Business Services – Q1 2024/25
Summary of progress on Council Priorities, issues arising, and achievements

Key cross cutting programmes

Carbon

In line with our current Climate Action Plan 2023-2025, progress was made in Q1 on the delivery of energy efficiency projects. A total of 6 projects were completed in Q1:

- 4 Solar PV energy generation projects: Bibliographic House (Former Polegate Library), Beckley Close (care home), Rotherfield Primary School and Hellingly Primary School

- 1 LED lighting energy saving project: Rotherfield Primary School

- 1 Heat Decarbonisation Project: Greenwood (respite care home)

The target for 2024/25 is 23 energy efficiency projects and this includes building insulation schemes which can reduce energy consumption and carbon emissions. The Council is reviewing its capital programme as part of the RPPR process, and this may result in some projects planned for 2024/25 being deferred to later years. The current estimated outturn for 2024/25 is 20 energy efficiency projects **(ref i)**. However, following the successful pilot of the Site Heating Control Interventions Initiative in Q4 2023/24, a consultant summary report was completed in Q1. This included a detailed spreadsheet of the anticipated costs and savings that could potentially be achieved from energy saving actions identified at 10 sites targeted for their low heating efficiency. These actions are being reviewed and an implementation plan will follow. If successful, it will be possible to identify further poor performing sites which could then be targeted for further energy efficiency projects. Total energy consumption (buildings, streetlighting and servers) in Q4 2023/24 (reported a quarter in arrears) was down 9% compared with the same period last year and down 27% on the baseline year 2019/20. The Council continues to see the benefit of efficiency projects helping to reduce our overall consumption, which has mitigated against missing our carbon targets by a greater margin.

Total Council carbon emissions for 2023/24 (reported a quarter in arrears) saw a 36% reduction **(ref iii)**, compared to the baseline year 2019/20, against a target of 43%. Improvements are still being made as there was a 6% reduction in emissions compared to 2022/23 (set against a target of 16% to stay within the carbon budget).

Calculated 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 on the gov.uk conversion factors 2023 website).

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).

The Council's annual spend on electricity has significantly reduced since 2019/20. The spend figures below have been estimated using the consumption figures from 2019/20 and 2023/24, and price-corrected against the average unit rates from 2023/24. The spend figures are based on consumption only (i.e. not including standing charges or any other non-commodity costs).

Year	Spend
2019/20	£7,148,566
2023/24	£5,422,112

These spend figures demonstrate that the introduction of renewable energy creation (e.g. solar PV), portfolio changes, energy efficiency measures and initiatives resulted in an estimated financial reduction of £1,726,454 (24% reduction) when comparing 2023/24 directly to 2019/20.

Modernising Systems

The Modernising Back Office Systems (MBOS) Programme is being re-branded to recognise the shift in the implementation to include more than just updates to the back-office software suite, to include self-service processing for items such as absence, timesheets and expenses. Moving forward the programme will simply be known as the 'Oracle Programme'.

Following the independent assurance review in late 2023, which confirmed that Oracle remains a suitable product for the Council, programme activity and governance have been re-established with a view to implementing a phased delivery of Oracle. The reasons for a phased delivery include the ability to noticeably 'bank' progress and build from there rather than resetting, lower complexity, easier user adoption and easier transition into support. Work is in progress for the first phase of delivery and a detailed timeline is being produced for the later phases. The programme engagement team will work with Council colleagues and the external organisations that use our services such as schools, academies, the Sussex Inshore Fisheries and Conservation Authority and East Sussex Fire and Rescue Service, to support the implementation.

Human Resources and Organisational Development (HROD)

Learning Management System

The new Learning Management System (LMS) has now gone live and excellent feedback has been received, particularly in relation to its accessibility and usability. Alongside the new LMS, we have also recently launched an electric vehicle scheme in partnership with Tusker. The scheme enables employees to access a brand new electric car via a salary sacrifice arrangement.

Occupations Health and Employee Assistance

As a large employer, the Council has in place comprehensive arrangements for the provision of Occupational Health services and an Employee Assistance (Counselling) programme. Through robust negotiations we have secured the minimal price increase allowed for to ensure the seamless continuation of these essential services.

