

## REPORT OF THE CABINET

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The Cabinet met on 1 March 2022. Attendances:-

Councillor Glazier (Chair)

Councillors Bennett, Bowdler, Claire Dowling, Maynard, Simmons and Standley

### 1. Council Monitoring - Quarter 3 2020/21

1.1 The Cabinet has considered a report on performance against the Council Plan, Revenue Budget, Capital Programme, Savings Plan and risks for quarter 3 2021/22. Broad progress against the Council's four strategic priority outcomes is summarised below and an overview of finance and performance data is provided in the Corporate Summary at Appendix 1. Strategic risks are reported at Appendix 7.

Council Plan 2021/22 amendments and variations

1.2 The Council Plan 2021/22 and the Portfolio Plans 2021/22 – 2023/24 have been updated with available 2020/21 outturns and performance measure targets. All plans are published on the Council's website. The Corporate Summary (Appendix 1) contains a forecast of performance against targets.

1.3 One Adult Social Care & Health performance measure is proposed for amendment:

- Number of new service user interventions started through One You East Sussex as part of the Integrated Lifestyle Service

The target is recommended for amendment from 7,000 to 5,000 because of the ongoing disruption caused to the Integrated Lifestyle Service by the pandemic.

1.4 The Strategic Risk Register, Appendix 7, was reviewed and updated to reflect the Council's risk profile. Risk 1 (Roads), Risk 4 (Health), Risk 5 (Reconciling Policy, Performance & Resources), Risk 6 (Local Economic Growth), Risk 7 (Schools), Risk 9 (Workforce), Risk 14 (Post European Union (EU) Transition), Risk 15 (Climate), and Risk 16 (Covid-19) have updated risk controls. Risk 8 (Capital Programme) has an updated risk definition and risk control.

Budget Outturn

1.5 The details of revenue over and underspends in each department are set out in the relevant appendices, and show a total forecast overspend of £2.9m (£3.3m at quarter 2). The main headlines are:

- Forecast pressures for Children's Services (CSD) have increased slightly to £3.052m since quarter 2 (£3.020m). Within this, Early Help and Social Care costs have continued to increase by £0.910m, with the ongoing need to find countywide placements for families deemed intentionally homeless by the district and borough councils, as well as pressures in the Family and Friends allowances (for which an increase is included in the 2022/23 budget). This increase has been mitigated mainly by a reduction of £0.591m within Education and ISEND largely through a reduction in long term agency costs. There has also been a £0.100m reduction in the expected costs of legal fees within Central Resources.
- The Adult Social Care (ASC) budget is currently forecast to overspend by £0.244m (£0.281m at quarter 2). This comprises an overspend of £1.182m in the Independent Sector and an underspend of £0.938m in Directly Provided Services, the latter mainly due to staffing vacancies.
- Communities Economy and Transport, Business Services and Governance Services are showing small underspends of £0.046m, £0.258m and £0.090m respectively.

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1.6 Within Treasury Management (TM) and other centrally held budgets there is an underspend of £6.2m, no change from quarter 2:

- There is an estimated £2.1m underspend on TM, this is based on the position of the capital programme removing the need to borrow externally in 2021/22. In line with normal practice this will be transferred to reserves to offset capital borrowing needs in future years.
- The General Contingency of £4.0m will, in the first instance, be used to offset service overspends. The remaining £1.9m will be transferred to the Financial Management reserves in line with the Council's Reserves Policy, to facilitate the management of financial risk in future years.

1.7 COVID-19 related costs and income losses have been fully mitigated from general and specific funding. The table below shows the current forecast for use of this funding:

<b>COVID-19 Grants 2021/22 (£m)</b>	<b>Carried forward</b>	<b>Expected in-year</b>	<b>Forecast usage in-year</b>	<b>Specific set-aside for LAC in future years</b>	<b>Forecast balance remaining</b>
COVID-19 General Funding	15.132	11.979	(14.277)	(4.457)	8.377
COVID-19 Specific Funding	15.784	31.806	(37.285)	-	10.305
<b>Total funding</b>	<b>30.916</b>	<b>43.785</b>	<b>(51.562)</b>	<b>(4.457)</b>	<b>18.682</b>

1.8 Capital Programme expenditure for the year is projected to be £81.1m against a budget of £84.6m, a net variation of £3.5m. Of the net variation position, £2.0m relates to Local Enterprise Partnership (LEP) funded projects being delivered by, or in partnership with, others, where the timing of expenditure and delivery is largely outside of the Councils' control. Of the remaining £1.5m variation, main variations include:

