

Appendix 1 - MTFP Movements

Movement since State of the County	Ref	2020/21 Estimate £million	2021/22 Estimate £million	2022/23 Estimate £million	Total Estimate £million
State of the County, Cabinet 16 July 2019 DEFICIT/(SURPLUS) - excluding savings		20.418	5.470	8.532	34.420
Add back Savings 2020/21-2021/22	A	(5.208)	(1.972)		(7.180)
State of the County, Cabinet 16 July 2019 DEFICIT/(SURPLUS) - after savings		15.210	3.498	8.532	27.240
UPDATES TO THE MTFP					
Pressures added to the MTFP					
Pay Award Inflation increase to 2.5% for 2020/21	B	0.658	0.714	0.769	2.141
Update of staff data	C	0.500	0.010	0.011	0.521
Children's Services Structural Pressure (LAC)	D	4.900	2.500		7.400
Total Pressures added to the MTFP		6.058	3.244	0.780	10.062
REVISED DEFICIT/(SURPLUS)		21.268	6.722	9.312	37.302
Spending Round Funding					
Improved Better Care Fund: Supplementary amount roll in	E	(3.649)			(3.649)
Improved Better Care Fund: Winter Pressures roll in (after specific use in 20/21)	F		(2.586)		(2.586)
Social Care Grant 2020-21: Social Care Support Grant (one-off)	G	(4.417)	4.417		0.000
Social Care Grant 2020-21: New Funding (one-off)	H	(10.213)	10.213		0.000
SEND High Needs Block Additional funding ¹ (one-off)	I	(1.276)	1.276		0.000
Revenue Support Grant (RSG) additional inflation	J	(1.526)	(0.088)	1.005	(0.609)
Total Spending Round Funding		(21.081)	13.232	1.005	(6.844)
Other Changes					
Business Rates adjustment	K	(0.616)	0.701	0.002	0.087
Council Tax normal adjustment e.g. growth	L	0.292	0.302	0.329	0.923
Adult Social Care Precept	M	(5.814)	(0.175)	(0.180)	(6.169)
General Contingency	N	0.060			0.060
Children's Services Pressure Dedicated Schools Grant reprofile	O	(0.422)	0.422		0.000
Total Other Changes		(6.500)	1.250	0.151	(5.099)
DEFICIT/(SURPLUS) AFTER UPDATES TO THE MTFP		(6.313)	21.204	10.468	25.359

¹ The estimated one-off allocation is £5.8m in 2020/21; until permitted use is known, £1.276m has been allocated to offset SEND pressures already included in the MTFP in 2020/21. Noting that there are further pressures in the MTFP for 2021/22 and 2022/23 which cumulatively total £6.318m

Appendix 2 - Options for the use of one-off funding

Description	Ref	£m			
		2020/21	2021/22	2022/23	Total
<i>Revised MTFP - current position</i>	<i>P</i>	<i>(6.313)</i>	<i>21.204</i>	<i>10.468</i>	<i>25.359</i>
ONE-OFF FUNDING REQUESTED					
Reprofile of savings in base budget:					
CSD - total Safeguarding savings	Q	0.586			0.586
CSD - family key worker element of Early Help savings	R	0.981			0.981
CET - part of Libraries savings	S		0.288		0.288
Subtotal reprofile of savings		1.567	0.288	0	1.855
Revenue:					
ASC - Assessment & Care Management journey	T	0.226	0.226		0.452
ASC - Behavioural Insight across the health and social care system	U	0.250	0.250		0.500
ASC - Bedded Care	V	0.359	0.300	0.196	0.855
ASC - Home Care Commissioning	W	0.110			0.110
ASC/CS - Accommodation and Floating Support	X	0.978	0.582	0.160	1.720
ASC/CS – IT Care Management System	Y	0.165	0.048	0.048	0.261
CS - No Wrong Door model (support for vulnerable adolescents)	Z	1.125	1.125	1.125	3.375
CS - Family Group Conferencing expansion	AA	0.350			0.350
Subtotal revenue		3.563	2.531	1.529	7.623
Capital:					
CET - Economic Development	AB	1.000			1.000
CS - Disability Children's Homes	AC	0.242			0.242
CET - Highways Works Programme Management	AD	2.000			2.000
Subtotal capital		3.242	0.000	0.000	3.242
TOTAL ONE-OFF FUNDING REQUESTED		8.372	2.819	1.529	12.720

