

APPENDIX A

Report to: Cabinet
Date: 2 October 2020
By: Chief Executive
Title of report: Reconciling Policy, Performance and Resources (RPPR) – Update
Purpose of report: To update Members on the latest policy context, the review of priority and delivery outcomes, the review and reset of the East Sussex Core Offer and the updated Medium Term Financial Plan and capital programme.

RECOMMENDATIONS:

Cabinet is recommended to:

- i. note the updated national policy context and local position as set out in paragraphs 2 and 3 and appendix 1;**
 - ii. agree the updated Council priority outcomes and delivery outcomes as the basis for ongoing planning (appendix 2);**
 - iii. agree the updated East Sussex Core Offer as the basis for ongoing planning (appendix 3);**
 - iv. agree the updated Medium Term Financial Plan as the basis for financial planning (appendix 5); and**
 - v. agree to continue lobbying for a sustainable funding regime to meet the needs of the residents of East Sussex and which recognises the significant impact of COVID-19 on the Council's expenditure and income.**
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1. Background

1.1. In July, Cabinet considered the State of the County report, a key milestone in the Council's Reconciling Policy, Performance and Resources (RPPR) process, its integrated business and financial planning cycle. The report set out the demographic, economic and service evidence base; the national and local policy context; and updates on our medium term financial planning position and capital programme based on the current understanding at that time. It also set out that the COVID-19 pandemic has had a profound impact on our communities and services and created both a need and opportunity for the Council to review our priority and delivery outcomes and the Core Offer, to ensure they remain relevant in the new context we are working in.

1.2. The RPPR process, bringing together our policy, business and financial planning and risk management, provides the vehicle for the Council's service and financial recovery. The process of planning, through RPPR, for 2021/22 and beyond will take into consideration the immediate and future impact of the pandemic, alongside other trends and pressures, to form an integrated forward view and to ultimately translate this into service and financial plans which reflect recovery alongside ongoing work.

APPENDIX A

1.3. This report sets out our updated understanding of how we will need to reset our service and financial plans to deal with the future, as we continue to live with the reality of a world with COVID-19 and the significant impact this has on people's lives, as well as a fast-moving national policy agenda. In this rapidly evolving context it remains very challenging to quantify future need for services and national expectations for local government and to reflect these in our future service offer and financial planning. The report therefore provides our latest best assessment of the policy and financial context that will continue to inform our planning for 2021/22, and includes:

- updates on key national and local policy context developments since July;
- an update on the review of the Council's priority outcomes and delivery outcomes;
- an update on the review and reset of the East Sussex Core Offer;
- the updated Medium Term Financial Plan for 2021/22-2023/24; and
- updates to the Capital Programme.

2. National context update

2.1. The national context the Council is operating in continues to change rapidly. Since the State of the County report in July there have been a number of national developments which are expected to affect the Council's future work and business and financial planning, although the detailed implications for ESCC are uncertain in many areas. These developments are outlined in appendix 1 and include:

- Launch of the 2020 Comprehensive Spending Review (CSR) – to set Government departments' resource budgets for 2021/22-2023/24, although this will now almost certainly be reduced to 2021/22 only. Government had confirmed that department spending would grow in real terms across the CSR period but that there would be tough choices in areas of spending outside the priorities at the review (which for public services were 'supporting the NHS, taking steps to cut crime and ensure every young person receives a superb education'). The CSR or Spending Review is expected to impact future central government resource allocations for areas of county council responsibility and those of our partners. The future national approach to sustainably funding Adult Social Care remains an urgent issue. The outcome of the Spending Review had been expected to be announced in the Autumn Budget which has since been cancelled. It is understood that a Spending Review will still take place this autumn, but the cancellation of the Budget demonstrates the fast moving and uncertain context we are working in.
- Economic outlook update - the Office for Budget Responsibility published a commentary on public sector finances in August which outlined that the budget deficit has continued to rise sharply with Government borrowing £150.5bn between April and July; public sector net debt is now over 100% of GDP and tax returns for April-July were 31% lower than a year earlier. Although projections vary, a reduction in national economic output (GDP) of around 10% is expected this year. There is evidence of increases in job losses nationally and there is expected to be a further increase following the closure of Government employment support schemes at the end of October, although the Chancellor has announced further employment and business support measures to support

APPENDIX A

job retention through the winter. Two quarters of negative growth mean the UK economy is now in recession;

- Publication of the Contain Framework – which guides the approach to prevention and containment of local coronavirus outbreaks and the national escalation steps to be taken to augment local activity in areas with outbreaks. Government has also recently reinstated some nationwide restrictions following a national increase in COVID-19 case rates since early September;
- A Devolution and Local Recovery White Paper was due to be published this autumn, although this now seems to be in doubt. It was expected to propose a new phase of local government reorganisation and creation of Combined Authorities as the first step to securing further devolution deals to deliver economic recovery and renewal;
- Launch of the final phase of negotiations on the future relationship with the EU – with a future trading relationship between the UK and EU still to be agreed;
- Publication of the Planning for the Future White Paper – intended to overhaul the planning system, with potential implications for funding and delivery of infrastructure improvements to support housing developments in East Sussex; and
- Publication of the ASC Taskforce Report and ASC Winter Plan – which includes extensive actions for local authorities, the Department for Health and Social Care and the NHS to ensure that high-quality, safe and timely care is provided to everyone who needs it, whilst protecting those that need care, their carers, and the social care workforce from COVID-19 this winter. Many of the actions are already taking place within the East Sussex Health and Social Care System but there are new requirements for ESCC, including to produce an East Sussex Winter Plan by 31 October and complete a care market sustainability self-assessment.

2.2. Further detail and more developments are included at **appendix 1**. We expect the detail of policy changes and the resulting implications for the County Council to become clearer in the coming months and will continue to factor these into planning for 2021/22 and beyond.

3. Local position

3.1. As with elsewhere in the country, East Sussex saw an increase in COVID-19 infections in September, although at a rate slower than the national average. Public Health continually monitor the situation in consultation with health and borough and district partners. The second iteration of the East Sussex Outbreak Control Plan was reported to the Health and Wellbeing Board in September. This included a new escalation framework which set out the points at which local cases or outbreaks may require an escalated response, communications and action with partners. In consultation with local partners, the Director of Public Health agreed East Sussex should move from 'monitor and contain' to 'raised local alertness' on the escalation framework in September in response to the rising number of cases.

APPENDIX A

3.2. The pandemic has had a significant effect on the East Sussex economy and labour market, with the latest local data showing:

- nearly 100,000 people in the county were in receipt of government support through the Coronavirus Job Retention Scheme (71,500 claims) and Self-Employment Income Support Scheme (28,000 claims) at the end of July;
- Between March and July, the number of Job Seekers Allowance and Universal Credit (searching for work) claimants in East Sussex more than doubled to 20,000;
- In July, 47% of the East Sussex working age population were claiming Universal Credit, Job Seekers Allowance or receiving support from a Government COVID-19 income support scheme; and
- 10,700 businesses in the county have received grants for small businesses who are experiencing difficulties. There were 22,900 business enterprises in the county in 2019.

3.3. The 100,000 people on furlough or claiming self-employment income support at the end of July represents 31% of the East Sussex working age population. This is above the national average of 29% and indicates that, while levels of unemployment have already increased, there is a risk of further increase when these schemes cease at the end of October. We would expect this to have an impact on future need for council services and Council Tax income revenue. The East Sussex Economy Recovery Plan has been developed within this context and agreed by Team East Sussex to inform urgent work to be delivered over the next 12-18 months to support changes required in response to the pandemic and capitalise on the opportunities it presents for the East Sussex economy.

3.4. For the Council, the period since July has seen our staff and services continue to transition from temporary arrangements put in place during lockdown. We have closely followed public health and Government guidance to ensure that the steps taken are appropriate in the context of continuing to contain the spread of the virus. Changes to ways of working have been based on robust assessment of what is needed to effectively deliver services to residents. Some staff have continued to work from office bases or directly with clients throughout, with appropriate safeguards in place, where this has been essential to maintain services. Where staff have been working remotely as part of containment measures, a return to buildings has been prioritised for services where remote working is not sustainable or as effective. This approach is being kept under review with regular checkpoints. As part of this transition, all departments have also reviewed opportunities to take forward positive outcomes and learning from the new ways of working and new partnerships that have arisen from the local pandemic response. Member meetings have continued to take place online and are being discussed through the Member reference group.

3.5. A renewed Adult Social Care and Health Programme has been established to look at how we can continue to provide social care services to those that need them safely, effectively and efficiently, in light of the changes to working that have been made in response to the pandemic and any lessons learned. The programme will look at all areas of the department's activity to reshape and improve ways of working and will not impact levels of service provided. The programme will run until August 2021 and any financial implications will be included in 2021/22 budget setting. One

APPENDIX A

of the project workstreams will consider opportunities to work with partners to build on the success of the multi-agency Community Hubs, to build community capacity and prevent escalation of need in East Sussex.

3.6. Orbis continues to support staff to effectively deliver all services that we can remotely to reduce the risk of coronavirus spread. Across the Council we have seen improvements in productivity due to modernised processes and increased flexibility of working. Staff management and new service delivery practices are enabling staff to work in this increasingly flexible way. Opportunities to embed and expand digital technologies and processes that have enhanced service delivery and working processes in lockdown are being explored. There is some indication that the shift to increased remote working and economic uncertainty has increased applications to County Council job vacancies, including previously hard-to-recruit roles.

3.7. Work has also taken place to begin to assess the impact of the pandemic and accompanying economic disruption on future need and service pressures over and above pre-COVID trends in demand. This assessment will be an ongoing process throughout the autumn as the impact continues to emerge. The following will need to be taken into account:

- How people currently on temporary COVID-19 care pathways will translate into ongoing core demand for ASC. This will become clearer as further assessments take place throughout the autumn;
- The support we will need to provide if advice to shield the most clinically vulnerable is re-activated nationally or locally, and the impact of that beyond the current financial year. As set out in appendix 1, a new national shielding framework is expected to require councils to assess and meet the food and other basic needs of Clinically Extremely Vulnerable people if shielding is reactivated at a future date;
- The re-opening of schools is resulting in an increase in referrals of children newly in need. Modelling is taking place to assess the potential for an increase in children in need but understanding the scale of this need and how it will translate into future years will take time and be an iterative assessment;
- We will need to assess the impact of COVID-19 on ongoing work to support mainstream schools to improve families' confidence in local Special Educational Needs Provision; and
- Whether there are longer-term requirements to provide additional Home to School Transport capacity (as outlined in appendix 1) beyond this school term and whether additional grant funding will be provided for this.

3.8. It is clear that we will need to take account of the ongoing reality of COVID-19 in our plans. In the short to medium term we are likely to see new waves of infection which will need services to flex and respond rapidly to changing circumstances once again. The longer-term impacts of COVID-19 will not be felt evenly across our services and are not yet fully clear.

APPENDIX A

3.9. In this ongoing period of uncertainty it is important that we apply our existing robust political and business planning processes to develop our plans for the short, medium and longer term.

4. Priority and Delivery Outcomes

4.1. Cabinet agreed in July to review the Council's four priority outcomes and their subsidiary delivery outcomes in light of the changed context, and revise these as needed to ensure the priorities we are working to deliver, and the way we measure the performance of our activities and services, remain appropriate in the changing operating context.

4.2. An expansion of the cross-cutting priority outcome 'making best use of resources' to 'making best use of resources in the short and long term' has already been considered by Cabinet. This reflects the Council's ambitions for carbon neutrality and better reflects that the Council's decisions should be guided by a test priority that we ensure sustainability of our resources, both in terms of money and environmental assets.

4.3. As a result of the review several further amendments to the delivery outcomes which support the four priorities are proposed. The amended outcomes are shown in **appendix 2** with the key proposed changes detailed below.

4.4. Priority outcome: Driving sustainable economic growth –

- A new delivery outcome has been added to reflect the Council's role in supporting local businesses to recover and grow through the delivery of the Economy Recovery Plan in conjunction with partners.
- Delivery outcome 1, relating to employment and productivity rates, has been amended to reflect the changed context – the revised wording reflects the focus on recovery and the aim to maximise employment and productivity rates.
- Delivery outcome 3, on skills and employment, now includes reference to meeting the needs of the future East Sussex economy, recognising the potentially significant shifts in ways of working, differing impacts across sectors and potential new opportunities arising from the COVID-19 pandemic and other developments in the local economy.
- A new delivery outcome has been included to recognise the opportunity to maximise the influence of the County Council's role as a significant employer within the county and a buyer of local goods and services both in terms of supporting local economic recovery and longer term.

