Item 8 – Appendix A

Report to: **Cabinet**

Date of meeting: **12 November 2019**

By: **Chief Executive**

Title: **Reconciling Policy, Performance and Resources (RPPR) update**

Purpose: **To update on the latest Medium Term Financial Plan (MTFP) and options for use of one-off funding**

RECOMMENDATIONS:

Cabinet is recommended to

1. welcome the additional one-off funding expected for 2020/21 but note that it is one off and does not affect the savings position over the next Medium Term Financial Plan;

2. agree that planning continues on the basis that the 2% Adult Social Care precept is agreed by County Council when setting the budget;

3. agree that, subject to funding being available, the savings in relation to Early Help family key workers (£0.981m) are not implemented in 2019/20 or 2020/21;

4. ask officers to continue to develop proposals for the one-off expenditure set out in paragraphs Q to AD in appendix 3 and to invite Scrutiny Committees to consider the suggested proposals, along with any others suggested by Members; and

5. agree that lobbying should continue for a sustainable funding regime to meet the needs of the residents of East Sussex.

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1. National Context Update

1.1 Since the State of the County report in July there have been some developments which affect our business and financial planning.

Spending Round

1.2 The Chancellor of the Exchequer delivered his Spending Round to Parliament on 4 September. With respect to Local Government the announcement contained additional funding for Social Care for next year, to be funded in part by the ability to levy an additional 2% precept for Adult Social Care and in part by a one year social care grant. The social care grant will not, however, be ring-fenced and there are not expected to be conditions attached to it. The Spending Round also included the roll-over of Better Care Funding for one year and additional funding for the SEND High Needs Block of the Dedicated Schools Grant.

1.3 The Spending Round included announcements that the current business rate pilots would end, except for mayoral areas, but that authorities would be able to revert to previous pooling arrangements. The Government announced its intention to continue the Troubled Families Grant for another year. It has also been announced that the Public Health Grant will be increased by inflation plus 1%, but there is speculation that conditions on the grant may include a requirement for councils to cover the cost of pay rises of public health provider staff and costs associated with the expansion of impact trials for the anti HIV drug PrEP.

1.4 Funding increases were also announced for schools, housing and the police and the fair funding review was delayed until April 2021.

1.5 The new funding for Local Government is very welcome but, with the exception of money raised locally through Council Tax, is for one year only. Whilst it provides us with the opportunity to reprofile savings decisions or to make one-off investments next year, the funding does not change the picture over the medium term financial planning period. This means we do not have the sustainable funding needed to avoid making more savings and to enable us to invest long term in prevention and local priorities. More details of

the funding announcements and the anticipated impact on the County Council's budget are set out in paragraph 3 below.

General Election

1.6 The General Election on 12 December adds to current uncertainty as the provisional Local Government settlement will be delayed until after the election and any change in Government could clearly impact on spending plans. A settlement is unlikely to be announced until late December and could be later if there were to be a change of Government. This uncertainty cannot be avoided and planning will continue on the basis of the current Government's announcements.

2. Local Context Update

2.1 Our Reconciling Policy, Performance and Resources (RPPR) process ensures that both spending and savings proposals are aligned with our priorities: driving sustainable economic growth; keeping vulnerable people safe; helping people help themselves; and making best use of resources, with the latter being the test applied to all our activities.

2.2 The scale of the savings the Council has delivered over an extended period means the scope for making savings in non-priority areas is very constrained and therefore savings in areas which support our priorities have been inevitable. It was in the light of this challenge that the Core Offer was developed last year, to set out as clearly as possible the services the Council believes local people need as a reasonable minimum in a period of austerity.

2.3 The Council Plan and medium term financial plan (MTFP) agreed by Council in February are designed to ensure that the Council could still deliver its Core Offer at the end of the 2021/22. The consequent indicative savings for the next two years at that time are set out below.

	2020/21 £m	2021/22 £m	Total £m
Communities, Economy & Transport	1.462	0.917	2.379
Children's Services	2.337	0.268	2.605
Adult Social Care	0.248	0.000	0.248
Business Services / Orbis	1.161	0.787	1.948
Total Departments	**5.208**	**1.972**	**7.180**

2.4 These are the current assumptions underlying our plans. The additional funding announced for next year remains uncertain, but will need to be allocated in line with our priorities and with the aim of ensuring the Council can maintain its Core Offer for as long as possible.

