

**Report to:** Cabinet  
**Date:** 27 June 2022  
**By:** Chief Executive  
**Title of report:** Reconciling Policy, Performance and Resources (RPPR) – State of the County  
**Purpose of report:** To update Members on the issues which need to be taken into account in the priority and budget setting process for 2023/24 and beyond

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## **RECOMMENDATIONS:**

**Cabinet is recommended to:**

- i note the evidence base on demographics (Appendix 1) and the national and local policy outlook (Appendix 2);**
  - ii agree officers update the Medium Term Financial Plan as the basis for financial planning when more information is available, as set out in paragraph 5;**
  - ii agree officers update the Capital Strategy and Programme (Appendix 4) as set out in paragraph 6;**
  - iv review the priority outcomes and delivery outcomes (Appendix 3) and agree these as the basis of the Council's business and financial planning, subject to the proposed amendments set out in paragraph 4.4;**
  - v receive reports on more detailed plans for 2023/24 and beyond in the autumn when there is greater certainty about future resources; and**
  - vi endorse draft criteria for the use of one-off investment as set out in paragraph 5.9 for consultation with scrutiny committees, and request officers bring forward final criteria and investment proposals for consideration in the autumn.**
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## **1. Background**

**1.1** The State of the County report is a key part of the Council's Reconciling Policy, Performance and Resources (RPPR) process, its integrated business and financial planning cycle. The report sets out an overview of the current context in preparation for more detailed planning for 2023/24 and beyond. In conjunction with our 2021/22 year-end monitoring report, it reflects on our achievements over the last year, the challenges in the year ahead arising from both local and national factors and, in light of this, begins to refine our plans to guide our business planning and budget setting processes.

**1.2** This report contains the normal elements included in the State of the County report: the demographic evidence base; the national and local policy outlook; and updates on the Medium Term Financial Plan and Capital Programme. It gives our up

to date understanding of how we will need to continue to respond to the wide range of policy, demographic and financial drivers which influence the outlook for the Council in the short and longer term.

1.3 Significant uncertainty continues to dominate the context within which we are working. The challenging national economic environment and recent increases in the cost of living directly affect us locally, both in terms of the impact on our residents, particularly the most vulnerable, and in terms of cost and resource pressures on the Council itself. These new economic challenges come as local businesses and households recover from Covid impacts, creating new risks alongside the new opportunities we have sought to maximise in the county. The financial outlook for the Council remains unclear with a further one year financial settlement anticipated for 2023/24 and key national reforms to local government funding likely to be delayed. Many of our major, demand-led, services are, or are likely to be, subject to significant national reforms, with accompanying service and financial risks to manage, and there is a continuing pressing need to work towards addressing the impacts of climate change. Although we have now moved to a position of living with Covid, the impact of the pandemic is ongoing and will continue to have consequences for people, businesses and services in the short and longer term. We are also playing an increased role in supporting people displaced by global conflicts and seeking refuge in East Sussex. All these factors combine to create the volatile and highly challenging backdrop against which we must plan for the future.

1.4 In light of the multi-faceted pressures we face, it is essential that we continue to direct our resources, in partnership with others, in the most effective way to support our priorities and core service provision. The Council spends over £900m gross each year (in the region of £450m net) on services for the county. RPPR provides the vehicle by which we ensure our financial and other resources are aligned to delivery of our priority outcomes and that we are informed by a clear understanding of our effectiveness. This approach, additional short-term Government support, and many years of careful financial management enabled us to maintain a secure financial position during the past two years defined by the Covid pandemic, providing stability during this difficult time. However, the financial outlook in the medium term remains very challenging and uncertain with a number of key risks which cannot yet be fully defined.

1.5 In this context the report sets out our proposed lobbying and communications focus to help us ensure that the Government is aware of the needs of our county and the ongoing and urgent need for a sustainable multi-year funding settlement. In particular we will highlight the need for full funding of the major reforms to social care provision for adults and children and to support for Special Educational Needs and Disability (SEND), if we are to maintain core services in the future in light of growing demand and stretched resources.

## **2. Current Position**

2.1 The past year continued to illustrate the key role the County Council plays for the residents, communities and businesses of East Sussex as the county emerged from the peak of the Covid pandemic and attention turned to recovery. Through our services, employment, purchasing and how we work in partnership with others the Council makes a significant contribution to quality of life for people across our

county. The need for our support is heightened by the enduring impacts of the pandemic and the current pressures on cost of living, both of which disproportionately impact on the most vulnerable. More recently, we have worked with partners and communities across the county to mobilise a local response to the situation in Ukraine and the arrival of hundreds of refugees. Our assessments of the ongoing levels of need arising from recent developments continue to be refined and will influence our plans as we better understand the longer-term implications.

2.2 In developing our medium and longer term plans we will need to have regard to the broader context in which we will be working. The national policy environment is rapidly developing, with significant reforms brought forward by Government across a wide range of services, requiring a significant and often rapid response across all departments. The national and local context includes:

- The challenging and uncertain national economic situation, current high levels of inflation and the increased cost of living, particularly rising energy, fuel and food prices. This environment is likely to impact on the demand for our services as well as directly on the costs of providing services.
- The Government's economic and policy agenda, as set out in the recent Queen's Speech, in particular the programme outlined in the Levelling Up White Paper and Levelling Up and Regeneration Bill, the impact of new post-EU funding regimes and changes to arrangements for driving economic growth locally.
- Specific uncertainty over the future of local government funding. A planned funding review, covering the formula on which funding allocations to individual local authorities are based, now appears likely to be deferred, increasing the likelihood of a further one year financial settlement for 2023/24. In addition, major national reforms to Adult Social Care and Children's Services (see below) carry considerable financial risks for local authorities. These are significant areas of change that currently are not fully understood and cannot be fully quantified but will have potentially significant financial impact.
- The impact of Government reviews and reforms of public services – In September 2021, the Government announced plans to increase funding for health and social care over the next three years and to reform the way that Adult Social Care is funded, with significant changes to the way individuals' financial contribution to their care is managed, as well as the fees paid for care. Further reforms were set out in the subsequent People at the Heart of Care and Integration White Papers. Taken together, these amount to a major system change with significant impact on our services.
- In addition to the reforms to Adult Social Care there are significant changes to our responsibilities arising from the Education White Paper and Schools Bill and Special Educational Needs and Disability (SEND) Green Paper, and further impacts arising from the recommendations of the national review of children's social care, the Government response to which is currently in development.

- The growing impact of climate change, the national and local commitments to achieve carbon neutrality, the need to adapt to the impacts of climate change, and the introduction of a range of new measures through the Environment Act.
- Significant national policy developments related to planning, infrastructure, and transport and, locally, the re-procurement of our highways contract, and taking forward our Bus Services Improvement Plan and refresh of our Local Transport Plan.
- The increasing need to support refugee resettlement in light of global conflicts and increased numbers of people seeking asylum, including unaccompanied children.
- The impact of current low rates of unemployment and significant workforce shortages in key sectors on our ability to recruit and retain staff, coupled with the need for our workforce to adapt to service reforms and post-pandemic changes to working patterns.
- Opportunities to continue to build on positive work with our public, Voluntary, Community and Social Enterprise Sector (VCSE) and private sector partners during the Covid pandemic, and more recently to deliver the Homes for Ukraine scheme in East Sussex. We will look to further develop our ability to tackle issues in partnership in the future, including building community wellbeing and responding to the increased need in our communities.
- The ongoing need to support post-Covid recovery and adjustment, both in our services and for society and the local economy.

2.3 The local and national policy outlook at Appendix 2 sets out the latest thinking on these and other current issues, although plans will continue to develop over the summer as more information emerges.

2.4 Faced with diminishing resources and increasing demand, especially in social care, the Council has made significant savings over the past decade to live within our means. These difficult decisions, together with short-term additional support from Government and sound financial management has placed the Council in a relatively stable position for 2022/23 and enabled us to avoid the need for further savings. However, cost pressures have already increased in the current year and the outlook in the medium term is far more challenging. There remains a significant gap between the income we currently expect to receive and the costs of providing core services, with significant additional risk arising from Adult Social Care and other reforms. Fundamentally, without further Government support or sustainable reform of local government finances we will not have the funding we need for the future. Further detail on the financial outlook is provided at paragraph 5.

2.5 In all our activities, and in planning for the future, the County Council continues to work to our guiding principles that:

- What we do represents good value for money;
- Our activities are transparent and we can be held to account;

- We operate as One Council and focus on key areas for County Council action;
- We prioritise the investment available for front line service delivery by maximising the resources available to us through treasury management, working to secure sustainable national funding and working in partnership with other organisations;
- We work towards achieving carbon neutrality in our activities as soon as possible and take account of the climate impact of what we do;
- We remain focused on delivering our priority outcomes;
- We carry out all we do professionally and competently; and
- We remain ambitious, optimistic and realistic about what can be achieved.

### 3. **Demographic and Demand Changes and Financial Background**

3.1 Appendix 1 sets out the key factors affecting the County in relation to demography, housing, deprivation, health, the environment and economy, and the impact these are having on demand for our services. The main issues driving demand are:

- **Older People** - form a high proportion of the population of the County which has an impact on the demand for services and the Council's finances.
- **Children and Young People** – we have seen an increasing demand for support for Children's Social Care which has resulted in a higher number of child protection cases. The number of children and young people with Education, Health and Care Plans (EHCPs) continues to increase.
- **Economy**- there are signs that our local economy is recovering from the effects of the pandemic, with a decrease in unemployment. However, recent increases in utilities costs and the cost of living may affect growth in the short-term.
- **Climate change** – CO2 emissions were falling in all sectors in East Sussex except transport before the pandemic. Although we had the lowest emissions of carbon dioxide per person of all the County Council areas in England, further reductions will be needed.

### 4. **Council Priority Outcomes**

4.1 The Council's business and financial planning is underpinned by its four priority outcomes, which provide a clear focus for decisions about spending and savings and direct activity across the Council.

4.2 The current four priority outcomes are:

- Driving sustainable economic growth;
- Keeping vulnerable people safe;
- Helping people help themselves; and
- Making best use of resources now and for the future.

The priority outcome that the Council makes the “best use of resources now and for the future” is a test that is applied to all activities to ensure sustainability of our resources, both in terms of money and environmental assets. It ensures that the future impact of the choices we make about using resources is actively considered across all that we do, as well as the here and now.

4.3 The priority outcomes, and their subsidiary delivery outcomes, were reviewed and updated during 2020/21 with some amendments made to delivery outcomes to ensure that they appropriately reflected the operating context as it had been impacted by Covid. Although the impact of Covid persists, we have now moved to a position of living with the virus longer term and it is considered timely to review priority and delivery outcomes once again to ensure the priorities we are working to deliver, and the way we measure the performance of our activities and services, remain appropriate.

4.4 The current priority and delivery outcomes are attached at Appendix 3 (section a) and the following changes are proposed to delivery outcomes:

#### Driving sustainable economic growth

In light of the changed context, and the intention to move forward, during 2023/24, from the Economy Recovery Plan developed to support the immediate recovery of the county's economy from Covid, it is proposed to amend the below delivery outcome as shown below:

- East Sussex businesses are supported to ~~recover~~ **succeed** and grow **sustainably** ~~through the delivery of the Economy Recovery Plan~~

Reflecting both current and future workforce challenges and the opportunity to capitalise on changes in working patterns following Covid, the following amendments are proposed:

#### Delete:

- The county's employment and productivity rates are maximised

#### To be replaced with:

- **The county is an attractive place to live, work and do business**
- The workforce has and maintains the skills needed for good quality employment to meet the needs of the **current and** future East Sussex economy

To reflect up to date terminology and pathways the following wording amendments are proposed:

- All children progress well from early years to **through** school ~~leaver~~ and into **post-16** education, training and employment

#### Keeping vulnerable people safe

To reflect the importance of family, friend and community support networks to vulnerable adults and children, which was highlighted during Covid-19, it is proposed make an amendment and addition as below:

- People feel safe at home **and well supported by their networks**

- **Children grow up supported by enduring, loving relationships**

To reflect the evolution of the Covid response and the ongoing focus on health and social care integration, it is proposed to broaden the following delivery outcome beyond Covid-19 by making amendments as follows:

- We work with the wider health and care system to support people ~~affected by Covid-19~~ to achieve the best ~~health~~ outcomes possible

#### Helping people help themselves

In light of the strengthening of mutual support systems during Covid and the Ukraine crisis and the continuing role of these in responding to ongoing levels of need in communities, it is proposed to change the below delivery outcome to better reflect our partnership with the VCSE sector and the role community-based support is playing:

##### Delete:

- Through our work with others, individuals and communities are encouraged to maintain and develop local mutual support systems

##### To be replaced with:

- **Through working well with the voluntary, community and social enterprise sector, individuals, families and communities are supported to be independent and to thrive**

#### Making best use of resources now and for the future

To simplify and make clearer our focus on working as a single organisation across our activities it is proposed to shorten the following delivery outcome:

- ~~Working~~ **We work** as One Council ~~both through the processes we use and how we work across services~~

To fully reflect our effective and valued partnerships, including with the VCSE sector, which have been further strengthened through joint work in relation to challenges such as Covid and support for Homes for Ukraine, it is proposed to amend the following delivery outcome as shown:

- ~~Delivery through~~ **We work in** strong and sustained partnership ~~with working across the public, voluntary, community,~~ **social enterprise** and private sectors to ensure that ~~all available~~ **our collective** resources **and influence** are used to deliver maximum benefits ~~to local people~~

To address current and future workforce challenges and the need to focus on effective recruitment and retention of staff to support service delivery it is proposed to add the following delivery outcome:

- **We are an employer of choice and support our staff to achieve and develop**

The proposed updated delivery outcomes, including all the above amendments and additions, are also shown at Appendix 3 (section b).

4.5 Cabinet is asked to review the current priority and delivery outcomes and agree them as the basis for future business and financial planning, subject to the amendments outlined in paragraph 4.4 above.

## **5. Medium Term Financial Plan**

5.1 When the 2022/23 balanced budget was approved by Full Council on 8 February 2022, the deficit on the Medium Term Financial Plan (MTFP) to 2024/25 was £9.608m. Updating the MTFP for normal factors (such as the latest inflation rates and an additional year), the position would have been a deficit budget position by 2025/26 of £14.999m:

<b>Medium Term Financial Plan</b>	<b>2023/24 £m</b>	<b>2024/25 £m</b>	<b>2025/26 £m</b>
<b>Total Budget Deficit / (Surplus)</b>	<b>6.480</b>	<b>5.056</b>	<b>3.463</b>
<b>Annual Budget Deficit / (Surplus)</b>	<b>6.480</b>	<b>11.536</b>	<b>14.999</b>

5.2 The impact of the pandemic, global supply chain issues and levels of inflation not seen for decades, combined with the Ukraine situation, has led to an unprecedented level of financial uncertainty. At a national level, the Government funding that ESCC will receive between 2023/24 – 2025/26 is yet to be confirmed. Although the Chancellor of the Exchequer presented a three-year financial plan in his budget in 2021, the Local Government Financial Settlement was only a one year settlement for 2022/23. We therefore await the provisional settlement for 2023/24, which will be in the late autumn of 2022.

5.3 Although Government has given a strong commitment to update the current local government funding regime, it is considered increasingly likely that funding reforms will be delayed until after 2023/24, due to lack of time available to undertake a full consultation and implement major funding changes. The Queen's Speech did however list a Non-Domestic Rating Bill, which includes reducing the rates revaluation cycle from five years to three years from 2023, which has been the subject of previous consultations. On 30 May the Department for Levelling Up, Housing and Communities also issued a consultation seeking views on the transitional arrangements to be adopted at the 2023 Business Rates Revaluation. The nature of any further reform and how this will impact the continuation of existing Business Rates pooling arrangements for 2023/24 and onward, is not clear.

5.4 As a result of the major national Adult Social Care reforms (outlined at paragraph 2 above and in more detail at Appendix 2), local authorities will become responsible for funding care for a larger number of people as more residents become eligible for local authority funded care and support. The rate local authorities will need to pay providers for individual placements will increase. There will also be a significant increase in demand for both Care Act and financial assessments which will increase operational costs. Modelling work is underway to inform the MTFP in the autumn; the current assumption is that, as the costs of reform are new burdens, they will be fully funded; the reality may well be different. A report by the County

Councils Network (CCN) and Newton, released on 25 May, provides the first independent analysis of these reforms. It estimates that the cost of reforms in the nine years from when they are introduced to 2032 could be a minimum of £10bn higher than currently estimated and could create a further workforce crisis in social care, with over 5,000 extra staff projected to be required to carry out extra care and financial assessments for those seeking to benefit from the reforms. The analysis also indicates a significant regional variation in the costs of implementing the reforms, with councils in county and rural areas disproportionately impacted. Councils in England's counties account for 57% (£14.3bn) of the total estimated minimum costs of the reforms over the next decade. There is also very significant regional variation, primarily driven by the variation in population wealth and house values; this looks to be of particular impact in the South East. Counties in the South East, such as East Sussex, are expected to be most significantly affected given the current high levels of people paying for their own care (self-funders) and relatively high fee rates compared to other parts of the country (meaning the care cap would be reached more quickly).

5.5 In addition to Adult Social Care reforms, there are a range of other significant policy and legislative changes across services, particularly within Children's Services and Communities, Economy and Transport as outlined in paragraph 2 and Appendix 2. The impacts of these changes are still being explored and, at this point, the MTFP assumes that, as new burdens, the pressures will be fully funded by government, therefore net nil.

5.6 At a local level, the impact the economic downturn and cost of living crisis has had, and will have, on collection rates and base growth for Council Tax and the levels of Business Rates remain unclear, and local Council Tax Reduction Schemes will see a further reduction in the collection of Council Tax.

5.7 With all this uncertainty, it is not possible to present a draft MTFP to 2025/26. It is planned to work through the details required over the summer as more information becomes available and also factor in the budget requirements for services. After this work, modelling will provide a set of balanced budget scenarios considering the local and national position that presents itself.

5.8 As reported at Full Council in February 2022, the Local Government Settlement provided the Council with a Services Grant of £5.175m. The government statement supporting this funding highlights that this is a one-off grant and will not be taken into consideration for transitional protection when future system changes are made (but will be used for transitional support). As such, in future years the distribution formula may change with regard to transitional support provided. It was agreed therefore that this grant will be held in reserves for one-off investment opportunities.

5.9 Ideas and opportunities are now being considered for use of this one-off resource, which can be revenue and/or capital in nature and can be spread across multiple years. It is proposed that any investment ideas should focus on, and be assessed against, the following principles:

- enabling a significant improvement in delivering to the Council's priorities and/or performance targets
- managing service demands

- avoiding future costs
- proactively addressing known future issues; or
- having a positive impact on the Medium Term Financial Plan.

Cabinet is recommended to endorse these draft criteria and seek views from scrutiny on them through discussion at the July meetings of People and Place Scrutiny Committees. A final set of criteria and investment proposals for consideration will be reported as part of the RPPR process through the autumn.

## **6 Capital Programme**

6.1 The approved programme has now been updated to reflect the 2021/22 outturn and other approved variations, revising the gross programme down to £676.0m to 2031/32. The details are set out in Appendix 4, together with the revised programme.

6.2 As part of the Queen's Speech in May, the government announced new measures to address excessive risk arising from borrowing and investment practices. The measures, to be taken forward through the Levelling Up and Regeneration Bill, will put in place statutory powers allowing the government to investigate local practices and, where necessary, require remedial action by an authority where there is excessive risk to financial stability from capital practices. The intent of the powers is to provide the government with the ability to take targeted and precise action where it has concerns, without the need for further reform to the Prudential Framework as a whole. This is in response to long-running concerns that a small number of authorities are taking on very high, disproportionate levels of debt or become excessively exposed to risk from commercial investment strategies.

6.3 The risk metrics to be used will be put in place through regulations being developed and any impact or considerations will be reported in the normal way through the RPPR process.

6.4 The 10 year capital programme to 2031/32 and 20 year Capital Strategy 2022/23 to 2042/43 will be updated as part of the RPPR process over the autumn to add a year and to include consideration of the impact and management of inflation and supply chain issues, alongside any updates relating to Government funding and the risk metrics being developed as well as the procurement of the highways contract and other investment basic need.

## **7. Lobbying and Communications**

7.1 Our strong local foundation of efficient and effective service delivery, coupled with additional Government funding received during the pandemic and in the finance settlement, has enabled us to provide another year of relative stability and a further window of opportunity to prepare for the uncertain future. Opportunities for one-off investments to support delivery of the Council's priorities, particularly where this can help manage future pressures, are being identified.

7.2 However, the medium term outlook remains highly challenging. We face a significant financial gap, the undefined impact of national reforms in major service areas and a lack of clarity on long-term funding arrangements. There are significant

risks and uncertainties arising particularly from social care and SEND reforms, which makes planning for the future difficult. In the context of this ongoing uncertainty in our position, coupled with wider volatility in the economy and its impacts on our residents, our lobbying will continue to call for certainty of future funding for local government, and funding that is appropriately reflective of local need and that fully reflects the impact of reforms. This will be paramount to ensuring we secure adequate resource to deliver what will be required to support East Sussex residents, communities and businesses with the core services they need, including opportunities to continue positive preventative work that could most effectively manage future demand for services.

7.3 We will continue to work with local MPs and local, regional and national partners to make this case. Through work with South East 7 partners we will highlight the particular strengths and needs of the South East 7 area and the benefits of investment in the region through a joint approach to lobbying.

## **8. Next Steps**

8.1 Work will continue over the summer to further refine our understanding of the medium term impacts on our services of national reforms, economic volatility, changing demand for services and the financial resources that will be available to us in the coming years. We will continue to press the case for a multi-year financial settlement which enables us to plan ahead with more certainty but if there is a further one year settlement we will use our RPPR process to plan accordingly.

8.2 We will report back to Members in the autumn with an updated assessment of our service demand and funding expectations to inform more detailed business and budget planning for 2023/24 and beyond.

8.3 Members will continue to be consulted on plans as they are developed through Cabinet, County Council, Scrutiny Committees, Whole Council Forums and specific engagement sessions throughout the 2022/23 Reconciling Policy, Performance and Resources process.

**BECKY SHAW**  
**Chief Executive**



# State of the County 2022

## Focus on East Sussex

Version number 1

Publication date TBC 2022



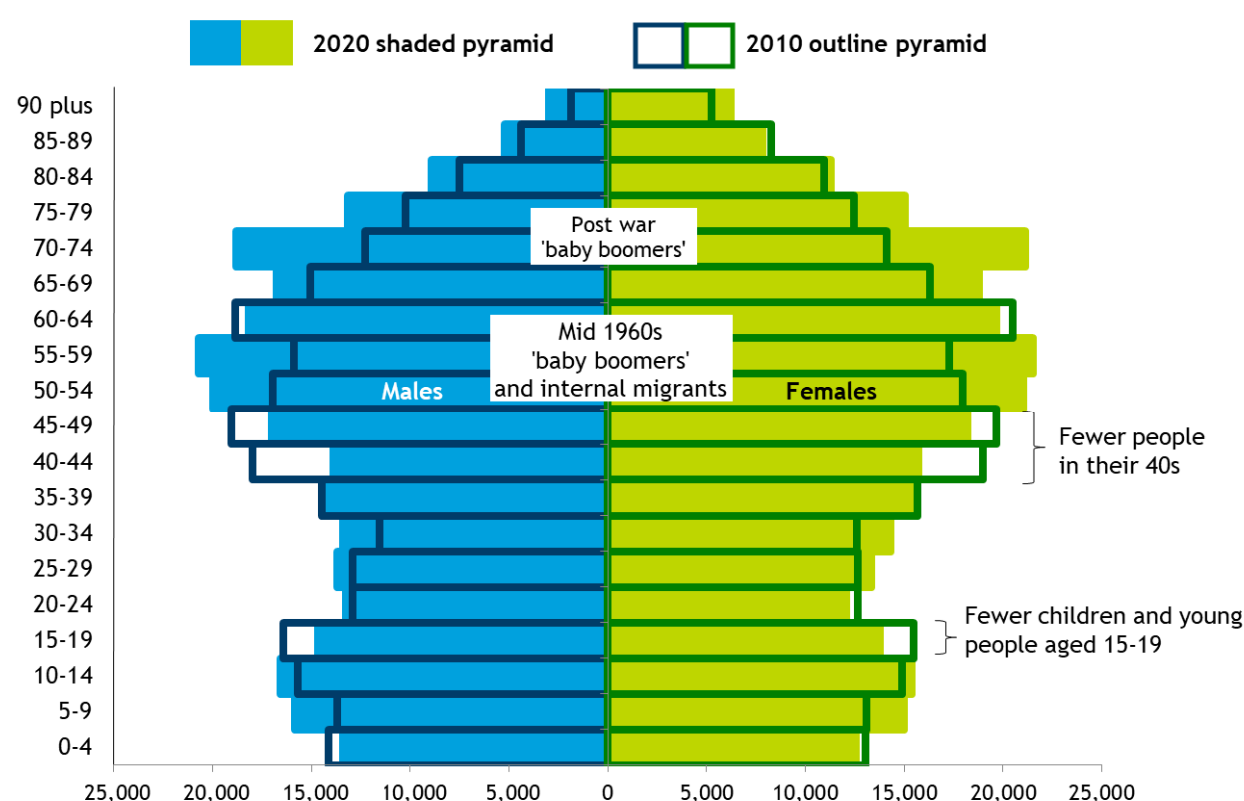
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# Population

## Age and sex

The population of East Sussex was estimated to be nearly 558,900 in mid-2020. East Sussex has a much older age profile compared to England and the South East. 26% of the county's population is aged 65 or over, compared to 19% in England and 20% regionally. The median age of the county is 48.4, compared to the national average of 40.2.



Source: ONS mid-year estimates, 2020

52% of the county's population was estimated to be female and 48% male, similar to the national split. However, for those aged 65 and over it was estimated that 55% of the population was female and 45% male.

## Gender identity

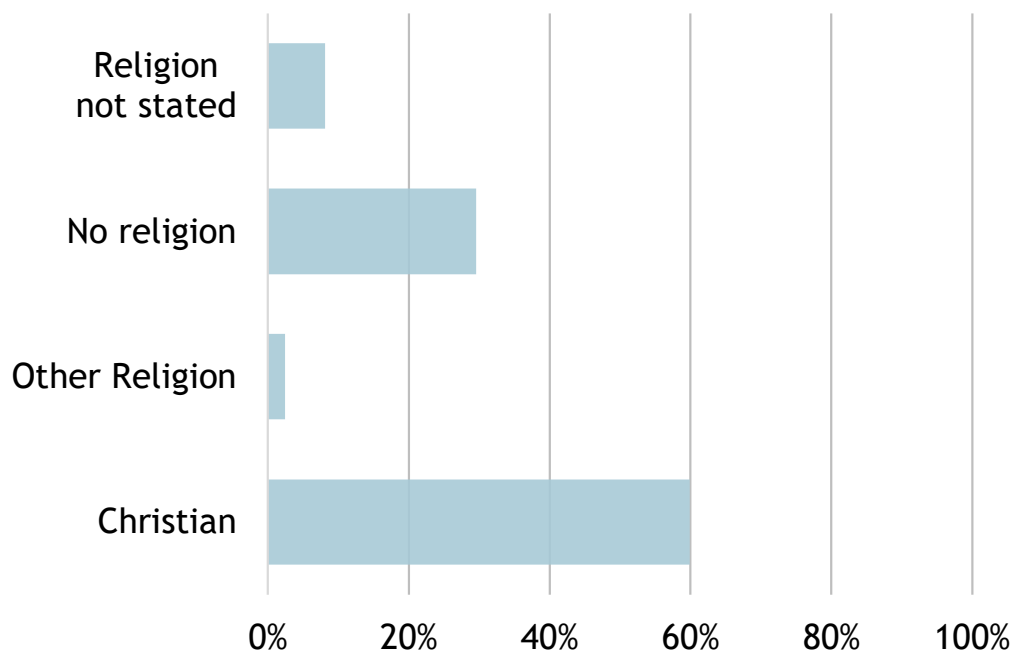
It is estimated that nationally around 1 per cent of the population might identify

as trans or non-binary. For East Sussex this would be approximately 5,600 people.

Source: Stonewall

## Religion

In the 2011 Census (2021 Census data has yet to be released) 60% of the population in East Sussex stated their religion was Christian. 0.8% of the population stated their religion was Islam, 0.4% Buddhism and 0.3% Hinduism. 30% of the population stated they had no religion.



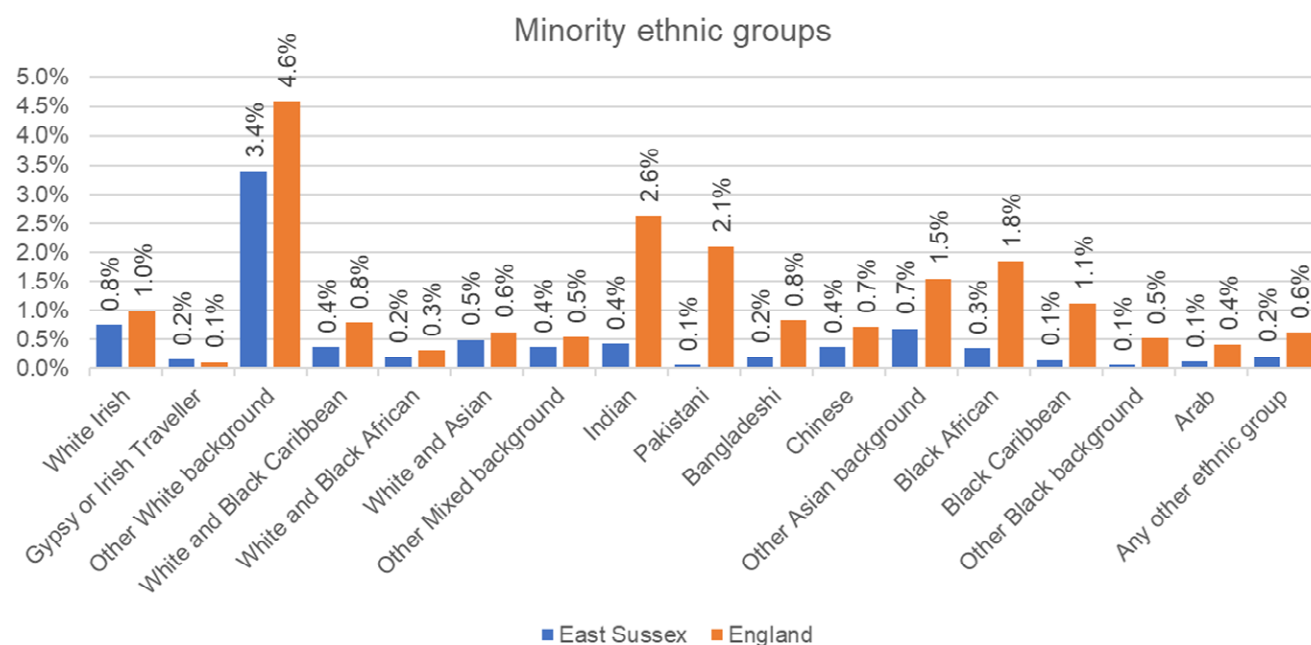
Source: 2011 Census

## Marital status

The latest data for marital status is from the 2011 Census. 29.1% of respondents were single, 48.7% were married or in a civil partnership. 2.7% of respondents were separated from their partners, 10.7% were divorced or had been in a civil partnership which was dissolved. The remaining 8.7% of respondents were widowed.

## Ethnicity

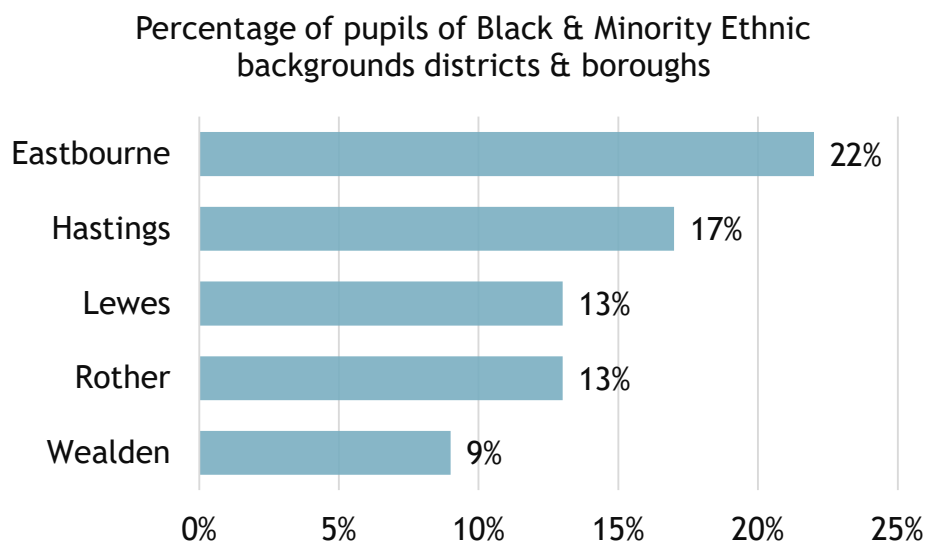
The latest ethnicity data for the county is from the 2011 Census. At the time 91.7% of the county's population identified as White British, compared to the regional average of 85.2% and the national average of 80.5%.



Source: 2011 Census

We have more recent data on pupils in state funded schools in East Sussex. 14.3% of East Sussex pupils are from minority ethnic backgrounds (January 2022), compared to 35.2% nationally (January 2021). There has been a 1.7% increase in the proportion of pupils from minority ethnic backgrounds since 2014.

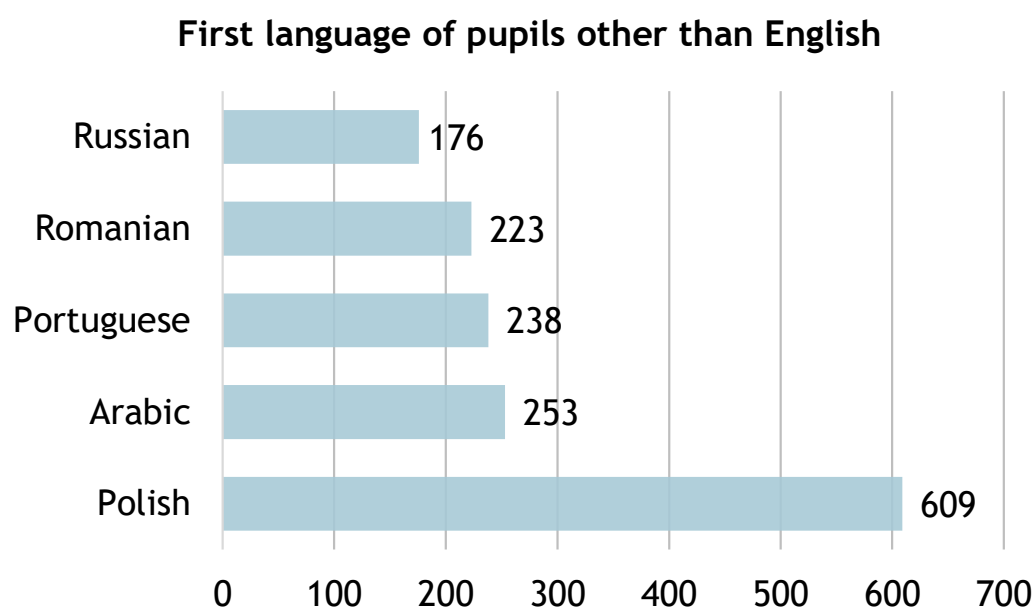
The percentage of pupils from minority ethnic backgrounds varies across the county. 22% of pupils in Eastbourne are from minority ethnic backgrounds, in Wealden this figure is 9%.



