

Business Services – end of year 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 Q4 on the delivery of energy efficiency projects. A further 9 projects were completed in Q4 making a total of 25 completed projects in 2023/24, against a target of 23 (**ref ii**).

Schemes completed throughout 2023/24 were:

- 5 LED lighting energy saving projects at Milton Grange Residential Home plus Frant, Hankham, Chiddingly and Catsfield Primary Schools.
- 10 solar PV energy generation projects at The Keep, the Phoenix Centre, St. Nicolas Centre, Hailsham Library, Bexhill Library, Newhaven Library, and Bodiam, Chiddingly, Plumpton, and Rocks Park Primary Schools.
- 5 building insulation projects to cut heat loss: triple glazing at Greenwood and Grovelands Primary Schools and loft, doors and wall insulation at Hellingly, Rocks Park and Rotherfield Primary Schools.
- 3 decarbonisation of heat projects to transition from oil boilers to air source heat pumps at Bodiam, Chiddingly and Plumpton Primary Schools.
- 2 large asset rationalisation projects ensuring more modern facilities with reduced carbon emissions. These are the Ropemaker Park to Alder Close project and the move from Ocean House to Cavendish House, Hastings

The Property team hosted a further energy saving workshop for managers / school caretakers in Q4, with a focus on heat cost savings. The annual target to train 40 site managers has been exceeded, with 95 trained at 5 events.

A pilot scheme for the Site Heating Control Interventions Initiative was successfully completed in Q4, targeting 10 sites with low heating efficiency arising from poor control. A consultant visited sites to review and optimise heating controls and provide training for site managers to support improvements being sustained in the longer term. A summary report on the cost-benefit of the interventions across all 10 sites will be completed in Q1 2024/25 and will be used to determine whether the return on investment is sufficient to consider roll out to further sites later in the year.

Total energy consumption (buildings, streetlighting and servers) in Q3 (reported a quarter in arrears) was down 8% compared with the same period last year and down 25% on the baseline year 2019/20. Building energy use in Q3 was down 8% compared with the same period last year and down 28% on the baseline year 2019/20.

As there is now only one quarter of 2023/24 remaining for the reporting of energy consumption, the forecast outturn does become more reliable. However, the final outturn can still be impacted by the weather, as Q4 has the potential for the largest heating demand of the year. If consumption for Q4 this year is the same as Q4 last year our Scope 1 and 2 carbon emissions would reduce by 2% in 2023/24 compared with 2022/23, against the target of 16% required to keep within the 5-year carbon budget. This is an improvement from Q2 where a 0.39% decrease in emissions was forecast and would result in a 33% reduction on the 2019/20 baseline, against a cumulative target of 43% (**ref i**).

Carbon emissions from the Council's electricity consumption increased during 2023/24, despite a fall in the amount of electricity consumed by the Council. This was due to changes in the carbon emission factor, which is the figure used to convert electricity consumption from the national grid into equivalent carbon emissions. Carbon emission factors are produced by the Department for Energy Security and Net Zero. They are updated every year and applied widely in the UK. The UK

grid carbon emission factor changes from year to year as the fuel mix consumed in UK power stations changes (i.e. between renewables, nuclear, natural gas, oil and coal) and as the proportion of imported electricity also changes. The carbon emission factors used for reporting in 2023/24 are based on the fuel mix used in 2021, due to the time it takes to collate and analyse the data (more information can be found here).

The carbon emission factors for electricity fell by over 24% between 2019/20 and 2022/23 as renewables increasingly replaced coal in the generation mix. However, for 2023/24, this trend reversed and the carbon emissions factor increased. This was due to a post-covid increase in national electricity demand and a relatively poor year for wind generation in 2021 (see above on timing delay). We continue to see the benefit of energy efficiency projects, which have helped reduce our overall energy consumption and utility bills. Without these projects, we would have missed the carbon target by a greater margin.

Modernising Systems

The Modernising 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.

