

EFFICIENCY PLAN 2016/17 TO 2019/20**1. Background**

1.1 The State of the County report was approved at the Council meeting on 12th June 2016. The report is part of the Council's continuing Reconciling Policy, Performance and Resources (RPPR) process, the business and financial planning cycle. It set out the latest position as more detailed planning for 2017/18 is started, the second year of the three year plan agreed by Council in February 2016. The aim of RPPR is to provide an integrated business planning process which engages all Members through Cabinet, Scrutiny Committees and All Members Forums. This covers both capital and revenue.

1.2 The Medium Term Financial Plan (MTFP) has been extended to 2020/21 to match the NHS 3+2 year model in preparation for an integrated budget with the Eastbourne, Hailsham and Seaford Clinical Commissioning Group (CCG) and the Hastings & Rother CCG and East Sussex County Council (ESCC) as part of the work on East Sussex Better Together (ESBT). The first three years of the revised MTFP updates the existing plans for the savings requirement. The further (+2) two years of the five year plan are more indicative and should be viewed as showing a direction of travel for the County Council. The Council Plan will continue to be set on a three year basis. As with last year, more detailed planning will be carried out on the next financial year than the following three, because of the high degree of uncertainty about both the Council's future functions and funding.

1.3 Current plans are predicated on the need to make savings of £70m-£90m during the current three year plan period 2016/17-2018/19. This means that, despite continued commitments to maximise efficiency and income generation, a continued, direct impact on front line services for all areas across the organisation is unavoidable. The Plan therefore contains some elements of budget reductions, as well as efficiencies.

2. RPPR next steps

2.1 Through the RPPR process, proposals will be brought forward for savings across the next two financial years (2017/18 and 2018/19), on the basis of the plan agreed by Council in 2016 to reshape the organisation and deliver the savings required by commissioning services which will deliver the priority outcomes as far as possible, and in partnership with others where this will yield better outcomes for local people. Where the services commissioned are delivered by others, arrangements will be made to ensure that democratic accountability for use of budgets and outcomes is protected.

2.2 Whilst the existing service change, facilitating and income generation programmes identified will help to ensure that the Council delivers its services in the most efficient way possible and that it maximises the use of all the resources available to it, they cannot deliver the scale of savings required during the next two years. The Council will continue to make sure it learns from best practice elsewhere, benchmarks its services for value for money and take efficiency savings where these are available. However, it will be necessary to continue to make savings of a scale that cannot avoid impact on front line services, which will bring increased risk to the Council and to those served.

2.3 The Council has identified its key outcomes against the four priority areas which will help officers bring forward prioritised and targeted savings plans. The facilitating programmes contribute to the commissioning arrangements which will help to deliver a One Council approach to achieving the outcomes identified by Members.

2.4 The priority outcomes and operating principles are being used to shape the work already underway in relation to the elements in the strategic challenge diagram. Chief Officers used the priority outcomes to identify areas of search for savings agreed in October 2015. These are:

- Adult Social Care – integrating work with health to take a single view of health and care requirement;
- Children’s Services – integrated services with partner agencies; ensuring the right people work with the right children, families and settings in the right way for the right amount of time; integrated work with Adult Social Care and NHS; and mobilising communities and other partners to help children, young people and families as part of the community resilience work and increased digitalisation of service access;
- Review the Capital Programme to ensure the right choices are being made between revenue and capital to meet basic need in the county; and
- Commissioning Strategy for community based services, such as libraries.

2.5 Whilst planning has continued on the current savings assumptions over the summer, there remains significant uncertainty in some key areas. For example, the implications of accepting the Government’s four year funding offer, the new arrangements for localisation of business rates are at a very early stage of development by Government and plans in Adult and Children’s Social Care are dependent on integration with health, the full implications of which are being developed and are yet to be considered by Members. Focused work has continued over the summer on a number of aspects of the MTFP and Members will be updated in September. At that point, it is hoped that there will be greater certainty about what level of additional savings will be necessary. More detailed services and savings plans will be considered in October.

3. Council Priority Outcomes

3.1 Last year, Members endorsed the existing priority outcomes, which provide a focus for decisions about spending and savings and direct work across the Council. The outcome that “the Council makes the best use of resources” is a test that will be applied to all activities. The other three priority outcomes are:

- Driving economic growth;
- Keeping vulnerable people safe; and
- Helping people help themselves.