4.5. Priority outcome: Keeping vulnerable people safe –

- An additional delivery outcome has been included to reflect the Council's role, working as part of the wider health and care system, to support people affected by COVID-19 to achieve the best health outcomes possible.

4.6. Priority outcome: Helping people help themselves –

- Delivery outcome 9 has been broadened to include vulnerable people of all ages and to better reflect the range of ways in which support is provided.

APPENDIX A

- Delivery outcome 10 has been re-worded to reflect the opportunity to build on the mutual support systems that have been developed in partnership within communities so that these can continue to support the COVID-19 response, its impacts on people's lives and to help people help each other longer term.

4.7. Priority outcome: Making best use of resources in the short and long term -

- The wording of delivery outcome 12 has been enhanced to reflect the increased strength and long term importance of partnership working across sectors and its role in making best use of all available resources for the benefit of local people.
- Delivery outcome 16 is proposed for deletion as a strategic commissioning approach is now embedded in the Council's ways of working and does not require a specific delivery outcome.

4.8. Whilst other delivery outcomes may not have changed it is important to acknowledge that delivery of some of these will present a significant challenge in light of the increasing needs of individuals, communities and families as a result of the pandemic and its consequences, and uncertainty about the future.

4.9. Cabinet is recommended to agree the updated priority and delivery outcomes attached at **appendix 2** as the basis for ongoing planning for 2021/22 and beyond.

5. Core Offer

5.1. As a consequence of austerity and the requirement to find £138m of savings since 2010, the Core Offer was developed last year to define the Council's minimum reasonable service offer to our residents in this context, and to ensure resources were directed to areas of highest need. The Core Offer represents a level of service below which we should not go in order to meet the needs of residents, not only for the services we provide but to play our part in supporting them in their wider health and wellbeing needs. Savings already planned will take us to the minimum core service offer by 2022/23. Alongside this, the COVID-19 pandemic has brought with it additional roles and expectations for local authorities and changes in demand for existing services.

5.2. We have reviewed whether the activities within the current Core Offer, and the volumes of those activities, are regarded as core to meeting residents' needs in the new operating context. We have considered where local need for services and prioritisation of services have diverted from our current Core Offer as a result of the pandemic and whether the offer should be amended to include these in the longer term. We have also considered if there are existing elements of our Core Offer that are no longer priorities in the new operating context.

5.3. The review has shown that the Core Offer remains largely appropriate as an expression of our minimum locally appropriate service offer to residents in a time of austerity. It continues to reflect our statutory responsibilities, core functions and the range of services required to meet local needs. It includes a commitment to delivering good value for money in all we do. However, in many areas the way in which services are provided has changed and may continue to change, and demand has already increased in some areas, affecting the volume of activity needed to

APPENDIX A

deliver the Core Offer. The anticipated increase in demand for some services in light of the pandemic and the associated pressures on resources are reflected in financial planning.

5.4. As a result of the Core Offer review some specific changes have been identified to reflect the changed context as shown in **appendix 3**. The key proposed changes are summarised below.

5.5. As one Council

- Additional wording has been included to reflect the preventative focus of work with the voluntary and community sector.
- Wording has been updated to reflect the increasing importance of working within wider systems, for example in health and social care.
- The addition of a new core requirement to respond effectively as an organisation to the impact of COVID-19 and to maximise learning from this response.

5.6. Schools

- Wording has been added to reflect the new core responsibility to address the specific impact of COVID-19 on pupils' progress and outcomes.

5.7. Public Health

- Inclusion of specific wording to reflect enhanced responsibilities in relation to local outbreak planning and response as part of our health protection role.
- Several points relating to the commissioning of specific public health services have been replaced with a single overarching point focused on commissioning public health services to meet needs. This reflects the outcome of the public health review and the strategic commissioning approach to services.

5.8. Cabinet is recommended to agree the updated Core Offer attached as **appendix 3** as the basis for ongoing planning.

6. Medium Term Financial Plan

6.1 It remains difficult to plan for 2021/22 and beyond. The level of Government funding that ESCC will receive between 2021/22 – 2023/24 is yet to be confirmed; Spending Review (SR) 2019 was for a single year and therefore funding for this planning period will be announced at SR20 in the autumn, the date of which is still to be confirmed. Due to the ongoing uncertainty related to the end of the Brexit transition period and COVID-19 it is increasingly likely that there will be a single year SR similar to SR19. Cabinet, at its meeting in November 2019, welcomed the one-off funding of £4.4m that is now rolled into base funding. Additionally, the Fair Funding Review and Business Rate Retention reform have been confirmed delayed until at least 2021/22.

6.2 The Medium Term Financial Plan (MTFP) has been updated to provide a baseline position before further refinement of pressures, including those relating to

APPENDIX A

Children's Services, the future impact of COVID-19, and reduced income from council tax and business rates. A number of scenarios based on the potential for further funding announcements are set out in section 6.7. For financial planning purposes, the working assumption is that the authority will be conducting business as usual from 1 April 2021. Should there be a loss of income or extra pressures arising in 2021/22 from COVID-19, these will be managed through our normal quarterly monitoring process. The assessment at this stage is for the potential loss of income to be £2.0m whilst cost pressures may be in the region of £1.1m.

6.3 The baseline position includes: (1) Normal updates for regularly calculated adjustments and the additional year 2023/24, summarised at **appendix 4**; (2) Proposed updates following review by CMT via the Pressures Protocol, also summarised at appendix 4; (3) A review of deliverability of approved savings (see section 6.4).

6.4 The deliverability of existing savings plans has been reviewed, and whilst no savings have been identified as undeliverable, there will be slippage of £2.316m of savings into 2022/23 and 2023/24. The detail is set out in **appendix 6**.

6.5 These movements are summarised in the table below and provide a deficit budget position by 2023/24 of £23.860m.

Medium Term Financial Plan	2021/22 £m	2022/23 £m	2023/24 £m	Total £m
Council 11 February 2020 DEFICIT/(SURPLUS)	1.443	7.879	0.000	9.322
Normal Updates (appendix 4)	(2.106)	(1.441)	8.872	5.325
Proposed Updates (appendix 4)	9.895	(0.206)	(0.477)	9.213
Savings Reprofile (appendices 4 & 6)	2.316	(1.074)	(1.242)	0.000
Deficit / (Surplus) AFTER UPDATES TO THE MTFP	11.548	5.158	7.154	23.860

6.6 A detailed MTFP after normal updates and proposed pressures is shown at **appendix 5**.

6.7 As set out above, our known deficit for 2021/22 is £11.5m with an aggregate deficit of £23.9m. However, we know there is uncertainty about future funding allocations. In resetting the MTFP and presenting the budget for 2021/22 and beyond, a number of scenarios have been considered that could impact the possible level of budget deficit that will need to be addressed and these are set out in the table below. Scenario 1 includes potential options for further national funding which have yet to be clarified. For example, is it likely that we will have flexibility to raise Council Tax by a further 1%, will Revenue Support Grant receive an inflationary increase to Baseline Funding levels, and/or is it likely that we will get further one-off funding? If the council receives all of these then our position will reduce to a £3.0m deficit in 2021/22. Further scenarios presented below consider additional possible national announcements and their impacts on ESCC.

APPENDIX A

Scenarios	Estimate (£m)			
	2021/22	2022/23	2023/24	Total
DEFICIT/(SURPLUS) AFTER NORMAL UPDATES	(0.663)	6.438	8.872	14.647
Total Proposed Updates to the MTFP	12.211	(1.280)	(1.719)	9.213
DEFICIT/(SURPLUS) AFTER PROPOSED UPDATES	11.548	5.158	7.154	23.860
Local Considerations				
New Homes Bonus retain in revenue	(0.252)	0.138	0.114	0.000
DEFICIT/(SURPLUS) AFTER Local Considerations	11.296	5.296	7.268	23.860
Scenario 1, Likely				
Funding announced at SR20 similar to SR19				
Adult Social Care Precept and / or increase in referendum limit @ 1%	(2.983)	(0.068)	(0.070)	(3.121)
Revenue Support Grant (inflationary increase to Baseline Funding level)	(0.935)			(0.935)
One off grant – per previous years	(4.417)	4.417		0.000
DEFICIT/(SURPLUS) AFTER Scenario 1, Likely	2.961	9.645	7.198	19.804
Scenario 2, Less Likely				
Government Funds 2020/21 Business Rates loss	(0.237)	0.237		0.000
		(0.178)	0.178	0.000
			(0.119)	(0.119)
Government Funds 2020/21 Council Tax loss	(2.263)	2.263		0.000
		(1.697)	1.697	0.000
			(1.131)	(1.131)
Increase in referendum limit @ 1%	(2.983)	(0.068)	(0.070)	(3.121)
DEFICIT/(SURPLUS) AFTER Scenario 2, Less Likely	(2.522)	10.202	7.753	15.433
Scenario 3, Unlikely				
Business Rates, Proceeds of Pooling 2021/22	(1.279)	1.279		0.000
Income Guarantee: Government compensation for 75% of losses of income after the first 5%.	tbc			tbc
DEFICIT/(SURPLUS) AFTER Scenario 3, Unlikely	(3.801)	11.481	7.753	15.433

6.8 Although at this point in the RPPR process it is not possible to present a balanced MTFP due to the considerable level of national funding uncertainty and the everchanging requirements to meet the response to COVID-19, there are no plans to seek to identify further savings. Current savings plans (at appendix 6) get the Council to its Core Offer and any further savings would take it below that. Over the coming months, we will work to refine the budget to update for the impact of the Local Government Settlement, in whatever form that takes, whilst reflecting updated assessments of budget pressures, including Council Tax and Business Rates. If there is a deficit on the 2021/22 budget, and in line with our robust financial management policies and procedures, the plan at this point will be to use reserves to mitigate this position until the medium-to-longer term funding position is clarified.

APPENDIX A

7. Capital Programme

7.1 The approved capital programme was reported to Cabinet in July 2020 as part of RPPR State of the County report, where it was agreed that the impact of COVID-19 on the planned programme during 2020/21 would be reported as slippage and/or under/overspend as part of the capital monitoring process. The table below provides an updated programme. These variations including funding updates are detailed at **appendix 7**.

Capital Programme Gross (£m)	2020/21	MTFP Period			2024/30	Total
		2021/22	2022/23	2023/24		
Approved Programme as at State of the County	96.889	69.391	59.285	51.688	293.076	570.329
Updates to the programme	0.535	1.982	-	-	-	2.517
Revised Programme	97.424	71.373	59.285	51.688	293.076	572.846

7.2 As part of the RPPR process, service finance and departmental capital teams will complete a capital programme refresh as part of the Quarter 2 monitoring process which will be formally used to provide a realigned capital programme. There have been no revisions to the capital targeted basic needs proposals to support post COVID-19 service offer at this stage.

8. Lobbying and Communications

8.1. Work has been ongoing over the summer to understand the impact of COVID-19 on East Sussex residents through a range of both open access and targeted surveys, research and engagement. We received over 10,000 responses to an online survey open to all residents and held telephone interviews with a sample of 1,000 residents designed to ensure we heard from a representative cross-section of the local population.

8.2. Residents responding online identified improving the local economy as their top priority for the future, whereas respondents to the phone survey placed stronger public services at the top of their list. The uneven impact of the pandemic was reflected in research findings with around a third of online respondents feeling closer to their community, whereas around a quarter felt more distant. Almost a third (31%) of telephone interviewees had seen household income somewhat reduced, with a further 10% indicating their income had been greatly reduced as a result of the pandemic. A third of respondents expect they will need public services more than before COVID-19 over the next 12 months. A third of people expect that public services will have fewer resources to help them, whereas a third expect services to be resourced at about the same level as now. Looking at how the pandemic may change future behaviour, nine in 10 people expect to do more tasks and interaction online, six in 10 intend to do more to reduce their environmental footprint and more than half say their main focus will be on increasing their or their family's income. Findings from this research will feed into the evidence base that informs our planning for 2021/22 and our ongoing lobbying.

