

Business Services – Q1 2023/24

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

Key cross cutting programmes

Carbon

Carbon data is reported a quarter in arrears due to the timeline of data availability, so the Q1 outturn is reporting on the emissions outturn for 2022/23 (**ref ii**). A 32% reduction in carbon emissions against the baseline year of 2019/20 was achieved, which is a significant reduction but slightly under target (34% reduction from the baseline year). The year-end data is subject to full reconciliation so is more accurate than previous quarters; this accounts for the difference between the final end of year outturn and the projected outturn from the previous quarter. In absolute terms the shortfall against the target, at 318 tonnes of carbon dioxide, is relatively small, being equivalent to approximately three heat decarbonisation projects and being about 0.1% of the Council's total current scope 1, 2 and 3 emissions. A key factor actively contributing to the reduction is the improved management of buildings to reduce energy usage. The more typical weather compared to the unexpected low average minimum temperatures experienced in 2021/22 was an additional factor in the reduction. However, 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 which has recently been revised. The reduction in emissions resulting from energy efficiency projects completed towards the end of 2022/23 will be realised during 2023/24, which will contribute to our 2023/24 target of 43% reduction on baseline year (2019/20) emissions.

Good progress was made in Q1 on the delivery of energy efficiency projects, towards our annual target of completing 23 projects. One LED lighting project was completed at Milton Grange and two Solar PV schemes have been completed at The Keep and the Phoenix Centre. Other Solar PV and LED schemes have commenced installation in Q1. Four heat decarbonisation projects have started on site. These schemes were part-funded by a successful award of over £1m of grant funding from the Phase 3b Public Sector Decarbonisation Scheme. There are challenges with supply chain and capacity for Solar PV, LED and also new heating technology/systems with heat decarbonisation in the wider sector which are impacting roll-out and may significantly affect our ability to deliver our target number of schemes (**ref i**).

Some additional business analysis was undertaken in Q1 on the potential “invest to save” Schools’ Solar scheme. Schools have been asked to review proposals and provide quantitative and qualitative feedback.

Further workshops for schools site managers/caretakers took place in Q1 promoting ideas and suggestions about how schools can fully utilise the Department for Education Energy Efficiency Capital funding announced by central government in April 2023. Further workshops are planned for Q3.

Modernising Systems

The Managing Back Office Systems Programme was established to deliver the replacement of the Council's core finance and Human Resources systems. Replacement of these systems will support further developments to increase agile and digital working. The User Acceptance Test phase continued in Q1.

Human Resources and Organisational Development (HROD)

Work has continued on the development of our new employer recruitment brand: ‘We Choose East Sussex’ with the creation and production of new content for the Council's job pages.

The procurement of a new learning management system is well underway, and it is anticipated that the outcome of this process will be known in Q2.

Work has begun on the refresh of the People Strategy covering 2024-2027, with initial engagement sessions, including with the trade unions, taking place during Q1. Applications for the second cohort of our 'Ladder to Leadership' programme also opened during Q1 and work on reviewing a programme of 'masterclasses' for Heads of Service and the development of a leadership development programme for managers graded LMG3 and 4 has begun.

Attendance Management and Wellbeing

The Q1 sickness absence figure for the whole authority (excluding schools) is 1.93 days lost per Full Time Employee (FTE), a fall of 14.8% since last year. The year end estimate for 2023/24 is 8.57 days/FTE, so the target of 9.10 days/FTE is predicted to be met. The predominant reason for the decrease in absence rates is a large fall in COVID-19 related absence compared to the same period last year.

