

Business Services – Q3 2023/24

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

Key cross cutting programmes

Carbon

In line with our current Climate Action Plan, further progress was made in Q3 on the delivery of energy efficiency projects across the estate. A total of 16 projects had been completed by the end of Q3, against a target of 23 for 2023/24:

- 4 LED lighting energy saving projects at Milton Grange Residential Home plus Frant, Hankham and Chiddingly Primary Schools.
- 5 solar PV energy generation projects at The Keep, the Phoenix Centre, and Bodiam, Chiddingly and Plumpton Primary Schools.
- 5 building insulation projects to cut heat loss: triple glazing at Grovelands and Greenwood Primary Schools and loft, doors and wall insulation at Hellingly, Rocks Park and Rotherfield Primary Schools.
- 2 large asset rationalisation projects providing more modern facilities with reduced carbon emissions. These are the Ropemaker Park to Alder Close project and the move from Ocean House to the reduced footprint at both Muriel Matter House and Cavendish House.

During Q4, a further 7 to 11 projects are due to be completed. However, there are significant risks posed by inclement weather, supply chain or site issues which could impact on installations.

The Property Team hosted two further energy savings workshops for managers / school caretakers in Q3, with a focus on heat cost savings. The annual target to train 40 site managers has been exceeded, with 81 trained via five events to date.

Total energy consumption (buildings, streetlighting and servers) in Q2 (reported a quarter in arrears) was down 9% compared with the same period last year and down 25% on the baseline year 2019/20. Building energy use in Q2 was down 10% compared with the same period last year and down 25% on the baseline year 2019/20.

There is not yet enough data to accurately estimate the end of year outturn for 2023/24. The majority of energy use and carbon emissions arise in the second half of the year as they are significantly influenced by the weather. However, if consumption for the remainder of this year is the same as last year our Scope 1 and 2 carbon emissions for 2023/24 would fall by 0.39% compared with 2022/23, against the target of a 16% reduction required to keep within the five-year carbon budget. This would result in a 32% reduction on the 2019/20 baseline, against a cumulative target of 43%. The main contributing factor to the projected annual emissions exceeding the reduction target for 2023/24 is the increase in the electricity emissions factor (the carbon intensity of the national grid), which has risen 7% year on year due to an increase in natural gas use in electricity generation and a decrease in renewable energy generation, which is out of the Council's control.

Modernising Systems

The Managing Back Office Systems (MBOS) Programme was established to deliver the replacement of the Council's core finance and Human Resources systems, to support further developments to increase agile and digital working. The programme will enable the Council to move off the SAP system, which is due to go out of support in 2027. Following the decision not to go live in 2023, the external programme support was significantly reduced and an independent review was commissioned to complete an assurance exercise of the system and programme. The first phase of the review gave a number of recommendations and confirmed that Oracle remains a suitable product for the Council. Following the first phase, a further health check of the system and programme is now being completed. This will inform next steps and enable programme dates to be reset.

Human Resources and Organisational Development (HROD)

As part of our strategic response to the recruitment and retention challenges we are facing, we have refreshed the recruitment guidance for managers with the inclusion of new 'top tips' to support efficient and inclusive recruitment. Alongside this, we have run engagement sessions with staff in the Council who are under 25 to get feedback on what attracted them to work for the Council and to begin establishing a forum for our younger workers to highlight any specific issues for them. We have also established an exit interview pilot to gain insight and understanding into why individuals are leaving. More broadly, 2 strategic workforce planning sessions have been delivered to Heads of Service by the LGA.

Attendance Management and Wellbeing

The Q1 – Q3 2023/24 sickness absence figure for the whole authority (excluding schools) is 6.76 days lost per Full Time Equivalent (FTE) role, a fall of 10.8% since last year. The year end estimate for 2023/24 is 8.98 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.

We have also seen a reduction in musculoskeletal absence of 954 working days compared to the same period last year which is a 7.5% reduction in absence; this directly correlates to the 9% increase in musculoskeletal/physiotherapy referrals made in the same period. This indicates that as a preventive measure, it is having a positive impact in reducing sickness absence for this reason. In addition, we are running a dedicated pilot within ASCH with Brighton University to explore how our musculoskeletal offer can be further improved to reduce absence and retain staff.

