

Feedback from Engagement Exercises

1. Young people

1.1. The Chief Executive joined a meeting of the East Sussex Youth Cabinet on 8 December 2020 to discuss the County Council's budget setting process and young people's priorities for the year ahead. A presentation was delivered on the priority outcomes and factors the County Council considers in setting its budget each year, and the particular issues and trends to be considered this year as a result of the coronavirus pandemic.

1.2. A discussion followed the presentation, in which the following areas were covered:

Youth Opportunities

1.3. Youth Cabinet asked how the County Council was supporting young people impacted by the coronavirus pandemic.

1.4. ESCC was undertaking a range of work to address the impact of the pandemic on young people, including: supporting schools to ensure vulnerable young people that had missed learning in the first lockdown had the support they needed to catch up; working with Team East Sussex to deliver the East Sussex Economy Recovery Plan, which included actions to develop young people's skills and support them into employment; introducing the Kickstart Scheme to provide six month work placements for young people at risk of long-term unemployment; and taking forward the recommendations of the Sussex-wide review of emotional health and wellbeing support for children and young people.

COVID-19 Vaccine

1.5. Youth Cabinet shared their views on the vaccine, which included feeling hopeful it would bring positive change and help the most vulnerable, wanting more detailed information about its safety given the quick development and concerns that lack of trust may impact take-up.

Spending and savings decisions

1.6. Youth Cabinet asked if the Council had to make more savings in future, what areas it would consider; and if the Council had more money to spend in future, where it would prioritise?

1.7. Some savings had been planned in the Medium Term Financial Plan that may have to be taken in future to deliver a balanced budget. These were identified when we planned our Core Offer and were areas of activity beyond those that we had identified as the Council's core service offer in times of limited resources. Beyond that, the increased remote working adopted during the pandemic may translate into some ongoing savings (i.e. savings from meeting travel costs) if services could be delivered as effectively remotely in the long-term; but being so close to our Core Offer left limited other opportunities.

1.8. For any additional spending, officers would make recommendations to Members that delivered our priority outcomes and invested in prevention wherever possible, to reduce the need for services in future. Any future spending and savings decisions would be taken following engagement with stakeholders, including the Youth Cabinet.

Lobbying

1.9. Youth Cabinet had concerns that the reduction in grant funding, alongside increase in demand and new pressures arising from the pandemic would result in further pressure on restricted resources and impact services for the most vulnerable. Youth Cabinet wanted to support lobbying efforts for more sustainable funding.

1.10. Youth Cabinet were encouraged not to underestimate the power of their voice and to reach out to MPs to share any concerns that they had. Youth Cabinet would meet with West Sussex County Council Youth Cabinet to consider opportunities to jointly raise their concerns and would also meet with Baroness Deborah Steadman-Scott OBE DL (Minister of State for Department of Work and Pensions) to discuss influencing policy making and priorities of the Government.

Domestic Violence

1.11. Youth Cabinet shared that domestic violence had been identified as a top issue in the local UK Youth Parliament Ballot and wanted to understand what was being done to address the increase in domestic violence seen nationally during the coronavirus pandemic.

1.12. Responding to domestic violence was a key priority for ESCC, in line with our priority to keep vulnerable children and adults safe, and for the Safeguarding Adults Board and East Sussex Safeguarding Children's Partnership. Unfortunately, given the increase locally and nationally in reports of domestic violence in the last year, it would need to continue to be a key priority.

1.13. ESCC commissioned specialist domestic abuse services in East Sussex to deliver a pan-Sussex five year Domestic Abuse Strategy. This strategy focussed on taking a multi-agency, partnership, trauma-informed and holistic approach; and supporting children affected by domestic abuse was one of the priority areas of the strategy. The current recommissioning of the service would include a requirement to support children experiencing domestic abuse, as victims in their own right, in line with the new requirements of the Domestic Abuse Bill. Sussex Police worked closely with schools and ESCC to ensure that children and young people who experienced domestic abuse at home were supported; and sessions teaching about healthy relationships were also delivered to children in schools by the Safer East Sussex Team.