However, mental health absence has increased by 179 days in Q1 compared to the same quarter last year, and by 1,084 days between 1 July 2022 and 30 June 2023 compared to 1 July 2021 and 30 June 2022. 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:

- offering employees additional support when they report an absence due to mental health to GoodShape. The aim is to reduce the absence length and the risk of a further mental health absence taking place
- putting in place an additional reminder for the completion of return-to-work discussions when the absence has been due to mental health, as further analysis has indicated that managers are less likely to complete forms for these absences. This reminder email highlights the importance of early completion using nudge theory and signposts managers to further support and guidance
- raising awareness of the mental health support available from our Employee Assistance Programme, Occupational Health and partners 'Able Futures' through a series of interactive staff webinars and individual staff sessions
- running a men's health campaign in June with interactive workshops, toolkits and a dedicated film with a focus on mental wellbeing
- growing our Mental Health First Aid network to continue to pro-actively support staff and promote wellbeing resources within teams

Procurement

Procurement, contract and supplier management activities

The Council has spent £309m with 884 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

In Q1, 46 contracts commenced, of which 42 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 Council's Public Bus and Driver contracts accounted for 39 of these out of scope contracts. The four in-scope contracts had a total contract value of over £715k and secured over £135k in Social Value commitment, which equates to an outturn of 19% against a target of 10%. The Social Value commitments for Q1 included: career guidance and support for local schools and colleges; sustainability of local green areas; volunteering hours; graduate qualification support; spend with local supply chains and the creation of local jobs.

The Place Scrutiny Committee's report of Procurement: Social Value and Buying Local was agreed at full Council in May 2023. The recommendations included the trial of a new qualitative approach to social value. It will be trialled within Adult Social Care over a 12 month period, with a findings report due in September 2024. The trial will focus on using the Central Government's Social Value Model to explore if a qualitative approach to social value will be more suitable for Voluntary, Community and Social Enterprise (VCSE) organisations and how we can focus our social value to align to the Council/and or service priorities.

Procurement is currently working with the Communications Team to advertise the East Sussex Social Value Marketplace. Social media and newsletters are being used to create better engagement on the portal. Our colleagues at the East Sussex Procurement Hub (Wealden District Council) are also helping to raise awareness of the site.

Internal Audit

Through the work of Internal Audit, the Chief Internal Auditor continues to be able to provide assurance over the adequacy and effectiveness of governance, risk management and control for the Council.

Internal Audit have continued to focus on delivery of the Annual Internal Audit Plan. During Q1 we were able to complete 26.5% of the plan to draft report stage against a Q1 target of 22.5%.

All high priority actions agreed with management as part of individual audit reviews are subject to action tracking, whereby we seek written confirmation from services that these have been implemented. It was confirmed that 12/12 (100%) of the high-risk actions due to be implemented on a 12-month rolling basis have been actioned.

Property

Working across the workstreams in the Council's Asset Management Plan 2020-2025, we continue to focus on more efficient use of offices and supporting service transformation. Key outcomes for Q1 include:

- relocating teams from Ocean House to their new Hastings bases at Cavendish House and Muriel Matters House, with ongoing support for teams as they settle in. The move has reduced the Council's carbon footprint for corporate premises in Hastings by 43% (when compared to Ocean House)
- adapting the Eastbourne strategy following the fire at St. Mark's House in June 2023 with staff being relocated to St. Mary's House and other bases. A revised strategy will be finalised in Q2 with a delivery plan in Q3 and Q4
- the appointed external consultant investigating options for County Hall throughout Q1 and additional technical advice will be available in Q2. Work on short term adjustments for County Hall, previously scheduled for early 2023/24, has been postponed to resume in the autumn due to reprioritisation of resources following the fire at St. Mark's House
- progressing the disposal of assets including the marketing of Hindlands, Polegate, and two disposals entering into legal contracts in Q1, including the former Etchingham Primary School
- the Council's Modern Records service vacating Ropemaker Park in Q1 and service provision is now operational at Alder Close and the former Polegate library. The accommodation is smaller than the previous premises and will contribute to lower property operational costs and reduced carbon emissions from this service

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.