2.5 Our Council and portfolio planning will also need to take account of the Council's recent resolution in relation to climate change and consider what additional actions need to be taken to achieve the target set and how any additional costs arising are to be met.

3. Medium Term Financial Plan Update

3.1 In the State of the County report the MTFP for 2020/21 to 2022/23 showed a total deficit of £34.4m. There have been a number of national announcements since this report which have now been incorporated in the MTFP. A summary of the movements is shown at Appendix 1.

3.2 The Spending Round 2019 included the allocations for 2020/21 set out in the table below:

Funding 2020/21	**National Funding £m**	**ESCC Estimated Allocation £m**
Improved Better Care Fund (iBCF):		
Improved Better Care Fund	1,513	15
Supplementary iBCF	324	4
ASC Winter Pressures	240	3
Total Improved Better Care Fund	**2,077**	**22**
Social Care Grant:		
New Funding 2020/21	1,000	10
Social Care Support Grant	410	4
Total Social Care Grant	**1,410**	**14**
SEND High Needs Block Additional funding [1]	700	1
Total Funding	**4,187**	**37**

[1] The estimated one-off allocation is £5.8m; until permitted use is known, £1.276m has been allocated to offset SEND pressures.

3.3 The option to raise additional funding by way of a 2% Adult Social Care (ASC) precept was also announced. Cabinet is asked to confirm that the RPPR planning should continue on the basis that the 2% ASC precept is agreed by County Council in February 2020. Whilst pressure is created on individuals by any increase in Council Tax, given the continued pressure on the Council's budget and the lack of certainty about future funding, there is a need to ensure that the Council's base budget is maximised in line with the Government's anticipated view of its spending power. The ASC Precept will raise an additional £18m over the MTFP period.

3.4 The authority is part of the East Sussex Business Rates Pilot for 2019/20. The Government has said that the 2019/20 pilot schemes will not continue. MHCLG has announced that authorities can revert to pre-pilot pooling arrangements. East Sussex Councils have told MHCLG that they would like to do this and are currently awaiting confirmation.

3.5 The technical consultation on the proposed Local Government finance settlement suggests that the Social Care grant is distributed on the basis of the current ASC relative needs formula, adjusted for presumed use of the ASC precept. This would give East Sussex County Council one-off funding of £10.2m.

3.6 It also suggests that Supplementary improved Better Care Fund and ASC Winter Pressures funding will be rolled over into the Better Care Fund for future years, rather than being one-off. This is reflected in the MTFP assumptions.

3.7 More detail has also been provided about the formula for distribution of Revenue Support Grant (RSG); with the proposal to add inflation nationally to the Spending Formula Assessment and not just to authorities with negative RSG, resulting in a fairer distribution of resources nationally. This has been one of ESCC's lobbying points, and will result in an estimated additional £1.5m for the Council in 2020/21.

3.8 The MTFP currently assumes that the proposed savings of £7.180m set out in paragraph 2.3 above will be delivered. Some options for use of the one-off funding propose reprofiling some of the £1.855m of savings (Appendix 3 paragraphs Q-S)

3.9 Other revisions to the MTFP include normal updates to ongoing models for inflation, Council Tax and Business Rates.

3.10 Quarter 1 monitoring, reported to Cabinet in October, highlighted the significant in-year pressure on Children's Service Social Care. An overspend of £5.6m in Children' Services Looked After Children budget was reported. Actions to reduce the service and financial pressure continue and those identified at Q1 included:

- Contract awarded to London Care Solutions to provide some independent provision to commence in November.
- Exploring the business case for expanding in-house residential provisions.
- Review current procurement approach and ensure learning used from adult services' dedicated team.

3.11 Work is ongoing to identify improvements to forecasting Children's Social Care needs to improve the prediction of future demand and future pressures. It is important that the MTFP is soundly based on evidence and £4.9m has been included in 2020/21 as pressure funding, with a further £2.5m in 2021/22.

3.12 The updated MTFP at Appendix 4 shows a revised deficit position of £25.4m over the period, with additional funding of £6.3m in 2020/21. The additional funding, whilst helpful, is one-off. It will not, therefore, change the Council's savings requirement; neither is it sufficient to close the budget gap over the MTFP period. If the additional one-off funding announced were to become permanent, the Council would still have a deficit of £10.729m over the MTFP period (see table below):

	£m			
	2020/21	**2021/22**	**2022/23**	**Total**
Revised MTFP - current position	(6.313)	21.204	10.468	25.359
MTFP if additional one-off funding was permanent	(6.313)	6.574	10.468	10.729

3.13 The current MTFP is not final as new information and updates are ongoing including: emerging pressures; the outcome of the pensions triennial valuation; confirmation of business rates pooling and the provisional Local Government finance settlement and other Local Government announcements.