## Language

We have little information on the languages spoken by people across East Sussex. However, we have some information on the first language of pupils in our state-maintained schools. 6.4% of pupils were recorded as having English as an additional language in the latest School Census. This is where the pupil has been exposed to a language other than English during early development and continues to be exposed to this language in the home or in the community.

Polish is the most recorded first language, other than English, across the county.



Source: School Census.

## Disability

The 2011 Census is the latest comprehensive data we have on the number of people with a disability in the county. Our local projections suggest that by 2033 there will be over 119,000 people with a disability in East Sussex.

Protected characteristic: Disability	East Sussex	Eastbourne	Hastings	Lewes	Rother	Wealden
Limiting long-term illness (LLTI) - 2011	107,145	20,831	19,956	19,054	21,242	26,062
Projected LLTI - 2019	117,407	22,779	21,259	20,956	22,219	30,193
Projected LLTI - 2033	144,568	26,579	24,755	25,513	27,533	40,192
Projected disability - 2019	95,621	18,579	17,237	17,070	18,207	24,529
Projected disability - 2033	119,588	22,048	20,416	21,082	22,914	33,129
Disability Living Allowance (DLA) and Personal Independence Payments (PIP) (All claimants, February 2021)	32,329	7,077	7,613	5,628	5,466	6,542

Sources: LLTI data: 2011 Census; Disability and limited long-term illness projection: 2019 based East Sussex County Council Projections, DLA and PIP claimants: DWP StatXplore.

## Pregnancy and maternity

The ONS births data provides an indication of the number of women in East Sussex who may be pregnant or on maternity.

Protected characteristic: Pregnancy and maternity	East Sussex	Eastbourne	Hastings	Lewes	Rother	Wealden
Live births - 2020	4,620	925	985	809	685	1,216
Births per 1,000 females - 2020	8.1	8.7	10.0	7.7	6.9	7.6

Source: ONS

## Population change

When the 2021 Census data is released we will have a better indication of how our population has changed over time, which we can use to inform our projections of future population growth. Based on the information currently available we estimate that around 563,200 people currently live in the county. We expect that to increase to around 581,300 people in 2026, an increase of just over 3%.

Our increase in population is driven by people moving into the county from elsewhere in the UK. Many of the people who choose to come to East Sussex are older adults, as a result the over 65 age group is growing faster than younger age groups. In 2026 we expect that just over half of our population will be aged 18-64, with over a quarter aged 65 and over.

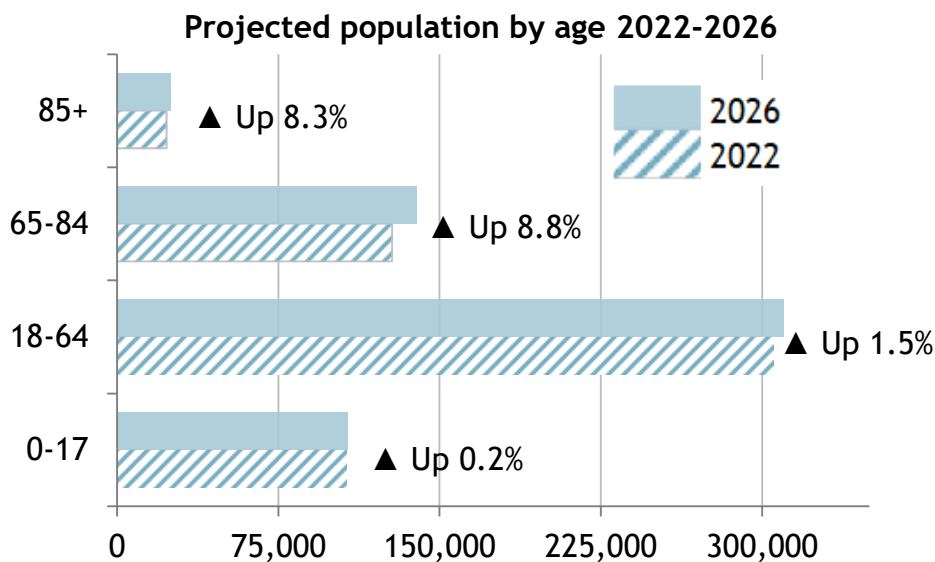
Between 2022 and 2026 we are expecting that there will be around 19,000 births in the county and around 26,800 deaths. This reflects the fact that we have a larger population of older adults in East Sussex. Over the same period we are expecting around 133,600 people to move into the county, offset by around 107,700 people moving out of the county.

Overall these changes mean that compared to 2022, by 2026 there will be:

- An increase of 0.2% (nearly 300 people) in the number of children and young people.
- An increase of 1.5% (4,700 people) in the working age population.
- 8.7% more people aged 65 and over (13,200 people).
- In East Sussex 4.3% of people will be aged 85+, a greater proportion than the England average of 2.5%. We currently have the highest percentage of people aged 85 and over of any local authority area in England, (ONS estimate 2020).

## Projected population in 2026

Age Range	East Sussex	England
0-17	18.4%	20.9%
18-64	53.4%	59.1%
65-84	23.9%	17.3%
85+	4.3%	2.7%



Age Range	2022	2026	Change
0-17	106,800	107,100	+300
18-64	305,500	310,200	+4,700
65-84	128,000	139,200	+11,200
85+	22,900	24,800	+1,900
All people	563,200	581,300	18,100

Source: ESCC data, ESCC population projections (dwelling led) April 2022. National Data, ONS. All figures rounded to the nearest 100 and therefore may not sum.

## District population change

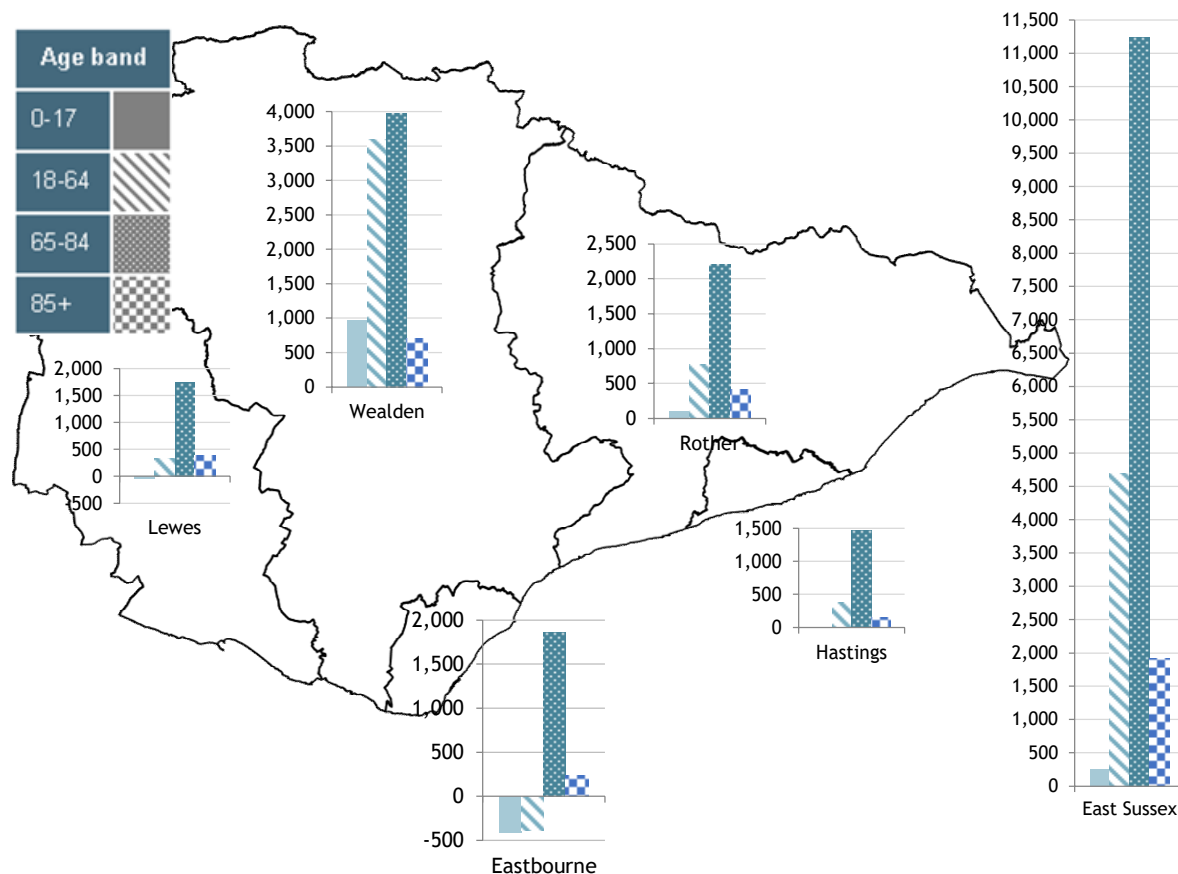
We expect that how our population changes will be different in different parts of the county. By 2026 there will be:

- an increase of 11% (700) more people aged 85+ in Wealden; the smallest increase will be in Eastbourne, 5% (200).
- 10% (4,000) more people aged 65-84 in Wealden, and 9% (1,500) more people in Hastings, Lewes will see a 7% (1,700) increase.

## State of the County 2022: Focus on East Sussex

- Wealden will also see the largest increase in the working age population (18-64), of 4.0% (3,600).
- Eastbourne will see a 1% (400) fall in the working age population.

### District population change 2022 - 2026



Source: East Sussex in Figures - Population projections by age and gender (dwelling-led) districts

## Older people moving into and out of East Sussex 2016 - 2020

10,250 people aged 65+ moved into East Sussex from elsewhere in England between 2016 - 2020. 7,320 moved out of the county, making the net increase 2,930. The largest net inflow of people arrived from Kent, Brighton and Hove, Surrey and Croydon.

The largest net outflow of people aged 65+ was to Devon, with 90 more people moving there than coming to East Sussex; second was Gloucestershire with a total

of 50.

The changes in population for this age group has an impact on our local economy as households of people aged 60+ have the highest average levels of disposable income, when compared to all other households.

The average life expectancy at 65 for people in East Sussex is a further 20.8 years.

Between 2016 - 2020 there was a net increase of 8,790 people of all ages moving into East Sussex; 3,350 aged 0-18; 2,520 aged 18-64; and 2,930 aged 65+. 5,500 of these people were from Brighton and Hove with more young people moving into East Sussex from Brighton and Hove than moving out

Please note, figures may not sum due to rounding.

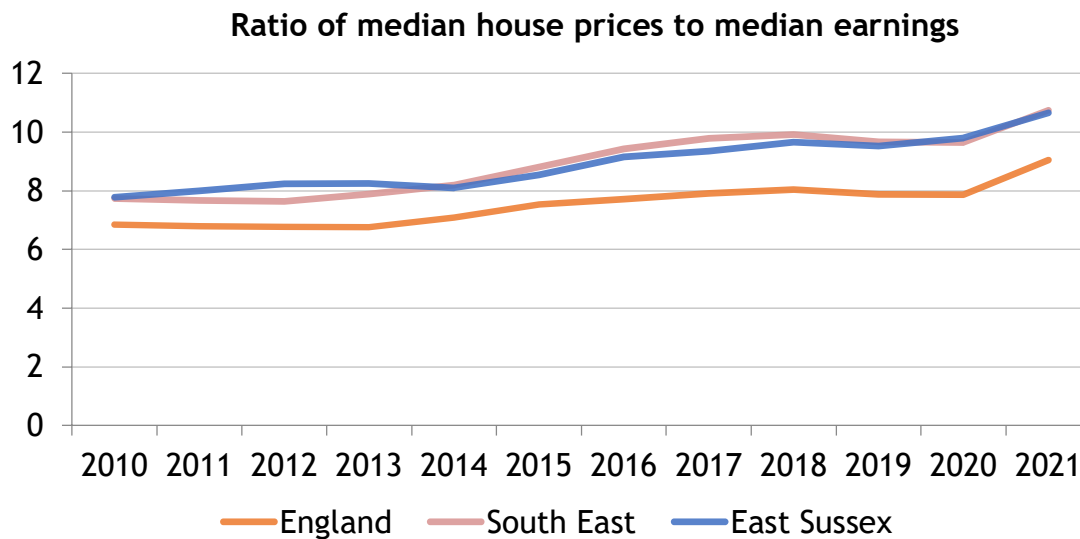
Sources: ONS 'Internal migration: detailed estimates by origin and destination local authorities

## Housing

### Housing affordability

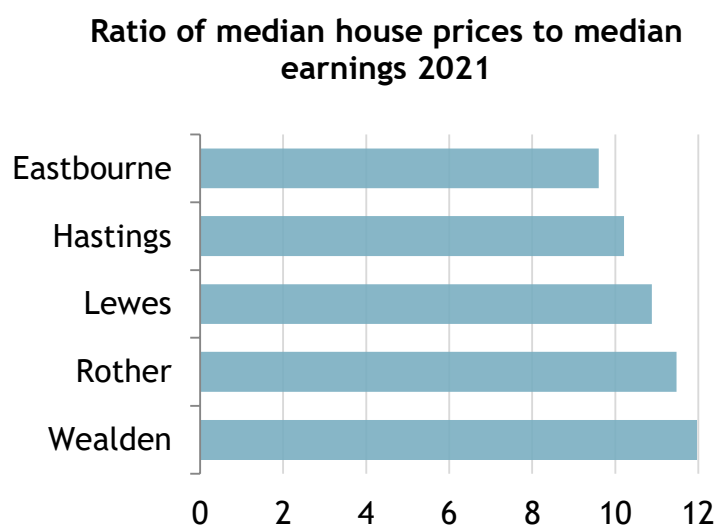
East Sussex is an attractive area to live, however this means that house prices are higher than the national average. In 2021 in East Sussex the average (median) house price was £330,000, 10.7 times the average annual earnings of residents, which were £30,949. In comparison the average house price in England was £285,000, 9 times average annual earnings, which were £31,490.

The average ratio of median house prices to median earnings in East Sussex is higher than for England and continues to be similar to the South East average. The ratio of house prices to earnings rose sharply in 2021.



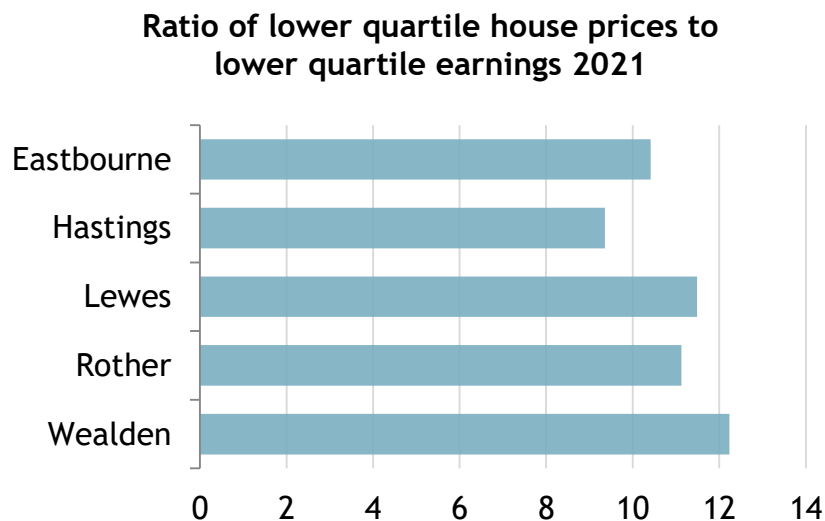
Source: ONS

The median average house prices were over 10 times the average annual earnings of residents in all East Sussex districts and boroughs except for Eastbourne where the ratio was 9.6.



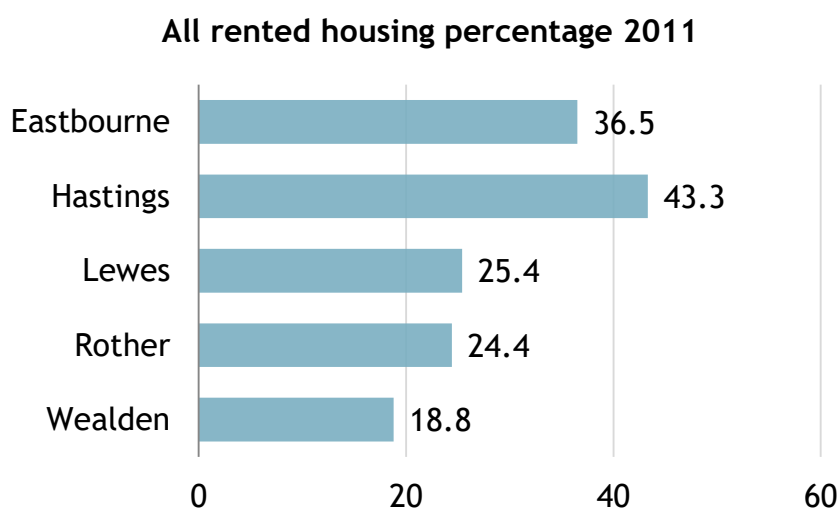
Source: ONS

The same pattern can be seen when comparing the cost of some of the less expensive houses to the earnings of those on lower incomes. Lower quartile (25% least expensive) house prices were over 10 times lower quartile earnings in all districts and boroughs except Hastings where the ratio was 9.4.



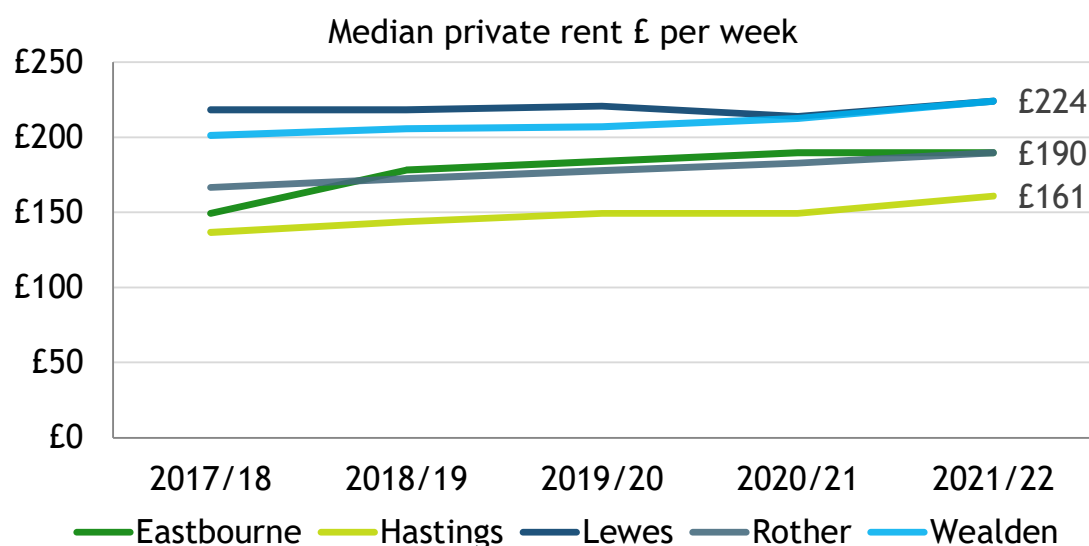
Source: ONS

Rented housing is a significant sector in East Sussex, making up 18.8% of housing in Wealden and 43.3% in Hastings.



Source: Census 2011

Average rent for social rented housing in 2020/21 ranged from £80 to £104 per week. Private rented housing is significantly more expensive than social housing and the cost rose by up to 27% between 2017/18 to 2021/22. Average private rents range from £161 to £224 a week across districts.



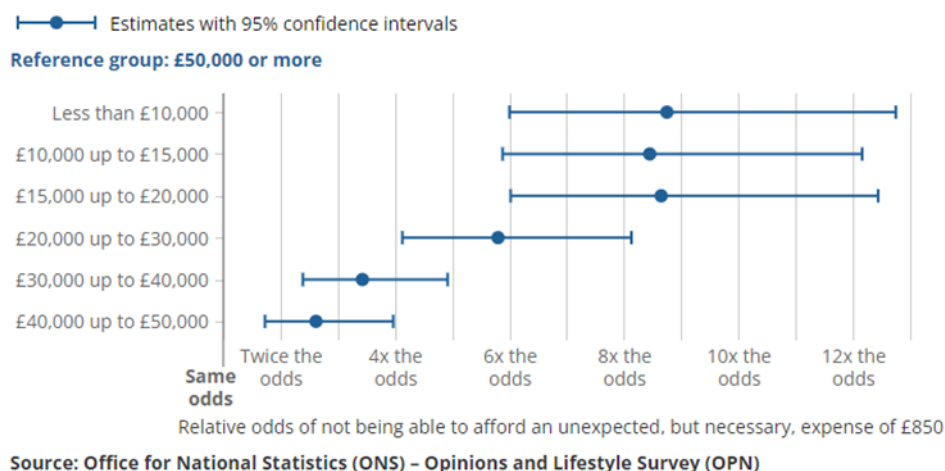
Source: ONS/Valuation Office Agency

## Cost of living

Housing costs have a significant impact on the overall cost of living. Nationally 8 out of 10 adults reported an increase in their cost of living in March 2022, with an increase in the cost of food, utility bills and the cost of fuel were the most common reasons given (ONS Opinions and Lifestyle Survey).

This increase in the cost of living is affecting some groups disproportionately more than others, with older adults more likely to report an increase in their cost of living than younger adults. The ONS asked survey respondents whether they could afford an unexpected but necessary expense of £850. A third of adults on an income of £10,000 or less per year said they could not afford this, compared to 7% earning £50,000 or more per year.

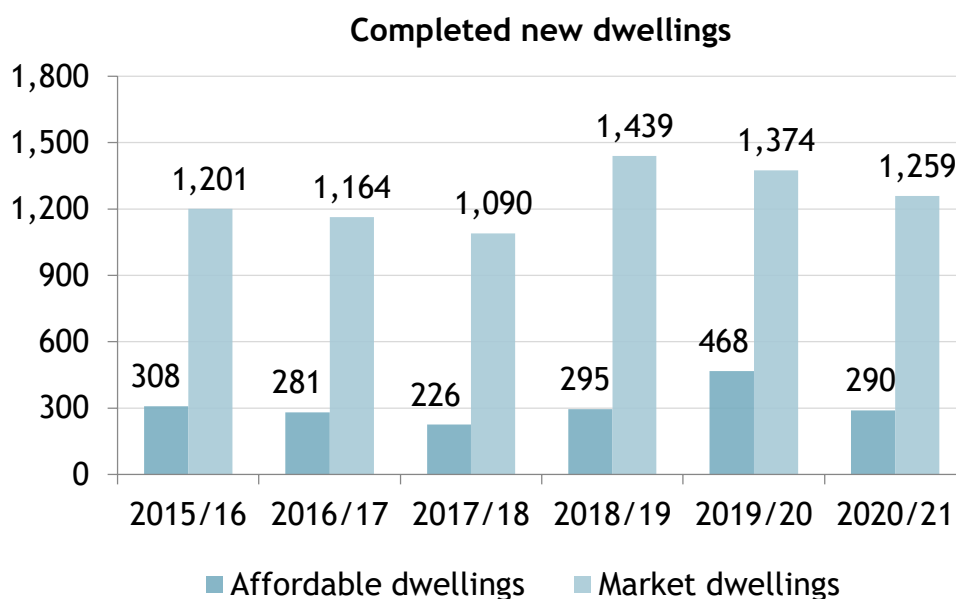
Relative odds of not being able to afford an unexpected expense by income, compared to those earning £50,000 or more per year



## Households and housing delivery

The number of households in East Sussex is expected to grow from around 251,400 in 2022 to 262,000 in 2026 based on the latest data on planned housing growth, an increase of 4.2% (ESCC household projections by type, dwelling led). The number of households with children is expected to grow by 0.4%, from 58,500 to almost 58,800.

In 2020/21 1,549 new dwellings were completed, of these 290 (18.7%) were classed as affordable.



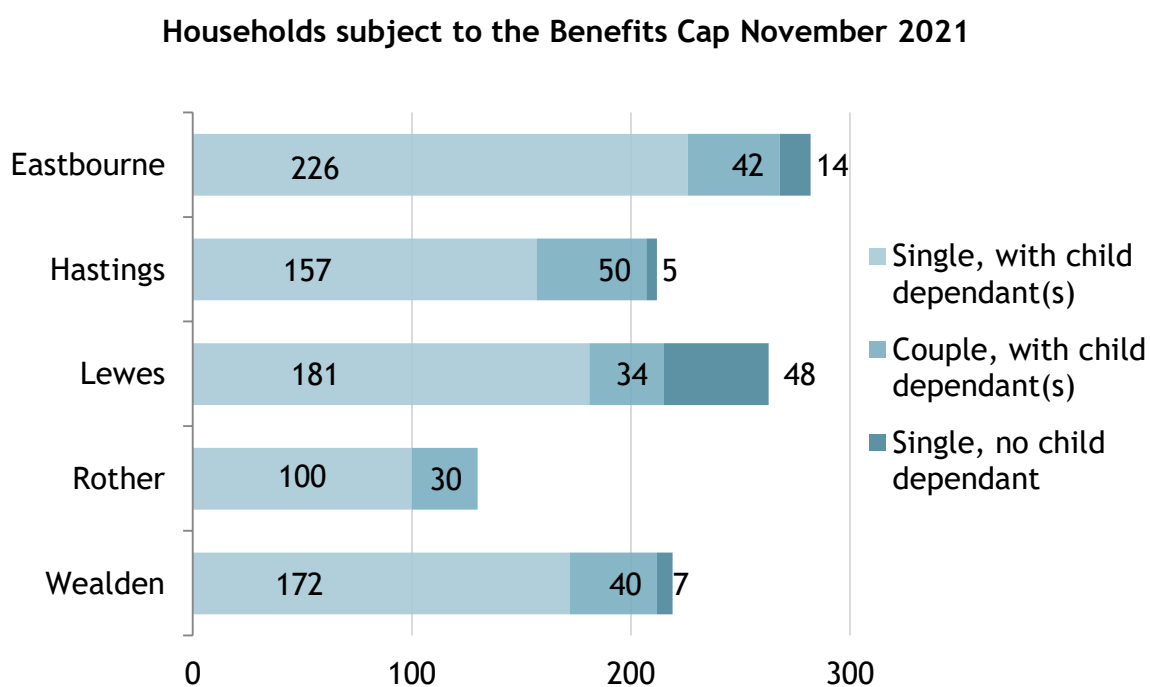
Source: ESCC Housing Monitoring Database, Lewes District Council housing monitoring system

In the past three years, a total of 5,055 homes have been delivered in East Sussex an equivalent of 1,685 per annum, which is below the target figures set by Government.

## The Benefit Cap

The Benefit Cap is a limit on the total amount of benefit most people aged 16-64 can get, it is applied through Housing Benefit or Universal Credit.

Households in receipt of Housing Benefit or Universal Credit who were subject to the Benefit Cap, totalled 1,100 in November 2021, the majority of whom were single people with dependent children.



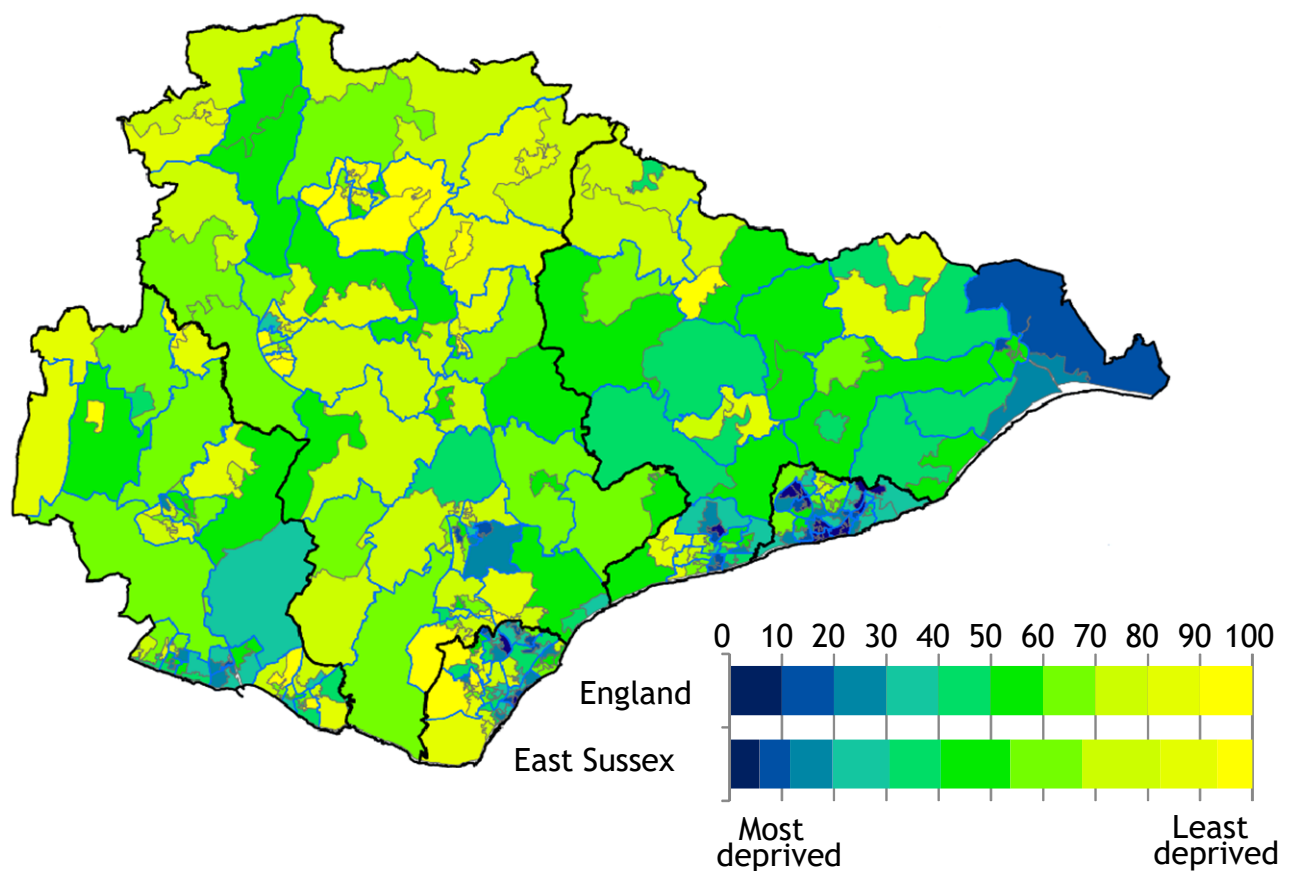
Source: Department for Works and Pensions

Where a family is considered intentionally homeless by a local housing authority (district or borough council) Children's Social Care must ensure that a child is not destitute. This may require provision of temporary housing. These families cannot claim Housing Benefit or Universal Credit to help with their housing costs, so the

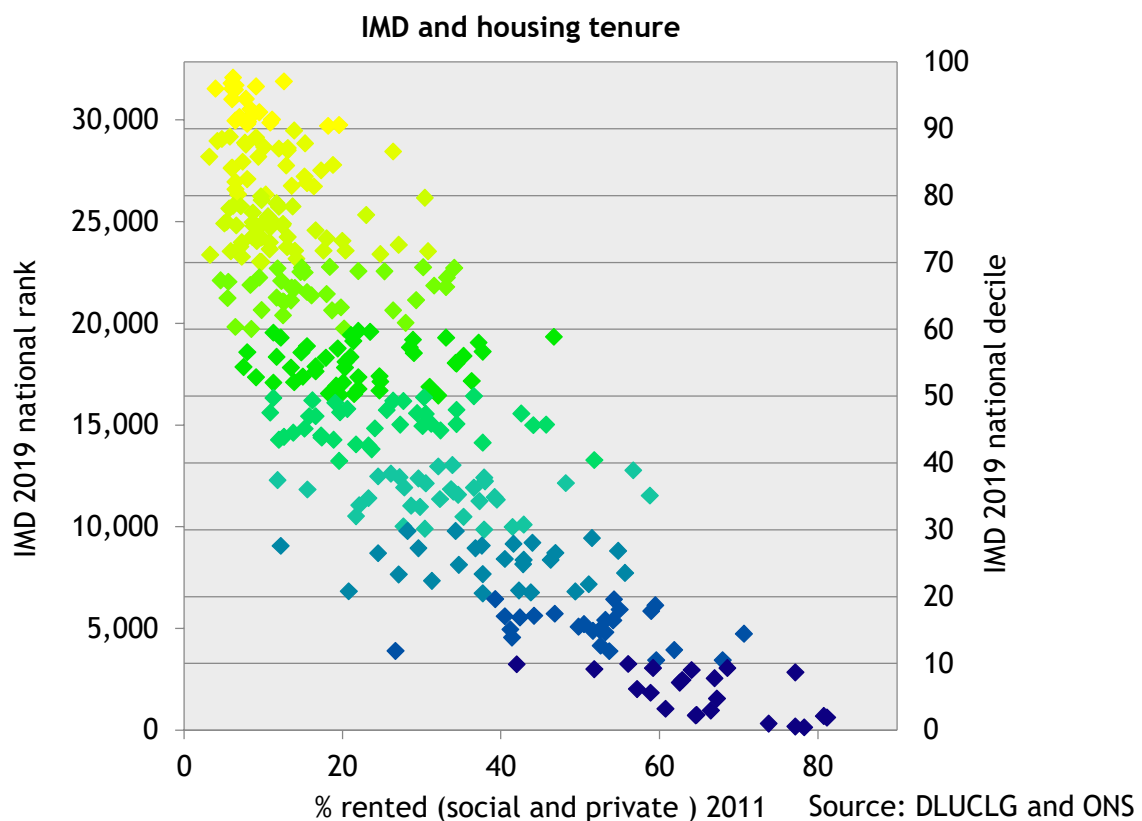
full cost is met by the County Council. East Sussex Children's Services spent £0.2m on such families in 2021/22.

## Deprivation

The Index of Multiple Deprivation (IMD) 2019 measures relative deprivation for small areas in England. It takes into account a number of factors including health, access to services, environment and housing, however income and employment have the greatest effect on the deprivation score given to an area. The map shows how deprived individual parts of the county are compared to the national average.