Race Equality

1.14. The Youth Cabinet asked what the Council was doing to progress towards race equality.

1.15. ESCC had taken a range of actions but also recognised the approach to progressing race equality was as important as the actions themselves. ESCC had prioritised listening to concerns and experiences of Black, Asian and Minority Ethnic (BAME) staff and residents to inform the approach.

1.16. In terms of actions taken this year, ESCC had delivered a series of staff webinars to highlight the importance of race equality and the need to ensure that our services were inclusive and addressed racism wherever we had the power to do so. For example, Children's Services had revised its guidance for schools on race equality, which the Youth Cabinet were thanked for their role in. The Council had a Corporate Equality Group, which worked closely with our BAME Staff Forum to hear their views about how we could keep working together to progress race equality. ESCC was also working with the NHS to respond to the disparities in the impact of COVID-19 on the BAME community. ESCC would continue to listen and learn before it acted to ensure that equality was at the forefront.

Environment

1.17. The Youth Cabinet asked how the Council could guarantee environmental targets were being met across the County, including by businesses.

1.18. As one of the biggest employers in East Sussex, the Council and had set a five-year plan to reduce carbon emissions from its own activities. We would lead by example and support businesses to progress towards a more green and sustainable future.

Future priorities

1.19. Following the meeting, the Youth Cabinet shared that the annual 'Make Your Mark' survey had identified in East Sussex that young people's priorities were:

National issues

- Free University/ No Tuition Fees
- Support our Mental Health
- Take Action on Climate Change and End Plastic Pollution

Local issues

- Tackle Domestic Violence
- Homelessness
- Training and Jobs for Young People

1.20. The Youth Cabinet anticipated choosing one national and one local issue as its campaign priorities in January 2021.

2. Place Scrutiny Committee

2.1. The Place Scrutiny Committee RPPR Board met on 22 December 2020 to discuss the comments it wished to make to Cabinet on the draft Portfolio Plans, Medium Term Financial Plan (MTFP), Savings Plan and the announcements regarding the provisional Local Government Financial Settlement for 2021/22.

2.2. The RPPR Board made the following observations and comments:

2.3 Pothole repairs and road maintenance:

- The Government has announced a £1.7 billion fund for pothole repairs and road maintenance. The Board acknowledges that the spending of any additional funding will be prioritised in accordance with the existing asset management plans. It requests consideration is given to allocating some of the additional funding to renewing road markings in line with the recommendations of the recent scrutiny review, in order to improve road safety and traffic flows around the County.

2.4 Access to the internet:

- Access to the internet via the Library Service for those who cannot afford a connection and for rural communities through the Superfast Broadband Project has become increasingly important under the Covid-19 restrictions as people work from home more or have to apply for benefits such Universal Credit or make online job applications. In rural areas decent broadband is also important for home education and those who have homed based businesses.
- The Board considers that more emphasis should be given to the services that provide internet access to address digital exclusion (e.g. through the Library Service) and enable access to decent broadband in rural areas which supports residents and the local economy. The Broadband Project has achieved over 97% coverage for superfast broadband compared with a national average of 85%. However, reaching a target of 100% superfast broadband coverage is now more important and greater

emphasis should be given to the Broadband Project's future plans and ambition to enable all residents to get connected to faster broadband services.

2.5 Support for local businesses:

- The Board discussed the range of services and measures contained in the Portfolio Plan to support local businesses and the local economy. The Board observed that support for local businesses and the local economy is very important in the current circumstances created by the Covid-19 pandemic. The Board notes the very good work in this area and suggests that it would be beneficial to provide some additional resources to undertake more marketing of the support available for businesses.

2.6 Trading Standards:

- The Board notes the important work that the Trading Standards Team carry out to protect vulnerable people and particularly the elderly from scams. It commented that it is important that the Trading Standards Team has adequate resources to continue with existing work and meet future requirements, such as the additional demands on the service created by leaving the European Union and supporting local businesses.

2.7 Household waste disposal:

- The Board heard the savings proposed for this service in 2021/22 will largely be achieved through operational efficiency savings. The Board suggests Cabinet considers amending the description of the savings proposal and its impact in the Savings Plan to reflect this.