Attendance Management and Wellbeing

The Q1 2024/25 sickness absence figure for the whole authority (excluding schools) is 2.17 days lost per Full Time Equivalent (FTE) employee, an increase of 11.9% since last year. The year end estimate for 2024/25 is 10.21 days lost/FTE, so the target of 9.10 days/FTE is predicted to be missed **(ref ii)**. The predominant reason for the increase in absence rates is a rise in days lost due to cold/flu absences during Q1.

We have, however, seen a decrease in days lost due to musculoskeletal conditions within ASCH. We have been collaborating with Brighton University on a pilot project in ASCH to improve musculoskeletal (MSK) support. As part of the project three pilots have been successfully delivered and the correlation between the improvement in MSK absences and the pilots, indicates that the project has had a positive impact in reducing MSK-related absences.

However, mental health absence has increased by 160 days, 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 below the average for other local authorities. Set against this background, we are continuing to provide support to staff by:

- Hosting National Men's Health Week (June), showcasing a range of support measures and workshops to support men in the workplace, raising awareness of strategies to improve mental health.

- Migraine awareness workshops were held in June, led by a clinician from GoodShape, highlighting the links between stress and how this can be positively managed.

- Hosting "Mental Fitness Fortnight" (April-May) across the Council, offering a variety of interactive staff webinars and individual sessions from the Employee Assistance Programme (EAP), Occupational Health, GoodShape and partners 'able futures' to help support staff resilience. Due to staff demand further sessions are scheduled for July.

- With the close link between menopause and mental health, we continue to hold menopause cafes for employees to share experiences and coping strategies.

- In addition to the automated reminders from GoodShape, the HR Attendance Management Team now contact the line manager 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 began in January and the results so far have indicated a decrease in absence. This is being 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 2023/24 and is being promoted in line with key awareness days and in team meetings and employee 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 £349m with local suppliers over the past 12 months. This equates to 63% of our total procurement spend, compared to a target of 60%. 904 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

In Q1, a total of 13 contracts commenced, of which 7 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. 3 contracts were also out of scope as they are included in the Adult Social Care Social Value pilot, which uses a qualitative rather than quantitative approach to Social Value, so financial proxy figures are not used to calculate the social value commitment. The 3 in-scope contracts had a total contract value of £13.14m and secured £1.77m in Social Value commitments, which equates to an outturn of 13% against a target of 10%.

The Social Value commitments for Q1 included a wide range of benefits, such as:

- apprenticeships
- the creation of local jobs, plus job opportunities for local people in priority groups including long term unemployed and young people not in education, employment or training (NEETs)
- career awareness programmes
- initiatives to reduce operational carbon emissions
- volunteering for the local community.

Procurement Policy

The Procurement Policy Team has been focussed on the following key activities during Q1:

- Continuing to build carbon reduction requirements into key projects on the annual procurement forward plan and reducing our Scope 3 emissions. 51% of the Council's spend now has an associated Carbon Reduction Plan.

- Preparing for the implementation of the Procurement Act 2023 which comes into force on 28 October 2024. The team has attended Departmental Management Team meetings across the Council throughout Q1 to provide an overview of the changes and address any initial questions being raised.

- Completing a redraft of the Supplier Code of Conduct which went live in our procurements from the beginning of July. This provides suppliers and officers with a practical approach to delivering positive activities and behaviours related to ethical and sustainable outcomes and aligns with our social value, net zero and modern slavery priorities.

- In April, the team delivered training sessions on modern slavery and responsible contract management to commissioners and contract managers across the Council.

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 Q1, we have completed 36.9% of the plan to draft report stage against a Q1 target of 22.5%. This was due to a number of audits carried forward which were almost at draft report stage at the end of Q4 and were then completed in Q1.

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 9/9 (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 Q1 include:

- The main office moves to consolidate into one Eastbourne office hub were completed. Building works are taking place at St Marys House in Q2 to allow the children and family hub to be operational.

- Following the re-procurement of facilities management services for the corporate and schools' estate in 2023/24, full service implementation was completed, including an extension of the schools' meals contract.

- The Council has reviewed its service need for office space in Hastings and a decision was made to consolidate into one office hub at Cavendish House, with staff moving from Muriel Matters House.

