

**Report to:** Cabinet  
**Date:** 11 December 2018  
**Report by:** Chief Executive  
**Title:** Council Monitoring Report – Q2 2018/19  
**Purpose:** To report Council monitoring for quarter 2 2018/19

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## **RECOMMENDATIONS**

Cabinet is recommended to:

- 1) note the latest monitoring position for the Council;
  - 2) approve the proposed amendments to the performance measures set out in paragraph 2.1; and
  - 3) agree the outline proposal for use of £2.6m additional winter allocation as set out in Appendix 2, and delegate authority to the Director of Adult Social Care and Health to determine and implement more detailed spending plans
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### **1. Introduction**

1.1 This report sets out the Council's position and year-end projections for the Council Plan targets, Revenue Budget, Capital Programme, Savings Plan, together with Risks at the end of September 2018.

1.2 Broad progress against the Council's four strategic priority outcomes is summarised in paragraph 3 and an overview of finance and performance data is provided in the Corporate Summary at Appendix 1. Strategic risks are reported at Appendix 7.

### **2. Council Plan 2018/19 amendments and variations**

2.1 Five performance measures are proposed for amendment to reflect the latest position. Three reflect more challenging Delayed Transfer of Care targets set by NHS England through the Better Care Fund for 2018:

- Number of hospital bed days lost due to delayed transfers from hospital care (Daily average) (Appendix 2, see ref i).
- Number of hospital bed days lost due to delayed transfers from hospital care due to Council social services (Daily average) (Appendix 2, see ref ii).
- Number of hospital bed days lost due to delayed transfers from hospital care due to local NHS (Daily average) (Appendix 2, see ref iii).

One amendment is due to issues with data collection within the rape, sexual violence and abuse service; some outcomes were not being recorded, affecting the reliability of the data. The new target reflects the new practice agreed with the service provider to improve data quality:

- When they leave the service the % of those affected by rape, sexual violence and abuse who have improved coping strategies (Appendix 2, see ref iv).

The final amendment is due to delays in the scheduled completion of the Queensway Gateway Road, which is being managed by Seachange Sussex:

- Work with Seachange Sussex to deliver major transport infrastructure – Queensway Gateway Road (Appendix 5, see ref i).

2.2 At quarter 2, the projected year-end overspend within service departments is £4.4m, this compares to a £4.2m overspend reported at quarter 1. This will be offset by an underspend in Centrally Held Budgets and Corporate Funding (as in 2.4). The main areas of overspend are:

- £3.3m (£2.6m in quarter 1) overspend in CSD: Early Help and Social Care have incurred increased costs due to funding private sector accommodation for vulnerable families in East Sussex who have been classified as Intentionally Homeless by District & Borough Housing

Departments, while the family's housing options are considered (£0.3m). There have also been additional (£0.1m) costs for care placements. There continues to be pressures in agency placements for young people with extremely complex needs within Looked After Children (LAC). There is also continued pressure on placements for disabled children. Additionally there has been an increase in both numbers and costs (£0.3m) of statutory Home to School Transport for pre 16 pupils, mainly relating to the new academic year, and which therefore couldn't be forecast at quarter 1. The department is working hard to manage these pressures, for example looking for Early Help and Social Care creative packages of support for children to remain at home, and continuing to work with CET to understand the home to school transport increases and to identify any opportunities to reduce costs. Looking ahead to 2019/20, the impact of the current pressures will be assessed as part of the pressures funding protocol and, where appropriate, be included within the Medium Term Financial Plan and form part of ongoing RPPR reporting. The department is also seeking external bid funding as appropriate.

- The savings forecast (table at Appendix 1 Corporate Summary) show £0.033m as yet unmitigated savings in CSD that will slip into 2019/20. This forms part of the overall departmental overspend.
- £1.5m (£1.3m in quarter 1) overspend in ASC: There are a range of service areas that have increased levels of demand and/or increased costs, including: the Integrated Community Equipment Service, which has seen a significant increase in demand during 2018/19; Extra-Care, where a re-tendering exercise has been undertaken because a provider was unable to fulfil the original contract; and Technology Enabled Care Services, which has also seen an increase in demand. Additionally there has been an increase in the number and cost of independent sector care packages for working age adults. Work is ongoing to mitigate the financial pressures within ASC. These include: interventions to reduce equipment spend and increase collection rates in the Integrated Community Equipment Service (ICES); working closely with our telecare provider to identify efficiencies; reviewing the provision of extra care to reduce expensive residential placements and void costs; and the use of additional one off funding to support expenditure that we have committed to alleviating winter pressures on our NHS partners.
- There are small amounts of underspend, amounting to £0.3m (previously a £0.2m overspend), being reported across CET; BSD; and Governance.

2.3 On 2 October 2018 the Secretary of State for Health and Social Care announced an extra £240m of funding would be made available to councils to provide adult social care during winter 2018/19. East Sussex County Council's allocation is £2.6m. The funding has been received for a specific purpose and is required to be used for reducing ASC Delayed Transfers of Care, helping to reduce extended lengths of stay, improving weekend discharge arrangements so that patients are assessed and discharged earlier and speeding up the process of assessing and agreeing what social care is needed for patients in hospitals. Outline proposals for allocating this funding are given at the end of Appendix 2, and it is recommended that authority is delegated to the Director of Adult Social Care to agree and implement more detailed spending plans in accordance with the funding conditions.

2.4 Within Centrally Held Budgets Business Rates income is expected to increase by £0.3m. The Treasury Management budget is also forecast to underspend by £0.8m, because of slippage in the capital programme, removing the need to borrow externally in 2018/19, and additional investment income from the increase in bank rate and the investment in the pooled property fund. The underspend will be used to offset the service overspend. The general contingency provision of £3.5m will support any remaining service overspend, with the remaining balance contributing to reserves.

2.5 The quarter 2 capital programme has a variation of £12.2m (£1.6m at quarter 1). This comprises £14.4m slippage, underspends of £0.4m on residual projects, offset by £2.6m spend in advance. This net reduction results in a reduced charge to the Treasury Management provision provided for borrowing and therefore represents opportunities foregone elsewhere.

The main movements are:

- Spend in advance of £1.8m for the School Basic Need programme on early procurement of land.
- Spend in advance of £0.8m on A22/A27 junction improvements, street lighting and bridge assessment strengthening.
- Slippage of £3.2m on Lansdowne Secure unit due to delays in procurement on the main contract.
- Slippage of £1.0m on capital building improvements, due to a re-phasing of building condition works and a review of capacity.
- Slippage of £1.4m on the Bexhill and Hastings Link Road due to a delay in settlement of part one compensation claims and other land claims.
- Slippage of £1.3m on Broadband. As a result of invoicing delays by the contractor, the money set aside for the payment of 2017/18 chargeable works was overestimated, reducing the amount that will be spent this year.
- Slippage of £1.2m on Newhaven Port Access Road due to a delay in receiving confirmation of funding from the Department for Transport.
- Slippage of £1.1m on Queensway depot due to ongoing negotiations on the purchase of a bungalow.
- Slippage of £0.9m on Hastings and Bexhill Movement and Access package, where progress has been delayed due to a shortage of staff resources which is now resolved.
- Slippage of £0.6m on the IT&D strategy arising from a saving to the cost of the mobile phone roll-out & Citrix renewal; however this is required in future years for further IT&D Strategy Implementation.
- Slippage of £0.6m on Economic Intervention Fund due to less grants than anticipated being awarded in quarter 2.
- Slippage of £0.5m on Terminus Road which has had to be redesigned due to groundwork issues which have impacted on progress to the design briefs.
- A number of residual projects have been removed from the programme resulting in an underspend of £0.4m. Should any final payments be incurred these will be managed through the Capital Risk Provision and additional budgets approved via the variation process for these specific schemes.

2.6 The Strategic Risk Register, Appendix 7, was reviewed and updated to reflect the Council's risk profile. The RAG for risk 5 (Reconciling Policy, Performance and Resources) has increased to 'Red'.

### **3. Progress against Council Priorities**

#### **Driving sustainable economic growth**

3.1 The provisional 2018 Progress 8 result for state funded schools in East Sussex is -0.02, which is in line with the national average, meeting the target for the year. There have also been improvements in the key stage 2 results which have brought us broadly in line with national outturns (Appendix 4).

3.2 The target for the average Attainment 8 score for disadvantaged pupils has not been met. The East Sussex average score was 33.1 and the national score 36.6, a gap of 3.5 points (target no more than 3 points) (Appendix 4).

3.3 82 carriageway asset improvements schemes were completed in quarter 2, to maintain and improve the condition of the county's roads, this is an increase compared to quarter 1 and this is forecast to continue in quarter 3 (Appendix 5).

3.4 1,211 additional premises (total 7,906 under contract 2) had access to improved broadband speeds at the end of quarter 1 (reported a quarter in arrears), 88% of premises in the intervention area are able to receive superfast speeds (Appendix 5).

3.5 Business support programmes have helped local companies to create 62.75 jobs in quarter 2; Locate East Sussex also assisted nine businesses to move into, or relocate within, the county (Appendix 5).

3.6 The Council has spent £202.1m with local suppliers over the last 12 months, which equates to 57% of our total spend; 998 local suppliers were used (Appendix 3).

### **Keeping vulnerable people safe**

3.7 Trading Standards made 65 positive interventions in quarter 2 to protect vulnerable people, including visiting 52 victims of rogue trading or financial abuse, installing 12 call blockers to protect people from telephone scams, and one intervention from the rapid response team (Appendix 5).

3.8 104 organisations have joined the East Sussex Against Scams Partnership, and with the assistance of other 'SCAM champions', 2,487 residents have participated in Friends Against Scams awareness sessions (Appendix 2).

### **Helping people help themselves**

3.9 Trials of behaviour change initiatives, as part of the Council's £1m Road Safety scheme, began in quarter 2. The trials include changes to the Notice of Intended Prosecution and Operation Crackdown, with the aim of reducing speeding. Two infrastructure schemes to improve road safety were completed in quarter 2 (Appendix 5).

3.10 There have been improvements in the key metrics outlined in the Improved Better Care Fund in quarter 2. There has been a reduction in Delayed Transfers of Care and admissions to residential nursing homes, and an increase in the number of older people still at home 91 days after discharge from hospital into reablement/rehabilitation services (Appendix 2).

### **Making best use of resources**

3.11 The Annual Report, which highlights the Council's progress against our priorities in 2017/18, was published in September 2018. The draft Portfolio Plans for 2019/20 – 2021/22 will be reviewed by the new Scrutiny Committee RPPR Boards in December before publication in March (Appendix 6).

3.12 Extensive lobbying of Government has continued in quarter 2, for recognition of the distinctly challenging financial situation the Council faces and the need for transitional funding. Lobbying work, with the assistance of our MPs, has included, amongst other activities:

- meetings between the Leader and one of James Brokenshire's, Secretary of State for Housing, Communities and Local Government, Special Advisors in August, the Special Advisor subsequently visited the county to get a better understanding of the challenges facing the Council;
- a meeting between the Leader and Kelly Tollhurst, MP, Assistant Government Whip and Minister for Small Business, to brief her on the Council's financial situation; and
- as a result of continued work with local MPs, Matt Hancock, Secretary of State for Health and Social Care, will visit the county to find out more about the work we are doing to integrate health and social care, and how despite this we still face significant demographic pressures (Appendix 6).

3.13 The Government's Budget was announced on 29 October 2018 and the local government settlement announcement due on 6 December 2018 will be for the fourth and final year of the four year financial settlement agreed in 2016/17. Implications of these will be considered as part of the RPPR process for 2019/20 onwards (Appendix 6).

3.14 There was a 7.1% reduction in CO2 arising from Council operations in quarter 2, when compared to the same quarter in 2017/18 (Appendix 3).

**Becky Shaw, Chief Executive**

## How to read this report

This report integrates monitoring for finance, performance and risk. Contents are as follows:

- Cover report
- Appendix 1 Corporate Summary
- Appendix 2 Adult Social Care and Health
- Appendix 3 Business Services
- Appendix 4 Children's Services
- Appendix 5 Communities, Economy and Transport
- Appendix 6 Governance
- Appendix 7 Strategic Risk Register

### Cover report, Appendix 1

The cover report and Appendix 1 provide a concise corporate summary of progress against our Council Plan Targets, Revenue Budget, Savings Targets, and Capital Programme.

The cover report highlights a selection of key topics from the departmental appendices, for the four Council priorities:

- driving sustainable economic growth;
- keeping vulnerable people safe;
- helping people help themselves; and
- making best use of resources.

More information on each of these topics is provided in the relevant departmental appendix referenced in brackets, e.g. (Appendix 2). More detailed performance and finance data is also available in the departmental appendices.

### Departmental Appendices 2 - 6

The departmental appendices provide a single commentary covering issues and progress against key topics for the department (including all those mentioned in the cover report). This is followed by data tables showing progress against Council Plan Targets, Savings Targets, Revenue Budget, and Capital Programme for the department.

For each topic, the commentary references supporting data in the tables at the end of the appendix, e.g. **(ref i)**. The tables include this reference in the 'note ref' column on the right hand side. Where the commentary refers to the Revenue Budget or Capital Programme, it may refer to all or part of the amount that is referenced in the table, or it may refer to several amounts added together. Performance exceptions follow these rules:

Quarter 1	All targets not expected to be achieved at year end i.e. not RAG rated Green, and any proposed amendments or deletions. Changes to targets early in Q1 should be made under delegated authority for the Council Plan refresh in June.
Quarter 2	Targets that have changed RAG rating since Q1 including changes to Green (except where target was amended at Q1), plus proposed amendments or deletions.
Quarter 3	Targets that have changed RAG rating since Q2 including changes to Green (except where target was amended at Q2), plus proposed amendments or deletions.
Quarter 4	Targets that have changed RAG rating since Q3 to Red or Green (except where target was amended at Q3). Outturns that are not available are reported as Carry Overs. All target outturns are reported in the year end summary at Appendix 1.

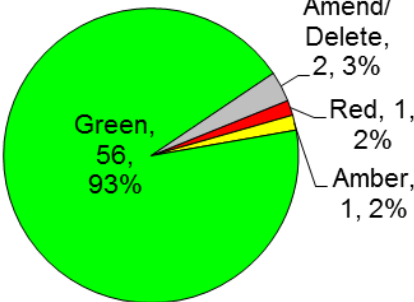
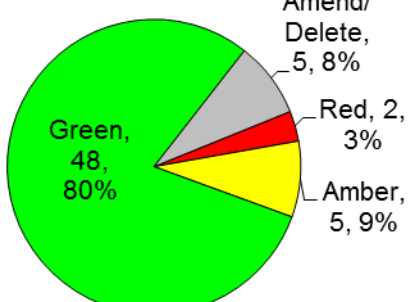
### Strategic Risk Register Appendix 7

Appendix 7 contains commentary explaining mitigating actions for all Strategic Risks.