Appendix 3

MTFP Assumptions and Information

A Savings

Savings identified as part of the Core Offer work undertaken by CMT and Services during 2019/20 RPPR. Further work has been undertaken to confirm the deliverability of these savings and, at this point in time and subject to ongoing consultations, all identified savings are expected to be delivered in-year. Noting that some departments have submitted options to reprofile certain savings – these are detailed at Appendix 2. A breakdown by department is shown below; subject to update should any reprofiling be approved:

	Approved Savings at Council Feb 19		
	2020/21 £m	2021/22 £m	Total £m
Communities, Economy & Transport	1.462	0.917	2.379
Children's Services	2.337	0.268	2.605
Adult Social Care	0.248	0.000	0.248
Business Services / Orbis	1.161	0.787	1.948
Total Departments	5.208	1.972	7.180

B Pay Award

The service inflation model has been updated for a 2.5% pay award; this will be subject to any union pay claim and the negotiated offer. National pay settlements for the public sector are running at 2.5% and above. A further 0.5% to increase the award to 3% annually would be in the region of £0.7m per annum.

C Rebase of Staff Data

Current estimates have been updated for rebased staff data and known changes to Teachers and Soulbury pay scales.

D Children's Services Structural Pressure (LAC)

Quarter 1 Monitoring showed structural pressure within Children's Services relating to Looked After Children (LAC). Principally due to the increases continuing from 2018/19 in agency placements for LAC with complex needs and an increasing number of semi-independent placements as children get older. There is also an emerging pressure around Unaccompanied Asylum Seekers reaching the age of 18 where costs are greater than the Government subsidy received.

E Improved Better Care Fund (IBCF) – Supplementary

It was announced in the technical consultation that Supplementary IBCF and Winter Pressures have been rolled into Better Care Fund (BCF). Therefore it is assumed that this is ongoing funding, whilst Government is still to confirm its status. This is because its removal would be a significant change in resources (and therefore this remains a risk). Inflation continues to be modelled at zero for the funding; this may change in future years.

F IBCF – Winter Pressures roll in

As stated at para E, Supplementary IBCF and Winter Pressures have been rolled into Better Care Fund (BCF). Use of Winter Pressures has already been agreed for 2020/21, consideration should be given around options for its use in future years.

G Social Care Support Grant

This grant was introduced for 2019/20 and will continue for 2020/21, resulting in an additional £4.4m. This has been merged with the Adult and Children's Social Care Grant.

H Adult and Children's Social Care Grant

The Spending Round announced a new £1bn funding for Social Care grants. The technical consultation, published on 3rd October 2019, suggests that the preferred distribution methodology is based on the current ASC relative needs formula, adjusted for presumed use of the ASC Precept. This results in additional one-off funding of £10.2m.

I SEND High Needs Block additional funding

Funding of £700m for SEND will be distributed as part of the high needs block. Based on current distributions this could result in an additional £5.8m for the Council, which could offset the current MTFP pressure and potential future years' pressures. However, the amount, distribution method and permitted use for this funding have yet to be confirmed.

J Adjustment to Revenue Support Grant (RSG)

The Spending Round announced £300m uprating of the core settlement. In the technical consultation more detail has been provided around the formula for distribution of this; Government is proposing to add inflation nationally to the Spending Formula Assessment and not just to authorities with negative RSG, resulting in a fairer distribution of resources nationally. This has been one of the ESCC's lobbying points, and will result in an extra £1.5m for the Council in 2020/21. The assumption thereafter is that RSG decline will have shifted on a year but be at the same rate as previously reported; ahead of any reform.

K Business Rates

Business rates have been updated for the latest information from Districts and Boroughs, which suggests the risk of a deficit occurring on the collection fund as a result of the pilot have not materialised.

L Council Tax normal adjustment

The previous estimated growth of 1.1% has been reduced to 1.0% given the lower than expected outturn in 2018/19 and estimates of growth provided by LG Futures showing a decline.

M Adult Social Care Precept

Announced in the Spending Round was the option to raise £0.5bn by way of a 2% Adult Social Care Precept. This will be consulted on through the Local Government settlement. As stated at paragraph H, the presumption is that Councils will apply the precept, as the distribution of the Adult and Children's Social Care Grant has been adjusted for this.

N General Contingency

The general contingency is currently set at 1% of net budget less treasury management, and has been updated to reflect changes in the MTFP since State of the County.