8.3. We are doing all we can, in the context of significant uncertainty, to understand and plan to meet local need, but we greatly need assurance we will have

APPENDIX A

sufficient funding to deliver all that is required to support local residents and businesses in the wake of the pandemic; and deliver an ambitious local and national recovery agenda in the future. We also urgently need a sustainable long term settlement for Adult Social Care, where demand is increasing year on year against a background of diminishing resources. While proposals for longer term reform of social care are still awaited, assurance that the short term support provided in 20/21 will be at least matched in 21/22 is a minimum requirement now.

8.4. South East 7 Leaders have written to the Chancellor this summer to set out the urgent need for certainty that in-year pressures from coronavirus will be met and that we will have adequate funding provision next year. The Leader and Chief Officers have also worked to help Government Departments evidence local government spending need in support of their submissions to the Comprehensive Spending Review and to explain the cost of not adequately funding councils in the current context. Lobbying will continue concerted in partnership with others, including our local MPs, in the autumn.

9. Next Steps

9.1. This report demonstrates the high level of uncertainty within which planning for 2021/22 is taking place and the scale of the challenge we face. Much is to be determined around national spending allocations and priorities for 2021/22 onwards, and the impact of the coronavirus pandemic and economic upheaval on our services is still emerging. National government will be looking to local government to support the ongoing COVID-19 response and economic and social recovery, as well as delivering significant reform in a range of areas. We need certainty as early as possible that we will receive an adequate level of funding next year to enable focus on this work. We will redouble our lobbying efforts to ensure absolute clarity of this message to Government.

9.2. Work will continue throughout the autumn and winter to understand the impacts on our residents and services of the coronavirus pandemic, the detailed funding picture as it emerges and the implications of national policy developments. This analysis will feed into our ongoing business and financial planning.

9.3. Subject to agreement by Cabinet, the Council's updated priority and delivery outcomes, Core Offer and Medium Term Financial Plan will be used as the basis for more detailed business and budget planning for 2021/22 and beyond.

9.4. Members will continue to be involved in developing plans through Cabinet, County Council, Scrutiny Committees, Whole Council Member Forums and specific engagement sessions throughout the 2020/21 RPPR process.

BECKY SHAW
Chief Executive

Policy Outlook Update – October 2020

1. Introduction

1.1. There have been a number of national developments since the local and national policy outlook was reported to Cabinet in July that are expected to have implications for the County Council's future work and business and financial planning. These are detailed below.

2. Overall Context

Containing and managing local coronavirus outbreaks

2.1. Government launched a national COVID-19 Contain Framework in mid-July, which set out how NHS Test and Trace and the Joint Biosecurity Centre (JBC) will work with local authorities, Public Health England (PHE) and the public to contain and manage local COVID-19 outbreaks. The framework provided further guidance on roles, responsibilities and powers of Upper Tier Local Authorities (UTLA) in managing local outbreaks, following publication of Local Outbreak Management Plans by all UTLAs in June. Government has allocated funding to UTLAs to support development and delivery of these plans. ESCC has received £2.5m which will be used to support implementation of the East Sussex Local Outbreak Control Plan approved by the Health and Wellbeing Board in July. The move to localised management of outbreaks is part of the Government's strategy to undertake a targeted response, employ smarter restrictions and limit nation-wide restrictions as far as is possible to manage the pandemic. Government has reinstated some nation-wide restrictions following a national increase in COVID-19 case rates since early September.

2.2. A range of indicators are monitored to provide situational awareness of COVID-19 transmission and prevalence across England. The indicators used fall into four primary groups: PHE and NHS Test and Trace data (e.g. the number and rate of increase of positive cases and the number of outbreaks in an area), syndromic surveillance (e.g. increase in NHS111 calls regarding COVID-19 like symptoms), NHS activity (e.g. hospital admissions for COVID-19), and other indicators (e.g. mortality data). Detailed local data on the above indicators is now shared with local public health teams.

2.3. These indicators are used to assess the level of risk in each area and are the basis of PHE's weekly surveillance reports, which include a watchlist of areas with higher-than-average incidences of COVID-19. Areas are placed in one of three 'escalation categories' if it is deemed additional resource or approaches are required to augment local responses. Escalation categories are:

- areas of concern - UTLAs work with partners, supported by regional PHE and NHS Test and Trace resource, to take additional actions to manage outbreaks and reduce community spread of the virus to more normal levels.
- areas of enhanced support – area provided with increased national support, capacity and oversight, including additional resources deployed to augment the local teams where this is necessary.
- areas of intervention - are defined where there is divergence from the lockdown measures in place in the rest of England because of the significance of the spread of COVID-19. There are a range of non-pharmaceutical interventions available to local and national leaders, from extensive communications and expanded testing, to restrictions on businesses and gatherings.

2.4. A number of areas across the country have been placed in the above categories over the summer. The interventions taken in each place has varied according to local

APPENDIX A

circumstances and the national support available to augment local arrangements continues to develop. In August it was announced that councils in areas of intervention would be expected to reach consensus and bring forward proposals, informed by case data, on the geography that should be included in the area of intervention. The intention is that areas with lower rates of infection are not subject to restrictions unnecessarily.

2.5. Supplementary to the Contain Framework, publication of a COVID-19 Shielding Framework is expected to inform local authority planning to support Clinically Extremely Vulnerable (CEV) individuals in the event that shielding guidance is reintroduced on a local or national basis. Any decision to reintroduce shielding will be taken at a national level, and the framework is expected to set out that in the event this happens councils will now be responsible for assessing the food and basic support needs of CEV individuals and facilitating delivery of that support. Funding to support councils in assessing and meeting these needs is anticipated but details are to be confirmed.

2.6. There is now a legal requirement for people to self-isolate when they test positive for COVID-19 or are instructed to by NHS Test and Trace. New fines have been brought in to enforce the requirement. People on lower incomes who cannot work from home and have lost income as a result of being asked to self-isolate will receive a payment of £500, administered via local government. The Department for Health and Social Care (DHSC) and Ministry for Housing, Communities and Local Government are engaging with local authorities on how this will work in practice.

Economic Outlook

2.7. In April, the Office for Budget Responsibility (OBR) assessed the potential impact of coronavirus on the UK economy and public finances. The OBR updated the analysis in July to take account of Government's announcement of lifting lockdown restrictions. The analysis provided three medium-term scenarios for the economy and in all scenarios a reduction in GDP of over 10% was projected for 2020. In August, the OBR published further commentary on public sector finances:

- Public Sector Net Borrowing (the budget deficit) has continued to rise sharply with £150.5bn borrowed between April – July 2020;
- Public Sector Net Debt had topped £2tn for the first time and was 100.5% of GDP in July;
- HMRC cash receipts for the first four months of 2020/21 were 31% lower than a year earlier, with VAT accounting for the bulk of deterioration due to the Government's deferral scheme and lower consumer spending; and
- Central Government spending was 36% higher than a year earlier reflecting the cost of the coronavirus job retention and self-employment income support schemes, plus higher public services spending.

2.8. Similar forecasting by the Bank of England has indicated GDP will shrink by 9.5% this year, less severe than previously forecast, but that unemployment could almost double to 7.5% by the end of 2020. Latest figures published by ONS indicate that 695,000 fewer employees were on UK payrolls in August than in March; and there was a large drop in employment of 16 – 24 year olds between May and July (decreased 156,000), while there was a combined increase in employment on the previous quarter for those aged 25 – 64. The end of the Coronavirus Job Retention Scheme (furlough) and Self-employment Income Support Scheme on 31 October is expected to contribute to further job losses nationally, although the Treasury has announced further employment and business support measures to support retention of jobs through the winter. Other ONS figures released in August demonstrated that the UK economy is officially in recession following two quarters of negative GDP growth.

APPENDIX A

2.9. The second report of the House of Commons Treasury Committee's inquiry into the economic impact of coronavirus looked at the national challenges of economic recovery and found them to be maintaining recovery of consumer confidence and spending, including potentially through a second wave; minimising long-term unemployment increases while enabling sufficient labour flexibility to allow structural change and movement from shrinking to growing sectors; dealing with elevated levels of corporate debt; and, in the long term, managing Government debt sustainably.

Comprehensive Spending Review and Autumn Budget

2.10. Government launched the 2020 Comprehensive Spending Review (CSR) at the end of July to set Government departments' resource budgets for 2021/22-2023/24 and capital budgets for 2021/22-2024/25. Given ongoing uncertainty around COVID-19 and the end of the Brexit transition period, it is highly likely this will now be reduced to a spending review for 2021/22 only. The following priorities have been set for the review:

- strengthening the UK's economic recovery from COVID-19 by prioritising jobs and skills
- levelling up economic opportunity across all nations and regions of the country by investing in infrastructure, innovation and people – thus closing the gap with our competitors by spreading opportunity, maximising productivity and improving the value add of each hour worked
- improving outcomes in public services, including supporting the NHS and taking steps to cut crime and ensure every young person receives a superb education
- making the UK a scientific superpower, including leading in the development of technologies that will support the government's ambition to reach net zero carbon emissions by 2050
- strengthening the UK's place in the world
- improving the management and delivery of our commitments, ensuring that all departments have the appropriate structures and processes in place to deliver their outcomes and commitments on time and within budget

2.11. Government confirmed that department spending would grow in real terms across the CSR period but that there would be tough choices in areas of spending outside the above priorities at the review. Government departments have been asked to identify opportunities to reprioritise and deliver savings. The CSR consultation closed on 24 September.

2.12. The Autumn Budget 2020 was expected to confirm the CSR/Spending Review outcome and Government's longer-term fiscal plans. The Autumn Budget has now been cancelled but it is understood that a Spending Review will still take place this autumn.

Devolution and Local Government Reorganisation

2.13. Government committed in the December 2019 Queen's Speech to publish an English Devolution White Paper to 'unleash the potential' of all English regions by increasing the number of mayors and doing more devolution deals across 'functional economic areas' to level up powers and investment.

2.14. A Devolution and Local Recovery White Paper was expected to be published this autumn, although that is now in doubt. The paper was expected to propose a new phase of local government reorganisation and creation of Combined Authorities as the first step to securing further devolution deals to deliver economic recovery and renewal.

APPENDIX A

End of EU Exit Transition Period

2.15. Agreements on the future relationship between the EU and UK following the end of the transition period on a range of matters - including trade, security and control of fishing waters - are still to be agreed. On 7 September, the Prime Minister made a statement to open the final phase of negotiations with the EU in which he said that an agreement on trade must be reached by 15 October for the new relationship to be agreed in time. If an agreement is not reached, future trade with the EU will take place under World Trade Organisation rules from the end of the transition period on 31 December. There is a risk that ending the transition period without an agreed relationship between the UK and EU could result in disruption at Newhaven Port, in the local economy, to the coronavirus response and in delivery of the council's services and this has been captured on the Council's Strategic Risk Register.

2.16. Government is undertaking preparations for the end of the transition period. Plans for a post-transition Border Operating Model were published in July which set out that the Government has taken the decision to introduce the new border controls in three stages up until 1 July 2021. Government is also making plans for inland ports. A Border Facilities and Infrastructure (EU Exit) Special Development Order was laid in Parliament in early September to provide Government with emergency and temporary planning permission for the development of inland border facilities and associated infrastructure. 29 administrative areas in England were listed in the order, including East Sussex, although HMRC have confirmed they are not currently planning arrangements within East Sussex. The Trading Standards team are monitoring developments to understand regulatory requirements following the transition period and to ensure there is sufficient capacity to meet new demands for enforcement and business advice.

3. Adult Social Care and Health

Adult Social Care Taskforce Report and ASC Winter Plan

3.1. Earlier this year, Government established an ASC Taskforce to oversee delivery of support to the social care sector in its response to COVID-19; and of the Department for Health and Social Care (DHSC) Social Care Action Plan. As part of its work, the Taskforce was commissioned to advise the Minister of State for Social Care on what needed to be in place in the care sector in England to respond to COVID-19 ahead of winter. The final report of the Taskforce includes 52 recommendations for Government, local authorities, the NHS and others within the health and social care system. We are working through the recommendations with our partners across the local health and social care system.