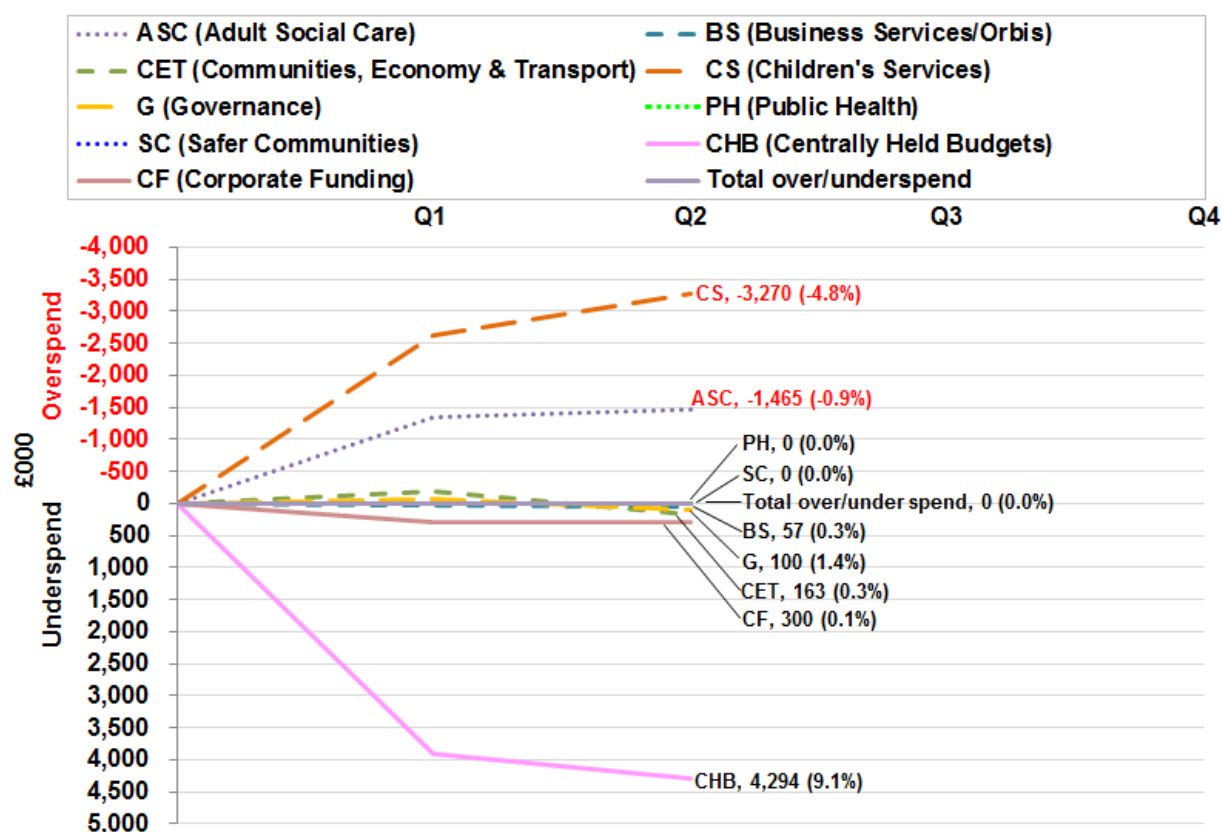
## Council Monitoring Corporate Summary – Q2 2018/19

### Council Plan performance targets

Priority	Red	Amber	Green	Amend / Delete
Driving sustainable economic growth	1	3	21	1
Keeping vulnerable people safe	1	2	7	1
Helping people help themselves	0	0	17	3
Making best use of resources	0	0	3	0
<b>Total</b>	<b>2</b>	<b>5</b>	<b>48</b>	<b>5</b>

Q2 2018/19	Q1 2018/19	Q2 2018/19
<p>There are 60 individual measures in the Council Plan.</p> <ul style="list-style-type: none"> <li>Appendix 2 ASC&amp;H – 2 amber, 4 amend / delete</li> <li>Appendix 4 CSD – 2 red, 3 amber</li> <li>Appendix 5 CET – 1 amend / delete</li> </ul>	 <p>Amend/Delete, 2, 3%</p> <p>Red, 1, 2%</p> <p>Amber, 1, 2%</p> <p>Green, 56, 93%</p>	 <p>Amend/Delete, 5, 8%</p> <p>Red, 2, 3%</p> <p>Amber, 5, 9%</p> <p>Green, 48, 80%</p>

### Revenue budget outturn (net £000)



Revenue budget summary (£000)									
	Planned (£000)			Q2 2018/19 (£000)					
				Projected outturn			(Over) / under spend		
	Gross	Income	Net	Gross	Income	Net	Gross	Income	Net
<b>Service Expenditure</b>									
Adult Social Care	254,263	(89,193)	165,070	257,149	(90,614)	166,535	(2,886)	1,421	(1,465)
Safer Communities	522	(186)	336	363	(27)	336	159	(159)	-
Public Health	31,944	(31,944)	-	31,944	(31,944)	-	-	-	-
Business Services	47,521	(25,251)	22,270	47,079	(24,866)	22,213	442	(385)	57
Children's Services	320,483	(251,853)	68,630	326,588	(254,688)	71,900	(6,105)	2,835	(3,270)
Communities, Economy & Transport	115,787	(53,581)	62,206	116,276	(54,233)	62,043	(489)	652	163
Governance Services	8,152	(935)	7,217	8,267	(1,150)	7,117	(115)	215	100
<b>Total Service Spend</b>	<b>778,672</b>	<b>(452,943)</b>	<b>325,729</b>	<b>787,666</b>	<b>(457,522)</b>	<b>330,144</b>	<b>(8,994)</b>	<b>4,579</b>	<b>(4,415)</b>
<b>Centrally Held Budgets (CHB)</b>									
Treasury Management	23,236	(1,800)	21,436	22,636	(2,000)	20,636	600	200	800
Capital Programme	5,231	-	5,231	5,231	-	5,231	-	-	-
Unfunded Pensions	9,554	-	9,554	9,572	-	9,572	(18)	-	(18)
General Contingency	3,500	-	3,500	-	-	-	3,500	-	3,500
Contrib to Reserves	2,878	-	2,878	2,878	-	2,878	-	-	-
National Living Wage	3,021	-	3,021	3,021	-	3,021	-	-	-
Apprenticeship Levy	600	-	600	573	-	573	27	-	27
Levies, Grants and Other	831	(58)	773	861	(73)	788	(30)	15	(15)
<b>Total CHB</b>	<b>48,851</b>	<b>(1,858)</b>	<b>46,993</b>	<b>44,772</b>	<b>(2,073)</b>	<b>42,699</b>	<b>4,079</b>	<b>215</b>	<b>4,294</b>
<b>Corporate Funding</b>									
Business Rates	-	(76,181)	(76,181)	-	(76,481)	(76,481)	-	300	300
Revenue Support Grant	-	(14,966)	(14,966)	-	(14,966)	(14,966)	-	-	-
Council Tax	-	(280,344)	(280,344)	-	(280,344)	(280,344)	-	-	-
New Homes Bonus	-	(1,231)	(1,231)	-	(1,231)	(1,231)	-	-	-
<b>Total Corporate Funding</b>	<b>0</b>	<b>(372,722)</b>	<b>(372,722)</b>	<b>0</b>	<b>(373,022)</b>	<b>(373,022)</b>	<b>0</b>	<b>300</b>	<b>300</b>
<b>Total</b>	<b>827,523</b>	<b>(827,523)</b>	<b>0</b>	<b>832,438</b>	<b>(832,617)</b>	<b>(179)</b>	<b>(4,915)</b>	<b>5,094</b>	<b>179</b>
Balance of General Contingency to reserves	-	-	-	179	-	179	(179)	-	(179)
<b>Final Total</b>	<b>827,523</b>	<b>(827,523)</b>	<b>0</b>	<b>832,617</b>	<b>(832,617)</b>	<b>0</b>	<b>(5,094)</b>	<b>5,094</b>	<b>0</b>

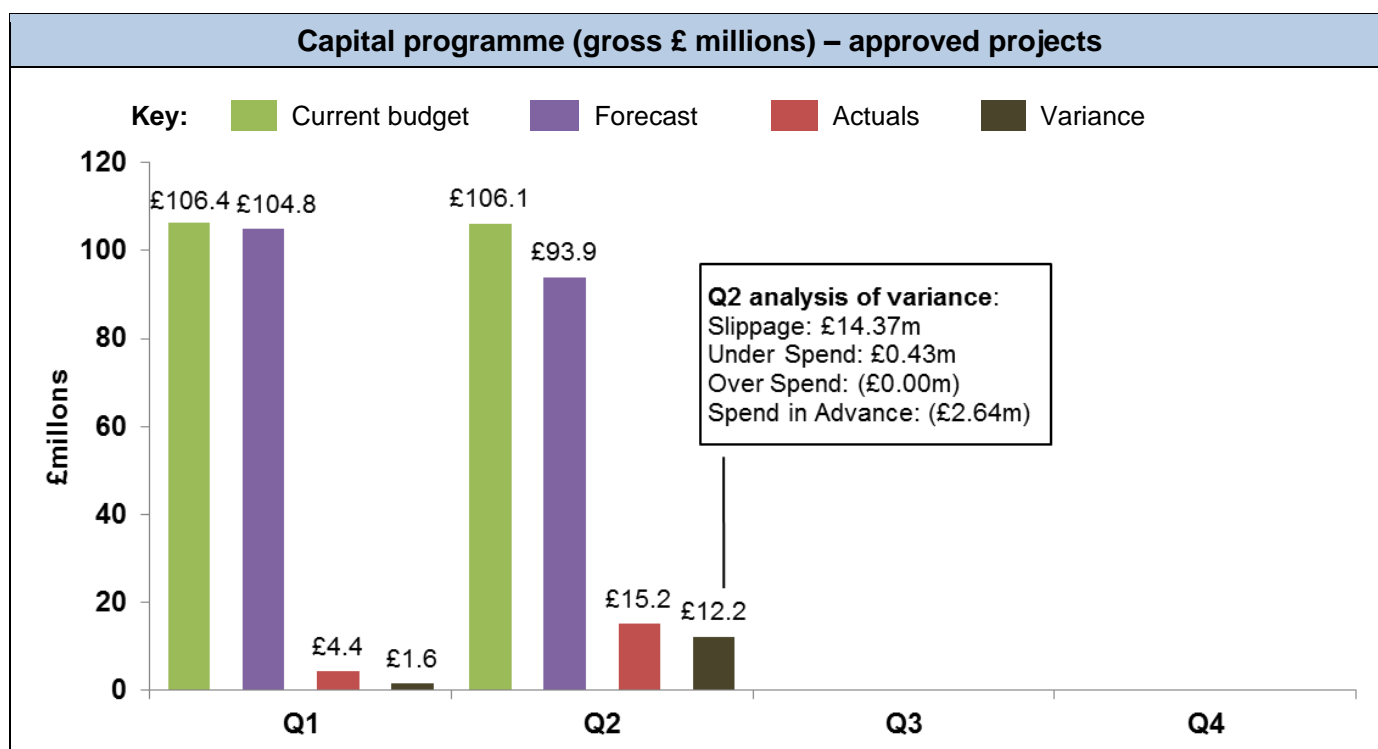
Revenue Savings Summary 2018/19					
Service description	2018/19 (£'000) – Q2 Forecast				
	Original Target <sup>1</sup>	Target including items c/f from previous year(s)	Achieved	Slipped	Unachieved
<b>Savings</b>					
ASC	2,245	3,567	2,349	1,218	-
ASC – ESBT	7,386	7,386	2,961	4,425	-
BSD / Orbis	1,396	1,046	1,046	-	-
CS	4,029	4,840	1,675	2,425	740
CET	1,942	1,942	1,655	287	-
GS	84	109	109	-	-
<b>Total Savings</b>	<b>17,082</b>	<b>18,890</b>	<b>9,795</b>	<b>8,355</b>	<b>740</b>
<b>Variations to Planned Savings</b>					
Permanent Variations	-	-	740	-	(740)
<b>Total Permanent Savings &amp; Variations</b>	<b>17,082</b>	<b>18,890</b>	<b>10,535</b>	<b>8,355</b>	<b>0</b>
Temporary Variations - use of reserve approved at Cabinet Feb 18	-	-	1,648	(1,648)	-
Temporary Variations - other	-	-	6,674	(6,674)	-
<b>Total Savings with Variations</b>	<b>17,082</b>	<b>18,890</b>	<b>18,857</b>	<b>33 <sup>2</sup></b>	<b>0</b>

<sup>1</sup> For ASC/ESBT the revised savings target was approved at Cabinet in June 18. All other targets are as per Cabinet in February 18.

<sup>2</sup> The as yet unmitigated slipped savings of £33k sit in CSD and form part of the forecast overspend of £3.3m for that department.

Savings RAGs	
<b>Achieved / Green</b>	on track to deliver in the year
<b>Slipped / Amber</b>	on track to deliver but not in the year, and there may be an offset variation
<b>Unachieved / Red</b>	will not be delivered but there may be an offset variation





Capital programme summary (£000)									
Approved project	Total project – all years*		2018/19 (£000)						
			In year monitor Q2				Analysis of variation		
	Budget	Projected	Budget	Actual to date	Projected 2018/19	Variation (over) / under budget	(Over) / under spend	Slippage to future year	Spend in advance
ASC	13,070	12,927	1,625	191	850	775	143	632	-
BSD	291,743	291,743	34,057	8,025	30,783	3,274	-	5,127	(1,853)
CS	15,341	15,341	1,363	227	1,113	250	-	250	-
CET	616,494	616,205	69,054	6,738	61,198	7,856	289	8,356	(789)
GS	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>936,648</b>	<b>936,216</b>	<b>106,099</b>	<b>15,181</b>	<b>93,944</b>	<b>12,155</b>	<b>432</b>	<b>14,365</b>	<b>(2,642)</b>
Scheme Specific Income			38,445		33,540	4,905			
Capital Reserves			21,000		21,000	-			
Non Specific Grants			22,436		22,436	-			
Capital Receipts			7,607		3,393	4,214			
Revenue Contributions			8,902		8,775	127			
Borrowing			7,709		4,800	2,909			
<b>Total</b>			<b>106,099</b>		<b>93,944</b>	<b>12,155</b>			

\*This includes current budget for all finite current projects plus 5 years of rolling programmes.

As the Capital Programme is fully financed, the variation of £12m has resulted in an opportunity foregone in the region of £200,000 per annum (based on an investment rate of 1.7% (Link Asset Services investment rates)).

### Centrally held budgets (CHB) and Corporate Funding

The Treasury Management (TM) Strategy, which provides the framework for managing the Council's borrowing requirement, continues to reflect a policy of ensuring minimum risk whilst aiming to deliver secure realistic investment income on the Council's cash balances. Investment rates available in the market have marginally improved as a result of the BoE bank rate increase to 0.75% on the 2nd August. The average level of Council funds available for investment purposes during the quarter was £252m. These funds were available on a temporary basis, and the level of funds available was mainly dependent on the timing of precept payments, receipt of grants and progress on the Capital Programme. The total amount received in short term interest for the quarter to 30 September 2018 was £516k at an average rate of 0.81%. Since the 1 August the Council has invested in the CCLA Local Authority Property Fund, a pooled property vehicle. The first payment of dividends is expected in October 2018, forecasted to bring in an additional £32k of investment income for the quarter.