2.8 Future years performance targets:

- The Board observed that for a number of the performance targets in the Business Services draft Portfolio Plan, the future years targets were set below the level achieved at outturn. The Board commented that the department could consider setting more ambitious targets where appropriate.

Summary Comments to Cabinet

2.9 The Place Scrutiny Committee RPPR Board congratulates officers in putting together a budget for 2021/22 in difficult circumstances and acknowledges the uncertainty that is present in the budget setting process. The Board looks forward to receiving an updated MTFP at Cabinet in January 2021 and considers that it is important to also look at the potential impacts of Covid-19 on future budgets.

2.10 Covid-19 has accelerated a number of changes in the economy such as more home working and locally based businesses. The whole economy has shifted, and the Council will need to review the services it provides in that context. The Council needs to be sure footed and flexible to react to changes in the economy and Council Tax and Business Rate bases which will affect the Council's income.

2.11 If longer term funding arrangements ease or improve (e.g. a long term solution for Adult Social Care funding is found) the Council should be ready with the priorities for where it would like to invest in services as we recover from the impacts of Covid-19.

2.12 The Place Scrutiny Committee RPPR Board believes that the focus should be on help and support for residents and the local economy. At the heart of this will be investing in highways and support for local businesses, as well as the increasing importance of broadband and access to the internet for everyone in the community. The existing work in Economic Development, Skills and Growth; Superfast Broadband; Highways Maintenance and; Library Services all support these key service areas and should be considered for further investment should the opportunity arise.

3. People Scrutiny Committee

3.1. The People Scrutiny Committee RPPR Board met on the 17 December 2020 and agreed a number of comments and recommendations to be put on behalf of the parent committee to Cabinet for its consideration in January 2021. The information supplied to the Board to support its discussions comprised of a 2020 Spending Round briefing, the latest information regarding budget proposals and the draft portfolio plans for the Adult Social Care and Health Department and the Children's Services Department.

3.2. The comments of the People Scrutiny Committee RPPR Board are set out below:

Adult Social Care and Health

3.3. The Board welcome that no new savings are proposed for the coming year financial year but remain concerned that any further savings could lead to significant reductions in the services provided by the Adult Social Care and Health (ASCH) Department. The Board are also supportive of using the Adult Social Care 3% precept and recommend it is used over a two-year period and that the impact of the additional funding is closely monitored.

3.4. The Board also reviewed the contents of the draft Adult Social Care and Health Portfolio Plan. Key discussion points included:

- the long-term impact of reduced access to face-to-face sexual health services (caused by the need to have in place Covid-19 service model restrictions). Given its concern, the Board requested further information about the support being provided.
- with regard to the Performance Measures and Targets section of the draft portfolio plan, and in response to a query about how targets are set, the Board were provided with clarification about the Department's approach to developing targets which are challenging and realistic in the context of the pandemic.
- the scale of food poverty in the county and how the Department gathers data which enables it to understand the level of need. Given its concern about the long-term impact of food poverty, the Board requested further information about the support being provided.
- the Board are keen that new ways of working are developed in response to the challenges caused by the Covid-19 pandemic. Members therefore welcomed the department's ASCH Programme, an initiative that aims to build on the lessons learnt from responding to the pandemic and ensure new working practices which deliver improved customer service and efficiencies are embedded.

Children's Services

3.5. The Board are particularly concerned about the potential impact of planned savings and the pandemic on services provided by the Children's Services Department. This includes a concern that there may be 'hidden impacts' which may only become apparent in the medium to long term. In particular, the Board are concerned about savings relating to elements of Early Help and Safeguarding services. The Board therefore welcomed the proposal to defer for a further year savings relating to these areas of activity. However, Councillors Ungar and Webb requested that their opposition to any planned or other savings are noted in the comments to Cabinet.

3.6. The Board also reviewed the content of the draft Portfolio Plan for Children's Services and sought clarification regarding a number of issues. This included clarification

about the department's approach to helping families with the most complex needs and the reasons for considering whether to develop increased capacity at children's homes.

