

Business Services – end of year 2022/23

Summary of progress on Council Priorities, issues arising, and achievements

Key cross cutting programmes

Carbon

The emissions outturn for Q4 will be available in Q1 of 2023/24 **(i)** as carbon data is reported a quarter in arrears. Data from Q3 forecasts a 33% reduction in carbon emissions for year end against the baseline year of 2019/20. This is very close to the target of a 34% reduction from the baseline year and represents an improvement on the previous quarter. Gas consumption for buildings (schools and corporate) was down 25% and electricity consumption was down 8% compared to 2021/22. Due to the weather dependent space heating requirements, emissions in the final quarter can have a significant impact on full year performance. This year Q4 was colder than the same quarter in the baseline year.

Part of the reduction in consumption is due to the more typical weather experienced in Q1 when compared to the unexpected low average minimum temperatures experienced in 2021/22, but improved management of buildings to reduce energy usage was also a factor. The need to provide ventilation in our buildings as part of COVID-19 safety measures is still adversely affecting our overall percentage reduction.

A programme of carbon reduction measures continues to be delivered in schools and across the corporate estate, in line with our current Climate Action Plan.

Good progress was made in Q4 on delivery of energy efficiency projects; we achieved 95% of our target with 21 projects delivered against a target of 22, despite supply chain delays, staff shortages and site portfolio changes.

- Eleven projects have been completed as part of the 2022/23 LED lighting programme and an additional project is almost complete (final building checks pending).
- Eight solar photovoltaics (PV) projects have been completed. Two of the ten targeted projects did not fully complete before the end of Q4 due to supply chain lead times for batteries, inverters and roof mounting system components. Both projects will complete in Q1 2023/24.
- The Ninfield Decarbonisation project was completed in November 2022 (Q3). The second project at Herstmonceux achieved practical completion in January 2023 (Q4).
- Tendering commenced for six primary schools heat decarbonisation projects, part-funded by a successful award of grant funding over £1m for the Phase 3b Public Sector Decarbonisation Scheme. There is one corporate project (Greenwood) fully funded by the Council. Contracts have been awarded for three sites with programmes of works planned for summer 2023. Tendering for the other four sites will be completed in Q1 2023/24.
- The annual Greenhouse Gas Report for 2021/22 was published in Q4. This included estimated procurement related carbon emissions from the Carbon Modelling Tool.
- Market testing of the potential “invest to save” Schools’ Solar scheme commenced in Q4. In-house desktop modelling by the Energy team produced indicative system sizes, energy, carbon and cost savings for a sample of ten schools. The data has been used to illustrate how a scheme, part funded by the Council and part funded by an interest free loan, might work. Schools have been asked to review proposals and provide quantitative and qualitative feedback to inform the scheme during meetings scheduled for Q1 2023/24.
- A further four Energy Saving workshops for both School and Corporate Site Managers were delivered in January and February to support energy cost and carbon reduction through good site management practice. This brings the total number of staff trained to 82.
- At the annual Services to Schools conference on 8 February 2023, 46 school business managers attended two presentations on how they might make best use of the Department for

Education (DfE) capital funding for energy efficiency. Tips on energy saving site practices as well as billing and account management from Energy and Schools finance teams were also included.

- A short survey was sent to schools in Q4 to seek further input on how the Council could support schools to invest their DfE energy efficiency funding. This indicated a need for further advice, which will be met through workshops in Q1 2023/24 where a consultant building services engineer will provide impartial advice on energy saving technologies. Tips from Property Energy and advice from Schools Finance on how to claim the grant will also be included. Over 40 schools have already signed up to attend.

Modernising Systems

The Managing Back Office Systems (MBOS) Programme was established to deliver the replacement of the Council's core finance and Human Resources (HR) systems. Replacement of these systems will support further developments to increase agile and digital working. The User Acceptance Test phase has continued in Q4 and gathered greater pace with 84% of all test scenarios passed. Confidence in the quality of the system is significantly higher and focus is now shifting to preparations for Payroll Parallel Run testing and business readiness. The final go-live date remains under review, targeting the end of 2023, to ensure that we have confidence in the quality of the system and data before confirming.