At 30 September 2018, the majority of the Council's external debt was held as long term loans (£264.9m), and no cost effective opportunities have arisen during quarter 2 to restructure the existing debt portfolio. However opportunities to restructure debt will be investigated during 2018/19 as and when options are made available. No short or long term borrowing was undertaken in the quarter.

The TM budget is currently forecast to underspend by £0.8m at quarter 2 (£0.5m in quarter 1); this is based on the position on the capital programme removing the need to borrowing externally in 2018/19, alongside additional investment income from the increase in bank rate at 2 August 2018 and as a result the investment in the pooled property fund (CCLA LAPF) raising additional income.

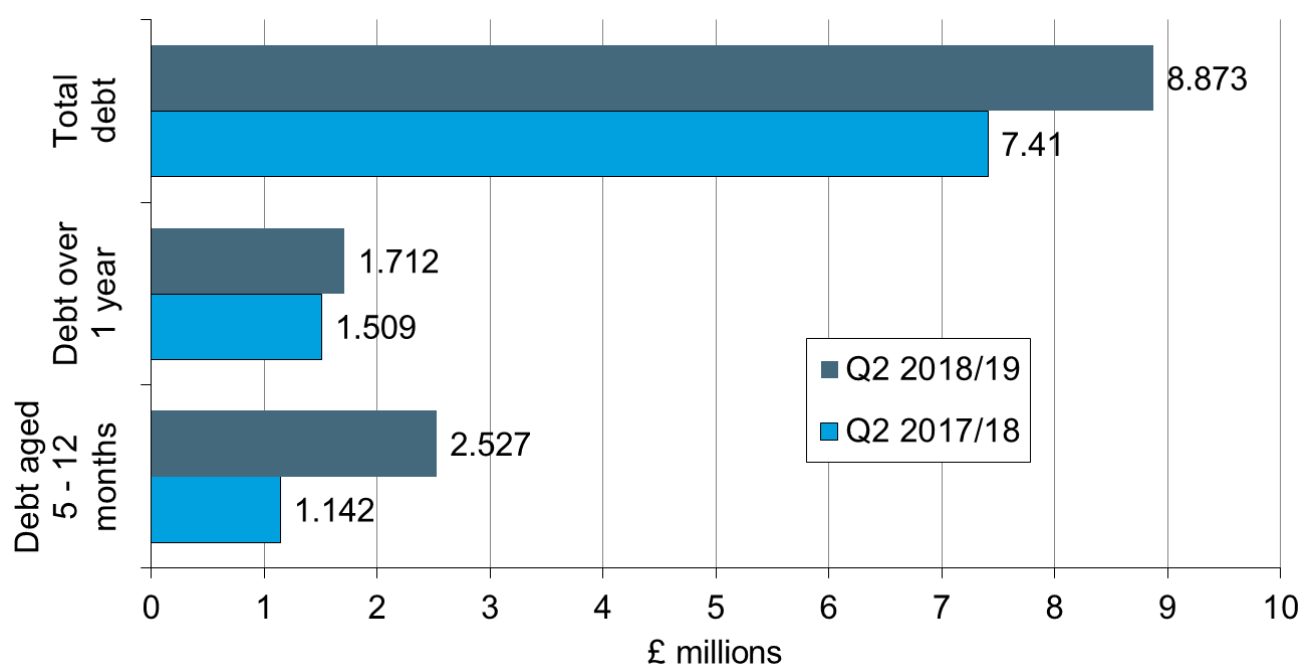
Centrally Held budgets include a general contingency provision of £3.5m. This will be used in the first instance to offset the service overspend. If there is remaining provision it would be transferred to reserves for use in future years, in line with the Reserves Policy.

### General balances

The General Fund balance was £10.0m as at 31 March 2018. General balances allow the Council to manage unforeseen financial circumstances without the need to make immediate savings.

The Schools balances as at 31 March 2018 were £10.7m.

### Outstanding debt analysis (£ millions)



The value of debt over 5 months at quarter 2 has increased by £1.916m when compared to the 2017/18 outturn of £2.323m. This is due to the rise in Clinical Commissioning Group (CCG) outstanding debt; currently £2.7m remains unpaid from quarter 4 in 2017/18. There are on-going and constructive discussions with High Weald Lewes Havens

CCG about the level of outstanding debts, which are anticipated to conclude successfully in the second half of 2018/19. Age Debt continues to be a high priority focus area with a continuous improvement approach to continually re-engineer systems and processes. Regular ASC debt case review meetings continue to ensure that the most appropriate steps are taken to recover debt promptly in consideration of the residents' circumstances and in accordance with the Care Act. The increase in total debt is due to the outstanding CCG debt at the end of quarter 2 this year compared to quarter 2 last year.

## Adult Social Care and Health – Q2 2018/19

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

#### Adult Social Care

**Health and Social Care Integration** – The East Sussex Better Together (ESBT) system has seen a 6.1% increase in A&E attendances (6.2% for East Sussex Healthcare NHS Trust (ESHT) attendances) in 2017/18 compared to the national increase of 2%. In addition ESBT has seen an increase in non-elective emergency admissions of 13.4% (14.7% for ESHT admissions) compared to the national increase of 4%. The ESBT Clinical Commissioning Groups (CCGs) Urgent Care and Joint Commissioning team commenced a system wide urgent and emergency (UEC) demand driver diagnostic, which commenced in May 2018, to better understand what is driving the increases in demand across the system.

To deal with this increased demand in November 2018 a High Intensity User (HIU) service will go live in East Sussex. The HIU service (developed by NHS Blackpool) offers a robust way of reducing frequent user activity to 999, NHS 111, A&E, GP contacts and hospital admissions, freeing front line resources to focus on more clients and reduce costs. It uses a health coaching approach, targeting high users of services, and supports the most vulnerable clients within the community to flourish, whilst making the best use of available resources. The results for the patient cohort included were as follows:

- 999 calls were down by 89%.
- A&E attendances down by 93%.
- Admissions were down by 82%.
- 98% reduction in self-harm incidences.
- 44% reduction in police calls for the client cohort.

This approach has been replicated across the country and is now live in 41 CCGs with another 15 Health and Social Care areas going live in the next quarter to support winter pressures.

**Better Care Fund (BCF)** – There continues to be improvement against the key metrics as outlined in the iBCF:

- Delayed transfers of Care (DToC) (delayed days) from hospital per 100,000 population (aged 18+) has improved from 20.1 in July 2017 to 9.9 in July 2018.
- Performance in relation to permanent admissions of older people per 100,000 population (65+) to residential/nursing care for April to September 2018 is 240.6. Current forecasted performance is 481.2, therefore predicted to meet the target of 504.1 or less.
- Performance in relation to the proportion of older people (aged 65+) who are still at home 91 days after discharge from hospital into reablement / rehabilitation services for April to June 2018 is 90.7%, therefore the target of 90% or more is being met.

**Delayed Transfers of Care (DToC)** – DToC levels have continued to decrease. Between April and July 2018 there was an average 43 delayed transfers from hospital care per day this has improved from 93 in the same period last year (a 54% reduction). This can be broken down as follows:

- An average 34 delayed transfers from hospital care per day due to local NHS, this has improved from 56 in the same period in 2017 (a 39% reduction).
- An average eight delayed transfers from hospital care per day due to Council social services, this has improved from 35 in the same period in 2017 (a 77% reduction).
- One delayed transfer was attributable jointly to ASC and NHS.

New and more challenging targets have been set by NHS England through the Better Care Fund for 2018 (**ref i, ii and iii**).

**Support with Confidence** – The current membership at the end of Q2 is 190; this includes 135 Personal Assistants and 55 businesses, nine of which are CQC registered. The scheme currently has 77 live applications pending approval.

**Technology Enabled Care Services (TECS)** – As at August 2018, 7,730 clients were receiving TECS. Review of medication management has produced options for exploration.

**Health and Social Care Connect (HSCC)** – Activity is only available for April to June at this stage. This is due to a backlog in referrals being recorded. 85% of Health and Social Care Connect referrals were triaged and progressed to required services within required timescales (**ref v**). 92.4% of Health and Social Care Connect contacts were

appropriate and effective (i.e. lead to the provision of necessary additional services) (**ref vi**). This shortfall in performance is mainly due to HSCC holding 12 FTE vacancies for redeployment following the RPPR consultation process. Staff are due to transfer to HSCC at the end of October 2018 and recruitment is underway to fill remaining vacancies. It is anticipated that this will increase capacity and improve performance in order to meet the targets in Q3.

### **Safer Communities**

**Vulnerable Victims of Fraud & Scams** – By the end of Q2, 104 organisations had joined the East Sussex Against Scams Partnership (ESASP) Charter and, with the assistance of other East Sussex 'SCAM champions', 2,487 residents have participated in Friends Against Scams awareness sessions which will hopefully reduce the likelihood of them – or people they know or care for – from becoming vulnerable victims of fraud and scams.

**Cyber Crime, Cyber bullying and online safety** – 10 Think Protect Connect sessions were delivered to East Sussex Schools in Q2. Think Protect Connect also formed part of the Local Safeguarding Children Board Practical Prevent training session delivered to frontline professionals in September and involved demonstrating how to use the resources with small groups of young people. This autumn we will be delivering a new online safety assembly and a workshop with specific ground rules around online behaviour and staying safe online as part of our Stay Safe Programme.

**Recommissioning of the Substance Misuse Service** – The Invitation to Tender documents were completed during Q2, and include the Substance Misuse Services Service Specification. These documents were written after consultation with local stakeholders and detail the needs of the county and outcomes for the new service. The provider tender process will commence in October.

**Recovery Communities** – Individuals from different walks of life and from all along the south coast came together at The De La Warr Pavilion in Bexhill on Wednesday 19 September to celebrate peoples' journeys in their recovery from substance misuse. The event gave people in recovery the opportunity to share their experiences and support one another. Feedback from the event was positive with 84% of evaluation respondents rating the event as excellent, and 100% saying they would be interested in attending another event in the future.

**The % of people affected by rape, sexual violence and abuse who report, after at least 12 weeks of engagement with the service, that they are more in control of their lives and/or more optimistic about the future** – Due to issues around data collection, some outcomes were not being collected when the service user left the service, affecting the reliability of the data. An improvement plan was agreed with the provider, including that they would use the Outcome on Exit form, as they do for the domestic violence measure, as opposed to Survivors Network Outcomes Forms (SNOF), to improve data quality. It is proposed to amend this measure to: When they leave the service the % of those affected by rape, sexual violence and abuse who have improved coping strategies (**ref iv**).

### **Public Health**

Public Health hosted an 'infection control in care homes programme' across East Sussex which is now well embedded across the county. Part funded by the three CCGs in East Sussex and the Council, it is a good example of joint working to promote health and reduce avoidable illness and hospital admissions in our vulnerable care home population. The programme provides high level training on infection prevention and control at no cost, to all care homes. It also includes ongoing support and advice and the opportunity for homes to receive a certificate of accreditation for changing practice in homes to improve care for residents in relation to infection control. A total of 152 homes out of 202 have infection control champions in place. This means that one or more members of staff in each home have attended training and cascaded the knowledge through the whole care home. A total of 77 homes have started their infection control audits which is a tool for them to evidence the improvements they have made. The homes also had access to oral health and hydration training. The programme continues until early 2019 when an ongoing 'mop up' and annual training sessions will continue.

### **Revenue Budget Summary**

**ASC** – The current forecast outturn is an overspend of £1.465m (**ref x**), comprising a £1.006m overspend in the Independent Sector (**ref viii**) and a £0.459m overspend within Directly Provided Services and Assessment and Care Management (**ref ix**). The current position reflects two key pressures:

There are a range of service areas that have increased levels of demand and/or increased costs. These include the Integrated Community Equipment Service (ICES), which has seen a significant increase in demand during 2018/19; Extra-Care, where a re-tendering exercise has been undertaken following a provider being unable to fulfil the original contract; TECS, which has also seen an increase in demand across the duration of the contract to date; and an increase in the number and cost of independent sector care packages for working age adults.

The net budget of £165.070m includes in year savings of £10.953m (**ref vii**). This includes £1.322m carried forward from previous years and £9.631m agreed for 2018/19. The savings will be delivered in part in 2018/19, however, the full year impact will not be realised until 2019/20, because proposals will need to be implemented in line with statutory and contractual responsibilities and duties. The part year impact of the savings proposals will be managed within the authority's overall Medium Term Financial Plan and the appropriate use of reserves and contingency funds including

the use of the one-off grant from the Ministry for Housing, Communities and Local Government in 2018/19 of £1.616m.

In October, the Government announced £240m of additional funding for councils to spend on adult social care services to help councils alleviate winter pressures on the NHS, get patients home quicker and free up hospital beds across England. East Sussex has been allocated £2,585,651 for 2018/19; proposals for allocating this funding are given in the table below. This additional funding is intended to enable further reductions in the number of patients that are medically ready to leave hospital but are delayed because they are waiting for adult social care services. The funding has to be focussed on reducing Delayed Transfers Of Care, helping to reduce extended lengths of stay, improving weekend discharge arrangements so that patients are assessed and discharged earlier and speeding up the process of assessing and agreeing what social care is needed for patients in hospitals. It is therefore recommended that authority is delegated to the Director of Adult Social Care to determine how this additional money is spent across services in Adult Social Care to ensure that the funding is used for the purpose for which it has been provided to the Council, and achieving the best outcome for the Council's residents.

**Public Health** – The Public Health (PH) budget of £27.390m comprises the PH grant allocation of £27.270m and £0.120m of CCG income. In addition to the PH Grant £4.554m is being drawn from reserves to meet one off projects of £2.783m, Nurseries of £0.170m and £1.601m to fund Early Help (ref xi).

### **Capital Programme Summary**

The ASC Capital Programme for 2018/19 is currently projected to outturn at £0.9m, a variation of £0.8m. This is due to slippage on Greenacres of £0.2m and House Adaptations of £0.4m, and an underspend of £0.1m which is due to residual projects being removed from the programme.

NHS England has agreed to put forward £1.25m towards the capital development of the Greenacres site, with a further £1.1m to be met from capital receipts from Crowborough sites, bringing total agreed project budget to £2.35m. An additional £0.25m has been applied for from NHS England, and has been agreed in principle. Following further feedback arising from reviews of the site and project design, the costs of the proposed development are being reviewed and finalised prior to work commencing on site, in parallel with which, formal agreement from NHS England for the grant funding agreed in principle is yet to be received. The total cost is currently expected to be £3.161m. The additional amounts will be met from the additional £0.25m funding from NHS England and underspends within the remaining ASC Capital Programme.