Delivering Net Zero targets is a high priority for SPACES partner organisations, and the SPACES Strategy recognises that the partnership can support this through the management of assets across the public sector estate. In Q1, a group for Facilities Management professionals was established to share best practice on carbon reduction initiatives, and information has been shared about carbon literacy/awareness training. Furthermore, a survey was carried out to understand from partners how collaboration could enhance opportunities to secure external funding for decarbonisation schemes. The actions from the survey, along with other activities will progress during the year.

The 'Health and Wellbeing Hubs' workstream (funded by One Public Estate's Opportunity Development Fund) has progressed in Q1, with Sussex Innovation completing national and local research and engagement. The final report on how to deliver health and wellbeing hubs effectively will be presented to the SPACES Board in Q2. The outputs will support existing health hub projects as well as helping to identify future opportunities across the county.

IT & Digital

During Q1 the Schools ICT service, working with Finance and Procurement colleagues, have sourced replacement Finance and Management Information Systems for schools in East Sussex and Brighton and Hove. This has been an involved process that has factored in the varying needs of schools and our internal stakeholders. Following the award of the contract, work will start to migrate schools from their legacy software, which for many has been in place for 30 years, onto the new platforms.

Migration of services to the new South East Grid (SEG) network on behalf of the Link Consortium has continued in Q1. 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 Q1, approval was given by the Lead Member Resources & Climate Change to source a replacement Wi-Fi service when the existing contract and associated licencing for the current Wi-Fi service ends in 2024. Marketing for the procurement of the replacement Wi-Fi service will be through the SEG Network Services Framework.

Procurement activity to replace the core telephony solution paired with a dedicated contact centre solution has continued in Q1. The impending change from landline-based telephony builds on existing technology investment and provides a sustainable solution, reducing carbon footprint (removing handsets and on-premises equipment) and removing building dependency, thereby supporting a reduction in office space.

External Funding

In Q1, the External Funding Team responded to 78 funding enquiries from a range of charities, social enterprises and schools. There are almost 10,500 not for profit subscribers to Funding News (a monthly electronic publication about forthcoming funding opportunities). The team attended 30 meetings to discuss specific needs and quality-checked six funding applications to ensure they had the best chance of success, supporting groups with evidence of need and making the case for funding. Some ongoing support is also being provided to colleagues in Public Health applying for a large-scale grant, to increase their capacity, and wider strategic and cross sector partnership work such as Partnership Plus, Community Resilience, and Creative Health. The team has helped secure £12,639 of external funding so far in 2023/24.

Revenue Budget Summary

The 2023/24 Business Services net revenue budget is £27.975m. There are £0.869m planned savings in BSD this financial year, of which £0.210m are not expected to be achieved (**ref iii**). These unachieved savings are included within the current outturn forecast, which is a net £0.009m overspend. The Property forecast overspend of £0.315m (**ref iv**) includes the unachieved savings target of £0.210m relating to the expected move from St Marks House, Eastbourne. Following the fire on site, it is unclear whether the savings can be realised in this financial year though further information will be provided in Q2 as the situation unfolds.

Capital Programme Summary

The 2023/24 capital budget is £27.430m. The Special Educational Needs spend in advance of £0.234m (**ref v**) relates to increased costs on works at Denton & Meridian schools. These costs can be met through the overall capital programme. The Special Educational Needs - Additional Places slippage of £4.442m (**ref vi**) relates to the Grove Park rationalisation programme. This programme is just getting underway, and the bulk of the works programme will not start until 2024/25. The Core Programme - Schools Basic Need spend in advance of £0.165m (**ref vii**) relates to additional costs for Wadhurst Nursery to ensure the project meets newly updated building regulations and flood risk items identified through planning conditions.