4. Public Health

4.1 The public health Core Offer sets out how we will meet our mandated responsibilities and make the best use of the resources available by targeting action where health inequality is greatest and by using evidence to ensure that interventions are effective. Currently our public health work is funded by a ring-fenced Government grant. As part of the Spending Round, the Government announced its intention to increase the grant by inflation plus 1% in 2020/21, but there may be conditions attached to how the grant is spent. Longer term, the Government's current proposal under the fair funding review is that it is subsumed into local funding. If the specific grant continues, it is expected to reduce over the next few years. While we do not anticipate savings to be needed in Public Health in the next year, the review of services will continue to ensure that whatever resources are available are focused on areas of highest priority, support the ambitions described within the recently published NHS long term plan where appropriate and deliver on actions that will make the most difference to residents' long term health.

5. Options for the use of one-off funding

5.1 The one-off funding for 2020/21, announced in the Spending Round, offers the opportunity for Members to review current savings plans. The funding can only be used once and therefore does not change the savings requirement or budget gap over the MTFP period. The funding does provide an opportunity to:

- Reprofile savings;
- Invest in services to reduce future demand; and/or

- Make one-off capital investment.

5.2 Chief Officers have developed options for use of the funding that are a combination of the three and are set out in Appendix 3, paragraphs Q to AD. Chief Officers have developed these options with consideration of the following principles:

- No ongoing revenue costs which add to future savings are created;
- Future pressures and/or demand are reduced;
- The effect on partners is considered; and
- Recognising the MTFP is for 3 years, the funding does not have to be spent in year one.

5.3 The total cost of the options is £12.72m and our current estimate is that there will be £6.313m available, once savings identified in paragraph 2.3 above have been made and Children's and Adult Social Care base funding is increased to take account of pressures.

5.4 It is recommended that, subject to funding being available in the budget setting process, Cabinet agree at this meeting not to take the savings identified in the Early Help Keywork 2020/21 (Option R in Appendix 3) in 2019/20 or 2020/21. This service meets the criteria of managing demand and reduces the need for families to draw on more costly social care. The Early Help Review evidenced the impact targeted keywork has in preventing families from needing more intensive social work interventions, and that it helps the Council step families down safely from social work to Early Help (see report to Lead Member, Children and Families 7 October 2019). Early Help keywork helps to support vulnerable families, avoid child safety concerns, and manage the demand for statutory services. Continued investment in keywork staffing and associated costs will help maintain resilience in families.

5.5 Other choices between the proposals will need to be made once the final Local Government finance settlement is known. In the meantime, Cabinet is asked to agree that Chief Officers continue to develop the proposals in Appendix 3 and invite Scrutiny Committees to consider the suggested proposals, along with any others suggested by Members.

6. Lobbying and Communications

6.1 Stability and sustainability of funding continues to be urgently needed for Local Government. In the short term, this means pressing the new Government for an early settlement at least equivalent to that announced in the Spending Round. In the longer term we will continue lobby for a future funding settlement which meets the growing needs of our population and which enables us to plan over a medium term period to make the best use of the money we have and which recognises that locally raised business rates and Council Tax cannot meet those needs on their own.

7. Next Steps

7.1 The RPPR options will be reported to People Scrutiny Committee on 14 November 2019 and Place Scrutiny Committee on 20 November 2019 for their review and input. The Council will, as usual throughout RPPR, engage with its partners about their views.

8. Conclusion

8.1 The MTFP has been updated to reflect announcements since State of the County was presented to Cabinet on 16 July 2019. The position now shows a revised total deficit over the three-year MTFP of £25.4m. However, due to the nature of the one-off funding projected to be received in 2020/21, there is a surplus of £6.3m in 2020/21. This provides an opportunity to explore options for the use of this one-off surplus. The report sets out the options put forward to date.