Performance exceptions (See How to read this report for definition)								
Performance measure	Outturn 17/18	Target 18/19	18/19 RAG				Q2 2018/19 outturn	Note ref
			Q1	Q2	Q3	Q4		
Priority – Helping people help themselves								
Number of hospital bed days lost due to delayed transfers from hospital care (Daily average)	42	Amendment requested from 50 To 39.8	G	AD			43.1	i
Number of hospital bed days lost due to delayed transfers from hospital care due to Council social services (Daily average)	13	Amendment requested from 43 To 11.5	G	AD			8.4	ii
Number of hospital bed days lost due to delayed transfers from hospital care due to local NHS (Daily average)	26	Amendment requested from 34 To 24.4	G	AD			33.5	iii

Performance exceptions (See How to read this report for definition)								
Performance measure	Outturn 17/18	Target 18/19	18/19 RAG				Q2 2018/19 outturn	Note ref
			Q1	Q2	Q3	Q4		
Priority – Keeping vulnerable people safe								
<b>Measure amendment requested from</b> The % of people affected by rape, sexual violence and abuse who report, after at least 12 weeks of engagement with the service, that they are more in control of their lives and/or more optimistic about the future <b>To</b> When they leave the service the % of those affected by rape, sexual violence and abuse who have improved coping strategies	N/a	80%	G	AD			71%	iv
Percentage of Health and Social Care Connect referrals triaged and progressed to required services within required timescales	86%	90%	G	A			85%	v
Percentage of Health and Social Care Connect contacts that are appropriate and effective (i.e. lead to the provision of necessary additional services)	96%	95%	G	A			92.4%	vi

Savings exceptions (Projected - Red = will not be delivered but may be mitigated; Amber = on track to deliver but not in the year (& may be mitigated); Green = on track to deliver in the year)					
Service description	Q2 2018/19 (£'000)				Note ref
	Target	Achieved	Slipped	Unachieved	
Savings					
Supporting People	3,300	733	2,567	-	
Assessment and Care Management	1,958	1,360	598	-	
Learning Disability Services	1,530	585	945	-	
Older People Services	1,274	-	1,274	-	
Strategy, Commissioning and Supply Management	590	428	162	-	
Discretionary East Sussex Support Service (DESSS)	390	363	27	-	
All Other Savings	1,911	1,841	70	-	
Total Savings	10,953	5,310	5,643	0	
Variations to Planned Savings					
	-	-	-	-	
Permanent Variations	0	0	0	0	
Total Permanent Savings & Variations	10,953	5,310	5,643	0	
Use of ASC Support Grant 2018/19	-	1,616	(1,616)	-	
Use of One-off Funding	-	4,027	(4,027)	-	
Temporary Variations	-	5,643	(5,643)	0	
Total Savings with Variations	10,953	10,953	0	0	vii

## Revenue budget

Revenue budget										
Divisions	Planned (£000)			Q2 2018/19 (£000)						Note ref
				Projected outturn			(Over) / under spend			
	Gross	Income	Net	Gross	Income	Net	Gross	Income	Net	
Adult Social Care:										
Physical Support, Sensory Support and Support for Memory & Cognition	109,635	(42,408)	67,227	107,037	(42,000)	65,037	2,598	(408)	2,190	
Learning Disability Support	53,942	(4,307)	49,635	56,998	(4,410)	52,588	(3,056)	103	(2,953)	
Mental Health Support	7,091	(1,043)	6,048	7,316	(1,025)	6,291	(225)	(18)	(243)	
Subtotal Independent Sector	170,668	(47,758)	122,910	171,351	(47,435)	123,916	(683)	(323)	(1,006)	viii
Physical Support, Sensory Support and Support for Memory & Cognition	15,418	(4,780)	10,638	16,102	(5,328)	10,774	(684)	548	(136)	
Learning Disability Support	7,555	(888)	6,667	8,502	(1,899)	6,603	(947)	1,011	64	
Mental Health Support	211	(187)	24	211	(187)	24	-	-	-	
Substance Misuse Support	591	(115)	476	573	(97)	476	18	(18)	-	
Equipment & Assistive Technology	7,240	(3,930)	3,310	7,200	(3,764)	3,436	40	(166)	(126)	
Other	5,150	(3,745)	1,405	4,299	(2,913)	1,386	851	(832)	19	
Supporting People	7,499	(518)	6,981	8,509	(1,528)	6,981	(1,010)	1,010	-	
Assessment and Care Management	25,071	(2,787)	22,284	26,127	(2,752)	23,375	(1,056)	(35)	(1,091)	
Management and Support	14,291	(24,440)	(10,149)	13,317	(24,365)	(11,048)	974	(75)	899	
Service Strategy	569	(45)	524	958	(346)	612	(389)	301	(88)	
Subtotal Directly Provided Services and Assessment and Care Management	83,595	(41,435)	42,160	85,798	(43,179)	42,619	(2,203)	1,744	(459)	ix
Total Adult Social Care	254,263	(89,193)	165,070	257,149	(90,614)	166,535	(2,886)	1,421	(1,465)	X
Safer Communities	522	(186)	336	363	(27)	336	159	(159)	0	
Public Health										
Health Improvement services	4,717	-	4,717	4,715	-	4,715	2	-	2	
Drug and alcohol services	6,101	-	6,101	6,101	-	6,101	-	-	-	
Sexual health services	4,160	-	4,160	4,160	-	4,160	-	-	-	
Health Visiting & School Nursing	8,769	-	8,769	8,769	-	8,769	-	-	-	
NHS Health Checks	823	-	823	823	-	823	-	-	-	
Management support and Public Health programmes	2,820	-	2,820	2,822	-	2,822	(2)	-	(2)	
Public Health Grant income	-	(27,270)	(27,270)	-	(27,270)	(27,270)	-	-	-	
Public Health CCG and Reimbursement income		(120)	(120)		(120)	(120)	-	-	-	
Sub Total for Core Services	27,390	(27,390)	0	27,390	(27,390)	0	0	0	0	
One Off Projects funded from PH Reserves	2,953	(2,953)	-	2,953	(2,953)	-	-	-	-	
Early Help funding	1,601	(1,601)	-	1,601	(1,601)	-	-	-	-	xi
Total Public Health	31,944	(31,944)	0	31,944	(31,944)	0	0	0	0	



Capital programme										
Approved project	Total project – all years (£000)		2018/19							Note ref
			In year monitor Q2 (£000)				Analysis of variation (£000)			
	Budget	Projected	Budget	Actual to date	Projected 2018/19	Variation (over) / under budget	(Over) / under spend	Slippage to future year	Spend in advance	
OP Service Improvements	536	406	130	-	-	130	130	-	-	
Greenacres	2,350	2,350	1,000	132	750	250	-	250	-	
LD Service Opportunities	5,092	5,092	95	54	95	-	-	-	-	
Continuing Programme:										
House Adaptations for People with Disabilities	2,719	2,719	387	5	5	382	-	382	-	
Refurbishment – Registration standards	2,373	2,360	13	-	-	13	13	-	-	
Total ASC Gross	13,070	12,927	1,625	191	850	775	143	632	0	

Winter Pressure Funding			
Area of Spend	Description	Amount (£'000)	Outcome
ICES	Funding the Council's additional contribution to the pooled fund in 2018/19 as ICES is currently overspending. Additional spend reflects impact of increased acuity of service users looked after in the community	880	Supporting people to live independently in the community reducing demand on Primary Care, Community Nursing and Acute attendances and admissions and support flow from step up and down services
Telecare	Additional equipment charges to WEL in 2018/19	125	
Discharge to Assess/ Homecare	Council assuming Provider of Last Resort in 16 villages supporting 20 clients a year in rural areas. This will provide flexible use of additional four hours homecare to support patients being discharged home with packages of care from four main providers. Average of 19 discharges a week. Provision of basic DLE for homecare providers to use to provide care for clients discharged from hospital without equipment. Additional Occupational Therapy to support discharge to assess and interim beds	150	Home Care Providers deliver safe services to vulnerable adults discharged from Hospital. Improved outcomes people in hard to reach areas
7 Day Working	Resourcing 7 day working at BSUH. Fund BHCCC and WSCC to undertake trusted assessor role in ED and Gateway Wards for East Sussex residents	50	Improved outcomes for clients leaving hospital
OT to Support Intermediate Care	Additional therapy capacity	15	
Interim Beds	14 interim beds across the county from mid-November to end of March	200	
Further OT support to additional Interim / Transitional / D2A beds funded from NHS and LA Winter Pressures Resources	As discussed and proposed at OpEx 22/11/2018. Occupational Therapy support to the additional community escalation beds to compliment the ESHT Physio therapy input	20	
Additional Independent Sector Spend October 2018 to March 2019	Funding for short-term packages of care. A net current budget pressure is forecast of £500k which was included in the Quarter 2 monitoring in relation to short term packages over the winter months. The increase will provide additional funding to support reduction in DTOCs and the needs of clients in hospital to be met	1,146	Providers deliver safe services to vulnerable adults discharged from Hospital. Reduced number of DTOCs
<b>Total</b>		<b>2,586</b>	

## Business Services – Q2 2018/19

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

**Summary of successes and achievements** – Work has been progressing on developing a 'core offer' for Orbis and what this would mean in terms of service delivery and impact. Discussions around these options will take place with key stakeholders during Q3 and the agreed outputs will then form part of the RPPR process.

As of 1 September 2018, the Finance service is delivering integrated services (across East Sussex County Council (ESCC), Brighton and Hove City Council (BHCC) and Surrey County Council (SCC)) for Treasury Management, Taxation, Insurance and Financial Accounting.

The Property service has also established fully integrated teams providing Estates, Maintenance, Major Projects, Facilities Management, and Energy services to ESCC and SCC. This now provides a greater resilience and expertise to the partnership authorities. An integrated Property Senior Leadership Team is in place across all three Orbis partners.

Procurement has recently awarded a contract for Facilities Management Services that covers all three Orbis partners. The procurement delivered £400k in cash-releasing savings, and also included over £500k in Social Value commitment, including local employment opportunities for NEETs (people aged 16-24 Not in Education, Employment or Training), Long Term Unemployed, People with Disabilities and Ex-Offenders. The new contract also complements the new Property Services structure and service offer (referenced above).

IT & Digital have been continuing to enable partnership working across the Council. In July we became the first county council (one of only two councils at the time) to setup calendar sharing with NHS staff. This followed the previous success of linking Skype for Business with the NHS. These integrations have enabled staff from across the East Sussex Better Together partnership work in a more integrated and efficient way.

**Apprenticeships** – We have submitted returns to the Department for Education to show progression against the target for all public sector organisations to have apprentices make up 2.3% of their workforce. The Council achieved 1.02% of the workforce undertaking an apprenticeship between April 2017 to March 2018. Overall national and local figures are not due to be published until Jan 2019 but early indications show that the Council is above the national average. The Local Government Association (LGA) have recognised the work that the apprentice team have carried out within Council maintained schools in terms of uptake of apprenticeships and have used the Council for case studies to promote good practice for other county councils. Corporately, uptake continues to be for more professional qualifications (Project Managers and Operational Managers), and tenders are currently out to market for a variety of ICT based qualifications up to degree level. The apprenticeship team have also linked in with the LGA to access funding to provide project support to help councils overcome barriers in order to create multi-year apprenticeship plans.

The Apprentice Learning Group launched in September to support new entry level apprentices who join the Council. The group offers action learning sets, employment workshops, ongoing careers advice and coaching opportunities. In Q2 we had two cohorts, and these apprentices have gone on to form their own support network and some have accessed further coaching support.

**Social Value** – The Council has spent £202.1m with local suppliers over the past 12 months. 998 local suppliers were used, which equates to 57% of our total spend, exceeding our target for 52%.

In Q2, a total of nine contracts were awarded, four were out of scope of the Social Value Measurement Charter (SVMC), as they had predefined contractual terms. The five in-scope contracts had a total value of £23.5m and they secured £1.13m in Social Value commitment, which equates to an outturn of 4.8%. The social value committed in these contracts will aid local employment by recruiting ex-offenders, people with disabilities, as well as offering apprenticeships and other benefits. We expect to meet the 10% target by the end of the financial year. We continue to work closely with suppliers throughout the life of their contracts, which also gives us additional opportunities to secure social value benefits.

**Property operations** – Strategic Property Asset Collaboration in East Sussex (SPACES) continues to focus on One Public Estate (OPE) projects. The emergency services projects from phase 5 continue to have their feasibility studies and business cases developed and more will be known regarding whether they will go ahead by the end of 2018. These projects are expected to deliver capital receipts, housing opportunities and revenue cost reduction. Phase 7 has now been announced and SPACES is drawing up a bid including projects in Hailsham, Hastings, Eastbourne and Peacehaven across a variety of local authorities, health partners and emergency services. These projects focus on housing delivery and consolidation of civic estate. A further outcome has been delivered through SPACES with East Sussex Healthcare Trust sharing space in Rother District Council offices in Bexhill. This complements the Bexhill project for OPE which continues to be progressed.

**Reduction in CO2 emissions** – We aim to reduce the amount of CO2 arising from Council operations by 3% compared to 2017/18. A 7.1% reduction has been achieved in Q2 of 2018/19 compared to Q2 2017/18. This breaks down as a 7.9% reduction from schools and a 6.3% reduction from the corporate estate including street lighting.

The Energy Team support schools with energy saving in a number of ways, including through the LESS CO2

Programme (a partnership with Ashden), to promote sustainability in schools and save energy through simple low and no cost measures. The energy performance of the schools involved with Ashden decreased at a higher rate in both electricity and gas usage than schools not involved with Ashden. The overall average saving in energy costs for a school in the 12 months following the first workshop was just over £1,200.

**IT & Digital infrastructure** – 99.83% of key services were available during core hours (08.00 – 17.00 Monday to Friday except Local Area Network, where availability has been extended to be 24/7) during Q2. Weekend and planned unavailability is excluded.

A staff survey will take place in Q4 to establish the percentage of staff satisfied that the IT tools provided are the right ones to do their job.

**Assurance** – Following internal audits, 100% of the high risk recommendations due in Q2 have been actioned by management.

The percentage of insurance claims handled to first decision stage (i.e. initial repudiation or offer of compensation) within legal time frames was 99.2% in Q2. A majority of third party claims relate to the highway and these claims are now handled by East Sussex Highways (Costain and Jacobs). Information relating to these claims is included in these figures. Claims volumes have significantly reduced in Q2 due to the prolonged period of calm weather and the number of claims received relating to the previous winter period now tailing off. However, this reduction in claim volumes may be followed by an increase in Q3 and Q4 if the weather deteriorates and impacts the structure/surface of the highway.

**Wellbeing** – The combined Q1 and Q2 sickness absence outturn for the whole authority (excluding schools) is 3.97 days lost per FTE, a decrease of 4.3% since the previous year.

The larger departments, Children's Services and Adult Social Care and Health, have both seen a decrease in absence in Q1 and Q2; there has been a broad range of dedicated activities in order to support this including additional training sessions for managers to provide targeted support and coaching. The most significant increase is in Communities Economy and Transport (CET), due to short and long term absences. In order to address this, a report identifying employees/teams with the highest level of absence in CET has been run to explore any trends/hot spots that require HR intervention. It is positive to note that the absence rate in this department has decreased significantly in Q2.

Stress continues to be the primary driver for absence and targeted activities have included hosting wellbeing roadshows and raising awareness through yammer campaigns and newsletters. Funding has been secured from Public Health to train 80 members of staff as Mental Health First Aiders. This will form part of a dedicated campaign to promote being mentally healthy at work and to remove the stigma surrounding mental health.

Over 800 members of staff have now had an onsite health check; this check provides the employee with key health diagnostics and signposting to further support. The reduced sickness rate could indicate this has made a positive difference on supporting employees to be healthy at work.