General comments to Cabinet

3.7. The Board expressed regret that it again had not been possible for the Council to develop budget proposals within the context of a three-year financial planning process. The Board also agreed to emphasise the importance of achieving a balanced budget which recognises the pressures on both the Adult Social Care and Health and Children's Services Departments.

3.8. In the context of the unprecedented challenges the pandemic has presented, the Board also agreed to report to Cabinet its acknowledgement of the high-quality nature and range of services provided by staff in both the Adult Social Care and Health and Children's Services Departments. The Board also commended the work of other partner organisations such as borough and district councils and the voluntary sector.

4. East Sussex Wider Strategic Partners

4.1. The Leader, Deputy Leader and Chief Officers held a virtual meeting with representatives of the Council's wider strategic partners on 8 January 2021. Participants in the meeting were from public, voluntary and private sector organisations and service user groups. 28 partner organisations were represented in the meeting and ESCC is grateful to all partners for the comments and feedback provided.

4.2. The Leader took the opportunity at the start of the session to reflect on how tremendously challenging the last year had been for all people, organisations and businesses in East Sussex. Flexible, innovative and committed partnership working had been fundamental to the success of the pandemic response so far and it would continue to be key to supporting residents, particularly the most vulnerable, through the coming challenging months.

4.3. A presentation was then given, which covered the context to this year's budget setting and the latest financial position for 2021/22. Partners were updated on how the coronavirus pandemic had changed the way the Council worked and the impact the pandemic, and accompanying economic uncertainty, was expected to have on future need for Council services. Partners were also reminded of the ongoing financial challenge generated by the need to meet demographic pressures with stretched resources. Partners were updated on how the announcements made in the Spending Review had impacted the Council's Medium Term Financial Plan (MTFP); how previously proposed savings had been reprofiled; and the Capital Programme. Partners were asked for views and feedback on what the Council should take into account in applying the ASC Levy in 2021/22 and 2022/23. The ongoing importance of joint lobbying was emphasised, to press for appropriate and sustainable resources to meet the needs of East Sussex residents. Lobbying undertaken with partners to date had helped secure additional resources and meant the Council had not needed to find additional savings for 2021/22.

4.4. After the presentation, the following questions, comments and feedback were provided by partners:

- The County Council's commitment and approach to honest and transparent partnership working was welcomed by partners, as it enabled challenging conversations to take place in a constructive way and ensured that the best possible use was made of collective resources to meet the needs of East Sussex residents.

- Partners asked whether the change to increased remote working had created opportunities for the County Council to consider sale or lease of some of its properties. ESCC was reviewing its office portfolio to consider what buildings the Council needed now, and would require in the future, to deliver services effectively and efficiently. This review would consider how the Council could embed the benefits of increased remote and digital working, while recognising that an entirely remote-working model was not possible for many services or optimal for team working and staff wellbeing. Parts of County Hall had been shut to ensure financial and emissions savings were made from reduced cleaning and heating while national COVID guidance required many staff to work from home. The Council also had a Property Asset Disposal and Investment Strategy which ensured any buildings were disposed of as soon as they were surplus, which often involved sale or lease to partners at a peppercorn rate. Council buildings that were potentially available for lease or sale were shared through the Strategic Property Asset Collaboration in East Sussex (SPACES) programme, which public and voluntary sector partners were represented on. Partners were also encouraged to contact Chief Officers directly if there were specific ESCC buildings they were interested in leasing, buying or sharing.
- It was recognised that voluntary sector partners had been highly successful in leveraging additional funding into the county to support the COVID response, but that this left those organisations in a vulnerable financial position if and when those funding streams ended.
- Clarity on savings planned for 2021/22 was sought and it was confirmed that savings attributed to the Early Help Service in 2021/22 reflected the full savings generated from the closure of children's centres and end to provision of nurseries in Bexhill in 2020, following the review of the Early Help Service. All other planned savings in the Safeguarding and Early Help services had been deferred to 2022/23 in recognition of the pressure families and communities were under. This was welcomed by partners and groups that represented parents and carers.
- Partners asked how the coronavirus pandemic had impacted demand on Children's Services and it was confirmed that the number of Looked After Children had remained relatively stable, although there had been movement in children moving in and out of the service. The Council recognised that those working with children and young people in the county had gone above and beyond to ensure their safety was maintained in the pandemic and partners were asked to convey the Council's huge gratitude to all, including parent and foster carers.
- The particular impact of the pandemic on young people and their future opportunities was noted and it was confirmed that Children's Services would continue to target its support to the most vulnerable.
- Partners asked if the Council could afford not to take any ASC Levy, or to not take the full levy in 2021/22. The decision on how to apply the ASC Levy would take a range of factors into account, including the financial pressures facing residents this year; that prudent planning and decisions taken to date meant we did not necessarily need to take the full levy in 2021/22; but that there was a need to safeguard social care services given future funding uncertainty, anticipated additional pressures arising from the pandemic and large gaps projected in future years of the MTFP.
- The very significant pressures the whole health and social care system was currently under in responding to the second wave of coronavirus cases was noted and would need to be factored into planning alongside longer term demographic pressures.

