmap, setting out the projects underway to deliver the Strategy's ambitions. Some Being Digital projects that will deliver more self-service options within the services in the scope of this Review include:

- Online Financial Assessments – Most ASCH services are chargeable and most people will pay something towards, or for all, the costs of their care. Where a social care assessment determines that a person has eligible needs under the Care Act, a financial assessment is completed to determine the level of contribution the person will need to pay towards the cost of their care and support. The Department already has an online portal in place that enables people to complete financial self-assessments once they are assessed to have eligible needs.
- Client Finance Portal – This portal is being procured by the Department and will enable clients with eligible needs to track their client contributions relative to the planned care charging cap once introduced. This is a key tool for the Department implementing the processes to support the planned charging reforms.
- Client Account - Another tool that is planned to be provided to enable clients to see documents relating to their care, communicate with practitioners and sign documents electronically. This will give clients greater control of their care.
- Carer's Assessments - All unpaid carers have a right to a carer's assessment. The assessment looks at their needs and what support is available to help them to continue in their caring role. The Department already has an online self-assessment form that carers can complete in their own time and send to ESCC.
- East Sussex 1Space – This is an online directory of care and support services which has long been a pillar of ASCH's digital offer. The site has been online for almost ten years, but work is underway to ensure the site is more prominently displayed on ESCC's webpages.
- Artificial intelligence (AI) chatbots - a chatbot (called a Digital Assistant) is already in use on the ESCC website to answer questions about blue badge applications. Being Digital will explore other opportunities to employ this technology on the website.

11. The Department's current public facing, self-service offer can be accessed through online forms available on the Adult Social Care Portal on the ESCC Website.

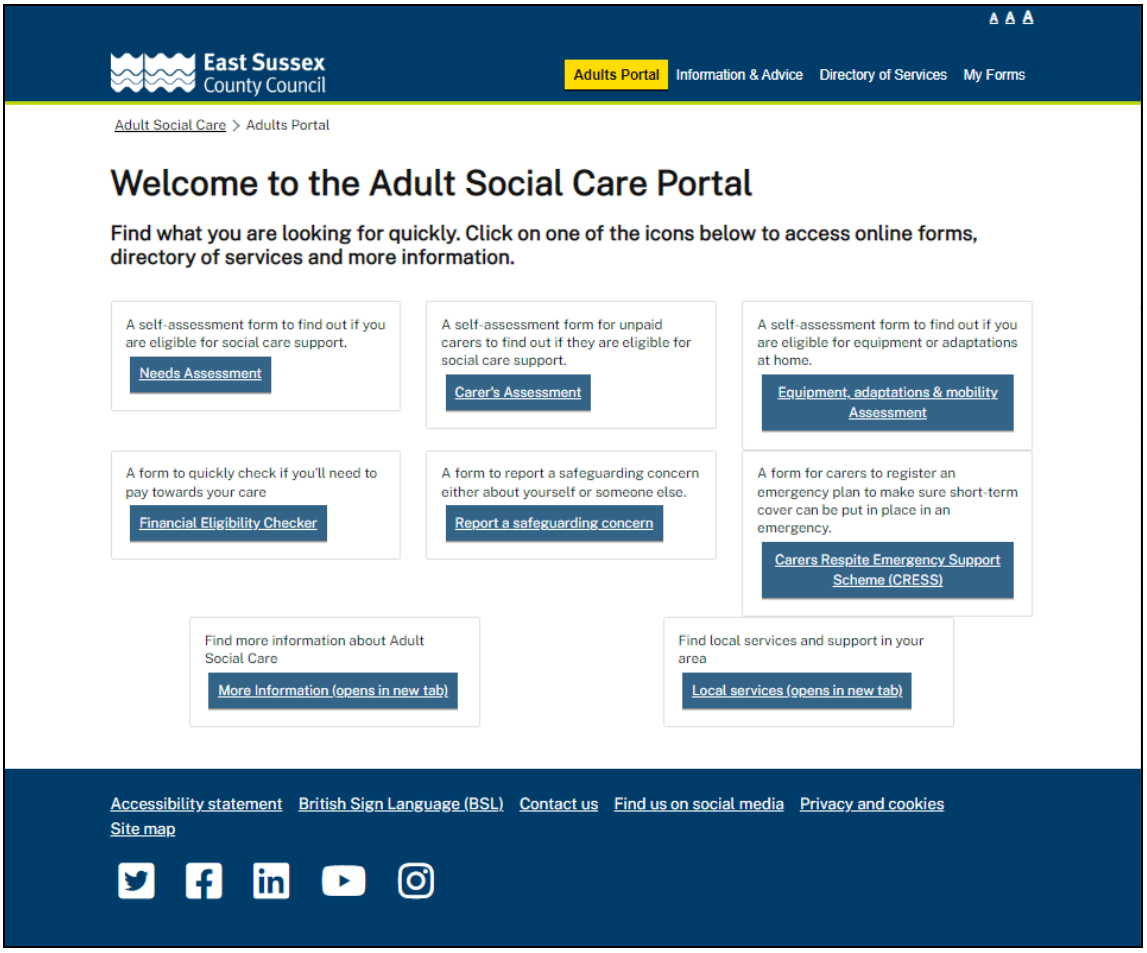


Figure 1. Adult Social Care Portal – Website Screenshot

Local and National Context

12. The context to the ASCH Department introducing more self-service and digital options, and encouraging those to be the primary route into the Department for those able to use them, is:

- **Changing expectations** – the Department is aware of the growing number of activities and services people are able to undertake and access online in managing their day-to-day lives, from applying for a passport to buying a house to having a doctor's appointment, and that this trend was rapidly accelerated during the coronavirus pandemic. The Department is seeking to anticipate growing expectations that residents will be able to access a similar digital offer from ASCH services, given the increased flexibility, accessibility and control such an offer can provide for residents trying to find information about our services and/or manage their care.

- **Ongoing rising demand from demographic changes** – East Sussex has a growing elderly population, already at levels that will not be reached nationally for decades. While our local population is ageing, the needs of people requiring support are also increasing. This has increased demand for ASCH services which requires the Department to make best use of stretched resources.

- **Workforce pressures** – the Department experiences a range of challenges in recruitment and retention of staff which stretches capacity. The Department must ensure staff time and resource is being used in the most effective way, with repetitive and process-based work limited wherever possible to free up staff time to focus on other work, including with clients.

- **Planned charging reforms** – the Government is planning to introduce reforms to the way people pay for social care, including introducing an £86,000 lifetime cap on the amount an individual has to pay for personal care, introducing a more generous means-test for local authority support and equalising the costs between people who fund their own care (self-funders) and local authority clients. At the time this review was conducted, the reforms were intended to be introduced from October 2023, although the Government has since announced that implementation will be delayed until October 2025. The Department has assessed that implementation of these reforms will result in an increase in the number of people approaching the authority for a Care Act assessment of their eligible needs and a financial assessment. This will further increase demand on ASCH services and greater use of digital and self-service options is expected to be a significant enabler of the Department meeting this demand within restricted resources.

13. Nationally, the Government has made a commitment to ensuring that the opportunities presented by use of digital technology, for improving independence, quality and sustainability of social care are fully realised. The Department of Health and Social Care has published a Plan for Digital Health and Social Care (June 2022) which outlines the recognised benefits from digital transformation of health and social care and a national vision for embedding digital technology and achieving a digitally transformed health and social care system by 2028. The People at the Heart of Care White Paper (December 2021) also made a commitment to invest to drive greater adoption of technology and to achieve widespread digitisation across social care, building on the way digital technologies transformed delivery of care achieved during the coronavirus pandemic.

Review Board Findings

Part 1: Understanding the current offer and uptake

14. In addressing the Review's first three lines of enquiry, the Review Board sought to understand the current position in provision of digital and self-service options by ASCH within the service areas covered by the review; take-up of those options; and any barriers to their greater use.

Online Financial Assessments

15. One of the areas in which the Department has made notable progress in implementing a self-service approach is the provision of online financial self-assessments (OFAs). The Review Board heard that the delivery model of the financial assessment service has undergone quite significant change in recent years, moving from a service that was mostly delivered face-to-face including in people's homes, to being offered via remote assessment, to now encouraging those who can to complete self-assessments using a digital form.

16. While all residents can complete a financial eligibility checker on the ASC portal to determine if they are likely to pay the full cost of - or make a contribution to - their care, residents need to have been assessed as having eligible needs under the Care Act to be sent a link to the full OFA. This requirement has been introduced within the last year and has improved the acceptance rate of self-assessments, but is reliant on practitioners sharing the link to the form. The Review Board heard that while consistency in practitioners sending the forms has improved, and the number of forms completed has increased over time, sending the link is perhaps not yet fully integrated into practitioners' standard approach. The Department has a programme of behavioural change work underway to encourage more active sharing of the link which is covered in section two of this report.