Workstyles

Facilities and support for hybrid working have been delivered across the Council. This included training resources, a Workstyles Policy, Space User Guides, guides and technology support via the Tech Advocates and a suite of office adaptations across three office hubs, to facilitate hybrid working whilst in the office. Subject to the needs of the service, hybrid working allows work to be structured in a way that enables our staff to be as productive as possible, regardless of where they are working. It also supports staff wellbeing and a reduction in our carbon footprint.

A Workstyles staff survey took place in October 2022, and the results have now been analysed and published. The findings of the survey provided insights into hybrid working that covered support for how we work, and property and technology enhancements. Staff engagement group sessions have continued to take place during Q4. Engagement and the analysis of the results of the Workstyles survey have been used to make recommendations for office adaptations such as the use of floors to accommodate larger meetings/areas and moveable furniture additions, such as 'phone booths', to support the use of Microsoft Teams calls whilst in the office. The workstyles office adaptations are designed to ease the demand on meeting rooms and provide additional space for calls and collaboration and support hybrid working.

Work to deliver the new office bases in Hastings continued throughout Q4 as the Council's lease at Ocean House ended in March 2023. The new offices provide a 39% reduction in office space whilst providing new layouts for particular service client needs. The new Hastings offices incorporate a relocation of Workstyles property elements from Ocean House thus efficiently reusing items which were designed to be flexible and moveable when installed. In Q4, acoustic elements were installed in six Eastbourne office hub meeting rooms to improve confidentiality.

Work on the Workstyles property elements for County Hall have been paused to allow resources to be focused on the office moves in Hastings. In Q1 2023/24 some moveable and flexible adjustments will be considered for County Hall, following further engagement.

Human Resources and Organisational Development (HROD)

In response to the significant recruitment and retention challenges as a result of the current labour market conditions and cost of living pressures, a range of initiatives were developed during 2022/23, most notably the development and launch of our new employer recruitment brand and campaign: 'We Choose East Sussex', aimed at promoting the council as a high-quality employer of choice. Initial evaluation shows:

- the proportion of Council vacancies filled has risen from 33% to more than 50%;
- applications from candidates of a minority ethnic background have doubled; and
- there has been an 11% rise in traffic to our online jobs pages and a 17% rise in download of application forms and related documents.

As well as attracting external candidates to the Council, in line with our commitment to supporting and developing our existing managers, two new leadership development initiatives were launched: the 'Ladder to Leadership' programme and Heads of Service masterclass programme. Both initiatives were well received, and evaluations are now taking place; these will help us to further enhance and develop these programmes for the future.

Our extensive wellbeing offer was also further enhanced during 2022/23 with a range of new initiatives. In particular, a musculoskeletal (MSK) workshop, aimed at frontline operational staff in Adult Social Care and Health, was delivered in partnership with Brighton University. The purpose of the workshop was to help staff make meaningful and sustainable changes to support better MSK health and thereby reduce related sickness absence.

Attendance Management and Wellbeing

The 2022/23 year end sickness absence figure for the whole authority (excluding schools) is 10.07 days lost per full time employee (FTE), an increase of 8.9% since last year. The 2022/23 target of 9.10 days/FTE has not therefore been met. The predominant reason for the increase in absence rates is a rise in COVID-19 related absences at the beginning of 2022/23.