4. Medium Term Financial Plan (MTFP) and Capital Programme

4.1 The MTFP was approved at County Council on 12 July as part of the State of the County report. The latest projections detailed in Figure 1 show a deficit of £5m over the three year MTFP period and £29.5m by 2020/21. This is within the context of a very uncertain financial outlook and in addition to savings of £64m which have already been planned. Therefore, the total savings requirement for the three year MTFP remains close to the £70m to £90m range as previously identified.

4.2 The table below sets out the existing savings plans by department:

Department	2016/17	2017/18	2018/19	Total
	£'000			
Adult Social Care	7,955	10,093	20,000	38,048
Business Services/Orbis	312	981	1,396	2,689
Children's Services (excl. schools)	4,985	3,175	4,972	13,132
Communities, Economy & Transport	3,117	999	894	5,010
Governance Services	180	100	104	384
Subtotal Departments	16,549	15,348	27,366	59,263
Treasury Management	3,000			3,000
Capital Programme Management		2,000		2,000
Subtotal Centrally Held Budgets	3,000	2,000	0	5,000
TOTAL SAVINGS	19,549	17,348	27,366	64,263

Over two thirds of the savings in years two and three are within ASC budgets and are largely reliant on integration with Health.

4.3 The approved capital programme reported at County Council on 12 July as part of the State of the County report is also attached at Figure 1.

5. Meeting the Strategic Challenge

5.1 Each year, the key elements which will help the Council meet the strategic challenges it faces are identified. The key elements over the next 18 months are set out below, together with progress against them.



Cross-Council Facilitating Programmes

5.2 A summary of the progress on the cross-Council facilitating programmes which will help ESCC work most effectively in future years is set out below:

- i) **People Strategy** – the People Strategy is being implemented. The key issues for the Authority in the coming year are the effects of the National Living Wage, the apprenticeship levy and national targets for recruitment of apprentices on finances and workforce. In addition to working with the LGA to avoid a top-down target for apprentice numbers from Government and to exclude schools from these plans, work on devolution will include proposals for freedom to use the levy locally to support the skills needs in the wider economy.
- ii) **Customer Focus** – improvements are being developed to the way in which the Council deals with customers and to the recording of performance so that customers are served well and consistently, whether services are provided internally or externally. Plans are also being developed on a number of digital projects aimed at improving business intelligence and efficiency.
- iii) **Orbis and Orbis Public Law** – these key partnerships with South East Seven Authorities will improve both the efficiency and resilience of key back office services. This will enable services to continue to be provided against a background of diminishing resources.
- iv) **SPACES** – the programme aims to achieve £30m in capital receipts, £10m reduction in revenue costs and a 20% reduction in CO₂ emissions across the public estate in East Sussex. To date, nearly £6m of benefits have been delivered and a further £10m identified for delivery. This includes £525,000 year on year revenue savings and over £1.1m capital receipts for ESCC.

Maximising Control and Independence

5.3 In order to be able to plan effectively for the future and to maximise the resources available to help local people, the Council is working to ensure as much local control and predictability about its resources as possible. This work is supported by the following workstreams:

- i) **Income Generation** – the Council continues to place a high priority on income generation and work continues through the Member and officer group which has both senior officers and Lead Member involvement.
- ii) **Devolution** – the Three Southern Counties (3SC) area has a different economic profile from those which have already signed deals with the Government, as the 3SC area is a net contributor to the economy of the country. A devolution deal which offers the area greater benefit from the income generated within it will help to maintain the growth the UK economy needs and enable the area to have the infrastructure necessary to support that growth and maintain the quality of life of local people. Good progress is being made in building the partnership which will deliver the deal if it is agreed with Government and initial discussions have been held with the Treasury over the Government's appetite to negotiate a deal which has a greater scope and ambition than most which have been signed to date.

Service Change Programmes

5.4 In response to changes in legislation and in preparation for the scale of savings anticipated during the next planning period, a number of service change streams have been developed. It will be through these change streams, supported by the cross-Council facilitating programmes, that services will be reshaped in a way that will help them become sustainable in the future.

Excellence for All

5.5 Excellence for All 2016/17 sets out how the Council, in partnership with all educational providers across the county, will build on the successes of the past two years to create a truly excellent and inclusive education system for the children and young people of East Sussex.