17. The Review Board heard from the Head of Service for Hospitals, Finance and Continuing Healthcare that a new Financial Services offer is currently being designed in which the digital offer is seen as core to delivery in future, and it is planned for a team within ASCH to pilot making OFAs the default route for individuals requiring a financial assessment in winter 2022/23. The service is also looking to streamline the process for financial assessments to reduce the amount of information required to undertake an assessment.

18. The Review Board heard that in the Head of Service's experience, ESCC is advanced in its digital offer, as some councils are not yet able to offer an online assessment. In terms of take-up, between January and August 2022, 330 links to the OFA form were sent and 68 forms returned; a return rate of 21%.

19. The Review Board asked whether the Department knew whether people not completing a form were choosing not to complete an assessment outright or defaulting to the non-self-assessment route. The Head of Service responded that while staff will follow up with anyone who does not use the link sent to ensure they have access to a financial assessment if they require one, the service does not currently collect feedback on whether individuals are choosing not to complete an online self-assessment or are not completing an assessment at all. Feedback is also not currently collected by the service on what might be preventing people completing a self-assessment or, more broadly, on the online form. The Head of Service thought that this could be addressed in the planned pilot to make OFAs the default route for financial assessments. The Review Board agreed this would be beneficial and asked that the Department ensure that any insights from feedback that could support and encourage take-up of online financial, and other, self-assessments were captured and responded to.

Recommendation 1

The Department should ensure the planned implementation of Online Financial Assessments being the default route for financial assessments collects feedback from users on the form, including on any barriers to completing it, and why those who were asked to complete an online assessment and did not, chose not to.

Recommendation 2

The People Scrutiny Committee should be informed of the progress of take up of Online Financial Assessments, and feedback received, as part of the monitoring of this Scrutiny Review.

20. The Review Board noted that, in terms of delivery of these recommendations, the move to OFAs being the default route of assessment was part of a wider programme of changes to the financial assessment service, and timescales for implementation of this whole programme of work may fall beyond the People Scrutiny Committee's period of monitoring of this Review.

21. While the Review Board heard that ESCC is relatively advanced in its digital financial assessment offer, the return rate of 21% cited above and other evidence considered showed there are opportunities to improve take-up of OFAs. The Review Board asked what proportion of all financial assessments are currently completed online and heard that as of October 2022, just under 1% of all ESCC's financial assessments are currently conducted online. Comparatively, other local authorities have reported to ESCC a much higher rate of financial assessments being completed online, up to 60% in some areas.

22. Other local authorities have been successful in encouraging people to use OFAs as the primary route of assessment and both ESCC and a large number of other local authorities have sought to learn from their approach as a result. Learning is of particular interest where the same IT systems and providers as ESCC are in use, as replicability should be simplified. The Review Board considered detailed learning from the approach taken by others and were updated on how this is being applied in ESCC. This included that:

- **Considered thought has been given to messaging** – website content sets expectations of clients undertaking assessments online where possible and senior managers have signed up to a 'Digital First' approach and actively promote it with staff. The language used to describe the increased use of self-assessments has also been carefully considered to ensure the change is described positively and to reduce anxiety about the change. The Review Board heard that in ESCC, the ASCH Department Management Team has also agreed to and supports a 'Digital First' approach and message.

- **Staff are equipped with scripts or calling cards** – this supports them to encourage clients to complete the online assessments and to determine who can complete assessments online and who may need support or lack capacity to complete them. These people may be offered traditional pathways (a phone call or visit). As mentioned above, in ESCC the approach to equipping staff to encourage take-up of OFAs has been considered through a behaviour change programme covered in section two of this report.

- **'Live Agents' are available during standard office hours** - to respond to queries which reduces emails and phone calls regarding the forms and increases timeliness in responses. At the time the Review Board considered their evidence, another local authority was also looking to introduce a **chatbot to answer frequently asked questions about OFAs**. The Review Board heard that ASCH is also considering how use of chatbots in ESCC could support people with the process of completing OFAs.

23. As part of this evidence, the Review Board heard that another local authority had achieved a much shorter average turnaround time for financial assessments than is currently being achieved in ESCC. The Board heard that application of Robotic Process Automation (RPA) to the back-office finance system helped speed up the processing of financial assessments. The Scoping and Review Board heard that ASCH is exploring implementation of RPA at ESCC, including in support of processing financial assessments, as it has the potential to free up hundreds of working hours spent on repetitive, administrative tasks every year. ESCC is also implementing a change management project to improve turnaround time for financial assessments as part of the broader programme of work referenced above. The Review Board was supportive of and reassured by the range of actions the Department is seeking to take to improve take-up of OFAs and turnaround time of financial assessments.

Recommendation 3

The Department should continue implementation of learning from other local authority Adult Social Care departments to improve take-up of Online Financial Assessments and turnaround time of financial assessments, particularly considering introducing Robotic Process Automation.

Chatbots

24. As outlined in the background to this report, a chatbot (known as a Digital Assistant) is already in place on the ESCC website to answer questions about blue badge applications. The Review Board heard that the chatbot is thought to work well in the blue badge service because there are a relatively limited set of questions that can be asked. The Being Digital Team have experienced some scepticism and challenge around whether chatbots can be used more widely to respond to more complicated queries in other service areas. The Department is looking to other local authorities that are using chatbots more broadly in order to learn from the effectiveness of this and opportunities it presents for ESCC. The Review Board supported the opportunity to learn from this.

25. In light of the potential for chatbots to be utilised more by ASCH in future, the Review Board explored both the reliability and limitations of chatbots. The Review Board asked officers about accuracy and usability of the blue badge Digital Assistant and heard that the service did a lot of work when implementing the chatbot to ensure the information on the website is clear and easy to follow; audits of chat logs are undertaken for accuracy; and the chat bot will check whether the information provided is useful and provide ‘hand-offs’ to a member of the team or signpost to other sources of information if needed. Between October 2021 and late September 2022, 3342 questions were asked of the chatbot, with a 93% success rate on it providing the information users required.

26. The Review Board heard that there is a current limitation on use of the chatbot in that cookies (small blocks of data created by a web server while a user is browsing a website) have to be enabled for it to be visible on the webpage. The Review Board also heard evidence from an East Sussex resident and Lay Member of the Being Digital Inclusion Group (see paragraph 66 below for more information about the Group) that in their experience providing support to older people and people with learning difficulties to use digital tools and services, chatbots can be challenging for some people to use. The Lay Member said that the challenges can arise as older people and people with lower levels of literacy sometimes do not know that keywords or phrases can be required to trigger the responses needed for the chatbot to work. This correlated to evidence the Review Board received that the accuracy of the blue badge chatbot results will vary depending on the way the question is phrased and that work is underway to improve this. It was also noted that the use of Artificial Intelligence (AI) in the existing blue badge digital assistant does enable the chatbot to 'learn' from the information it receives (such as colloquial phrases). The Review Board sought assurance that chatbots, and broader ASCH website content, were accessible for those with English as an additional language and had confirmation from officers that language used on the website, and by the blue badge digital assistant, was intentionally simple and accessible so that it could be easily translated by online translation tools.

27. The Review Board concluded that on the basis of evidence they have considered, particularly the 93% success rate of the digital assistant on the blue badge webpages, they are supportive of the Department exploring greater use of chatbots on the website; and recognise the role chatbots could play in supporting people to access the Department's future digital offer. The Review Board acknowledge that there are some limitations to their use and initially had some reservations about their effectiveness and accessibility, but were reassured by officers' responses to questions asked throughout the Review, particularly recognition that chatbots had to be designed so that they used the most simplified, accessible language possible.

Carer's Assessments and Reviews

28. Another area in which the Department has put in place the technological capabilities for people to self-serve is carer's assessments. As outlined above, these can be completed completely independently online. Those who require assistance with completing the form can ask for help from Care for the Carers (CFTC), a charity commissioned by ESCC and the NHS to be the Carers Centre in East Sussex and provide support for anyone who cares for someone who would not be able to manage without them. ESCC monitoring shows that use of carer's self-assessment forms on the ASC Portal is high but this is influenced by a project involving use of the forms by CFTC (see paragraph 31 below).

29. The Review Board heard evidence from the Chief Executive of CFTC which covered that CFTC is seeing an increase in demand for support for carers, and that the charity is therefore supportive of the opportunities digital provides to work differently with partners to meet this demand and to provide options to help carers help themselves, where it works for them.