4.5. Partners were encouraged to contact the Leader, Deputy Leader or Chief Officers if they wished to any make further comments on the budget following the meeting.

5. Trade union representatives

5.1. A meeting was held with trade union representatives on 20 January 2021 to consult on the Council's draft Council Plan and budget proposals for 2021/22.

5.2. The Leader of the Council opened the meeting and thanked the trade unions, and the staff they represent, for their hard work over the last year keeping services running in the face of the coronavirus pandemic. The Leader explained that the financial position this year was less challenging than previously. This was because lobbying by the Council with its partners across the sector had led to Government announcing additional grant funding and Council Tax flexibilities in the Spending Review in November. These provisions, combined with some savings planned in the Medium Term Financial Plan, had allowed the Council to balance its budget this year.

5.3. The Leader said the decision as to whether to increase Council Tax this year would not be taken lightly and the Council was very aware of the challenging times facing residents. The Council, however, continued to face significant uncertainty beyond next year and funding raised from Council Tax and the Adult Social Care (ASC) Levy would allow the Council to safeguard social care services where there were significant pressures. The Leader pledged to continue to lobby the Government strongly to deliver a sustainable funding settlement for local government, and for social care in particular, in the longer-term.

5.4. The Assistant Chief Executive outlined the budget proposals to be considered by the Cabinet and the detail of the provisions made in the Spending Review that enabled officers to present a balanced budget this year. These included £2.5m additional one-off social care grant funding; estimated £1m compensation for 75% of irrecoverable Council Tax and Business Rates in 2020/21, lost as a result of Covid-19; £2.6m in Council Tax Support Grant to support households unable to afford Council Tax payments next year; and £4.5m generated through a proposed 1.5% Adult Social Care Council Tax precept. The precept was in addition to a 1.99% increase in Council Tax, meaning the planned council tax increase for 2021/22 was 3.49%. Savings of £864k were also required but it had been possible to defer some planned savings in Children's Social Care (in the family key work and safeguarding services) due to the additional funding settlement and in recognition of the pressure families were under as a result of the pandemic.

Lobbying

5.5. Trade union representatives welcomed the lobbying undertaken over the past year by the Council and asked for further details about it.

5.6. The Leader had written on behalf of the Council to the Chancellor and Secretary of State for Housing, Communities and Local Government about funding needs. The Council also contributed to national lobbying via the County Councils Network (CCN), the Local Government Association and with partners in the South East. Lobbying on funding focussed on the need for a sustainable long term funding settlement, recognising the uncertainty created by Covid-19 had made that difficult for Government to deliver this year.

5.7. The Lead Member for Education and Inclusion, Special Educational Needs and Disabilities added that extensive lobbying of MPs had taken place, and the frequency of meetings with MPs had increased during the pandemic. Members who were also Members of district and borough councils were also lobbying via the District Council Network. The Director of Children's Services confirmed lobbying of the Department for Education on issues impacting East Sussex children and families took place through the CCN, as the

Leader was the Chair of their Children and Young People's Board; and through officer groups such as the Association of Directors of Children's Services.

Health and social care integration

5.8. Trade union representatives asked for an update on health and social care integration work in East Sussex and for further detail on the reset of activities referred to in the Cabinet report.