Mental health absences have also increased by 1,483 days compared to the same period last year. However, the benchmarking data from GoodShape suggests this is a common theme across local authorities and our absence rates are within the average for this. Set against this background, we have increased support to staff by:

- Engaging with the workforce to understand how we can improve our stress risk assessment tool. The improved form will be launched in the coming months.
- Running a dedicated 'mental fitness' campaign for stress awareness month in April, including fully booked 'food for your mood' workshops and evidence-based signposting.
- Raising awareness of the mental health support available from our Employee Assistance Provider and partners 'able futures' through a series of interactive staff webinars and individual staff sessions.
- Promoting financial wellbeing through our Employee Assistance Programme (EAP) and external partners.
- Launching a short 4-minute film for World Mental Health Day to promote the resources available, raise awareness and encourage early intervention.
- Growing our Mental Health First Aid network which continues to pro-actively support staff and promote wellbeing resources within teams.
- Exploring a bespoke 'nurse led' service through our absence management provider, prompting all employees reporting a mental health absence to speak with a nurse at the earliest opportunity.

More broadly, we will shortly be running a pilot facilitating a series of 'Long Covid Cafes'. These coaching style sessions will explore coping strategies and effective signposting. Based on the research on long COVID-19 they should be effective in reducing the length of time employees are absent.

Procurement

Savings achieved through procurement, contract and supplier management activities

The Council has spent £299m with 898 local suppliers over the past 12 months, which equates to 66% of our total spend, compared to a target of 60%. This figure includes our Tier 2 supplier data (i.e., the direct spend with the Council's suppliers that is then sub-contracted by them to a local supplier). 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.

Social Value

The refreshed East Sussex Social Value Marketplace was launched during 2022/23. The Marketplace enables us to work collectively with suppliers and Voluntary Community and Social Enterprise (VCSE) partners to improve the social, economic and environmental wellbeing of our residents and local communities. Several contracts with significant social value commitment were secured this year, including:

- The Highways and Infrastructure Services Contract: the successful supplier has committed to a social value offer of around £180m (around 62% of contract value). This includes a commitment to deliver 60% of the contract value through local supply chains, in addition to delivering apprenticeships, a wide range of employability support, and creating local jobs.
- Extra Care Housing schemes: the successful supplier has committed to a social value offer of around £2.2m. The majority of their social value commitment is around training local people to NVQ level 2/3 and providing job opportunities to the long term unemployed, those currently working less than 16 hours per week and 18-24 year olds not in employment, education or training.

In Q4, a total of 17 contracts were awarded, of which seven were out of scope of the Social Value Measurement Charter which quantifies the economic, social and environmental benefits of the procurement, as they accessed an existing pre-approved list of suppliers (Frameworks) with predefined contractual terms. The in-scope contracts for Q4 had a total contract value of £17.87m and secured £6.48m in Social Value commitment, which equates to an outturn of 36%. This brings our final outturn figure for the year to 57%.

The Social Value secured through our Property Frameworks used for our Planned Maintenance programme in 2022/23 has been reported in Q4. Contracts with a combined value of £13.9m were awarded and secured £5.98m in Social Value, which equates to 43%. The Social Value consists of a number of different measures, including targeted spend with local sub-contracted suppliers and contractors, which is an important contributor to economic growth. Other benefits included various employment and skills initiatives, such as school talks to educate pupils on careers in the construction industry; multiple work experience placements for older pupils and college students; and curriculum support for colleges.

The Social Value figures detailed above are financial proxies used in the Social Value Measurement Charter, to reflect the value of how much of a social impact the commitments will have to local residents and communities, based on the measurements that in the [National Themes, Outcomes and Measures \(TOMs\)](#).

The Place Scrutiny Committee carried out a Scrutiny Review of Procurement in 2022/23 which focussed on Social Value and Buying Local policies and procedures. The review considered a wide range of evidence and was also able to comment on and endorse the East Sussex Social Value Policy. The Review found that a great deal of work has been undertaken to make sure the Council's Social Value requirements are well understood and considered at an early stage of the procurement process, and that the Buying Local policy area and processes are well developed and meeting the Council's targets. The report is due to be approved at Full Council in May 2023.

Procurement's Policy Team continues to build on the success of achieving publication of the Environmentally Sustainable Procurement Policy (ESPP) in Q3. Extensive guidance for the

Procurement Team on how to utilise the policy has been published on our new Procurement Intranet site.