The IMD is calculated for small areas called LSOAs, as shown on the map, each of which have approximately 1,500 residents. In East Sussex there are 329 LSOAs, 22 are in the most deprived 10% nationally. 16 of these are in Hastings, four in Eastbourne, and two in Rother. 21 LSOAs are in the least deprived 10%, 13 are in Wealden, six in Lewes, and two in Eastbourne.



Areas of high deprivation correlate with some areas of predominately rented housing. This includes concentrations of social rented properties (up to 70%) and private rented properties (up to 68%), and both (up to 81%). Measures of deprivation include the indoor living environment, and in these areas, more properties (excluding social housing) may be in poor condition or without central heating, leading to higher heating costs and other negative outcomes.

People that are more deprived may produce higher demand for Council and other public services. People living in deprived LSOAs are more likely to have poorer health and/or a disability and lower skills. Deprived areas can also have higher rates of crime and drug misuse. However, it is important to note that the IMD is based on averages across an area, so it is possible to have people with low levels of deprivation in an area classified as being more deprived and vice versa.

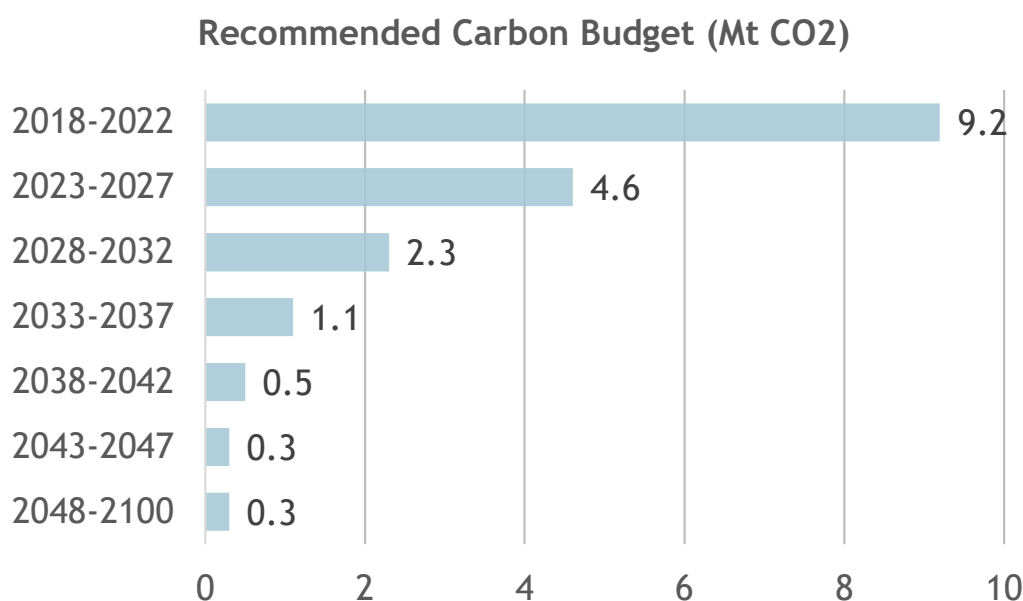
The relationship between multiple deprivation, low income and poor-quality housing means it can be hard to change relative deprivation for people living in an area of predominantly low-cost housing without addressing housing quality.

# Environment

## The Cumulative CO<sub>2e</sub> emissions budget

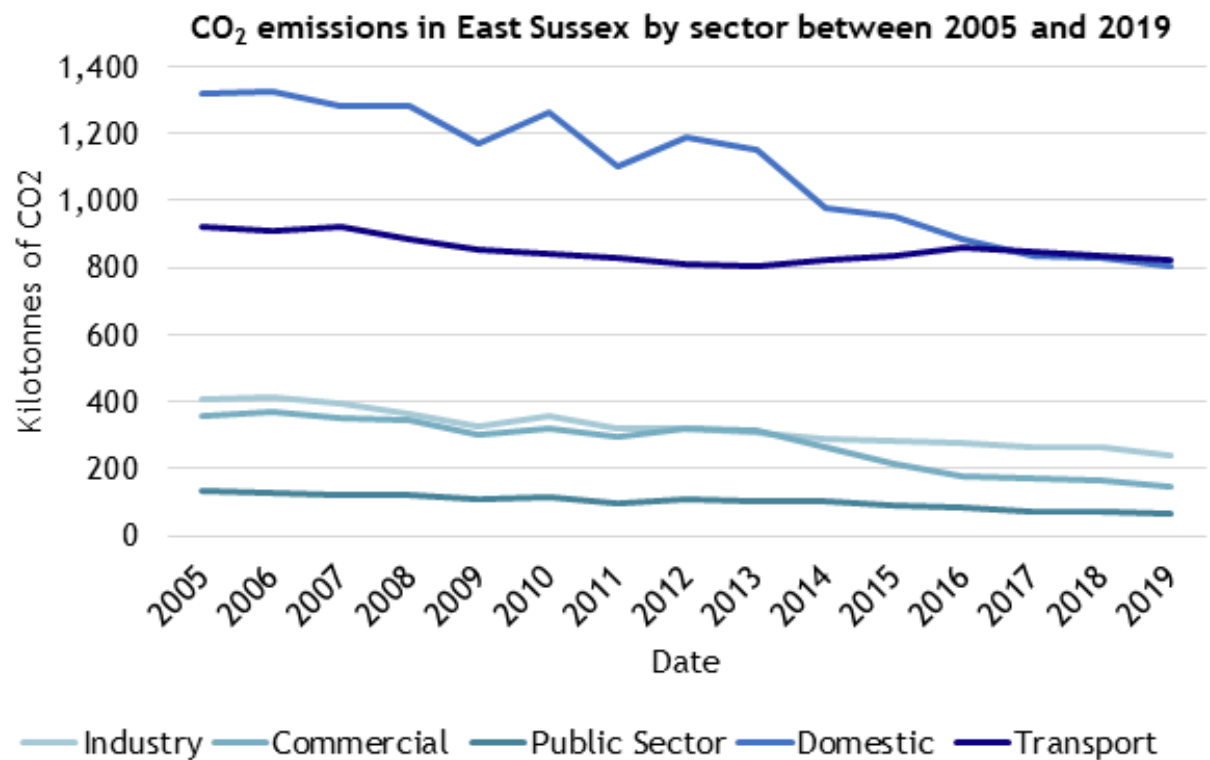
Carbon dioxide (CO<sub>2e</sub>) emissions in East Sussex fell by about 34% between 2005 and 2019, while the population grew by about 8%. This excludes emissions that occur outside the area due to demand for goods and services that are consumed in the county. This reduction is similar to the national decrease, and driven by the same changes (e.g., the switch from coal to gas and renewables to generate electricity).

For East Sussex to contribute to keeping the increase in global average temperature below 1.5°C above pre-industrial levels requires cutting emissions across the county by an average of about 13% per year, which roughly equates to halving total emissions every 5 years.



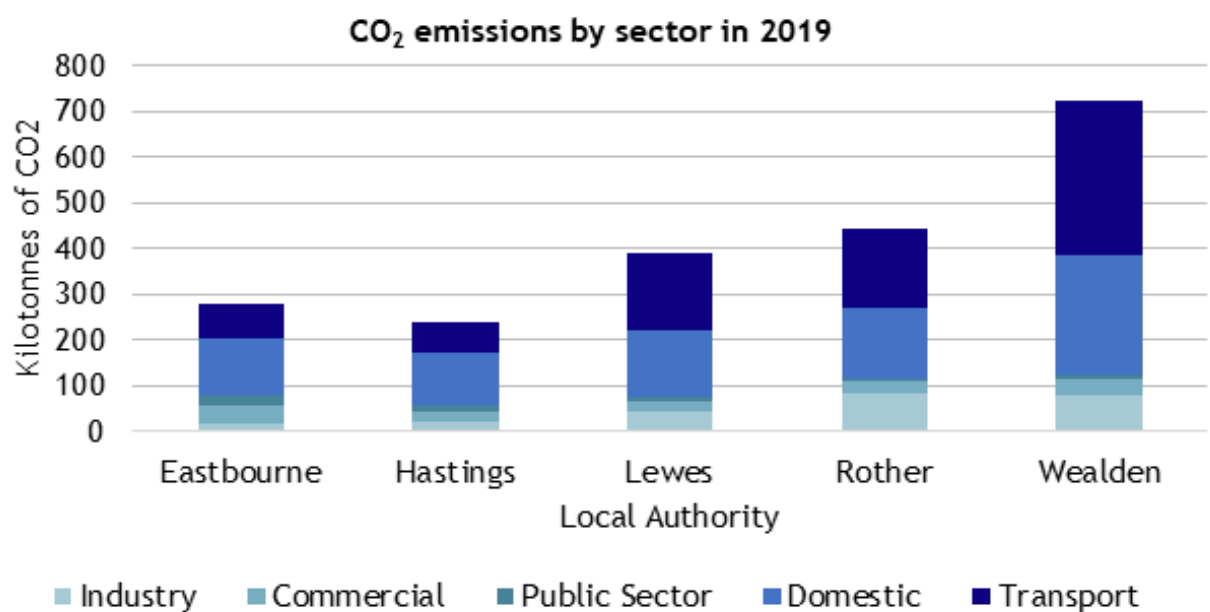
Source: Tyndall Centre for Climate Change, 2022.

Emissions from domestic properties and transport are the greatest contributors to overall emissions across the county. There has been a decrease in domestic emissions over the last ten years.



Source: BEIS 2021

East Sussex had the lowest emissions of carbon dioxide per person of any County Council area in England in 2018.



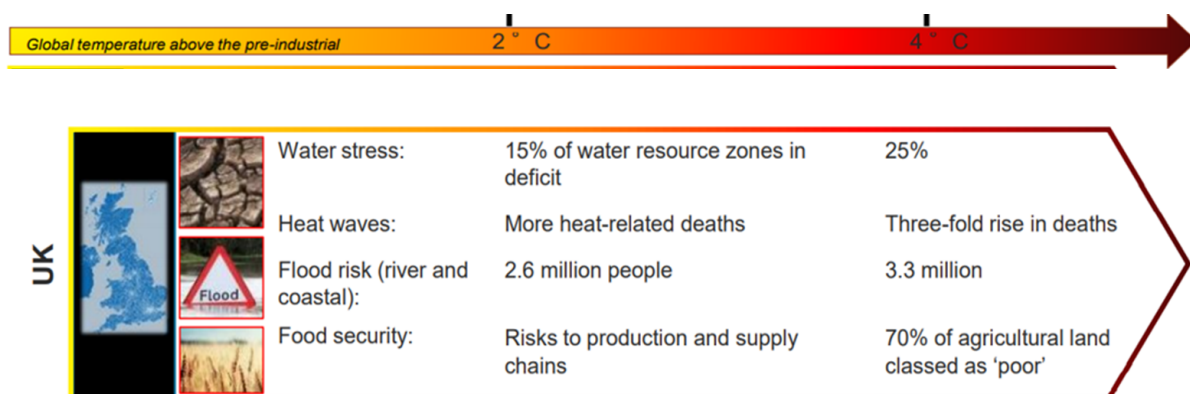
Source: BEIS 2021

The two urban areas in the county, Eastbourne and Hastings, have a higher percentage of domestic sector emissions and lower transport sector emissions than the three more rural areas, Lewes, Rother and Wealden, as they have a higher population density and lower levels of car ownership. This is also reflected in higher emissions per capita in the rural areas, because there are fewer transport options and therefore higher private car ownership, as well as many properties that are not on the gas grid.

## Climate adaptation

Even if global warming can be limited to 1.5°C significant additional investment will be needed in measures to adapt to the effects of climate change that are already locked in due to past emissions of greenhouse gases.

### National risks from different levels of climate change

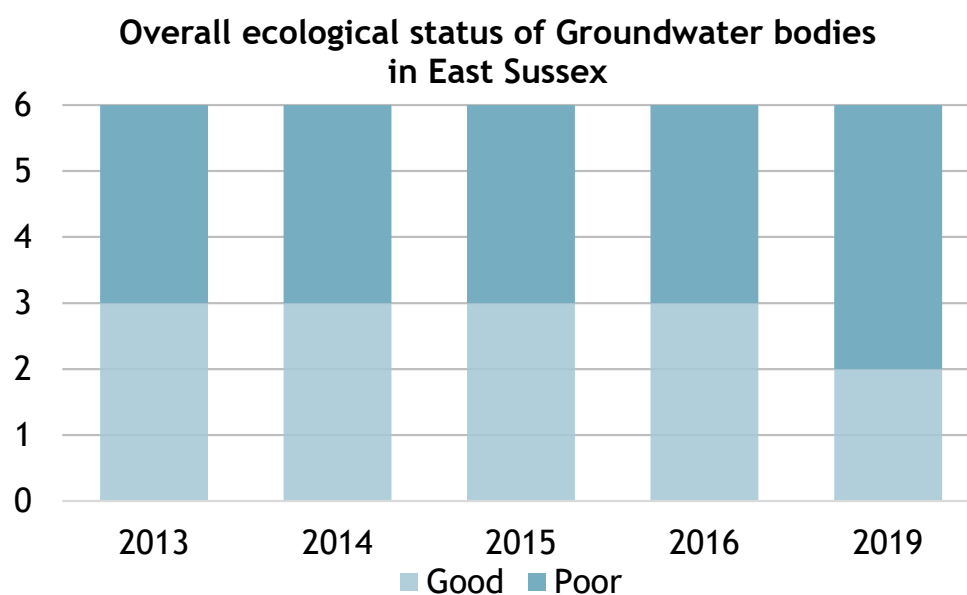


Source: Met Office, 2020

UK Met Office predictions of the effects of climate change in East Sussex include hotter and drier summers, milder and wetter winters, more droughts, more flooding, and more intense and frequent storms. This is predicted to lead to an increase in heat-related deaths, particularly amongst the elderly, damage to essential infrastructure, increased cost of food, disruption to supply chains and service provision, greater coastal erosion, and impact on coastal habitats.

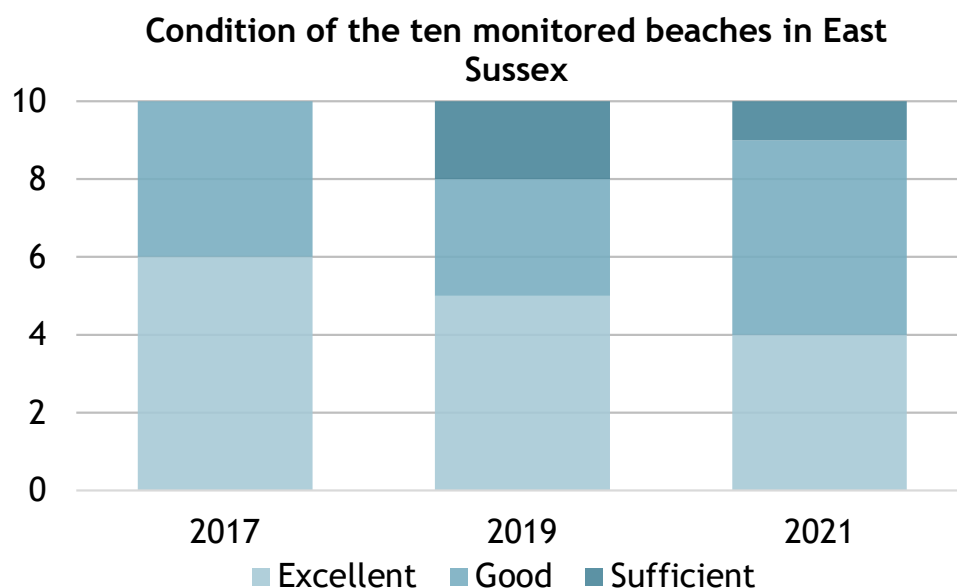
## Water quality

Water pollution is mostly caused by land management practices (e.g., agricultural run-off), wastewater treatment plants, and urban and highway run-off. The quality of waterbodies in East Sussex has deteriorated slightly in recent years. The number of groundwater bodies in East Sussex rated as good reduced from three to two between 2016 and 2019. The quality of some ground waters, which provide about 70% of drinking water, have deteriorated due to rising nitrate levels, mostly due to historic farming practices.



Source: Department for Environment Food & Rural Affairs

The quality of bathing waters has also decreased in recent years. Data on monitored beaches shows that fewer were in excellent condition in 2021 compared to 2017.



Source: Department for Environment Food & Rural Affairs

## Designated sites and reserves

East Sussex has a rich natural environment, with over two thirds of the county being covered by one or more environmental designations. The table shows how much of the county is covered by which type of designation.

Designated sites and reserves		% of East Sussex
International	Ramsar	3.2%
	Special Area of Conservation (SAC)	3.6%
	Special Protection Area (SPA)	2.7%
National	Area of Outstanding Natural Beauty (AONB)	43.5%
	National Nature Reserve (NNR)	0.2%
	National Park	12.0%
	Site of Special Scientific Interest (SSSI)	7.6%
Local	Country Park	0.3%
	Local Geological Site (LGS)	0.4%
	Local Nature Reserve (LNR)	0.7%
	Local Wildlife Site (LWS)	4.7%
	Notable Road Verge	0.0%
	Environmental Stewardship Agreement	15.6%

Designated sites and reserves		% of East Sussex
Reserve/ Property	National Trust	0.9%
	RSPB Reserve	0.1%
	Sussex Wildlife Trust Reserve	0.6%
	Woodland Trust	0.2%

## Habitats

The key habitats in East Sussex are grassland, arable farmland and woodland.

Habitat	% of East Sussex
Water bodies	1.5%
Arable	22.7%
Grassland	40.0%
Heathland	0.9%
Intertidal	0.7%
Coastal	0.4%
Built up Areas and Gardens	9.1%
Woodland	19.9%
Other	4.8%

## Ecology

### Protected Areas

Over half of the county is designated for its landscape value, either as part of a National Park or an Area of Outstanding Natural Beauty. There are 65 Sites of Special Scientific Interest (SSSI), covering about 8% of the county, which recognises and protects their biological and or geological value. About half of these SSSIs are additionally designated as being internationally important for biodiversity, either as a Special Area of Conservation (SAC) under the Habitats Directive, a Special Protection Area (SPA) under the Birds Directive, or a Ramsar site (an internally important wetland site).

There are 26 Local Nature Reserves (LNRs), four National Nature Reserves (NNRs) - considered to be the “jewel in the crown” of SSSIs, and 285 Local Wildlife Sites

(LWS).

About a third of the county supports priority habitats, which are identified as being of principal importance for conservation.

## **Condition**

About three quarters of the SSSIs are in favourable or favourable recovering condition and the rest have either been partially destroyed or are in unfavourable condition. About half of the LWS are currently known to be in positive conservation management.

## **Assets at Risk**

Sussex Nature Partnership Natural Capital Investment Strategy 2019 identifies priority habitats as being at high risk, because they:

- a) Are not adequately protected under existing mechanisms.
- b) Are fragile or vulnerable and/or already highly fragmented.
- c) May be of particular significance in a Sussex context.
- d) Are irreplaceable or not easily recreated (either on-site or elsewhere) if destroyed.

The priority habitats are:

- Lowland heath - particularly significant in East Sussex, notably at Ashdown Forest, due to small amounts present in the south of England, the fragmentation of the habitat type (especially outside Ashdown Forest) and provides a range of benefits, notably clean water.
- Mudflats and saltmarsh - these habitats provide a range of benefits yet are under increasing pressure from climate change, development, and construction of hard sea defences. The national picture is one of medium risk, but the East Sussex context (with high levels of coastal squeeze) increases the risk to these habitats and the benefits they provide. There are small amounts at Newhaven Tide Mills, Cuckmere Estuary and Rye Harbour.
- Vegetated shingle - a globally restricted and internationally important

habitat, for which East Sussex is a stronghold in the UK, mostly at Rye Harbour.

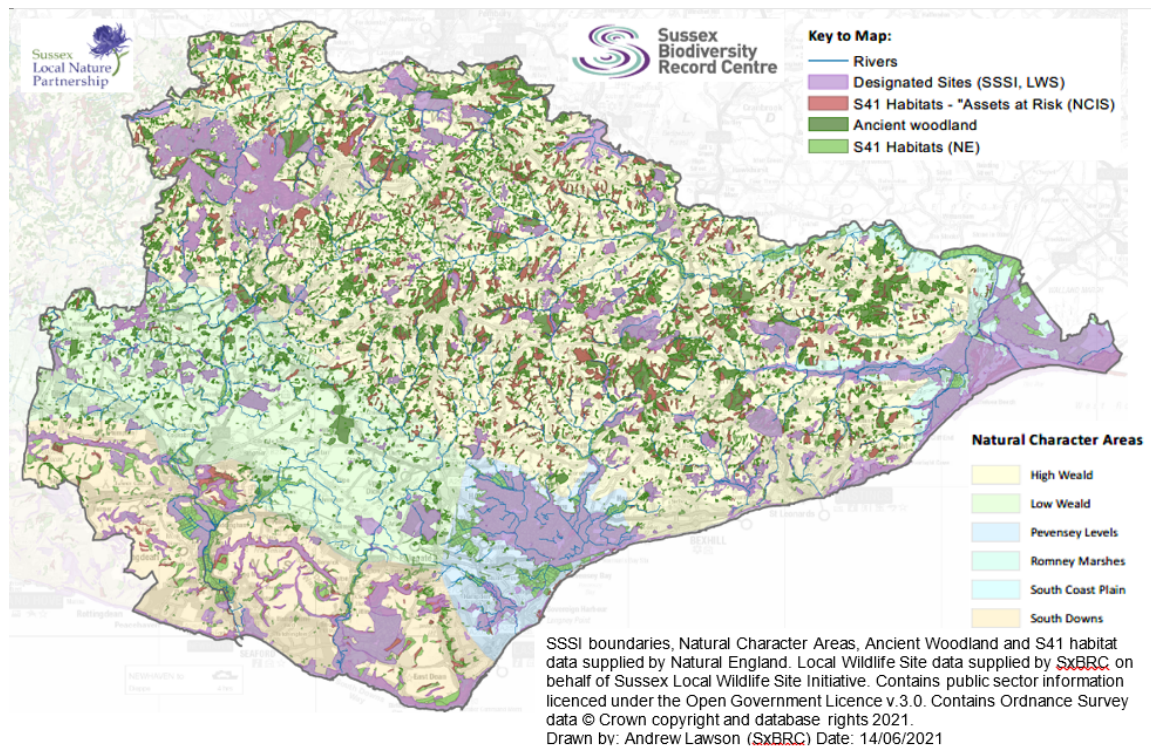
- Reedbed, fen and grazing marsh - small and highly fragmented areas remain in East Sussex, notably at Pevensey, yet they have the potential to provide a wide range of benefits, particularly flood risk mitigation in flood plains and provision of clean water.
- Floodplain woodlands - a fragmented habitat type which plays a very important role in floodplain function.
- Species rich grassland - highly fragmented and those areas outside formal designated areas have little/no protection from further loss. These areas are a priority for loss to development.

## **Marine Conservation Zones**

There are two Marine Conservation Zones (MCZs) off East Sussex, with two other offshore sites under consideration. Designated under the Marine and Coastal Access Act 2009, MCZs protect areas that are important to conserve the diversity of national rare, threatened, and representative habitats and species. These are Beachy Head West which stretches along coastline from Brighton Marina to Beachy Head, with a gap at Newhaven and Beachy Head East which contains two marine Sites of Nature Conservation Importance: the Royal Sovereign Shoals and the Horse of Willingdon Reef. This large inshore area runs to Hastings, out to just beyond six nautical miles from the coast at its furthest points.

## Nature Recovery Network Mapping

The map below shows the fragmented state of the most important species rich S41 Habitats that are to be conserved under section 41 of the NERC Act.



## Waste

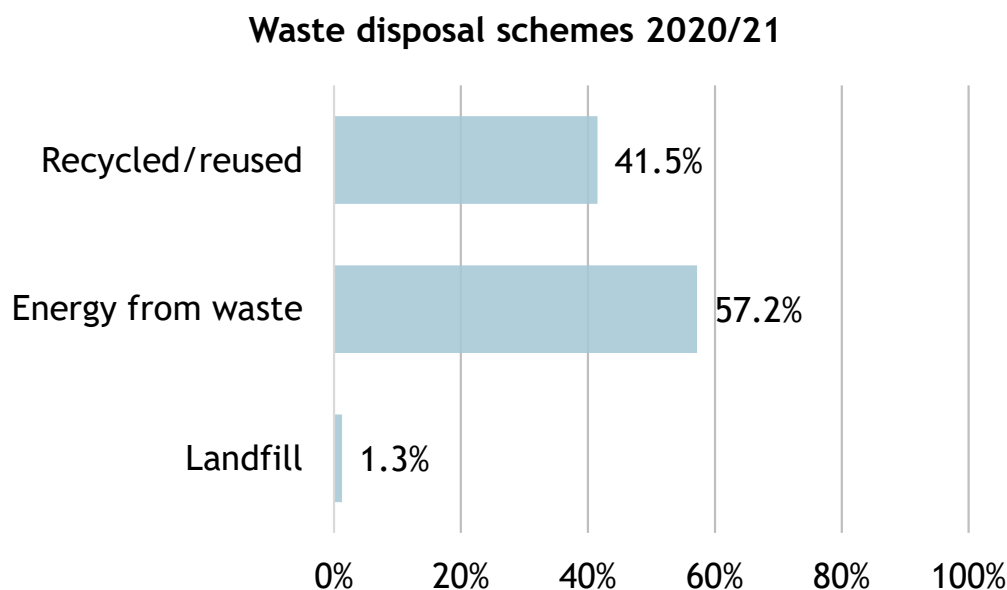
Due to the impact of the pandemic on waste and recycling services and the need to adapt services to make them COVID-19 secure the recycling rate in East Sussex dropped from 43% to 42% during the pandemic. We also saw an increase in both the volume of recycling and general waste collected, this is thought to be due to changes to the working patterns of the population, with more people working from home.

### Managing our waste

Work continues to increase rates of recycling and reuse across the County. Eastbourne Borough Council recently implemented fortnightly rubbish collections which saw recycling rates in the borough increase by 3%. More can be done as recycling materials still go into the rubbish bin, including paper and card, plastics, and garden waste. Recycling bins have just over 6% of waste that should not be

there on average, and this can mean entire truckloads of potential recycling get rejected.

In 2020/21 East Sussex sent 1.3% of waste to landfill, fourth lowest amongst authorities who operate similar services as us. 42% of waste was recycled or reused, whilst 57% was sent for energy recovery. Our Energy Recovery Facility supplies power for over 25,000 homes.



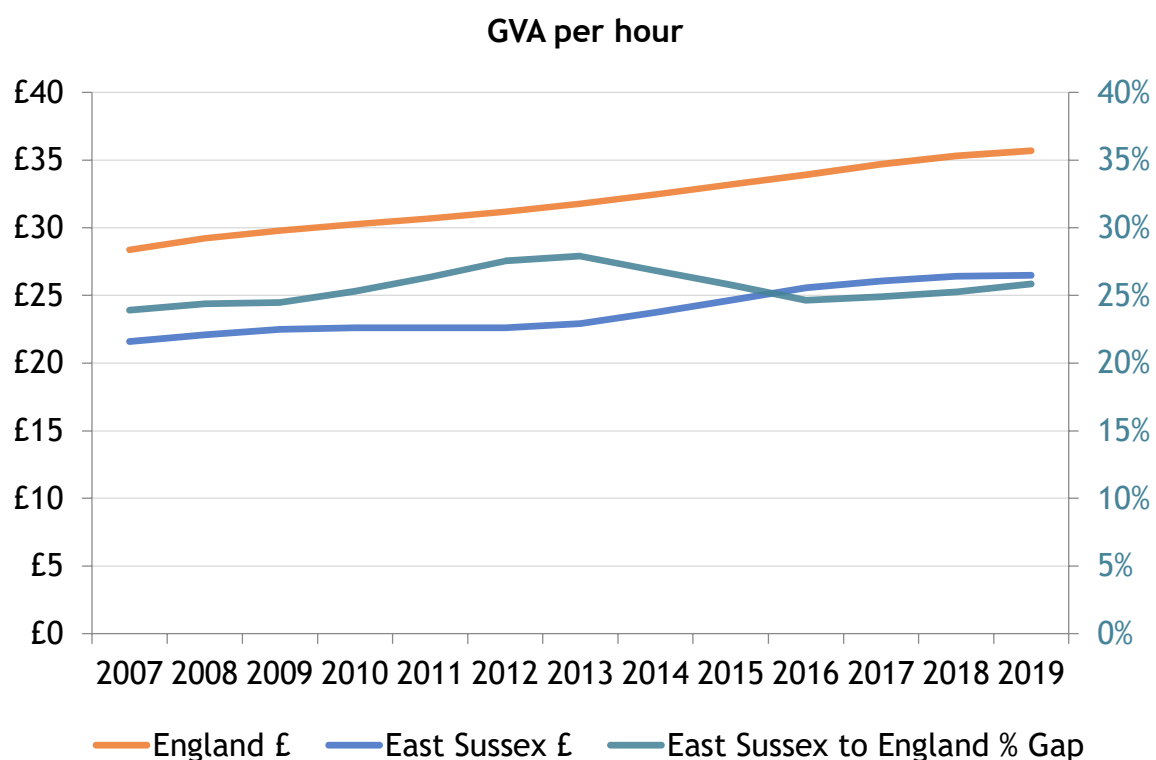
Source: East Sussex County Council Waste Team

89% of the waste produced in East Sussex is processed within the UK, with 11% exported. We ensure that any materials exported are done so properly and legally and are delivered to legitimate recycling facilities.

# Economy

## GVA per hour

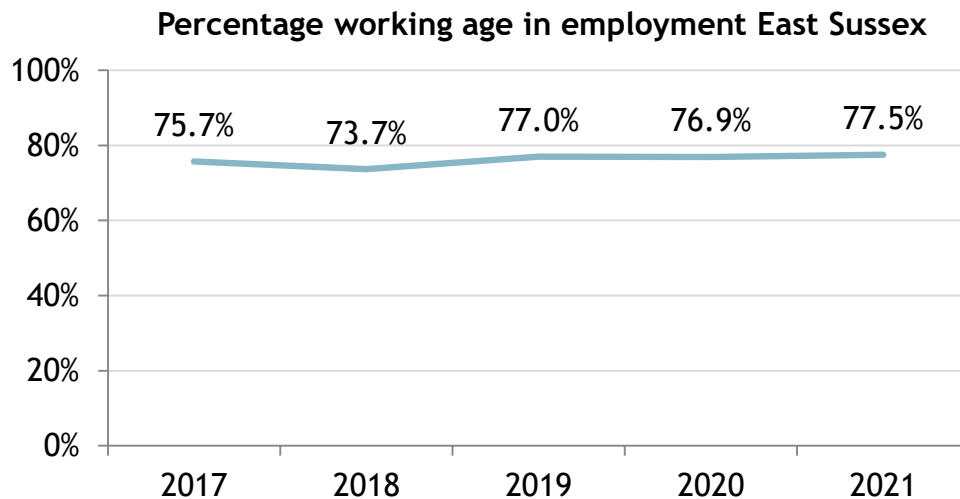
Gross Value Added (GVA) per hour is used to assess the productivity of an area. It measures the value of goods or services produced in an area per hour worked in that area. GVA per hour for East Sussex in 2019 was £26.47, 25.8% below the England level of £35.69.



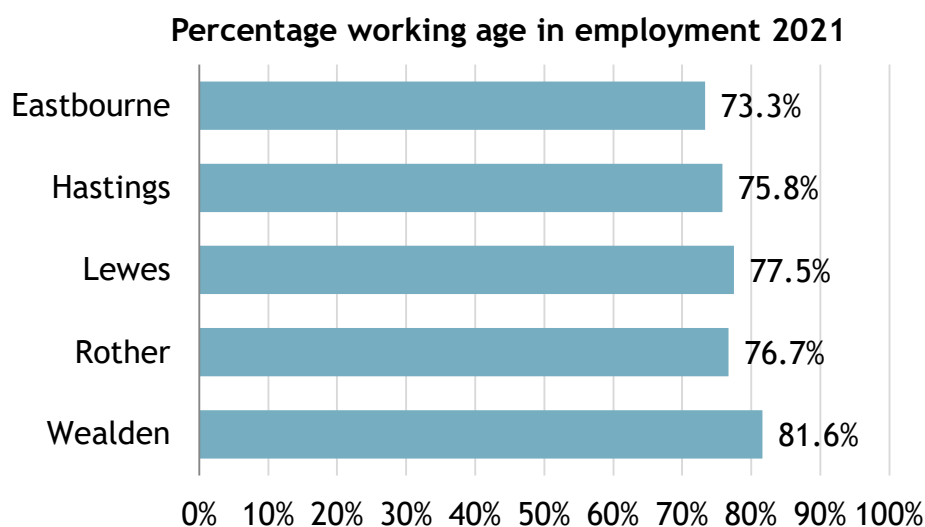
Source: ONS

## Employment

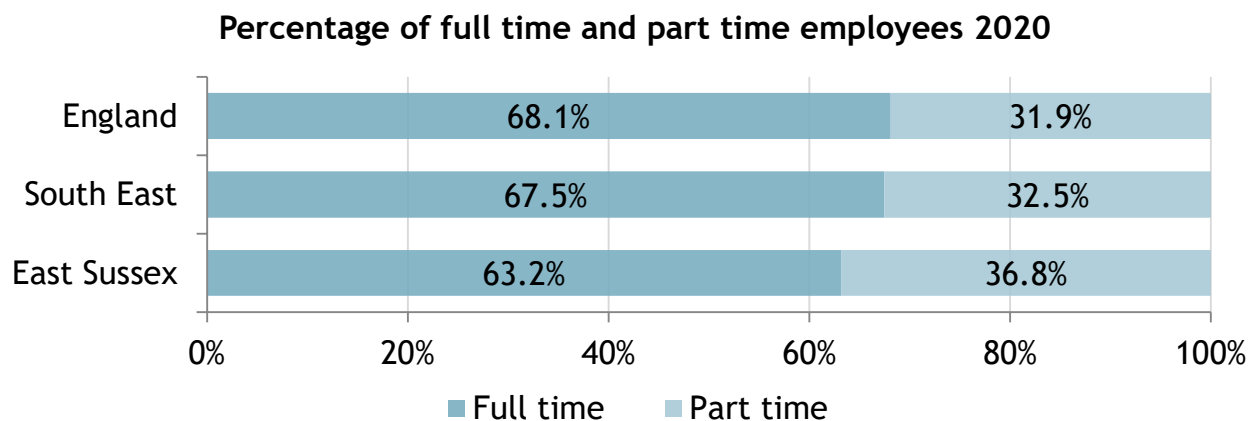
77.5% of the East Sussex working age population (age 16-64) were in employment between January - December 2021 (up from 76.9% in 2020). This was higher than the national average of 75.1% and in line with the average across the South East of 77.6%.



Wealden had the highest rate of employment, 81.6%, Eastbourne the lowest at 73.3%.



More people work part time in East Sussex than in the South East or England.