3.2. The Taskforce recommendations have informed Government's ASC Winter Plan, published in September, setting out its ambitions for and challenges facing the social care sector this winter. The plan outlines actions DHSC is taking and actions local systems (councils, the NHS and Voluntary and Community Sector) should take to ensure that high-quality, safe and timely care is provided to everyone who needs it, whilst protecting people who need care, their carers and the social care workforce from COVID-19.

3.3. The plan outlines a wide-range of actions that local systems and DHSC are already taking to provide care while reducing transmission of COVID-19. Further actions the plan outlines DHSC is taking include:

- working up a designation scheme with the Care Quality Commission (CQC) for premises that are safe for people leaving hospital who have tested positive for COVID-19 or are awaiting a test result – although it will remain councils' responsibility to provide alternative accommodation in local systems for supporting people with a positive test result requiring care;

APPENDIX A

- providing free PPE (for COVID-19 needs in line with current guidance) to care homes and domiciliary care providers via the PPE portal until the end of March 2021;
- providing free PPE to local resilience forums (LRFs) who wish to continue PPE distribution, and to local authorities in other areas, to distribute to social care providers ineligible for supply via the PPE portal, until the end of March 2021;
- working with local authorities and the CQC to strengthen their monitoring and regulation role to ensure infection prevention and control procedures are taking place;
- publishing a new online Adult Social Care Dashboard, bringing together data from the Capacity Tracker and other sources;
- publishing information about effective local and regional protocols and operational procedures based on what we have learnt so far to support areas with local outbreaks and/or increased community transmission; and
- in partnership with the Association of Directors of Adult Social Services and Local Government Association, carrying out a Service Continuity and Care Market Review in the autumn to understand the robustness of the plans local authorities have in place, and what additional support may be needed.

3.4. The primary new and additional actions for ESCC resulting from the plan are:

- to put in a place an East Sussex Winter Plan building on existing planning, including the East Sussex Local Outbreak Plan and in the context of planning for the end of the Brexit Transition Period, by 31 October;
- provide free PPE to care providers ineligible for the PPE portal (supplied by DHSC) when required (including for personal assistants) directly until March 2021;
- to work with local partners to carry out learning reviews after each care home outbreak to identify and share lessons learned;
- to ensure care providers carry out testing as set out in the testing strategy and, together with NHS organisations, provide local support for testing in adult social care if needed;
- for the Director of Public Health to regularly assess of whether visiting care homes is appropriate, taking into account the wider risk environment and immediately moving to stop visiting if an area becomes an 'area of intervention' (see 2.3 above), except in exceptional circumstances such as end of life;
- to work alongside the Care Quality Commission to ensure care homes are taking necessary steps to prevent spread of the virus and follow up with care providers that are not limiting staff movement; and
- establish a weekly joint communication from the Director of Adult Social Care and Health and Director of Public Health to go to all local providers of adult social care.

3.5. Government has also requested all councils complete a care market sustainability self-assessment. This will be reported to the Minister of Care, through DHSC. The Minister is seeking assurance that care markets are sustainable though the winter period and where this cannot be provided the intention is to provide support to councils to address any identified challenges.

3.6. Government has committed to continue to engage across the sector to understand needs as they develop throughout the winter and provide appropriate support. We will continue to engage and emphasise the need for a sustainable funding settlement for social care, that reflects the scale of investment made in the NHS, and the need to limit self-assessment/ assurance/ Government reporting to free-up fundamental capacity to deliver.

3.7. Government has provided a second £546m tranche of Infection Control Funding, to be distributed by councils to care providers, to support delivery of the plan. The East Sussex allocation, conditions of this funding and reporting requirements are to be confirmed, but as with the first tranche, the expectation is the funding will help providers with the extra costs of

APPENDIX A

infection prevention and control measures – including the payment of care workers who are self-isolating in line with government guidelines. We anticipate central designation of what proportion of the funding is provided to which parts of the care market. £588m has also been provided for the NHS to support people needing additional follow-on care after they have been discharged from hospital. From September 1 – 31 March 2021, the NHS will fund up to the first six weeks of support following hospital discharge, during which assessments will be carried out to determine ongoing care and funding arrangements.

National Institute for Health Protection and future of population health improvement

3.8. Government has announced the creation of a National Institute for Health Protection (NIHP) to advance the country's response to the COVID-19 pandemic and any future pandemics and health threats. The NIHP brings together Public Health England's health protection functions, NHS Test and Trace and the Joint Biosecurity Centre under a single leadership team in its shadow form.

3.9. Government has published a paper providing detail on the transition to the new NIHP, as well as scoping plans for the future of the health improvement/ preventative functions PHE also currently has responsibility for. The paper confirms prevention of ill health remains a national priority and PHE will continue its health improvement and wider prevention work in the coming months under the leadership of the NIHP. In this time Government will consider the best future arrangements for work on health improvement, including the range of non-health protection functions PHE provides, engaging with representatives across the public health system.

3.10. The paper outlines a number of options under consideration, including:

- devolving functions to a more local level such as local authorities and/or integrated care systems
- creating a separate national organisation dedicated to driving progress on prevention, health improvement and, potentially, public healthcare services
- retaining health improvement responsibilities within DHSC and/or other government departments
- embedding health improvement responsibilities into existing health arm's length bodies such as NHS England and NHS Improvement
- a combination of the above options

3.11. A new Population Health Improvement Stakeholder Advisory Group has been established to advise Government on the options, and input into an options paper to be published in October. This will provide an opportunity for stakeholders to share views and we will consider the proposals and respond. The national budget of the NIHP and for future health improvement activities will be agreed in the Spending Review. Government intends to publish its final recommended approach and delivery plan by the end of 2020.

4. Children's Services

Support to schools

4.1. Pupils returned to schools and colleges at the start of September with education settings putting a 'system of controls' in place to keep students and staff safe, focussed around minimising direct contact and maintaining social distancing wherever possible.

4.2. Education settings re-opened in places subject to local restrictions and Government has been clear that re-introduction of restrictions on education and childcare settings is to be considered only once all other possible measures have been taken. A tiered system of

APPENDIX A

restrictions has been established to guide the phased introduction that would take place in circumstances where areas that are subject to national intervention require some level of restriction to education or childcare settings. Tier 1 restrictions apply to all areas subject to local intervention; all schools remain open but with a requirement for adults and pupils in settings educating years 7 and over to wear face coverings in communal areas where it is not possible to socially distance. Guidance has been provided to support settings to plan for how they would implement tier 2 restrictions - moving to a rota model, combining on-site provision with remote education - if required. Tiers 3 and 4 involve further limiting students attending on site in different education settings.

4.3. There has been an increased expectation on councils to support schools this year; with partial closure, with providing places for vulnerable children and children of keyworkers in lockdown, with provision of remote learning in lockdown, and recently with making preparations to re-open. In this new context, the focus of the Standards and Learning Effectiveness Service for the 2020/21 academic year will be on:

- Planning, preparation and support for schools in potential local lockdowns – see 4.2 above;
- Increased support for vulnerable pupils, including safeguarding, addressing learning loss and ensuring attendance;
- Ongoing co-ordination of services for schools;
- Managing the impact of COVID19 on early years providers and ensuring that we maintain sufficient places for the future; and
- Supporting young people into Education, Employment and Training during a period of rising unemployment and economic downturn that will disproportionately impact 18-24 year olds.

Home to School Transport

4.4. In the summer, national guidance was published on transport provision to support the return of schools and colleges in September. This set out that as capacity on public transport is limited, local authorities needed to put in place local demand management solutions for public services, and supplement the public bus network, and existing home to school transport, with additional capacity, to ensure that children could travel to school safely, and disruption for all passengers on the public network was minimised. The Transport Team made arrangements to support school returns accordingly, including working with operators to ensure sufficient provision on the network of bus services used by school children travelling to schools in East Sussex and to other neighbouring authorities.

4.5. The County Council has been allocated £464,596 by the Department for Education (DfE) to assist in securing additional transport capacity until the end of the October school term. There is uncertainty about the resource we will have for additional capacity after this period. All Chief Finance Officers have been asked by DfE to account for use of the funding provide to date, to inform a second tranche of funding for the second half of this term.

Ofsted Inspections

4.6. Ofsted has announced interim inspections arrangements for a range of settings:

- Ofsted and CQC will begin visiting councils in October to understand the impact of the pandemic on children and young people with SEND and their families. They will look to find out what has worked well for them during this time, what the challenges have been, and lessons learned;
- As part of a phased return to the Inspection of Local Authority Children's Services (ILACS) programme, Ofsted will be carrying out focused visits from the autumn. Inspectors will look at the experiences of children and how local authorities and providers have made the best possible decisions for children in the context of the pandemic. For

APPENDIX A

councils, this includes how they have joined up schools and social care services while schools were closed, to ensure vulnerable pupils continued to be identified. Ofsted is intending to visit as many providers and local authorities as possible, prioritising those it has concerns about (i.e. an area of priority concern or judged inadequate). Ofsted will also visit a sample of local authorities judged good or outstanding at their last inspection to identify good practice that will help others with their recovery plans, which could include ESCC;

- Assurance visits of social care provider's children's homes, secure homes and residential special schools will take place from 1 September 2020 – 31 March 2021 and will look at the experiences and progress of children and young people, taking into account the Covid-19 context;
- Ofsted will be undertaking interim visits of registered early years providers from September to ensure standards are being maintained and there is safe and effective childcare available for all who need it; and
- Interim visits of maintained schools and academies will take place from 28 September to December to look at how leaders are managing the return to full time education for their pupils, including considering remote learning and safeguarding in line with the guidance for full re-opening.

4.7. With all inspections, Ofsted will not give graded judgements but will set out findings in a published report/letter setting out what is going well and what needs to improve.

Unaccompanied Asylum Seeking Children

4.8. There has continued to be an increase in asylum seekers and Unaccompanied Asylum Seeking Children (UASC) entering the country in recent months, particularly in Kent. As a result, in August, Kent County Council declared it could no longer safely accept UASC into its care.

4.9. In response, the Home Office has launched a consultation on introducing a more sustainable National Transfer Scheme (NTS). The focus is on creating a sustainable rota system that will take account of the broader range of support local authorities provide across the whole of the asylum system, including to care leavers and the dispersed population. This will include a broad and comprehensive approach to look at all the issues facing local authorities hosting the greatest number of UASCs – particularly those that are over their 0.07% allocation (i.e. UASC make up more than 0.07% of the total child population) and those with significant numbers of former UASC care leavers.

4.10. The consultation is seeking views on:

- how the Home Office might implement a voluntary transfer system and what the barriers might be for local authorities;
- the need for a mandatory scheme to force those local authorities who have been less willing/ able to engage in the NTS; and
- including care leavers in the 0.07% ratio

4.11. ESCC already works closely with the scheme and has taken a number of new arrivals via NTS. Our willingness to continue to work with the NTS will not change. There will however be implications in terms of planning for increased numbers of new UASC admitted into care at certain times of the year to reflect our place on the rota set against the number of spontaneous arrivals that we receive outside of the scheme as a local authority with a port of entry. At the moment, we are able to balance the impact of assuming responsibility for young

APPENDIX A

people via the NTS and to sequence placements in a way that delivers good and safe outcomes for UASCs.

4.12. Whether the scheme continues to be voluntary or mandatory will arguably have a significant impact on the numbers and timing of young people who the Council is asked to take but a mandatory scheme would spread the requests more equitably. Including care leavers in the 0.07% ratio seems a sensible step given the ongoing commitment to that group of young people.

5. Communities, Economy and Transport

Planning for the Future White Paper

5.1. Published in August, the White Paper is open for consultation until the 29 October and proposes a fundamental reform of the planning system. The proposed reforms are heavily focussed on housebuilding and driven by the Government's clear aim of delivering a minimum of 300,000 new houses per annum. The paper proposes simplifying the role of Local Plans to focus on identifying land under three categories –

- Growth – areas suitable for sustainable development, and where outline approval for development would be automatically secured for forms and types of development specified in the Plan;
- Renewal - areas suitable for some development; and
- Protected - areas where development is restricted.