**Revenue Budget Summary** – The 2018/19 Business Services net revenue budget is £22.3m including the £14.6m contribution to the Orbis budget (**ref iii**), and efficiency savings of £1.4m. Orbis services achieved £0.4m of the 2018/19 efficiencies last year, so the savings table shows the savings against the in-year savings target of £1m (**ref i**). The net budget has increased by £1.3m compared to the Medium Term Financial Plan as the Council's printing and franking budgets have been centralised into IT&D and Property respectively.

The Orbis operating budget now includes service delivery to BHCC and is in the final year of the initial three year programme to deliver £9.7m of efficiencies. Each partner contributes to the Orbis Operating Budget in proportion to their service delivery requirements, the contributions are currently 21%, 24% and 55% for BHCC, ESCC and SCC respectively. Services have delivered ongoing annual savings of £5.1m to date, and are implementing changes to deliver a further £4.6m of savings this year. Overall Orbis is on track to deliver its savings and some services are forecasting additional savings where they hold vacancies ahead of further efficiencies. As a result the ESCC contribution to the Orbis budget is likely to be £0.03m less than anticipated (**ref iii**).

The budgets managed by Orbis are likely to underspend by £0.03m, mainly due to a reduced contribution to the properties shared with other local district and boroughs (**ref ii**).

**Capital Programme Summary** – The 2018/19 capital budget is £34.1m and includes the £14.2m Schools Basic Need Programme (**ref vii**) and the £9.2m Building Improvements programme (**ref v**). The full year forecast variance is £3.2m. The basic need programme spend will be £1.8m higher than budgeted this year because this year's purchase of land for Hailsham Primary School expansion was profiled into 2019/20 (**ref vii**). A full review of the condition of buildings is underway, leading to delays of £1.0m to the building improvement programme (**ref v**). There is a saving to the cost of the mobile phone roll-out & Citrix renewal; however this is required in future years for further IT&D Strategy Implementation (**ref vi**). Lansdown Secure unit has slipped £3.2m due to delays on the procurement of the main contract (**ref viii**) and the agile project has slipped £0.3m (**ref iv**).

Performance Exceptions (See How to read this report for definition)								
Performance measure	Outturn 17/18	Target 18/19	18/19 RAG				Q2 18/19 outturn	Note Ref
			Q1	Q2	Q3	Q4		
There are no performance exceptions								

Savings exceptions (Projected - Red = will not be delivered but may be mitigated; Amber = on track to deliver but not in the year (& may be mitigated); Green = on track to deliver in the year)					
Service description	Q2 2018/19 (£'000)				Note ref
	Target	Achieved	Slipped	Unachieved	
Savings					
All planned savings	-	-	-	-	
Total Savings	1,046	1,046	0	0	i
Variations to Planned Savings					
	-	-	-	-	
	-	-	-	-	
Permanent Variations	0	0	0	0	
Total Permanent Savings & Variations	1,046	1,046	0	0	
	-	-	-	-	
	-	-	-	-	
Temporary Variations	0	0	0	0	
Total Savings with Variations	1,046	1,046	0	0	

The 2018/19 MTFP savings are £1.4m however £0.4m of this was achieved last year so the in-year target is £1m.

The table below represents the East Sussex 2018/19 Revenue Budget, and includes a line which is the contribution to Orbis Partnership. The second table shows the total Orbis Partnership 2018/19 Revenue Budget; of which East Sussex make a contribution to shared costs of 24%.

Revenue Budget										
Divisions	Planned (£000)			Q2 2018/19 (£000)						Note ref
				Projected outturn			(Over) / under spend			
	Gross	Income	Net	Gross	Income	Net	Gross	Income	Net	
Finance	2,534	(2,232)	303	2,519	(2,211)	308	15	(20)	(5)	
HR & OD	286	(451)	(165)	377	(542)	(165)	(92)	91	-	
IT & Digital	5,294	(3,028)	2,266	5,294	(3,029)	2,265	-	-	-	
Procurement	-	(80)	(80)	-	(80)	(80)	-	-	-	
Property	24,761	(19,461)	5,301	24,270	(19,004)	5,266	492	(457)	35	ii
Contribution to Orbis Partnership	14,646	-	14,646	14,619	-	14,619	27	-	27	
Total BSD	47,521	(25,251)	22,270	47,079	(24,866)	22,213	442	(386)	57	

Orbis Partnership Revenue Budget										
Divisions	Planned (£000)			Q2 2018/19 (£000)						Note ref
				Projected outturn			(Over) / under spend			
	Gross	Income	Net	Gross	Income	Net	Gross	Income	Net	
Business Operations	12,660	(6,177)	6,484	12,540	(6,177)	6,363	120	-	121	
Finance	12,713	(2,097)	10,615	12,645	(2,030)	10,615	68	(67)	-	
HR	7,658	(1,135)	6,523	7,791	(1,113)	6,678	(133)	(22)	(155)	
IT	22,988	(2,999)	19,989	22,988	(2,999)	19,989	-	-	-	
Management	2,333	-	2,333	2,118	-	2,118	215	-	215	
Procurement	5,679	(231)	5,448	5,153	(130)	5,023	526	(101)	425	
Property	12,655	(1,471)	11,184	12,883	(1,549)	11,334	(228)	78	(150)	
Total Orbis	76,686	(14,111)	62,576	76,118	(13,998)	62,120	568	(112)	456	
ESCC Contribution	0		14,646			14,619			27	iii

Capital programme										
Approved project	Total project – all years (£000)		2018/19							Note ref
			In year monitor Q2 (£000)				Analysis of variation (£000)			
	Budget	Projected	Budget	Actual to date	Projected 2018/19	Variation (over) / under budget	(Over) / under spend	Slippage to future year	Spend in advance	
SALIX Contract	3,868	3,868	369	350	369	-	-	-	-	
Property Agile Works	9,606	9,606	350	18	20	330	-	330	-	iv
Capital Building Improvements	84,373	84,373	9,209	2,770	8,209	1,000	-	1,000	-	v
Libraries Core Need	2,244	2,244	366	1	366	-	-	-	-	
IT & Digital Strategy Implementation	31,543	31,543	4,072	-	3,472	600	-	600	-	vi
Schools Basic Need	148,128	148,128	14,183	3,908	16,032	(1,849)	-	-	(1,849)	vii
Early Years	2,480	2,480	901	869	905	(4)		-	(4)	
Universal Infant Free School Meals	1,901	1,901	10	2	10	-	-	-	-	
Other Schools & CSD Projects	7,600	7,600	4,597	107	1,400	3,197	-	3,197	-	viii
Total BSD Gross	291,743	291,743	34,057	8,025	30,783	3,274	0	5,127	(1,853)	

## Children's Services – Q2 2018/19

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

#### **Summary of successes and achievements**

On 3 October 2018, the Duke and Duchess of Sussex visited the Council managed Joff Youth Centre, in Peacehaven, where they met with 50 young people gathered from youth groups around the county, including the Youth Cabinet. The couple discussed the issue of mental health with the young people and what can be done to promote good mental health. The young people were preparing for this year's Takeover Challenge Day, a national initiative which encourages organisations to give young people a role in real-life decision making, on 23 November. The theme in East Sussex this year is mental health and emotional wellbeing, with a focus on ways young people can help each other and themselves.

At key stage 2 we have seen an improvement in results that brings us broadly in line with the national outturn. The proportion of East Sussex pupils achieving the expected standard in reading, writing and maths (RWM) in academic year 2017/18 was 63.7% which is less than one percentage point below the national rate of 64.2% (based on provisional data). This is an improvement of 6.7% on academic year 2016/17 when East Sussex was five percentage points below the national average. There have been improvements in all three areas including maths which has been an area of focus. The percentage of disadvantaged pupils achieving the expected standard in RWM at key stage 2 has improved by 8.1% to 49.1% compared to 50.7% nationally. For pupils with Special Education Needs and Disability (SEND) there has been a 6.3% improvement to 21.8% compared to 23.6% nationally. The rate of improvement for all measures is greater than the national rate of improvement which is 4.1% for RWM combined, 4.8% for disadvantaged and 3.2% for SEN. This achievement for our schools and pupils means that we have more children better prepared to make a successful transition to secondary education.

Provisional 2018 results for the average Progress 8 figure for state funded schools in East Sussex is -0.02, in line with the national average, meeting the target for the year. Four schools are 'well above' the national average for this measure and another four are 'above'.

Using value based interviewing, which assesses practitioners' resilience and capacity to meet the challenges of front line work, we had a very positive round of recruitment and 29 newly qualified social workers joined children's services on 17 September. This means that most teams are fully staffed.

**Progress 8 score** – It is too early to accurately predict the outturn for the average Progress 8 score for Looked After Children (LAC) (**ref i**). Published provisional 2018 results from the Department of Education will be available at Q3.

**Attainment 8 score** – The target for the average Attainment 8 score for disadvantaged pupils has not been met (**ref ii**). The East Sussex figure and the national figure for this measure have both reduced in 2017/18 compared to 2016/17. However, the East Sussex figure declined by 1.0 compared to 0.5 for the national figure meaning that there is now a gap of 3.5.

A new school improvement board has been established to take forward the ongoing development of a school-led system of improvement from September 2018. The board will provide overall strategic leadership to the work of all secondary schools and help to bring greater coherence and impact to the range of improvement work happening across the county. The board will focus on key areas for improvement including the performance of disadvantaged pupils and will have five main functions:

- Set the strategic direction and priorities for improvement.
- Ensure all schools are receiving the right challenge and support to help them improve.
- Build capacity for school-to-school support.
- Commission additional resources and expertise to deliver on the priorities for improvement.
- Evaluate the impact of its work and report on progress.

In addition, the Hastings Opportunity Area and the Strategic School Improvement Fund (SSIF) projects in primary and secondary will bring additional resource to address performance in this priority area.

**Participation in education, training or employment with training** – The percentage of young people meeting the duty of Raising the Participation Age (RPA) by either participating in education, training or employment with training or undertaking re-engagement provision at academic age 16 (Year 12) and academic year 17 (Year 13) have both been reported as amber at Q2 (**ref iii & iv**). It is too early in the academic year to accurately report on these targets. Enrolment data is still being received from colleges and providers and, therefore, the situation of 17% of the cohort is currently not known. This will be reported at Q3.

**Revenue Budget Summary** – The £68.630m net budget is forecast to be overspent at year end by £3.270m (**ref ix**). This is an increase of £0.641m on the forecast position at Q1.

Within the overall position, £3.370m overspend is forecast within Early Help and Social Care (**ref vi**); this is a



deterioration of £0.408m from the Q1 position. This increase is primarily due to increased spend in Locality, where the forecast overspend increased by £0.344m. There have been increased costs associated with identifying and funding private sector accommodation for vulnerable families in East Sussex who have been identified as Intentionally Homeless by District & Borough Housing Departments, while we consider the family's housing options. There have also been additional costs for care placements. In addition, at this time of year we have an annual intake of newly qualified social workers, so staffing costs peak. We have anticipated and included in this forecast a reduction in staffing costs later in the year due to predicted turnover.

We continue to do all we can to manage rising demand and costs, and are increasingly looking at creative packages of support for children to remain at home, but with extensive support, in order to prevent them becoming Looked After and incurring expensive placement costs.

In addition we are currently spot purchasing placements for care leavers and vulnerable young people aged 16 and 17. A re-commissioning process is underway that will reduce placement costs, but this is a protracted process and is unlikely to be completed until May 2019. We are also working alongside District and Borough Councils to prevent families becoming intentionally homeless as far as possible and to identify alternative housing if that happens.

There also continues to be significant pressures in Looked After Children (LAC) and agency placements for children with complex needs.

Education and ISEND are forecasting an overspend of £0.586m (**ref vii**), a small increase of £0.103m from Q1. This increase reflects the continuing pressure on placements for disabled children within ISEND, £0.153m. This was partly mitigated by an underspend in Standards and Learning Effectiveness of £0.050m, achieved as a result of efficiencies and pay cost control.

Communication, Planning and Performance (**ref viii**) is forecasting an overspend of £0.318m for the year, an increase of £0.170m from the Q1 position. This is primarily due to an increase of £0.332m in the forecast costs of statutory Home to School transport for of pre 16 pupils, where there have been increases in both the numbers and cost of journeys above that expected from our modelling. Work is continuing to understand the increases and to identify any opportunities to reduce costs. These increases have been partly offset by £0.162m of increased income generation.

Within the above outturn position, £4.807m (**ref v**) of the £4.840m planned 2018/19 savings are forecast to be achieved or to slip but be mitigated by variations, £0.033m will slip and is not currently expected to be mitigated. These savings figures also include £0.773m of savings brought forward from 2017/18.

**Capital Programme Summary** – Spending for the year is on track and forecast to stay within budget. £0.250m for the Conquest Centre will slip into future years (**ref x**).



Performance exceptions (See How to read this report for definition)								
Performance measure	Outturn 17/18	Target 18/19	18/19 RAG				Q2 2018/19 outturn	Note Ref
			Q1	Q2	Q3	Q4		
Priority – Driving sustainable economic growth								
Average Progress 8 score for Looked after Children (LAC)	Ac year 2016/17 ESCC: - 0.87 Nat.: -1.18	Ac year 2017/18 0.05 points or less below the national average for LAC	G	A			To be reported at Q3	i
The average Attainment 8 score for disadvantaged pupils	Ac year 2016/17 ESCC: 34.1 Nat.: 37.1	Ac year 2017/18 No more than 3 points below the national average	G	R			Ac year 2017/18 ESCC: 33.1 Nat: 36.6	ii
The percentage of young people meeting the duty of Raising the Participation Age (RPA) by either participating in education, training or employment with training or undertaking re-engagement provision at academic age 16 (Year 12)	95%	93%	G	A			To be reported at Q3	iii
The percentage of young people meeting the duty of RPA by either participating in education, training or employment with training or undertaking re-engagement provision at academic age 17 (Year 13)	88%	86%	G	A			To be reported at Q3	iv

Savings exceptions (Projected - Red = will not be delivered but may be mitigated; Amber = on track to deliver but not in the year (& may be mitigated); Green = on track to deliver in the year)					
Service description	Q2 2018/19 (£'000)				Note ref
	Target	Achieved	Slipped	Unachieved	
<b>Savings</b>					
Support Services, including Admissions, Buzz and Music service	322	312	10	-	
Home to School Transport	567	567	-	-	
SWIFT and YOT	182	182	-	-	
LAC	740	-	-	740	
SLES	614	614	-	-	
ISEND and ESBAS	831	-	831	-	
Early Help	1,561	-	1,561	-	
Safeguarding and QA unit	23	-	23	-	
<b>Total Savings</b>	<b>4,840</b>	<b>1,675</b>	<b>2,425</b>	<b>740</b>	
<b>Variations to Planned Savings</b>					
LAC – Pressure Funding	-	740	-	(740)	
<b>Permanent Variations</b>	<b>0</b>	<b>740</b>	<b>0</b>	<b>(740)</b>	
<b>Total Permanent Savings &amp; Variations</b>	<b>4,840</b>	<b>2,415</b>	<b>2,425</b>	<b>0</b>	
ISEND and ESBAS grant	-	831	(831)	-	
Early Help – use of reserve approved at County Council Feb 2018	-	1,561	(1,561)	-	
<b>Temporary Variations</b>	<b>0</b>	<b>2,392</b>	<b>(2,392)</b>	<b>0</b>	
<b>Total Savings with Variations</b>	<b>4,840</b>	<b>4,807</b>	<b>33</b>	<b>0</b>	<b>v</b>