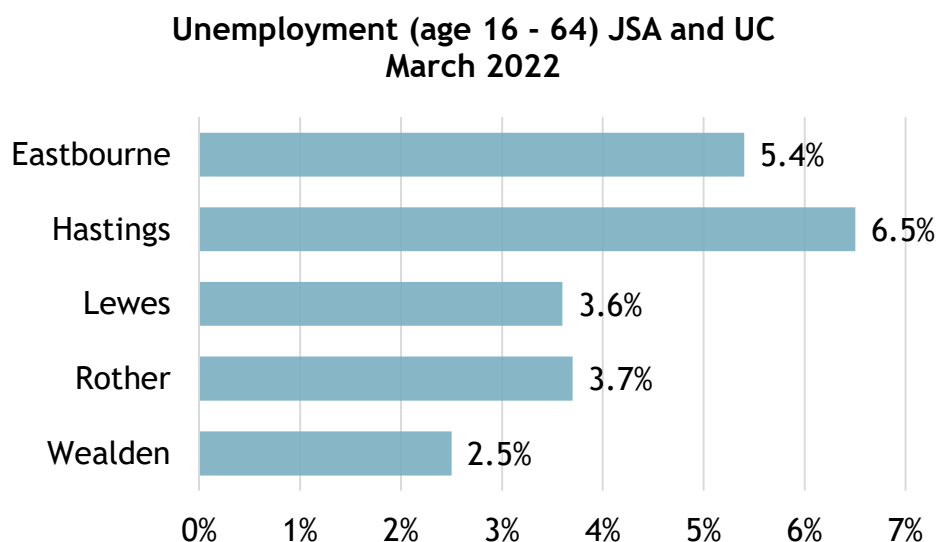


Sources: Annual Population Survey/Labour Force Survey, NOMIS/ONS

## Unemployment

The unemployment rate for March 2022 was 4.1% for East Sussex, slightly lower than the national average of 4.2%, but above the regional average of 3.2%.

Hastings had the highest rate of the districts and boroughs at 6.5%.



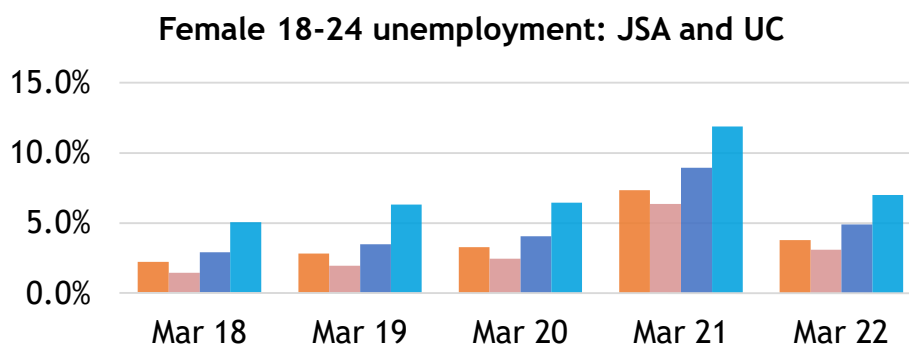
Source: Office for National Statistics/NOMIS - claimants of Job Seekers Allowance (JSA) or Universal Credit (UC) who are searching for work age 16 - 64

Youth unemployment (age 18-24) is normally higher than the overall rate and this trend is greater at time of economic stress. At March 2021 youth unemployment for East Sussex was 11.1%, whilst the England rate was 9.2%. Hastings had the

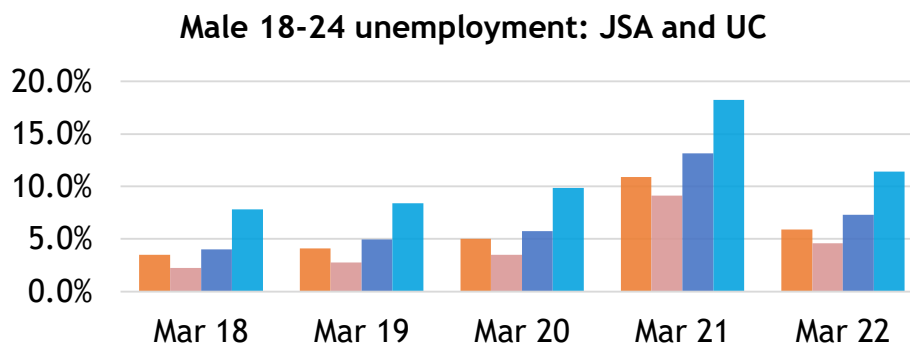
highest district and borough rate at 15.1%. Rates fell for March 2022 to 6.2% for East Sussex, compared to 4.9% nationally. Youth unemployment in Hastings remained higher than the county average at 9.2%.



Within this female unemployment is usually lower than male unemployment. For example in March 2022 female youth unemployment for Hastings was 7.0%, male 11.4%.



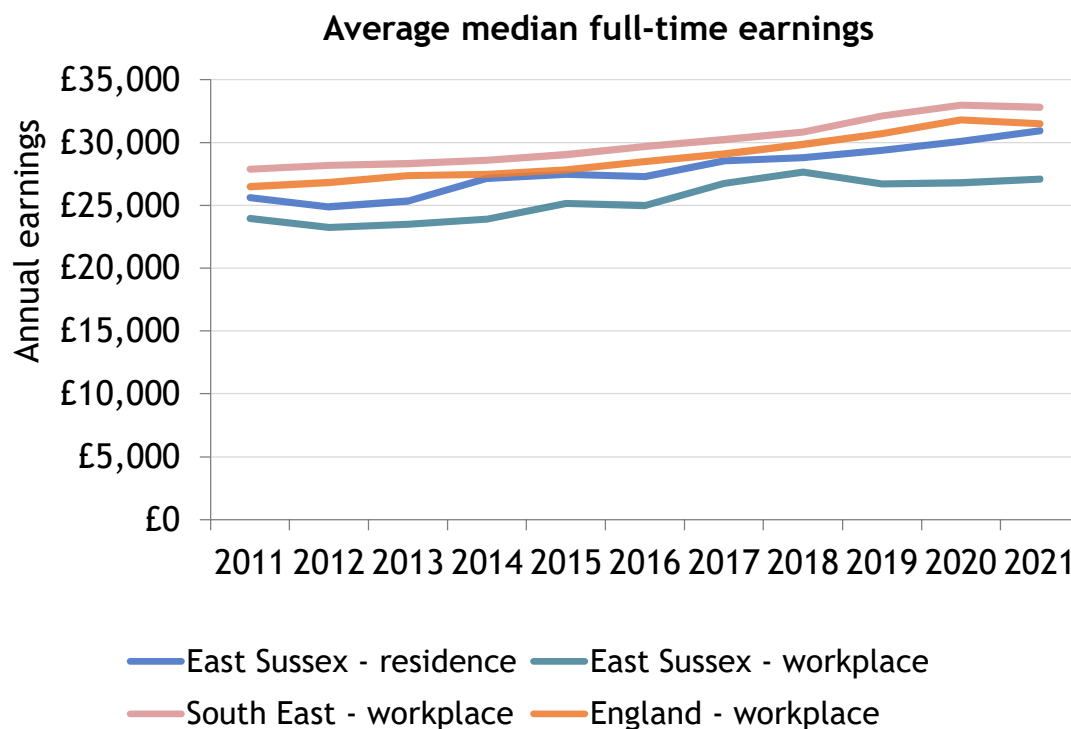
More males are usually economically active meaning the unemployment rate results in relatively more unemployed males than the same rate for females. 600 young people were unemployed in Hastings in March 2022, 220 were female and 380 were male.



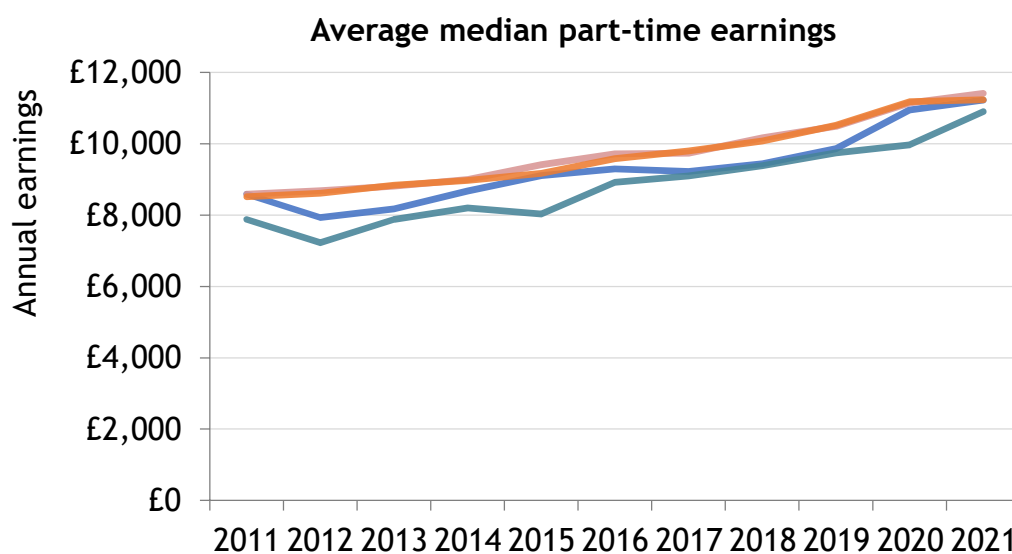
Source all: Office for National Statistics/NOMIS

## Earnings

Residence based earnings are close to the England average workplace earnings for both full and part-time employees. However, for full-time employees in East Sussex, workplace earnings are lower than the rates in the South East and England. Residence based earnings are those of people living within East Sussex, some of whom have workplaces outside East Sussex; workplace earnings are those of people whose workplace is within East Sussex.



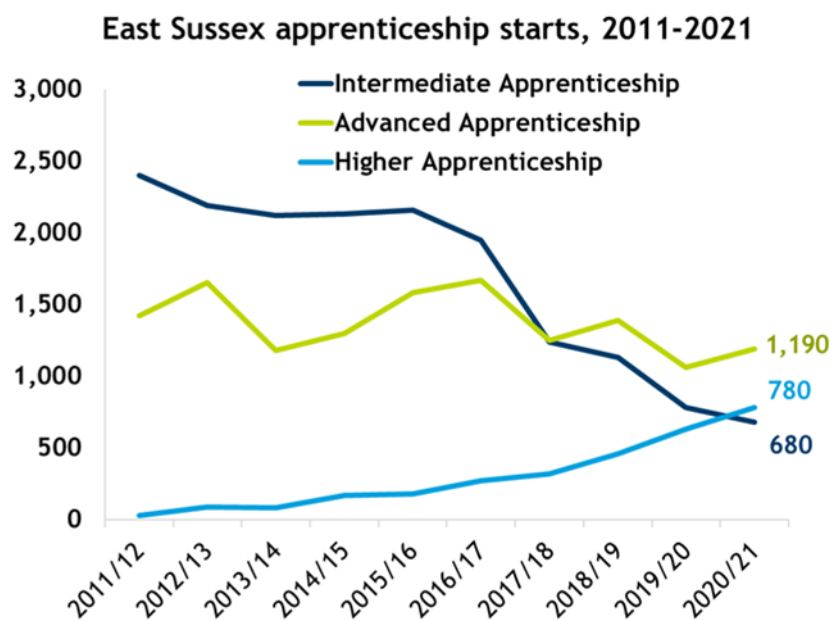
Source: Annual Survey of Hours and Earnings (ASHE), Office for National Statistics



Source: Annual Survey of Hours and Earnings (ASHE), Office for National Statistics.

## Skills

There were 14,840 apprenticeship starts in East Sussex between 2016 and 2021 (Source: Department for Education). Apprenticeship starts in East Sussex in 2020/21 were up 6% on the previous year. Higher level apprenticeship starts in 2020/21 rose by 24%.



(Source: Department for Education further education data library, apprenticeships)

Qualification levels are lower in East Sussex compared to the regional and national averages. Rother and Wealden have a higher proportion of better qualified people compared with other districts in the county, but even here the proportion who have higher level qualifications are lower than the national average.

	Qualifications of working age population 2021					
	None	Level 1	Level 2	Level 3	Level 4+	Other
<b>Eastbourne</b>	5.1%	11.8%	20.1%	24.6%	30.2%	8.2%
<b>Hastings</b>	15.1%	16.7%	20.3%	10.0%	30.7%	7.2%
<b>Lewes</b>	6.5%	8.9%	15.6%	26.1%	35.9%	7.0%
<b>Rother</b>	10.6%	14.9%	10.3%	19.9%	37.3%	7.0%
<b>Wealden</b>	1.7%	13.6%	16.3%	23.7%	38.6%	6.1%
<b>East Sussex</b>	7.1%	13.1%	16.6%	21.3%	34.9%	7.0%
<b>SE region</b>	5.0%	9.7%	15.6%	17.3%	45.1%	7.3%
<b>England</b>	6.4%	9.6%	15.5%	16.8%	43.1%	8.6%

Note: Survey data, confidence intervals apply e.g. up to +/- 5.4% for East Sussex, with potentially much larger confidence intervals for District and Borough areas. Therefore, care should be taken when reading these results. None: No academic or professional qualifications. Other includes trade apprenticeships and all other qualifications.

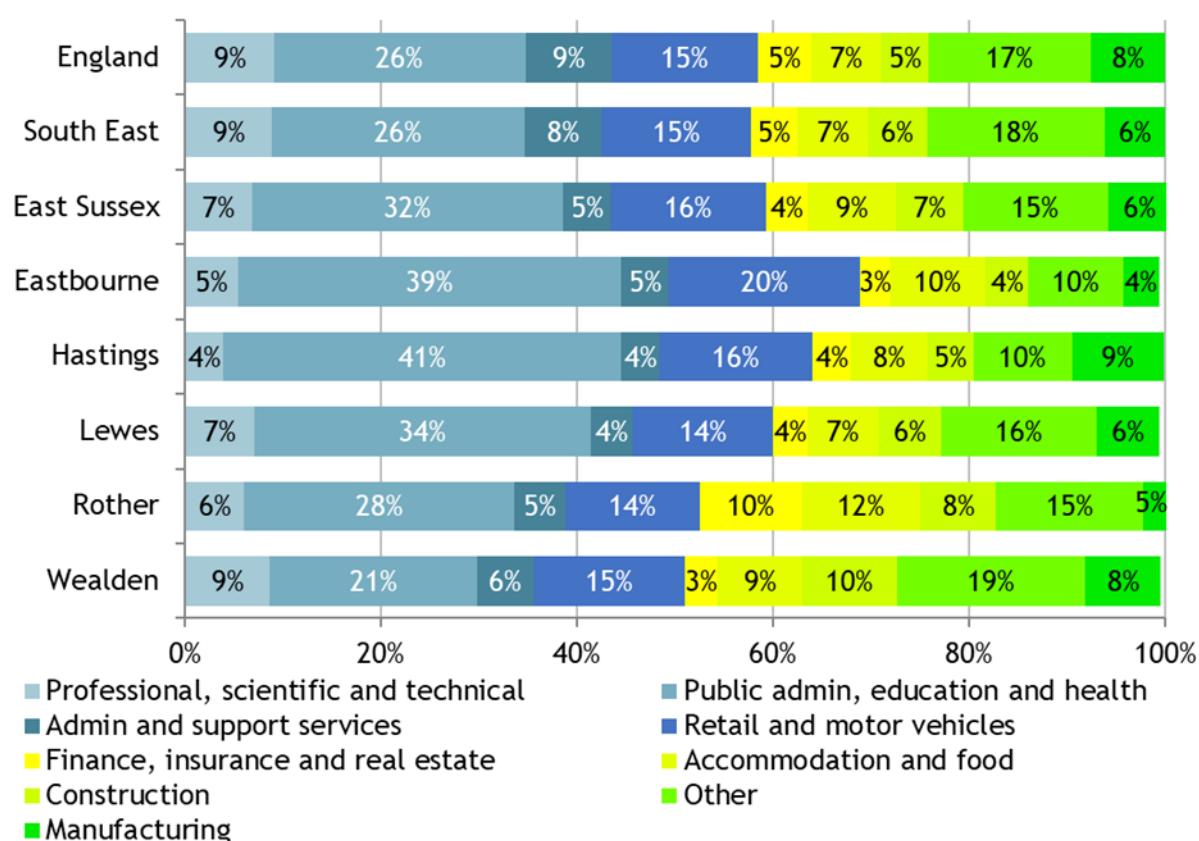
Source: ONS Nomis Annual Population Survey: Qualifications of working age population, January-December 2021

## Employment by industry

Across East Sussex as a whole the proportion of people employed in different industries is broadly similar to the national picture. We have a higher proportion of people employed in public administration, education and health and a lower proportion employed in admin and support services than the national average.

However employment by industry varies significantly across the county.

## State of the County 2022: Focus on East Sussex



Other includes: Arts, Entertainment and recreation; Other service activities; Agriculture, fishing, mining and utilities; Transportation and storage; Information and communication.

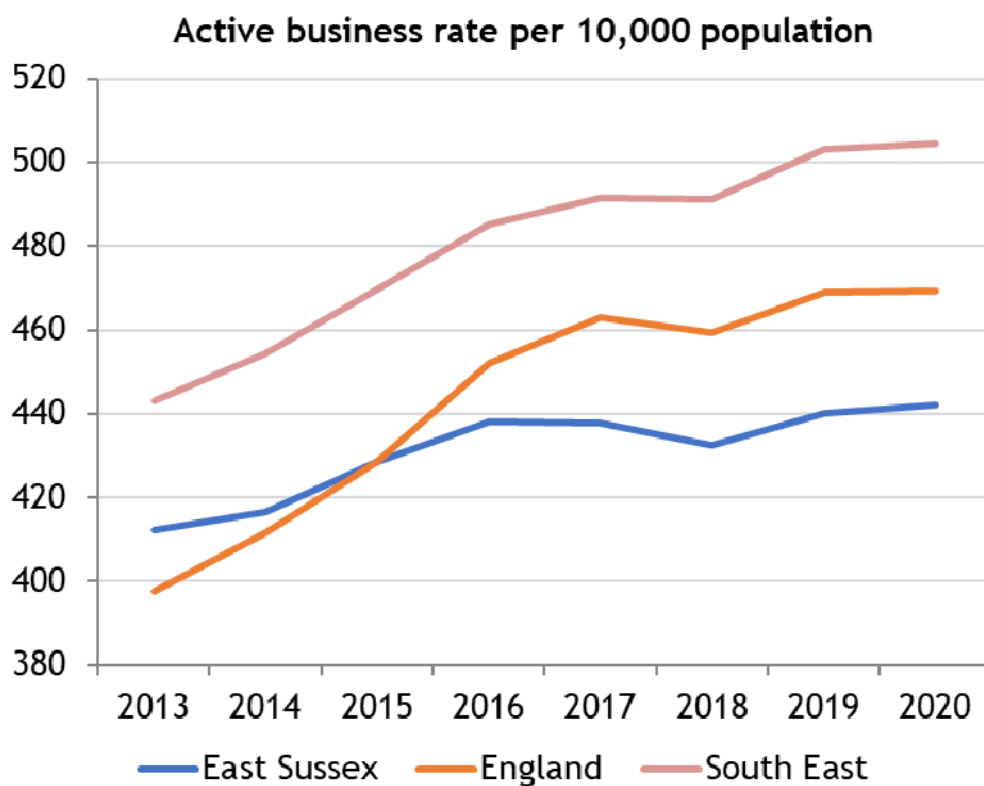
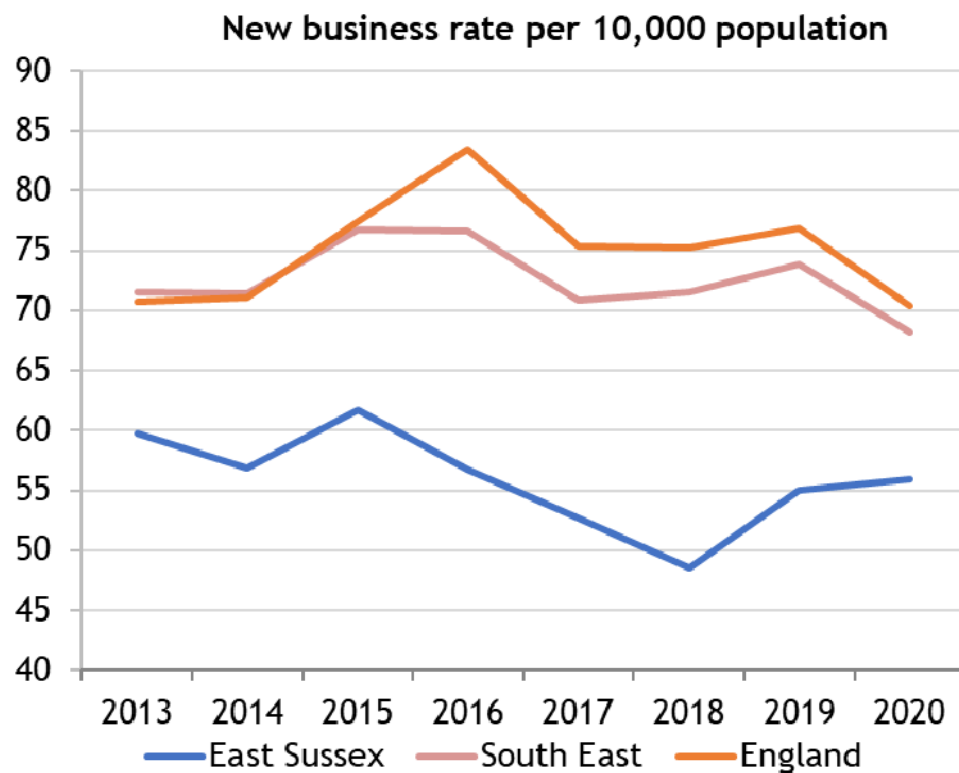
Source: Business Register and Employment Survey (BRES) 2020. Rounded figures may not equal 100%

Nationally the number of vacancies for the period February to April 2022 rose to a new record high. In March the number of vacancies was higher than the number of unemployed people (ONS, Vacancies and jobs in the UK: May 2022). Significantly vacancy rates across the sectors remain higher than pre-pandemic levels, with the largest increase in accommodation and food.

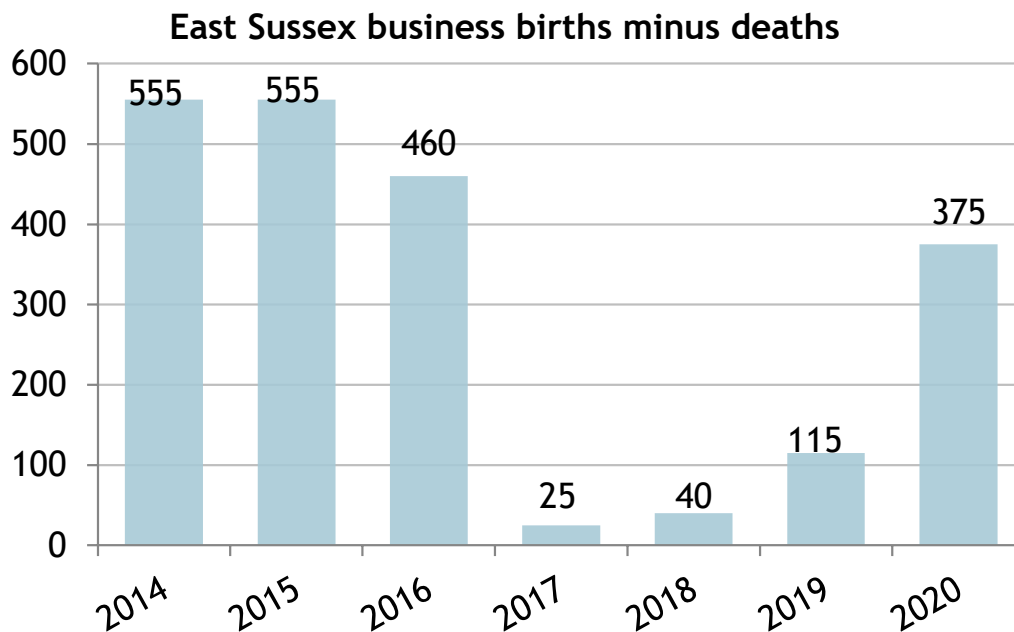
## Businesses

There is a time lag in the production of business data, which means that the latest data we have about business survival rates relates to 2020. Over the period December 2019-December 2020 there were 2,595 business starts and 2,220 business closures. The East Sussex new business registration rate per 10,000 people

increased by 1.6% between 2019 and 2020 to 55.9. The highest rate was in Eastbourne, 77.7, whilst the lowest was in Hastings, 40.5. for businesses



Source for both: ESCC East Sussex in Figures

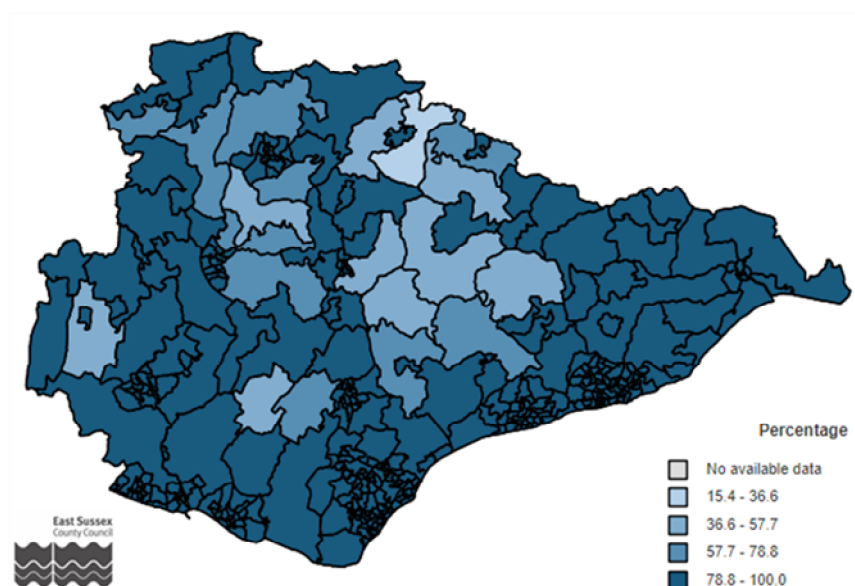


Source: ONS Business Demography data. NOMIS mid-year estimate population data.

## Infrastructure

The latest Department for Transport data from 2019 shows there was good access to services by car. However, accessing services by public transport or walking can be more challenging in rural areas.

Access to employment centres (100-499 jobs) within 30 minutes by public transport/walking.



## State of the County 2022: Focus on East Sussex

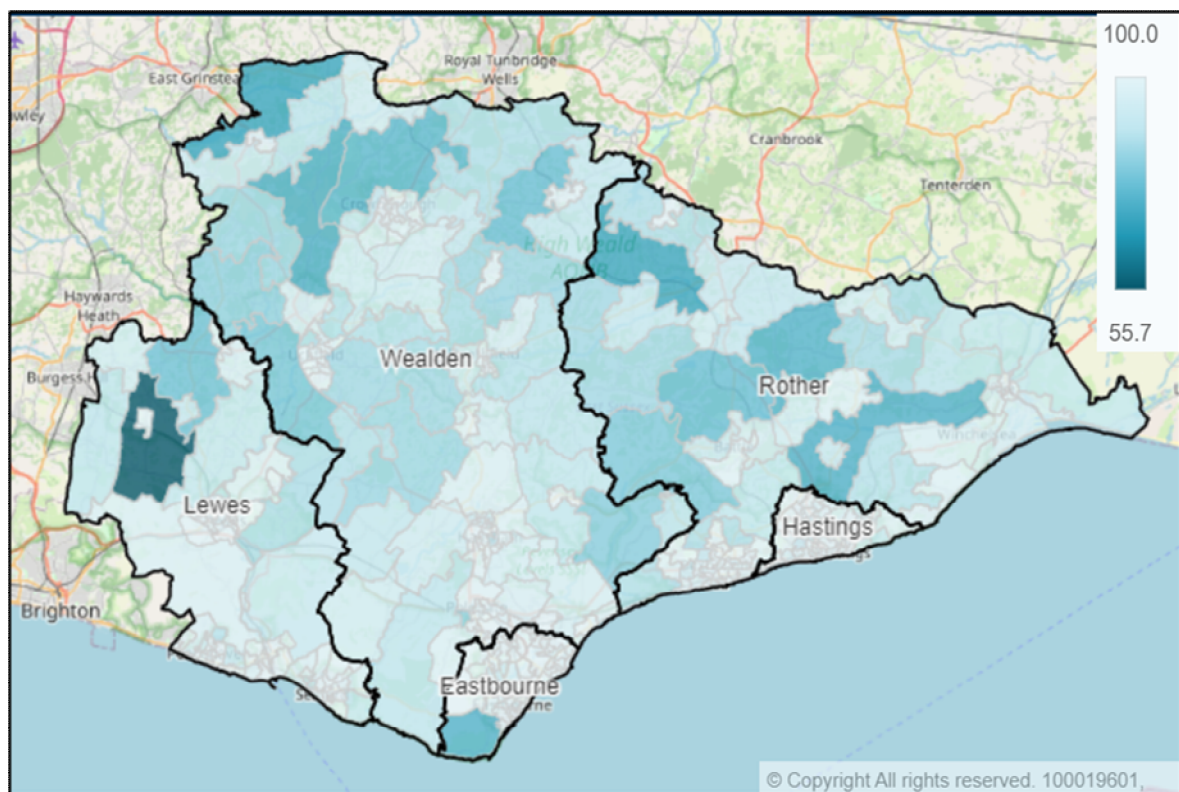
This table details the projects which will improve the infrastructure in East Sussex in the coming years.

Key		
Local Growth Fund		Other Funds
Area	Project	Value
Countywide	Infrastructure at business sites	£1.7m
Countywide	Walking and cycling improvements	£20.7m
Countywide	Developing EV infrastructure provision across the county	N/A
Countywide	Broadband - Superfast coverage (>30 Mbps) 98% Ultrafast coverage (>100Mbps) 32%	N/A
Countywide	Potential bus priority measures	N/A
Countywide	Potential A259 Major Road Network Improvements	N/A
Countywide	Exceat Bridge Levelling Up Fund	£7.9m
Countywide	A27 improvements	£75.0m
Countywide	Potential A27 offline solution	N/A
Countywide	Lewes to Newhaven rail signalling improvements	£18.0m
Countywide	A22 junction improvement package	£35.0m
Countywide	Blackfriars road infrastructure	£8.7m
Bexhill	North Bexhill Access Road	£18.6m
Bexhill	Bexhill Enterprise Park North	£1.9m
Bexhill	Bexhill Enterprise Park Development	£46.0m
Eastbourne	Eastbourne Town Centre Movement and Access Package (Terminus Road)	£11.3m
Eastbourne	Eastbourne and South Wealden walking and cycling package	£6.6m
Eastbourne	Hailsham, Polegate and Eastbourne Movement and Access Corridor	£2.1m
Eastbourne	Devonshire Park - redevelopment to maximise conference and tourist markets	£54.0m
Eastbourne	Bedfordwell Road - site preparation for housing development	£1.2m
Eastbourne	Levelling Up Fund	£19.9m
Hastings	Bexhill and Hastings Movement and Access Package	£9.0m
Hastings	Potential HS1 rail extension (also to Bexhill and Eastbourne)	N/A
Hastings	Town Deal	£24.3m

## State of the County 2022: Focus on East Sussex

Lewes	North Street Quarter	£180.0m
Newhaven	Newhaven Flood Defences	£17.0m
Newhaven	Newhaven Port Access Road	£23.0m
Newhaven	Newhaven Port - new border infrastructure	£6.2m
Newhaven	Future High Streets	£5.0m
Newhaven	Town Deal	£19.3m
Newhaven	Levelling Up Fund	£12.7m
Rye	Rye Harbour Nature Reserve Discovery Centre	£0.9m
Uckfield	Bus station improvements	£0.5m
Uckfield	Potential Movement and Access Corridor improvements	£0.8m

Demand for commercial units is strong, however, there is recognition that there is less new workspace being made available to meet that need across the county. As well as improvements in physical infrastructure there is also ongoing work to improve digital connectivity. Over 96% of East Sussex had access to superfast broadband in 2021. However, there were still some areas, particularly in rural parts of the county where coverage was lower.

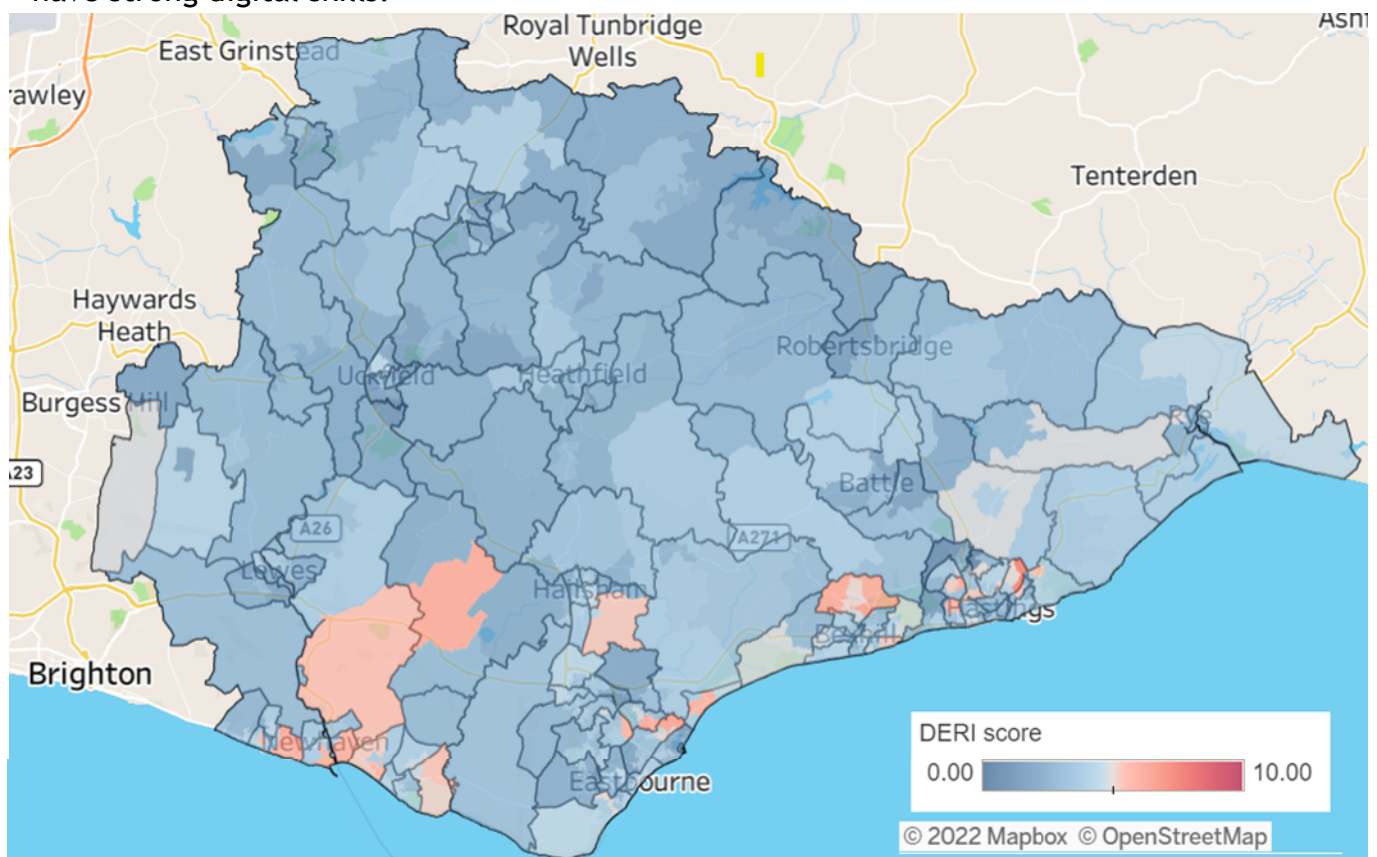


Source: Ofcom fixed broadband coverage data (2021) shown for LSOAs.

