

## East Sussex County Council – Productivity Plan

June 2024

### Context

An overview of the East Sussex context can be found in our [Focus on East Sussex report](#). Key features include a significantly older than average population, a relatively weak local economy, below average earnings and areas of significant deprivation, with three of the five district and borough areas designated nationally as in need of levelling up.

East Sussex County Council's (ESCC) priorities for the county are set out in our [Council Plan](#), together with the key activities and targets. Each of our priority outcomes, and their supporting delivery outcomes, has been informed by a robust evidence base, including comparative information with other local authorities and areas.

The Council Plan, [revenue budget](#) (c£1bn gross and £550m net) and [capital programme](#) (c£838m across 10 years) are fully integrated through our [integrated business planning](#) process, Reconciling Policy, Performance and Resources (RPPR), which helps us ensure we are as productive as possible.

Recent external assessments of the Council have provided independent assurance that the organisation is effective, well managed and offers value for money. These include:

- Local Government Association [Corporate Peer Challenge 2023](#)
- Local Government Association Adult Social Care Peer Challenge 2024
- Ofsted [Inspection of Local Authority Children's Services 2023](#)
- Grant Thornton's External Auditor [Value for Money Assessment 2022/23](#)

More information about how the Council operates is in the [position statement for our 2023 Corporate Peer Challenge](#).

### 1. Developing our services to make best use of resources

#### *Our previous work*

ESCC has a strong focus on continuous improvement, using benchmarking groups to assess our comparative performance in relation to other councils, and to share learning on successful delivery models or interventions which can be adopted locally.

Using this approach, and a focus on commissioning strategically to achieve specific outcomes, we have implemented a range of significant service development and improvement programmes in recent years, for example:

- Health and social care integration
- Children's services Early Help Strategy
- Strategic commissioning approach to library services
- Highways – asset management approach

Despite significant work to make best use of reduced resources, the scale of the gap between the cost of providing services and the funding available meant that ESCC has had to identify £140m of savings since 2010. We have taken innovative approaches to delivering savings which align to our priority outcomes, including a focus on efficiency in the back office to prioritise funding for frontline services. We have managed staff reductions to avoid compulsory redundancies as far as possible.

In 2018 we developed our Core Offer which defined the basic but decent level of services residents should expect and helped explain what we would need to step back from in order to live within our means and what we would continue to provide.

#### *Future plans*

We face a projected financial deficit of c£84m by 2027/28, £55m in 2025/26 alone – see [State of the County 2024](#) for more detail. This means that the Council is having to take a range of actions to

bridge the financial gap including additional measures to contain and reduce day to day spend wherever possible, maximising income and identifying further savings. This includes reviewing the remaining non-statutory, preventative services we continue to provide as part of our Core Offer. Any further reductions we are forced to make are very likely to generate higher need later on – a less productive use of resources.

The Council continues to focus on evidence-based continuous improvement across all services. Planned improvements are included in our [Council Plan](#). We review progress against the measures in our Council Plan as part of our [quarterly Council Monitoring process](#). Examples of planned work include:

- Implementation of family safeguarding and Valuing Care approaches in Children's Services
- Implementation of our [Special Educational Needs and Disability \(SEND\) Strategy](#).
- Taking forward our [Adult Social Care Strategy](#)
- Delivering our Adult Social Care Workforce Strategy
- Maximising value from our new highways contract
- Replacement of our back office IT system
- Continuing to reduce our office footprint

## **2. Taking advantage of technology and making better use of data**

### ***How we use technology and data***

Our Strategic Digital Framework sets out how we will use technology to improve the efficiency and effectiveness of our business processes. We have:

- implemented an automation platform which is helping to automate a range of administrative processes across multiple teams;
- piloted a chatbot for [Blue Badges](#);
- continually reviewed our IT systems and upgraded these where possible to take advantage of advances in technology. However, there is a significant cost involved in replacing older systems, requiring cost/benefit judgements;
- routinely used data quality audits and put in place data quality improvement plans to address any issues;
- published a range of data and reports, research and [key information about the county](#) online to support our and partner organisations' planning;
- shared data with partner organisations and used anonymised data to help plan services;
- taken part in benchmarking exercises to understand how well we are performing;
- adopted the data standards approved by the Data Standards Authority for new systems;
- maintained a set of clear and robust information governance processes to make sure data is kept safe and shared and used appropriately.