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

Performance measure	Outturn 22/23	Target 23/24	RAG Q1 23/24	RAG Q2 23/24	RAG Q3 23/24	RAG Q4 23/24	Q1 23/24 outturn	Note ref
Progress on implementation of Carbon reduction schemes	11 low energy lighting schemes completed; 8 solar PV schemes completed; 2 decarbonisation of heat schemes implemented	23 energy saving schemes implemented	A				Low Energy Lighting – one completed at Milton Grange. Solar PV – two completed at The Keep and Phoenix Centre. Heat Decarbonisation – four underway and works commenced on site.	i

Council Plan measures marked carry over at year end 2022/23 – Final Outturn**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 final 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	R	32% reduction on baseline year (2019/20) emissions	ii

Savings exceptions 2023/24 (£'000)

Service description	Original Target For 2023/24	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	869	-	659	210	-	
Planned savings - Orbis	-	-	-	-	-	
Total Savings	869	0	659	210	0	
			-	-	-	
			-	-	-	
Subtotal Permanent Changes ¹			0	0	0	
Total Savings and Permanent Changes	869	0	659	210	0	

Memo: treatment of savings not achieved in the year (£'000)	Temporary Funding ²	Part of reported variance ³	Total	Note Ref
Property	210		210	iii
	-	-	-	
Total	210	0	210	

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 2023/24 (£'000)

Divisions	Planned Gross	Planned Income	Planned Net	Projected Gross	Projected Income	Projected Net	(Over)/under spend Gross	(Over)/under spend Income	(Over)/under spend Net	Note ref
Finance & Bus Admin	11,240	(5,754)	5,486	11,267	(5,798)	5,469	(27)	44	17	
HR & OD	3,179	(1,160)	2,019	3,179	(1,160)	2,019	-	-	-	
IT & Digital	11,554	(3,671)	7,883	11,513	(3,629)	7,884	41	(42)	(1)	
Procurement	-	(100)	(100)	-	(100)	(100)	-	-	-	
Property	25,011	(16,044)	8,967	25,310	(16,028)	9,282	(299)	(16)	(315)	iv
Contribution to Orbis Partnership	3,720	-	3,720	3,430	-	3,430	290	-	290	
Total BSD	54,704	(26,729)	27,975	54,699	(26,715)	27,984	5	(14)	(9)	

Capital programme 2023/24 (£'000)

Approved project	Budget: total project all years	Projected: total project all years	Budget Q1	Actual to date Q1	Projected 2023/24	Variation (Over) / under Q1 budget	Variation analysis: (Over) / under spend	Variation analysis: Slippage to future year	Variation analysis: Spend in advance	Note ref
SALIX Contract	700	700	350	(14)	75	275	275	-	-	
Lansdowne Secure Unit - Phase 2	75	75	65	-	65	-	-	-	-	
Special Educational Needs	3,198	3,198	1,692	84	1,926	(234)	-	-	(234)	v
Special Educational Needs - Additional Places	19,179	19,179	5,422	1	1,000	4,422	-	4,422	-	vi
Special Provision in Secondary Schools - <i>at Priory and Robertsbridge schools</i>	120	120	-	-	-	-	-	-	-	
Disability Children's Homes	786	786	716	23	716	-	-	-	-	
Westfield Lane (delivered on behalf of CSD)	721	721	53	-	53	-	-	-	-	
Core Programme - Schools Basic Need	98,444	98,444	1,931	26	2,096	(165)	-	-	(165)	vii
Core Programme - Capital Building Improvements Corporate	44,749	44,749	3,509	969	3,509	-	-	-	-	
Core Programme - Capital Building Improvements Schools	42,049	42,049	5,594	433	5,594	-	-	-	-	
Core Programme - IT & Digital Strategy Implementation	72,956	72,956	4,742	1,161	4,742	-	-	-	-	
Core Programme - IT & Digital Strategy Implementation MBOS	13,125	16,625	3,332	-	3,332	-	-	-	-	
IT & Digital Strategy implementation (utilising automation)	24	24	24	-	24	-	-	-	-	
Total BSD Gross	296,126	299,626	27,430	2,683	23,132	4,298	275	4,422	(399)	