## State of the County 2022: Focus on East Sussex

As more businesses and services use digital channels to engage with residents those people who are digitally excluded are likely to face increasing challenges. Access to broadband is one part of being able to access digital services. People also need to have the necessary skills and confidence to use digital services, as well as being able to afford the devices and data connections needed for these.

A digital exclusion risk index has been developed by the Greater Manchester Office of Data Analytics that shows where people at higher risk of digital exclusion live. This index is based on a range of data including data on population, relative deprivation and broadband coverage. Areas where people have a higher risk of digital exclusion have a higher score, for East Sussex the areas with the highest risk of digital exclusion scores are in the south of the county. It should be noted that the index includes the proportion of population aged over 65 as one of the risk factors due to national research indicating lower digital skill levels in this age group. We have a large population of over 65s in East Sussex, many of whom will have strong digital skills.



Source: Digital Exclusion Risk Index (Greater Manchester Office of Data Analytics)

## Civil Society

### Voluntary, Community and Social Enterprise (VCSE) sector work and responding to COVID-19

The VCSE sector across East Sussex continued to respond to the needs of people, families, and communities in 2021, providing services and support in line with government guidance, and collaborating between organisations and across sectors.

The Council worked with partners from both the VCSE and public sectors to ensure that one-off Government funding was made available to VCSE organisations to meet the continued needs of people in East Sussex. During 2021 over £2m was allocated to VCSE organisations across the county to enable them to meet the needs of people, families, and communities. As in the previous year we have seen the VCSE sector demonstrate great agility, the ability to work at pace, collaborate and work in partnership.

Some of the organisations the Council funded or supported during 2021



Source: ESCC VCSE Team.

## Community Hubs

Community Hubs in each district and borough continued to bring together VCSE organisations and the public sector, providing services, signposting, establishing referral pathways, as well as delivering essential services and support. The Community Hubs have had contact with over 7,000 people in East Sussex since the start of the pandemic.

Source: ESCC VCSE Team.

## Volunteering

Volunteering continued to be an essential part of the response to the pandemic, with both local and national recruitment programmes maintained to assist people in giving their time to organisations based in their community or area. The response from younger people giving their time to assist and support others increased over the year and partners agreeing that volunteering in the coming years needs to engage with younger people and create volunteering opportunities that enable younger people to continue volunteering. 196,000 adults, 46% of the population, volunteered at least once in the past year; with 115,000 volunteering at least once a month. These volunteers contribute an estimated 9.6m volunteer hours per annum, with a value of £110m.

Source: 'The contribution and value of the VCSE sector in East Sussex' Institute for Voluntary Action Research 2021.

## Financial, Benefit and Debt Advice

The Council provided one-off grants to 11 VCSE organisations to assist people experiencing growing financial problems, including debt, in 2021.

## Community Safety

### Modern Slavery and Human Trafficking

The National Referral Mechanism (NRM) is a framework for identifying and

referring potential victims of modern slavery and ensuring they receive the appropriate support. The number of people identified as potential victims of modern slavery and human trafficking are small, however this remains an important issue.

Two adults and 10 minors (under the age of 18) who were potential victims of modern slavery and human trafficking were referred by the Council through the National Referral Mechanism in 2021, compared to one adult and four minors in 2020.

The increase for minors is a national trend, ONS reported in the year ending 2021, that the number of referrals of children in the UK increased by 9% compared with the previous year from 5,028 to 5,468. It should be noted that trends in the data may not reflect underlying changes in prevalence and may be related to changes in awareness and identification of potential child victims.

## Serious Violence

Serious Violence is one of the areas that is under increasing national scrutiny. We have an active focus on this through our partnership working, however rates of serious violence in East Sussex are low.

In the 12 months to December 2021, there were 373 Public Place Serious Violent Crimes in East Sussex. This was a reduction of -4.4% compared to the previous year (390). The highest percentage decrease has been in Robbery (-23.9%). There has been an increase of +6.3% in Serious Violence with Injury and a slight increase in Knife Crime (+0.8%).

Serious Violent Crime in East Sussex:

Crime category	2020	2021	% Change
All Public Place Serious Violence	390	373	-4.4%
Serious Violence with Injury (Public Place)	160	170	6.3%
Robbery (Public Place)	201	153	-23.9%
Knife Crime (ADR 160), (Public Place)	133	134	0.8%

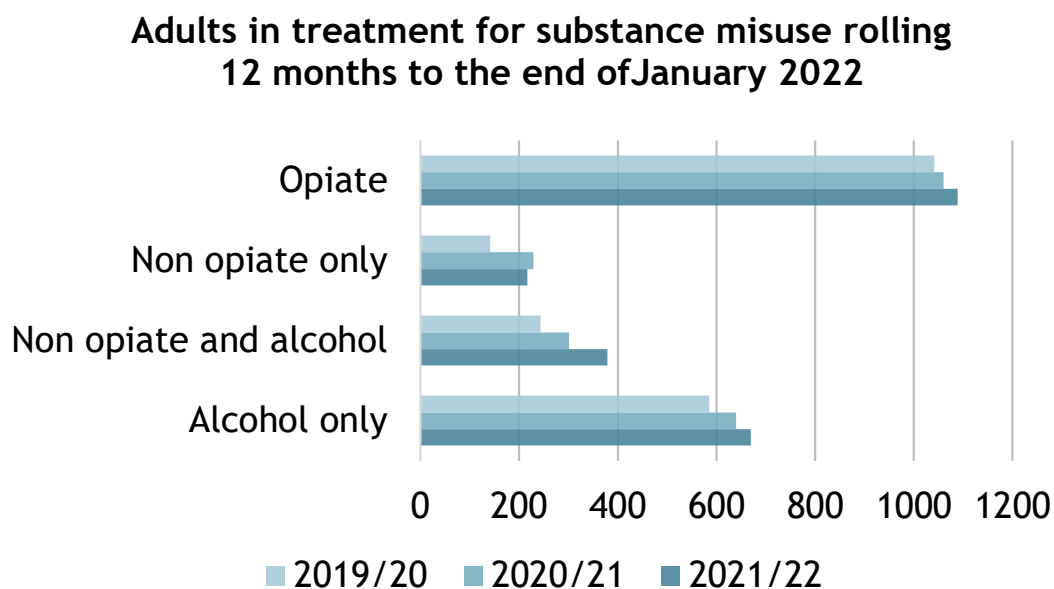
Source: Sussex Police Op Safety Power BI Report

Note: Crimes may be included within multiple categories, so individual categories will not add up to the total 'All Public Place Serious Violence', where duplicates have been removed

## Drug and alcohol-related harm

The number of people in substance misuse treatment in the 12 months to the end of January 2022 increased by 5.5% to 2,353, compared to the 12 months to the end of January 2021.

Of these 28.4% were in treatment solely for alcohol use, broadly similar to the figure for the previous year (28.7%) and marginally lower than the national figure (29.0%). 46.2% of people were in treatment for opiate use, this appears to be on a downward trend - down from 47.6% in the 12 months to the end of January 2021 and 51.7% in the 12 months to the end of January 2020. There has been a notable increase of 25.9% between the number of people in treatment for alcohol and non-opiate use at the end of January 2021 and the end of January 2022.



Source: ESCC Adult Social Care Department

In the 12 months to the end of January 2022, the proportion of individuals in East

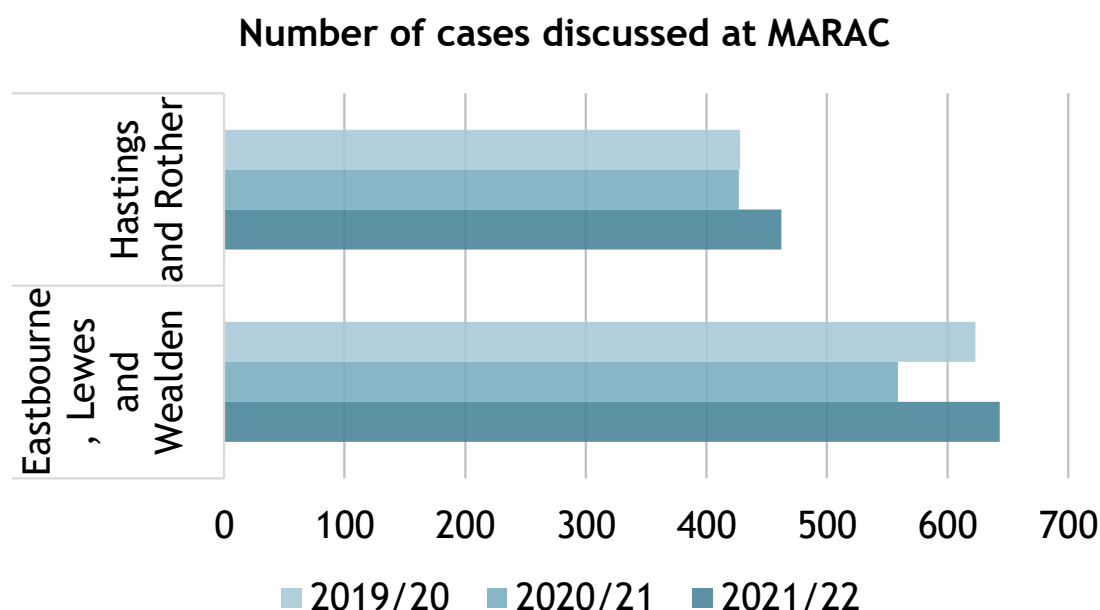
Sussex successfully completing treatment and not re-presenting within six months is worse than national figures across all substance groups; 4.4% in East Sussex vs 5.0% nationally for opiates, 28.5% vs 34.7% for non-opiates, and 29.3% vs 36.8% for alcohol.

Between 1 April 2021 and 31 December 2021 there were 193 young people accessing treatment. There is an increase of 66.4% on the same period in 2020, which will be mainly attributable to the young people service moving from working with under 19s to under 21s.

## **MARAC cases**

Multi-Agency Risk Assessment Conferences (MARAC) are held to discuss high risk cases involving domestic violence and abuse, sexual violence and abuse, or stalking, harassment, and harmful practices. During 2021, nationally there was a 5% increase in conferences compared to 2020. In East Sussex there was a 7% increase for the Eastbourne, Lewes and Wealden MARAC, and an 11% increase for Hastings and Rother MARAC. When comparing this data, it is important to note that Hastings and Rother MARAC saw a 3% decrease in referrals in 2020, compared to the same period in 2019, due to the impact of national lockdowns. The Eastbourne, Lewes and Wealden MARAC saw a 2% increase in referrals in 2020 compared to the same period in 2019.

There were 2,641 referrals into the community domestic abuse service between January 2021 and the end of December 2021, with 4,468 referrals reported between January 2020 and December 2020. This significant decrease in referral figure is due to Victim Support now processing medium risk referrals, which has been in place with Change, Grow, Live, who deliver the community domestic abuse service, since 1 April 2021.



Source: ESCC Adult Social Care Department

## Neighbourhood Crime

Tackling neighbourhood crime is a national priority, in East Sussex crime levels are low.

East Sussex Neighbourhood Crimes	2020/21	2021/22	Actual Change	% Change
Burglary	1,639	1,156	-483	-29%
Vehicle Offences	1,509	1,546	37	2%
Theft From Person	181	215	34	19%
Robbery	252	207	-45	-18%
Neighbourhood Crimes	3,581	3,124	-457	-13%

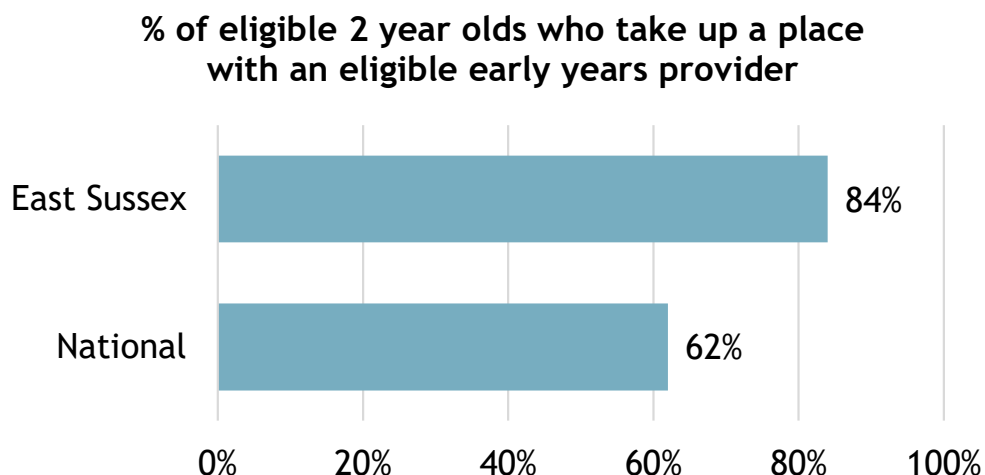
The Safer Streets definition of neighbourhood crime includes burglary, vehicle offences, theft from person, and robbery. The data is extracted from the Sussex Police Live Crime Database and are unofficial statistics. Values may differ to those published later by ONS.

## Schools

## Attainment

Data on attainment for academic year 2020/21 is not available due to disruption caused by the pandemic. Attainment data will become available again from academic year 2021/22.

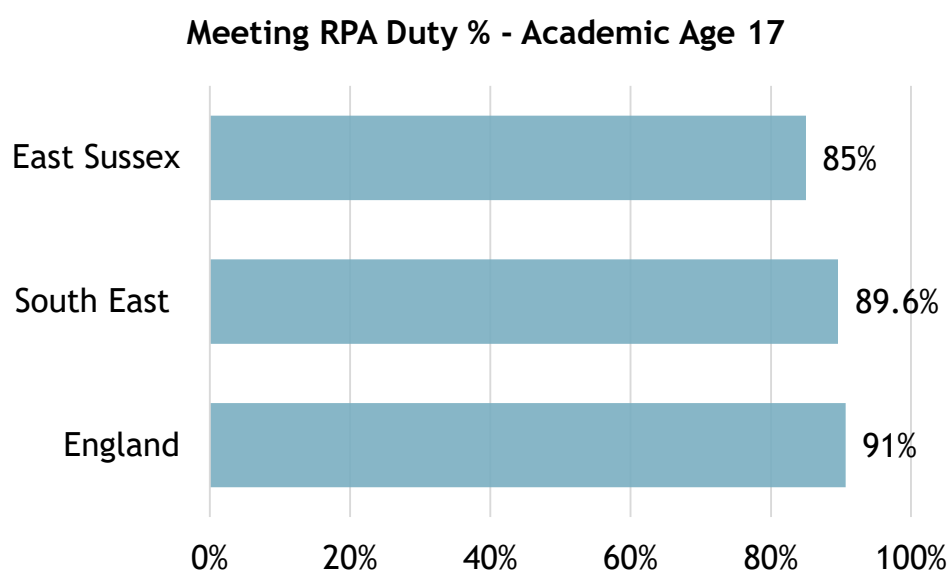
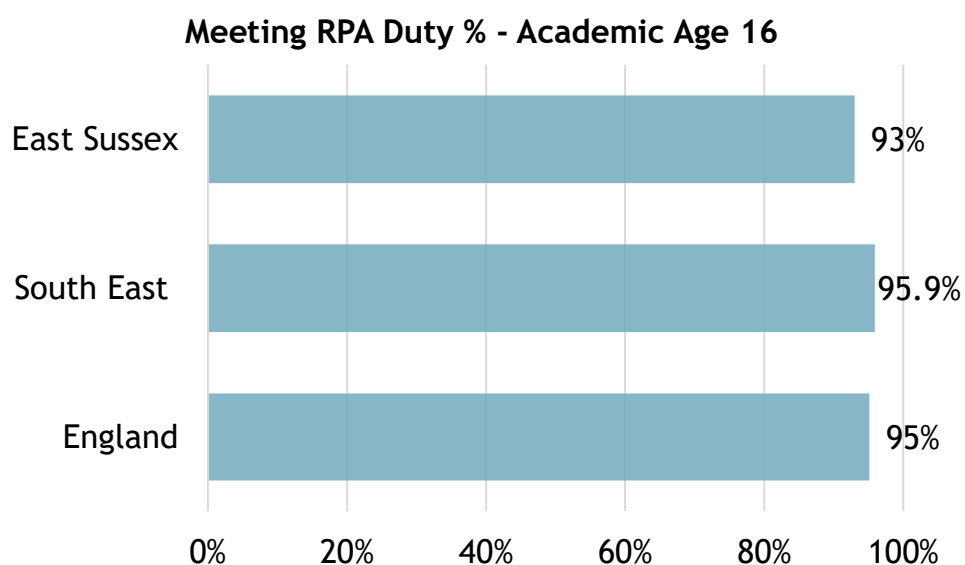
## Early Years



East Sussex received 1,718 applications for a funded place for eligible 2-year-olds in the spring 2022 funding period. Of these, 264 children were not eligible to receive funding. 84% (1,223) of the remaining 1,454 eligible children have accessed a place with an early year's provider, compared to the national average of 62%.

## Raising the Participation Age (RPA)

93% of young people at academic age 16 (year 12) and 85% age 17 (year 13) are either participating in education, training, or employment with training, or are being supported to re-engage. The number of 16- and 17-year-olds who are not in education, employment or training has now reduced to below pre-COVID levels from 4.8% in March 2020 to 4.5% this year. We have also seen an increase in 16- and 17-year-olds entering apprenticeships this year, from 3.3% last year to 4.2%, but still not at pre-COVID levels of 5%.



## Attendance

National data on attendance is not available due to disruption caused by the pandemic. The latest available local data set, September 2021 to February 2022, saw a significant number of COVID-19 related absences:

School type	Persistent Absence (%)	Overall Absence (%)
East Sussex Primary Schools*	20.60	6.59
East Sussex Secondary Schools*	27.99	9.18

School type	Persistent Absence (%)	Overall Absence (%)
East Sussex Special Schools*	52.66	16.55
East Sussex schools overall*	24.37	7.87

\*Please note that this local data is unverified and does not include eight schools as they do not use SIMS for recording attendance. Persistent absence is the number of pupils with attendance of 90% or lower, expressed as a percentage of pupils on the roll. Overall absence is the total number of sessions missed as a percentage of the total number of possible sessions available.

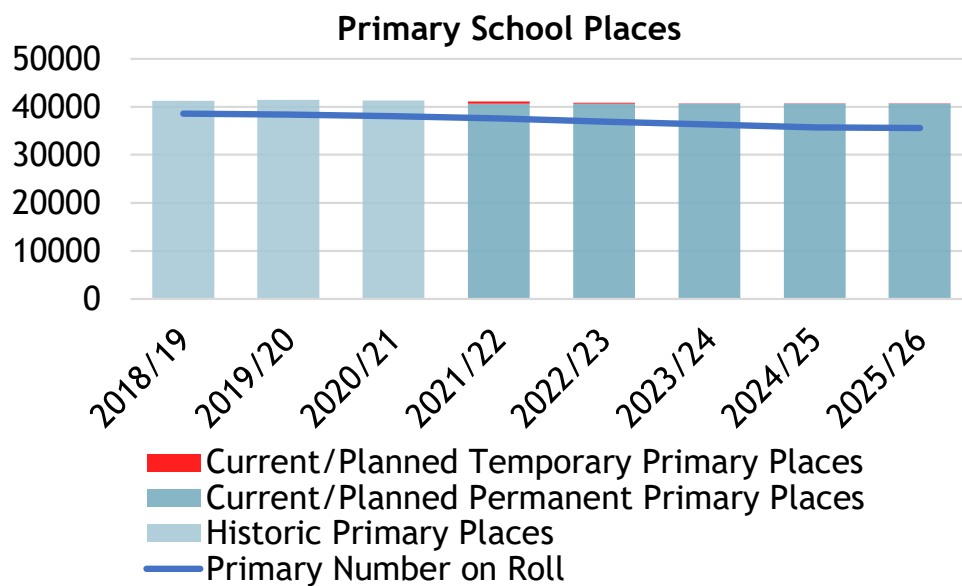
## School places

Although our overall population of under 18s is expected to increase slightly over the period 2022-2026, the highest rate of growth is expected in those aged 0-3, with an expected fall in numbers of children aged 11-15.

Age/year	2022	2025	% change 2022-2025	2026	2030	% change 2026-2030
0-3	19,820	20,070	+1.3%	20,230	21,310	+5.3%
4-10	41,850	40,260	-3.8%	39,970	39,970	0.0%
11-15	32,690	33,300	+1.9%	33,220	32,060	-5.0%
16-17	12,460	13,380	+7.4%	13,660	13,720	+0.4%

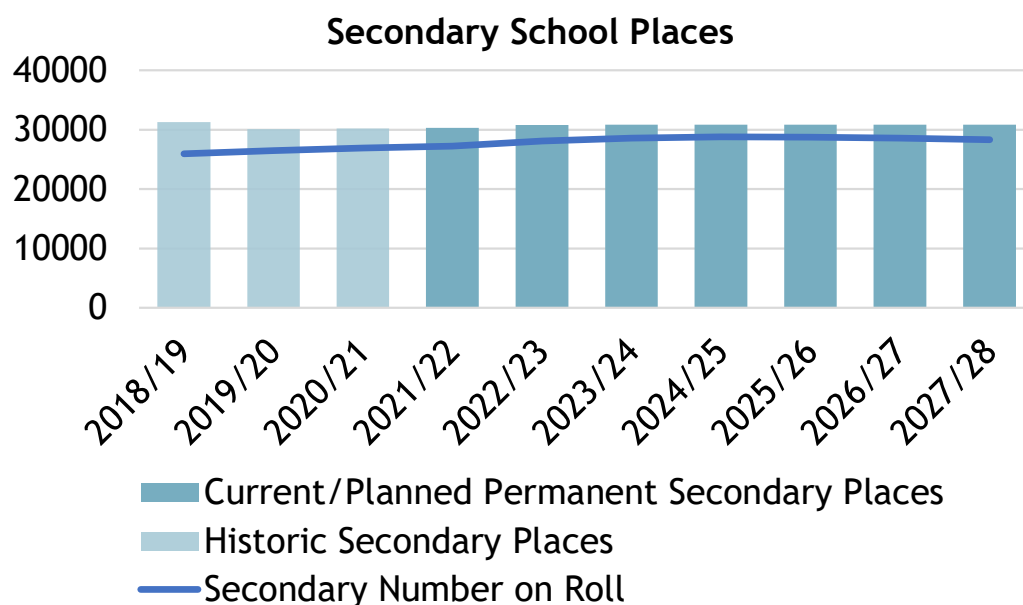
Source: ESCC population projections by age. April 2022, numbers rounded to 10

The total numbers of pupils in primary schools peaked in 2018/19 and are now in decline. As a result the temporary additional capacity in schools that was put in place to accommodate the peak will be removed, leading to a net reduction in capacity of 420 places, between 2021/22 and 2025/26.



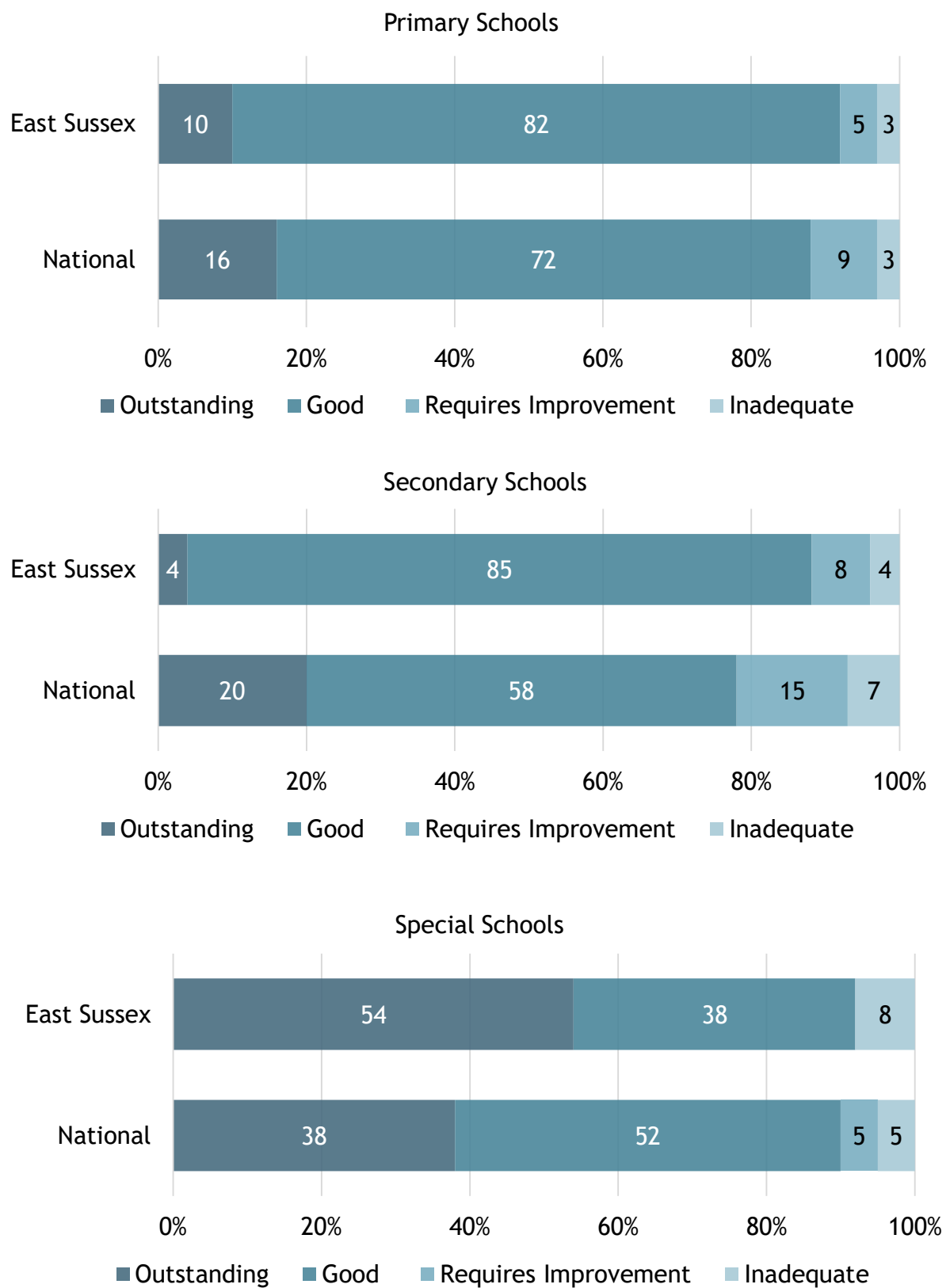
Source: Pupil Forecasts 06.07.21 and Pupil Model 23.02.22.

In contrast secondary pupil numbers are expected to continue to increase and peak around 2024/25. 530 additional permanent places will be added between 2021/22 and 2027/28 to meet forecast demand in local areas.



Source: Pupil Forecasts 06.07.21 and Pupil Model 23.02.22.

## State funded schools, percentage overall effectiveness Ofsted 2020



## East Sussex pupils

22.2% of East Sussex pupils are known to be eligible for Free School Meals (January 2022) The latest England figure is 20.8% (January 2021).

Source: School Census.

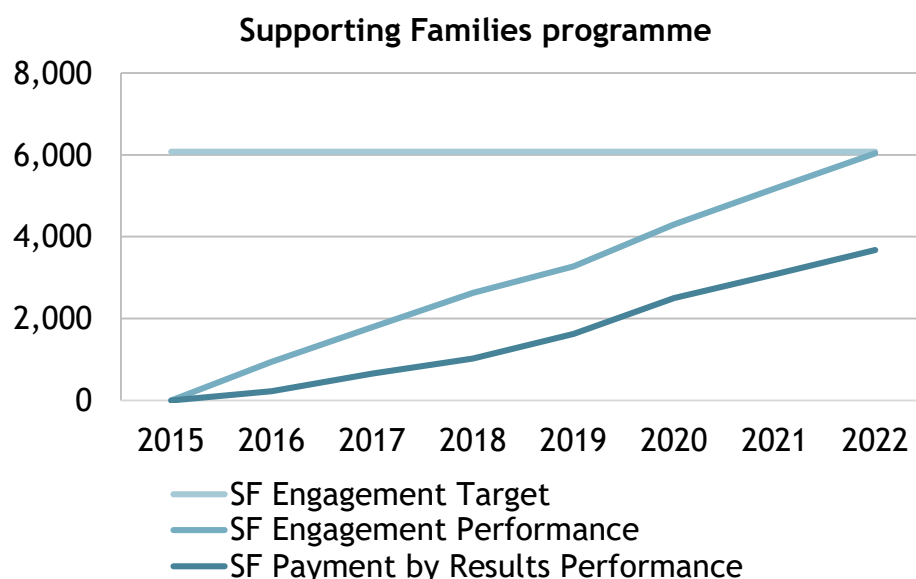
## Children

### Supporting Families

Our Supporting Families\* programme (previously known as the Troubled Families programme) supports vulnerable families who are facing multiple challenges to achieve better outcomes. The key outcomes for the programme are:

- Getting a good education
- Good early years development
- Improved mental and physical health
- Promoting recovery and reducing harm from substance use
- Improved family relationships
- Children safe from abuse and exploitation
- Crime prevention and tackling crime
- Safe from domestic abuse
- Secure housing
- Financial stability

We receive payment from Government for each family that we help to achieve significant and sustained progress across each of the outcomes where they need support (note that prior to 2022 there were six outcomes). By the end of 2021/22, 6,038 families had received or were receiving support and 3,682 had achieved Payment by Results outcomes.

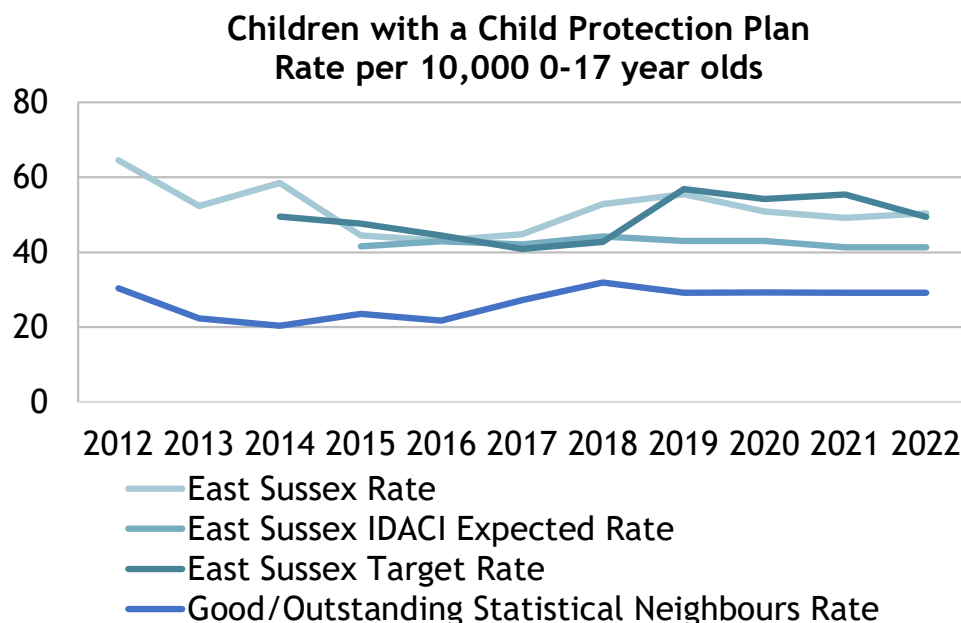


Source: ESCC Children's Services

## Child Protection (CP) Plans

At the end of March 2021, the number of children with CP plans was 536, a rate of 50.3 per 10,000 children. This is above the expected rate benchmarked for child deprivation; the Income Deprivation Affecting Children Index (IDACI), and that of our three 'Good' and 'Outstanding' statistical neighbours. It should be noted that the average for the three statistical neighbours is heavily influenced by the rates in one of the LAs which has slightly lower levels of child poverty than East Sussex.

This increase reflects the higher levels of demand and complexity seen over the past two years, due to the pandemic and our continued emphasises on enabling children to live safely at home where possible, resulting in relatively lower rates of looked after children.

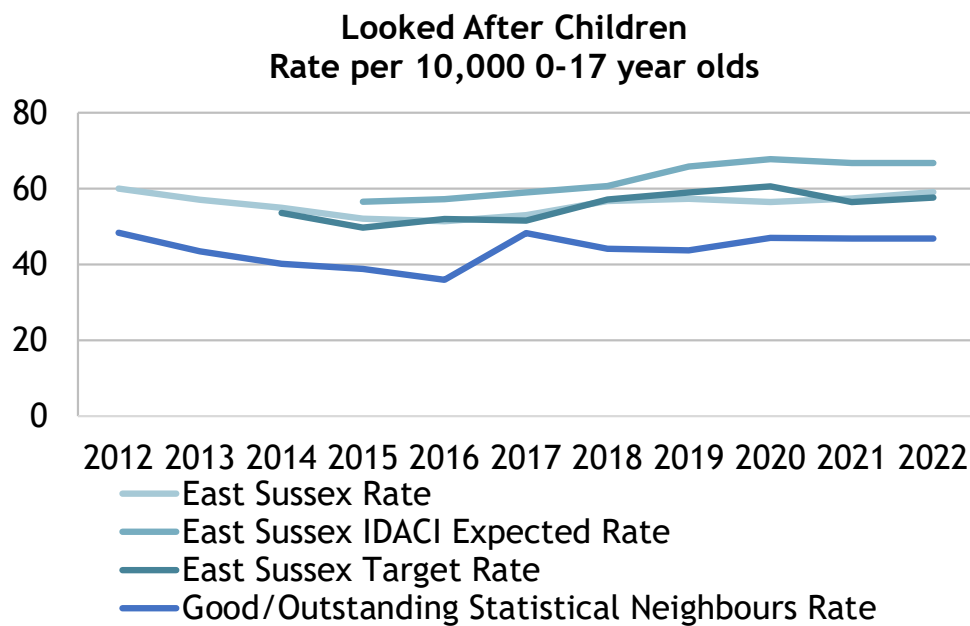


Source: ESCC Children's Services

## Looked After Children

At the end of March 2022, the number of LAC was 628, a rate of 50.9 per 10,000 children. Our active participation in the National Transfer Scheme has seen a rise in Unaccompanied Asylum Seeking Children, currently accounting for 9% of LAC within the county.