- Capital Building Improvements (Schools) – slippage of £1.1m due to the continued supply chain issues impacting the construction industry and the delivery of many projects. Manufacturing has yet to achieve the stability of the pre-pandemic period, with a backlog on orders evident by lead-in times. Issues around delivery of materials continues to be a global issue and cost increases for basic materials persist. These issues have been made more impactful by the outbreak of the Omicron variant, resulting in contractors needing to manage staffing issues alongside the supply chain challenges which has led to projects taking increased time to complete on site.
- Climate Emergency Works – slippage of £0.4m where the initial feasibility studies report arrived later than anticipated impacting the timetable for delivery. Also, decarbonisation works at Ninfield School have been given priority to allow the expenditure of the Salix grant to meet deadlines before progressing on to the next phase of works.

1.9 In addition, there is £0.6m of projected COVID-19 related costs that will be funded from COVID-19 specific or tranche funding, thereby having a net nil impact on the Council's capital programme.

### Progress against Council Priorities

#### Driving sustainable economic growth

1.10 18 highway improvement schemes were completed in quarter 3, to maintain and improve the condition of the county's roads. 5,179 potholes were also repaired, with 3,611 of these being carriageway potholes; the remainder were primarily footway potholes. Amongst the carriageway potholes, 96.2% of these were completed within the required timescales. An additional £5.8m has been approved for highway maintenance, a programme of works utilising the extra funding is being developed to begin in quarter 1 2022/23 (Appendix 5).

1.11 298 premises were connected to improved broadband speeds in quarter 2 (reported a quarter in arrears), which was lower than expected due to other utilities using the same road space, so highways restricted the number of permits available, and some supply chain issues. A limited number of premises will be delivered in quarter 3 (outturn reported in quarter 4), as there has been a contract dispute which stopped new broadband connections being built. Openreach identified a number of premises in the building schedule which were already covered in their commercial rollout and asked for these to be removed from the contract. Following negotiation, a new contract has been agreed, which required formal approval from the Council and the Department of Digital Culture, Media and Sport (DCMS), ensuring a continued level of contractual coverage. Builds recommenced at the end of quarter 3 (Appendix 5).

1.12 In October the Careers Hub delivered a live virtual careers event, 'What's Next Sussex', with over 1,100 students, parents and teachers from across Sussex attending the two events held throughout the day. Skills East Sussex (SES) met in quarter 3 and agreed its new priorities for the forthcoming years, these include improving our digital skills and digital inclusion and upskilling our workforce to increase regional productivity (Appendix 5).

1.13 95% of academic age 16 (Year 12) pupils were participating in education, training or employment with training in December 2021, against a target of 93%. 83% of Looked After Children aged 16 (Year 12) were also participating in education, training or employment with training, against a target of 80%. Various interventions were put in place in quarter 3 to help increase the figures such as extra capacity and support for the Youth Employability Service; input from the Careers Hub team, focusing on improved employer engagement with schools and colleges; and the Virtual School and the Through Care Team working intensively with young people not in education, training or employment with training (Appendix 4).

1.14 59 apprentices have been employed with the Council so far in 2021/22, as part of the Apprenticeship Incentive Scheme. There are also 14 people either employed, or waiting to commence employment, through the Kickstarter programme. All the young people who start work with the Council receive ongoing support within their placement and further assistance in accessing another role following the end of their placement (Appendix 3).

1.15 Businesses were helped by business support programmes to create or safeguard 25 jobs in quarter 3. The total number of jobs created or safeguarded so far in 2021/22 is 170 exceeding the yearly target of 140. Locate East Sussex, the local commissioned Inward Investment service, also helped two businesses to remain within, or relocate to, East Sussex (Appendix 5).

1.16 The Council has spent over £288m with 928 local suppliers over the last 12 months, which equates to 68.3% of total spend. The Procurement team continues to promote our contract opportunities to local suppliers, as well as building local supply chain opportunities into our tenders where possible. This focus on spending Council money within our local economy supports the East Sussex Economy Recovery Plan (Appendix 3).

1.17 10 contracts were awarded in quarter 3, of which four were in scope of the Social Value Measurement Charter, which quantifies the economic, social and environmental benefits of Council procurement. The four contracts had a total value of £18m and secured £2.6m in social value commitments, an outturn of 14%, including local job creation; apprenticeships; free broadband for care homes; and funding to support innovative place-based and community research into health and care issues in East Sussex. Although we are currently below the target for the year of 10%, a number of our contracts only report their social value on an annual basis, which should increase the outturn once available. We are continuing to focus on social value in all our activities (Appendix 3).