However, mental health absence has increased by 362 days in Q1 – Q3 2023/24 compared to the same period last year. Benchmarking data from our absence management provider, 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 launched a new process to evaluate our current mental health offer, whilst continuing to provide support to staff:

- In addition to the automated reminders from GoodShape, the Human Resources Attendance Management Team will contact all line managers during the first week an employee reports a stress related absence. The aim of this is to provide timely and practical guidance about how to support the employee back to work. This approach is being measured and will be reviewed as part of a six-month pilot to understand impact.
- Improving the Wellness Plan and Stress Risk Assessment which was successfully launched in Q3 and is being promoted in line with key awareness days.
- Providing enhanced tools and guidance for workplace adjustments specifically in relation to supporting performance and mental health.
- Offering employees additional support when they report an absence due to Mental Health to GoodShape. The aim is to reduce absence length and the risk of further mental health absence taking place in the future.
- 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 when an absence is due to this, the managers are less likely to complete the form. This reminder email highlights the importance of early completion and signposts 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.
- Our growing Mental Health First Aid network continues to pro-actively support staff and promote wellbeing resources within teams.

Procurement

Procurement, contract and supplier management activities

The Council has spent £307m with 853 local suppliers over the past 12 months, which equates to 64% of our total spend, against a target of 60%. 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 Q3 a total of 9 contracts commenced, of which 6 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 three in-scope contracts had a total contract value of £2.2m and secured £472k in Social Value commitment, which equates to 21% against a target of 10%.

The Social Value commitments for Q3 included: apprenticeships, professional development opportunities and work experience offered to local people, creation of local jobs, local volunteering initiatives, support for community greening initiatives and sustainability awareness workshops in local schools and colleges.

Contract Management Advisory Service (CMAS)

Orbis Procurement launched a pilot scheme in Adult Social Care and Health in Q3 to deliver a CMAS, supported by dedicated procurement resource. The Council spent over £400m during 2022/23 on commercial contracts for outsourced services. Research shows that poorly managed contracts can result in up to 8.6% of a contract's value being lost over its lifetime. It can also lead to additional and avoidable costs and the delivery of substandard outcomes. To combat this, dedicated, experienced commercial resource will work collaboratively with service personnel to enable the delivery of consistent, structured and effective contract management. This will raise the standards of contract and commercial management, as well as providing visibility and reporting on contract risk and performance. The pilot will run for 12 months.

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 internal control for the Council. Internal Audit have continued to focus on delivery of the Annual Internal Audit Plan. At the end of Q3, we have completed 77.1% of the plan to draft report stage against a Q3 target of 67.5%.

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 10/10 (100%) of the high-risk actions due to be implemented on a 12-month rolling basis have been actioned.

Property

Key outcomes for Property in Q3 include:

- Work has continued on an options paper for the County Hall campus, with additional technical support being provided by external specialists. The paper is expected to be completed in early Q4.
- A delivery plan to consolidate our Eastbourne offices into one main base was finalised in Q3 for implementation during Q4 and Q1 2024/25.
- Property completed the re-procurement of its facilities management services for its corporate and schools estate in Q3. Mobilisation of the services will take place in Q4 with full service implementation in Spring 2024.

- Following an initial assessment, surveys were commissioned in Q3 in relation to the non-schools estate to consider if any of the buildings had Reinforced Autoclaved Aerated Concrete (RAAC). Most of the surveys are expected to be completed during Q4 and Q1 2024/25.
- The sale of Hindslands, Polegate is now progressing through legal process, with conditional contracts expected to be signed in Q4. If planning consent is approved by Wealden District Council the capital receipt should be received in 2024/25.
- The sale of Hye House Farm, Crowhurst is now progressing through the legal process, with up to 4 purchasers identified for the separate plots. It is anticipated some of the sales will proceed in Q4 2023/24 with the remaining due in 2024/25.
- Temporary school buildings were completed on schedule for the autumn term and a nursery extension in Wadhurst was completed in Q3.
- Planning permissions for two new youth facilities were secured in Q3 at Heathfield and The Joff, Peacehaven. Both are funded through the Youth Investment Fund from central Government.

IT & Digital

Migration of services to the new South East Grid (SEG) network on behalf of the Link Consortium has continued throughout Q3. Hosted by the Council, the network allows the Council and other public sector organisations in the South East to access higher speed digital infrastructure connections and contributes to the provision of ultra-fast data network connectivity throughout East Sussex.

A new WiFi service, underpinned by the SEG, has been procured to replace the current service contract that expires in March 2024. Work is underway to replace original equipment with new generation SEG WiFi across all Council sites. The new service will improve performance and enhance security. It will also be an enabler of newer technologies such as the Internet of Things (IoT) likely to be used in the future for a range of activities such as energy and intelligent buildings management.

Work to replace the core telephony solution paired with a dedicated contact centre solution has continued in Q3. The change from landline-based telephony builds on existing technology investment and provides a sustainable solution, reducing the carbon footprint (removing handsets and on-premises equipment) and removing building dependency, thereby supporting a reduction in office space.