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Appendix 1 - MTFP Movements

Movement since State of the County	Ref	*2020/21 Estimate £million*	*2021/22 Estimate £million*		*2022/23 Estimate £million*		*Total Estimate £million*
State of the County, Cabinet 16 July 2019 DEFICIT/(SURPLUS) - excluding savings		**20.418**	***5.470***		***8.532***		***34.420***
Add back Savings 2020/21-2021/22	A	(5.208)	(1.972)				(7.180)
State of the County, Cabinet 16 July 2019 DEFICIT/(SURPLUS) - after savings		**15.210**	***3.498***		***8.532***		**27.240**
UPDATES TO THE MTFP							
Pressures added to the MTFP							
Pay Award Inflation increase to 2.5% for 2020/21	B	0.658	*0.714*		*0.769*		2.141
Update of staff data	C	0.500	*0.010*		*0.011*		0.521
Children's Services Structural Pressure (LAC)	D	4.900	*2.500*				7.400
Total Pressures added to the MTFP		**6.058**	***3.244***		***0.780***		**10.062**
REVISED DEFICIT/(SURPLUS)		**21.268**	***6.722***		***9.312***		**37.302**
Spending Round Funding							
Improved Better Care Fund: Supplementary amount roll in	E	(3.649)					(3.649)
Improved Better Care Fund: Winter Pressures roll in (after specific use in 20/21)	F		(2.586)				(2.586)
Social Care Grant 2020-21: Social Care Support Grant (one-off)	G	(4.417)	*4.417*				0.000
Social Care Grant 2020-21: New Funding (one-off)	H	(10.213)	*10.213*				0.000
SEND High Needs Block Additional funding [1] (one-off)	I	(1.276)	*1.276*				0.000
Revenue Support Grant (RSG) additional inflation	J	(1.526)	*(0.088)*		1.005		(0.609)
Total Spending Round Funding		**(21.081)**	***13.232***		***1.005***		**(6.844)**
Other Changes							
Business Rates adjustment	K	(0.616)	0.701		0.002		0.087
Council Tax normal adjustment e.g. growth	L	0.292	0.302		0.329		0.923
Adult Social Care Precept	M	(5.814)	(0.175)		(0.180)		(6.169)
General Contingency	N	0.060					0.060
Children's Services Pressure Dedicated Schools Grant reprofile	O	(0.422)	0.422				0.000
Total Other Changes		**(6.500)**	***1.250***		***0.151***		**(5.099)**
DEFICIT/(SURPLUS) AFTER UPDATES TO THE MTFP		**(6.313)**	***21.204***		***10.468***		**25.359**

[1] The estimated one-off allocation is £5.8m in 2020/21; until permitted use is known, £1.276m has been allocated to offset SEND pressures already included in the MTFP in 2020/21. Noting that there are further pressures in the MTFP for 2021/22 and 2022/23 which cumulatively total £6.318m

Appendix 2 - Options for the use of one-off funding

Description	Ref	£m			
		2020/21	2021/22	2022/23	Total
Revised MTFP - current position	*P*	***(6.313)***	***21.204***	***10.468***	***25.359***
ONE-OFF FUNDING REQUESTED					
Reprofile of savings in base budget:					
CSD - total Safeguarding savings	Q	0.586			**0.586**
CSD - family key worker element of Early Help savings	R	0.981			**0.981**
CET - part of Libraries savings	S		0.288		**0.288**
Subtotal reprofile of savings		**1.567**	**0.288**	**0**	**1.855**
Revenue:					
ASC - Assessment & Care Management journey	T	0.226	0.226		**0.452**
ASC - Behavioural Insight across the health and social care system	U	0.250	0.250		**0.500**
ASC - Bedded Care	V	0.359	0.300	0.196	**0.855**
ASC - Home Care Commissioning	W	0.110			**0.110**
ASC/CS - Accommodation and Floating Support	X	0.978	0.582	0.160	**1.720**
ASC/CS – IT Care Management System	Y	0.165	0.048	0.048	**0.261**
CS - No Wrong Door model (support for vulnerable adolescents)	Z	1.125	1.125	1.125	**3.375**
CS - Family Group Conferencing expansion	AA	0.350			**0.350**
Subtotal revenue		**3.563**	**2.531**	**1.529**	**7.623**
Capital:					
CET - Economic Development	AB	1.000			**1.000**
CS - Disability Children's Homes	AC	0.242			**0.242**
CET - Highways Works Programme Management	AD	2.000			**2.000**
Subtotal capital		**3.242**	**0.000**	**0.000**	**3.242**
TOTAL ONE-OFF FUNDING REQUESTED		**8.372**	**2.819**	**1.529**	**12.720**