## Revenue budget

Divisions	Planned (£000)			Q2 2018/19 (£000)						Note ref
				Projected outturn			(Over) / under spend			
	Gross	Income	Net	Gross	Income	Net	Gross	Income	Net	
Central Resources	2,923	(2,575)	348	2,692	(3,348)	(656)	231	773	1,004	
Early Help and Social Care	56,979	(10,210)	46,769	62,503	(12,364)	50,139	(5,524)	2,154	(3,370)	vi
Education and ISEND	83,005	(8,358)	74,647	83,163	(7,930)	75,233	(158)	(428)	(586)	vii
Communication, Planning and Performance	19,415	(4,237)	15,178	20,069	(4,573)	15,496	(654)	336	(318)	viii
DSG non Schools	-	(68,312)	(68,312)		(68,312)	(68,312)	-	-	-	
Schools	158,161	(158,161)	-	158,161	(158,161)	-	-	-	-	
<b>Total Children's Services</b>	<b>320,483</b>	<b>(251,853)</b>	<b>68,630</b>	<b>326,588</b>	<b>(254,688)</b>	<b>71,900</b>	<b>(6,105)</b>	<b>2,835</b>	<b>(3,270)</b>	<b>ix</b>

## Capital programme

Approved project	Total project – all years (£000)		2018/19							Note ref
			In year monitor Q2 (£000)				Analysis of variation (£000)			
	Budget	Projected	Budget	Actual to date	Projected 2018/19	Variation (over) / under budget	(Over) / under spend	Slippage to future year	Spend in advance	
Family Contact	188	188	14	11	14	-	-	-	-	
House Adaptations for Disabled Children's Carers	1,468	1,468	145	68	145	-	-	-	-	
Schools Delegated Capital	13,311	13,311	852	146	852	-	-	-	-	
Exceat Canoe Barn Changing Rooms	24	24	2	2	2	-	-	-	-	
Conquest Centre	350	350	350		100	250	-	250	-	
Total CSD Gross	15,341	15,341	1,363	227	1,113	250	-	250	-	x

## Communities, Economy & Transport – Q2 2018/19

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

**Summary of successes and achievements** – Work on the town centre improvement scheme in Terminus Road in Eastbourne is progressing well. 82 carriageway asset improvements schemes were completed in Q2, to maintain and improve the condition of the county's roads. This is an increased number of schemes compared to Q1 and this is forecast to continue in Q3. Businesses were supported to create 62.75 jobs in Q2 through business support programmes. Locate East Sussex also assisted nine businesses to move into, or relocate within, the county. At the end of Q1 (reported a quarter in arrears) 7,906 premises had access to improved broadband speeds as part of our second contract of works, with 88% of premises in the intervention areas able to receive superfast speeds. Trading Standards provided six training workshops to businesses in Q2, with 80 delegates attending; there were also 65 positive interventions to protect vulnerable people, including visiting 52 victims of rogue trading or financial abuse, installing 12 call blockers to protect people from telephone scams, and one intervention from the rapid response team. Alongside partners we're currently seeking funding from the Cultural Development Fund to support the development of the Coastal Culture Trail; Hastings Borough Council submitted an expression of interest on behalf of the wider partnership and this has been approved for a full funding bid. 74 online learning courses were completed in our libraries in Q2, to help people get online and earn qualifications on topics including English, maths and ICT. Responses to Freedom Of Information requests are now being published on the Council's website.

**Newhaven Port Access Road** – Following approval of the business case by the Department for Transport (DfT) in August 2018, which released the remaining £10m funding for the project, the contract to build the road was awarded to BAM Nuttall. Construction started on 26 October 2018, and is scheduled to be complete in August 2020.

**Queensway Gateway Road** – Due to delays in the completion of the road, which is being managed by Seachange Sussex, it is proposed that the target for 2018/19 is amended to 'Complete the first phase of the road' (**ref i**). The delays are due to ongoing discussions on purchasing land, the relocation of Bartletts SEAT and the contract for construction.

**Employability and Skills** – The six established sector task groups have agreed a forward plan for actions for the academic year 2018/19. Over 80 Industry Champions have now been recruited, which doubles the number engaged since 2017/18. Over 50 businesses have signed up to take part in the Open Doors event in Q3, providing onsite visits to their premises for groups of students.

**Road Safety** – The trials of behaviour change initiatives, as part of the Council's £1m Road Safety scheme, began in Q2. These include the Notice of Intended Prosecution trial which involves simplifying and personalising the Notice of Intended Prosecution. In addition work has also continued to develop the trial for Operation Crackdown, which involves changing the letter sent to drivers reported through community speedwatch, with the aim of reducing subsequent speeding.

All the planned road safety route assessments for the year have been completed. Two infrastructure schemes to improve road safety have been completed, one in Cooksbridge and one in Ticehurst, while work is continuing to prepare schemes for the remaining routes.

The total number of KSI on our roads in the period April to June 2018 was 108, with five being fatalities. Of these 97 (four fatalities) occurred on county roads with 11 (one fatality) on the Trunk Road network. This is an 11.3% increase on the same period in 2017 when there were 97 KSIs.

**Libraries** – The teachers' library membership has been launched, allowing primary and special school teachers to borrow a number of books to help with students' education. The Library Service is continuing to provide outreach in children's centres, and we are working with Citizens Advice to support residents applying for Universal Credit.

**Revenue Budget Summary** – The net budget at Q2 is £62.206m and at this stage the budget is expected to be underspent by £163k. Of the savings target, £287k will slip into 2019/20 and will be mitigated by contributions from reserves and additional income (**ref ii**). The cost of departmental staff welfare and training is lower than expected (**ref iii**). The part year pre-closure costs of the seven closed libraries, mobile library, school library service and the requirement to hold a 90 day consultation on staff reductions has been offset by additional income from LearnDirect, the implementation of effective cost controls and energy savings at the Keep (**ref iv**). Income in the Registration Service for marriages is at the same level as last year, but will not achieve the increased income target; however this will be partially offset by a reduced forecast for the cost of the current scheme of road safety works (**ref v**). Waste disposal costs are over budget but are offset by the reduced cost of processing leachate at old landfill sites (**ref vi**).

**Capital Programme Summary** – The capital programme has a gross budget of £69.054m at Q2. There is currently slippage of £8.356m, spend in advance of £789k and an underspend of £289k. There are a number of Communities projects with small or residual remaining balances and it has been proposed that the programme is reduced by these amounts. Should any final payments be incurred these will be managed through the Capital Risk Provision and additional budgets approved via the variation process for these specific schemes. These schemes include; The Keep

(ref vii), Newhaven Library (ref viii), Southover Grange (ref ix), Library Refurbishment (ref x), Speed Management (ref xi), and Traveller sites (ref xii). The final account for dilapidations and potential loss of earnings claims at Hastings Library will result in some slippage (ref xiii). The review of the works undertaken by the Broadband contractor has identified a reduction in the costs for works completed in 2017/18, this will be utilised to augment Stage 3 of the programme (ref xiv). There is a delay in the settlement of Part 1 compensation claims and other land claims resulting from the Bexhill and Hastings Link Road project (ref xv). In spite of a good level of applications for Economic Intervention Fund Grants, monies can only be paid when applicant milestones are met and it is likely that not all payments can be made this year (ref xvi). Applications for the developing stalled business sites fund have been lower than anticipated this year (ref xvii). The Newhaven Port Access Road scheme was dependent upon receiving DfT funding approval. This was not received until late summer which has had implications on our ability to engage contractors and resulted in the scheme profile being revised (ref xviii). Not all of the new parking ticket machines will be installed this year, the remainder are scheduled for 2019/20 (ref xix). Previous staff shortages have been addressed and it is expected that progress on the Hastings and Bexhill Movement and Access package will now improve, with the majority of the works being delivered in 2019/20 (ref xx). Post construction landscape works have delayed completion of the Eastbourne/South Wealden Walking and Cycling scheme (ref xxi). In response to the consultation on the Hailsham/Polegate/Eastbourne Movement and Access Corridor, a breakdown in the design briefs has been requested which will impact on construction start dates, now expected in 2019/20 (ref xxii). Redesign due to groundwork issues has impacted on progress to the Terminus Road scheme (ref xxiii). The opportunity has arisen to accelerate spend on the A22/A27 scheme (ref xxiv). Previous staff shortages have now been addressed and it is expected the Other Integrated Transport Schemes will now make good progress (ref xxv). Ongoing research to identify the best options has resulted in a delay to the planning application for the Exceat Bridge (ref xxvi). The Queensway depot scheme is awaiting negotiation on the purchase of the bungalow (ref xxvii). The necessary viability assessment of using an alternate site for the Hailsham household waste site has delayed the start of the works (ref xxviii). There is the opportunity to complete additional bridge works and safety checks (ref xxix) and energy saving street lighting works (ref xxx) ahead of schedule.

Performance exceptions (See How to read this report for definition)								
Performance measure	Outturn 17/18	Target 18/19	18/19 RAG				Q2 2018/19 outturn	Note Ref
			Q1	Q2	Q3	Q4		
Priority – Driving supportable economic growth								
Work with Seachange Sussex to deliver major transport infrastructure – Queensway Gateway Road	Construction commenced	Amendment requested from: <del>Construction Complete</del> To: Complete the first phase of the road	A	AD			Construction of the 1st phase of the road up to the middle roundabout is scheduled to be complete in February 2019	i

Savings exceptions (Projected - Red = will not be delivered but may be mitigated; Amber = on track to deliver but not in the year (& may be mitigated); Green = on track to deliver in the year)					
Service description	Q2 2018/19 (£'000)				Note ref
	Target	Achieved	Slipped	Unachieved	
Savings					
Waste Disposal Service	558	558	-	-	
Waste	162	-	162	-	
Grass Cutting	400	400	-	-	
Review fees & charges across the Planning Service.	25	25	-	-	
Library and Information Service Transformation	125	125	-	-	
Library and Information Service Strategic Commissioning	653	528	125	-	
The Keep	19	19	-	-	
Total Savings	1,942	1,655	287	0	
Variations to Planned Savings					
	-	-	-	-	
Permanent Variations	0	0	0	0	
Total Permanent Savings & Variations	1,942	1,655	287	0	
Waste – use of reserve approved at County Council Feb 18	-	62	(62)	-	
Waste – Positive tonnage movements	-	100	(100)		
Libraries – use of reserve approved at County Council Feb 18	-	25	(25)	-	
Libraries – additional income	-	100	(100)	-	
Temporary Variations	0	287	(287)	0	
Total Savings with Variations	0	1,942	0	0	ii

## Revenue budget

Divisions	Planned (£000)			Q2 2018/19 (£000)						Note ref
				Projected outturn			(Over) / under spend			
	Gross	Income	Net	Gross	Income	Net	Gross	Income	Net	
Management and Support	2,901	(150)	2,751	2,892	(162)	2,730	9	12	21	iii
Customer and Library Services	7,085	(2,198)	4,887	7,193	(2,248)	4,945	(108)	50	(58)	iv
Communities	3,897	(2,413)	1,484	3,872	(2,508)	1,364	25	95	120	v
Transport & Operational Services	77,056	(40,231)	36,825	76,952	(40,207)	36,745	104	(24)	80	vi
Highways	16,566	(2,220)	14,346	16,656	(2,310)	14,346	(90)	90	-	
Economy	5,409	(4,311)	1,098	5,485	(4,387)	1,098	(76)	76	-	
Planning and Environment	2,873	(2,058)	815	3,226	(2,411)	815	(353)	353	-	
TOTAL CET	115,787	(53,581)	62,206	116,276	(54,233)	62,043	(489)	652	163	

## Capital programme

Approved project	Total project – all years (£000)		2018/19 (£000)							Note ref
			In year monitor Q2 (£000)				Analysis of variation (£000)			
	Budget	Projected	Budget	Actual to date	Projected 2018/19	Variation (over) / under budget	(Over) / under spend	Slippage to future year	Spend in advance	
The Keep	20,178	20,154	24	-	-	24	24	-	-	vii
Registration Ceremonies Website	30	30	22	8	22	-	-	-	-	
Newhaven Library	1,713	1,677	36	-	-	36	36	-	-	viii
Southover Grange	1,257	1,214	48	5	5	43	43	-	-	ix
Library Refurbishment	1,473	1,314	167	8	8	159	159	-	-	x
Speed Management	2,948	2,928	20	(65)	-	20	20	-	-	xi
Travellers Site Bridies Tan	1,347	1,340	7	-	-	7	7	-	-	xii
Hastings Library	9,503	9,503	645	106	335	310	-	310	-	xiii
Broadband	33,800	33,800	4,335	(3,152)	3,075	1,260	-	1,260	-	xiv
Bexhill and Hastings Link Road	126,247	126,247	2,912	(345)	1,555	1,357	-	1,357		xv
BHLR Complementary Measures	1,800	1,800	679	44	679	-	-	-	-	
Reshaping Uckfield Town Centre	2,500	2,500	13	-	13	-	-	-	-	
Economic Intervention Fund	9,791	9,791	1,549	142	908	641	-	641	-	xvi
Stalled Sites Fund	916	916	200	4	100	100	-	100	-	xvii
EDS Upgrading Empty Commercial Properties	500	500	200	50	200	-	-	-	-	
EDS Incubation Units	1,000	1,000	750	-	750	-	-	-	-	
North Bexhill Access Road	18,600	18,600	2,000	-	2,000	-	-	-	-	
Queensway Gateway Road	10,000	10,000	2,460	-	2,460	-	-	-	-	
East Sussex Strategic Growth Package	8,200	8,200	4,650	-	4,650	-	-	-	-	
LGF Business Case Development	196	196	166	10	166	-	-	-	-	
Newhaven Port Access Road	23,271	23,271	7,548	179	6,325	1,223	-	1,223	-	xviii
Real Time Passenger Information	2,728	2,728	301	24	301	-	-	-	-	

Capital programme										
Approved project	Total project – all years (£000)		2018/19 (£000)							Note ref
			In year monitor Q2 (£000)				Analysis of variation (£000)			
	Budget	Projected	Budget	Actual to date	Projected 2018/19	Variation (over) / under budget	(Over) / under spend	Slippage to future year	Spend in advance	
Parking Ticket Machine Renewal	1,700	1,700	1,150	-	1,042	108	-	108	-	xix
Hastings and Bexhill Movement & Access Package	9,643	9,643	1,913	68	1,038	875	-	875	-	xx
Eastbourne/South Wealden Walking & Cycling Package	7,450	7,450	805	138	693	112	-	112	-	xxi
Hailsham/Polegate/Eastbourne Movement & Access Corridor	2,350	2,350	600	15	224	376	-	376	-	xxii
Terminus Road Improvements	8,250	8,250	6,481	1,027	5,981	500	-	500	-	xxiii
Eastbourne Town Centre Movement & Access Package	3,000	3,000	-	-	-	-	-	-	-	
A22/A27 Junction Improvement Package	1,500	1,500	-	-	160	(160)	-	-	(160)	xxiv
Other Integrated Transport Schemes	37,101	37,101	3,037	763	2,791	246	-	246	-	xxv
Community Match Fund	1,500	1,500	200	132	200	-	-	-	-	
Exceat Bridge	2,633	2,633	447	4	370	77	-	77	-	xxvi
Queensway Depot Development	1,586	1,586	1,318	44	244	1,074	-	1,074	-	xxvii
Hailsham HWRS	97	97	97	-	-	97	-	97	-	xxviii
Core Programme - Highways Structural Maintenance	236,113	236,113	21,873	6,673	21,873	-	-	-	-	
Core Programme - Bridge Assessment Strengthening	13,310	13,310	1,000	339	1,285	(285)	-	-	(285)	xxix
Core Programme - Street Lighting - Life Expired Equipment	10,133	10,133	991	290	1335	(344)	-	-	(344)	xxx
Core Programme - Rights of Way	2,130	2,130	410	227	410	-	-	-	-	
Total CET	616,494	616,205	69,054	6,738	61,198	7,856	289	8,356	(789)	



## Governance – Q2 2018/19

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

**Reconciling Policy, Performance and Resources (RPPR)** – Cabinet, on 17 July 2018, agreed to the development of a Core Offer, which will detail the services the Council can realistically provide with the funding available, and a revised Medium Term Finance Plan (MTFP). The Government's Budget was announced on 29 October 2018; and the local government settlement announcement, due on 6 December 2018, will be for the fourth and final year of the four year financial settlement which was agreed in 2016/17. Implications of these will be considered as part of the RPPR process for 2019/20 onwards. The Annual Report, which highlights the Council's progress against our priorities in 2017/18, was published in September 2018. The draft Portfolio Plans for 2019/20 – 2021/22 will be reviewed by the new Scrutiny Committee RPPR Boards in December before publication in March.