Further procurement activity has also been underway to source a supplier for the next Device Refresh. Periodically refreshing our IT equipment is vital so that it stays up to date and safe to use to best support and enable a digital workforce. The scale at which this is done (across three councils through the Orbis Partnership) has many benefits, with the procurement ensuring that we get maximum value from our investment and the implementation ensuring we use our resources wisely.

External Funding

In Q3, the External Funding Team responded to 60 funding enquiries from a range of charities and social enterprises, working mostly in health and well-being and community work. Their needs included running costs, projects, cost of living, and support for new and existing organisations. The number of not-for-profit contacts subscribing to Funding News, our monthly electronic publication about forthcoming funding opportunities, continues to increase and there are now 10,900 subscribers. The team attended 20 meetings to discuss specific needs (e.g. support with data or writing a good application) and provided three quality-checks on funding applications, supporting groups with evidence of need and making the case for funding. In addition, Bid Writing training was delivered for school governors. The team has helped secure £389,361 of external funding so far in 2023/24.

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	869	659	210	-	
Planned savings - Orbis	-	-	-	-	-	
Total Savings	869	869	659	210	0	
			-	-	-	
			-	-	-	
Subtotal Permanent Changes ¹			0	0	0	
Total Savings and Permanent Changes	869	869	359	210	0	

Memo: treatment of savings not achieved in the year (£'000)	Temporary Funding ²	Part of reported variance ³	Total	Note Ref
Property: consolidation of Eastbourne hubs	210	-	210	i
	-	-	-	
	-	-	-	
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	11,549	(5,754)	5,795	12,336	(6,604)	5,732	(787)	850	63	ii
HR & OD	3,310	(1,160)	2,150	3,310	(1,160)	2,150	-	-	-	
IT & Digital	11,903	(3,671)	8,232	12,155	(3,812)	8,343	(252)	141	(111)	iii
Procurement	-	(100)	(100)	-	(100)	(100)	-	-	-	
Property	25,105	(16,044)	9,061	27,431	(18,488)	8,943	(2,326)	2,444	118	iv
Contribution to Orbis Partnership	3,871	-	3,871	3,871	-	3,871	-	-	-	
Total BSD	55,738	(26,729)	29,009	59,103	(30,164)	28,939	(3,365)	3,435	70	v

Capital programme 2023/24 (£'000)

Approved project	Budget: total project all years	Projected: total project all years	Budget Q3	Actual to date Q3	Projected 2023/24	Variation (Over) / under Q3 budget	Variation analysis: (Over) / under spend	Variation analysis: Slippage to future year	Variation analysis: Spend in advance	Note ref
SALIX Contract	700	700	350	149	81	269	269	-	-	
Lansdowne Unit (CSD)	75	75	65	19	35	30	-	30	-	
Youth Investment Fund	7,624	7,624	1,510	212	350	1,160	-	1,160	-	vi
Special Educational Needs	3,198	3,198	1,114	872	1,052	62	-	62	-	vii
Special Provision in Secondary School (Priory and Robertsbridge)	120	120	-	-	-	-	-	-	-	
Special Educational Needs - Grove Park	19,179	19,179	150	185	234	(84)	-	(84)	-	viii
Disabled Children's Homes	786	786	716	455	716	-	-	-	-	
14 Westfield Lane	721	721	53	26	53	-	-	-	-	
Core Programme - Schools Basic Need	98,444	98,444	2,066	1,794	2,051	15	-	15	-	
Core Programme - Capital Building Improvements Corporate	44,749	44,749	3,509	2,162	3,509	-	-	-	-	
Core Programme - Capital Building Improvements Schools	42,049	42,049	4,218	2,355	3,799	419	-	419	-	ix
Core Programme - IT & Digital Strategy Implementation	72,956	72,956	4,055	2,746	3,955	100	100	-	-	
Core Programme - IT & Digital Strategy Implementation MBOS	13,125	16,514	3,332	5,243	3,332	-	-	-	-	

APPENDIX 4

Approved project	Budget: total project all years	Projected: total project all years	Budget Q3	Actual to date Q3	Projected 2023/24	Variation (Over) / under Q3 budget	Variation analysis: (Over) / under spend	Variation analysis: Slippage to future year	Variation analysis: Spend in advance	Note ref
IT & Digital - Utilising Automation	24	24	24	-	24	-	-	-	-	
Total BSD Gross	303,750	307,139	21,162	16,218	19,191	1,971	369	1,602	0	