Appendix 3

MTFP Assumptions and Information

A Savings

Savings identified as part of the Core Offer work undertaken by CMT and Services during 2019/20 RPPR. Further work has been undertaken to confirm the deliverability of these savings and, at this point in time and subject to ongoing consultations, all identified savings are expected to be delivered in-year. Noting that some departments have submitted options to reprofile certain savings – these are detailed at Appendix 2. A breakdown by department is shown below; subject to update should any reprofiling be approved:

	Approved Savings at Council Feb 19		
	2020/21 £m	2021/22 £m	Total £m
Communities, Economy & Transport	1.462	0.917	2.379
Children's Services	2.337	0.268	2.605
Adult Social Care	0.248	0.000	0.248
Business Services / Orbis	1.161	0.787	1.948
Total Departments	**5.208**	**1.972**	**7.180**

B Pay Award

The service inflation model has been updated for a 2.5% pay award; this will be subject to any union pay claim and the negotiated offer. National pay settlements for the public sector are running at 2.5% and above. A further 0.5% to increase the award to 3% annually would be in the region of £0.7m per annum.

C Rebase of Staff Data

Current estimates have been updated for rebased staff data and known changes to Teachers and Soulbury pay scales.

D Children's Services Structural Pressure (LAC)

Quarter 1 Monitoring showed structural pressure within Children's Services relating to Looked After Children (LAC). Principally due to the increases continuing from 2018/19 in agency placements for LAC with complex needs and an increasing number of semi-independent placements as children get older. There is also an emerging pressure around Unaccompanied Asylum Seekers reaching the age of 18 where costs are greater than the Government subsidy received.

E Improved Better Care Fund (IBCF) – Supplementary

It was announced in the technical consultation that Supplementary IBCF and Winter Pressures have been rolled into Better Care Fund (BCF). Therefore it is assumed that this is ongoing funding, whilst Government is still to confirm its status. This is because its removal would be a significant change in resources (and therefore this remains a risk). Inflation continues to be modelled at zero for the funding; this may change in future years.

F IBCF – Winter Pressures roll in

As stated at para E, Supplementary IBCF and Winter Pressures have been rolled into Better Care Fund (BCF). Use of Winter Pressures has already been agreed for 2020/21, consideration should be given around options for its use in future years.

G Social Care Support Grant

This grant was introduced for 2019/20 and will continue for 2020/21, resulting in an additional £4.4m. This has been merged with the Adult and Children's Social Care Grant.

H Adult and Children's Social Care Grant

The Spending Round announced a new £1bn funding for Social Care grants. The technical consultation, published on 3rd October 2019, suggests that the preferred distribution methodology is based on the current ASC relative needs formula, adjusted for presumed use of the ASC Precept. This results in additional one-off funding of £10.2m.

I SEND High Needs Block additional funding

Funding of £700m for SEND will be distributed as part of the high needs block. Based on current distributions this could result in an additional £5.8m for the Council, which could offset the current MTFP pressure and potential future years' pressures. However, the amount, distribution method and permitted use for this funding have yet to be confirmed.

J Adjustment to Revenue Support Grant (RSG)

The Spending Round announced £300m uprating of the core settlement. In the technical consultation more detail has been provided around the formula for distribution of this; Government is proposing to add inflation nationally to the Spending Formula Assessment and not just to authorities with negative RSG, resulting in a fairer distribution of resources nationally. This has been one of the ESCC's lobbying points, and will result in an extra £1.5m for the Council in 2020/21. The assumption thereafter is that RSG decline will have shifted on a year but be at the same rate as previously reported; ahead of any reform.

K Business Rates

Business rates have been updated for the latest information from Districts and Boroughs, which suggests the risk of a deficit occurring on the collection fund as a result of the pilot have not materialised.

L Council Tax normal adjustment

The previous estimated growth of 1.1% has been reduced to 1.0% given the lower than expected outturn in 2018/19 and estimates of growth provided by LG Futures showing a decline.

M Adult Social Care Precept

Announced in the Spending Round was the option to raise £0.5bn by way of a 2% Adult Social Care Precept. This will be consulted on through the Local Government settlement. As stated at paragraph H, the presumption is that Councils will apply the precept, as the distribution of the Adult and Children's Social Care Grant has been adjusted for this.

N General Contingency

The general contingency is currently set at 1% of net budget less treasury management, and has been updated to reflect changes in the MTFP since State of the County.