Our strategy of using Early Help, Child in Need and CP plans to help families to stay together has enabled us to have a rate of Looked After Children (LAC) which is below the expected rate benchmarked for child deprivation. Our rate is above that of our three 'Good' and 'Outstanding' statistical neighbours. That rate is heavily influenced by the particularly low rate in one of those authorities (Essex), which is almost half our rate. Essex has slightly lower levels of child poverty than East Sussex, and also invests heavily in the Family Safeguarding model of child protection.



Source: ESCC Children's Services

## Special Educational Needs and Disability (SEND)

From 2018 to 2021, the number of requests for statutory assessments increased by 53% and the demand for specialist placements for children with SEND continue to grow. Over 40% of all children and young people aged 0-25 with Education Health and Care Plans (EHCPs) in East Sussex are placed in special schools which is over 3% higher than the England average. 52.4% of all new EHCPs were placed in mainstream schools, compared to 66.9% nationally. Council funded high-cost placements at Independent and Non-Maintained Special Schools (INMSS) have increased significantly since 2015 and account for 8.8% of all EHCPs - greater than the England average of 6.1%. This means that the expenditure for placements in INMSS in East Sussex is significantly higher than national averages.

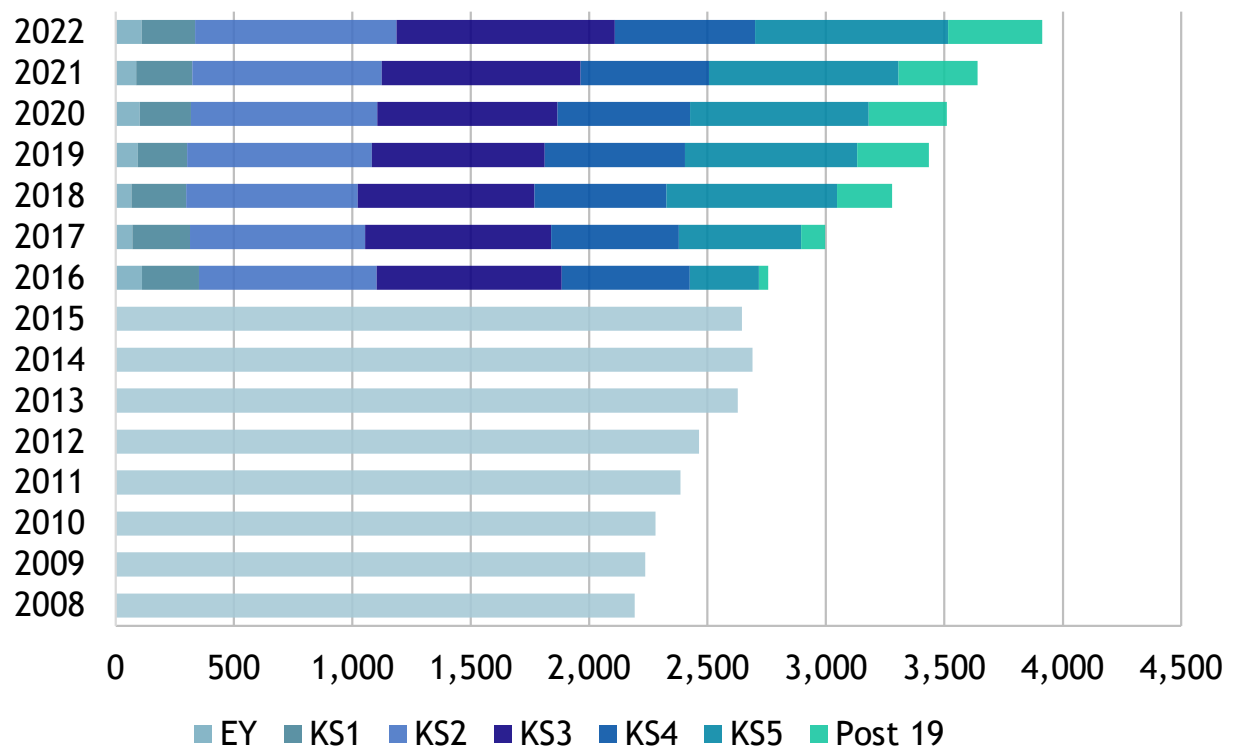
EHCPs of SEND maintained by the Council increased by 42% from 2010 (2,280) to 2022 (3,913). Most of the increase since 2015 has been in the Key Stage 5 and Post 19 groups. However, in 2021 the percentage of the population aged 0-25 with an EHCP in East Sussex was in line with the national average.

Numbers are currently forecast to rise to approximately 3,700 by 2022 and 4,000 by 2027. There has been a significant increase in the number of children with

autism as a primary need. Numbers of children with autism have increased significantly since 2016 (by around 600 children to 2022) and this trend is set to continue. The overall number of children with SEND (but without an EHCP) has also risen to 12.8% (from 9.2% in 2016).

In response to the increased demand for specialist provision, the county opened two new special schools and one special alternative provision school; two more are due to open in September 2022. Additionally, four new specialist facilities in mainstream schools have been opened to support children with autism and specific learning difficulties in both primary and secondary schools.

### Young people with a Statement or EHC Plan



Note: Until Sep-14 a Statement of SEN could remain in place until the young person reached the age of 19. Since the SEND reforms were introduced from Sep-14 EHCPS can remain in place until the young person reaches the age of 25.

Source: ESCC Children's Services

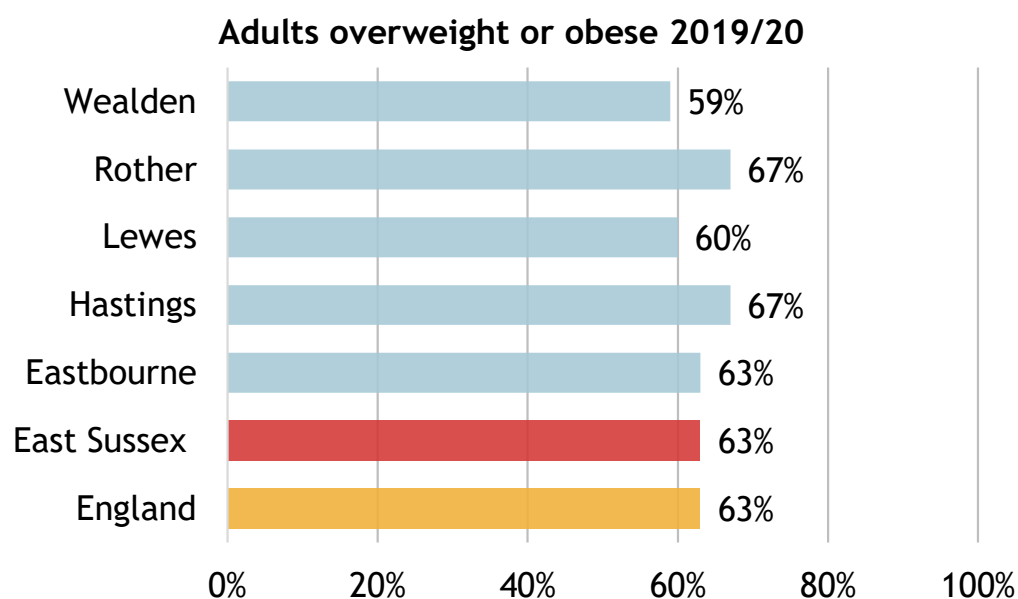
# Health

## Health of people in the county

A person's chance of enjoying good health and a longer life are influenced by the social and economic conditions in which they are born, grow, work, live and age. These conditions affect the way people look after their own health and use services throughout their life. The impact of social conditions can be seen in the continuing and striking gradient in health. That is, the poorer your circumstances the more likely you are to have poor health and wellbeing, spend more of your life with life-limiting illness, and die prematurely.

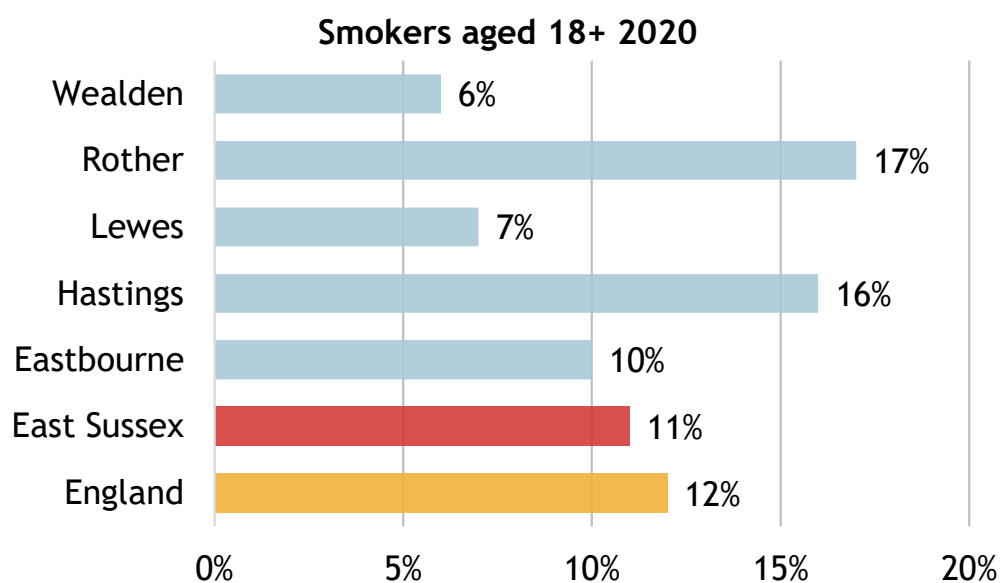
The population and communities within East Sussex have many strengths and assets, reflected in the generally high levels of health and wellbeing within the county. However, variation does exist, and not all communities or people benefit from the same advantages.

There are many aspects of health and wellbeing that can be measured. We have selected a few below to give an idea of some important ones. For example, achieving and maintaining a healthy weight and being physically active is highly beneficial. It can reduce the risk of developing a wide range of diseases, including Type 2 diabetes, high blood pressure, some cancers, heart disease, stroke, and liver disease. It is also associated with improved psychological and emotional health, better sleep and reduced musculoskeletal problems.



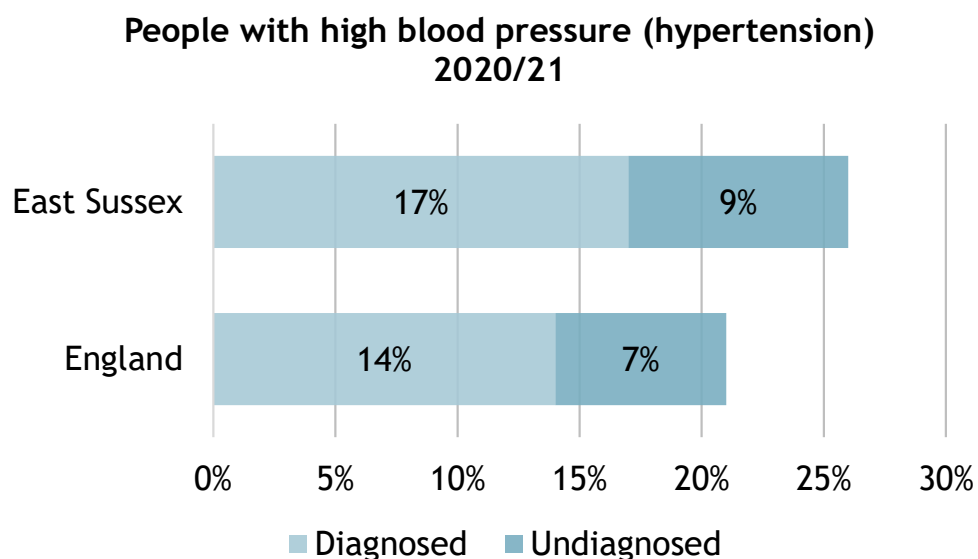
Source: Public Health Outcomes Framework

Hastings and Rother had the highest percentage of adults overweight or obese in East Sussex in 2019/20, at 67%. The lowest percentage in the county was in Wealden, 59%.



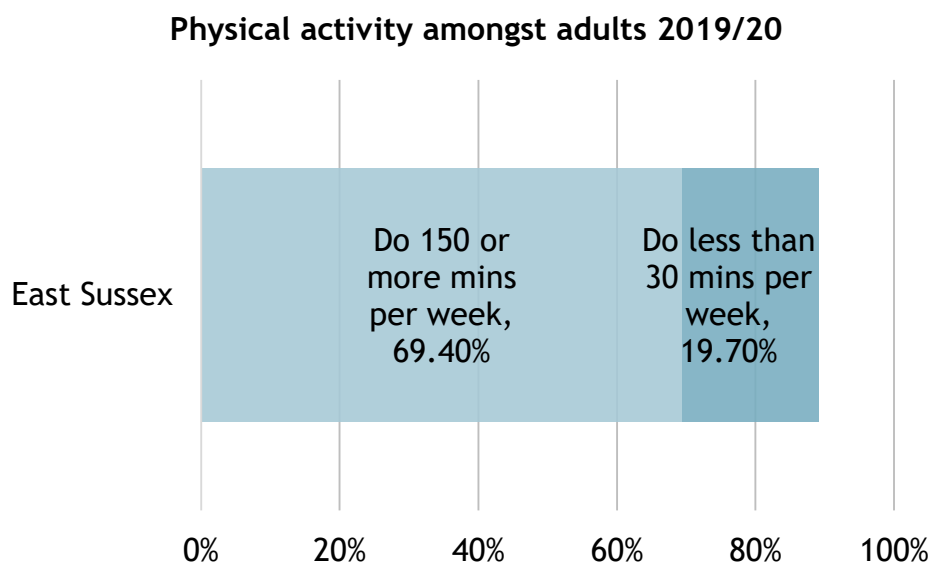
Source: Public Health Outcomes Framework

Rother had the highest rate of smokers in East Sussex in 2020 at 17%. The lowest rate was in Wealden, 6%.



Source: Public Health Outcomes Framework

East Sussex had higher rates of high blood pressure (hypertension) than England in 2020/21, with 26% of people having either diagnosed or undiagnosed high blood pressure in the county, compared to 21% of people nationally.



Source: Public Health Outcomes Framework

Almost 70% of people in East Sussex did 150 or more minutes of physical activity per week in 2019/20. Almost 20% did less than 30 minutes per week with the remaining 11% falling in between these categories.

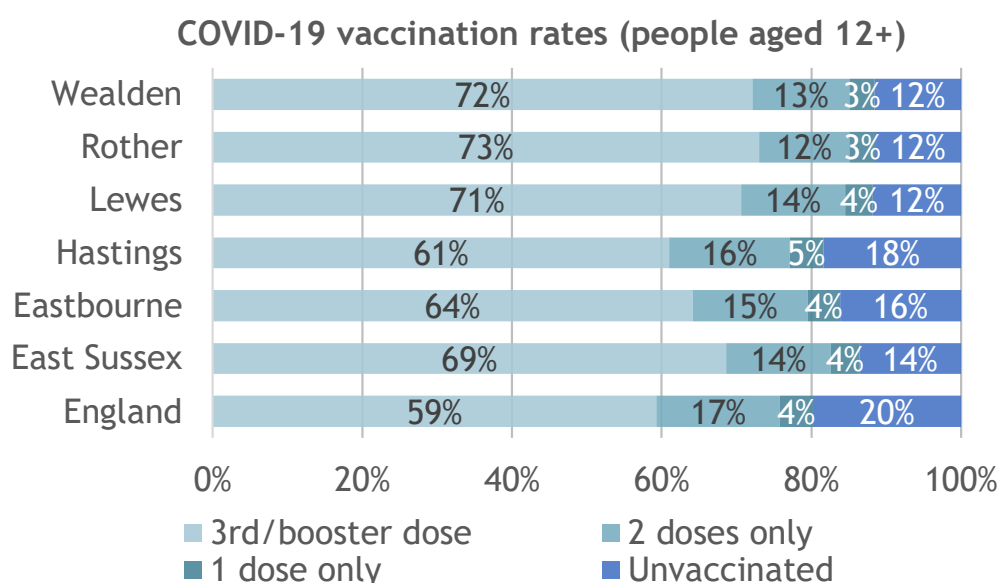
## Mental health

It is estimated that 1 in 6 people will have a mental health condition at any one time. The pandemic had a considerable impact on mental health, with increased rates of anxiety and depression linked to the lockdowns. Those reporting the highest levels of symptoms were the same groups more likely to report higher levels of symptoms pre-pandemic; women, younger adults, people with lower levels of educational attainment, people from lower-income households, people with pre-existing mental health conditions and people living alone (Office for Health Improvement and Disparities (OHID), COVID-19 mental health and wellbeing surveillance report).

National data suggests that general wellbeing among children and young people began to improve after the lockdowns, however this is less clear for measures of mental ill health (DfE, State of the Nation report). This may be linked to the trend in increasing rates of children and young people with mental health disorders between 2017 and 2020.

## Covid Vaccination rates

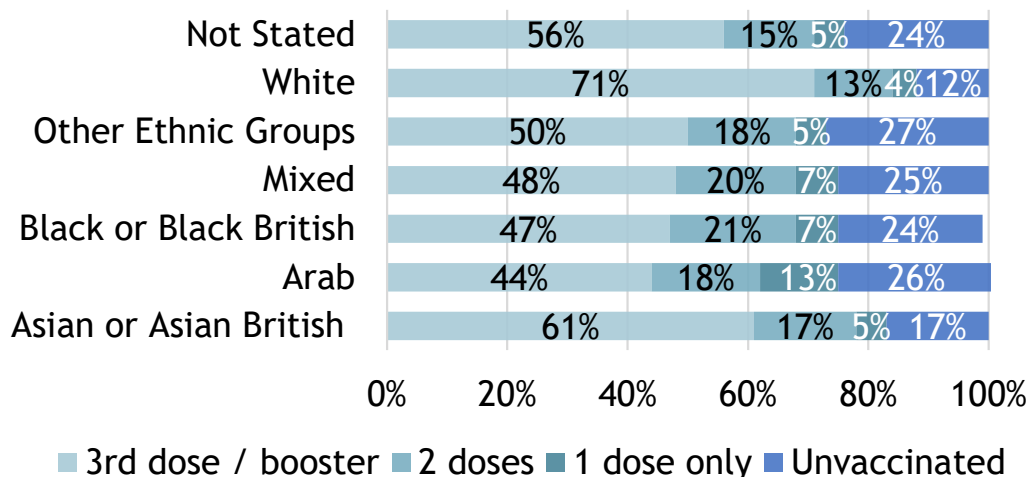
Vaccinating our communities against COVID-19 has been an important part of our pandemic response. The rates of people who are fully vaccinated are higher in all areas of the county than the national rate, which is 59.3%.



Source: .gov.uk

Rother has the highest percentage of people who have had a 3rd/booster dose of the COVID-19 vaccine, at 73.0%. The lowest rate of people who have had the 3rd/booster dose is in Hastings, at 61.0%.

### Vaccination status by ethnic group (% of pop aged 12+)



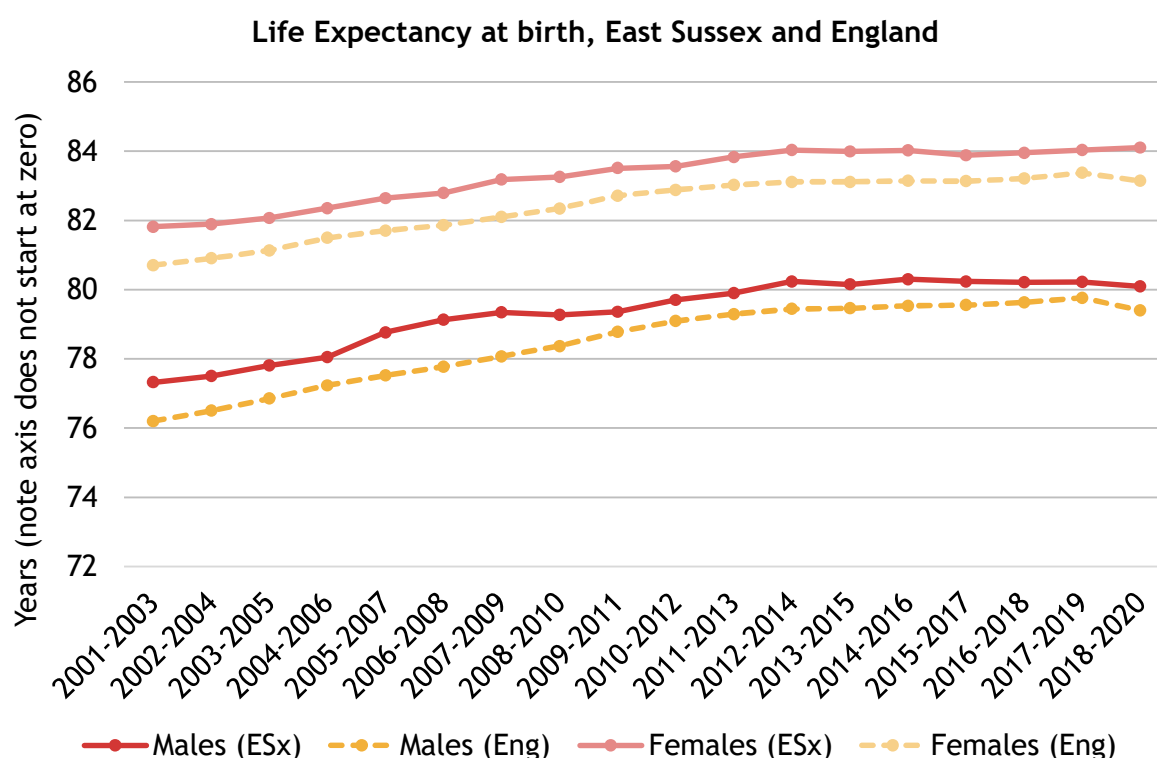
Source: .gov.uk

Vaccination rates differ by ethnic group; however, it is important to remember that the size of the various groups in East Sussex are significantly different. The number of unvaccinated people in each group is included below to highlight this.

Ethnic Group	Number of people unvaccinated
Asian or Asian British	1,276
Arab	10
Black or Black British	866
Mixed	1,300
Other Ethnic Groups	1,860
White	47,655
Not Stated	18,393

## Life expectancy

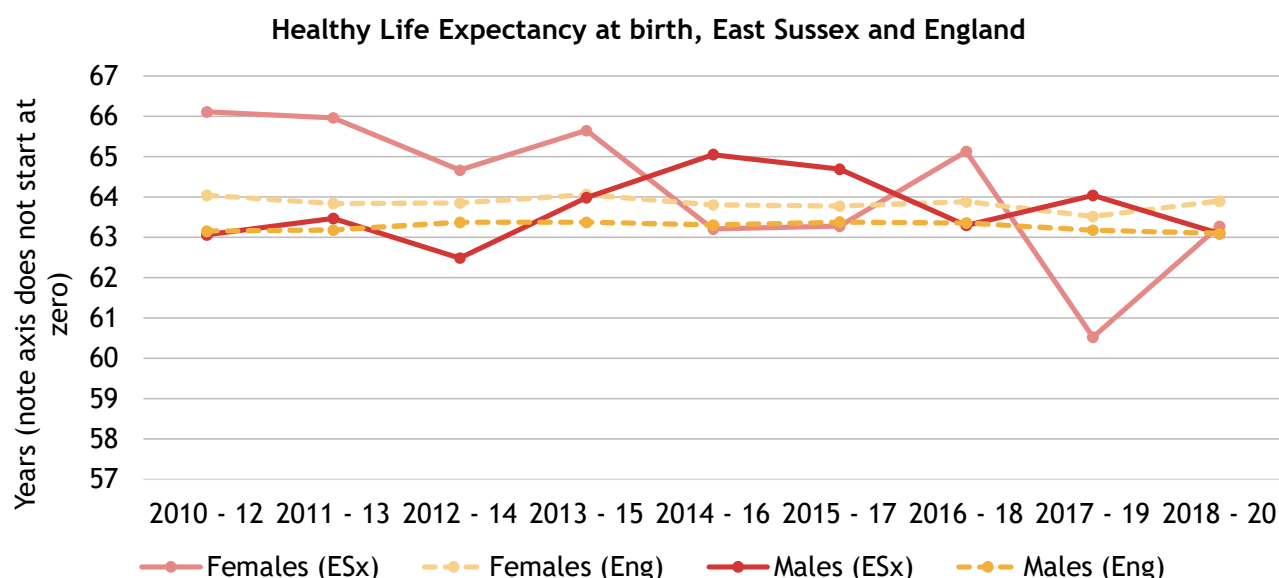
Life expectancy at birth is an estimate of the average number of years that a person born can expect to live. For a particular area and time period, it is an estimate of the average number of years a new-born baby would survive if they experienced the age-specific mortality rates for that area and time period throughout their life.



Source: ONS

East Sussex has consistently had a higher life expectancy for both men and women than the national average. Life expectancy has generally increased gradually since the early 2000's, however this increase has plateaued, or begun to reduce, in recent years.

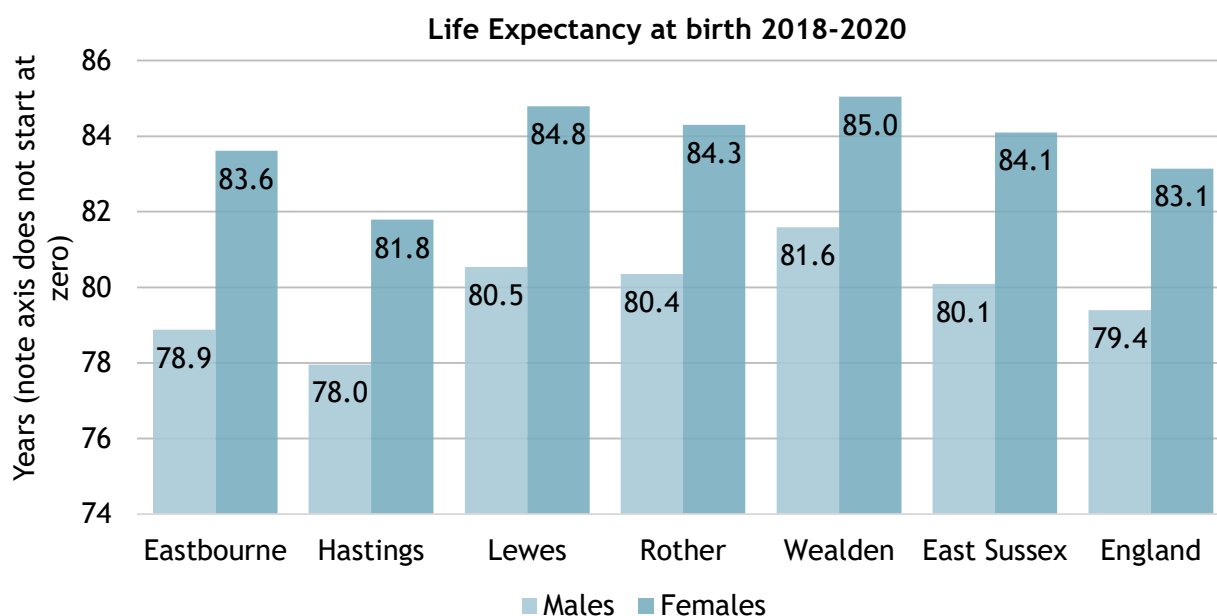
Healthy life expectancy is an estimate of the number of years lived in 'very good' or 'good' general health, based on how individuals perceive their general health. It is constructed in a similar way to overall life expectancy as explained above.



Source: ONS

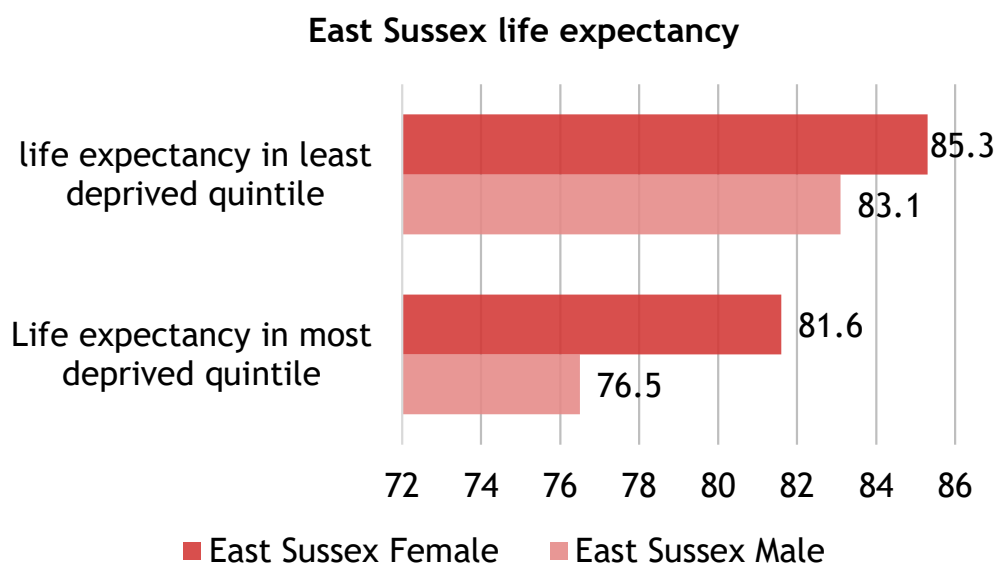
Healthy life expectancy figures in East Sussex have fluctuated significantly in recent periods, this data comes from the general health question in the Annual Population Survey. This fluctuation is likely to be due to the small sample size of the survey, rather than actual changes in healthy life expectancy in the wider population.

There is a gap in life expectancy between the most and least deprived areas of East Sussex, the biggest causes of death associated with these gaps were circulatory diseases, cancers, and respiratory diseases. So, people in more deprived areas are dying from these causes, on average, at a younger age than in the least deprived areas.



Source: ONS

Wealden has the highest levels of life expectancy at birth for both men and women in the county. The lowest levels are in Hastings.



Source: Office for Health Improvement and Disparities

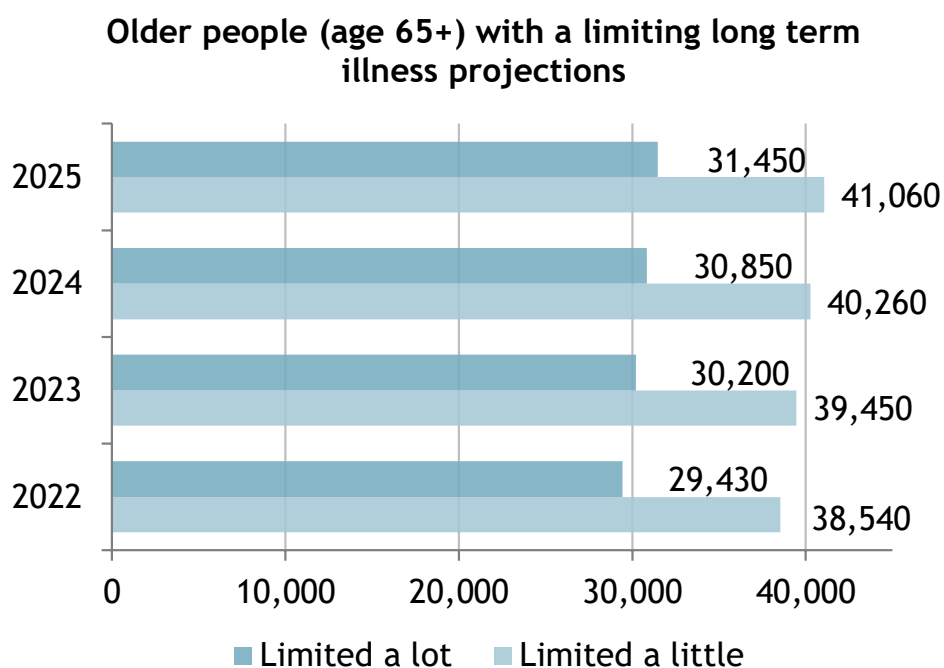
Men in the most deprived quintile of East Sussex (20% most deprived areas) live, on average, 6.6 years less than men in the least deprived quintile (20% least deprived areas). For women, the gap is 3.7 years.

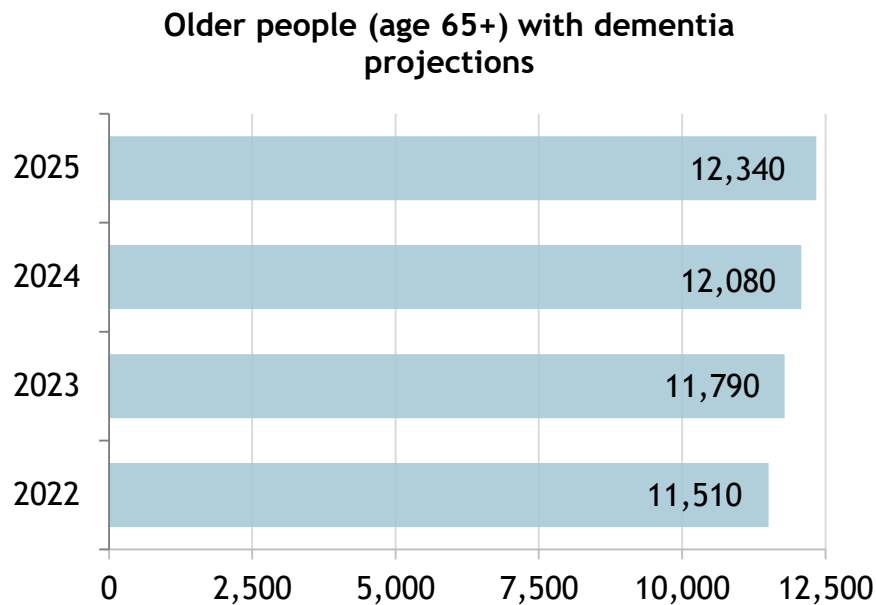
## Adults

### Population and health

Compared to 2022, by 2025 there will be 41,060 older people (age 65+) projected to have a limiting long-term illness whose day to day activities are limited a little (up 6.5%), 31,450 people's day to day activities will be limited a lot (up 6.8%).