30. The Review Board asked about feedback CFTC has received about the digital Carer's Assessments offer from ESCC and the Chief Executive outlined that there is a mixed picture among carers with how much they want to engage with a digital offer. CFTC has heard clearly from some carers that they do not want to use support via digital means whereas others are supportive. The Board did hear from both the Chief Executive of CFTC and the ESCC Strategic Commissioning Manager for Carers that carers are often busy, managing lots of different demands and can be reaching out for support in a time of crisis. In these circumstances, being asked to complete an online form to assess their needs may not always be appropriate or welcomed. The Review Board heard it is therefore important to maintain an alternative option for accessing support and the Chief Executive of CFTC did not feel that encouraging greater use of the online self-assessments was the greatest opportunity digital presented for carers.

31. Instead, the Review Board heard from the Chief Executive of CFTC that digital presented an opportunity for enabling the system that interacts with - and provides support to - carers to work more effectively together, in a joined up way. CFTC has seen the potential for this in being commissioned by ESCC to undertake Reviews of Carer's Assessments; whereby CFCT are commissioned for two members of staff to conduct reviews over the phone, input information directly into the Carer's Assessment form on the ASC Portal and then submit that to ESCC. The Chief Executive of CFTC expected planned further developments to this approach to reduce administration time and duplication of work for both CFTC and ESCC. It was also noted that the particular commissioning arrangement CFTC has with ESCC has enabled smooth information sharing, as well as a range of other benefits in how support for carers is provided in East Sussex.

32. Being Digital knows that digital presents a significant opportunity to better join up services and, while not considered in detail as part of this Review, the Programme has a strand of work focussed on delivering projects that will put in place the digital platforms and enablers to support the health and social care system to work better together. These include:

- **Delegation Portal** - this system allows ASCH practitioners to delegate parts of forms to other practitioners and professionals to complete (e.g. part of a form to be completed as part of a safeguarding investigation), and is intended to be the default route for seeking some information from third parties in future. There are a number of benefits to the portal including reducing the need for transcription from current media, such as email, as information will be entered straight into ESCC's ASC case management system; it is secure; there is less risk of incomplete information being provided; and it creates a digital audit trail.

- **GP to Local Authority referrals** – Health and Social Care Connect (HSCC), the telephone contact centre for ASC services in East Sussex, receives thousands of referrals from GPs per month which are currently manually inputted into ASC's case management system. This project is looking at how these referrals can flow from primary care (using their patient record service) directly into ESCC's case management system.

- **Plexus** – this is a project to connect health and care records for practitioners across Sussex.

The current position elsewhere

33. The Review Board also considered take-up of self-service and digital options in other areas. The Review Board heard that account registrations on the ASC Portal have increased year-on-year but are perhaps not yet at a level that could reduce demand from queries to the HSCC team. Form submissions on the ASC Portal have also increased in the last year but there is not a uniform rise across all form types because not all business processes align with the forms on offer, which the Department is seeking to address in the broader move to being 'digital by default'.

34. In terms of HSCC, the service has seen a natural shift towards people using digital means to contact them. When HSCC was established in 2016, the access point saw about 4,000 contacts a month. Around 20% were by email, 70% by phone and another 10% were by various other methods including fax. Now HSCC see around 7,000 contacts a month, 7% of those are from the ASC portal, 49% by phone and 44% by email. The Review Board queried whether the reduction in use of phone is due to callers not being able to get through, and the service manager explained that while the rate of 'dropped calls' was higher than the Department would want it to be, they were not being flagged as a reason for a high number of complaints to the Department at the time of the Review. The service also has an arrangement where if there are long wait times for calls, there is an option for the caller to leave a voicemail and a member of the Team will follow up.

35. Applications for a blue badge can also be completed online (using a GOV.UK form that is processed by ESCC) via ESCC's webpages and 70% of Blue Badge applications are now conducted online (of approximately 550 applications per month). Blue badge reviews can also be completed online and there is an upward trend in the number of people completing reviews that way. The Review Board heard from the service manager that the pandemic encouraged this shift to a certain extent.

Rationale for moving to 'digital by default'

36. In reviewing the current position, the Board received a range of evidence on the Department's rationale, and considerations it had made, in deciding to encourage greater use of digital and self-service options.

Benefits

37. As covered in the introduction, the Scoping and Review Board heard that ASCH anticipate there to be real benefits of the approach for residents, clients and carers in being able to access information and apply for and assess their eligibility for services at a time that suits them and that matches broader expectations of how residents should be able to manage their lives online. During their evidence session, the Lay Member of the Being Digital Inclusion Group confirmed they would expect to be able to undertake more administrative and process-based tasks, such as financial assessments and applications for documents such as blue badges, online. Implementation of further technology to support faster processing of applications and assessments submitted is expected to also improve the experience of clients and carers.

Digital and Internet Usage

38. The Review Board heard at its Scoping Board meeting that in considering setting its direction of travel to encourage greater use of digital and self-service options, the Department has considered whether it is reasonable to expect the ASCH community to be able to self-serve.

39. Figures from the Office for National Statistics (ONS) on internet usage suggest that to a certain extent this is a reasonable expectation, as internet usage has grown, including in age groups that make up a larger proportion of the ASCH client base and may typically be perceived as less likely to use the internet:

- From January to February 2020, 96% of households in Great Britain had internet access, up from 93% in 2019 and just 57% in 2006.
- Internet connections in households with one adult aged 65 years and over had increased by 7 percentage points since 2019 to 80%.
- Internet usage is almost universal in adults up to 64 years. Perhaps expectedly, adults aged 75 and over was the lowest group of internet users in the UK. However, this group has shown the highest increase of internet use, over and above any other age group, at an increase of +13 percentage points between 2018 and 2020.

40. It should be noted that these figures are also pre- the coronavirus pandemic which widely drove increased use of digital and the internet to undertake communication and day-to-day activities such as shopping and accessing GP appointments.

Limitations

41. The Department recognises that there are limitations to use of self-service and digital options in providing services. The Being Digital Strategy highlights national data suggesting that people aged 75 and older and disabled adults are more likely to be non-internet users and, given that these demographic groups form a large proportion of the ASCH client base, digital inclusion is a core consideration in delivery of the Being Digital Strategy and Programme. This is covered in more detail in the second section of this report.

42. There was also recognition in the evidence heard of the distinction between digitisation of process-based transactions, such as completing a blue badge application, and digitisation of the processes people use to contact ASCH services to reach out for support at a time of unexpected change, or of potential crisis, when they may be really concerned for the welfare of their loved ones. The Department is clear about the importance of maintaining an option for residents who need it to be able to access services via a 'human' conversation, whether that be over the phone or face-to-face, while also recognising that increasing the digital and self-service offer has considerable potential to free up staff time and resource to focus on providing that human support for those most in need.

Conclusions and support for the planned direction of travel

43. Informed by all the evidence considered above, the Review Board has concluded that it is supportive of the work the Department is undertaking to deliver more self-service options and the planned direction of travel to move towards being 'digital by default'. The planned direction of travel builds on a natural trend in people choosing digital means to contact and transact with the Department, demonstrated by the shift in methods of contact to HSCC, in growing registrations to the ASC Portal and use of blue badge forms, and the Board also recognises that general expectations of what people should be able to be do online have shifted in recent years, particularly following the coronavirus pandemic.

44. There are opportunities to increase use of OFAs and opportunities to grow use of other self-service forms on the ASC portal and there are expected to be benefits of the approach in making best-use of ASCH resources. While not a core motivation of the Department's work, the Review Board noted in considering learning from approaches taken by other local authorities that shifting people's method of engaging with services online has the potential to deliver financial savings.

45. The Review Board particularly welcomes the balanced approach the Department is taking to this planned direction of travel, and the recognition of limitations in the approach. The Review Board were reassured by the recognition throughout the review that 'human options' for interactions with ASCH services must not be lost and that digital inclusion is a core consideration of the Department's work.

46. More broadly, there are clear benefits to use of digital for joining up service delivery and the Board are very supportive of ambitions Being Digital has to deliver this. The Review Board also concluded that it is supportive of any future efforts to streamline processes, such as that planned for financial assessments, particularly in light of evidence that time may be a limitation to carers, in particular, completing self-assessments and assessments on behalf of others.

Recommendation 4

The Department should continue to explore opportunities to simplify operational processes alongside implementing the Being Digital programme.

47. Finally, as part of its evidence gathering, the Review Board asked if the Being Digital Programme has metrics or targets to measure success. It was confirmed that at the time of the Review, the Programme was working to put in place a range of measures to track success of its projects with clear, ambitious, but realistic, targets wherever possible. The Review Board asked for the People Scrutiny Committee to be kept up to date on progress against those targets.

Recommendation 5

The People Scrutiny Committee should be informed of progress against Being Digital programme targets as part of the monitoring of this Scrutiny Review.

Part 2: Ways to support behavioural and cultural change

48. To address the remaining key lines of enquiry for the Review, the Review Board considered evidence on the behavioural and cultural changes required to support greater take-up of online and self-service options and how that change could be supported.