5.2. The White Paper sets out a vision for a reformed planning system so further detail will be required to fully understand the implications for ESCC. Whilst the reforms are likely to have a greater impact upon our District and Borough partners (as well as the South Downs National Park Authority), there are potentially significant implications for the County Council, particularly where we perform a statutory consultee role and/or are a key infrastructure provider. These implications include:

- Reforms to capture development value for infrastructure provision – it is proposed to replace Section 106 agreements and the Community Infrastructure Levy with a national Infrastructure Levy to be paid on completion of developments. Government acknowledge that this may impact on the ability to get new and improved infrastructure in place before developments are occupied and therefore suggest that councils consider forward funding the necessary infrastructure improvements. If this materialises, the implications on the County Council will be substantial as it could involve the need to forward fund and deliver infrastructure improvements ourselves. We would encourage Government to consider an alternative mechanism to deliver transport improvements that make development sites viable in transport terms;
- Abolition of the Duty to Cooperate – while broadly welcomed as it has been an ineffective mechanism for undertaking strategic planning nationally, the paper has not set out how cross-boundary planning issues will be addressed or how reforms will enable planning for large-scale and cross-boundary infrastructure proposals linked to housing and employment growth;
- Commitment to review resourcing of planning functions – while welcome, it is essential that this also considers the resourcing that is required for statutory consultees in the planning process;
- the White Paper has no mention of waste and minerals planning, so clarification is needed as to how the reforms will impact upon this particular sector of planning, for which ESCC has responsibility; and

APPENDIX A

- further digitation of the planning system – this is welcome and a change authorities have been working towards.

5.3. ESCC's draft response to the White Paper will be considered by Lead Member for Transport and Environment, and in addition to the above points, will seek clarity and further detail on a number of areas; emphasise the need for the system to enable ESCC to continue delivering important public services, i.e. new school places; and that the system needs to be underpinned by democratic oversight and accountability for decisions.

5.4. Alongside the White Paper, the Government also published a consultation on changes to the current planning system. The majority of changes are unlikely to directly impact upon the County Council. However, of most significant consequence is the proposed revised formula for calculating the housing delivery target that each planning authority should aim to plan for, which if taken forward is likely to increase the demand on the Council's statutory consultees and those services tasked with planning and delivering infrastructure.

Pavement parking consultation

5.5. The Department for Transport has launched a consultation which will explore proposals to ban pavement parking in England. The Department for Transport is looking at three options: improving the Traffic Regulation Order process, under which local authorities can already prohibit pavement parking; legislative change to allow local authorities with civil parking enforcement (CPE) powers to enforce against 'unnecessary obstruction of the pavement'; and legislative change to introduce a London-style pavement parking prohibition. The consultation will run until late November. The decision to allow authorities with CPE powers to enforce the obstruction would have implications for ESCC as we undertake civil parking enforcement in Hastings Borough, Lewes District and Eastbourne Borough and anticipate the order enabling CPE in Rother to be in place from 29 September.

Integrated Review

5.6. The Cabinet Office is currently undertaking an Integrated Review of Security, Defence, Development and Foreign Policy. Part of the review will consider national resilience and changes required to deliver resilient places and communities, including the future of Local Resilience Forums. Sussex Resilience Forum will be engaging in the review and making the case for the need for core funding for LRFs, particularly given their role in the COVID-19 response.

6. Support Services

Public sector exit payments

6.1. In April 2019, Government published a consultation seeking views on regulations implementing a £95,000 cap on exit payments in the public sector. In September, Government published a further consultation seeking information on

- i. the effects that the proposals for reform will have on the regulations which currently govern exit payments in local government; and
- ii. the impact the proposals will have on the local government workforce.

Full details of the regulations and how they will operate in practice are not yet known as they are subject to the latest consultation, although Treasury regulations to implement the cap have already been introduced to Parliament. However, it is expected that they will have significant implications for how we manage workforce change and reform.

[Proposed changes in red]

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 **in the short and long term**. Making best use of resources **in the short and long term** is the gateway priority through which any activity and accompanying resources must pass.

For each priority outcome there are specific delivery outcomes. These are referenced to performance measures in this Portfolio Plan.

Driving sustainable economic growth - delivery outcomes

NEW: East Sussex businesses are supported to recover and grow through the delivery of the Economy Recovery Plan

1. The county's employment and productivity rates are ~~high throughout the county~~ **maximised**
2. Individuals, communities and businesses thrive in East Sussex with the environmental and **social** infrastructure to meet their needs
3. The workforce has and maintains the skills needed for good quality employment **to meet the needs of the future East Sussex economy**

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

4. All children progress well from early years to school leaver and into education, training and employment

Keeping vulnerable people safe - delivery outcomes

5. All vulnerable people in East Sussex are known to relevant local agencies and services are delivered together to meet their needs
6. People feel safe at home
7. People feel safe with **support** services

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

Helping people help themselves - delivery outcomes

8. Commissioners and providers from all sectors put people first when providing services and information to help them meet their needs
9. The most vulnerable ~~adults~~ **adults** get the support they need to maintain their independence and this is provided at or **as** close to home **as possible**
10. ~~Individuals and communities are supported and encouraged to be responsible, help others and make the most of community capacity and assets~~ Through our work with others, individuals and communities are encouraged to maintain and develop local mutual support systems

APPENDIX A

Making best use of resources in the short and long term - delivery outcomes

11. Working as One Council, both through the processes we use and how we work across services
12. **Delivery through strong and sustained** Working in 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
13. Ensuring we achieve value for money in the services we commission and provide
14. Maximising the funding available through bidding for funding and lobbying for the best deal for East Sussex
15. To help tackle Climate Change East Sussex County Council activities are carbon neutral as soon as possible and in any event by 2050
16. ~~Applying strategic commissioning to ensure resources are directed to meet local need~~

East Sussex County Council's Core Offer

[Proposed changes in red]

As one council

We will:

- be driven by the needs of our residents, businesses and communities and focus on our four priority outcomes;
- be democratic, open and honest about our decision making;
- 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 in East Sussex;
- work effectively with the community and voluntary sector, **including to avoid the need for statutory services**;
- work well as a single organisation **and within wider systems**;
- provide the best quality service we can within the resources we have available;
- compare our cost and performance against others to make sure we provide value for money;
- learn from others to improve outcomes for residents;
- ensure that as much money as possible is directed towards front line services;
- lobby hard to protect and promote the interests of East Sussex.
- **respond effectively and flexibly to the impact of Covid-19 on our services and communities and ensure we harness opportunities to do things differently in the longer term.**

Customer Service

We will:

- respond to formal complaints and statutory information requests;
- seek to provide information and services online wherever possible.

Protecting and supporting vulnerable people

Children at risk

We will:

- provide a statutory social care offer to safeguard children at risk of harm. This includes: protecting children; looking after children who are in care, helping care leavers become successful adults and managing efficient and effective **residential**, fostering and adoption services;
- we will provide an Early Help Service for 0-19 year olds where it helps us manage the demand for higher cost services, including an integrated service with Health Visitors for 0-5 year olds;
- we will work with partners to prevent young people from offending and to respond effectively when they do.

Special Education

We will:

- carry out statutory assessments of children with Special Education Needs (SEN), where there are significant barriers to learning;
- use our best endeavours to secure the right educational provision for those with the greatest need;

APPENDIX A

- fulfil our statutory duties to safeguard and promote the welfare of disabled children who meet the threshold under the Continuum of Need;
- where possible, work to build capacity in Early Years settings to ensure vulnerable pupils can attend a pre-school setting from 2 years old and can be supported to attend and succeed in mainstream schools.

Adults

We will:

- provide information and advice for all those seeking care and support;
- assess need and arrange help for individuals and their carers who are eligible for support from Adult Social Care;
- provide support that reduces the need for social care in the longer term and/or prevents the need for a more expensive service;
- continue to ensure that we safeguard vulnerable adults who are at risk of harm or abuse.

All Children

Schools

We will:

- operate a light-touch monitoring of the performance of maintained schools. We will use our best endeavours to intervene when a school is at high risk of failure;
- encourage the Regional Schools Commissioner to intervene where academies in East Sussex are under-performing;
- use our best endeavours to improve the outcomes of pupils vulnerable to under-achievement, **including the impact of Covid-19 on pupils' progress and outcomes**;
- promote post-16 participation in education and training, including provision and support for young people with learning difficulties/disabilities.

School planning and access

We will:

- plan to have enough Early Years and school places where they are needed;
- co-ordinate and administer the admission process;
- provide home to school transport where we have a statutory duty to do so **and in the context of Covid-19**.

Universal offer to all residents

Highways and Transport

We will:

- maintain roads, pavements, bridges, structures, highway drainage and verges and carry out repairs to our current standards;
- investigate road accident sites and take measures to prevent recurrence where this is possible;
- carry out safety audits of proposed highways improvement schemes;
- manage the national concessionary fares scheme and provide limited bus subsidies where they provide access to vital services, education and employment for communities which would otherwise be cut off;
- enforce civil parking restrictions where they are in place;
- carry-out strategic planning of the highways network to help to ensure the County's transport needs are met now and in the future;

APPENDIX A

- provide footpath clearance on priority and popular rights of way routes, maintain the Definitive Map and respond to public requests for footpath diversions and searches.

Economy and Trading Standards

We will:

- provide access to high quality employment to reduce avoidable reliance on public services by acting as a strategic economic authority that intervenes, in partnership, decisively and cost effectively where it can make a difference, especially by leveraging in external funding;
- carry out food sampling and food inspection where the risk is high; carry out reactive animal health disease control and take enforcement action where necessary.

Waste Management

We will:

- dispose of waste collected by the borough and district councils and provide sufficient waste sites to meet national guidance.

Planning & Environment

We will:

- fulfil our statutory duties on planning, development control, flood risk and environmental management, including specialist environmental advice where required;
- provide emergency planning services.

Libraries

We will:

- provide a library service which meets our assessment of current and future needs.

Public Health

We will:

- Work at population level to identify the areas where risks and threats to health are greatest to create a healthier, happier and fairer East Sussex.
- Support the **NHS whole health and care system** to ensure a population health focus lies at the heart of integration and innovation within **the NHS health and care** in East Sussex
- Ensure the protection of public health through **local** outbreak **planning and** management; screening; immunisation and emergency planning and preparedness, working with all relevant agencies and professions to gain maximum impact from our combined efforts.
- Continue the universal offer for school nursing and health visiting and look at the specification of future contracts to see if services could add more value to early years and preventive programmes within children's health and social care.
- **Commission public health services that meet the needs of local communities**

APPENDIX A

- ~~Continue to offer the NHS Healthcheck programme, targeting specific populations and groups with the aim of reducing the life and healthy life expectancy gaps across the County.~~
- Contribute to health improvement by making targeted interventions focused on those populations for which there is clear evidence of efficacy and by tackling the wider the causes of ill health. We will draw on the preventative nature of the NHS long-term plan locally to align and gain value from integrated commissioning, design and provision of services.
- ~~Provide Drug and Alcohol Services which concentrate on the provision of successful treatment and prevention of harm and keep pace with new threats and new treatment options.~~
- ~~Commission sexual health services which seek to increase efficiency by modernising the way services are delivered and focus on areas of highest risk, whilst maintaining quality and access.~~
- ~~Reduce management and support costs by 15% to bring in line with reductions already made across the remainder of the Council.~~

Archives and Records

We will:

- manage the records which we are required to keep by law. We will meet our basic statutory duties as a Place of Deposit for public records at The Keep including a basic level of public access to those records.

Gypsies and Travellers

We will:

- manage our current portfolio of permanent and transit sites.

Registration Service

We will:

- fulfil our duties to register births, deaths and marriages.

Community Safety

We will:

- deliver our local Community Safety priorities, commission effective substance misuse and domestic abuse support services and fulfil our statutory duties in relation to Prevent; Modern Slavery and the Crime and Disorder Act.

Support Services

We will:

- work in partnership with others to provide the best value for money, ensuring professional and modern support to front line services as efficiently as possible so maximum resource is focussed on front line delivery;
- manage our assets and central financial resources, including Treasury Management, capital and reserves prudently and effectively to support the County Council's business and sustainability.