5.9. The Director of Adult Social Care explained that the integration programme had not progressed as expected this year due to the pandemic but that the significant progress achieved in the several years the programme had been running had put the whole health and social care system in a strong position for responding to the pandemic. It had helped the Council continue to flexibly and effectively deliver services, for example, through the integrated community services teams comprising district nurses and social care workers.

5.10. The reset of plans for integration during 2021/22 included undertaking those activities originally planned for 2020/21, such as greater care coordination; further locality team integration, including developing stronger links with Primary Care Networks (PCNs); and shared access to a single data source but informed by the lessons learned from Covid-19 to ensure we built on progress made during the response. The integration programme would also take into account the proposals in the NHS England consultation document on the structure of Integrated Care Systems.

Early Help and Safeguarding Services

5.11. Trade union representatives asked for more detail on the Early Help and Safeguarding Services savings planned over the Medium Term Financial Plan.

5.12. The Director of Children's Services explained that the savings for 2021/22 were generated by the decision taken in 2019/20, following a review of the Early Help Service, to cease running services from 10 Children's Centres and two nurseries. The two nurseries were closed on 31st December 2020, so the effect of those savings would be realised during 2021/22, as they had run for a portion of 2020/21.

5.13. The Director explained that the 2022/23 savings for the Safeguarding and Early Help services included the reduction of family group conferences services; reduction in specialist drug and alcohol assessment teams; and reduction in the family key work service. These were savings identified for an earlier iteration of the Medium Term Financial Plan but had been able to be deferred repeatedly due to additional one-off funding received each year. The ability to do so again this year was very positive as the savings would have a significant impact. The need to take the savings in future was dependent on whether the Council received a fair funding settlement that adequately reflected pressures on Children's Services and our lobbying would continue to press for that.

Council Tax

5.14. Trade union representatives had concerns about the impact of an increase in Council Tax, particularly as East Sussex already had high rates, and asked how the planned increase in East Sussex compared to elsewhere in the country. Trade unions also suggested the Council should work to increase residents' awareness of why Council Tax increases were necessary.

5.15. The Leader said that a number of factors had been considered by officers in making the recommendation of a 3.49% total increase. The Council was very conscious of the huge burdens facing residents and due to prudent decisions in the past and success with lobbying, it was not necessary to recommend taking the full 3% ASC Levy this year, which

would have meant a 4.99% increase. The Leader agreed it was important to try to increase awareness that Council Tax increases were necessary to fund pressures in adults and children's social care, and thereby did not fund an increase in the universal service offer; but that it was a challenging situation to communicate as the majority of residents did not come into contact with social care services so were not familiar with the work the Council spent the majority of its budget on.

5.16. The Leader confirmed the comparison tables of councils' Council Tax levels would be published once local authorities' budgets were set. However, the Leader knew that ESCC's planned increase was below those proposed by most of our regional neighbours, who planned to take the full 3% ASC Levy increase in 2021/22.

Savings

5.17. Trade union representatives welcomed the stable position the Council was in this year but acknowledged there were still savings to be made, including in delivering the Keep Sustainability Plan and that the decision to reduce hours there could create a need for redundancies. Further detail was also requested on the savings proposed for Trading Standards in 2022/23 and 2023/24.

5.18. The Director of Communities, Economy and Transport confirmed that every effort would be made to minimise redundancies following the reduction in opening hours at the Keep. The Trading Standards savings would involve a reduction in the more routine inspections and preventative work of the team. The service would continue to fulfil its statutory role to keep people safe through high risk food sampling and animal health disease control.

Climate Change

5.19. Trade union representatives asked whether the Council could have gone further to address climate change with its budget proposals, particularly with more investment in cycle paths and public walkways given the health benefits they can also have to residents.

5.20. The Leader and Director of Communities, Economy and Transport responded that the Council knew the Climate Change response was a hugely important part of its work and that there needed to be cross-Council consideration of the way all decisions and activities impacted our ambitions to reduce carbon emissions.