Behavioural change programme

49. The ASCH Department has a programme of work underway with the University College London (UCL) Centre for Behaviour Change to look at behavioural changes required to support delivery of the Being Digital Programme and the move to becoming 'digital by default'. The work is applying behavioural science to better understand the factors that influence people to act and, with that understanding, to identify what interventions could support the shift to people using new digital channels. A particular benefit of the programme is that it is upskilling staff to apply behaviour change approaches to support other future transformation work.

50. The Review Board held an evidence session on the Department's work with UCL, and heard that the work is taking place in three phases, with phases one and two complete at the time of the Review. The first phase involved initial capacity building sessions with attendees from ASCH learning how to use the behaviour change wheel.

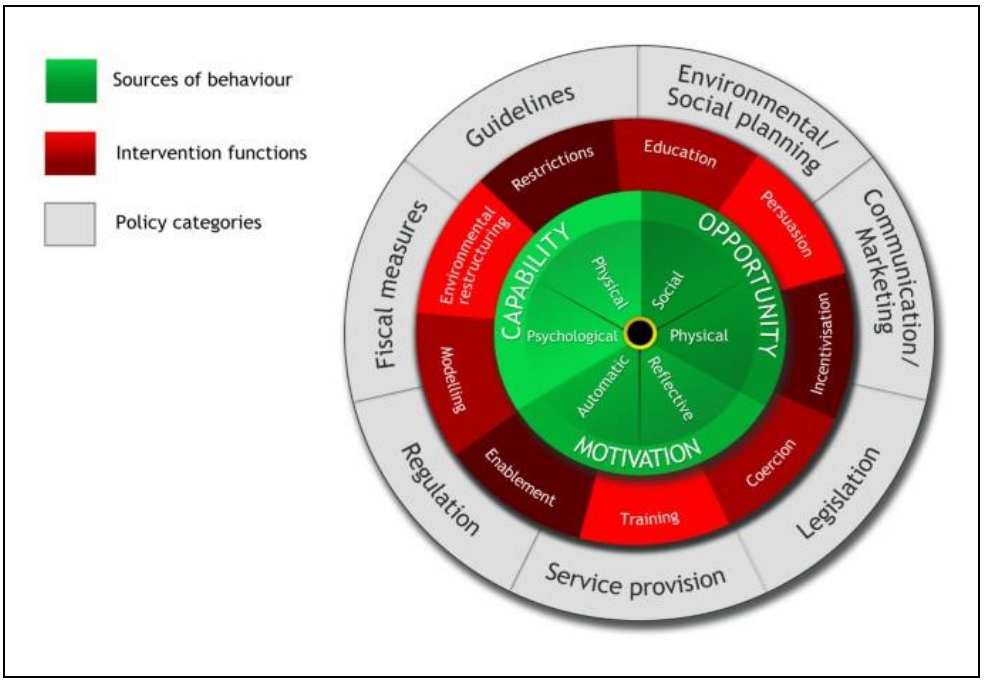


Figure 2. Behaviour Change Wheel

51. Phase two focussed on applying UCL's approach to the topic of maximising completion of OFAs, identifying key actors (including staff in HSCC, ASC practitioners and clients) and target behaviours required to support this ambition (including HSCC always asking for and recording email addresses of clients and carers, ASC practitioners promoting and always sending the link to the OFA, and clients using the link to complete and submit the OFA). Influences on these behaviours were then considered, such as - in the case of staff - emotions and habits they may have formed based on perceptions of clients. A range of interventions were then identified to support behaviour change of ASCH staff as an initial outcome of the work, including producing guidance on OFAs for staff, which the Department is taking forward. The third phase will involve UCL providing in-depth consultancy support for the application of the behaviour change wheel to a broader, more complex area that supports the Department's move to being 'digital by default.'

52. The Review Board asked clarifying questions on the work with UCL as part of the evidence session and concluded they were supportive of the work underway. The Review Board were encouraged to hear in evidence received that work with the UCL's Centre for Behaviour Change is considered best practice. The Review Board also noted that this work will enable the Department to consider many different aspects of encouraging behaviour change, such as considering the role of language and ways to talk to people's aspirations, rather than their deficits, in encouraging use of digital services.

53. The Review Board asked about the focus and timeline for the third phase of work with UCL and heard that the focus was being agreed and that the phase was due to be delivered in the next six to nine months (by the end of summer 2023). The Review Board asked for the People Scrutiny Committee to be updated on the outcome of this final phase of work.

Recommendation 6

The People Scrutiny Committee should be informed of the outcome of the third phase of the Department's Behavioural Change work with the UCL as part of the monitoring of this Scrutiny Review.

Staff engagement and communications

54. The Review Board considered a range of evidence that suggested well thought-out communication and engagement with ASCH staff is required to support behaviour change by ensuring staff understand, are convinced of, and are able to promote the benefits of digital and self-service options.

55. As outlined in part one of this report, another local authority shared learning with ASCH that giving careful consideration to the way increased use of OFAs was described to staff reduced anxiety about the transformation. Similarly, the ESCC Head of Service for Hospitals, Finance and Continuing Healthcare gave evidence that staff in their service have mixed views about the move to increased use of OFAs, with some very keen to move to self-assessments and others more sceptical. They therefore suggested it is important that the benefits of a digital approach are understood and shared among staff. They suggested the Department needs to have a clear understanding of what the benefits of online and self-service processes are for residents, clients and carers, with the ability to share case studies and place personal voices centrally as much as possible in communications about the change. They felt this would help reduce scepticism and support a shift in staff mindset and culture to recognise that many people are able to carry out self-assessments online.

56. The Review Board also heard evidence from the Programme Manager for the NHS Digital First Programme in Sussex, a four-year NHS England programme working to increase the availability and use of digital options in primary care services. In their evidence session, the Programme Manager explained that early and good staff engagement that highlighted the benefits and ensured staff had the skills and knowledge to support the changes underway had been key to implementing the transformation Digital First has undertaken. Finally, learning from a range of national research and case studies on the approach taken by other local authorities to encourage behaviour change to deliver 'channel shift' (where service users access or interact with services via channels other than those to which they normally choose) emphasised the importance of considered, proactive staff engagement that demonstrates the benefit of the change.

57. Having considered this evidence, the Review Board identified that, beyond being able to promote the benefits, staff will also play an important role in identifying the digital capabilities of the clients, carers and/or residents they interact with to determine which channel they should use and ensuring they get additional support with using technology if needed (see digital inclusion section below). They may also play a role in helping people to build their digital skills by talking them through ASCH's digital processes so that they are able to undertake such processes themselves in future. The Review Board also noted from the evidence considered that some preconceptions about people's, particularly older people's, digital abilities may need to be challenged. The suggestion of producing case studies and centring personal voices in communications may assist with this.

Recommendation 7

The Department should reflect feedback from residents who have benefited from digital and self-service options in communications to staff.

58. The Review Board asked how ASCH officers plan to communicate the move to being 'digital by default' to staff and the Being Digital Delivery Manager explained that the Department is in the process of developing the approach. There will not be one single communication exercise and instead Being Digital will be working over the next year or so to bring staff, particularly in teams that are rolling out new digital platforms and self-service options, on a journey where the intention behind, and benefits of, the platforms being put in place are better understood. This would build on the learning about engaging with and supporting staff to increase take-up of OFAs that had been identified by the work with UCL outlined above. The Review Board noted that staff in services rolling out new platforms may themselves require new training and development to be able to support clients, and heard from officers that work is taking place to ensure staff are trained on the digital tools and platforms being introduced. This includes incorporating training on digital options as part of the mandatory training of all new ASCH staff.

59. The Review Board heard as part of the Review that new HSCC staff already receive 'digital inductions' on East Sussex 1Space and the digital offer of other services and partner organisations to ensure they are able to promote and signpost to these. The Review Board suggested that, building on this approach, information on Being Digital and the Department's planned direction of travel to being 'digital by default', as well as the digital and self-service platforms on offer, should be included in all new staff inductions. The Review Board also supported a suggestion that for those staff who are in an area undergoing transformation in rollout of a new platform, the topic should be included in team meetings, and individual supervision meetings where appropriate**,** as an opportunity to identify any training or support needs and as a mechanism for staff to raise any concerns about implementation. The Review Board also agreed the topic should also be included in regular departmental communications.

Recommendation 8

Information on Being Digital and the digital and self-service platforms on offer in ASCH, should be included in all new ASCH staff inductions.

Recommendation 9

Digital transformation should be included as a discussion point in team and 1-2-1 (where appropriate) meetings within areas undergoing rollout of a new digital or self-service platform; and in ongoing departmental communications (such as Yammer, To The Point and Brief Encounter).

Design and testing

60. The Review Board also considered a range of evidence that suggested design and testing of digital platforms is key to ensuring their take-up and to building people's confidence in using them.