O Children's Services Dedicated Schools Grant reprofile

Use of the grant has been reprofiled, and reduces in 2020/21; the balance of £0.422m has been slipped to 2021/22.

Summary of Options for the Use of One-off Funding

P Hold 2020/21 surplus for future years

Given the level of uncertainty for future years' funding; other pressures arising through the pressures protocol that are yet to be assessed for inclusion in the MTFP; and the impact of decisions that are yet to be made regarding capital investment requirements, the surplus funding could be used to mitigate these risks. In effect the surplus would be held in reserve until there is more certainty around future funding.

Q One-off funding: CS reprofile of safeguarding savings (£0.586m in 2020/21)

Reprofile the entirety of Safeguarding savings from 2020/21 to 2021/22. This would allow a more cost effective response and a greater capacity to manage demand and mean fewer children will become subject to Child Protection Plans or not enter (or stay for less time in) the care system.

R One-off funding: CS reprofile of family key worker savings (£0.981m in 2020/21)

Reprofile the key worker element of Early Help savings (£0.981m out of total savings of £2.610m) from 2020/21 to 2021/22. Delaying level three key work savings would enable the department to preserve the capacity of early help teams to divert referrals away from social care. What this means in operational terms is that we will be able to recruit key workers to posts that have been held vacant to avoid the need for compulsory redundancies during the Early Help Review.

S One-off funding: CET reprofile of libraries savings (£0.288m in 2021/22)

Reprofile part of the Libraries savings (£0.288m out of £0.528m) from 2021/22 to 2022/23. This would still deliver £0.240m of savings in 2021/22, to allow for a comprehensive review of the strategic library commissioning strategy and allow a phased approach to the review of options in respect of the Ropemaker Park lease and better manage any impact on the 'back office' team (Librarians and Ropemaker Park team).

NB: should options Q-S be approved, the savings table would be revised as follows:

	<i>Revised Savings</i>			
	<i>2020/21</i>	<i>2021/22</i>	<i>Total</i>	<i>2022/23</i>
	<i>£m</i>	<i>£m</i>	<i>£m</i>	<i>£m</i>
<i>Communities, Economy & Transport</i>	<i>1.462</i>	<i>0.629</i>	<i>2.091</i>	<i>0.288</i>
<i>Children's Services</i>	<i>0.770</i>	<i>1.835</i>	<i>2.605</i>	
<i>Adult Social Care</i>	<i>0.248</i>		<i>0.248</i>	
<i>Business Services / Orbis</i>	<i>1.161</i>	<i>0.787</i>	<i>1.948</i>	
<i>Total Departments</i>	<i>3.641</i>	<i>3.251</i>	<i>6.892</i>	<i>0.288</i>

T One-off funding: ASC Assessment & Care Management journey (£0.452m over two years from 2020/21)

Proposal to accelerate and expand current work with regards to channel shift, systems change and digital improvements supporting core ASC business; resulting in an improved client journey and reduced entrants into the social care system.

U One-off funding: ASC Behavioural Insight (£0.500m over two years from 2020/21)

Proposal to implement a behavioural insight project across the health and social care system to identify areas of focus and efficiency in: single health and social care economy; processes, systems, communications; Public Health interventions. This would deliver reduced demand

entering the system, improved flows within the system, improved outcomes for residents in the health and social care system and reduced late/non-payment of debt.

V One-off funding: ASC Bedded Care (£0.359m, £0.300m, £0.196m in 2020/21, 2021/22, 2022/23 respectively)

Investment in the Bedded Care Team to increase brokerage capacity to purchase residential and nursing beds for ASC and the NHS. Also requested is investment in programme and project support to manage the work. This would facilitate a more efficient use of resources and timely hospital discharge.

The resources will increase capacity to ensure patients are able to be discharged from hospital in a timely way. Improving our contract management arrangements will also ensure we are able to purchase beds from the market to better meet changing demands and needs.

Increasing brokerage capacity within the bedded care team will have a direct and positive impact on patient flow out of hospital. Securing appropriate bedded care placements within a community setting to enable timely hospital discharge reduces the length of stay in hospital beds. This releases hospital bed capacity which is generally more costly than community based care and also ensures people are not staying longer in hospital than is necessary, which is often detrimental to people who are frail and elderly. The estimated cost to healthcare providers of one non-elective admission is £1,609 per admission and the cost of one excess bed day is £346 per day (£2,422 per week). The brokerage team ensure a consistent, whole system approach to purchasing beds.