### ***Our next steps***

Over the next year we will develop pilots to test how we can use artificial intelligence (AI) safely and securely to deliver improvements and efficiencies. Alongside this we will continue to roll out our robotic process automation programme across the Council.

We will adopt and implement a new Data and Insight Plan which sets out actions for how we will collect, maintain and use our data to generate better insights into our services and the needs of our communities.

## **3. How we avoid wasteful spend**

### ***Our processes***

We have established processes in place to ensure spend is directed to essential service delivery, including:

- a culture of strong financial management and awareness resulting from embedding the RPPR process throughout our delivery of services;
- a robust framework of financial management and controls to support effective budget monitoring;
- a business case process in relation to any significant investments in service development requiring capital funding or ongoing increases to revenue budgets; and
- the [Constitution](#), along with our [Annual Governance Statement](#), which provide assurance regarding the Council's governance framework and how it provides accountability regarding spend.

In addition to reductions in support services made as part of the Council's wider savings programmes, operating efficiencies have been achieved in the following areas:

- The [Orbis partnership](#) (with Surrey County Council and Brighton and Hove City Council) which involves shared teams supporting areas such as IT and procurement.
- Our Workstyles programme which allows some staff to work more flexibly where this will not affect the service that residents receive, helping reduce the spend on offices.

Our [People Strategy](#) informs our approach to attracting, retaining and developing staff. Managers are working in a very challenging context and we support them to deliver their responsibilities including the management of resources and demand. We have in place a strong approach to supporting our staff to maximise their performance through regular supervision, appraisal, coaching and development. We use consultants in line with our staffing policies where we need expert support for short periods of time where this would be cheaper than to directly employ staff. Our agency spend on qualified social worker roles in Children's Services is low compared to other authorities. Spend in these areas is overseen by the Corporate Management Team.

We have legal duties to ensure that we consider the equalities implications of the decisions we take and this also helps ensure resources are deployed fairly and effectively. We have the necessary staff to provide specialist advice on service planning and commissioning decisions so that we can meet these legal duties and business needs, including the Public Sector Equality Duty and Best Value requirements.

### ***Further steps***

Ongoing measures to ensure we consistently make best use of resources are well embedded in the council's processes and culture as described above, following many years of operating with constrained funding and capacity. In the face of the acute financial pressures currently facing the Council and the substantial budget gap, we have:

- undertaken a further review of day to day spend;
- instituted vacancy controls; and
- engaged staff in identifying any further ways to save money, however small.

Despite all these measures the Council will still need to make further service reductions which will impact on our ability to maintain our Core Offer to residents. The processes involved in implementing further savings will divert staff resource from service provision and development.

## **4. The barriers Government can help reduce or remove**

There are a range of barriers which prevent the Council being more productive or sustainable which Government could help reduce or remove as set out below. The way in which central Government departments work with local government and local places can be an overarching barrier. The [Partnerships for People and Places \(PfPP\) programme](#) (in which ESCC participated) recently set out five barriers to place-based working and ways these could be addressed. Barriers included the overly complex and varying organisational structures in Government departments which make them difficult and time consuming for local authorities to navigate – the East Sussex team was required to engage with 26 individuals across ten teams in two Government departments to progress the PfPP project.

### ***Financial barriers***

A number of national issues are contributing to the Council's very significant financial challenges and ability to use the resources we have to best effect:

- Funding is not appropriately aligned to need – the funding formula on which local authority allocations are based requires fundamental reform to ensure it properly reflects the cost of providing services in different areas. There is currently over-reliance on raising income through Council Tax which is unrelated to need and is particularly difficult in areas like East Sussex where need for services, especially social care, is high but residents' ability to contribute more is very limited given below average wage levels and one of the highest band D rates in the country.
- Single year financial settlements limit our ability to plan and use resources most effectively – we need longer term settlements, including certainty on Council Tax referendum limits.
- Multiple ringfenced grants, with restrictive criteria and reporting requirements – we need greater freedom to allow local decision making on the best use of funding.
- Bidding processes, multiple funding pots and time-limited funding/pilots – these create additional work, a lack of flexibility to meet local needs and wasted time and resource in standing up/winding down provision or developing unsuccessful bids.
- National reforms which create new duties and responsibilities for the Council but are not fully funded – a key risk relates to Adult Social Care charging reforms which will, if implemented, have a major impact on councils in the south east, including East Sussex, with older populations, high levels of people self-funding their care and additional challenges in the independent sector market.
- A lack of early information on the funding available to meet new duties, and the specific obligations involved, to enable councils to plan effectively – for example in relation to Extended Producer Responsibility (Packaging) reforms.