61. Key learning from case studies from other local authorities that have encouraged behaviour change to drive channel shift showed that considerable focus on good design of webpages and online services is a fundamental first step to encourage take-up of the services put in place. The Review Board also heard in evidence from ASCH service managers that they know the Department's online offer needs to be stable, reliable and as easy to use as established channels (e.g. picking up the phone) to encourage people to use it and have confidence in it.

62. In light of this evidence, the Review Board sought assurance that ASCH's digital offer is simple, accessible and well-designed. The Review Board heard that ASCH works closely with services to design self-service forms and that they are designed to emulate best practice, such as GOV.UK forms; ensuring they are easy to fill out with lots of blank space and use simplified language. An officer in the ASCH Information, Guidance and Insight Team ensures ASCH's online offer is accessible and the ASCH webpages have passed an assessment of digital accessibility against Government standards, including website usability. In terms of testing, a user testing system is used to test the navigability and user-experience of online forms before they are made live. It was also confirmed that ASCH do use tester groups to test new forms or platforms being developed by the Department, although this may not be conducted in person.

63. Snapshots of the Online Financial Assessment process were circulated to the Review Board the Board confirmed that it looked to be a reasonably designed process. The Review Board also discussed with officers ways that learning from the behavioural change work with UCL could be incorporated in designing future forms, to ensure they are Easy, Attractive, Social and Timely (EAST) (e.g. including checklists and checkboxes at stages throughout the form to provide a sense of accomplishment and progress while completing forms).

Digital inclusion

64. Digital inclusion involves ensuring that the benefits of the internet and digital technology are available to everyone. Enabling digital inclusion is a county-wide ambition that a number of organisations in the public, voluntary and private sector – including ESCC – play a role in delivering. This is achieved through a range of strategies, schemes and projects that work to increase access to digital devices, the internet, and digital skills and literacy training opportunities. It is a complex issue to address, with a multitude of factors - ranging from deprivation to skills gaps to internet connectivity – all impacting on risk of digital exclusion.

65. Digital inclusion is one of three main principles of the ASCH Being Digital Strategy and the Review Board heard from officers throughout the Review that they understood the importance of digital inclusion for enabling residents to take advantage of online and self-service options. This is particularly the case because, as covered in part one of this report, national research shows that the demographic groups that form a large proportion of the ASCH client group (older people and adults with disabilities) are less likely to use the internet.

66. Being Digital has in place two key strands of work to enable digital inclusion. Governance of the Being Digital Programme includes a Being Digital Inclusion Group which has been established to consider inclusion and accessibility of Being Digital projects, particularly for clients with disabilities. Officers confirmed for the Review Board that the group will consider the inclusion implications of the Department moving to being 'digital by default' in detail at an upcoming meeting. The Review Board considered the Terms of Reference and work of this Group and concluded they were very supportive of it and its work to ensure no group is disadvantaged by Being Digital developments.

67. The Department is also involved in a One Council Digital Inclusion Programme. This programme is working to join up and scale up the digital inclusion offer in different areas of the Council. Through this, Being Digital are establishing a formal referral route from ASCH to a pilot, targeted scheme being run out of the Library Service that can loan devices/ allocate data or offer skills training to those with an identified digital inclusion need. Other work that the programme is undertaking includes gathering a list of all providers offering digital inclusion interventions to East Sussex residents in 2021 and 2022 to produce a Partner Management Database. This database is helping to build relationships and collaborative delivery of digital inclusion, with a longer-term ambition to identify gaps in provision to be addressed through either restructuring existing offers or considering the case for new provision. The programme is also working to show places to get online on a map on East Sussex Community Information Services.

68. The Review Board heard from witnesses about a wide range of other national and local work taking place to increase digital inclusion. This includes:

- Locally - county-wide IT for You computer skills sessions run out of East Sussex libraries and a scheme local to Hastings run by the Education Training Consortium proving IT support sessions.

- National organisations - the Good Things Foundation works across the country to address the 'digital divide' through a national community network, databank and device bank for people in need; and AbilityNet provides free online resources and a network of over 300 community-based volunteers to help individuals with any disability, of any age, to use all kinds of digital technology.

- Targeted resources – including Digital Inclusion programmes funded through NHS Sussex to support digitally excluded people to access healthcare using digital tools; and specific resources for carers, such as Computer Help at Home, an ESCC commissioned service from the Association of Carers where volunteers provide one-to-one support to carers in their own home to help them learn how to use technology.

- Private sector – the Review Board heard that as many banks and utility companies have moved their interactions and access to their services entirely online, they can play an important role in upskilling people. The closure of some high-street banks was noted as potentially limiting this as an option for some people to access.

69. In considering this, the Review Board identified that while there are clearly a range of resources and support available, there is potentially a need to ensure there is good awareness of the support available among residents. This was supported by evidence given by the Lay Member of the Being Digital Inclusion Group who suggested that people who are reluctant to use, or may struggle with, digital technologies may not know about the range of support that is available to them. The Lay Member suggested that this support could be promoted to younger people who can update older relatives on the support available. The Review Board also felt there is a need to ensure the those working with people who may be digitally excluded are aware of support on offer and able to sign-post to it. The Review Board encouraged the Department to ensure it was promoting and taking advantage of the range of digital inclusion resources that were highlighted by witnesses in implementing the move to being 'digital by default'.

Recommendation 10

The Department should continue to work with colleagues through the One Council Digital Inclusion programme to map the digital inclusion offer in East Sussex, and, where appropriate, share this with adult social care and health staff and partners.

Recommendation 11

The Department should ensure it is promoting to staff, and utilising, the range of national

and local digital inclusion resources and schemes available in moving to being digital by default.

Trust

70. The Review Board considered evidence that suggested lack of trust is also a barrier to using online and digital services, and to digital inclusion more generally. The Programme Manager of the NHS Digital First Programme shared engagement that the programme had undertaken with the patient population in East Sussex which found that while people may be willing to use digital technology for activities such as online shopping, emails, online banking and booking holidays, they were generally more concerned with it being used for healthcare. Reasons people gave included a lack of trust in the reliability of technology and not knowing what the 'official' app to use was, alongside issues with internet access and uncertainty about whether they had the digital skills necessary. These reservations about using digital technology for healthcare may translate into lack of trust in the reliability of technology for accessing digital ASCH services.

71. Being Digital is aware that trust may be a potential barrier to take-up of digital options and the Being Digital Inclusion Group has initiated a project looking at how to improve trust in digital applications, including considering safeguards that could be put in place to ensure vulnerable people interacting with the Department's digital applications and platforms know that they are legitimate and can be trusted (similar to the way banks provide advice on how customers can know they can trust digital communications or an online banking app). There may also be opportunities to explore ways to improve trust through the ongoing behavioural change work with UCL.

72. The Review Board took the opportunity to discuss ways to build trust in ESCC's digital services with two witnesses who gave evidence to the Review. The Board asked the Lay Member of the Being Digital Inclusion Group - who also undertakes work to support older people and people with learning difficulties to use digital tools and access digital services - how they build trust with the people they undertake support sessions with and they explained they ensure the details of the registered charity they work for is displayed on promotional material they use. The Review Board and Lay Member recognised that ESCC as a large organisation can face distinct challenges in building trust with residents that smaller charities and community organisations can overcome. The Lay Member suggested that learning could be taken from a past digital inclusion scheme they knew of where a service provider (a housing association) had partnered with a recognised charity to deliver the scheme. The involvement of the recognised charity had acted as a bridge between the community and those working for the service provider, to achieve the aim of increasing digital inclusion.

73. This suggestion was supported by evidence the Review Board heard from Eric Kihlstrom (Chair of the London-based charity OpenAge, UK Ambassador to Aging 2.0 - a global network focussed on improving the quality of life for older people, and former Interim Director of the UK Industrial Strategy Challenge Fund on Healthy Ageing). OpenAge is a London-based charity working to provide physical activity and learning, arts, culture and social opportunities for anyone aged over 50. The charity moved its programme of activities online in the pandemic and had success in encouraging just under 40% of its 4000 active members to take this up. The digital offer has been so popular that post-pandemic, OpenAge has a hybrid model of delivery and many of its online sessions are oversubscribed. OpenAge found that key to enabling this transition was that their members trusted the charity, which also provided support with 'How to use Zoom' sessions via phone to help members access its digital offer. Eric Kihlstrom recommended that leveraging existing, local 'trusted networks' could be key to increasing digital inclusion and, thereby use of digital platforms and take-up of online services. Such 'trusted networks' could be the NHS; large national charities present in East Sussex, such as AgeUK and the Citizen's Advice Bureau; smaller decentralised charities such as the Good Neighbours Scheme; and the digital inclusion charities outlined above which often have networks of volunteers that could bolster existing digital inclusion schemes.