O Children's Services Dedicated Schools Grant reprofile

Use of the grant has been reprofiled, and reduces in 2020/21; the balance of £0.422m has been slipped to 2021/22.

Summary of Options for the Use of One-off Funding

P Hold 2020/21 surplus for future years

Given the level of uncertainty for future years' funding; other pressures arising through the pressures protocol that are yet to be assessed for inclusion in the MTFP; and the impact of decisions that are yet to be made regarding capital investment requirements, the surplus funding could be used to mitigate these risks. In effect the surplus would be held in reserve until there is more certainty around future funding.

Q One-off funding: CS reprofile of safeguarding savings (£0.586m in 2020/21)

Reprofile the entirety of Safeguarding savings from 2020/21 to 2021/22. This would allow a more cost effective response and a greater capacity to manage demand and mean fewer children will become subject to Child Protection Plans or not enter (or stay for less time in) the care system.

R One-off funding: CS reprofile of family key worker savings (£0.981m in 2020/21)

Reprofile the key worker element of Early Help savings (£0.981m out of total savings of £2.610m) from 2020/21 to 2021/22. Delaying level three key work savings would enable the department to preserve the capacity of early help teams to divert referrals away from social care. What this means in operational terms is that we will be able to recruit key workers to posts that have been held vacant to avoid the need for compulsory redundancies during the Early Help Review.

S One-off funding: CET reprofile of libraries savings (£0.288m in 2021/22)

Reprofile part of the Libraries savings (£0.288m out of £0.528m) from 2021/22 to 2022/23. This would still deliver £0.240m of savings in 2021/22, to allow for a comprehensive review of the strategic library commissioning strategy and allow a phased approach to the review of options in respect of the Ropemaker Park lease and better manage any impact on the 'back office' team (Librarians and Ropemaker Park team).

NB: should options Q-S be approved, the savings table would be revised as follows:

	Revised Savings				
	2020/21 £m	***2021/22 £m***	***Total £m***		***2022/23 £m***
Communities, Economy & Transport	*1.462*	*0.629*	*2.091*		*0.288*
Children's Services	*0.770*	*1.835*	*2.605*		
Adult Social Care	*0.248*		*0.248*		
Business Services / Orbis	*1.161*	*0.787*	*1.948*		
Total Departments	***3.641***	***3.251***	***6.892***		***0.288***

T One-off funding: ASC Assessment & Care Management journey (£0.452m over two years from 2020/21)

Proposal to accelerate and expand current work with regards to channel shift, systems change and digital improvements supporting core ASC business; resulting in an improved client journey and reduced entrants into the social care system.

U One-off funding: ASC Behavioural Insight (£0.500m over two years from 2020/21)

Proposal to implement a behavioural insight project across the health and social care system to identify areas of focus and efficiency in: single health and social care economy; processes, systems, communications; Public Health interventions. This would deliver reduced demand

entering the system, improved flows within the system, improved outcomes for residents in the health and social care system and reduced late/non-payment of debt.

V One-off funding: ASC Bedded Care (£0.359m, £0.300m, £0.196m in 2020/21, 2021/22, 2022/23 respectively)

Investment in the Bedded Care Team to increase brokerage capacity to purchase residential and nursing beds for ASC and the NHS. Also requested is investment in programme and project support to manage the work. This would facilitate a more efficient use of resources and timely hospital discharge.

The resources will increase capacity to ensure patients are able to be discharged from hospital in a timely way. Improving our contract management arrangements will also ensure we are able to purchase beds from the market to better meet changing demands and needs.

Increasing brokerage capacity within the bedded care team will have a direct and positive impact on patient flow out of hospital. Securing appropriate bedded care placements within a community setting to enable timely hospital discharge reduces the length of stay in hospital beds. This releases hospital bed capacity which is generally more costly than community based care and also ensures people are not staying longer in hospital than is necessary, which is often detrimental to people who are frail and elderly. The estimated cost to healthcare providers of one non-elective admission is £1,609 per admission and the cost of one excess bed day is £346 per day (£2,422 per week).The brokerage team ensure a consistent, whole system approach to purchasing beds.

W One-off funding: ASC Home Care Commissioning (£0.110m in 2020/21)

A project to work with providers to test different ways of working alongside the current core home care business model. The four areas to be tested are; complex cases, reviews, hospital discharge and Occupational Therapy involvement, with the aim to support people to live independently at home and reduce admissions to care homes. The learning will inform development of the service specification for the new contract.