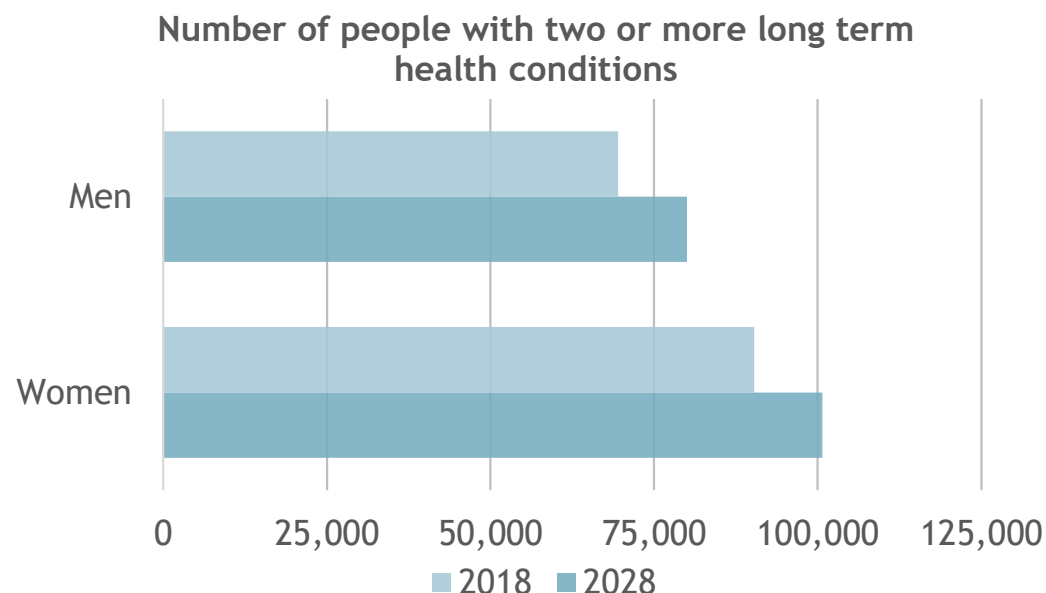
12,340 older people (65+) are projected to have dementia (up 7.2%) by 2025.

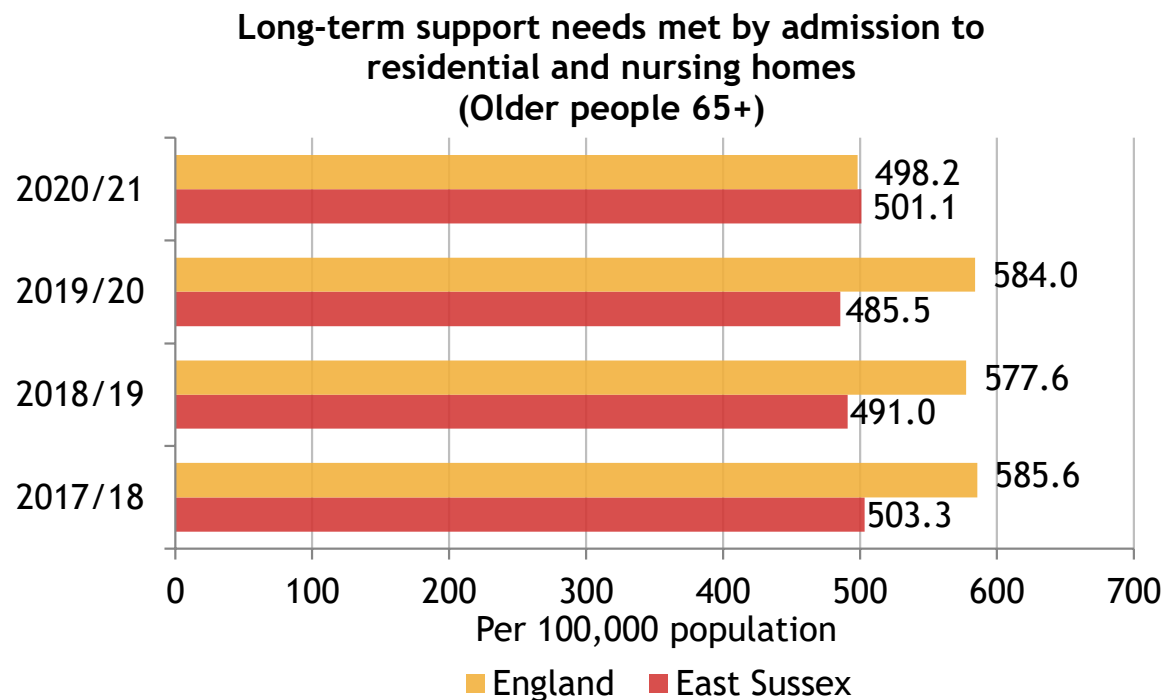




Source: POPPI, [www.poppi.org.uk](http://www.poppi.org.uk) Please note, data is only available until 2025.

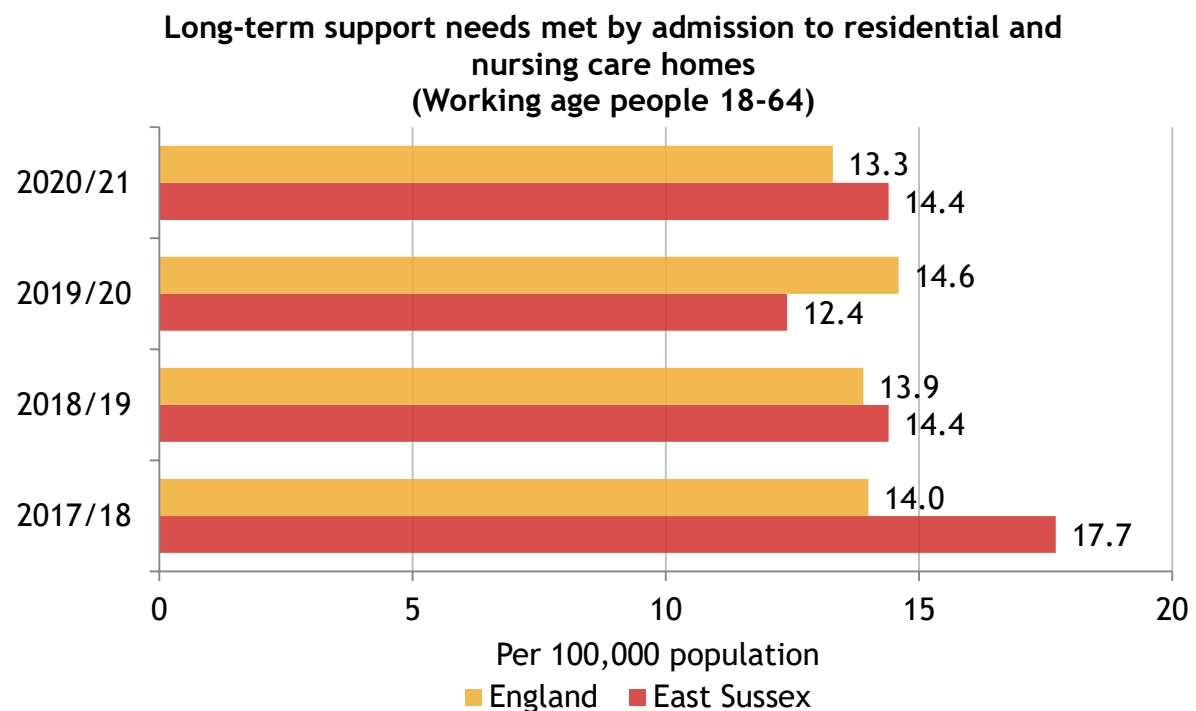
Living with multiple long term health conditions poses a challenge for individuals, their unpaid carers, and the health and social care system. By 2028, around 20,000 more people in East Sussex will be living with two or more of these conditions, when compared with the needs of our population in 2018.





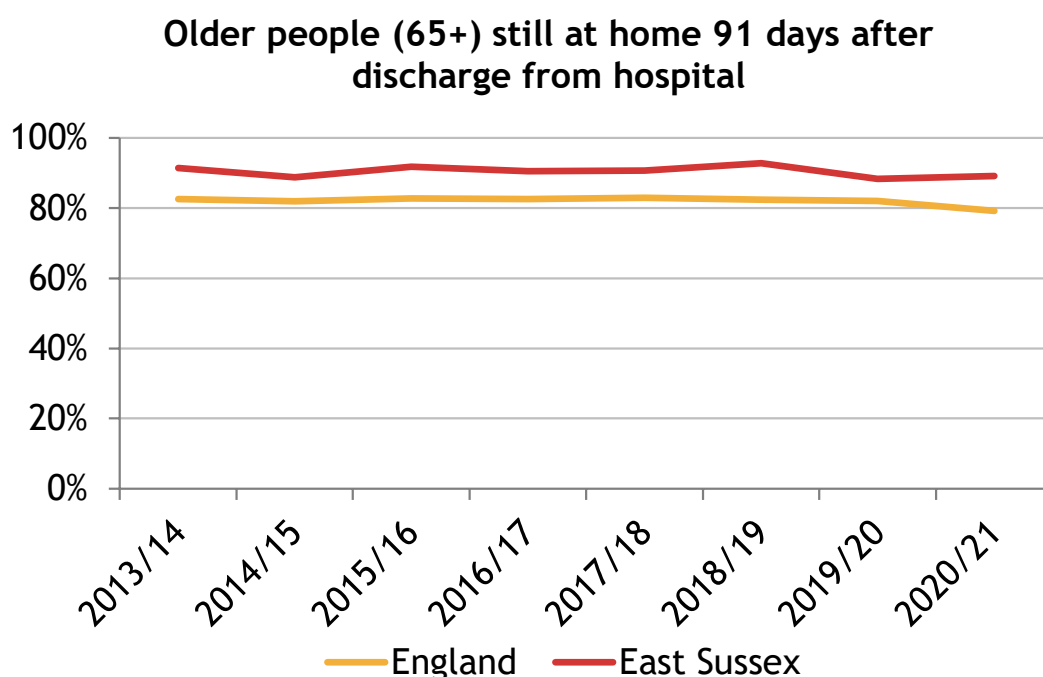
Source: NHS Digital Adult Social Care Outcomes Framework data ASCOF 2A2

Permanent admissions of older people (age 65+) increased in East Sussex in 2020/21.



Source: NHS Digital Adult Social Care Outcomes Framework data ASCOF 2A1

Permanent admissions of working age people (18-64) to long term residential care increased in East Sussex in 2020/21 and were above the national rate. However, it should be noted that the national rate (both in terms of permanent admissions of working age adults and older people) decreased significantly. This significant change in national levels of permanent admissions may be due to changes in activity and processes across councils during the pandemic and it is possible that 2021/22 may see this decrease reverse.



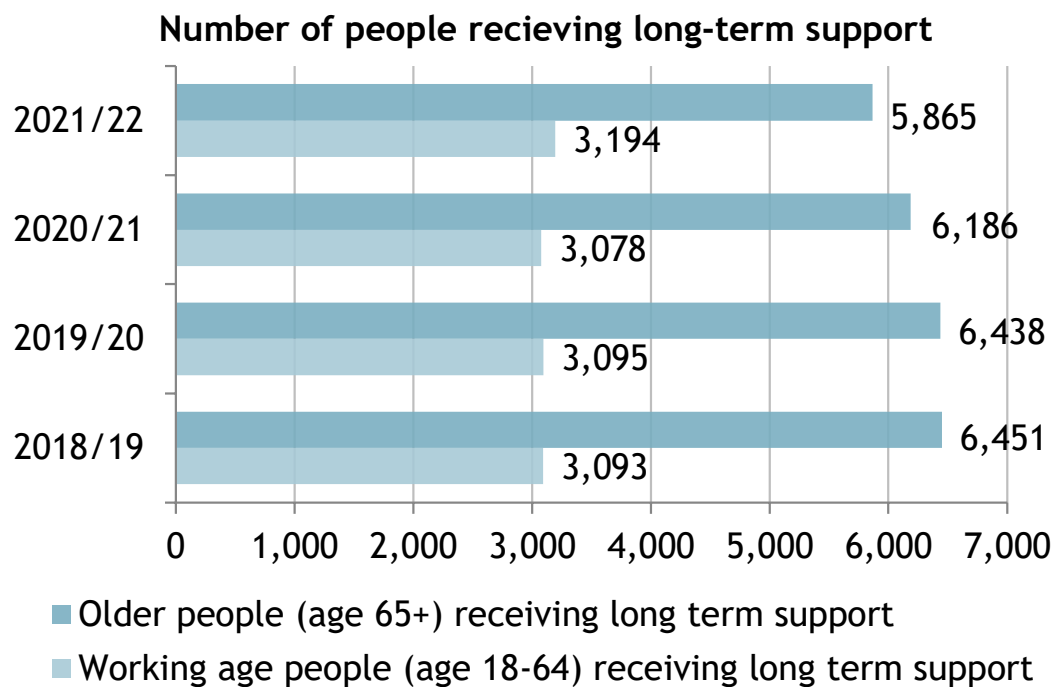
Source: NHS Digital Adult Social Care Outcomes Framework ASCOF 2B1

### Community care and promoting independence

The proportion of older people (age 65+) still at home 91 days after discharge from hospital into reablement/rehabilitation services increased in 2020/21 to 89.2% and remains significantly above the national figure of 79.1%.

89.0% of people who received short-term services during the 2020/21, required no ongoing support or support of a lower level; significantly above the national rate of 74.9%.

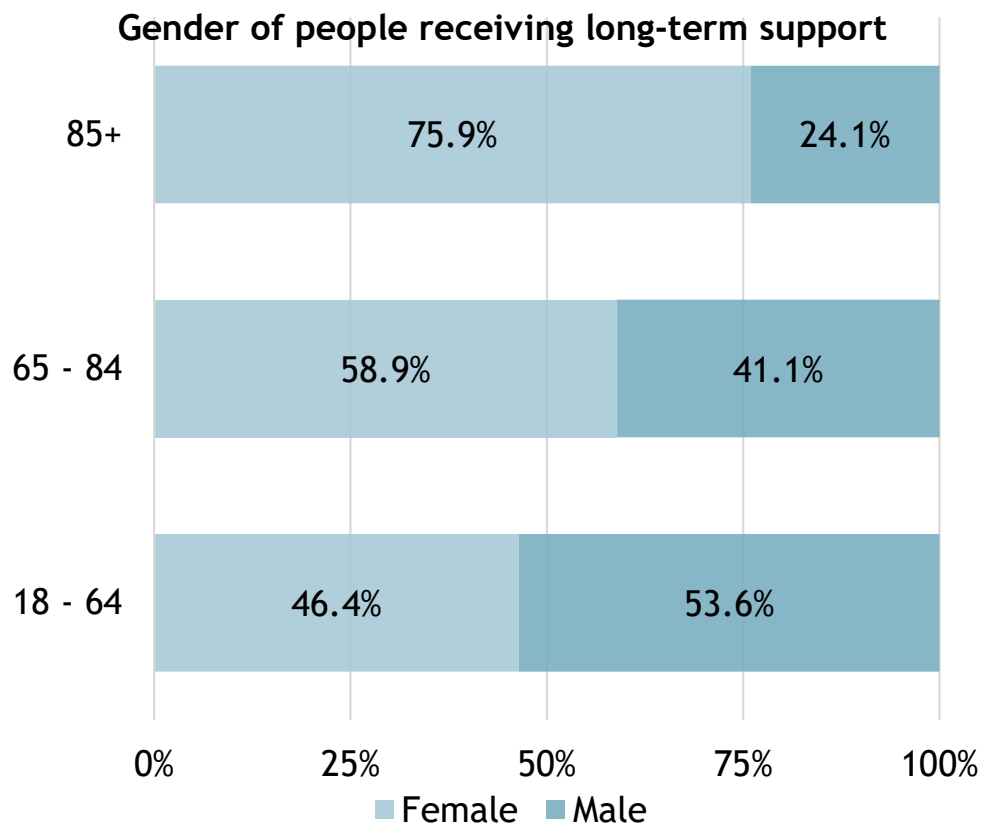
## People receiving long term support



Source: East Sussex SALT Return

The total number of clients receiving Long Term support has decreased by 2.2% in 2021/22 to 9,059.

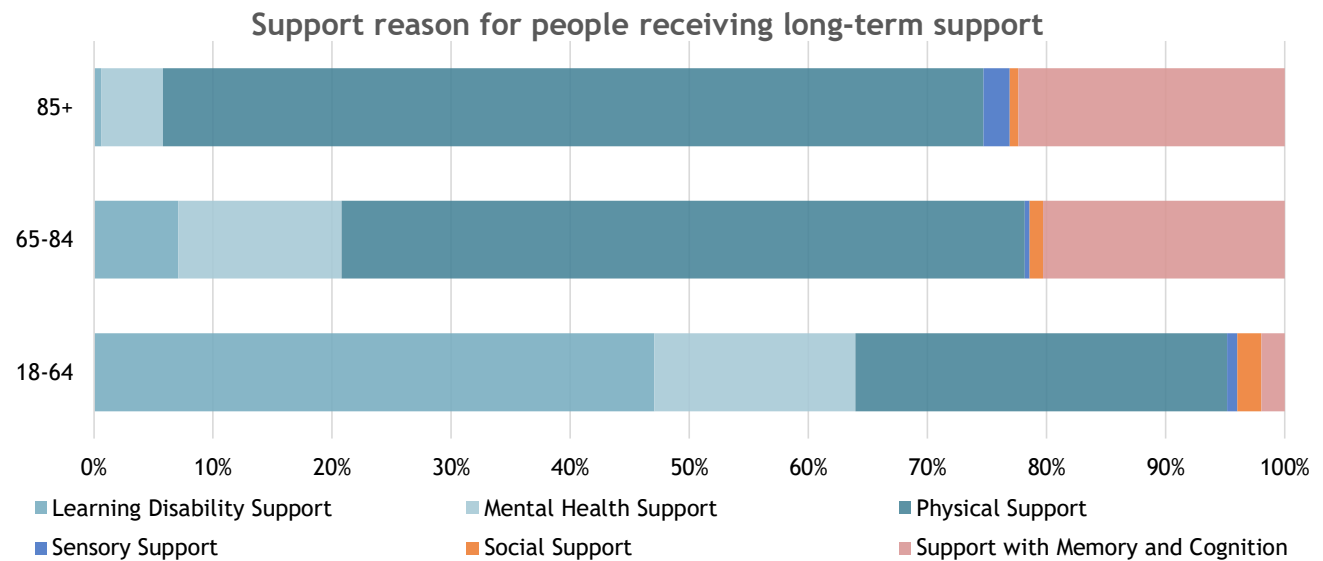
Long Term Support encompasses any service or support which is provided with the intention of maintaining quality of life for an individual on an ongoing basis, and which has been allocated on the basis of eligibility criteria/policies (i.e. an assessment of need has taken place) and is subject to regular review.



Source: East Sussex Health and Social Care Connect, data is a snapshot on 24/03/2022

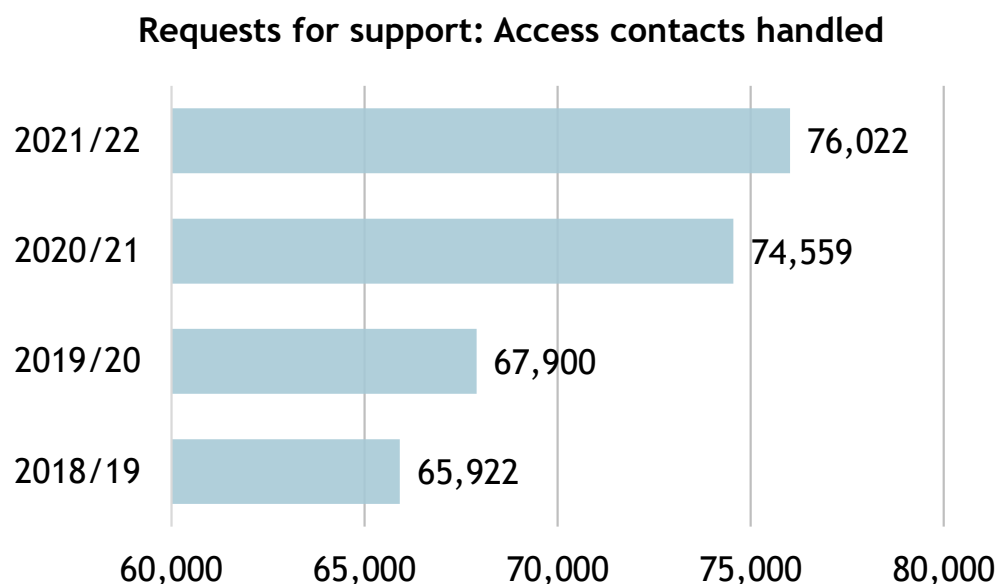
Between the ages of 18 - 64 53.6% of people receiving long term support were male, compared to 46.4% female. Between the ages of 65 - 84 this changes with 58.9% of people receiving support recorded as female, and 41.1% male. Amongst the oldest age groups, those 85+, this gender split is more significant as 75.9% of clients were female, and 24.1% were male.

## State of the County 2022: Focus on East Sussex



Source: East Sussex Health and Social Care Connect, data is a snapshot on 24/03/2022

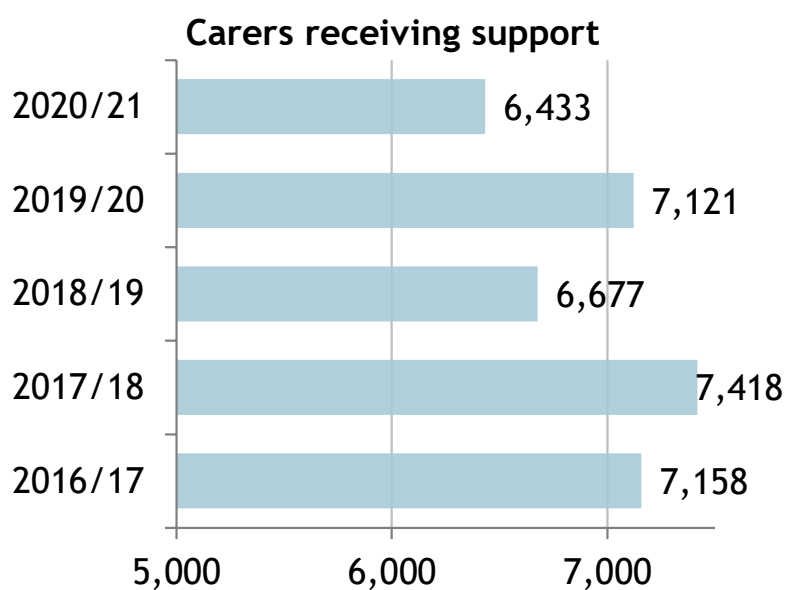
The percentage of people receiving long term support due to Learning Disability Support and Mental Health Support reduces as you move up the age ranges, whilst the percentage of people needing support for Physical Support, Sensory Support and Support with Memory and Cognition increases



Source: East Sussex Health and Social Care Connect

The Access team in Health and Social Care Connect (HSCC) handled 76,022 contacts in 2021/22, an increase of 1,463 (2%) compared to 2020/21.

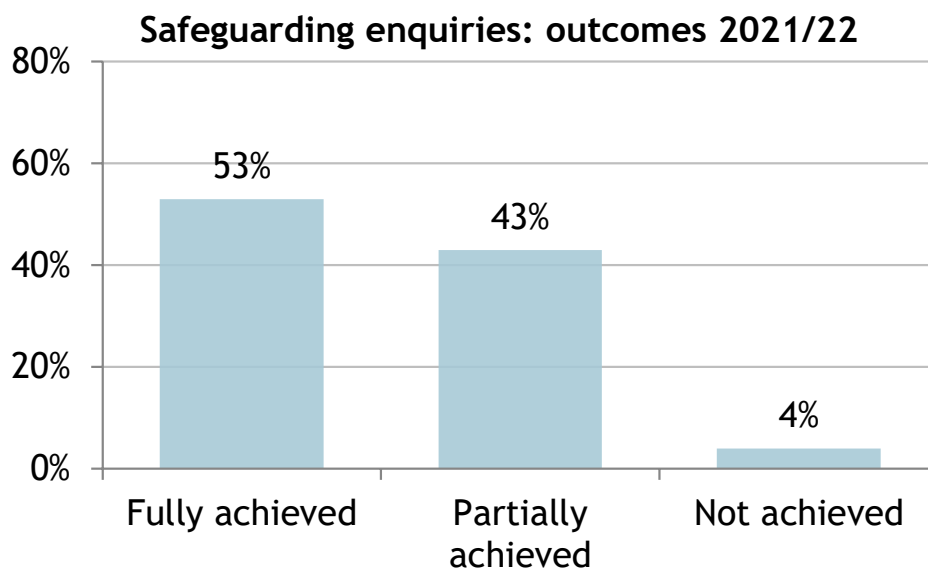
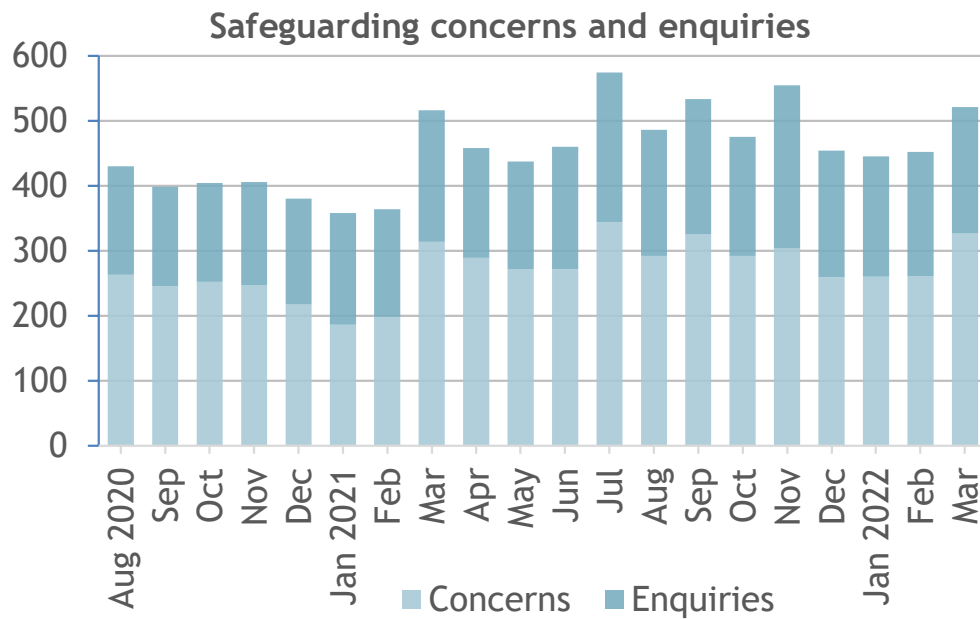
The challenges faced by care homes during the pandemic have been significant and varied, including the challenge of Personal Protective Equipment (PPE) provision during the first wave; managing significant outbreaks of COVID-19 amongst residents and staff; and supporting residents, care staff and families through loss and bereavement. The impact of COVID-19 over the last two years has seen an increasing number of vacancies across the sector.

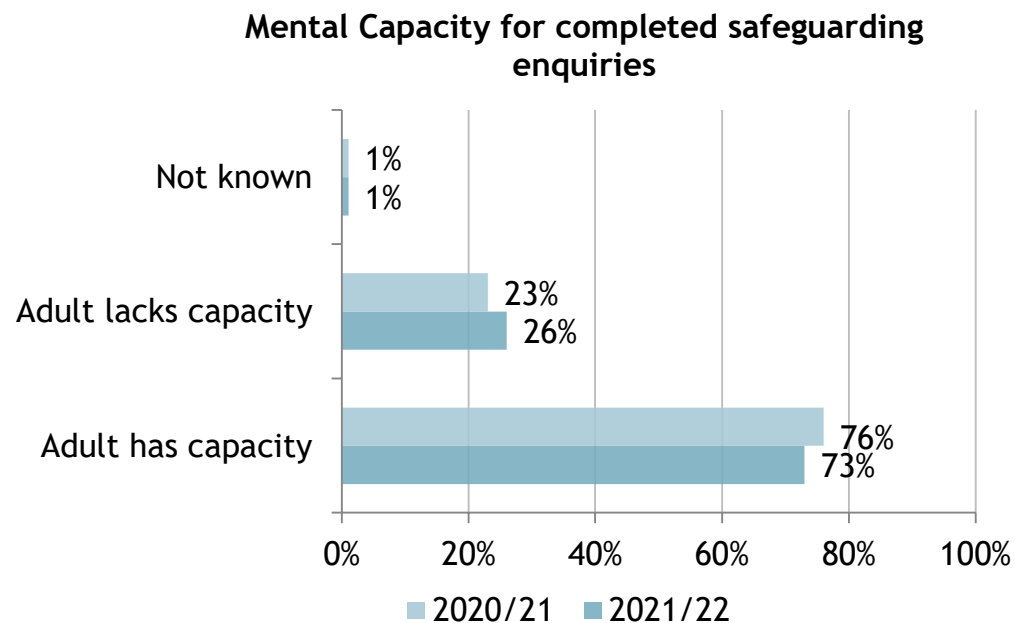


Source: East Sussex SALT Return

The total number of carers receiving support has decreased by 9.7% in 2020/21. This is due to decreased incoming contacts and re-focusing of work to support hospital discharges, home care closures and the Clinically Extremely Vulnerable (CEV) population. Carers receive support including information, advice and signposting to support as well as other universal services.

## Safeguarding





There has been an increase in the percentage of safeguarding enquiries for adults who lack capacity between 2020/21 and 2021/22 (23% to 26%). Of the adults who lacked capacity, 98% were supported by an advocate.

96% of safeguarding enquiries resulted in the expressed outcomes being achieved or partially achieved in 2021/22.

Source for all: East Sussex Adult Social Care and Health

# Data

We use a wide range of data to help us understand the context for our plans and the impact we are having through our work and in partnership. A selection of this data is listed below. Years are financial (April-March) or academic (September-August) unless otherwise stated.

Key: CY - calendar year (January-December), NA - data not available.

Measure	2019/20 Outturn	2020/21 Outturn	2020/21 England
Annual gross full-time earnings, median average (residence based)	£30,110	£30,949	£31,480
Percentage of working age population (16-64 year olds) in employment	79.9%	75.0%	75.1%
People claiming unemployment benefits (JSA and Universal Credit) percentage of population 16-64 year olds at March	6.3%	4.1%	4.2%
New business registration rate per 10,000 people over 16 (CY)	55.0 (2019)	55.9 (2020)	70.4 (2020)
Percentage of working age residents (16-64 year olds) with a level 4 or higher qualification (HNC, HND, degree etc.) (CY)	36.4% (2020)	34.9% (2021)	43.1% (2021)
Percentage of working age residents (16-64 year olds) with no qualifications or qualified only to NVQ1 (CY)	18.1% (2020)	20.2% (2021)	16.0% (2021)
Average Attainment 8 score per pupil state funded secondary schools (assessment/calculated grade)	45.2 2017/18	45.3 2018/19	46.8 2018/19
Average Progress 8 score for state funded secondary schools	-0.03 2017/18	-0.06 2018/19	-0.03 2018/19

Measure	2019/20 Outturn	2020/21 Outturn	2020/21 England
Percentage of pupils who achieved a 9-5 pass in English and maths GCSEs (assessment/calculated grade)	41.4% 2017/18	41.7% 2018/19	43.4% 2018/19
Average point score (APS) per entry for level A levels (age 16-18)	31.32 2017/18	32.11 2018/19	32.87 2018/19
Attainment of A level students (age 16-18) average point score (APS) per entry, best 3	28.36 2017/18	30.00 2018/19	32.89 2018/19
Attainment of A level students (age 16-18) % achieving grades AAB or better at A level, of which at least two are in facilitation subjects	8.90% 2017/18	9.6% 2018/19	14.1% 2018/19
Rate per 10,000 (aged 0-17 population) of Looked After Children	55	57	67
Rate per 10,000 (aged 0-17 population) of children with a Child Protection Plan	50.4	49.2	41.4
Percentage of children who ceased to be looked after adopted during the year ending 31 March	31%	27%	N/A
Hospital admissions caused by unintentional and deliberate injuries in children aged 0-14 years, rate per 10,000 resident population	100.3	99.8	75.7
Percentage of children aged 4-5 years with excess weight (overweight or obese) LA by postcode of child	23.4% 2018/19	23.0% 2019/20	23.0% 2019/20
Percentage of children aged 10-11 years with excess weight (overweight or obese) LA by postcode of child	28.2% 2018/19	32.0% 2019/20	35.2% 2019/20
Percentage of adults (aged 18+) classified as overweight or obese	62.5% 2018/19	62.6% 2019/20	62.8% 2019/20
Proportion of people (65 and over) who were still at home 91 days after discharge from hospital	88.4%	89.2%	79.1%

Measure	2019/20 Outturn	2020/21 Outturn	2020/21 England
Long-term support needs of younger adults (aged 18-64) met by admission to residential and nursing care homes, per 100,000 population per year	12.4	14.4	13.3
Long-term support needs of older adults (aged 65 and over) met by admission to residential and nursing care homes, per 100,000 population per year	485.5	501.1	498.2
Proportion of older people aged 65 and over who received reablement services following discharge from hospital	3.1%	2.0%	3.1%
The outcome of short-term services: sequel to service: proportion of people who received short-term services during the year, where no further request was made for ongoing support or support of a lower level	93.3%	89.0%	74.9%
Emergency hospital admissions due to falls in people aged 65 and over per 100,000	2,488	2,314	2,023
Suicide rate per 100,000 of population, three-year average	13.5 (2017-19)	12.7 (2018-20)	10.4 (2018-20)
Number of people killed or seriously injured on the roads (CY)	295 (2020)	339 (2021)	N/A
New houses built, total completed / total affordable	1,842/ 468	1,549/ 290	N/A

## **National and Local Policy Outlook 2022**

### **1. Introduction and Contents**

1.1. This appendix provides a detailed overview of the key national policy developments that will influence and inform our future service and financial planning. It also provides an update on work to deliver the County Council's local priorities and summarises key strategic challenges for our services.

1.2. Recent developments in national policy and the Council's broader operating context have been fast-moving and extensive, with major national reforms planned across many of our services, each with associated risks and implications that we are required to work at-pace to understand, assess and respond to.

1.3. National Government policy remains centrally focussed on delivering the 'levelling up' agenda to address geographic disparities between places and regions in the UK, as well as responding to the recent significant increases in the cost of living and the Russian invasion of Ukraine. Alongside this, in recent months the Government has progressed a number of public service policy reforms that will have implications for the way we deliver Council services in future. These include Adult Social Care (ASC) charging reforms; reforms to arrangements for working with health partners legislated for in the Health and Care Act; proposed changes to the education and Special Educational Needs and Disability (SEND) systems arising from the Education White Paper, Schools Bill, and SEND and Alternative Provision Green Paper; the recently-published national review of Children's Social Care; planning reforms to be progressed through the Levelling Up and Regeneration Bill and the range of reforms emerging from the Environment Act. Further information on these reforms and what they mean for East Sussex County Council (ESCC) is set out below.