74. The Review Board recognise that there could be a number of benefits to using partnerships to support and enable the increased take-up of digital services. This includes potential opportunities to promote and signpost to ASCH's digital platforms; and to signpost into organisations that could improve the digital skills and inclusion of those that come into contact with partner organisations. The opportunity for better signposting to ASCH's digital offer is supported by evidence the Review Board heard from the NHS Digital First Programme Manager that there may opportunities for ASCH to better signpost to the digital offer in primary care and vice versa.

Recommendation 12

The Department should explore opportunities for partners, including voluntary sector organisations, to support engagement with and signposting to ASCH's digital offer.

75. Eric Kihlstrom shared other resources with the Review Board that he suggested may support ASCH in addressing the challenge of encouraging greater take-up of digital ASCH services, including joining the Healthy Ageing Challenge Community of Practice, which shares knowledge and innovations across sectors to support healthy ageing in the UK; and considering opportunities to work with the University of Sussex Innovation Centre. The Review Board encouraged officers to take advantage of these suggested resources and officers committed to do so.

Digital ambassadors

76. As part of this Review, the Review Board has considered the role that a digital ambassador scheme might play in supporting take-up of the digital and self-service offer from ASCH. The Review Board acknowledge that there are a number of different models that could be considered. Case studies of other authorities that have delivered channel shift through behavioural change that the Review Board considered showed that some councils have asked members of their workforce to act as 'digital champions' for channel shift, who can be powerful advocates for digital channels amongst their staff peers, clients and other residents, as they are often residents in the council area themselves.

77. Rather than a champion scheme, the model of digital ambassador mostly discussed by the Review Board involves employed staff or volunteers (either specifically recruited, or part of an existing voluntary organisation) supporting residents, clients and/or carers to use digital platforms. The Review Board considered there to be a number of benefits to such a scheme, including identifying digital exclusion and referring people to support available; and providing peer-to-peer, in person opportunities to learn how to use digital technology and services.

78. One local example of such a scheme is the Digital Ambassador project implemented by the NHS Digital First Programme. The Review Board received a detailed presentation on this project from the Project Manager which covered that the project is a Sussex-wide pilot to evaluate the impact of having a funded staff member in Primary Care Networks that meets with patients to demonstrate the benefits of, and how to use digital healthcare tools. Ambassadors are currently employed in nine PCNs and are employed directly by GP practices, typically one day a week, to demonstrate the benefits of and provide information and training on digital healthcare tools such as the NHS app, online consultations, NHS111, GP practice websites and the Patient Access System. In addition to supporting patients and practices, ambassadors have a network to share ideas, best practice and learning. Different delivery models have been used by the various digital ambassadors, with one ambassador partnering with a local community group and another working closely with a digital inclusion partnership in Brighton & Hove.

79. The project has had positive feedback from patients who have said they are grateful to have a person to sit with them face to face to show them how to download, register and understand the scope and benefits of digital healthcare tools. GP practices have said the demand for the scheme is evident and the scheme has helped address a need that reception staff do not have time to assist with. The pilot will be evaluated this winter and the outcome of that evaluation is expected in Spring 2023.

80. The Review Board concluded that there were clear benefits to a digital ambassador scheme and to the approach taken through the NHS Digital First Programme. The Review Board asked that officers evaluate the benefits and costs of establishing a digital ambassador scheme in ESCC. This should be informed by learning from evaluation of the NHS pilot Digital Ambassador project, including the benefits and achievements of the different delivery models used. The Review Board also asked that the Department consider other models used elsewhere to identify what could work best for ESCC.

Recommendation 13

The Department should consider whether a Digital Ambassador Scheme could provide added value to Being Digital, informed by learning from the NHS Digital First Digital Ambassador pilot when it concludes, and consideration of other models.

Conclusions

81. The Review has considered a broad range of evidence and concluded it is supportive of the Department's ambitions to be 'digital by default' and the balanced approach the Department is taking to this planned direction of travel. The Review Board has identified that there are opportunities to capture learning from other local authorities and from ongoing rollout of digital services to ensure the offer being put in place is taken advantage of by residents, clients and carers.

82. There are a number of positive projects and programmes already underway - including one on behavioural change this is specifically working to address the lines of enquiry for this Review - and the Board asks that the People Scrutiny Committee is kept up to date on progress and outcomes of those.

83. The Review Board has identified areas where activity, both internally in ASCH and with partners, could support greater use of the platforms and innovations being put in place that it is recommended that the Department now explore in greater detail.

84. Overall, throughout the Review the Board has found the Department to be very open to questioning, challenge and consideration of alternatives. The Board has been encouraged to find that the Department is taking an iterative approach to this area of work and constantly developing, adapting and improving its approach in response to feedback and consideration of learning and best practice.

Appendix

Scope and terms of reference of the review

The Review was established to consider and make recommendations on the following:

What cultural and behavioural changes are needed to support greater use of online services, 'self-service' options and adoption of a 'digital by default' approach by the Department.

The Scoping Board agreed that considering the above in all service areas within the ASC Department would be too broad. Instead it was expected that the review would particularly focus on the following service areas:

- Financial assessments
- Reviews (especially carer reviews)
- Information, advice and signposting
- Carer assessments

1. Within the service areas outlined above:
    a) To what extent are residents, clients, carers and/or providers currently using online services, self-service options and/or digital communication channels?
    b) If there is high or low use, why is that?
    c) Why do people choose to use the channels they do to communicate with ASC in these areas?
    d) What cultural and behavioural changes are needed to support greater use of online services, self-service options and/or digital communication channels?
    e) How can that cultural and behavioural change be encouraged?
2. The review should also look more broadly at:
    a) What insights are there from other councils that have a high take-up of online services and have implemented a 'digital by default' approach on the cultural and behavioural changes needed?
    b) How have they encouraged those?

Board Membership and project support

Review Board Members: Councillors Penny di Cara (Chair), Nuala Geary and Wendy Maples.

The Project Manager was Beth McGhee, Senior Policy and Scrutiny Adviser with additional support provided by Melanie Funnel, Business Partner HR&OD and Patrick Major, Scrutiny and Policy Support Officer.

Paul Hussey, Interim Assistant Director, Planning, Performance and Engagement; Jacqueline London-Willis, Head of Business Development and Insight; and Alex Callaghan, Being Digital Delivery Manager provided ongoing support to the Board throughout the review.

Review Board meeting dates

Scoping Board meeting – 5 July 2022

First Review Board meeting – 21 September 2022

Second Review Board meeting – 7 October 2022

Third Review Board meeting – 2 November 2022

Fourth Review Board meeting – 14 November 2022

Final Review Board meeting – 2 December 2022

Witnesses providing evidence

The Board would like to thank all the witnesses who provided evidence:

ESCC officers

Sonny Butler, Head of Service – Hospitals, Finance and Continuing Healthcare

Alex Callaghan, Being Digital Delivery Manager

William Harvey, Performance and Planning Officer

Jaqueline London-Willis, Head of Business Development and Insight

Alison O'Shea, Operations Manager, Health and Social Care Connect

Tamsin Peart, Strategic Commissioning Manager

External Witnesses

Calvin Humphries, Lay Member of Being Digital Inclusion Group

Jessica Kaye, Head of Programme Sussex, Digital First – NHS England and Improvement

Eric Kihlstrom, Chair of OpenAge and UK Ambassador to Aging 2.0

Jennifer Twist, Chief Executive, Care for the Carers

Amanda Waller, NHS Sussex Digital First Project Manager

Evidence papers

Item	Date considered
Adult Social Care & Health digital strategy 2020-2023	July and September 2022
Being Digital Roadmap	September 2022
Being Digital Projects overview for scrutiny	September 2022
Adult Social Care Portal Dashboard – August 2022 Key Data	September 2022
NHS Digital First Primary Care – Overview	October 2022
Summary of national research and case studies: • Rochdale Borough Council: A behavioural approach to digital channel shift (2019) • Engaging Citizens Online Briefing – Promotion of online services (2016) • LGA Digital Experts Programme channel shift case study: Dacorum Borough Council (2017) • Suffolk County Council: LGA Design in Social Care Programme (2019) • Lincolnshire County Council: Social Care Digital Innovation Programme (2021)	October 2022
Behavioural Insights activity in ASCH	October 2022
Online Financial Assessments – learning summary	October 2022
Being Digital Inclusion Group Terms of Reference	November 2022

Role description – Being Digital Inclusion Group Lay Member	November 2022
ASC Portal registrations by job title and organisation	November 2022
Online Analytics in Adult Social Care and Health – a summary for scrutiny	November 2022
An introduction to A Categorisation Of Residential Neighbourhoods (ACORN)	November 2022

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Report to:	**Cabinet**
Date of meeting:	**24 January 2023**
By:	**Director of Adult Social Care and Health**
Title:	**Scrutiny Review of Use of Digital and Technology in Adult Social Care and Health – Observations on the Scrutiny Committee's report**
Purpose:	**To provide the Cabinet with the opportunity to comment on the response of the Director of Adult Social Care and Health to the recommendations of the Scrutiny Review of Use of Digital and Technology in Adult Social Care and Health.**

RECOMMENDATIONS:

Cabinet is recommended to:

1. **note and welcome the report of the People Scrutiny Committee; and**
2. **advise the County Council that, in considering the report of the Scrutiny Committee, the Council be recommended to welcome the report and to agree the response of the Director of Adult Social Care and Health to the recommendations and their implementation as set out in the action plan attached as appendix 1 to this report.**

1. Background

1.1 In July 2022 the People Scrutiny Committee agreed to establish a Review Board to undertake a Scrutiny Review of Use of Digital and Technology in Adult Social Care and Health. The scope of the review encompassed exploring what cultural and behavioural changes are needed to support greater use of online services, self-service options and adoption of a 'digital by default' approach by the Department, with a focus on the following service areas to avoid the review being too broad:

- Financial assessments
- Reviews (especially carer reviews)
- Information, advice and signposting
- Carer assessments

1.2 The review considered the current take-up of digital and self-service options within the above service areas; the behavioural and cultural changes required to support greater take-up of digital and self-service options; and how those changes could be supported.