### Keeping vulnerable people safe

1.18 The Government announced the household support fund in October 2021, providing support to vulnerable families and adults for food, energy and other essentials. Children's Services worked with Adult Social Care to agree how to distribute the grant through district and borough councils, voluntary and community organisations and foodbanks. During the October half-term and Christmas holidays we allocated approximately 36,000 food vouchers to schools, settings and colleges to distribute to their eligible pupils (Appendix 4).

1.19 Due to COVID-19 we weren't able to hold our annual Christmas event for care leavers in quarter 3, however, to compensate a number of other events were held, including a trip to the pantomime, ice-skating, a Christmas meal, or a trip to the cinema. As well as the events, all older looked after children and care leavers received a Christmas gift bag; our corporate grandchildren were supported financially by East Sussex Foster Carer Association and also received Christmas gifts; and we ensured that all children were supported on Christmas Day and that nobody was alone unless they wanted to be (Appendix 4).

1.20 Trading Standards were involved in 34 positive interventions to protect vulnerable people in quarter 3, including installing four call blockers to try and prevent people from falling victim to telephone scams. There has been a downturn in the number of referrals from the National Trading Standards Scams Team, and the recent spike in COVID-19 is also affecting our ability to engage with vulnerable people face to face. In December 2021 a rogue trader was sentenced to 40 months imprisonment after he and a partner preyed on an 87-year-old lady, charging her almost £47,000 for poor quality home improvement works at her property. There is a court compensation order in place requiring him to repay money to the victim (Appendix 5).

1.21 The Safeguarding Team secured additional funding in quarter 3 to deliver a package of support to all secondary, and some special, schools focusing on gangs, peer influence and coercion, including county lines. The package included a Theatre in Education performance of 'County Lines' by Alter Ego Creative Solutions. The four-week tour of 'County Lines' ended in November, however the project continued, with schools delivering post production lessons to their students to the end of term. We will be delivering another similar project in quarter 4, which will focus on relationships, consent and harmful sexual behaviours (Appendix 4).

1.22 Quarter 3 saw a number of workshops and assemblies delivered by kNOwknives and by the Safer East Sussex Team (SEST) on the risk of knife-carrying and the poor relationships within communities which drive young people to carry knives. Initial outcomes of the Home Office-funded STAR project developed to modify the behaviour of habitual knife-carriers have been positive (Appendix 2).

1.23 The SEST Prevent Project Officer continued to deliver the Relation-SHOPS programme to Year 6 pupils across the county during quarter 3. The programme promotes personal safety and resilience in young people before they transition to secondary school. The officer continues to deliver challenging extremism assemblies which aim to examine what is meant by extremism, the process of online radicalisation, what hate crime is and how it can develop into extremist views when left unchallenged. Over 7,000 pupils have now participated in Challenging Extremism Assemblies (Appendix 2).

1.24 The rate of children subject to a Child Protection (CP) plan, per 10,000 children, increased in quarter 3 to 51.7 (551 children), against a target of 49.4 (525 children). In December we saw the highest number of strategy discussions for the Locality Teams and family assessments in the Duty and Assessment team since 2019. This has led to an increased number of requests for Initial Child Protection Conferences and the number of CP plans. There has also been a reduction in the number of plans ending. Despite these pressures, 98% of planned CP visits happened in December (Appendix 4).

### Helping people help themselves

1.25 Health and social care integration has continued in quarter 3, in preparation for the Health and Care Bill, which has been delayed until July 2022. The Integrated Care System (ICS) will be made up of two boards, an ICS Integrated Care Board (ICB) will be responsible for the day-to-day running of the ICS; and an Integrated Care Partnership (ICP), which is likely to have a wider range of partners represented. Work is underway between local NHS organisations, local authorities and wider partners so that the ICB can start to operate in a shadow form ahead of the July deadline. Although the minimum requirements to support our ICS to operate are now met by our East Sussex Health and Care Partnership, the current focus of our work is on the urgent priorities resulting from Omicron and winter pressures and this may have an impact on the momentum, pace and timescales for integration development plans. This is being managed through a flexible approach to our system partnership meetings and we are optimistic that our

plans will get back on track once the normal rhythm of meetings resumes in quarter 4 (Appendix 2).