5.21. The Director of Communities, Economy and Transport said that the Council was clear on its ambitions, having declared a Climate Emergency; and the Transport for South East Sub-National Transport Body, which was chaired by the Leader, had set out a plan for net carbon neutral transport across the South East by 2050. The Director agreed efforts to increase cycling and walking was an important part of tackling climate change as the Council could affect action on climate change in three main ways – via reducing emissions from the Council estate, developing greener transport infrastructure, and by encouraging people to adopt greener behaviours.

5.22 The Director outlined the range of specific work the Council was doing to tackle climate change, including:

- Work to reduce carbon emissions from, and make improvements to, its own estate; including being one of the first councils to install electric charging points for its pool fleet at County Hall.
- Cabinet would consider a scrutiny report on 26 January with a series of recommendations on how it could reduce its carbon emissions from its own activities.

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- Making ongoing investments in improving walking and cycling infrastructure as part of its capital programme; and developing a Local Walking and Cycling Investment Plan to enable bids for a share of the £2bn Government capital funding for cycling and walking infrastructure.
- Using the Local Transport Plan to influence people's behaviour through the promotion of cycling and walking and public transport; and
- Using its convening power to encourage greener decisions and behaviours among residents.

Divestment

5.23 The trade union representatives asked for an update on County Council plans for divestment from fossil fuels.

5.24 The Chief Finance Officer confirmed a report with an update on the position of the East Sussex Pension Fund would be reported to the 1st March Pension Committee.

Future Years

5.25 Trade union and County Council representatives concluded by acknowledging what a challenging year it had been for staff and that the ongoing uncertainty in funding for local government added to challenges for teams and staff. The Leader thanked trade unions for their work to support staff and all agreed that open and early communication would continue to be important for managing the challenges that would be faced in the years ahead.

6 Business Representatives

6.22 The Leader, Deputy Leader and Lead Member for Economy, supported by officers, held a remote meeting with business and culture representatives on 25 January to consult on the Council's budget proposals and draft Council Plan for 2021/22. The Chief Executive and Chief Finance Officer delivered a presentation on the policy context and latest economic intelligence informing the proposals; the Council's plans to support economic recovery and development in 2021/22; and revenue and capital spending proposals.

6.23 Following the presentation, the Lead Member for Economy commented that while data included in the presentation, on the increase in unemployment support claimants since March 2020 and the number of local jobs supported by Government schemes, gave real cause for concern; the Team East Sussex Economy Recovery Plan had been developed at pace, incorporating feedback from over 70 stakeholders, and was already helping to bring additional investment into the county to address the range of challenges and opportunities brought by the pandemic. The strength of partnership work through Skills East Sussex also put us in a strong position to ensure residents and businesses had access to the training and skills needed for recovery.

6.24 A discussion followed, in which business and culture representatives welcomed the Council setting a balanced and stable budget in a time of such uncertainty. The following issues were also discussed:

Capital Spending

- The Chief Finance Officer explained that the Treasury Management line in the Medium Term Financial Plan, in part, represented the revenue costs of the borrowing required to

support the capital programme. The proposed increase in budget beyond 2021/22 reflected the potential for additional need to borrow to fund the programme in future years. The Chief Finance Officer also confirmed that the budget summary 2021/22 was in draft so all figures represented a point in time and a final version would be published when the final Local Government Finance Settlement had been received and the budget had been approved by Full Council.

Coronavirus - Government support to businesses

- Business and culture representatives echoed concerns outlined at the start of the session about the potential for a significant increase in unemployment following the end of the Government's coronavirus employment support schemes, which were supporting just over 40,000 jobs in the county at the end of October 2020. This was equivalent to 13% of the East Sussex working-age population. Business representatives also fed back anecdotal reports that a number of local businesses were just managing to stay afloat, and only with the support provided by Government. Business and culture representatives acknowledged that the risk of job losses arising from the end of Government support schemes would be replicated across the country and there was a limit to what could be done locally to intervene. Instead, representatives encouraged the County Council to take all opportunities to press for Government to continue financial support to businesses, particularly in hospitality and the visitor economy, for as long as it possibly could, to see businesses through to a time when they could generate income again. Further interventions on a similar scale to the grants made at the start of the pandemic would make a real difference.
- The particularly challenging outlook facing businesses in the visitor economy was recognised by all. Government understood the impact of restrictions on the sector and emergency grants had been provided in response. It was noted there may be opportunities to improve the agility and effectiveness of those and the Council would work with business and culture representatives to amplify feedback on what support was effective and what could be improved. Pan-Sussex work focussed on the longer-term recovery of the sector was also underway and would work to raise the profile of the offer of all parts of the visitor economy with a strong pan-Sussex brand. The need to not mix this branding with the distinct offer of East Sussex as a business location was also noted.