5.6 Since the original Excellence for All was published in 2013, the Council and its partners have moved a long way towards achieving the shared vision that “all children and young people who are educated in East Sussex will attend an establishment that is at least rated “good” by Ofsted...and will make good levels of progress”. Key achievements to date include:

- Outcomes have increased significantly since 2013, with pupils achieving at least in line with national averages on most indicators, and well above on some, such as the percentage of early years children achieving a Good Level of Development;

- There has been a rapid increase in the number of children having access to high quality primary education, with over 80% of primary schools now judged “good” or better by Ofsted;
- The early years, secondary and post-16 sectors continue to perform well in terms of Ofsted outcomes;
- Positive reductions have been secured in fixed term exclusions since 2014; and
- The percentage of 16-18 year olds participating in education, employment or training continues to rise.

5.7 The strategy sets out how, in partnership with all local providers, the Local Authority will build on this success to deliver five key objectives over the next two years:

- Every school, college and setting to be judged at least “good” by Ofsted, and increase the proportion of schools judged to be “outstanding”;
- Performance at all Key Stages to be at least in the second quartile and, in many instances, in the top quartile on all key outcome measures;
- Accelerate progress for all key groups of pupils at all ability levels, with a particular focus on disadvantaged learners and those with Special Educational Needs and Disabilities, in order to close gaps in achievement at all Key Stages;
- Increase attendance and reduce both fixed term and permanent exclusions in line with national averages; and
- Every young person to be able to access high quality employment, further education or training up to the age of 19.

5.8 Whilst there will be little change in the numbers of children in the county, the peak in birth rates in 2010/11 and the changes in distribution of school age children in the area will mean that there are pressures on school places in some areas.

East Sussex Better Together (ESBT)

5.9 ESBT aims to develop a fully integrated health and social care system in East Sussex by 2018, ensuring every person enjoys proactive, joined-up care and support that enables them to live as independently as possible. The programme will help to bridge the funding gap of £135m by 2020 in health and social care in the ESBT area.

5.10 A single planning process is being developed further in the ESBT area which will ensure that decisions about services and finances are taken in a co-ordinated way across the Eastbourne, Hailsham and Seaford CCG and the Hastings & Rother CCG and ESCC and that resources are pooled. This will optimise health and social care outcomes for local people, whilst preserving the sovereignty and accountability of each organisation.

5.11 The position in the area covered by the High Weald Lewes Havens (HWLH) CCG remains the same as last year, where ESCC will work as closely as possible with health colleagues to improve integration. A programme of joint work is in development and this will be reported to Cabinet, however plans in this area are much less developed.

5.12 The different approaches and different stages of development of the joint programmes may lead to a divergence in the health and social care services offered across the county. The ESBT areas may benefit from new, integrated services which meet the growing needs of the older population which may not be immediately available in the HWLH CCG area. The need to make savings across the whole area in order to deliver a balanced budget could further exacerbate the difference across the county.

Highways Contract Re-let

5.13 The new highways contract which started in May 2016 will deliver savings of just over £1m per annum. The contract means the Council is responsible for managing the contract and the asset, but delivery of the contracted outcomes is the responsibility of the contractor.

6. Monitoring

6.1 Progress against performance targets and budgets are reviewed on a quarterly basis by the Cabinet. A risk register is maintained to monitor key corporate risks and the Audit, Best Value and Community Services Scrutiny Committee consider monitoring reports on a regular basis.

6.2 The role of Scrutiny in the RPPR process is vitally important. Each scrutiny committee brings to bear its collective experience of undertaking scrutiny projects and has the opportunity to add its views on where savings should be sought. Ultimately, each scrutiny committee will provide commentary and recommendations to be taken into account by Cabinet and Council before final decisions are taken on the following next year's budget and Council Plan.

7. Conclusion

7.1 This efficiency plan sets out the Council's priority outcomes, the latest approved MTFP and shows how the strategic challenges will be met.