The Home Care recommissioning work has commenced. The investment will enable ASC to test out new ways of working, including an outcomes based approach.

Best practice theory promotes outcomes-based commissioning, specifically in terms of reducing ongoing reliance on services and therefore reducing overall demand over time. This will directly and positively impact on Community Care budget spend.

X One-off funding: ASC/CS Accommodation and Floating Support (£0.987m, £0.582m, £0.160m in 2020/21, 2021/22, 2022/23 respectively)

A project to test alternative referral and access routes into floating and accommodation based support to ensure the service model is fit for purpose; meeting the needs of the people the service is designed to support and to establish links / protocols with other pathways (e.g. Rough Sleeping Initiative). This would mitigate demand and provide more appropriate and effective signposting and support for people who are currently presenting to floating support services and District and Borough Housing services, with complex needs, and/or who are at risk of homelessness.

This investment will enable ASC/CS to test new models of service delivery and evaluate their effectiveness prior to producing the future specification and contracts for these services. The models that will be tested will aim to improve the efficiency and effectiveness of

accommodation pathways for people with complex needs, including how they are supported to move-on into general needs housing, with reduced reliance on Adult Social Care.

Y One-off funding: ASC/CS IT Care Management System (£0.165m in 2020/21 and £0.048m in each of 2021/22 and 2022/23)

Investment to use the existing framework agreement with Liquidlogic (who supply ASC & CS case management system) to procure and implement the software called the 'Delegation Portal', for both ASC & CS. Funding is sought for a three-year period to determine the effectiveness of the portal; any recurrent costs beyond 2022/23 will be funded through social work force efficiencies.

This would give both ASC & CS the ability to electronically obtain multi-agency contributions from external professionals and providers into operational practice forms, which could save staff time in collating this information from professionals/providers, improve data quality /integrity and help manage the demand (e.g. in ASC reviews could be delegated from operational staff to care providers/other professionals to complete, rather than ASC staff doing this activity).

If the project progressed with just the ASC element, the costs would be reduced to £0.083m, £0.024m and £0.024m.

It is likely that in practice there could be efficiency savings of £0.010m-£0.050m p.a. from 2021/22 enabling a better Core Offer to be delivered from within existing resources, rather than cashable savings realised by reducing staffing levels.

NB: the outcomes of all work/projects/investment described at T-Y will be assessed and reflected in the MTFP as they emerge.

Z One-off funding: CS No Wrong Door (£3.375m over the three years to 2022/23)

Investment in a No Wrong Door model – an innovative model developed by North Yorkshire CC to work with adolescents experiencing complex challenges with an innovative multi-agency "hub" at the heart of the service. This would use short-term placements and edge of care support (in and out of care) and a range of services, support and accommodation options always progressing to permanence where young people's aspirations drive practice. If the model is successful it would become part of Core Services and would therefore be an ongoing cost, offset by savings; the full impact will be modelled should this option be taken forwards.

AA One-off funding: CS Family Group Conferencing expansion (£0.350m in 2020/21)

Investment to expand the existing Family Group Conferencing service to Children in Need which is the most cost effective way to reduce risks and the likelihood of children being placed on CP plans or becoming LAC, and as a result reducing social care costs. The investment is expected to deliver non-cashable efficiency savings of £1.224m from 2021/22 resulting from reductions in Social Worker caseloads.

AB One-off funding: CET Economic Development (£1.000m in 2020/21)

The East Sussex Economic Intervention Fund (EIF) consists of: the ESInvest Business Grants and Loans fund; Stalled sites fund; and upgrading empty properties and business incubation unit fund. It has been running for 6 years and directly addresses one of the four Council priorities "driving sustainable economic growth" by supporting local businesses through capital investment to grow and create jobs. It is a key plank of Economic Development which is considered by the Council to be part of the Core Offer. In order to provide the baseline finance required to meet the demand for the EIF, there is a need for a

£1.000m injection into the scheme. Failure to have the correct resource in place will have a detrimental impact to deliver the additional jobs and economic growth this initiative is forecast to achieve. This will be a contribution to the project grants and loans within the Capital Programme.

AC One-off funding: CS Disability Children's Homes (£0.242m in 2020/21)

Investment to remodel the Children's Disabilities Children's Homes to create additional capacity and reduce the costs of residential care placements in the independent sector by keeping more children in local provision within the county. This would create an extra 3 beds and provide greater options for keeping children within local provision, minimising existing and onward costs and delivering better outcomes for them in the longer term. It is expected to achieve net savings of £0.352m p.a. from 2020/21.