2. Supporting information

2.1 The Scrutiny Review of Use of Digital and Technology in ASCH is welcomed by the Department and in particular the opportunity afforded by this review to demonstrate the work the Department is undertaking to deliver more self-service options and the planned direction of travel to move towards being 'digital by default'.

2.2 It was considered by the Review Board that the planned direction of travel builds on a natural trend in people choosing digital means to contact and transact with the Department,

demonstrated by the shift in methods of contact to Health and Social Care Connect (HSCC), in growing registrations to the ASC Portal and use of blue badge forms, and the Board recognised that general expectations of what people should be able to be do online have shifted in recent years, particularly following the coronavirus pandemic.

2.3 The Department welcomed the feedback received and the positive response to the work both planned and underway. Officers involved in the review process found this to be an interesting and positive experience and would like to thank the Review Board members for their input, engagement and enthusiasm.

2.4 The Department's response to the Review Board's recommendations is set out in the action plan attached at appendix 1.

3. Conclusion and reasons for recommendations

3.1 The Scrutiny Review has highlighted a range of recommendations, many of which recognise the work already underway and the need to continue to build on that.

3.2 It was identified that there are opportunities to capture learning from other local authorities and from ongoing rollout of digital services to ensure the offer being put in place is taken advantage of by residents, clients and carers, and it was considered that there are a number of positive projects and programmes already underway.

3.3 The Review Board also identified several areas where activity, both internally in ASCH and with partners, could support greater use of the platforms and innovations being put in place, and recommended that the Department explore these to see if there are opportunities for learning or local application.

3.4 All of these recommendations are considered positive and reflective of the direction of travel for the Department, and the Department considers that the recommendations are realistic and achievable.

3.5 It is recommended that the Cabinet agrees to the implementation of the action plan as detailed in appendix 1.

MARK STAINTON
Director of Adult Social Care and Health

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Appendix 1

PEOPLE SCRUTINY REVIEW OF USE OF DIGITAL AND TECHNOLOGY IN ASCH – ACTION PLAN			
SCRUTINY RECOMMENDATION		**DIRECTOR'S RESPONSE AND ACTION PLAN**	**TIMESCALE**
R1.	The Department should ensure the planned implementation of Online Financial Assessments being the default route for financial assessments collects feedback from users on the form, including on any barriers to completing it, and why those who were asked to complete an online assessment and did not, chose not to.	The department will continue to ensure that feedback is collated on usage of the online forms for financial assessments (and other transactional forms). For our digital offer to be successful it is important that we take an approach of iterative improvement. One advantage of digital is the range of measurable data that can be captured passively – so we will explore how we can look at the statistics around how many people started a form, how many completed, at what stage they dropped out, etc. Likewise, we have already added in active feedback mechanisms to our assessment pages by way of 'customer thermometers'. These widgets enable users to rate their experiences and, should they choose to do so, leave free-text comments. We will continue to use these methods to monitor performance of assessment forms and will explore how monitoring can be enhanced to understand any barriers to their completion. For example, we will look at opportunities to collect qualitative data from clients around the barriers to usage or completion of the OFA forms.	Ongoing as of December 2022 March / April 2023

R2.	The People Scrutiny Committee should be informed of the progress of take up of Online Financial Assessments, and feedback received, as part of the monitoring of this Scrutiny Review.	Data on take-up of the Online Financial Assessments and related feedback is currently captured and routinely circulated within the department via a portals dashboard. We will update the People Scrutiny Committee in monitoring reports of this review with this data and commentary to assist with interpreting the information.	Ongoing as of December 2022
R3.	The Department should continue implementation of learning from other local authority Adult Social Care departments to improve take-up of Online Financial Assessments and turnaround time of financial assessments, particularly considering introducing Robotic Process Automation.	The department will continue to follow the best practice of learning from the successes and challenges of other local authorities who have implemented similar improvements. Where Online Financial Assessments (OFA) in particular are concerned, we have looked into the detail of other local authorities' improvements to financial assessment protocols. Our focus will be on areas who use the same case management and payment systems as us. Robotic Process Automation opportunities are being explored in relation to online financial assessments, including the automation of tasks such as accepting assessments, matching submissions with client records, managing workflows for staff and sending reminders to clients to send further documentation where a submission is incomplete.	Ongoing as of December 2022 July to September 2023

R4.	The Department should continue to explore opportunities to simplify operational processes alongside implementing the Being Digital programme.	The department will continue to ensure that digital developments are informed by and support operational requirements, and are implemented alongside improvements to operational processes.	Ongoing as of December 2022
R5.	The People Scrutiny Committee should be informed of progress against Being Digital programme targets as part of the monitoring of this Scrutiny Review.	The Departmental Management Team (DMT) have agreed a number of targets relating to the strategic decision to go 'digital by default'. Each of these targets will be reported against and progress will be presented back to DMT on a quarterly basis. We propose that the progress against targets can also be submitted to the People Scrutiny Committee at times aligning with reporting to DMT.	Quarterly basis from March 2023
R6.	The People Scrutiny Committee should be informed of the outcome of the third phase of the Department's Behavioural Change work with the UCL as part of the monitoring of this Scrutiny Review.	Work is currently underway with UCL to identify potential areas of change to support new ways of working. This requires application of the behaviour change model that typically takes six months to generate recommended interventions as such it may not be possible to report on the outcome, however we will ensure that the progress is fed back as part of the monitoring.	July 2023
R7.	The Department should reflect feedback from residents who have benefited from digital and self-service options in communications to staff.	We are currently collating information through customer thermometers and analytics on our forms and as additional self-serve options are implemented, we will evaluate the impact of these developments	From March 2023

		through residents' feedback and share this with staff as appropriate (see R9).	
R8.	Information on Being Digital and the digital and self-service platforms on offer in ASCH, should be included in all new ASCH staff inductions.	The Being Digital Team will work with the Training, Workforce and Organisational Development Team to explore how the training offer can be enhanced to include reference to digital practice and self-service; this will include our 'digital by default' direction of travel being reflected in the appropriate induction e-learning modules.	From March 2023
R9.	Digital transformation should be included as a discussion point in team and 1-2-1 (where appropriate) meetings within areas undergoing rollout of a new digital or self-service platform; and in ongoing departmental communications (such as Yammer, To The Point and Brief Encounter).	The department is planning on circulating positive messages and case studies to demonstrate the value of clients, partners and providers taking advantage of our digital offer. In the majority of instances, 1-2-1s and supervisions for practice staff are given over to discussions about caseloads. However, in discussions where wider departmental issues are discussed – for example, in team meetings – it would be appropriate to discuss 'digital by default'. Guidance will be created by the Being Digital team for managers of teams and services to help shape discussions.	From March 2023