Human Resources and Organisational Development (HROD)

Successes and achievements during 2023/24 include:

- Successful organisational wide engagement on the refresh of the 2024-2027 People Strategy.
- Delivery of 'single sign-on' for access to the Council's Attendance Management System, GoodShape. GoodShape accounts are now automatically linked with Council network accounts, which improves security and ease of access when using the portal. This is expected to increase Return to Work Interview compliance, as it will reduce the reason 'manager unable to log on to GoodShape' for not completing a Return to Work Interview.
- Delivery of a series of 'masterclasses' for Heads of Service in areas of key strategic importance, with positive feedback received.
- Review and re-design of the process and provision for workplace adjustments, including strengthening support for neurodiversity.

Attendance Management and Wellbeing

The 2023/24 year end sickness absence figure for the whole authority (excluding schools) is 9.13 days lost per Full Time Equivalent role (FTE), a decrease of 9.3% since last year. Despite this, the 2023/24 target of 9.10 days/FTE has narrowly been missed (**ref iii**). The main reason for the decrease in absence rates is a fall in COVID-19 related absences.

We have continued to see a significant decrease in musculoskeletal absence of 1,182 working days compared to 2022/23. This indicates that preventive measures are having a positive impact in reducing sickness absence for this reason. In addition, we are running a dedicated pilot within Adult Social Care and Health with the University of Brighton to explore how our musculoskeletal offer can be further improved to reduce absence and retain staff.

However, mental health absence has increased by 772 days compared to last year. Benchmarking data from GoodShape suggests this is a common theme across local authorities and our absence rates are below the average for other authorities. Set against this background, we are continuing to provide support to staff by:

- The HR Attendance Management Team proactively contact all line managers during the first week an employee reports a stress related absence. This ensures timely and practical guidance on supporting the employee back to work is given. The results over the last 3 months have shown a 34% decrease, equating to a reduction of 9 days per absence.
- Improving the Wellness Plan and Stress Risk Assessment, which were successfully launched during Q3, and are being promoted in line with key awareness days and in team meetings and employee sessions.
- 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.
- Our growing Mental Health First Aid network continues to pro-actively support staff and promote wellbeing resources within teams.

Procurement

Savings achieved through procurement, contract and supplier management activities

The Council has spent £311m with local suppliers over the past 12 months. This equates to 64% of our total procurement spend, compared to a target of 60%. 847 local suppliers were used. 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

Several contracts with significant social value commitment were secured this year, including:

- Soft Facilities Management (FM) Services for the Council's corporate and schools estate. The successful suppliers for the various FM services committed to a Social Value offer of £1.46m (29% of contract spend). Social Value benefits include: apprenticeship opportunities for local people; job opportunities for local people in priority groups; volunteering for the local community; work experience and professional development opportunities offered to local people.
- Solar PV for Schools. The successful supplier has committed to a Social Value offer of £450k (35% of contract spend). Social Value benefits include: apprenticeship and job opportunities for local people; training opportunities to aid green skills growth in the construction sector; school talks to educate pupils on the importance of renewable energy and environmental sustainability; and community volunteering.
- Start' and 'Specialise' Business Support. The 2 successful suppliers committed to a Social Value offer of £255k (57% of contract spend). Social Value benefits include: spend with locally based businesses; training on environmental awareness; job opportunities for local people; and volunteering for local charities.
- Youth Employability Service (YES). The successful supplier has committed to a social value offer of £171k (17% of contract spend). Social Value benefits include: 2 apprenticeships offered to local people; professional development opportunities offered to local people; and a local job opportunity for a priority group.

In Q4, a total of 21 contracts commenced, of which 10 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 £18.11m and secured £5.79m in Social Value commitment, which equates to an outturn of 32% against a target of 10%. This brings the final outturn figure for 2023/24 to 31%.

The Social Value secured through our Property Frameworks used for the Planned Maintenance Programme in 2023/24 has been reported in Q4. Contracts with a combined value of £11.24m were awarded and secured £3.51m in Social Value, which equates to 31%. 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, and various employment and skills initiatives.