APPENDIX A

APPENDIX 4 – Normal and Proposed Updates to the MTFP

Normal and Proposed Updates	Ref	Estimate (£m)			
		2021/22	2022/23	2023/24	Total
Council 11 February 2019 DEFICIT/(SURPLUS)		1.443	7.879	0.000	9.322
NORMAL UPDATES					
Business Rates Retention	A	(0.211)	0.092	(1.844)	(1.963)
Business Rates Growth (0.7%)	A		(0.010)	0.010	0.000
Revenue Support Grant	B	(0.500)	(0.081)	1.571	0.990
Council Tax Base (growth @ 0.9%)	C	0.307	0.314	(2.849)	(2.228)
Council Tax Inflation (1.99%)	D	(0.002)		(6.417)	(6.419)
Council Tax Collection Fund	E	0.990			0.990
New Homes Bonus Reduction	F			0.114	0.114
NHB to Capital Programme	F			(0.114)	(0.114)
Savings Profiling	G	0.100		(0.100)	0.000
Treasury Management Pressure	H	0.650		1.000	1.650
General Contingency (1% of net budget less TM)	I	(0.020)	0.010	0.110	0.100
Pensions Final Revaluation	J	(1.400)	(0.400)		(1.800)
Levies Increase	K			0.012	0.012
Pay Award (impact of 0.25% additional in 2020/21; 2% in all years, reduced from 2.5%)	L	(0.315)	(0.587)	2.438	1.536
Contractual inflation (contract specific)	M			2.252	0.877
Normal inflation for contracts	N	(0.342)	(0.195)	7.435	6.898
ASC & CSD Growth and Demography	P	(0.087)	0.230	5.056	5.199
CSD: SEND High Needs Block Additional funding	Q	(1.276)	(0.814)		(2.090)
CET: Waste Housing Growth	R			0.198	0.198
DEFICIT/(SURPLUS) AFTER NORMAL UPDATES TO THE MTFP		(0.663)	6.438	8.872	14.647
PROPOSED UPDATES					
Savings reprofile	S	2.316	(1.074)	(1.242)	0.000
Pressures (BAU):					
BSD: Accounts Receivable	T	0.058	0.004	0.005	0.067
CET: Ash Dieback management	U	0.137	0.014	0.015	0.166
CET: The Keep - BAU funding gap pressures	V	0.069			0.069
CET: Trading Standards - loss of income	W	0.056			0.056
Contractual / Statutory Obligations:					
BSD: St Marks House Rent Review	X	0.052			0.052
CSD: EH&SC Living Allowances	Y	0.060			0.060
CSD: EH&SC LAC Placement Costs	Z	3.429	(0.795)	(0.789)	1.845
CSD: Child Protection Plans	AA	tbc	tbc	tbc	0.000
CSD: No recourse to public funds and Intentionally Homeless	AB	tbc	tbc	tbc	0.000
Cost Pressures Covid-related:					
CSD: Home to School Transport	AC	tbc	tbc	tbc	0.000

APPENDIX A

Normal and Proposed Updates	Ref	Estimate (£m)			
		2021/22	2022/23	2023/24	Total
ASC: Future Demand Modelling	AD	2.243	(0.628)	(0.323)	1.292
ASC Mitigation: Additional Attrition due to Excess Mortality		(1.110)	0.263	0.191	(0.656)
Income Losses Covid-related:					
CSD: EH&SC Lansdowne income loss (includes payback in 2023/24)	AE	0.124	(0.124)	(0.124)	(0.124)
Business Rates: collection fund deficit (2021/22-2023/24) based on Ds' & Bs' MHCLG Covid-19 returns	AF	0.237	(0.237)		0.000
			0.178	(0.178)	0.000
			0.119	0.119	
0.065		0.011	0.011	0.087	
Business Rates: growth reduction to 0.25% in 2021/22 (due to Covid-19)			0.076	0.002	0.078
				0.077	0.077
Council Tax: collection fund deficit (2021/22-2023/24) based on Ds' & Bs' MHCLG Covid-19 returns		2.263	(2.263)		0.000
			1.697	(1.697)	0.000
				1.131	1.131
Council Tax: growth reduction to 0.25% in 2021/22 (due to Covid-19)		1.975	0.058	0.061	2.094
			1.515	0.045	1.560
				1.033	1.033
Reductions in Budget					
ASC Mitigation: S117 Additional Income	AG	(0.500)			(0.500)
ASC Mitigation: Supporting People Contract Reduction		(0.243)			(0.243)
Subtotal PROPOSED UPDATES		11.231	(1.305)	(1.663)	8.263
Potential Investment Areas:					
CET: Additional Team East Sussex (TES) support	AH	0.030			0.030
CET: Work on the pan Sx tourism brand with WSCC	AI	0.070	0.025	(0.055)	0.040
ASC: Voluntary Sector / Community Hubs / Shielded Group	AJ	0.880			0.880
Subtotal Potential Investment Areas		0.980	0.025	(0.055)	0.950
DEFICIT/(SURPLUS) AFTER NORMAL AND PROPOSED UPDATES TO THE MTFP		11.548	5.158	7.154	23.860

A Business Rates Retention and Growth

The current planning assumptions on business rates have been updated to reflect the latest inflation estimate by the Office of Budget Responsibility (OBR) and to include 2023/24. Growth continues to be estimated at an average of 0.7% increase of the business rates base. Whilst unrealistic, given the impact of the pandemic it allows visibility of the full reduction as a result of Covid-19 which is then shown as a pressure, this will form part of the LGFutures review and will be subject to refinement.

Since Full Council, updated estimates on business rates income from District and Borough Councils (NNDR1 forecasts) have been received. This showed a small improvement in income. Business rates have been updated to reflect these estimates. However, much has changed since these estimates were made. Business rates will continue to be monitored and

APPENDIX A

along with the collection fund, reviewed with the District and Borough Councils alongside their final accounts and latest collection forecasts to understand the impact for 2021/22.

As per normal practice the next inflation update to the MTFP will be made in October when the September Inflation figures are published.

B Revenue Support Grant (RSG)

At final settlement government confirmed that the Settlement Funding Assessment (SFA) would be increased in line with the increase to the small business rates multiplier. With the delay to Business Rate reform and the Fair Funding Review, until 2022/23 at the earliest, the plan assumes we will be no better or worse off. The calculation of RSG has been updated to reflect the latest OBR inflation estimates on the small business rates multiplier, while still assuming the Spending Funding Assessment (SFA) will not see an inflationary increase.

C Council Tax Base Growth

Growth for baseline purposes is being estimated at 0.9% for 2021/22 to 2023/24 in line with normal average annual growth. Whilst unrealistic, given the impact of the pandemic it allows visibility of the full reduction as a result of Covid-19 which is then shown as a pressure, this will form part of the LGFutures review and will be subject to refinement.

D Council Tax Inflation & Adult Social Care Precept

The assumption is a council tax increase of 1.99%; the current limit before referendum is triggered post 2020/21.

E Council Tax Collection Fund

It is expected there will be a reduction in Council Tax income in 2020/21 through lower collection levels and increased Local Council Tax Support. This is based on current estimates from Ds and Bs. The actual figure will be confirmed within Districts' and Boroughs' final accounts. Whilst unrealistic, given the impact of the pandemic it allows visibility of the full reduction as a result of Covid-19 which is then shown as a pressure, this will form part of the LGFutures review and will be subject to refinement.

F New Homes Bonus (NHB) Reduction

Government indicated at settlement that NHB will be wound down. The final legacy payment will be due in 2022/23 with no further income expected for 2023/24. The 2021/22 amount will be confirmed at Local Government Finance Settlement and is assumed now to fund capital. The bonus could be used for revenue, although with the risk that the amount could decrease further.

	2021/22	2022/23	2023/24
New Homes Bonus	0.252	0.114	0.000

G Savings Profiling - One-off temporary mitigations

Update to the Savings Profile for the 2023/24 financial year.

H Treasury Management Pressure

Update to the MRP and interest calculation to include IT&D investment over 10 years rather than over 30 years and reduced interest rates respectively. Also, to include the additional year of 2023/24 in regard of the 10 year capital programme.

I General Contingency

This is calculated at an agreed formula of 1% of net budget less treasury management.

APPENDIX A

J Pensions Final Revaluation

The triannual pensions revaluation was finalised after the budget for 2020/21 was approved. The impact is a reduction in the secondary contribution required for all years.

K Levies Increase

The figures are reflective of the latest estimates of the Flood & Coastal Protection Levy, Sussex Inshore Fisheries Levy and New Responsibilities Funding.

L Pay Award

Service inflation model has been updated to include 2023/24 and for a 2.0% pay award in all years (previously assumed at 2.5%). This is offset by the increase in award for 2020/21 to 2.75% (approval by Governance Committee for LMG and Chief Officers pending).

M Contractual Inflation (contract specific)

The service inflation model has been updated for an additional year and a small drop in rates in 2021/22. The methodology provides inflation to services for large contracts as per the contract but does not provide for inflation on running costs or small contracts.

N Normal Inflation for Contracts

The service inflation model has been updated for an additional year using the inflation figures published by the OBR at the Budget statement in March.

Outside normal inflation provided for in approved models there is additional provision for inflationary pressures in ASC and CSD, agreed under the Pressures Protocol.

P ASC & CSD Growth and Demography

Updates to 2021/22 and 2022/23, and a forecast for 2023/24 has been added to the current plan.

Q CSD: SEND High Needs Block Additional funding

This has been updated to reflect that the additional funding is permanent and not expected to be removed.

R CET: Waste Housing Growth

The forecast pressure for 2023/24 has been added to the current plan. Further review and update will be required.

S Savings

Deliverability of existing savings targets for 2020/21 to 2023/24 has been reviewed by Services, the detail of which is shown at appendix 6. Any slippage in 2020/21 will be funded through reserves, but there will be an impact on the MTFP in future years.

T BSD: Accounts Receivable

Increased costs for address traces and the third party contract for printing/postage of invoices that are raised for the council. The third party contract is more cost effective than in-house provision, but increasing volumes mean that there is an identified pressure that cannot be mitigated.

U CET: Ash Dieback management

The number of ash requiring felling in East Sussex is expected to increase dramatically over the next few years of the spread of Ash Die Back (ADB) in the county.

APPENDIX A

V CET: The Keep - BAU funding gap pressures

There are funding gap pressures at The Keep. These are due to;

- i. Increased cost for electricity, rates, other energy costs, premises costs such as increased maintenance costs.
- ii. Reduction in income due to the current room rental agreement with University of Sussex (UoS) ending August 2021.
- iii. All three partners, ESCC, BHCC and UoS are under financial pressure to make savings and reduce contributions to the Keep budget. They will all contribute less in 2021/22 due to KSP savings.

W CET: Trading Standards - loss of income

Loss of funding from the ending of our partnership with Checkatrade of £0.046m, plus a loss of business advice and Primary Authority income of £0.010m as a result of businesses opting not to pay for these services (particularly in the hospitality and restaurant business where 50% of our Primary Authorities are focused).

X BSD: St Marks House Rent Review

The St Marks House rent review has now been agreed following a consultation with the Landlord.

Y CSD: EH&SC Living Allowances

In response to COVID-19, the government increased Universal Credit payments. This requires an increase in Living Allowance for LAC and Care Leavers, to bring them in line with Statutory Sick Pay. The impact is the on-going increase in future years, further to those reported/ required in 20/21.

Z CSD: EH&SC LAC Placement Costs

As a direct consequence of the COVID-19 lockdown, further to what has been reported for 20/21 via the COVID-19 finance log, there has been an increase in the future year costs forecast for LAC. This is over and above what would normally be expected through the detailed LAC modelling and forecasting which assumes a certain level of growth and “churn” based on historic trends.

Essentially although overall LAC numbers have remained broadly stable, children that are coming into the system or who are moving around within it, are going into placements that are ‘higher tariff’ and hence more expensive. For example, children who would previously have been placed within a foster placement have had to go to a more expensive residential placement because no foster placements either in house or in agency are available. Children who were previously on the edge of care with packages to support them, have moved into the care system because of the additional pressure on families.