1.26 Four road safety schemes, to improve the road safety infrastructure in the county, were completed in quarter 3. A further 13 schemes are scheduled for completion in quarter 4. As part of the national Bikeability scheme, which helps to prepare people for cycling safely on the road, we delivered 87 courses to 698 individuals at participating Schools and the Cycle Centre at Eastbourne Sports Park during quarter 3. The number of Bikeability courses has been impacted by the latest COVID-19 measures introduced by schools. It is unclear how this will impact delivery during quarter 4 as several schools have already cancelled their bookings. We also delivered 67 Wheels for All sessions, which are aimed at adults and children with disabilities and differing needs and helps them to cycle in a safe and structured environment, to 1,078 attendees at the sports park (Appendix 5).

1.27 A funding bid, led by Hastings Borough Council in close collaboration with Public Health, to the Department for Business, Energy & Industrial Strategy's Sustainable Warmth competition was successful in quarter 3, securing £2.2m. The money will help boost the East Sussex County Council's Warm Home Check service until March 2023, offering home energy efficiency improvements to at least 150 low-income fuel poor households (Appendix 2).

1.28 Frail adults across the county can receive Technology Enabled Care Services (TECS), to help manage risks and maintain independence at home. TECS includes Telecare, which offers a range of sensors and detectors to meet different needs, such as wearable alert buttons, fall detectors or medication dispensers. There has been a slight decline in the number of people receiving TECS throughout 2021/22 due to clients leaving the services, for reasons such as: moving out of county; needs increasing and moving into supported living / care home settings; and people passing away (Appendix 2).

1.29 The number of eligible households receiving a family support intervention under the Government's Supporting Families programme was 184 in quarter 3. This makes the total for the year so far 687, against a target of 900. There has been a drop in engagement during quarter 3, due to staff vacancies within the early help service, however we are hopeful that we will be able to engage an additional 213 families in quarter 4 to meet the target for 2021/22 (Appendix 4).

Making best use of resources in the short and long term

1.30 Lobbying has continued in quarter 3, including developing shared lobbying positions with East Sussex borough and district councils and with partners in the South East 7 (SE7). We have also continued to support the development of a collective lobbying position and approach for the SE7 ahead of the publication of the Levelling Up White Paper. The Leader fed into the development of – and introduced at the County Council's Network (CCN) annual conference – a significant national policy publication by the CCN, Association of County Chief Executives and Newton Foundation on the Future of Children's Social Care. The Chief Executive took the opportunity offered to all Chief Executives in the South East to meet with the UK Health Security Agency and Regional Schools Commissioner in quarter 3 to discuss concerns and priorities in responding to the Omicron variant (Appendix 6).

1.31 Thousands of young people from across the county voted in a new Youth Cabinet in December. The 22 newly elected members will represent the views of all young people across East Sussex, working on local and national campaigns, informing and lobbying decision makers, advocating for the power of youth voice and participating in special events and projects (Appendix 4).

1.32 There has been an overall increase in carbon emissions of 18.5% at the end of quarter 2 (reported a quarter in arrears), against emissions for the same period in 2020/21. This is a significant improvement compared to quarter 1, which saw an increase of 37.4% compared to the same period in 2020/21. The increases are partly due to emissions in 2020/21 being unusually low due to COVID-19 related building closures and this is particularly true of schools. There is also an increased need for ventilation in buildings to ensure they are COVID-19 safe, and consequently increased heating to counteract the number of windows which are open. Compared to the pre-pandemic year 2019/20, overall emissions are down 9.1%. A further one-off investment

of more than £3m was agreed by Cabinet in quarter 3 to assist in moving forward with our carbon reduction targets (Appendix 3).

1.33 The Cabinet recommends the County Council to:

☆ 1) approve the proposed amendment to the performance measure set out in paragraph 1.3.

## **2. Conservators of Ashdown Forest - 2022/23 amended budget**

2.1 The Board of Conservators met on 29 November 2021 and considered and approved an initial budget, excluding any income from the potential introduction of car parking charges from 2022/23. Consideration was also given to the development of a sustainable medium term financial plan to 2025/26. At an Extraordinary Meeting of the Board of Conservators on 31 January 2022 approval was given for the introduction of car parking charges from 2022/23, this is reflected in the supporting information and amended budget below.

### **Budget 2022/23**

2.2 The 2022/23 Conservators of Ashdown Forest (CoAF)'s Core Budget, amended for the introduction of car parking charges, is presenting a deficit of £122,980 (Appendix 8). In approving this amended budget the CoAF are including a scenario of mid-range projected income from car parking charges, increased spending on land management and systems improvements with the organisation and no income contribution from The Ashdown Forest Foundation (TAFF).