**Transport for the South East (TfSE)** – TfSE has now received the £1m grant awarded by the Department for Transport to fund the development of its Transport Strategy. Following a competitive tendering exercise the contract was awarded to Steer/WSP.

At the Shadow Partnership Board meeting on 17 September 2018 a workshop took place to consider the legal powers that TfSE should seek as part of its Proposal to Government to secure statutory status. A Member working group has been established to advise the Shadow Partnership Board on the development of the proposal. Staff have been appointed to an interim staff structure that will provide the resources necessary to drive forward the Proposal to Government and the development of the Transport Strategy. The staff structure is to be funded from contributions raised from the constituent authorities. TfSE exhibited alongside the three other Sub-National Transport Bodies in a Regional Hub at Highways UK on 7 and 8 November 2018.

**Corporate Lobbying** – Throughout Q2 we continued to actively lobby Government with the assistance of our MPs for recognition of the distinctly challenging financial situation the Council faces and the need for transitional funding:

- The Leader of the Council met with one of James Brokenshire's (Secretary of State for the Ministry of Housing, Communities and Local Government (MHCLG)) Special Advisors in August to set out what the Council needs to manage local pressures and remain financially sustainable.
- Following the meeting, the Special Advisor visited East Sussex to understand more about the particular local conditions contributing to our funding deficit and to explore options for increasing funding for the Council.
- The Leader also met with Kelly Tolhurst, MP, Assistant Government Whip and Minister for Small Businesses – to brief her on the Council's financial situation.
- The Leader and Chief Executive continued to meet with local MPs regularly, to discuss local issues and explore all avenues available to make our case for additional funding to the Treasury. As a result, Matt Hancock (Secretary of State for Health and Social Care) will visit East Sussex to find out more about the work we are doing on health and social care integration and the significant demographic pressures we face.
- Chief Officers met with a number of senior civil servants to discuss emerging policy and its impact on East Sussex and raise awareness across Government of the need for additional funding for authorities like the Council.
- We continued to work with others in the sector to make the strongest case possible for additional funding for Local Government. For example, throughout the summer, working with the County Councils Network, we achieved national press coverage of the financial crisis facing all local authorities.
- We continued to refine our messages and review all opportunities for lobbying presented by national developments, including in Parliament.

**Supporting democracy** – During Q2 we supported 39 meetings, including: one County Council meeting; two Cabinet meetings; nine Lead Member meetings; eight Scrutiny Committees and Review Boards; and 19 other committees and panels. In addition, 68 school admission appeals were received (a slight increase on Q2 2017/18).

The number of unique page views on the dedicated Members' Intranet site in Q2 was 1,279.

Following the first meetings of the Council's new Scrutiny Committees, several potential Scrutiny Review topics have been progressed. Support has been provided for Members to undertake more detailed initial research in order to assist the development of key lines of enquiry and terms of reference for full Scrutiny Reviews. Indications are that the new Committees are generating a more varied work programme of Scrutiny Reviews, Reference Groups and agenda items, and an overall increase in Member engagement. In Q2, the Members' ongoing training programme focussed on support for the new scrutiny arrangements, including arranging topic specific briefings on request. Information on the full range of available training opportunities has been provided on the Members' Intranet.

The East Sussex School Appeals Service continues to be in demand, with additional schools approaching the team to take up the service. Additional development work is being undertaken on the team's digital appeal management system, with the goal of delivering both further efficiencies and improvements in customer service. Options for



providing the appeals management system to other local authorities are also being explored.

**Legal Services** – The Orbis Public Law (OPL) Interim Leadership Team have been collating and analysing data to give a thorough understanding of: the current staff resources and skill levels across OPL; work volumes, current and expected, including work type and complexity levels; and current working arrangements and systems. An assessment of practice and procedures is being carried out, identifying what we do well and what we don't, and we are looking at any gaps in resources, including workforce expertise and skills, particularly where external legal work is bought in. We will then start work on designing the structure of the service we are aiming to implement in 2019/20.

OPL is also creating a single version of its digital case management system, which is currently hosted separately by the four OPL partners. This will facilitate legal work files being shared between partners and over five years will deliver a combined saving of £68,572. OPL plans to have the single system in place for April 2019.

During Q2 we represented Trading Standards in the prosecution of a restaurant for serving a dessert containing nuts to a young boy with a severe nut allergy, causing him to be hospitalised. The Judge ordered the defendant to pay fines and costs totalling £2,159. We also represented Trading Standards in a counterfeit tobacco prosecution where the defendant was sentenced to 24 weeks custody suspended for 18 months and ordered to pay costs of £1,297.

We carried out two blue badge prosecutions, with fines and costs totalling £1,135; and 123 education prosecutions. We continued to defend civil claims received against the Council, including a claim for personal injury which was discontinued following our application that the claimant's case was fraudulent.

We completed four S106 Agreements, including a complex agreement for the Lower Hoddern Farm Development in Peacehaven which includes provision for affordable housing, as well as four S278 and two S38 Agreements. These secured contributions of £50,000 for the Council. During Q2 we collected debts totalling £179,923 and agreed repayment plans totalling a further £21,308.

We continued to advise and represent Children's Services in relation to vulnerable children both for pre-proceedings and court applications with the ultimate aim of keeping children with their families if it is safe to do so. A significant percentage of cases are able to conclude with placement with family and friends, supported by the local authority. The number of care proceedings court cases being issued has increased from 17 in Q1 to 28 in Q2.

During Q2 we had 15 contentious vulnerable adult cases and 32 Community Deprivation of Liberty Safeguards (DOLS) applications in the Court of Protection. Demand for DOLS applications remains high and we have worked with Adult Social Care (ASC) to design and develop a 'toolkit' to support ASC staff in preparing their DOLS cases.

**Coroner Services** – In Q2, on average 175 deaths per month were reported to the coroner, a slight decrease on previous months. 40% of these deaths required a post mortem, and 86 (16%) of these require an inquest. In the same period 57 inquests were closed.

The availability of pathologists is an ongoing risk; with visiting pathologists covering long term sickness at the Conquest hospital. The Council continues to work closely with the East Sussex Hospital Trust's Mortuary Managers and the Senior Coroner to manage the risk.

**Regulation of Investigatory Powers Act (RIPA)** – In Q2 there were no RIPA authorisations for directed surveillance.

**Local Government Ombudsman complaints** – 21 decisions were issued in Q2 and of these, seven were closed before a full investigation. The Ombudsman referred one of these seven back to the Council to conduct a Stage 3 Children's Services complaint. Of the 14 fully investigated, seven were closed with no fault and the following seven were closed with the complaint partly or fully upheld:

Adult Social Care (ASC) – Financial Assessment: The Council was at fault for failing to consider all of the complainant's housing costs when undertaking a financial assessment. We agreed to provide a written apology and to complete a financial reassessment, refunding any financial loss incurred as a result of the original assessment.

ASC – Financial Assessment: The Council was at fault for failing to properly consider disability related expenditure (DRE) during a financial assessment and for operating an inflexible DRE policy that required receipts, without room for discretion. We agreed to provide a written apology to the complainant, to undertake a further financial assessment, and to make payments of £750 to reimburse expenditure met from the household budget and for recognition of the time and trouble resulting from pursuing the complaint. We also agreed to review our policy and processes on DRE.

ASC – The Council was at fault for failing to provide sufficient information to enable the complainant to make a fully informed decision when her husband's nursing home closed and she had to find another suitable home. We agreed to reimburse £5,842 in fees that the complainant had paid and to apologise for any distress experienced.

Children's Services (CS) – Transport Assistance: The Council was at fault for failing to properly consider the safety of the walking route to school for the complainant's disabled son. We agreed to walk the route with the complainant in order to reassess its safety and have subsequently agreed to provide free school transport from September 2018 and to reimburse the complainant £1,250 of petrol costs.

CS – School Admissions: The Council was at fault for delegating to a school, the decision as to which year group a child should enter during an in-year admission – the Council should have made the decision. We agreed to issue an

apology and pay £700 compensation. We also agreed to review our processes for in-year admissions to ensure that we make a best interest decision in accordance with the Admissions Code where a parent makes a request for their child to be educated in a different year group.

**CS – Education Health and Care Plan (EHCP):** The Council was at fault for failing to manage the complainant's expectations when she anticipated an early transfer for her child to an EHCP and for not giving her formal notification of the EHCP transfer review meeting. We agreed to apologise for the distress caused by this, to review our processes and to consider issuing a formal notification of meetings to parents.

**CS – The Council was at fault for the way it handled a non-attendance referral,** when we were made aware of bullying allegations. This case was the subject of a public report which was considered by the Governance Committee on 26 June 2018. We have written to apologise for the distress caused.

**Effective publicity and campaigns** – A countywide campaign to increase recycling by 1% was launched in July in partnership with district councils (except Lewes), using social media adverts and posts to increase knowledge about the role a household can play in reducing waste. Results from this first phase showed the adverts had a reach of more than 140,000 people and there were 524 extra visits to the recycling web page than in Q1.

Eight new providers of supported lodgings for young adults have been recruited, and 11 more are in the pipeline, since the start of an integrated marketing campaign. The campaign included local media and magazines, bus stop adverts, radio, and social media, and resulted in almost 6,000 visits to the supported lodgings webpage.

**Media work** – The press office dealt with 246 media enquiries during Q2 and there were 618 media stories about the Council, 455 of which were positive or neutral. We issued 35 press releases, which resulted in 128 media stories.

**Web activity** – A new website, Your East Sussex, saw 10,000 new users by August and helped to add 516 new subscribers to our digital newsletter for residents. Engagement with the newsletter was also high with an open rate of 59% and a click rate of 24% (10% is considered a good click rate for newsletters). Together the website and newsletter are part of the digital replacement of the printed Your County magazine, which has been discontinued.

**Third Sector support** – During Q2 3VA worked with Library Services to deliver an information day for five community libraries, who have said they would like to set up a virtual network to support each other.

SpeakUp is working to consolidate mechanisms for better connecting the locality/community networks, priority themes and areas of work from the eight networks. SpeakUp and East Sussex Better Together (ESBT) colleagues have finalised production of a joint "collaboration toolkit" to be rolled out across the county over the next few months. The toolkit aims to help partners navigate the governance and partnerships that help to deliver ESBT objectives, so that all organisations that play a part in the health and care system can contribute effectively.

The process for procuring a Civic Crowd Funding Platform provider has been completed and we hope to announce the preferred bidder in Q3. The first meeting of the Advisory Group took place in September, with the group agreeing to work with the new provider once the contract has been signed.

**South East 7 (SE7)** – Work in Q2 concentrated on establishing a list of priority areas for the SE7 to focus its future lobbying and representative work. The priorities (delivering continued sustainable economic growth in the South East, fair funding and building a society that works for all people of all ages) were reported to the October SE7 Leaders' Board meeting where they were agreed and will inform the partnership's work going forward.

Further preparation for the partnership's meeting with Lord Henley, Minister for Local Industrial Strategies, also took place in Q2. The meeting, in mid-October, will be an opportunity to set out the SE7 authorities' track record on delivering local growth and what more could be achieved with targeted support from the Minister and his Department. The SE7 Chief Executives' Group continue to meet regularly and senior civil servants from the MHCLG attended the September meeting to consider a range of topics including the steps the Ministry can take to secure the financial sustainability of local authorities.

**World War 1 (WW1) commemorations** – In Q2, 17,806 users viewed the East Sussex First World War website 30,417 times. This was a 44% increase in users and a 38% increase in views on Q2 2017/18.

The fourth and final Victoria Cross commemorative paving stone, dedicated to local soldier Private Claude Nunney VC, was unveiled by the Lord Lieutenant of East Sussex at the Hastings War Memorial in Alexandra Park on 2 September 2018. Just under 100 guests attended the unveiling ceremony, organised by the project, in partnership with Hastings Borough Council, including family descendants, representatives of the Canadian High Commission, veterans associations and local civic dignitaries. There was significant local press coverage of the ceremony.

We added eight new stories to our website in Q2, including one on Claude Nunney VC and one on the final months of the First World War. We also celebrated our four year anniversary and in addition to publishing our anniversary story summarising the project's achievements in the past year, we published the remaining local WW1 newspaper editions digitised by the project. The website has now published 255 stories and events, with 65% submitted by the public.

With the end of the First World War centenary approaching the project has begun to wind down, with the website and Twitter continuing to operate semi-actively until the end of November 2018. Plans are also underway to archive the

website and the wealth of resources that have been contributed by the public over the last four years.

**Health and Wellbeing Board (HWB)** – The HWB completed a questionnaire on the review of the board over the summer and a workshop was held on 12 October 2018, with board members and other interested parties, to discuss practical ways to make the HWB more successful. A set of proposals will be shared with the group at the December HWB based on the commentary at the workshop.

**Revenue budget summary** – The net budget of £7.217m is expected to underspend by £100k. In Corporate Governance this is mainly due to staff vacancies (**ref i**). In Corporate Support there is additional income (**ref ii**).