AD One-off funding: CET Highways Works Programme Management (£2.000m in 2020/21)

A contribution towards the agreed basic need investment to be funded in the Capital Programme for Highways Works Programme Management in order to achieve agreed condition targets. The £2.000m could facilitate early investment to support management of the programme of works and avoid the need to borrow early with the associated borrowing costs.

Appendix 4

Medium Term Financial Plan	2019/20 Approved Budget £million	2020/21 Estimate £million	2021/22 Estimate £million	2022/23 Estimate £million
TAXATION & GOVERNMENT FUNDING		(375.145)	(388.290)	(397.278)
Business Rates (Inclusive of BRR Pilot)	(83.761)	4.133	(1.615)	(1.740)
Revenue Support Grant (RSG)		(3.561)	1.418	1.534
Council Tax	(290.498)	(8.234)	(8.919)	(9.188)
Adult Social Care Precept		(5.814)	(0.175)	(0.180)
New Homes Bonus	(0.886)	0.331	0.303	0.138
TOTAL TAXATION & GOVERNMENT FUNDING	**(375.145)**	**(388.290)**	**(397.278)**	**(406.714)**
SERVICE PLAN				
Service Expenditure	340.888	341.236	351.315	383.859
Inflation				
Pay Award	3.635	3.366	3.025	3.127
Contractual inflation (contract specific)	0.889	1.005	0.958	0.916
Normal inflation for contracts	6.270	9.537	8.782	9.154
Adult Social Care				
Growth & Demography	3.538	3.840	3.500	3.500
Adult Social Care Winter Pressures		2.586	(2.586)	
Children's Services				
Dedicated Schools Grant	4.891	1.778	0.422	
Growth & Demography	1.656	1.555	1.070	2.822
Looked After Children	1.043	4.715	1.909	
Post 16 i-Send (New Responsibility)	0.269			
Fostering	0.374			
Care leavers (New Responsibility)	0.163			
Home to School Transport	0.726			
Communities, Environment & Transport				
Waste Housing Growth	0.233	0.174	0.213	0.200
Street lighting Electricity/Re-payment of Investment		(0.195)	(0.655)	
Libraries Hastings rates and utilities	0.046			
Business Services				
IT & Digital Licences	0.297			
IT & Digital Data Centre		0.093		
Apprenticeship Team		0.117		
Savings				
Savings 2019/20	(5.131)			
Specific Grants				
Improved Better Care Fund	(18.551)	(2.586)		
Social Care Grant 2020-21		(14.630)	14.630	
SEND High Needs Block Additional funding [1]		(1.276)	1.276	
NET SERVICE EXPENDITURE	**341.236**	**351.315**	**383.859**	**403.578**

Corporate Expenditure		33.909	*35.870*		*35.490*
Treasury Management	17.696	0.687	*(0.179)*		*0.221*
Funding Capital Programme - New Homes Bonus		0.555	*(0.303)*		*(0.138)*
General Contingency	3.570	0.130	*0.090*		*0.090*
Contribution to balances and reserves	0.908	(0.216)			
Pensions	10.338	0.785			
Apprenticeship Levy	0.600				
Levies & Grants	0.797	0.020	*0.012*		*0.012*
TOTAL CORPORATE EXPENDITURE	**33.909**	**35.870**	***35.490***		***35.675***
TOTAL PLANNED EXPENDITURE	**375.145**	**387.185**	***419.349***		***439.253***
CUMULATIVE DEFICIT/(SURPLUS)	**0.000**	**(1.105)**	***22.071***		***32.539***
ANNUAL DEFICIT/(SURPLUS)	**0.000**	**(1.105)**	***23.176***		***10.468***
Savings 2020/21-2021/22		(5.208)	*(1.972)*		
CUMULATIVE DEFICIT/(SURPLUS) after savings		**(6.313)**	**14.891**		**25.359**
ANNUAL DEFICIT/(SURPLUS) after savings		**(6.313)**	**21.204**		**10.468**

[1] The estimated one-off allocation is £5.8m in 2020/21; until permitted use is known, £1.276m has been allocated to offset SEND pressures in 20/21. Noting that there are further pressures in the MTFP for 2021/22 and 2022/23 which cumulatively total £6.318m.