AA CSD: Child Protection Plans

We have seen a 23% increase in the number of child protection (CP) plans during the Covid pandemic. Our own predictive modelling (and that of the DfE) suggests we are likely to see a 20% surge in demand for children’s social care once schools return. However, as schools return and visiting families resumes, we would also hope to be able to cease a number of CP plans. At this stage it is not possible to predict with any degree of accuracy how many more plans will be started and how many plans we will be able to cease. We propose to review the data at the beginning of October, which should enable us to produce a more accurate assessment of whether a pressure is likely to arise.

APPENDIX A

AB CSD: No recourse to public funds and Intentionally Homeless

It is presently unclear in future years whether and at what value additional costs will be incurred. However, pressures do appear likely around additional financial support for:

- i) Families with No Recourse to Public Funds (NRPF); and
- ii) Families who have been assessed as Intentionally Homeless by the D&Bs and who then present to CSD for support with rent in the private sector.

AC CSD: Home to School Transport

New Covid-Safe transport guidelines have been implemented for pupils returning to school. CET is in the process of calculating the additional costs and whether the new grant given to the County Council will cover the additional costs for the Autumn term. It is not clear whether the grant will continue for the rest of the financial year or for 2021/22 if Covid-Safe transport is still required.

AD ASC: Future Demand Modelling offset by Attrition

Additional independent sector packages of care due to volumes of hospital discharges between 19th March 2020 and 31st August 2020. As no assessments have been undertaken it is unclear how many of the existing clients will be eligible for ongoing LA funded packages of care and placements. Some will be eligible for CHC or will be self-funders. However, it is impossible to accurately predict until assessments start to ramp up.

It is estimated that this will be 60% of current clients but a more accurate figure is unlikely to be available until at least December. The figures quoted in this bid equal the ongoing cost of funding these clients less the usual budget for comparable activity in the period. Future reductions in cost are due to attrition, and further mitigation is provided by additional attrition due to excess mortality.

AE CSD: EH&SC Lansdowne income loss

Works on the building expansion of Lansdowne Secure Children's Home have been delayed due to COVID-19, resulting in a loss of income. Completion of the works and full re-opening is now likely during 2021/22. The allocation will be paid back in 2023/24.

AF Business Rates and Council Tax

LGFutures have been commissioned to carry out work to refine these figures for consistency and reasonableness. The £7.499m currently estimated by District and Boroughs to be the collection fund deficit is shown as spread over 3 years per the Government announcement that was made on 2 July, that fund deficits arising in 2020/21, could be spread over the next 3 years rather than the usual one year. More detail on how this will work and the authority to do this will be announced at the Spending Review in the Autumn.

AG ASC Mitigations

ASC have found budget reductions through S117 Additional Income and a Supporting People contract reduction which is re-commissioned from April 2021.

Potential Investment Areas: The following items are new areas of investment within the Council's Core Offer. Members are asked to consider whether to support them going forwards:

AH CET: Additional Team East Sussex (TES) support

An Economy Recovery Plan has been developed in response to the devastating effects of the pandemic on the local economy. In order for the department to be able deliver the plan to meet its key objectives, the EDSCI Service will require additional (part-time) resource.

APPENDIX A

AI Work on the pan Sussex tourism brand with WSCC

Identified with West Sussex County Council is the need to collaborate together to jointly create a pan Sussex tourism brand. This will require a defined and resourced programme of work to enable the Tourism Sector ecosystem to continue to be a major economic driver for Sussex, whilst supporting a quality of life that residents and businesses expect from living and working in Sussex.

AJ ASC: Voluntary Sector / Community Hubs / Shielded Group

A multi-agency partnership worked to ensure no one in East Sussex was left on their own to cope with the effects of the coronavirus pandemic from March to August 2020, through a range of services and interventions to vulnerable and extremely vulnerable people.

It is clear that the COVID-19 pandemic has highlighted pre-existing pressures and vulnerabilities and that recent events have further exposed or exacerbated those difficulties. There is a general acceptance of a need to develop a longer-term approach to collectively address these problems, and that building on the ethos and model of Community Hubs provides a mechanism to achieve this.

APPENDIX A

Appendix 5 – Normal Updates to the MTFP

Medium Term Financial Plan	2020/21 Approved Budget £million	2021/22 Estimate £million	2022/23 Estimate £million	2023/24 Estimate £million
TAXATION & GOVERNMENT FUNDING				
Business Rates (Inclusive of BR Pooling in 20/21)	(82.023)	0.639	(1.645)	(1.823)
Revenue Support Grant	(3.548)	0.903	1.437	1.601
Council Tax	(296.698)	(4.298)	(7.967)	(8.673)
Adult Social Care Precept	(5.771)			
New Homes Bonus	(0.767)	0.515	0.138	0.114
Social Care Grant	(14.630)			
TOTAL TAXATION & GOVERNMENT FUNDING	(403.437)	(405.678)	(413.715)	(422.496)
SERVICE PLAN				
Service Expenditure	359.787	365.210	383.785	396.215
Investment of unallocated funding – Revenue	2.453	(0.746)	(1.707)	
Inflation				
Pay Award	3.415	2.754	2.548	2.438
Contractual inflation (contract specific)	0.658	0.841	0.839	2.252
Normal inflation for contracts	9.182	8.143	8.703	7.435
Adult Social Care				
Growth & Demography	3.840	3.413	3.917	4.063
Future demand modelling net of attrition (Covid-related) Appendix 4 (AD)		1.133	(0.365)	(0.132)
Proposed updates Appendix 4 (AG)		(0.743)		
Winter Pressures	2.586	(2.586)		
Improved Better Care Fund	(21.137)			
Children's Services				
Dedicated Schools Grant	1.778	0.422		
Growth & Demography	1.555	1.070	2.635	0.993
Looked After Children	5.015	1.909		
Disabled Access Regulations for Buses/Coaches	0.012	0.043	0.098	
Residential Homes - staffing	0.549			
Looked After Children Placements (Covid-related) Appendix 4 (Z)		3.429	(0.795)	(0.789)
Proposed updates Appendix 4 (Y & AA – AC & AE)		0.184	(0.124)	(0.124)
SEND High Needs Block Additional funding	(1.276)	(0.814)	(2.138)	
Communities, Environment & Transport				
Waste Housing Growth	0.108	0.236	0.238	0.198
Street lighting Electricity/Re-payment of Investment	(0.195)	(0.655)		
Climate Change Officer	0.055			
Proposed updates Appendix 4 (U – W)		0.262	0.014	0.015
Business Services				
IT & Digital Licences	0.123	0.025		
IT & Digital Data Centre	0.093			
Apprenticeship Team	0.117			
Proposed updates Appendix 4 (T & X)		0.110	0.004	0.005

APPENDIX A

Medium Term Financial Plan	2020/21 Approved Budget £million	2021/22 Estimate £million	2022/23 Estimate £million	2023/24 Estimate £million
Governance Services				
Coroners - post mortems / pathology	0.033			
Potential Investments Areas				
Potential Investment Areas Appendix 4 (AH – AJ)		0.980	0.025	(0.055)
Savings				
Savings 2020/21 - 2021/22	(4.227)	(2.953)		
Temporary mitigations to savings	0.686	(0.198)	(0.388)	(0.100)
Savings Slippage Appendix 4 (S)		2.316	(1.074)	(1.242)
NET SERVICE EXPENDITURE	365.210	383.785	396.215	411.172
Corporate Expenditure		38.227	33.441	34.206
Treasury Management	18.238	0.471	0.221	
Treasury Management Capital Programme			1.000	1.000
Funding Capital Programme - base contribution				
Funding Capital Programme - New Homes Bonus	0.767	(0.515)	(0.138)	(0.114)
Investment of unallocated funding – Capital	1.242	(1.242)		
General Contingency	3.850	0.020	0.070	0.080
Contribution to balances and reserves	2.786	(2.138)		
Pensions	9.823	(1.400)	(0.400)	
Apprenticeship Levy	0.600			
Levies & Grants	0.921	0.018	0.012	0.012
TOTAL CORPORATE EXPENDITURE	38.227	33.441	34.206	35.184
TOTAL PLANNED EXPENDITURE	403.437	417.226	430.421	446.356
CUMULATIVE DEFICIT/(SURPLUS)	0.000	11.548	16.706	23.860
ANNUAL DEFICIT/(SURPLUS)	0.000	11.548	5.158	7.154

APPENDIX A

East Sussex County Council - Savings 2020/21 to 2023/24

APPENDIX 6

Department	Targets					Deliverability					Movement				
	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	Total £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	Total £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	Total £'000
Communities, Economy & Transport	1,362	629	388	100	2,479	323	594	1,462	100	2,479	(1,039)	(35)	1,074	0	0
Children's Services	770	1,835	0	0	2,605	536	2,069	0	0	2,605	(234)	234	0	0	0
Adult Social Care	248	0	0	0	248	248	0	0	0	248	0	0	0	0	0
Business Services / Orbis	1,161	787	0	0	1,948	570	136	0	1,242	1,948	(591)	(651)	0	1,242	0
Total Departments	3,541	3,251	388	100	7,280	1,677	2,799	1,462	1,342	7,280	(1,864)	(452)	1,074	1,242	0
<i>Impact on MTFP</i>											-	(2,316)	1,074	1,242	0

APPENDIX A

Communities, Economy & Transport

East Sussex County Council - Savings 2020/21 to 2023/24		Savings Targets					Update: deliverability of savings					Movt				
		2020/21	2021/22	2022/23	2023/24	Total	2020/21	2021/22	2022/23	2023/24	Total	2020/21	2021/22	2022/23	2023/24	Total
Activity	Savings Proposal and impact Assessment	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Community Services																
Archives and Records Service	The Keep Sustainability Plan has been agreed and is a three-part savings and income plan to ensure the financial sustainability of The Keep. It would ensure that the partners still deliver our statutory and legal duties, and maintain a good degree of public access.. [2nd year of savings]	74	104			178	60	104	14		178	(14)	0	14	0	0
Road Safety Services	Reduced road safety education and no engagement with Community Safety Partnerships or Joint Action Groups. [2nd year of savings]	33				33	33				33	0	0	0	0	0
Library Services	We will keep our Needs Assessment and Accessibility Analysis under review, and as a result we may in future provide a reduced library service.		240	288		528		240	288		528	0	0	0	0	0
Trading Standards	Carry out food sampling and food inspection only where the risk is high; carry out reactive animal health disease control and take enforcement action where necessary. There will be a reduction in our preventative and support work, to business, to people vulnerable to scams and the reduction in routine inspection may increase public health risks. NB: there is also a target of £100k for 2023/24			100	100	200			100	100	200	0	0	0	0	0
Transport																
Parking: Civil Parking Enforcement	Increase on-street parking charges where possible. Surpluses to be used for transport related funding. [2nd year of savings]	1,000				1,000			1,000		1,000	(1,000)	0	1,000	0	0
Transport Hub Services	Reduced staffing capacity may result in a reduction in the overall level of service in the Transport Hub. This may mean answering public queries and our ability to resolve problems with bus operators and transport providers will be slower. This could increase public dissatisfaction and complaints to the Council.	30				30	30				30	0	0	0	0	0
Concessionary Fares	Generated from negotiations with Stagecoach on our fixed reimbursement contract arrangement.	70				70	70				70	0	0	0	0	0

APPENDIX A

Communities, Economy & Transport

East Sussex County Council - Savings 2020/21 to 2023/24		Savings Targets					Update: deliverability of savings					Movt				
		2020/21	2021/22	2022/23	2023/24	Total	2020/21	2021/22	2022/23	2023/24	Total	2020/21	2021/22	2022/23	2023/24	Total
Activity	Savings Proposal and impact Assessment	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Rights of Way Services	We will provide a reduced footpath clearance focused on those priority / popular routes resulting in a deterioration in the condition of other paths. Staff reductions may also lead to delays and longer timescales for dealing with requests for Definitive Map modifications and requests for footpath diversions which may result in an increase in public dissatisfaction and complaints to the Council.	100				100	100				100	0	0	0	0	0
Waste Disposal																
Household Waste Disposal	Ongoing review of commercial saving opportunities, with possible reductions in the number of HWRSSs		250			250		250			250	0	0	0	0	0
Planning and Environment																
Environmental Advice Services	Income generation through traded services. [2nd year of savings]	25	35			60			60		60	(25)	(35)	60	0	0
Ashdown Forest	Reduce financial support to conservators where possible. [2nd year of savings]	30				30	30				30	0	0	0	0	0
TOTAL Communities, Economy & Transport		1,362	629	388	100	2,479	323	594	1,462	100	2,479	(1,039)	(35)	1,074	0	0