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

Performance measure	Outturn 17/18	Target 18/19	18/19 RAG				2018/19 outturn	Note ref
			Q1	Q2	Q3	Q4		
There are no Council Plan targets								

## Savings exceptions

(Projected - Red = will not be delivered but may be mitigated; Amber = on track to deliver but not in the year (& may be mitigated); Green = on track to deliver in the year)

Service description	Q2 2018/19 (£'000)				Note ref
	Target	Achieved	Slipped	Unachieved	
<b>Savings</b>					
Communications	54	54	-	-	
3rd Sector	30	30	-	-	
Legal Services (slippage from previous year)	25	25	-	-	
<b>Total Savings</b>	<b>109</b>	<b>109</b>	<b>0</b>	<b>0</b>	
<b>Variations to Planned Savings</b>					
	-	-	-	-	
<b>Permanent Variations</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Total Permanent Savings &amp; Variations</b>	<b>109</b>	<b>109</b>	<b>0</b>	<b>0</b>	
	-	-	-	-	
<b>Temporary Variations</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Total Savings with Variations</b>	<b>109</b>	<b>109</b>	<b>0</b>	<b>0</b>	

## Revenue budget

Divisions	Planned (£000)			Q2 2018/19 (£000)						Note ref
				Projected outturn			(Over) / under spend			
	Gross	Income	Net	Gross	Income	Net	Gross	Income	Net	
Corporate Governance	5,213	(669)	4,544	5,168	(672)	4,496	45	3	48	i
Corporate Support	2,939	(266)	2,673	3,099	(478)	2,621	(160)	212	52	ii
<b>Total Governance</b>	<b>8,152</b>	<b>(935)</b>	<b>7,217</b>	<b>8,267</b>	<b>(1,150)</b>	<b>7,117</b>	<b>(115)</b>	<b>215</b>	<b>100</b>	

## Capital programme

[illegible]

Strategic Risk Register – Q2 2018/19		
Ref	Strategic Risks	Risk Control / Response and Post Mitigation RAG score
12	<p><b>CYBER ATTACK</b></p> <p>The National Cyber Security Centre (NCSC) has highlighted the substantial risk to British web infrastructure with elevated levels of Cyber Crime being reported against all areas of government. Cyber-attacks often include multi vector attacks featuring internet based, social engineering and targeted exploits against hardware, software and personnel. The remote nature of the internet makes this an international issue and an inevitable risk. Examples of the impact of a Cyber Attack include:</p> <ul style="list-style-type: none"> <li>• Financial fraud related to phishing of executives and finance staff;</li> <li>• Loss of Personally Identifiable Information and subsequent fines from Information Commissioner's Office (4% of global revenue under the new General Data Protection Regulations);</li> <li>• Total loss of access to systems that could lead to threat to life.</li> </ul> <p>A successful cyber-attack can shut down operations - not just for a few hours, but rather for multiple days and weeks. The collateral damage, such as information leaks and reputational damage can continue for much longer. Added to that, backup systems, applications and data may also be infected and therefore, of little usable value during response and recovery operations - they may need to be cleansed before they can be used for recovery. This takes time and consumes skilled resources reducing capacity available to operate the usual services that keep the Council working.</p>	<p>Most attacks leverage software flaws and gaps in boundary defences. Keeping software up to date with regular patching regimes; continually monitoring evolving threats and re-evaluating the ability of our toolset to provide adequate defence'. Ongoing discussion and communication with the Info Sec industry to find the most suitable tools and systems to secure our infrastructure.</p> <p>Expanding Security Information and Event Management (SIEM) system capabilities to align with SCC and leverage latest standards of automation, detection and prevention.</p> <p>Development of "Security Advocates". Trained staff that can cascade and share cyber security insights and highlight potential issues into the workforce. Promoting a visible approachable business based security team;</p> <p>Enhancing user awareness - Expanding E-Learning and policy delivery mechanisms to cover Cyber threat, educating staff around the techniques and methods used by active threats. With 77% of all malware installed via email, users to be given learning experiences of phishing at point of use in a safe and secure environment;</p> <p>Providing GDPR training and workshops to cascade vital skills and information to those affected by new Data Protection laws;</p> <p>ESCC servers moved to the Orbis Primary Data Centre for resilience – An accredited Tier 3 environment certified to these standards:</p> <ul style="list-style-type: none"> <li>• ISO 27001 - IT Governance and Information Security Management</li> <li>• ISO 9001 - Quality Standard in Customer Service, Customer Processes, Product Process and Service, Efficiency and Continuous Improvement</li> <li>• ISO 14001 - Environmental Management and Best Practices for Corporate Environmental Responsibility.</li> </ul> <p>Disaster Recovery services now to similarly be relocated to a Tier 3 Data Centre environment (Orbis Secondary Data Centre in Guildford).</p>

R

Strategic Risk Register – Q2 2018/19			
Ref	Strategic Risks	Risk Control / Response and Post Mitigation RAG score	
4	<p><b>HEALTH</b></p> <p>Failure to secure maximum value from partnership working with the NHS. If not achieved, there will be impact on social care, public health and health outcomes and increased social care cost pressures. This would add pressures on the Council's budget and/or risks to other Council objectives.</p>	<p>Implementation of East Sussex Better Together Programme by ESCC and Hastings and Rother CCG and Eastbourne, Hailsham and Seaford CCGs to transform health and social care in the county and deliver the Better Care Fund plan to improve outcomes for East Sussex residents, with robust governance arrangements reporting to County Council and Health and Wellbeing Board. In High Weald Lewes Havens the Connecting 4 You Programme has now been established to improve health and social care outcomes for residents. NHS England has applied formal directions to both NHS Hastings and Rother CCG and NHS Eastbourne, Hailsham and Seaford CCG which require them to develop and implement a financial recovery plan that contributes to achieving financial balance across the whole East Sussex system and ensures services are clinically sustainable as well as financially so. Leadership capacity, governance and wider capacity and capability of the CCGs will also be reviewed. Financial recovery will therefore be the focus of CCG and partnership attention for the rest of the financial year. The ambition of ESBT remains the same, however the pace of change will inevitably slow due to the need to achieve financial balance.</p>	R
5	<p><b>RECONCILING POLICY, PERFORMANCE &amp; RESOURCE</b></p> <p>Failure to plan and implement a strategic corporate response to resource reductions, demographic change, and regional economic challenges in order to ensure continued delivery of services to the local community.</p>	<p>We employ a robust Reconciling Policy, Performance and Resources (RPPR) process for business planning. We have adopted a commissioning approach which means evaluating need and considering all methods of service delivery, which includes working with partner organisations to deliver services and manage demand. The Council Plan sets out targets for a 'One Council' approach to deliver our priorities and is monitored quarterly. The plans take account of known risks and pressures, including demographic changes and financial risks, to design mechanisms to deliver the Council's priorities. Central Government's plans for the future funding of local government services remain undeveloped. It is prudent therefore to continue to plan on the basis of current assumptions.</p>	R

Strategic Risk Register – Q2 2018/19		
Ref	Strategic Risks	Risk Control / Response and Post Mitigation RAG score
7	<p><b>SCHOOLS</b></p> <p>Failure to manage the expected significant reduction in resources for school improvement from 2017/18 and the potential impacts of changing government policy on education, leading to reduced outcomes for children, poor Ofsted reports and reputational damage</p>	<ul style="list-style-type: none"> <li>• Work closely with schools to build a sustainable system across East Sussex, in order to ensure that the capacity and expertise is available to provide oversight of educational performance and to offer appropriate support and challenge where it is required.</li> <li>• Provide an opportunity for every school to be part of a local Education Improvement Partnership to support their ongoing improvement and for all partnerships to develop to the point where they provide a sustainable network through which all schools and other providers take responsibility for improvement in their local area.</li> <li>• Continue to develop commissioning model of school improvement including reviewing the level of trading by SLES to ascertain what is sustainable within reducing capacity and to identify core services that can be traded.</li> <li>• Continue to build relationships with academies and sponsors, including the Diocese of Chichester, ensure a dialogue about school performance, including data sharing.</li> <li>• Work with academies and maintained schools through the Education Improvement Partnerships to develop system leadership, school to school support and to broker partnerships to reduce pressure on SLES services.</li> <li>• Broker support to academies to address any performance concerns and investigate the feasibility of trading some LA school improvement services with all schools on a full cost recovery basis.</li> <li>• Where academies do not appear to be accessing appropriate support, bring this to the attention of the DfES, who may exercise their intervention powers.</li> <li>• Work with the Regional Schools Commissioner to ensure the work of the RSC and the LA is aligned and that schools have the support they need.</li> <li>• Review SLES activity in relation to our statutory responsibilities.</li> </ul>

R

Strategic Risk Register – Q2 2018/19			
Ref	Strategic Risks	Risk Control / Response and Post Mitigation RAG score	
1	<p><b>ROADS</b></p> <p>Wet winter weather, over recent years has caused significant damage to many of the county's roads, adding to the backlog of maintenance in the County Council's Asset Plan, and increasing the risk to the Council's ability to stem the rate of deterioration and maintain road condition.</p>	<p>The additional capital maintenance funding approved by Cabinet in recent years has enabled us to stabilise the rate of deterioration in the carriageway network and improve the condition of our principle road network. However a large backlog of maintenance still exists and is addressed on a priority basis.</p> <p>The County Council's asset management approach to highway maintenance is maintaining the overall condition of roads, despite recent year's winter weather. However, severe winter weather continues to be a significant risk with the potential to have significant impact on the highway network. The recently approved five year capital programme for carriageways 2018/19 to 2022/23, and the six year additional capital programme for drainage and footways 2017/18 to 2022/23 provide the ability to continue to improve condition and build resilience into the network for future winter events.</p> <p>The past winter (2017/18) has been more severe than previous years. We gritted 52,584 km last year and gritted over 98,000 km this year. There were also two periods of snowfall this year. Whilst this was managed well it has led to an increase in carriageway potholes, which will put some additional pressure on the revenue budget as a result.</p> <p>Changes to the grass cutting policy could have an impact on the efficiency of the drainage system, with more material in the drains if it is not managed effectively.</p>	A
13	<p><b>DEDICATED SCHOOLS GRANT</b></p> <p>Failure to manage the loss of flexibility in the allocation of the Dedicated Schools Grant and High Needs (HN) Block funding and the potential increased risk to the Council's budget.</p>	<p>The County Council has agreed an approach to mitigate and fund DSG reductions.</p> <p>Through the RPPR process, and building on previous work to offset DSG reductions, funding to offset expected reductions to the highest risk areas has been planned over the next 3 years.</p> <p>For HN block in particular, a significant amount of work has been undertaken, working with schools, to reduce the pressure in this area. The funding of DSG reductions as described above, will also help with this.</p> <p>The on-going RPPR process will continue to part-mitigate this risk.</p>	A



Strategic Risk Register – Q2 2018/19			
Ref	Strategic Risks	Risk Control / Response and Post Mitigation RAG score	
8	<b>CAPITAL PROGRAMME</b> As a result of current austerity, the capital programme has been produced to support basic need only and as a result of this there is no resource for other investment that may benefit the County e.g. that may generate economic growth. Additionally there is a risk, due to the complexity of formulas and factors that impact upon them, or changes in these, that the estimated Government Grants, which fund part of the programme, are significantly reduced. There is also a risk that the move from S106 contributions to Community Infrastructure Levy will mean that Council has reduced funding from this source as bids have to be made to Districts and Boroughs. Slippage continues to occur within the programme, which has an impact on the effective use of limited resources.	Governance arrangements have been reviewed and developed with Property for the delivery of Schools Basic Need and capital property works in support of the robust programme delivery of the basic need programme. The Education Sub Board, which in part focuses on future need for schools places, continues to inform the Capital Strategic Asset Board of key risks and issues within the School Basic Need Programme. Regular scrutiny by the Capital Strategic Asset Board, of programme and project profiles (both in year and across the life of the programme) occurs on a quarterly basis. Financial regulations have been updated to reflect the revised governance arrangements. The Board also proactively supports the seeking and management of all sources of capital funding, including; grants, S106, CIL, Local Growth Fund and European grants. A working group has been set up to develop the process for bidding for CIL and work continues with Districts and Boroughs to maximise the Council's receipt of this limited resource. There continues to be Finance representation at the cross departmental Local Growth Fund Oversight group.  A review is underway to strengthen capital programme reporting and project profiling with a view to driving down the amount of slippage within the capital programme. Actions from this review will be implemented across Q2 and Q3.	A
9	<b>WORKFORCE</b> Stress and mental health are currently the top two reasons for sickness absence across the Council, potentially leading to reduced staff wellbeing, reduced service resilience, inability to deliver efficient service and / or reputational issues.	The 2018/19 Q1+2 sickness absence outturn for the whole authority (excluding schools) is 3.97 days lost per FTE, a decrease of 4.3% since the same period last year.  Although stress/mental health remains the primary reason for absence during Q1+2, time lost due to stress/mental health during this period fell by 16.2% compared to Q1+2 last year.  A range of initiatives to address stress/mental health absences have been implemented, including: • Funding has been agreed to train 80 Mental Health First Aiders across the organisation. • Managers 'Mental Health Awareness' workshops have now been introduced as part of the corporate training programme. • the Return to Work forms are being developed to include more guidance for managers on mental health conditions • In addition, targeted training sessions from HR, OH and Firstcare have been ongoing in order to provide guidance for managers with high level of stress in their teams.	A
10	<b>RECRUITMENT</b> Inability to attract high calibre candidates, leading to limited recruitment choices and therefore lack of the expertise, capacity, leadership and/or innovation required to deliver services and service transformation.	An analysis of our current workforce demographics and recruitment and retention 'hotspots' has been completed and is being considered by CMT. Recommendations include establishing a short life task and finish group to specifically identify proposals for future attraction and engagement strategies in the context of the developing core offer and future workforce therefore required.  In addition, a new staff benefits platform, 'My Staff Shop', launched in September 2018; the Relocation Scheme has been updated to be in line with the market and a new e-Recruitment system is due to be implemented during the early part of 2019.	A



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6	<p><b>LOCAL ECONOMIC GROWTH</b></p> <p>Failure to deliver local economic growth, and failure to maximise opportunities afforded by Government proposal to allocate Local Growth Funding to South East Local Enterprise Partnership, creating adverse reputational and financial impacts.</p>	<p>The County Council and its partners have been successful in securing significant amounts of growth funding totalling £110m, via both the South East and Coast 2 Capital Local Enterprise Partnerships, to deliver a wide range of infrastructure projects in East Sussex. We have also secured outgoing EU funding for complementary economic development programmes supporting businesses to grow, including South East Business Boost, LoCASE, SECCADS and inward investment services for the county.</p> <p>The County Council is working with Wealden DC and developing a business case to secure Housing Infrastructure Funding (HIF) of approximately £30m. It will be submitted by March 2019. The aim is to accelerate housing development in Wealden, with the proposal if successful helping to unlock significant funding for county transport and school infrastructure improvements in one of our key Growth Corridors. The business case will also include an environmental mitigation package in recognition of the impact on the Ashdown Forest.</p> <p>Government is working on a new Shared Prosperity Fund, which seeks to combine growth funding and outgoing EU funding into one, and as a consequence we are working with partners to develop a pipeline of projects to ensure we are well-placed to capitalise when the fund is released, and calls for projects are issued.</p> <p>Government has also instigated a review of LEPs across the country, and we have contributed to the SE LEP response to Government to ask that the current SE LEP geography be retained.</p>	G