The Place Scrutiny Committee's report of Procurement: Social Value and Buying Local was agreed at full Council in May 2023. The 9 recommendations included a 12-month trial of a new qualitative approach to social value within the Adult Social Care and Health service which is now underway. Place Scrutiny Committee considered an update of the implementation of the recommendations Action Plan in March 2024 and were pleased with the progress that has been made implementing the recommendations from the review, in particular the Social Value trial. The Place Scrutiny Committee will consider a further update report at the Place Scrutiny Committee meeting in September 2024.

Procurement's Policy Team continues to build on the success of achieving publication of the Environmentally Sustainable Procurement Policy (ESPP) in 2022. Extensive guidance for the Procurement Team on how to utilise the policy has been published on our new Procurement Intranet site. The policy received minor updates in March 2024 to reflect enhanced approaches to biodiversity, waste hierarchy and explicit reference to government policy, namely Carbon Reduction Plans. The Senior Policy Lead for Supply Chain Decarbonisation has developed a broad Carbon Reduction Strategy for the Authority (presented to Climate Emergency Board in September 2023) and is working with Services and Procurement colleagues to develop focused strategies in the 5 prioritised spend areas. The Procurement Policy Team continues to make good progress against the 4 related actions in the Climate Emergency Plan and is steadily increasing the number of suppliers reporting and reducing carbon emissions through procurement and contract management activity.

Internal Audit

Through the delivery of sufficient audit coverage in Q4, 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 and were able to complete 91.2% of the plan to draft report stage by the end of Q4, against an annual target of 90%.

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. 9/9 (100%) of the agreed high-risk actions due to be implemented on a 12-month rolling basis have been actioned.

Property

Work has continued through Q4 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 Q1 2024/25.

The delivery plan to consolidate our Eastbourne offices into one main base has begun its implementation phase in Q4 and will continue in Q1 2024/25.

The re-procurement of facilities management services for the corporate and schools estate has completed and mobilisation of the services began in Q4, with full service implementation in Spring 2024.

Working across the workstreams in the Council's Asset Management Plan 2020-2025, progress throughout 2023/24 includes:

- 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)
- Completion of the sale of the former Etchingham School Site and 1 Southview Close, Crowborough.
- The sale of Hindslands, Polegate, is progressing through the legal process, with conditional contracts now expected to be signed in Q1 2024/25. The capital receipt is dependent on the purchaser securing planning consent which will need to be approved by Wealden District Council.
- The sale of Hye House Farm, Crowhurst is progressing through the legal process, with 3 purchasers identified for 4 separate transactions. It is anticipated these sales will proceed in Q1 / Q2 2024/25.
- Temporary school buildings were completed on schedule and a nursery extension in Wadhurst was completed.
- Planning permissions for two new youth facilities were secured, at Heathfield and The Joff, Peacehaven, and have begun as projects. Both are funded through the Youth Investment Fund from central Government.

IT & Digital

Interest in artificial intelligence (AI) has increased considerably during Q4 and exploratory work has started to understand the implications of this technology and explore how it could be used safely, responsibly and effectively to enable efficiencies. Work has focused on understanding the types of AI available and the risks and benefits associated with each type which include free to use tools such as ChatGPT, vendor specific licenced tools such as Microsoft Co-pilot and AI capability built into line of business applications. This activity will be overseen by the Corporate Digital Board which will facilitate the sharing of learning across the Council.

The migration of services to the new South East Grid (SEG) network on behalf of the Link Consortium has continued during Q4 and is nearing completion. 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.

The Wi-Fi service has now been replaced and upgraded to a next new generation Wi-Fi capability across Council sites. The new service provides higher bandwidth and 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 progressed in Q4, with the contract now signed. 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.

Following successful procurement activity, a supplier for the Device Refresh Project has been appointed. 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 and in this case, a saving of 18% per device has been achieved through this joint procurement. New devices will be rolled out with a new operating system as Windows 10 reaches the end of its supportable life. Hence, a Windows 11 Readiness Project has been underway in parallel to ensure that all Council business applications continue to work in the updated environment.