APPENDIX A

Children's Services

East Sussex County Council - Savings 2020/21 to 2023/24		Savings Targets					Update: deliverability of savings					Movt				
		2020/21	2021/22	2022/23	2023/24	Total	2020/21	2021/22	2022/23	2023/24	Total	2020/21	2021/22	2022/23	2023/24	Total
Activity	Savings Proposal and impact Assessment	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Support to schools and pupils																
SLES: Performance monitoring	Reduce staffing and management capacity for performance monitoring across maintained and academy schools, only light touch monitoring where risk of serious failure has been brought to attention of LA. This could reduce the proportion of good or outstanding schools. [2nd year of savings]	410				410	410				410	0	0	0	0	0
I-Send: EHCP Assessment Services	Reduced staffing capacity may mean the process for completing statutory assessments will be slower. This could increase parental dissatisfaction and complaints to the Council and LGO and reduce the proportion of annual reviews we attend.	188				188	0	188			188	(188)	188	0	0	0
I-Send: Inclusion Services	From 2020/21 statutory duties in relation to attendance will be met wholly through DSG. This will reduce the number of families we work with to improve attendance and may lead to an increase in pupil absence from schools.	19				19	19				19	0	0	0	0	0
Early Years: Inclusion Services	No support to schools and early years providers to promote inclusion and share best practice. This may increase the proportion of pupils who are referred for statutory assessment, it may increase the proportion of pupils with EHCPs. We will need to continue to monitor the long term spend in SEN budget as the decisions made could have an impact throughout pupils' education.	85				85	85				85	0	0	0	0	0
Children's Social Care																
Safeguarding Services	The ACT service, an assertive outreach service for young people aged 16-24 who are at risk of or being exploited criminally; the problem solving team which supports the Family Drug and Alcohol Court; and Video Interactive Guidance which helps parents who are already in difficulty learn how to respond better to their children will continue alongside existing activity levels for families who are going through court proceedings and the Foundations Project which works with families who have already had children removed from their care. The deferment of savings in 2020/21 means the Family Group Conferences/family meetings when children are subject to child protection plans will continue and be expanded, subject to the budget being agreed. These services will be reduced if savings are made in later years.		854			854		854			854	0	0	0	0	0

APPENDIX A

Children's Services

East Sussex County Council - Savings 2020/21 to 2023/24		Savings Targets					Update: deliverability of savings					Movt				
		2020/21	2021/22	2022/23	2023/24	Total	2020/21	2021/22	2022/23	2023/24	Total	2020/21	2021/22	2022/23	2023/24	Total
Activity	Savings Proposal and impact Assessment	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Early Help	Following Lead Member decisions and remodelling the Early Help Service, there will be a reduction in the family key work service, which has been deferred until 2021/22. Savings will be generated in 2020/21 as a result of ceasing to run services from 10 children's centres.	68	981			1,049	22	1,027			1,049	(46)	46	0	0	0
TOTAL Children's Services		770	1,835	0	0	2,605	536	2,069	0	0	2,605	(234)	234	0	0	0

APPENDIX A

Adult Social Care

East Sussex County Council - Savings 2020/21 to 2023/24		Savings Targets					Update: deliverability of savings					Movt				
		2020/21	2021/22	2022/23	2023/24	Total	2020/21	2021/22	2022/23	2023/24	Total	2020/21	2021/22	2022/23	2023/24	Total
Activity	Savings Proposal and impact Assessment	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Working Age Adults: Nursing, Residential and Community Based services	Review care packages to ensure these are focused on those with Care Act eligible needs and deliver support in the most cost effective way. The average spend on Working Age Adults is significantly higher in East Sussex than in other south east councils. The intention is to deliver an overall level of support which is fair, reflects need and achieves a level of spend comparable to other councils. Any decisions to change care arrangements will be dependent on reviews that take account of a clients individual circumstances. Some clients may however have their support reduced or removed. [2nd year of savings]	248				248	248				248	0	0	0	0	0
TOTAL Adult Social Care		248	0	0	0	248	248	0	0	0	248	0	0	0	0	0

APPENDIX A

Business Services / Orbis

East Sussex County Council - Savings 2020/21 to 2023/24		Savings Targets					Update: deliverability of savings					Movt				
		2020/21	2021/22	2022/23	2023/24	Total	2020/21	2021/22	2022/23	2023/24	Total	2020/21	2021/22	2022/23	2023/24	Total
Activity	Savings Proposal and impact Assessment	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Business Services: Orbis and Managed on Behalf of (MOBO) services: Finance, IT&D, Procurement, Property Services, HR and OD and Business Operations	The Advisory and Change areas of support are being analysed and presented to the 3 partner Councils to determine which elements need to form part of the Core Offer as they are essential in supporting the partners deliver their priorities, and which elements will no longer be provided. The aim would be to reduce spending as set out in this table although the details of how this might be achieved is still being developed.	1,161	787			1,948	570	136		1,242	1,948	(591)	(651)		1,242	0
TOTAL Business Services / Orbis		1,161	787	0	0	1,948	570	136	0	1,242	1,948	(591)	(651)	0	1,242	0

APPENDIX A

APPENDIX 7 – Capital Programme Update

1.1 Table 1 below summarises the movements to the approved capital programme since State of the County in July 2020. Noting that the first 3 years of the programme, to 2022/23, are approved, this years' RPPR process will add 2023/24. Whilst the remaining years to 2029/30 are indicative to represent the longer term planning for capital investment. The impact of COVID-19 on the programme will be reported as slippage and/or under/overspend as part of the capital monitoring process until its reset at Q2 as part of the normal RPPR process.

Table 1 – Capital Programme (gross) movements

Capital Programme (gross) movements (£m)	MTFP Programme + 1				Future Years	Total
	2020/21	2021/22	2022/23	2023/24	2024/30	
Approved programme at July 2020	96.889	69.391	59.285	51.688	293.076	570.329
Approved Variations	0.535	1.850				2.385
Strategic Investment		0.132				0.132
Total Programme	97.424	71.373	59.285	51.688	293.076	572.846

1.2 The **approved variations** to the programme relate to fully funded schemes totalling £2.385m (the profiling of which is currently under review) as follows:

- **Emergency Active Travel Fund:** The council has been awarded £0.535m Tranche 1 funding in 2020/21 from the DfT Emergency Active Travel Fund to support the installation of cycling and walking facilities following the Covid-19 pandemic. Further funding allocations have been announced as part of Tranche 2 of the fund, approval of which to include in the capital programme will be through the variation process.
- **Schools Capital Allocation Grant:** The council has been awarded an additional £1.850m Schools Capital Allocation grant, in addition to funding already allocated, towards building condition improvements. This has been profiled to reflect the projected programme of works.

1.3 Additionally, it has been agreed that **strategic investment** of £0.132m be made in utilising automation to support the Core Offer. The RPPR process in 2022/23 (next year) will look to confirm the impact of the investment and any savings that will be embedded.

1.4 This increases the gross programme to £572.846m The detailed approved capital programme is attached at Annex 1

1.5 At Q1 there were a number of overspends relating to the pandemic reported amounting to £1.762m. Should mitigations within programmes not be forthcoming or other funding be made available from Government, then there are two options for funding. They could either be absorbed within the current programme, at the risk of not meeting the basic need targets set. Or, as reported at February 2020, a capital risk provision of £7.5m is held. This 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. If utilised to fund Covid overspend it would, therefore, require additional borrowing.

APPENDIX A

1.6 Ahead of further announcements and decisions there is no material updates to the overall funding position. Work will continue as part of the RPPR process to review and update estimates of CIL/Section 106 income, capital receipts and updates to formula grants following government announcements, as well to reflect the capital programme refresh as part of the Quarter 2/2.5 monitoring process and normal reset.

APPENDIX A

Annex 1

CAPITAL PROGRAMME 2020/21 to 2029/30 (£'000)	2020/21	2021/22	2022/23	2023/24	2024/30	Total
Adult Social Care						
Older People's/LD Service Improvements	50	50	50			150
Greenacres	264					264
Adult Social Care Gross	314	50	50			414
Business Services						
SALIX Contract	440	350	350	350	2,100	3,590
Property Agile Works	374					374
Lansdowne Secure Unit - Phase 2	1,457	96				1,553
Special Educational Needs		800	1,600	800		3,200
Special Provision in Secondary Schools	2,379	60				2,439
Disability Children's Homes	242					242
Westfield Lane (delivered on behalf of CSD)	1,200					1,200
Core Programme - Schools Basic Need	13,308	19,688	12,002	6,650	37,225	88,873
Core Programme - Capital Building Improvements	9,214	9,833	7,982	7,982	47,891	82,902
Core Programme - IT & Digital Strategy Implementation	4,634	4,251	11,580	8,978	33,998	63,441
IT & Digital Strategy Implementation (utilising automation)		132				132
Business Services Gross	33,248	35,210	33,514	24,760	121,214	247,946
Children's Services						
House Adaptations for Disabled Children's Carers Homes	104	50	50			204
Diploma Exemplar Programme						
Schools Delegated Capital	791	760	729			2,280
Conquest Centre redevelopment	83					83
Children's Services Gross	978	810	779			2,567
Communities, Economy & Transport						
Registration Ceremonies Website						
Hastings Library						
Southover Grange						
Broadband	4,279	3,276	3,277			10,832
Bexhill and Hastings Link Road	1,652	643	252			2,547
BHLR Complementary Measures	219					219
Economic Growth & Strategic Infrastructure Programme						
Economic Intervention Fund - Grants	542	460	599	407	492	2,500
Economic Intervention Fund - Loans	500	500	500	500	1,000	3,000
Stalled Sites	152	150	47			349
EDS Upgrading Empty Commercial Properties	7					7
EDS Incubation Units						

APPENDIX A

LGF Business Case Development						
Integrated Transport						
Community Match Fund	769	307	250			1,326
Terminus Road Improvements						
Newhaven Port Access Road	4,054	170	20	20	21	4,285
Real Time Passenger Information	284		44	60	61	449
Parking Ticket Machine Renewal	291					291
Queensway Depot Development (Formerly Eastern)	1,153					1,153
Hailsham HWRS	97					97
The Keep	24	73	49	96	849	1,091
Other Integrated Transport Schemes	3,235	3,152	2,969	3,069	18,114	30,539
Emergency Active Travel Fund - Tranche 1	535					535
Core Programme - Libraries Basic Need	670	262	619	449	2,694	4,694
Core Programme - Highways Structural Maintenance	18,404	17,850	12,946	18,644	124,215	192,059
Dropped Kerbs	1,000					1,000
Core Programme - Bridge Assessment Strengthening	1,267	1,285	1,260	1,626	10,834	16,272
Core Programme - Street Lighting and Traffic Signals - life expired equipment	1,331	1,712	1,545	1,592	10,587	16,767
Street Lighting and Traffic Signals - SALIX scheme	935	1,869				2,804
Core Programme - Rights of Way Surface Repairs and Bridge Replacement Programme	596	565	565	465	2,995	5,186
LEP/SELEP schemes - delivery not controlled by ESCC						0
Eastbourne Town Centre Phase 2	3,014					3,014
Bexhill Enterprise Park North	1,940					1,940
Exceat Bridge Replacement (Formerly Maintenance)	1,500	1,651				3,151
East Sussex Strategic Growth Package						0
Eastbourne/South Wealden Walking & Cycling Package	2,988	363				3,351
Hailsham/Polegate/Eastbourne Movement & Access Corridor	1,203	206				1,409
Hastings and Bexhill Movement & Access Package	6,169	309				6,478
Queensway Gateway Road	504					504
Sidney Little Road Business Incubator Hub	435					435
Skills for Rural Businesses Post- Brexit	2,189	500				2,689
Bexhill Creative Workspace	946					946
LEP/SELEP schemes sub total	20,888	3,029				23,917
Communities, Economy & Transport Gross	62,884	35,303	24,942	26,928	171,862	321,919
Total Gross	97,424	71,373	59,285	51,688	293,076	572,846

APPENDIX A