Internal Audit

The Chartered Institute of Internal Auditors carried out an independent external assessment of our Internal Audit function in Autumn 2022, incorporating a full validation of the service's own self-assessment, interviews with key stakeholders from across all the Orbis partner councils and discussions with Internal Audit team members. Orbis Internal Audit were assessed as achieving the highest level of conformance available against professional standards with no areas of non-compliance identified, and therefore no formal recommendations for improvement.

Property

Property provided increased advice and options for several organisational transformation programmes throughout the year including Q4. In addition, Property concentrated on a number of workstreams in the Council's Asset Management Plan 2020-2025, focusing on more efficient use of offices, supporting service transformation and providing advice to schools on energy efficiency.

Key outcomes secured across Property over the year include:

- Increasing the Council's commercial income portfolio by 5% during 2022/23 as compared to 2021/22.
- Completing disposal of two key assets to secure capital receipts of £1.15m and securing approval from the Lead Member for Resources and Climate Change to commence marketing on three sites in Q4, which is now underway.
- New accommodation was found for the Modern Records service in Q3 by re-purposing a Council owned asset. The new site will allow the Modern Records service to move from Ropemaker in due course. The accommodation is smaller than the current premises and will contribute to less property operational costs and reduced carbon emissions.

Property Strategy (SPACES)

Strategic Property Asset Collaboration in East Sussex (SPACES) is a partnership of public bodies and third sector organisations, which aims to improve the use of public sector assets, creating efficiencies (such as reducing property costs and releasing capital receipts) and more effective environments to deliver services.

During Q4, the initial phase of the 'Land Release for Housing Development' workstream was completed (funded by One Public Estate Opportunity Development Fund (ODF)). Engagement with all local authorities (LAs) in East Sussex took place to develop a pipeline of LA owned brownfield sites to be put forward as bid applications for the Brownfield Land Release Fund (BLRF). The BLRF helps to unlock sites for housing, which may not otherwise be available due to viability issues. The next application round is anticipated in Q4 2023/24. This follows the success of the £485,000 BLRF capital grant funding awarded to SPACES partners earlier in 2023/23 to deliver a total of 30 new homes on brownfield land in the county.

Furthermore, the 'Health and Wellbeing Hubs' ODF workstream has also progressed, with the appointment of Sussex Innovation to carry out national and local research and stakeholder engagement. The consultant will produce a report on how to deliver health and wellbeing hubs effectively. The outputs will support existing health hub projects as well as help to identify future opportunities across the county.

IT & Digital

The Council achieved Cyber Essentials Plus accreditation during 2022/23 (Q3). Cyber Essentials Plus is the industry standard for the private and public sectors, underpinning safe sharing with partners and helping ensure sufficient controls are in place to minimise the risk of a cyber incident. Business continuity preparedness exercises have been undertaken, and an enhanced network detection and response solution has been purchased. This system will use artificial intelligence,

machine learning and data analytics, in near real-time, to detect threats before they become destructive or damaging.

Migration of services to the new South East Grid network on behalf of the Link Consortium has continued in Q4. Hosted by the Council, the network puts in place a mechanism that the Council and other public sector organisations in the South East can use to access higher speed digital infrastructure connections and contribute to the provision of ultra-fast data network connectivity throughout East Sussex. Discussions are underway with other public sector organisations about their use of the Council's framework contract for the provision of high speed digital infrastructure.

During Q4, approval to source a Microsoft Teams, flexible new cloud-based telephony platform was given by the Lead Member for Resources and Climate Change. This will replace the current on-premise solution when the contract expires in 2024. Following extensive investigation of potential options, Microsoft Teams is expected to provide value for money and support the Council's hybrid working pattern. Procurement activity has now commenced to replace the core telephony solution paired with a dedicated contact centre solution. The change from landline-based telephony builds on existing technology investment, supports hybrid working and provides a sustainable solution, reducing our carbon footprint (removing handsets and on-premises equipment) and removing building dependency, thereby supporting a reduction in the Council's office space.