R10.	The Department should continue to work with colleagues through the One Council Digital Inclusion programme to map the digital inclusion offer in East Sussex, and, where appropriate, share this with adult social care and health staff and partners.	The department will continue to work with the One Council Digital Inclusion Programme, which Being Digital is involved with through membership of the programme management group. Information around digital inclusion resources will be shared with appropriate services both within ASC and with external partners, such as the NHS Digital First programme, which concerns itself with Sussex-wide digital transformation in primary care.	January – March 2023
R11.	The Department should ensure it is promoting to staff, and utilising, the range of national and local digital inclusion resources and schemes available in moving to being digital by default.	Once the mapping of digital inclusion activity has been completed, the department will ensure that digital inclusion resources will be made available. Promotion will be through the department's communications media. In addition, the department will explore the possibility of updating the digital inductions for Health and Social Care Connect and if there is scope for additional entries on digital inclusion to be added into East Sussex 1Space.	Ongoing – commencing March 2023
R12.	The Department should explore opportunities for partners, including voluntary sector organisations, to support engagement with and signposting to ASCH's digital offer.	The department will continue to work closely on shared aims and outputs with NHS-led programmes such as Our Care Connected and Digital First. The department acknowledges that more can be done in this area. The One Council Digital Inclusion Programme will lead on some of this work. Project managers will be asked to include voluntary, community and social enterprise (VCSE) organisations	Ongoing as of December 2022

		in communications plans to enable more proactive promotion of ASC's digital offer. We will also explore the option of resurrecting the digital engagement sessions which began prior to the covid-19 pandemic but were put on hold shortly thereafter.	
R13.	The Department should consider whether a Digital Ambassador Scheme could provide added value to Being Digital, informed by learning from the NHS Digital First Digital Ambassador pilot when it concludes, and consideration of other models.	The department will continue to monitor the NHS Digital First programme's Digital Ambassador Pilot alongside consideration of other models. Once the pilot has concluded we will request closure, benefit realisation and evaluation reports. We will use the conclusions from NHS Digital First to help inform any decisions that Being Digital makes around a similar scheme.	Ongoing – March 2023 is the planned end date of pilot scheme

Report to:	**Cabinet**
Date of meeting:	**24 January 2023**
By:	**Director of Communities, Economy and Transport**
Title:	**Annual Accounts for Lewes Public Library and Museum Charitable Trust**
Purpose:	**Provide annual statement of accounts for Lewes Public Library and Museum Charitable Trust**

RECOMMENDATIONS: **Cabinet is recommended to:**

- **note the final accounts for 2021/22 for the Lewes Public Library and Museum Charitable Trust; and**
- **note that there are no issues that require any further action by the County Council as the Corporate Trustee.**

1 Background Information

1.1. The Charitable Trust was established by a Conveyance dated 21 June 1872**,** relating to the old library and museum at Albion Street, Lewes (the 'Original Library') when that property was conveyed 'on trust to permit the same premises and all buildings to be erected thereon to be and forever hereafter appropriated and used as and for a school of children and adults in drawing, painting, modelling, designing for architecture, manufactures and decorations and for no other purpose'. This created a permanent endowment of the Original Library which became known as the Lewes School of Science and Art. By Orders made by the Board of Education in 1934 and 1956 the scheme was modified and extended to include 'Public library' and 'museum'. The County Council became the owner of the Original Library and museum by virtue of a transfer of functions under the Local Government Act 1972.

1.2. In 2008 the Council signed a Declaration of Trust after detailed consultation with the Charity Commission regarding the disposal of the Original Library. By the 2008 Declaration, the Council confirmed the current name of the Charity as the Lewes Public Library and Museum Charitable Trust. East Sussex County Council also declared that the current Lewes Library at Styles Field would be held on trust and used for the Charity in place of the Original Library.

1.3. The charitable use of the Library is 'use as a public library and museum for the safe custody exhibition and study of objects of educational artistic or scientific interest and such other collections and objects of a similar nature as the council may think fit', constituting the objects of the Charity.

1.4. From 1 July 2018, the Library Service entered into a seven year lease with NSL Limited, providing a local area hub for traffic rule enforcement administration, parking and traffic attendants at Lewes Library. This hub includes the use of office space and shared facilities for NSL staff.

1.5. £22,000 per year rental income has been achieved for the Charity, however as the gross income exceeds the statutory threshold for registration (£5,000 per annum) the Charity has been registered with the Charity Commission.

1.6. The registration was completed in December 2019, with the first annual return completed in October 2021, covering the period 01 April 2020 to 31 March 2021. The return for 2021-22 has also been completed in the same format.

1.7 The Governance Committee on 26 June 2018 agreed that annual accounts will be prepared and reported annually to Cabinet, in line with the current practice where the County Council is a Corporate Trustee.

2 2021/22 Accounts

2.1. The annual return for Lewes Public Library and Museum Charitable Trust has been completed and submitted to the Charity Commission. As the income is less than £25,000 there is no requirement for the accounts to be submitted along with the annual return.

The Trust's Income and Expenditure Account and Balance Sheet are set out below:

Lewes Public Library and Museum Charitable Trust

Income and Expenditure Account for the year ended 31 March 2022

2020/21 £	Income	2021/22 £
(22,000)	Fees -NSL Ltd shared facilities	(22,000)
(22,000)		(22,000)
	Less Expenditure	
22,000	Other expenses (contribution to library for building costs)	22,000
0	(Surplus)/Deficit	0

Balance Sheet as at 31 March 2022

2020/21 £		2021/22 £
0	Fixed Assets: Land and Buildings	0
	Current Assets:	
0	Cash at Bank	0
	Current Liabilities:	
0	Sundry creditors	0
0		0
0	General Reserve	0
0		0

2.2. Please refer to Appendix 1 of this report to review the submission for the annual return to the Charity Commission.

3 Conclusion and Reasons for Recommendations

3.1. Cabinet is recommended to note the final accounts for 2021/22 for the Lewes Public Library and Museum Charitable Trust.

3.2. Cabinet is also recommended to note that there are no issues that require any further action by the County Council as the Corporate Trustee.

RUPERT CLUBB
Director of Communities, Economy and Transport

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GOV.UK Charity Commission

Charity Commission Annual Return 2022

LEWES PUBLIC LIBRARY AND MUSEUM CHARITABLE TRUST

Charity registration number: 1186860

Most of the information you give in this form will become publicly available on the Register of Charities. Any field that the Charity Commission will not display will be clearly marked.

This document is a record of the information provided in the Annual Return 2022.

PART A - Charity information

Financial period

Financial period start date

01/04/2021

Financial period end date

31/03/2022

Income and spending

Income £

£ 22,000

Spending £

£ 22,000

Fundraising - professional fundraiser

Did your charity raise funds from the public?

No

Government contracts

During the financial period for this annual return, did the charity receive income from contracts (other than grant agreements) with central government or local authorities?

No

Government grants

During the financial period for this annual return, did the charity receive income from grants from central government or local authorities?

No

Income from outside the UK

Did your charity receive income from outside the UK ?

No

Spending outside England & Wales

Did your charity operate outside England and Wales?

No

Total Spending outside England & Wales

£

Trading subsidiaries

Did the charity have any subsidiaries?

No

Trustee payments

Did any of the trustees receive any remuneration, payments or benefits from the charity other than refunds of legitimate trustee expenses?

No

Did any of the trustees resign and then take up employment with the charity?

No

Employees' salaries

Did any of your charity's staff receive total employee benefits of £60,000 or more? Select No if your charity does not have any staff or does not pay any staff.

No

For your highest paid member of staff only, what was the total value of their employee benefits?
(For example if your highest paid member of staff received £35,000 enter 35000). If you do not have any staff or did not pay any staff, enter 0 (zero)

£ 0

Volunteers

How many UK volunteers, excluding trustees, did the charity have during the financial period?

0

Financial controls

Did your charity review its internal financial controls?

No

Privacy statement

Any information you give us will be held securely and processed only in accordance with the rule on data protection. We will not disclose your personal details to anyone unconnected to the Charity Commission unless:

· you have consented to their release; or

· we are legally obliged to disclose them; or

· we regard disclosure as either (a) necessary so that we can properly carry out our statutory functions or (b) necessary in the public interest.

We may share and disclose information about you with relevant public authorities, regulatory bodies and agencies, outside the Charity Commission but only if:

· we can lawfully do so; and

· we decide that disclosure is necessary for national security, crime detection, prevention, and law enforcement, or other issues in the public interest

Information we collect about you

We will use this information:

To enable us to carry out our statutory functions and duties;

This will include the following actions:

(a) update, consolidate, and improve the accuracy of our records;

(b) undertake crime detection and prevention and law enforcement and assist the third parties specified above to investigate or prevent crime and carry out law enforcement;

(c) data analysis, testing, research, statistical and survey purposes

Information we receive from other sources.

Information we receive from other sources

We may combine this information with information you give to us and information we collect about you.

We may use this information and the combined information for the purposes set out above (depending on the types of information we receive).

We will ensure that any such disclosure and use is proportionate; considers your right to respect for your private life; and is done fairly and lawfully in accordance with the data protection principles of the Data Protection Act.

The Data Protection Act 1998 regulates the use of 'personal data', which is essentially any information, however stored, about identifiable living individuals.

As a 'data controller' under the Act, the Charity Commission must comply with it. Any changes we may make to our privacy statement in the future will be set out in the replacement version of this form.

Please check back frequently to see any updates or changes to our privacy policy.

Declaration

This annual return has not been submitted and no Declaration has been made

By clicking 'Accept', you agree to the storing of cookies on your device to enhance site functionality including analytics, targeting and personalisation