W One-off funding: ASC Home Care Commissioning (£0.110m in 2020/21)

A project to work with providers to test different ways of working alongside the current core home care business model. The four areas to be tested are; complex cases, reviews, hospital discharge and Occupational Therapy involvement, with the aim to support people to live independently at home and reduce admissions to care homes. The learning will inform development of the service specification for the new contract.

The Home Care recommissioning work has commenced. The investment will enable ASC to test out new ways of working, including an outcomes based approach.

Best practice theory promotes outcomes-based commissioning, specifically in terms of reducing ongoing reliance on services and therefore reducing overall demand over time. This will directly and positively impact on Community Care budget spend.

X One-off funding: ASC/CS Accommodation and Floating Support (£0.987m, £0.582m, £0.160m in 2020/21, 2021/22, 2022/23 respectively)

A project to test alternative referral and access routes into floating and accommodation based support to ensure the service model is fit for purpose; meeting the needs of the people the service is designed to support and to establish links / protocols with other pathways (e.g. Rough Sleeping Initiative). This would mitigate demand and provide more appropriate and effective signposting and support for people who are currently presenting to floating support services and District and Borough Housing services, with complex needs, and/or who are at risk of homelessness.

This investment will enable ASC/CS to test new models of service delivery and evaluate their effectiveness prior to producing the future specification and contracts for these services. The models that will be tested will aim to improve the efficiency and effectiveness of

accommodation pathways for people with complex needs, including how they are supported to move-on into general needs housing, with reduced reliance on Adult Social Care.

Y One-off funding: ASC/CS IT Care Management System (£0.165m in 2020/21 and £0.048m in each of 2021/22 and 2022/23)

Investment to use the existing framework agreement with Liquidlogic (who supply ASC & CS case management system) to procure and implement the software called the 'Delegation Portal', for both ASC & CS. Funding is sought for a three-year period to determine the effectiveness of the portal; any recurrent costs beyond 2022/23 will be funded through social work force efficiencies.

This would give both ASC & CS the ability to electronically obtain multi-agency contributions from external professionals and providers into operational practice forms, which could save staff time in collating this information from professionals/providers, improve data quality/integrity and help manage the demand (e.g. in ASC reviews could be delegated from operational staff to care providers/other professionals to complete, rather than ASC staff doing this activity).

If the project progressed with just the ASC element, the costs would be reduced to £0.083m, £0.024m and £0.024m.

It is likely that in practice there could be efficiency savings of £0.010m-£0.050m p.a. from 2021/22 enabling a better Core Offer to be delivered from within existing resources, rather than cashable savings realised by reducing staffing levels.

NB: the outcomes of all work/projects/investment described at T-Y will be assessed and reflected in the MTFP as they emerge.

Z One-off funding: CS No Wrong Door (£3.375m over the three years to 2022/23)

Investment in a No Wrong Door model – an innovative model developed by North Yorkshire CC to work with adolescents experiencing complex challenges with an innovative multi-agency “hub” at the heart of the service. This would use short-term placements and edge of care support (in and out of care) and a range of services, support and accommodation options always progressing to permanence where young people’s aspirations drive practice. If the model is successful it would become part of Core Services and would therefore be an ongoing cost, offset by savings; the full impact will be modelled should this option be taken forwards.

AA One-off funding: CS Family Group Conferencing expansion (£0.350m in 2020/21)

Investment to expand the existing Family Group Conferencing service to Children in Need which is the most cost effective way to reduce risks and the likelihood of children being placed on CP plans or becoming LAC, and as a result reducing social care costs. The investment is expected to deliver non-cashable efficiency savings of £1.224m from 2021/22 resulting from reductions in Social Worker caseloads.

AB One-off funding: CET Economic Development (£1.000m in 2020/21)

The East Sussex Economic Intervention Fund (EIF) consists of: the ESInvest Business Grants and Loans fund; Stalled sites fund; and upgrading empty properties and business incubation unit fund. It has been running for 6 years and directly addresses one of the four Council priorities “driving sustainable economic growth” by supporting local businesses through capital investment to grow and create jobs. It is a key plank of Economic Development which is considered by the Council to be part of the Core Offer. In order to provide the baseline finance required to meet the demand for the EIF, there is a need for a

£1.000m injection into the scheme. Failure to have the correct resource in place will have a detrimental impact to deliver the additional jobs and economic growth this initiative is forecast to achieve. This will be a contribution to the project grants and loans within the Capital Programme.