In addition to the above, work has continued throughout Q4 to move all Council SharePoint sites into the Microsoft 365 cloud service where there is increased functionality that will help people to collaborate effectively, this project is nearing completion.

External Funding

In Q4, the External Funding team helped 15 organisations bring £501,850 into the county. This included small to medium sized applications from organisations such as Warming Up the Homeless in Bexhill, Northiam Village Hall in Rye, and Holding Space in Eastbourne, to continue offering parent and carer peer support to families whose children are struggling with their mental health.

The team responded to 56 funding enquiries from not-for-profit organisations, primarily for community and health and wellbeing work. During Q4 the service provided one-to-one support to 6 organisations, prioritising and aligning funds to projects and discussing steps to take before applying.

Throughout 2023/24 the team supported 77 Council colleagues and 200 organisations including new and existing groups, charities, and social enterprises across a wide range of causes (many overlapping) – health and wellbeing, community, environment, arts, culture and heritage, economy. Needs included adapting or expanding services in response to the impact of the cost of living to both services and residents, making improvements to community facilities. Funding needs ranged from startup and first year's costs, project costs and notably core running costs and multi-year funding.

The Team provided:

Resources

- Funding News, a monthly electronic publication about forthcoming funding opportunities (11,300 subscribers).
- East Sussex 4 Community, a free to use database of funders.

One to one support

- 283 funding searches tailored to organisations' needs.
- Bid readiness – talking through practicalities and steps to take before applying. The team met with 71 organisations and 24 council colleagues to discuss their specific requirements.
- Reviewing grant applications, vetting proposals for strengths and weaknesses. We carried out 15 quality checks and delivered 10 applying for funding sessions attended by 382 people.

Partnership working

- Participating on wider strategic and cross sector work such as Partnership Plus, and Multi-Agency Financial steering group.
- Participating on the Healthy Activities and Food Fund (HAF) panel.
- Working with key stakeholders, discussing trends and sharing best practice.

By facilitating resources and connections between groups and colleagues, the team helped bring in £891,211 to East Sussex, through 44 grants ranging from £500 to £450,000. These projects mostly covered communities, (29 projects) health and wellbeing (8 projects).

Revenue Budget Summary

The 2023/24 Business Services net revenue budget is £29.310m. There are £0.869m planned savings in BSD this financial year, of which £0.210m (**ref iv**) relating to the consolidation of the Eastbourne hubs will not be achieved but will be offset by underspending elsewhere. These unachieved savings are included within the current outturn forecast, which is a net £0.398m underspend (**ref viii**). The underspend has increased by £0.329m since Q3. Finance and

Business Administration has a net underspend of £0.248m (**ref v**) an increase of £0.186m from Q3 due to higher staff recharges to Orbis, higher than expected Ukraine funding plus lower consultancy and Audit fees. IT & Digital has an underspend of £0.151m (**ref vi**) an increase of £0.262m since Q3 and is due to higher recharges for project managers and higher than anticipated licence recharges. The Procurement income target of £0.100m (**ref vii**) set for East Sussex was not achieved due to certain income streams not materialising. However, the service did exceed its income budget by £0.030m across the Orbis partnership representing a £0.009m contribution for East Sussex.

Capital Programme Summary

The 2023/24 capital budget is £25,360m with a £1.958m net underspend variance at the end of the financial year. The Salix underspend of £0.294m (**ref ix**) will be offset by a reprofile of the total SALIX programme budget. The Youth Investment Fund slippage of £0.889m (**ref x**) relates to delays as the project is value engineered to stay within budget. The spend in advance of £0.238m (**ref xi**) on Corporate Buildings Improvements relates to a number of projects which commenced in 2023/24 that were originally planned to start in 2024/25. This includes the heating project at Greenwood and the building maintenance spend on fabric works (windows external insulation/rendering) and an emergency boiler replacement. The Core Programme – Capital Building Improvements Schools spend in advance of £0.201m (**ref xii**) was as a result of milder, drier weather enabling greater progress to be made on several projects than had been expected. Core Programme – IT & Digital Strategy Implementation variation of £0.683m (**ref xiii**) relates to slippage in Laptop deployment and telephony projects and an underspend on the TechForge implementation. Core Programme – IT & Digital Strategy Implementation MBOS slippage of £0.442m (**ref xiv**) arising from delays in the programme which means that some of the work initially planned for 2023/24 will be carried out in 2024/25.