External Funding

During Q4 the External Funding Team helped 11 organisations secure £254,600. This included a number of small to medium sized applications from organisations such as the Pelham Community Hub & Coffee Lounge in Sidley, Warming Up the Homeless in Bexhill and Home Start East Sussex, which works to support, encourage and develop the increased safety, confidence and independence of local families who have experienced adversity.

Throughout 2022/23 the team supported 220 organisations, 66 Council colleagues, and signposted 43 individuals to relevant services:

Resources

- Funding News, a monthly electronic publication about forthcoming funding opportunities (over 10,200 subscribers).
- East Sussex 4 Community, a free to use database of funders.

One to one support

- 307 funding searches tailored to organisations' needs.
- Bid readiness – talking through practicalities and steps to take before applying. The team met with 101 organisations and 27 council colleagues to discuss their specific requirements.
- Reviewing grant applications, acting as a critical friend, vetting proposals for strengths and weaknesses. We carried out 11 quality checks and delivered eight bid writing training sessions attended by 460 people.

Partnership working

- Supporting Council departments in countywide initiatives such as “Stewardship approach to tackling loneliness”.
- Supporting the development and running of grant programmes such as the Winter Support Fund.
- Working with key stakeholders at county and regional levels discussing trends and sharing best practice.

By facilitating connections between groups and colleagues the team helped secure almost £1.4m, through 45 grants which ranged from £500 to £485,000. These projects mostly covered communities (23 projects) and health and wellbeing (15 projects).

Revenue Budget Summary

The 2022/23 Business Services net revenue budget is £26.941m and has a net underspend of £0.218m. There were no planned savings in BSD this financial year.

Finance and Business Administration net underspend of £0.126m (**ref ii**): the forecast overspend in Business Administration has continued to reduce from Q2, closing at £0.058m. This was mainly due to additional income and vacancy savings and is further offset by a net underspend in Finance of £0.178m, arising from vacancy and recruitment gaps.

The remaining service areas had minor variances, including the ESCC contribution to the Orbis partnership.

Capital Programme Summary

The 2022/23 capital budget is £26.018m and has underspend of £0.978m, slippage of £3.301m, and spend in advance of £0.438m at Q4.

Special Provision in Secondary School has slippage of £0.422m (**ref iii**) as the scope of the project is being re-assessed.

14 Westfield Lane has underspend of £0.616m and slippage of £0.053m (**ref iv**). This was mainly due to the budget provisionally held for potential land charge, which is no longer required.

The Core Programme - Schools Basic Need has a combination of underspend and slippage totalling £0.339m (**ref v**): £0.216m underspend from Hailsham Secondary school project and slippage on other projects totalling £0.123m.

Core Programme - Capital Building Improvements Schools has spend in advance of £0.438m (**ref vi**), largely due to the large number of roof projects in progress.

Core Programme - IT & Digital Strategy Implementation has slippage £0.689m (**ref vii**), largely due to staff resource limitations. None of the delayed projects or programmes affects the Council's existing systems or security but may delay new capabilities being introduced.

Core Programme - IT & Digital Strategy Implementation MBOS has slippage £1.820m (**ref viii**), which reflects delays in build and testing.

Performance exceptions (Q4 – See How to read this report for definition)**Priority – Making best use of resources now and for the future**

Performance measure	Outturn 21/22	Target 22/23	RAG Q1 22/23	RAG Q2 22/23	RAG Q3 22/23	RAG Q4 22/23	2022/23 outturn	Note ref
Reduce the amount of CO2 arising from County Council operations	7.4% reduction (comparing emissions to the end of Q4 2021/22 against emissions for the same period in 2020/21)	34% reduction on baseline year (2019/20) emissions (emissions not to exceed 8,206 CO2e)	G	A	A	CO	Q3: 33% reduction (Reported a quarter in arrears)	i