AC One-off funding: CS Disability Children's Homes (£0.242m in 2020/21)

Investment to remodel the Children's Disabilities Children's Homes to create additional capacity and reduce the costs of residential care placements in the independent sector by keeping more children in local provision within the county. This would create an extra 3 beds and provide greater options for keeping children within local provision, minimising existing and onward costs and delivering better outcomes for them in the longer term. It is expected to achieve net savings of £0.352m p.a. from 2020/21.

AD One-off funding: CET Highways Works Programme Management (£2.000m in 2020/21)

A contribution towards the agreed basic need investment to be funded in the Capital Programme for Highways Works Programme Management in order to achieve agreed condition targets. The £2.000m could facilitate early investment to support management of the programme of works and avoid the need to borrow early with the associated borrowing costs.

Appendix 4

Medium Term Financial Plan	2019/20	2020/21	2021/22	2022/23
	Approved Budget	Estimate	Estimate	Estimate
	£million	£million	£million	£million
TAXATION & GOVERNMENT FUNDING		(375.145)	(388.290)	(397.278)
Business Rates (Inclusive of BRR Pilot)	(83.761)	4.133	(1.615)	(1.740)
Revenue Support Grant (RSG)		(3.561)	1.418	1.534
Council Tax	(290.498)	(8.234)	(8.919)	(9.188)
Adult Social Care Precept		(5.814)	(0.175)	(0.180)
New Homes Bonus	(0.886)	0.331	0.303	0.138
TOTAL TAXATION & GOVERNMENT FUNDING	(375.145)	(388.290)	(397.278)	(406.714)
SERVICE PLAN				
Service Expenditure	340.888	341.236	351.315	383.859
Inflation				
Pay Award	3.635	3.366	3.025	3.127
Contractual inflation (contract specific)	0.889	1.005	0.958	0.916
Normal inflation for contracts	6.270	9.537	8.782	9.154
Adult Social Care				
Growth & Demography	3.538	3.840	3.500	3.500
Adult Social Care Winter Pressures		2.586	(2.586)	
Children's Services				
Dedicated Schools Grant	4.891	1.778	0.422	
Growth & Demography	1.656	1.555	1.070	2.822
Looked After Children	1.043	4.715	1.909	
Post 16 i-Send (New Responsibility)	0.269			
Fostering	0.374			
Care leavers (New Responsibility)	0.163			
Home to School Transport	0.726			
Communities, Environment & Transport				
Waste Housing Growth	0.233	0.174	0.213	0.200
Street lighting Electricity/Re-payment of Investment		(0.195)	(0.655)	
Libraries Hastings rates and utilities	0.046			
Business Services				
IT & Digital Licences	0.297			
IT & Digital Data Centre		0.093		
Apprenticeship Team		0.117		
Savings				
Savings 2019/20	(5.131)			
Specific Grants				
Improved Better Care Fund	(18.551)	(2.586)		
Social Care Grant 2020-21		(14.630)	14.630	
SEND High Needs Block Additional funding ¹		(1.276)	1.276	
NET SERVICE EXPENDITURE	341.236	351.315	383.859	403.578

Corporate Expenditure		33.909	35.870	35.490
Treasury Management	17.696	0.687	(0.179)	0.221
Funding Capital Programme - New Homes Bonus		0.555	(0.303)	(0.138)
General Contingency	3.570	0.130	0.090	0.090
Contribution to balances and reserves	0.908	(0.216)		
Pensions	10.338	0.785		
Apprenticeship Levy	0.600			
Levies & Grants	0.797	0.020	0.012	0.012
TOTAL CORPORATE EXPENDITURE	33.909	35.870	35.490	35.675
TOTAL PLANNED EXPENDITURE	375.145	387.185	419.349	439.253
CUMULATIVE DEFICIT/(SURPLUS)	0.000	(1.105)	22.071	32.539
ANNUAL DEFICIT/(SURPLUS)	0.000	(1.105)	23.176	10.468
Savings 2020/21-2021/22		(5.208)	(1.972)	
CUMULATIVE DEFICIT/(SURPLUS) after savings		(6.313)	14.891	25.359
ANNUAL DEFICIT/(SURPLUS) after savings		(6.313)	21.204	10.468

¹ The estimated one-off allocation is £5.8m in 2020/21; until permitted use is known, £1.276m has been allocated to offset SEND pressures in 20/21. Noting that there are further pressures in the MTFP for 2021/22 and 2022/23 which cumulatively total £6.318m.