MTFP to be inserted

CAPITAL PROGRAMME 2016-17 - SOC POSITION	Total Budget £'000	Updated Previous £'000	16/17 Updated £'000	17/18 Current £'000	Total Remaining £'000
Adult Social Care					
Older People's Service Improvements (formerly Opportunities)	536	400	136		136
Greenwood, Bexhill-on-Sea	463	424	39		39
Extension to Warwick House	7,331	7,212	119		119
Social Care Information System	4,258	4,127	131		131
LD Service Opportunities <i>PSS Grant - 94189</i>	5,107 (1,900)	1,413 (848)	3,194 (1,052)	500	3,694 (1,052)
Refurbishment of Facilities to meet Care Quality Commission Standards	374	347	27		27
House Adaptations	3,332	2,579	486	267	753
	21,401 (1,900) 19,501	16,502 (848) 15,654	4,132 (1,052) 3,080	767 767	4,899 (1,052) 3,847
Business Services					
Core Back Office Services	1,470	847	623		623
The Link	2,718	2,649	69		69
SALIX Contract <i>SALIX Grant - 94106</i>	2,644 (2,085)	2,264 (1,705)	380 (380)		380 (380)
Property Agile Works	9,029	5,790	3,239		3,239
Core Programme - Capital Building Improvements	40,898	22,251	9,048	9,599	18,647
Core Programme - ICT Strategy Implementation	11,039	7,879	2,050	1,110	3,160
	67,798 (2,085) 65,713	41,680 (1,705) 39,975	15,409 (380) 15,029	10,709 10,709	26,118 (380) 25,738
Children's Services					
ASDC 2012/13	497	484	13		13
Mobile Replacement Programme	8,059	7,909	150		150
Family Contact	346	308	38		38
House Adaptations for Disabled Children's Carers Homes	1,255	870	294	91	385
Universal Infant Free School Meals <i>Free School Meals Grant - 94194</i>	1,961 (1,961)	1,272 (1,272)	689 (689)		689 (689)
Early Years 2yr Old Grant	3,031	2,774	257		257
Schools Delegated Capital <i>Grant - 94977</i>	5,828 (5,828)	4,900 (4,900)	928 (928)		928 (928)
Core Programme - Schools Basic Need	85,432	54,299	19,998	11,135	31,133
	106,409 (7,789) 98,620	72,816 (6,172) 66,644	22,367 (1,617) 20,750	11,226 11,226	33,593 (1,617) 31,976
Communities, Economy & Transport					
New Archive and Record Office - "The Keep" - Phase 1 & 2 <i>Other Contributions - 94642</i>	20,207 (6,958)	20,120 (6,948)	87 (10)		87 (10)

CAPITAL PROGRAMME 2016-17 - SOC POSITION	Total Budget £'000	Updated Previous £'000	16/17 Updated £'000	17/18 Current £'000	Total Remaining £'000
Rye Library	87	31	56		56
<i>Section 106 - 94327</i>	<i>(35)</i>		<i>(35)</i>		<i>(35)</i>
Hastings Library	8,846	2,603	6,243		6,243
Newhaven Library	1,754	1,650	104		104
Southover Grange (formerly The Maltings)	1,200	156	1,044		1,044
Library Refurbishment	1,983	1,635	348		348
Newhaven Household Waste Recycling Site	2,041	2,037	4		4
<i>DEFRA Waste Infrastructure Grant - 94105</i>	<i>(2,041)</i>	<i>(2,037)</i>	<i>(4)</i>		<i>(4)</i>
Travellers Site Bridges Tan	1,348	1,314	34		34
Broadband	25,600	17,297	8,303		8,303
Bexhill and Hastings Link Road	124,309	116,670	3,957	3,682	7,639
<i>LEP Funding (SELEP)</i>	<i>(1,586)</i>	<i>(1,586)</i>			
BHLR Complementary Measures	1,800	989	766	45	811
Reshaping Uckfield Town Centre	2,500	963	1,537		1,537
<i>Section 106 - 94366</i>	<i>(2,500)</i>	<i>(963)</i>	<i>(1,537)</i>		<i>(1,537)</i>
Exceat Bridge Maintenance	500	33	467		467
Economic Growth & Strategic Infrastructure Programme					
Economic Intervention Fund	7,945	3,034	1,403	3,508	4,911
<i>Recycled Loan Repayments</i>	<i>(700)</i>	<i>(28)</i>	<i>(200)</i>	<i>(472)</i>	<i>(672)</i>
Catalysing Stalled Sites	916		316	600	916
EDS Upgrading Empty Commercial Properties	500		250	250	500
EDS Incubation Units	1,500		500	1,000	1,500
North Bexhill Access Road	16,796	6,410	6,386	4,000	10,386
<i>LEP Funding (SELEP)</i>	<i>(16,600)</i>	<i>(6,410)</i>	<i>(6,190)</i>	<i>(4,000)</i>	<i>(10,190)</i>
Queensway Gateway Road	6,000	1,419	4,581		4,581
<i>LEP Funding (SELEP)</i>	<i>(5,019)</i>	<i>(1,419)</i>	<i>(3,600)</i>		<i>(3,600)</i>
Newhaven Flood Defences	1,500	300	800	400	1,200
<i>LEP Funding (SELEP)</i>	<i>(1,500)</i>	<i>(300)</i>	<i>(800)</i>	<i>(400)</i>	<i>(1,200)</i>
Sovereign Harbour/Site Infrastructure	1,700	530	1,170		1,170
<i>LEP Funding (SELEP)</i>	<i>(1,700)</i>	<i>(530)</i>	<i>(1,170)</i>		<i>(1,170)</i>
Swallow Business Park	1,400	505	895		895
<i>LEP Funding (SELEP)</i>	<i>(795)</i>	<i>(505)</i>	<i>(290)</i>		<i>(290)</i>
Newhaven Port Access Road	23,219	270	5,205	17,744	22,949
<i>LEP Funding</i>	<i>(10,000)</i>			<i>(10,000)</i>	<i>(10,000)</i>
Street Lighting Invest to Save	920	903	17		17
LSTF - ES Coastal Towns	2,467	2,097	370		370
<i>External Contributions - Various</i>	<i>(459)</i>	<i>(180)</i>	<i>(279)</i>		<i>(279)</i>
LSTF - Travel Choices Lewes	1,196	1,194	2		2
Eastbourne and Hastings Light Reduction	3,704	3,695	9		9
Eastern Depot Development	1,586	196	1,390		1,390
Newhaven Swing Bridge	1,548	1,513	35		35
Waste Leachate Programme	250		250		250
<i>DEFRA Waste Performance Grant - 94048</i>	<i>(159)</i>		<i>(159)</i>		<i>(159)</i>
<i>DEFRA Waste Infrastructure Grant - 94105</i>	<i>(26)</i>		<i>(26)</i>		<i>(26)</i>