UK Shared Prosperity and Levelling Up Funds

- The basis for allocations of the UK Shared Prosperity Fund (UKSPF) and Levelling Up Fund were discussed. The Assistant Director for Economy fed back that the UKSPF was expected to be allocated on the basis of evidenced need to increase prosperity, using indicators that may assess relative economic performance and/or levels of deprivation, which indicated East Sussex would qualify for funding to address some of the long-term challenges faced in the local economy.
- Business representatives noted there had been signals that areas in the South East would struggle to secure funding from the Levelling Up Fund, as it was expected to be targeted towards northern regions. The Leader said that Ministers did recognise there was a need for 'levelling up' across the country, not just in the Midlands and the North, and Assistant Director of Economy expected that, provided business leaders and the Council could continue to work together to develop strong proposals for investment based on evidenced delivery of jobs and growth, we should be able to attract funding from both funds.

Business Rates

- Business representatives asked what contingency the County Council had in place for a potentially significant reduction in business rates collection as a result of the pandemic. The Chief Finance Officer explained that Borough and District Councils dealt with collection of business rates and on the basis of their projections, we had factored a reduction of 5% into our projected collection for 2021/22. Should the reduction in collection be greater than the 5% projected, the County Council had some limited financial reserves as some further contingency. The latest Spending Review had also confirmed that councils would be reimbursed up to 75% of business rates losses incurred in 2020/21 as a result of the pandemic. All recognised the need for broader reform of business rates, to address irregularities produced by the system, and better capture the value generated by non-property based businesses.

Broadband

- Business representatives asked what plans the Council had for further investment in broadband, given residents' and businesses' increased reliance on reliable and fast broadband to work remotely. The Lead Member for Economy confirmed that the e-Sussex project had thus far enabled 97.5% of East Sussex premises to access superfast broadband and that capital funding had been allocated in 2021/22 to work to extend this to as close to 100% of premises as possible. The Lead Member for Economy also actively lobbied for the engineering flexibilities that would enable the project to deliver on its goal.

Coronavirus pandemic – opportunities

- Business and County Council representatives agreed that while the potential impact of the pandemic on local business and employment was a huge concern, the pandemic had also increased prosperity in some sectors and the opportunity for business and jobs growth. Business representatives noted that increases in unemployment had traditionally driven an increase in start-up businesses and this trend was already being seen locally with start-ups increasing by a third. Grants to support this increase in innovation and enterprising activity would therefore also be an important part of plans for recovery.
- The extent to which the pandemic, and shift to remote working, had driven a trend of businesses moving out of areas they were previously concentrated, such as London and Brighton, to areas of East Sussex was discussed. The Lead Member for Economy and Assistant Director for Economy confirmed that there had been a positive trend in uptake of business spaces in parts of East Sussex, although the extent to which that could be attributed to the pandemic was unclear. There were currently no empty commercial spaces in Newhaven or Rye, which had not traditionally been the case, indicating strong business growth and commercial activity in those areas, enabled by investment in broadband infrastructure. Business representatives emphasised a need for B1 class development across the county to accommodate this growth, primarily of industrial and flexible small business spaces, rather than large office developments. While there had previously been some debate as to whether this development was economically viable in East Sussex, the lack of empty commercial space indicated there was demand and need for it.

6.25 The Leader concluded the meeting by thanking business and culture representatives for their comments and engagement. The Leader also thanked representatives for their ongoing dedication to working in partnership to support the development of the local economy which would be fundamental to the success of a strong recovery. Representatives were encouraged to send any further comments or questions to the Leader or Chief Executive.