2.3 In approving the introduction of car parking charges, the CoAF at its Extraordinary Board Meeting on 31 January 2022, considered a range of income possibilities:

- High-range projected income after fees and charges of £688,113, with costs for sign replacement, enforcement and loan repayment reducing the income to £630,042.
- Mid-range projected income after fees and charges of £136,940, with costs for sign replacement, enforcement and loan repayment reducing the income to £78,869.
- Low-range projected income after fees and charges of £13,261, with costs for sign replacement, enforcement and loan repayment resulting in a deficit of £44,810.

The decision was made to assume the mid-range projected income of £78,869.

2.4 There are uncertainties and variables that may alter the income that will be generated from car parking. The CoAF believes that the overall revenue streams may deliver higher income projections within the published business case. Conversations with organisations that have introduced parking charges suggest that the initial roll out will present significant challenges but will have a positive impact on the overall budget.

2.5 The 2021/22 Core Budget included £150,000 additional income from the recently formed charitable body, The Ashdown Forest Foundation (TAFF). This budget was not achieved and in setting the 2022/23 budget, no income has been assumed from the TAFF. TAFF is working to raise its profile and is beginning to draw in donations. It is actively looking for corporate sponsorship and is building a rich network of connections. It has run its first events and is planning an enhanced programme in 2022. Initially, any income generated needs to remain with the TAFF to allow it to be set up to generate long term funding. It is possible however, with the early success of TAFF, that a transfer of funds will be possible in 2022/23 and that will be picked up in future forecasts.

2.6 There are management actions that could be taken in 2022/23 to manage a reduction in the deficit, including deferring capital expenditure, tightly managing day to day expenditure and seeking opportunities to reassess the recharge arising from the use of the Countryside

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Stewardship staff for Core Budget activities. This has the potential to reduce the deficit to £60,000 prior to any additional income from car parking or the TAFF.

2.7 The Conservators' Core Budget receives a grant from the Ashdown Forest Trust, of which East Sussex County Council is the trustee. The balance of the Trust Fund is estimated to be £167,168 at 1 April 2022 (Appendix 10) and it is proposed to maintain the grant funding of £65,100 to the Conservators' Core Budget in 2022/23. The lease to the Ashdown Forest Golf Club was reviewed in early 2020 and remains unchanged at £70,000 per annum.

2.8 The Countryside Stewardship budget (Appendix 9) is showing a surplus of £109,757. The Rural Payments Agency (RPA) has overturned their 2019 Countryside Stewardship inspection results and settled the issues regarding outstanding payments on the disputed pockets of land during the 2021/22. These repayments were more than £100,000. The CoAF has received final figures and an updated agreement. A management plan to accompany this is being produced and will assist with future budgeting. This successful resolution has created a higher degree of certainty on what is expected from the RPA, and it is now confirmed that cashflows will increase by £97,757p.a.

2.9 Whilst presenting a deficit budget, the Board and Chief Executive Officer are working with Council officers and are committed to delivering an improved financial position for 2022/23, providing quarterly update reports, including updated budgets that support a sustainable Medium-Term Financial Plan by Summer 2022, that will support the strategic objectives of the COAF. Any liability from the Core Budget that does fall to the Council for 2022/23 will not be settled until after the accounts for 2022/23 have been reconciled and approved.

2.10 Annual income to the Trust Fund, from a long-term lease with the Royal Ashdown Forest Golf Club, amounts to £70,000 with the addition of bank interest. The Cabinet has agreed a contribution to the Conservators from the Trust Fund of £65,100 in 2022/23

2.11 The amended budget for 2022/23 presents a deficit of £122,980 including the impact of the decision to implement car parking charges being approved by the Board of Conservators on 31 January 2022. There remain uncertainties and opportunities for income generation in excess of modelled car parking income and from the TAFF, which together with management action during the year, that could have a positive impact on the overall budget. The Board and Chief Executive Officer are working with Council officers and are committed to delivering an improved financial position for 2022/23, providing quarterly update reports, including updated budgets that support a sustainable Medium-Term Financial Plan by Summer 2022, that will support the strategic objectives of the COAF. The Cabinet has approved the Conservators' Core budget for 2022/23 and the potential contribution of up to a maximum of £122,980

1 March 2022

KEITH GLAZIER  
(Chair)