CAPITAL PROGRAMME 2016-17 - SOC POSITION	Total Budget £'000	Updated Previous £'000	16/17 Updated £'000	17/18 Current £'000	Total Remaining £'000
Integrated Transport - LTP plus Externally Funded					
Hastings and Bexhill Junction Walking & Cycling Package	250			250	250
Eastbourne/South Wealden Walking & Cycling Package	2,100		750	1,350	2,100
<i>LEP Funding (SELEP)</i>	<i>(1,850)</i>	<i>(600)</i>	<i>(750)</i>	<i>(500)</i>	<i>(1,250)</i>
<i>Developer and Other Contributions - Various</i>	<i>(250)</i>			<i>(250)</i>	<i>(250)</i>
Hastings and Bexhill Junction Improvement Package	1,893			1,893	1,893
<i>LEP Funding (SELEP)</i>	<i>(1,500)</i>			<i>(1,500)</i>	<i>(1,500)</i>
Hailsham/Polegate/Eastbourne Sustainable Transport Corridor	2,350			2,350	2,350
<i>LEP Funding (SELEP)</i>	<i>(2,100)</i>			<i>(2,100)</i>	<i>(2,100)</i>
<i>Developer and Other Contributions - Various</i>	<i>(250)</i>			<i>(250)</i>	<i>(250)</i>
Other Integrated Transport Schemes	46,177	37,465	5,605	3,107	8,712
<i>Developer and Other Contributions - Various</i>	<i>(19,883)</i>	<i>(15,426)</i>	<i>(2,507)</i>	<i>(1,950)</i>	<i>(4,457)</i>
Speed Management	2,948	2,826	122		122
Terminus Road Improvements	6,250	470	5,275	505	5,780
<i>External Contributions - Various</i>	<i>(750)</i>		<i>(750)</i>		<i>(750)</i>
<i>LEP Funding (SELEP)</i>	<i>(3,000)</i>		<i>(2,495)</i>	<i>(505)</i>	<i>(3,000)</i>
Core Programme - Highways Structural Maintenance	103,038	66,483	18,538	18,017	36,555
Core Programme - Bridge Assessment Strengthening	16,860	14,546	1,134	1,180	2,314
Core Programme - Street Lighting - Life Expired Equipment	7,902	6,152	867	883	1,750
Core Programme - Rights of Way Surface Repairs and Bridge Replace	4,617	3,752	437	428	865
	459,707	319,258	79,257	61,192	140,449
	<i>(79,661)</i>	<i>(36,932)</i>	<i>(20,802)</i>	<i>(21,927)</i>	<i>(42,729)</i>
	380,046	282,326	58,455	39,265	97,720
Governance					
Case Management System/Committee Management System	115	83	32		32
ICT For Members	42		42		42
	157	83	74		74
	157	83	74		74
Total Gross	655,472	450,339	121,239	83,894	205,133
Scheme Specific Resource	(91,435)	(45,657)	(23,851)	(21,927)	(45,778)
Total Net	564,037	404,682	97,388	61,967	159,355