- Work on two new youth facilities (at Heathfield and The Joff, Peacehaven) started on site. Both projects are funded through the Youth Investment Fund.

- 3 business cases were undertaken. This included identifying two assets for disposal which were subject to Lead Member approval.

- Activity has been underway to increase County Hall utilisation in the shorter term, with discussions underway with some teams about moving to County Hall from elsewhere. We had previously marketed via a local property agent to lease the space on West F floor but this was unsuccessful. A number of possibilities are now being explored, including a low-cost creation of a larger meeting area to reduce the need (and cost) for external venue hire, and consolidated use of space. Additionally, a range of options are being considered for the longer-term use of County Hall, with consideration by Place Scrutiny Committee in Q2 and Lead Member for Resources and Climate Change in Q3.

IT & Digital

Interest in artificial intelligence (AI) has continued during Q1. The Corporate Management Team (CMT) agreed that the Data Protection and Information Security Policy, supported by practical guidance, will provide the overarching guardrails and clear standards of practice to govern the use of AI in the Council. CMT has agreed that Microsoft Copilot can be used for some pilot projects to explore how AI can be used safely and responsibly to enhance productivity and enable efficiencies. Work has begun across the Council to bring together and assess ideas for a broad range of pilots. The project proposals will go to CMT in October for selection of those to take forward.

Work to replace the core telephony solution paired with a dedicated contact centre solution entered the planning phase in Q1. 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.

Work to move all Council SharePoint sites into the Microsoft 365 cloud service was completed during Q1. This will enable increased functionality that will help people to collaborate effectively.

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. Devices are now refreshed every 5 years to extend the value of the assets. 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. A Windows 11 Readiness Project has been underway in parallel to ensure that all Council business applications continue to work in the updated environment.

External Funding

During Q1, the External Funding Team:

- Responded to 51 enquiries from charities, social enterprises, schools and internal colleagues engaged with the Voluntary, Community, and Social Enterprise sector. Areas of work included Communities, Health and Wellbeing, Economy, and Climate Change/Environment. Funding needs ranged from sustaining activities to adapting/expanding services. Organisations the team engaged with included heritage railways (tourism, skills and employability), A Band of Brothers (criminal justice), Befriending (loneliness) and interest in the Lottery's Climate Fund.

- Attended 18 meetings to discuss specific needs - identifying funding, developing a case for support, contacts/ referrals internally and externally aligned with the Council's priorities and commitment to cross sector working.

- Quality-checked 2 external applications and delivered a twilight funding training session for School Governors.

- Helped secure £168,905 of funding.

The team continues to provide advice around the Council's Corporate Funding Protocol and continues to participate in wider strategic and cross sector work such as Partnership Plus, Tackling Loneliness and Financial Inclusion. There are currently 11,394 not for profit subscribers to Funding News, our monthly electronic publication about forthcoming funding opportunities.

Revenue Budget Summary

The 2024/25 Business Services net revenue budget is £29.715m. There are £0.693m planned savings in BSD this financial year and £0.100m of unachieved savings brought forward from 2023/24 (ref iv). In Procurement only £0.016m of the £0.100m additional income target is forecast to be achieved leaving a shortfall of £0.084m (ref v). The impact of any unachieved savings are

included within the current outturn forecast which is a £0.740m overspend (ref vii).. In Property there is a forecast overspend of £0.655m (ref vi). This is predominantly due to incurring rental costs at St Mark's House, Eastbourne, for longer than anticipated due to the time taken to meet service needs in space planning arrangements for the planned move out of St Mark's and into St Mary's House, Eastbourne. Other pressures have arisen from increases in franking costs and from unanticipated rates, utility and service charge uplifts. . The reactive maintenance budget is overspending by £0.335m but the overspend is being mitigated down to £0.080m by holding planned maintenance projects. Steps are being taken to mitigate other in year pressures, including lower spend on cleaning costs, holding vacancies open where possible, reducing subscription costs, reducing the number of planned internal audit days, as well as a service review of Procurement.

Capital Programme Summary

The 2024/25 capital budget is £36.015m. The ICT Strategy Implementation is projected to see a slippage of £0.829m **(ref viii)**, primarily due to £0.780m slippage on the Device Refresh Upgrade project. This slippage does not affect the Council's existing systems or security.