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 22/23	Target 23/24	RAG Q1 23/24	RAG Q2 23/24	RAG Q3 23/24	RAG Q4 23/24	2023/24 outturn	Note ref
Reduce the amount of CO2 arising from County Council operations	32% reduction on baseline year (2019/20) emissions	43% reduction on baseline year (2019/20) emissions (emissions not to exceed 7,139 tonnes CO2e)	R	R	R	CO	Emissions reported a quarter in arrears Estimate for 2023/24: 33% reduction on baseline year (2019/20) emissions	i
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	A	A	G	25 energy saving schemes implemented	ii
Number of working days lost per FTE (Full Time Equivalent) employee due to sickness absence in non-school services	10.07	9.10	G	G	G	R	9.13	iii

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	559	310	-	
Planned savings - Orbis	-	-	-	-	-	
Total Savings	869	869	559	310	0	
			-	-	-	
			-	-	-	
Subtotal Permanent Changes ¹			0	0	0	
Total Savings and Permanent Changes	869	869	559	310	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	
Procurement	-	100	100	vii
	-	-	-	
Total	210	100	310	iv

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	2023/24 Gross	2023/24 Income	2023/24 Net	(Over)/ under spend Gross	(Over)/ under spend Income	(Over)/ under spend Net	Note ref
Finance & Bus Admin	11,660	(5,753)	5,907	13,523	(7,864)	5,659	(1,863)	2,111	248	v
HR & OD	3,353	(1,160)	2,192	3,587	(1,396)	2,191	(234)	235	1	
IT & Digital	12,135	(3,671)	8,464	17,075	(8,762)	8,313	(4,940)	5,091	151	vi
Procurement	-	(100)	(100)	-	-	-	-	(100)	(100)	vii
Property	25,144	(16,044)	9,100	29,319	(20,317)	9,002	(4,175)	4,273	98	
Contribution to Orbis Partnership	3,747	-	3,747	3,747	-	3,747	-	-	-	
Total BSD	56,038	(26,728)	29,310	67,250	(38,338)	28,911	(11,212)	11,610	398	viii

Capital programme 2023/24 (£'000)

Approved project	Budget: total project all years	Projected: total project all years	Budget 2023/24	Actual 2023/24	Variation (Over) / under 2023/24 budget	Variation analysis: (Over) / under spend	Variation analysis: Slippage to future year	Variation analysis: Spend in advance	Note ref
SALIX Contract	700	700	350	56	294	294	-	-	ix
Lansdowne Unit (CSD)	75	75	65	26	39	-	39	-	
Youth Investment Fund	7,624	7,624	1,510	621	889	-	889	-	x
Special Educational Needs	3,198	3,198	1,114	1,029	85	-	85	-	
Special Educational Needs - Grove Park	19,179	19,179	150	172	(22)	-	-	(22)	
Disabled Children's Homes	786	786	716	743	(27)	(27)	-	-	
14 Westfield Lane	721	721	53	36	17	-	17	-	
Core Programme - Schools Basic Need	98,444	98,444	2,066	2,093	(27)	-	19	(46)	
Core Programme - Capital Building Improvements Corporate	44,749	44,749	3,509	3,747	(238)	-	-	(238)	xi
Core Programme - Capital Building Improvements Schools	42,049	42,049	4,218	4,419	(201)	-	-	(201)	xii
Core Programme - IT & Digital Strategy Implementation	72,956	72,956	4,055	3,372	683	100	583	-	xiii
Core Programme - IT & Digital Strategy Implementation MBOS	13,125	16,514	7,530	7,088	442	-	442	-	xiv
IT & Digital - Utilising Automation	24	24	24	-	24	-	24	-	
Total BSD Gross	303,630	307,019	25,360	23,402	1,958	367	2098	(507)	