Savings exceptions 2022/23 (£'000)

Service description	Original Target For 2022/23	Target including items c/f from previous year(s)	Achieved in-year	Will be achieved, but in future years	Cannot be achieved	Note ref
Planned savings - BSD	-	-	-	-	-	-
Planned savings - Orbis	-	-	-	-	-	-
Total Savings	0	0	0	0	0	
			-	-	-	-
			-	-	-	-
Subtotal Permanent Changes ¹			0	0	0	
Total Savings and Permanent Changes	0	0	0	0	0	

Memo: treatment of savings not achieved in the year (£'000)	Temporary Funding ²	Part of reported variance ³	Total	Note Ref
	-	-	-	
	-	-	-	
	-	-	-	
Total	0	0	0	

¹ Where agreed savings are reasonably unable to be achieved other permanent savings are required to be identified and approved via quarterly monitoring.

² Temporary funding will only replace a slipped or unachieved saving for one year; the saving will still need to be made in future years (or be replaced with something else).

³ The slipped or unachieved saving will form part of the department's overall variance - it will either increase an overspend or decrease an underspend. The saving will still need to be made in future years (or be replaced with something else).

Revenue Budget 2022/23 (£'000)

Divisions	Planned Gross	Planned Income	Planned Net	2022/23 Gross	2022/23 Income	2022/23 Net	(Over)/ under spend Gross	(Over)/ under spend Income	(Over)/ under spend Net	Note ref
Finance & Business Administration	10,586	(5,900)	4,686	12,074	(7,514)	4,560	(1,488)	1,614	126	ii
HR & OD	3,019	(1,089)	1,930	3,345	(1,427)	1,918	(326)	338	12	
IT & Digital	12,844	(4,777)	8,067	16,676	(8,651)	8,025	(3,832)	3,874	42	
Procurement	-	-	-	-	-	-	-	-	-	
Property	29,071	(20,700)	8,371	26,723	(18,374)	8,349	2,348	(2,326)	22	
Contribution to Orbis Partnership	3,887	-	3,887	3,871	-	3,871	16	-	16	
Total BSD	59,407	(32,466)	26,941	62,689	(35,966)	26,723	(3,282)	3,500	218	

Capital programme 2022/23 (£'000)

Approved project	Budget: total project all years	Projected: total project all years	Budget 2022/23	Actual 2022/23	Variation (Over) / under 2022/23 budget	Variation analysis: (Over) / under spend	Variation analysis: Slippage to future year	Variation analysis: Spend in advance	Note ref
SALIX Contract	3,500	3,500	350	269	81	81	-	-	
Property Agile Works	-	-	-	-	-	-	-	-	
Lansdowne Unit (CSD)	75	75	75	10	65	-	65	-	
Special Educational Needs	3,198	3,198	175	150	25	-	25	-	
Special Provision in Secondary School	120	120	750	328	422	-	422	-	iii
Special Educational Needs - Grove Park	19,179	19,179	120	55	65	65	-	-	
Disabled Children's Homes	786	786	57	46	11	-	11	-	
14 Westfield Lane	721	721	721	52	669	616	53	-	iv
Core Programme - Schools Basic Need	98,444	98,444	2,749	2,410	339	216	123	-	v
Core Programme - Capital Building Improvements Corporate	44,119	44,119	3,439	3,370	69	-	69	-	
Core Programme - Capital Building Improvements Schools	42,817	42,817	5,179	5,617	(438)	-	-	(438)	vi
Core Programme - IT & Digital Strategy Implementation	78,847	78,847	4,186	3,497	689	-	689	-	vii
Core Programme - IT & Digital Strategy Implementation MBOS	-	-	8,193	6,373	1,820	-	1,820	-	viii
IT & Digital - Utilising Automation	24	24	24	-	24	-	24	-	
Total BSD Gross	291,830	291,830	26,018	22,177	3,841	978	3,301	(438)	