Performance exceptions (See How to read this report for definition)

Priority – Making best use of resources now and for the future

Performance measure	Outturn 23/24	Target 24/25	RAG Q1 24/25	RAG Q2 24/25	RAG Q3 24/25	RAG Q4 24/25	Q1 24/25 outturn	Note ref
Progress on implementation of Carbon reduction scheme	25 energy saving schemes implemented	23 energy saving schemes implemented	A				Q1: 6 schemes 2024/25 estimate: 20 schemes	i
Number of working days lost per FTE (Full Time Equivalent) employee due to sickness absence in non-school services	9.13	9.10	A				Q1: 2.17 days lost per FTE 2024/25 estimate: 10.21 days lost per FTE	ii

Council Plan measures marked carry over at year end 2023/24 – Final Outturn

Priority – Making best use of resources in the short and long term

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 final 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	R	36% reduction on baseline year emissions	iii

Savings exceptions 2024/25 (£'000)

Service description	Original Target For 2024/25	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 Property	100	100	100	-	-	
Planned savings – BSD IT&D	0	100	16	84	-	
Planned savings – Orbis Procurement	593	803	563	240	-	
Total Savings	**693**	**1,003**	**679**	**324**	**0**	**iv**
			-	-	-	
			-	-	-	
Subtotal Permanent Changes [1]			**0**	**0**	**0**	
Total Savings and Permanent Changes	**693**	**1,003**	**679**	**324**	**0**	

Memo: treatment of savings not achieved in the year (£'000)	Temporary Funding [2]	Part of reported variance [3]	Total	Note Ref
Planned savings – BSD Property	-	240	240	
Planned savings – Orbis Procurement	-	84	84	
Total	**0**	**324**	**324**	

[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 2024/25 (£'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	12,882	(6,517)	6,365	12,881	(6,516)	6,365	1	(1)	-	
HR & OD	3,300	(1,108)	2,192	3,300	(1,108)	2,192	-	-	-	
IT & Digital	12,921	(4,132)	8,789	12,800	(4,010)	8,790	121	(122)	(1)	
Procurement	-	(100)	(100)	-	(16)	(16)	-	(84)	(84)	v
Property	26,738	(17,895)	8,843	27,437	(17,939)	9,498	(699)	44	(655)	vi
Contribution to Orbis Partnership	3,626	-	3,626	3,626	-	3,626	-	-	-	
Total BSD	**59,467**	**(29,752)**	**29,715**	**60,044**	**(29,589)**	**30,455**	**(577)**	**(163)**	**(740)**	**vii**

Capital programme 2024/25 (£'000)

Approved project	Budget: total project all years	Projected: total project all years	Budget Q1	Actual to date Q1	Projected 2024/25	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	350	350	350	30	350	-	-	-	-	
Lansdowne Unit (CSD)	39	39	39	-	39	-	-	-	-	
Youth Investment Fund	7,003	7,003	7,003	88	7,003	-	-	-	-	
Special Educational Needs	2,510	2,510	525	16	525	-	-	-	-	
Special Provision in Secondary School (Priory and Robertsbridge)	-	-	-	-	-	-	-	-	-	
Special Educational Needs - Grove Park	17,120	17,120	1,300	62	1,300	-	-	-	-	
Disabled Children's Homes	24	24	24	-	24	-	-	-	-	
14 Westfield Lane	17	17	17	-	17	-	-	-	-	
Core Programme - Schools Basic Need	61,874	61,874	518	-	518	-	-	-	-	
Core Programme - Capital Building Improvements Corporate	45,482	45,482	5,781	1,718	5,781	-	-	-	-	
Core Programme - Capital Building Improvements Schools	40,401	40,401	4,401	-	4,401	-	-	-	-	
Core Programme - IT & Digital Strategy Implementation	71,234	71,234	6,399	87	5,570	829	-	829	-	viii
Core Programme - IT & Digital Strategy Implementation Oracle	26,513	26,513	9,634	478	9,634	-	-	-	-	
IT & Digital - Utilising Automation	24	24	24	-	24	-	-	-	-	
Total BSD Gross	**272,591**	**272,591**	**36,015**	**2,479**	**35,186**	**829**	**-**	**829**	**-**	