### ***National policy and legislative barriers***

There are a significant number of requirements placed on the Council by national policy and legislation which reduce or remove our ability to target services most effectively and/or use our resources most effectively. Key areas in need of national reform or review include:

- Special Educational Needs and Disability (SEND) – wholesale reform of the SEND system is required and funding must either be increased to meet eligibility criteria or eligibility criteria reduced to match available funding.
- Home to school transport – reforms to entitlement to make it more proportionate and affordable, including the ability to means-test so that families in a position to contribute to the cost are required to do so.
- Concessionary fares – reform to enable targeting of free travel to those most in need, such as through means-testing.
- The residential placements market and the agency staffing market in children's social care - both require greater controls on the costs charged and the profits made by independent sector providers, and how these services are made available.
- Looked After Children (LAC) reviews – a review and reduction in the number of professionals required to attend LAC reviews so we can make local decisions about the best use of limited staff time.
- NHS Continuing Healthcare (CHC) – there is a need to review the CHC framework and create a fairer regime for funding care for people with long-term complex health needs.
- Utility company street works – greater powers for local authorities to manage the activities of utility companies on the highway which will enable better co-ordination of works and a reduction in inadequate repairs.
- Migration – a joined up, place-based approach from Government is required to address inconsistencies and a lack of co-ordination across multiple national schemes which play out locally in ways that create additional issues and work.
- Virtual (formal) meetings – legislative change to provide for local choice over which meetings may be held virtually in order to make best use of time, maximise accessibility and minimise travel costs and associated carbon emissions.

- Coroner's services – to review the role of local authorities in providing support services to HM Coroners.

### ***Barriers to taking a more preventative approach***

Providing early, upstream support can lead to better outcomes for people and reduce the higher intensity demand placed on a range of public sector organisations. We also want to invest in more cost-effective, proactive approaches to areas like maintaining our roads. With our current funding levels and the rising cost of delivering statutory services we are having to make difficult decisions to further reduce the amount of preventative work we do. We know these are not the best decisions for the medium or longer term but we have no choice. **We need Government to recognise the evidence-based case for prevention**, including:

- Providing significant additional investment in early help and family help as recommended by the MacAlister review of children's social care.
- Providing additional investment so we can provide better support for pupils with SEND, and those at risk of exclusion, in mainstream schools.
- Investing in health improvement and services that can maintain people's independence through Adult Social Care, Public Health and the NHS.
- Funding changes to allow more proactive planned roads maintenance, which would help us spend less on reactive repairs including pothole filling and the associated costs and work generated from roads being less well maintained.
- Greater investment in local economic growth and skills development, with increased local flexibility to meet local needs, which would increase independence and reduce need for support through access to good jobs.
- Housing – a strategic approach to addressing rising homelessness and the systemic and structural problems in the housing market, particularly in high cost areas such as the south east, which have a knock-on effect on demand for public services.

### ***Capacity barriers***

Although we work hard to deliver as much as we can with the resources we have available we still have challenges relating to capacity. We need Government recognition and support in the following areas:

- Workforce – we continue to face challenges in recruiting and retaining the essential staff we need. This is particularly the case in skilled areas such as social work, legal services or property services, and in areas where pay levels compare less favourably to other sectors. In social care, the impact of recent visa changes on overseas workers is also contributing to high vacancy rates.
- Ability to invest in technology – the significant financial pressures we face limit our capacity to invest in new technology and developing or recruiting staff with the specialist skills required.
- Capacity to further develop/improve services – the steps taken over many years to manage with reduced resources means that our managers and staff are stretched fulfilling their core roles. This means there is very limited capacity to implement significant change programmes. This is particularly the case in support services which have been reduced more significantly in order to prioritise funding for frontline services.
- Data sharing – improved data sharing by Government departments such as DWP to enable more automated processing in areas such as blue badges.