1.4. Locally, significant work is taking place to respond to national developments and progress our local priorities. Working with partners, we have rapidly responded to new developments such as the need to establish support arrangements for Ukrainian refugees, while also working to align a range of local medium- and long- term strategies and approaches to the changing national context. Detail on this work is set out below, particularly in sections on our work with communities, to deliver transport improvements, to protect the environment and tackle climate change, and to drive sustainable economic growth.

1.5. This appendix has been written to be easily navigable to specific sections for future reference (using the below contents list), as well as providing a comprehensive single overview of developments. It includes information on:

#### **Section 2 – Overall Context (pgs 3 - 8), covering:**

- The national economic outlook and impact of the increase in the cost of living - (pg 3)
- Levelling up – including the key proposals in the Levelling Up White Paper and Levelling Up and Regeneration Bill - (pg 5)
- The Queen's Speech 2022 - (pg 6)
- Local government finance outlook - (pg 7)

#### **Section 3 – Adult Social Care and Public Health (pgs 8 – 17), covering:**

- National ASC reforms set out in the Build Back Better report and People at the Heart of Care White Paper - (pg 8)
- Health and Social Care integration – including national reforms and progress locally - (pg 10)
- Mental Health Act and Deprivation of Liberty Safeguards reforms - (pg 13)

- National Public Health policy developments, including Living with COVID-19, the Health Disparities White Paper, and Food Strategy - (pg 13)
- Local priorities and strategic challenges: developing a local partnership approach to community wellbeing, ASC and Health COVID-19 recovery and learning, care market support and resilience, and ASC workforce challenges - (pg 16)

**Section 4 – Children’s Services (pgs 18 – 24), covering:**

- National review of Children’s Social Care - (pg 18)
- Review and regulation of the Children’s Social Care market and providers - (pg 19)
- Early Help and Family Hubs - (pg 19)
- Supporting Families Programme - (pg 20)
- Unaccompanied Asylum Seeking Children and the National Transfer Scheme - (pg 20)
- Impact of the COVID-19 pandemic on children - (pg 21)
- Schools’ future policy and funding - (pg 21)
- Education recovery, attendance and attainment - (pg 22)
- Education Investment Areas - (pg 22)
- Electively Home Educated children - (pg 22)
- Mental health and emotional wellbeing in schools - (pg 23)
- SEND reforms and Local SEND strategy - (pg 23)

**Section 5 - Refugee Resettlement and Asylum Dispersal (pgs 24 – 27), covering:**

- Afghan Resettlement Schemes - (pg 24)
- Ukrainian refugee response - (pg 25)
- Asylum dispersal system - (pg 26)
- Future local support - (pg 26)

**Section 6 – Communities (pgs 27 – 31), covering updates on:**

- Implementing the Domestic Abuse Act 2021 and Tackling Domestic Abuse Plan 2022 - (pg 27)
- National and local plans for tackling Violence Against Women and Girls - (pg 28)
- Police, Crime, Sentencing and Courts Act - (pg 28)
- Drug and alcohol treatment work and Project ADDER - (pg 28)
- Police and Crime Commissioner (PCC) review - (pg 29)
- Independent Review of Social Cohesion and Resilience - (pg 29)
- Trading Standards priorities and focus - (pg 30)
- Local resilience and national reviews - (pg 30)
- Fire Reform White Paper - (pg 31)
- National planning reforms - (pg 31)

**Section 7 - Highways and Transport (pgs 31 – 36), covering updates on:**

- The East Sussex Highway maintenance contract - (pg 32)
- Use of additional investment in Highways - (pg 32)
- Bus Service Improvements - (pg 33)
- Local Cycling and Walking Infrastructure Plan - (pg 33)
- Rail developments - (pg 34)
- National Highways Programmes - A27/A21 - (pg 34)
- The refresh of the Local Transport Plan - (pg 35)
- Electric Vehicle Infrastructure - (pg 35)
- Transport for the South East - (pg 36)

**Section 8 – Economy (pgs 36 – 40), covering updates on:**

- Work to support the local economy - (pg 36)

- National economic investment programmes, including UK Community Renewal Fund, UK Shared Prosperity Fund, Multiply Programme and Levelling Up Fund - (pg 37)
- Local Enterprise Partnership and Growth Hub futures and funding - (pg 38)
- Local work on, and national reforms to, skills provision - (pg 39)

**Section 9 – Environment and Climate Change (pgs 40 – 43)**, covering updates on:

- ESCC's work to achieve carbon neutrality - (pg 40)
- International context - (pg 41)
- Recent national strategies and reports setting net zero policy – Net Zero Strategy, Heat and Buildings Strategy and Treasury's Net Zero Review - (pg 41)
- Environment Act impacts - (pg 42)
- Glover Review - (pg 43)
- Upcoming reforms and consultations – (pg 43)

**Section 10 - Supporting Services (pgs 43 – 47)**, covering updates on:

- The Modernising Back Office Systems Programme - (pg 43)
- The Orbis Partnership - (pg 44)
- Workforce challenges - (pg 44)
- Workstyles – hybrid working model - (pg 45)
- ESCC Property Asset Management - (pg 46)
- Ultra-fast digital network - (pg 46)
- Transforming Public Procurement Green Paper and Bill - (pg 46)
- Redmond Review and Audit Reforms - (pg 47)

## **2. Overall Context**

2.1. The following section provides an overview of the overall economic, fiscal and policy context the County Council is operating and planning within.

### **Economic Outlook**

2.2. The UK has experienced a steep increase in inflation in the first half of this calendar year. The cost of goods and services has increased in recent months and Consumer Price Index (CPI) inflation rose to 9% in April, its highest level for more than 40 years. This increase is being driven by a number of factors including the global rise in energy and fuel prices, linked to the war in Ukraine and which led to the price cap on energy bills increasing by 54% in April; and global restrictions on supply chains due to disruption from the war and the coronavirus pandemic.

2.3. Rising inflation, along with the increasing cost of fuel, energy and food, tax increases and interest rate rises are all contributing to a significant increase in the cost of living for households, which is outpacing average growth in earnings. In March, the Office for Budget Responsibility (OBR) projected that real household disposable incomes per person would fall by 2.2% in 2022/23, the largest fall in a single financial year since Office for National Statistics records began in 1956/57. The impact of the increased cost of living will, however, have a greater impact on those on lower incomes or already in financial hardship; and the Institute for Fiscal Studies has suggested that the real CPI inflation rate experienced by those on the lowest incomes in April was closer to 11% due to those households spending a greater proportion of their total budget on energy.

2.4. On 26 May, the Government announced a £15bn package of measures to support households with the rising cost of living. Measures include:

- A one-off £650 payment to low-income households on Universal Credit, Tax Credits, Pension Credit and legacy benefits, with separate one-off payments of £300 to pensioner households who receive Winter Fuel Payments and £150 to individuals

receiving disability benefits. Payments will be made directly by the Government to households.

- An increase to £400 in the previously announced universal discount on energy bills planned for October. Households will also no longer be required to repay this over 5 years. This support is in addition to the £150 Council Tax rebate for households in England in bands A-D and the £144m Discretionary Fund for billing authorities to support households in need but not eligible for the Council Tax Rebate, both announced in February.
- An extra £500m Household Support Funding, extending the fund from October 2022 to March 2023. This is in addition to £500m Household Support Funding announced at the Spring Statement (ESCC distribution of this funding is detailed below at 2.6). Government will issue guidance to councils to ensure support is targeted towards those most in need of support, including those not eligible for the cost of living payments above.

2.5. While the OBR revised their projections for Gross Domestic Product (GDP) growth this year down from 6% to 3.8% in March, there have since been predictions that the UK economy may go into recession later this year as inflation damages consumer spending and business investment. This may result in further fiscal and/or policy interventions by the Government to provide support to households and businesses.

2.6. The impact of the increases in the cost of living on residents, particularly those already experiencing financial hardship, can be expected to result in an increase in need for public services and voluntary sector support locally. In East Sussex, we have been allocated a further £3.9m in Household Support Funding (for 1 April – 30 September 2022) which we are using to support those in need. The funding has been split with:

- £2.6m distributed to Voluntary, Community and Social Enterprise (VCSE) organisations, food partnerships, Warmer Homes and district and borough councils to provide support directly to those in need. The funding will be used to help households with paying for energy and water, essentials linked to energy and water, food, housing costs (in exceptional circumstances) and wider essentials;
- £1.1m allocated to provide food vouchers to eligible free school meal pupils for the school holidays between May 2022–September 2022; and
- other funding distributed directly to vulnerable families and children via Children's Services teams who work with this cohort.

With our borough and district and VCSE partners we will monitor the impact of the rising cost of living and economic uncertainty on residents and businesses. Details of plans for a renewed partnership approach to supporting community wellbeing to improve resilience against crises such as the COVID-19 pandemic and increase in the cost of living is set out below in paragraphs 3.39 to 3.42.

2.7. Data on the East Sussex economy, cost of living and labour market are set out at in Appendix 1 - Focus on East Sussex. Output of the East Sussex economy remains below the national average; Gross Value Added (GVA) per hour in East Sussex (a measure of the goods or services produced in an area per hour worked in that area) was 25.8% below the England level in 2019 (£26.47 per hour, against £35.69 per hour in England). The pandemic led to a sharp increase in the number of people claiming unemployment related benefits in East Sussex and although this has reduced, the number of people claiming unemployment related benefits remained 44% higher in March 2022 than in March 2020. The Claimant Count unemployment rate for March 2022 was 4.1% for East Sussex, slightly lower than the national average of 4.2%, but above the regional average of 3.2%. The youth unemployment rate (those 18-24 claiming unemployment benefits) rose faster in the pandemic than the rate for the working-age population, but is now falling faster than for all claimants. At 6.2% in March 2022, it remains higher than the rate for all working-aged people, and higher than the

national rate (4.9%). Further information on the national labour market picture and recruitment and retention challenges this presents for ESCC are set out at 10.9-10.16.

### Levelling Up

2.8. One of the Government's central policy objectives for this Parliament is to 'level up' the country and address the imbalance in economic performance and life opportunities between places and regions in the UK.

2.9. The Government's detailed strategy to deliver this was set out in the Levelling Up White Paper, published in February 2022. The White Paper gives an analysis of the geographical disparities in the UK and the history of policy approaches to addressing these. Based on this analysis, it proposed a new, long-term approach to ending geographical inequality; and a framework to take this forward and deliver on the four levelling up aims to:

1. **boost productivity, pay, jobs and living standards** by growing the private sector, especially in those places where they are lagging;
2. **spread opportunities and improve public services**, especially in those places where they are weakest;
3. **restore a sense of community, local pride and belonging**, especially in those places where they have been lost; and
4. **empower local leaders and communities**, especially in those places lacking local agency.

2.10. As part of the framework, 12 medium-term national levelling up missions were also outlined, aligned to the above aims. These set out overarching objectives for a range of national policy areas, including transport infrastructure, digital connectivity, education, skills, health, wellbeing and local leadership, which are intended to anchor national policy making and to be used to measure the success of levelling up over the next decade. The paper also set out a new policy regime for Government, underpinned by five pillars: a mission-orientated approach to setting policy; reorientation of central government decision-making; greater empowerment of local government decision-making; a revolution in data and transparency at the subnational level; and enhanced transparency and accountability of this new regime. The new regime may present opportunities for local areas in future as the Government takes a more 'place-based' approach, to policy and decision making. There was no new funding announced specifically to meet the challenges identified in the White Paper.

2.11. In terms of detailed policy proposals, the White Paper largely draws together existing Government initiatives under the levelling up aims and missions. Notable new announcements included:

- publication of a devolution framework – the White Paper's local leadership mission is that 'By 2030, every part of England that wants one will have a devolution deal with powers at or approaching the highest level of devolution and a simplified, long-term funding settlement', and the paper set out a framework to give consistency and clarity over pathways to devolution for areas that wish to pursue it. The framework also set out clearly the devolved powers and funding available to places under different devolution governance arrangements.
- plans to introduce a new independent data body to improve transparency of local government performance.
- planned initiatives for improving community empowerment and engagement, with more detail on these awaited. This includes a planned new Strategy for Community Spaces and Relationships which the White Paper indicates will include proposals 'making it easier for communities to set local priorities and shape neighbourhoods', a review of neighbourhood governance to improve community empowerment and a plan to pilot new models for community partnership.

- plans to 'simplify the local growth funding landscape' and further information on UK Shared Prosperity Funding (see 8.6 - 8.7 for further information).
- an ambition for up to 5% of Local Government Pension Funds to be invested in local areas.
- potential transfer of taxi and private hire vehicle licensing to upper-tier authorities.
- designation of East Sussex as an Education Investment Area (see 4.25 below) and announcement of plans for a White Paper to reduce Health Disparities (see 3.33 below).

2.12. Nine County Deal pilot devolution areas were also announced alongside the White Paper: Cornwall; Derbyshire & Derby; Devon, Plymouth & Torbay; Durham; Hull & East Yorkshire; Leicestershire; Norfolk; Nottinghamshire & Nottingham; and Suffolk. These areas are now working with the Department for Levelling Up, Housing and Communities (DLUHC) to develop and negotiate plans for devolution to their areas, in line with the powers and funding set out in the devolution framework. ESCC will continue to monitor how these deals progress to better understand the opportunities and risks associated with County Deals.

2.13. A Levelling Up and Regeneration Bill was announced at the Queen's Speech in May and makes provision for the legislative changes required to deliver on some aspects of the levelling up programme set out in the White Paper, including creating a legal duty for the Government to set and report on delivery of levelling up missions; and introducing measures and reforms to deliver on plans for devolution, such as creating a new model of combined authority - combined county authorities - to provide the governance structures needed to progress devolution to some County Deal areas. The Bill includes provision to allow billing authorities to double the standard Council Tax rate on any home left empty for longer than a year, rather than 2 years, and will introduce a new discretionary Council Tax premium on second homes of up to 100%. The Bill also incorporates legislative changes to deliver some of the planning reforms outlined in the previous Planning for the Future White Paper (more detail provided at 6.25-6.27).

2.14. In general, the levelling up agenda presents both opportunities (from a more place-based focus on policy making) and risks for East Sussex. Levelling up aims to address geographic disparities, with a particular focus on bringing economic performance and living standards across the country in line with the South East. There is therefore a focus on prioritising Government funding and interventions outside the South East region. While the White Paper does recognise that there are areas of deprivation in the South East region which also require levelling up, we expect to need to continue to strongly advocate for the needs and interests of East Sussex, as there is a risk that the opportunities and challenges facing places within this region are overlooked in future national policy making.

#### Queen's Speech

2.15. The May 2022 Queen's Speech set out the Government's legislative programme for the new Parliamentary session, announcing that its top priorities are to grow and strengthen the economy to ease the increasing cost of living for families; reduce crime and improve community safety; and fund the NHS to address coronavirus backlogs.

2.16. Key pieces of legislation the Government announced in the speech include the Levelling Up and Regeneration Bill (see above) and the Schools Bill which makes provision for the legislative changes required to implement plans in the Education White Paper (see 4.19-4.21 below). Other legislation of relevance to local government included:

- Non-Domestic Rating Bill – covering previously announced changes to the business rates system, specifically enabling more frequent revaluations and reliefs for decarbonisation and property improvements (all reliefs to be reimbursed in the usual way).

- Data Reform Bill – which will help to improve appropriate access to data in health and social care contexts, whilst reforming the General Data Protection Regulation (GDPR) and Data Protection Act post-Brexit.
- Draft Audit Reform Bill – which establishes the Audit, Reporting and Governance Authority (ARGA), a proposed audit regulator intended to replace the Financial Reporting Council. The Bill also makes provisions intended to increase resilience and choice in the statutory audit market (see further information on audit reforms and challenges at 10.30-10.33 below).
- Procurement Bill – previously announced in the 2021 Queen's Speech, this Bill will aim to reform the current procurement regime, which currently reflects EU law, and make public procurement more accessible for new entrants (more details below at 10.26-10.29).
- Transport Bill – which establishes a new body, Great British Railways to 'act as the single national leader of the railways' (more detail on rail developments is set out at 7.16-7.19) and supports the installation of more electric vehicle charge points throughout the UK (more details on plans to improve electric vehicle infrastructure in East Sussex are set out at 7.26-7.27).
- Energy Security Bill – which will support the transition to a more secure, affordable and cleaner domestic energy system through measures such as supporting industry to invest in the growing consumer market for electric heat pumps, extending the energy price cap beyond 2023 and enabling the first large-scale hydrogen heating trial.
- Product Security and Telecommunications Infrastructure Bill – previously announced in the 2021 Queen's Speech, this Bill will accelerate and improve the roll out of mobile and broadband networks through measures such as reforming the Electronic Communications Code to support faster and fairer negotiations for the use of private and public land to enable deployment of telecommunications networks.
- Draft Mental Health Act Reform Bill – further detail on reforms is set out at 3.24-3.25.

#### Local government finance outlook

2.1. There remains significant uncertainty regarding future local government funding. Although Government has given a strong commitment to undertake a funding review, covering the formula on which funding allocations to individual local authorities are based, it is considered increasingly likely that funding reforms will be delayed until after 2023/24, due to the lack of time available to undertake a full consultation and implement major funding changes. It has been suggested that a smaller-scale consultation on the approach to future distribution of some specific grants, such as the Services Grant, may be launched before the Parliamentary recess this summer to inform funding allocations for 2023/24.

2.2. Increases in the cost of energy and fuel and overall rates of inflation set out above impact directly on ESCC as an organisation. Whilst the 2022/23 budget and Medium Term Financial Plan (MTFP), approved by Full Council in February 2022, included forecasts for inflation and additional cost pressures, the impact of rising inflation and the cost of living crisis will be monitored through the normal quarterly reporting process. Inflation models, including pay inflation, and the MTFP will be updated regularly to assess the impact of the challenging economic environment, which may also impact on Council Tax collection. At this point, there is sufficient contingency and reserves to address revenue budget risks in 2022/23.

2.3. For the Capital Programme, there remain challenges in the supply chain for materials and price pressures within existing contracts. Further significant pressures may materialise as new schemes are developed and go out to tender. The Capital Programme holds a contingency of £7.5m to meet these uncertainties.

2.4. As set out in the section below, extensive changes to the way people pay for ASC are planned and present significant financial risks for ESCC.

### **3. Adult Social Care and Public Health**

3.1. Teams across the Adult Social Care (ASC) and Health department are responding to a range of national and local developments which are set out in more detail in the following sections. These include making preparations to implement national reforms to ASC charging arrangements and implementing the Government's ten-year vision for ASC; working with health partners to progress local health and social care integration and implement reforms set out in the Integration White Paper and the Health and Care Act; and developing public health processes to support living with COVID-19 long-term. Work to deliver local priorities and respond to strategic challenges, including supporting the resilience of local communities, providing support to the local care market and responding to workforce challenges, is also covered here.

#### **National ASC reforms**

3.2. Government has long committed to bring forward national reforms of the ASC system, to ensure provision is high-quality, sustainable, equitably funded and affordable to those who require it. To deliver this, proposals to transform social care and support to adults in England and on how that would be funded were published by the Government in late 2021, through the Build Back Better: Plan for Health and Social Care report (in September 2021) and the People at the Heart of Care: Adult Social Care Reform White Paper (in December 2021).

3.3. From April 2022, a new Health and Social Care Levy on National Insurance contributions has been in place to fund these reforms. While the Levy will raise an average £12bn funding per year for health and social care, the majority is initially to be allocated to the NHS to support tackling COVID-related backlogs, and only £5.4bn has been allocated nationally to deliver planned reforms to social care across the three years to 2024/25. Whether the additional monies from the Levy will be sufficient to cover the increased costs linked to the Government's reforms of social care set out below is highly uncertain; and no funding from the Levy is allocated to address existing pressures within the system and growth in demand generated by ongoing demographic changes.

#### **Build Back Better: Plan for Health and Social Care**

3.4. This paper, and further details published in November and December 2021, set out that the social care charging system will be reformed, to:

- **Introduce a cap on personal care costs** - from October 2023, there will be a cap on the amount anyone in England will need to spend on personal care over their lifetime. This will be set at £86,000 in the first year. Assessments of an individual's eligible care needs and costs will determine what counts towards the cap; only the amount that an individual contributes towards their eligible care costs (at the local authority rate) will count towards the cap. Where someone's needs are being met in a care home, daily living costs (such as food and rent), which are assumed to be the proportion of residential care fees not directly linked to personal care, will not count towards the cap on care costs. If a person reaches the cap while in bedded care, the proportion of residential care fees not directly linked to personal care will continue to be subject to financial assessment and client contributions. These costs will be set at a national, notional amount of £200 per week. ESCC will need to start care accounts to monitor the progress of every resident with eligible care needs (local authority- and self- funded) towards the cap and notify them when they are close to reaching the cap to discuss how their needs will be met after this point.

- **Introducing a more generous means-test for local authority support** - the upper capital limit (the point below which people become eligible to receive some financial support from their local authority) will be raised to £100,000 from the current £23,250. As a result, people with less than £100,000 of chargeable assets will never contribute more than 20% of these assets per year. The lower capital limit (the threshold below which people will not have to pay anything for their care from their assets) will increase to £20,000 from £14,250.
- **Equalise costs between people who fund their own care (self-funders) and local authority clients** – self-funders will be able to ask councils to arrange residential care at the same rates as local authority-funded clients (this is in addition to domiciliary care for which this arrangement is already in place).
- **Move towards paying providers a ‘fair rate’ for care** – to sustain the market given anticipated reductions in self-funding clients. Local authorities are required to prepare local care markets for this reform and ESCC has been allocated £1.7m in 2022/23 for this. Further funding of £600m per annum will be available nationally in each of the subsequent two years subject to local authorities providing:
  - a cost of care exercise (a survey of local providers to determine a sustainable fee rate);
  - a provisional market sustainability plan (covering 2022-25); and
  - a spend report (detailing how the money has been spent).

3.5. Modelling and assessments of the potential impact of these reforms on service demand and resourcing are being undertaken. As a result of the reforms, local authorities will become responsible for funding care for a larger number of people as more residents will become eligible for local authority funded care and support through either reaching the cap on personal care costs (and this will be reached faster in places with higher care rates, such as in authorities across the South East), or qualifying for more means-tested support. As outlined above, Government has allocated funding to support the reforms but it is highly unclear if this will be sufficient to meet the costs. Additionally, requirements such as the need to establish a care account for every resident with eligible care needs are significant new administrative responsibilities and will have resourcing implications for the Council. A significant increase in Care Act assessments, reviews, and financial assessments is expected from 2022 in anticipation of the introduction of the care cap and new capital threshold. This is likely to have an impact on the capacity of our Adult Social Care and Health assessment teams and other teams, council wide.

3.6. In terms of preparing the market for reforms, we are undertaking a fair cost of care exercise for both our care home and home care providers to determine a sustainable fee rate and will produce a market sustainability plan to demonstrate how we will meet this cost of care. This could result in increased financial pressure on ESCC through increased fees to be paid to providers.

3.7. The Government is currently undertaking a period of co-production of statutory guidance with the sector and has committed to publish final guidance this year to inform preparations. Government is also testing implementation of these reforms with a small group of volunteer local authorities ahead of national roll-out. We are working closely with neighbouring authorities to model the potential impact of reforms to inform future financial and service planning.

3.8. While ESCC-specific modelling is still being undertaken, recent national analysis published by the County Councils Network (CCN) highlighted the potential for both significant financial and workforce pressures to arise from the reforms. The analysis

estimated the cost of the reforms (excluding cost estimates in relation to working age adults) in the nine years from when they are introduced to 2032 could be a minimum of £10bn higher than currently estimated by Government and could require over 5,000 extra staff nationally to carry out extra care and financial assessments. The analysis also assessed the regional impact of reforms and identified the South East region as facing the most significant costs. The CCN has therefore called on Government to not only ensure the right funding is made available for reforms, but that it is appropriately regionally distributed.

#### People at the Heart of Care White Paper

3.9. People at the Heart of Care is a ten-year vision for ASC and provides information on funded proposals planned for the next three years.

3.10. Based on the principles of personalised care, it has three objectives, that people:

- Have choice, control, and support to live independent lives: this will mean prioritising care and support in people's own homes and developing new types of preventative care and support, maximising use of equipment and digital technology.
- Can access outstanding quality and tailored care and support: a £500m investment over three years will support a national workforce strategy. This will include a knowledge and skills framework, supporting career progression for care workers and registered managers. Locally, we will ensure our training offer delivers this strategy and follow best practice in recruitment.
- Find adult social care fair and accessible: people should receive affordable care and support, access care at local authority rates, and be offered information and advice about services, tailored to their own needs.

3.11. The Government will also introduce a new assurance framework for ASC, implemented through new Care Quality Commission (CQC) assessments of how local authorities deliver their ASC duties. The assurance framework will improve accountability, ensure the national vision for ASC is being delivered, and be supported by an improvement offer that provides resources and bespoke support to local authorities. This will link to existing, and developing, improvement approaches within our ASC and Health department. A core part of this CQC assessment will see an ASC data framework introduced to improve quality and availability of data nationally and locally.

#### Health and Social Care integration

3.12. The below sections outline national and local developments informing and impacting work to integrate health and social care services to achieve better outcomes, improve patient experience and use public funds more efficiently.

#### The Health and Care Act and Integration White Paper

3.13. In April 2022, the new Health and Care Act became law. Under the Act every part of England will be covered by an Integrated Care System (ICS) and there will be 42 in total. ICSs are designed to bring all key partners together to work in a more formal way to achieve four key objectives:

- Improving outcomes in population health and healthcare
- Addressing inequalities in outcomes, experience and access
- Enhancing productivity and value for money
- Supporting broader social and economic development

3.14. The Act imposes a duty to collaborate and removes some barriers to make working together within the NHS an organising principle, moving away from competition. It also supports collaboration between the NHS and others, principally local authorities, to improve health and wellbeing for local people. A unitary NHS Integrated Care Board will be created in each ICS to be accountable for NHS spending, performance and meeting patients' needs.

The statutory functions and responsibilities of local government are unchanged, and NHS Trusts and Foundation Trusts also remain separate statutory bodies, with their functions and duties broadly unchanged.

3.15. The new Act will see two new statutory entities created which, together, will provide and support the infrastructure for partners to work together as an ICS:

- An Integrated Care Partnership – in Sussex known as the **Sussex Health and Care Assembly** – will be the statutory joint committee between the NHS and local government that comes together to formally agree the overall strategic direction for the system. The core purpose will be to facilitate joint action across organisations to improve the outcomes, equality of access and experience of health and care services for all people and communities across Sussex.
- The Integrated Care Board – to be known locally as **NHS Sussex** – will become a new organisation that will agree the strategic plans and resource allocation for all NHS organisations in Sussex, responding to the priorities set by the Assembly. This will involve leading the improvement and integration of high-quality health and care services for all communities. NHS Sussex will take on the commissioning functions previously carried out by Clinical Commissioning Groups (CCGs).

3.16. The start date of the introduction of statutory ICSs under the new Act was delayed nationally to 1 July 2022. Locally, the governance arrangements have been progressed between local NHS organisations, local authorities and wider partners in our Sussex ICS, so that the two new bodies can start to operate in shadow form ahead of 1 July. This has included agreement of the principles for how the ICS will work with and at 'place' (i.e. at the East Sussex, West Sussex and Brighton and Hove geographies within Sussex), and the role of Health and Wellbeing Boards and the existing place-based Health and Care Partnerships in supporting delivery of our shared objectives across joint commissioning and delivery. ESCC Cabinet formally approved the Council's role and representation in these new statutory arrangements in April 2022. A further report will be presented to Cabinet in the coming months that will set out, and seek support for, the East Sussex place-based governance arrangements which are currently in development.

3.17. In February 2022, the Government published the Health and Social Care Integration: Joining Up Care for People, Places and Populations White Paper. This builds on the Health and Care Act and focusses on the specific role of local government and the NHS to integrate care and improve population health, setting out expectations about the role of 'place' as the key interface for health and care and the engine for delivery and reform within ICSs.

3.18. The White Paper sets out a vision for integrated health and care services, and focusses on the role of place in co-ordinated, joined up and seamless services that support people to live healthy, independent, and dignified lives and which also improve outcomes for the population. The Government has been keen to underline the continuing flexibility available to local ICSs and places in taking the White Paper forward in ways that are appropriate to local circumstances. A brief overview of the key aspects of the White Paper is as follows:

- Joining up care across primary care, community health, ASC, acute, mental health, public health and housing services which relate to health and social care.
- A new national shared outcomes framework for implementing national priorities that will better incentivise collaborative working across the NHS, social care, public health and also reflect wider existing outcome objectives for local government. This will include space for prioritisation of local outcomes, which places will be able to choose based on local priorities and what matters to local people. It is expected to go live from April 2023.

- Leadership and accountability for delivering shared outcomes with a single lead accountable for delivery to the Local Authority and NHS Integrated Care Board. A formal model for pooling resources, making decisions and planning jointly to be adopted by Spring 2023, and all areas should work towards extending the number of services included within the scope of the formal arrangements by 2026.
- Increased financial flexibility through a strengthened approach to section 75 (pooled budget) Agreements. The current pooling mechanisms will be reviewed by the Department of Health and Social Care (DHSC) and new guidance on the scope of pooled budgets will be published by Spring 2023. Fair and appropriate contributions will still be determined locally.
- Several measures to better-support workforce and carers including joint workforce planning, training and career progression arrangements, and increasing the number of clinical placements in ASC for health undergraduates. Commentary from a number of areas has pointed out that this will not address the underlying structural challenges faced which requires long-term planning and investment to solve.
- Digital and data requirements - commits ICSs to connecting all providers to the 'shared care record' by 2024 (there are over 300 care homes in East Sussex), and to developing digital investment plans to bring all organisations to the same level of digital maturity.

#### Local health and social care integration

3.19. There is a history and shared commitment to integrated working with the local NHS, as this provides the opportunity to deliver the best possible outcomes for residents and achieves the best use of collective public funding in East Sussex. ESCC is a lead member of the Health and Social Care Partnership, which is overseen by the East Sussex Health and Wellbeing Board. The partnership includes representation from: district and borough councils; East Sussex NHS CCG; East Sussex Healthcare NHS Trust; Sussex Community NHS Foundation Trust; Sussex Partnership NHS Foundation Trust; Primary Care Networks; Healthwatch; and the VCSE sector.

3.20. To support our statutory ICS to be operational from 1 July our East Sussex Health and Care Partnership governance and plans were reviewed to ensure they enable shared and collective leadership of priorities at place level. Initial discussions have also taken place to identify the critical areas of focus for our next stage of work and as outlined above, a report on East Sussex place-based governance arrangements within the new ICS will be brought to Cabinet later this year.

3.21. In addition, we made a full response to the Government's Integration White Paper (see paragraphs 3.17 – 3.18 above). Our initial review evidenced that our direction of travel as an ICS in Sussex, and at the local level in East Sussex, reflects the White Paper expectations about the role of place as the key interface for health and care and the engine for delivery and reform within ICSs.

3.22. To support the implementation of the Health and Care Act and the role of place within ICSs, a 20-week national development programme was set up by NHS England and Improvement and the Local Government Association (LGA) in the latter part of 2021/22. Our Sussex ICS was invited to participate in the programme, and as part of this the East Sussex Health and Care Partnership was chosen to help accelerate development of the role and function of place within ICSs.

3.23. We have taken opportunities to tailor the national programme to support our local priorities and build on our progress to date and in 2022/23, through participating in the programme, we expect to agree our future roadmap and next steps for delivering increased levels of integrated care and improved population health. This will include partnership

actions with the local NHS aimed at improving the social and economic wellbeing of our communities and implementation of the expected new Integration White Paper Guidance. A critical focus will be agreeing the next steps for integrated community health and social care services including Trusted Assessor opportunities, Integrated Rapid Response model, Virtual Wards (frailty) and locality and neighbourhood working.

#### Mental Health Act reform

3.24. The Government is proposing a wide range of changes to rebalance the Mental Health Act (MHA), the main piece of legislation that covers the assessment, treatment and rights of people with a mental health disorder, to put patients at the centre of decisions about their own care and ensure everyone is treated equally. The changes are based on four principles that have been developed with people with experience of the MHA. They are: choice and autonomy (ensuring service users' views and choices are respected); ensuring the MHA's powers are used in the least restrictive way; therapeutic benefit (ensuring patients are supported to get better, so they can be discharged from the MHA); and treating the person as an individual.

3.25. ESCC will implement the changes outlined for local authorities within the Act alongside the Mental Health National Service Framework to improve the way mental health services are delivered. This will be reflected in both policy and practice to ensure people have a better experience when accessing information, assessment and treatment. In keeping with the new legislation, ESCC will develop services that people will value and use and enable them to seek help earlier.

#### Deprivation of Liberty Safeguards reforms

3.26. As with the MHA, the Government is proposing changes to the Deprivation of Liberty Safeguards and will be replacing them with the Liberty Protection Safeguards. The original launch date of October 2020 was moved to April 2022, which has been further delayed because of COVID-19 and no new date has yet been set. However, a 16-week consultation for the new Code of Practice for the Liberty Protection Safeguards was launched in March 2022 and is due to conclude in June 2022. ESCC will implement the new legislation working in close partnership with client representative groups, the NHS, and private sector care providers ensuring our clients receive the appropriate client centred service, delivered safely with the appropriate levels of oversight identified in new legislation.

#### Living with COVID-19

3.27. The Government published the COVID-19 Response: Living with COVID-19 Guidance in February 2022 and its ongoing response is structured around four principles:

- Living with COVID-19: removing domestic restrictions while encouraging safer behaviours through public health advice, in common with longstanding ways of managing most other respiratory illnesses.
- Protecting people most vulnerable to COVID-19: vaccination guided by Joint Committee on Vaccination and Immunisation advice and deploying targeted testing.
- Maintaining resilience: ongoing surveillance, contingency planning, and the ability to reintroduce key capabilities such as mass vaccination and testing in an emergency.
- Securing innovations and opportunities from the COVID-19 response: including investment in life sciences.

3.28. Vaccination, therapeutics, higher levels of immunity and the Omicron variant have adjusted the risk the virus poses. The virus is yet to become endemic, and it is difficult to predict when this state may be attained. It will likely continue to disrupt many aspects of life and there remains a degree of unpredictability about the course ahead. We can potentially expect further waves of transmission because of waning immunity and the emergence of

new variants. Disadvantaged communities and areas are likely to be more at risk from surges and outbreaks, and at risk of prolonged disruption of education and economy.

3.29. National testing policy and public testing behaviour has changed. After a wave of infection during March 2022, rates of COVID-19 have declined, however routine testing for the general population ceased from 1 April 2022. Free testing is still available to those working in health and care and those more vulnerable to the virus. The Office for National Statistics COVID-19 Infection Survey is continuing to provide insight into the prevalence of the virus alongside local intelligence surrounding outbreaks in line with other infectious disease management processes. Ongoing work to manage outbreaks in health and care settings and increasing vaccination uptake continues with partners. County level vaccination rates are higher than the region and England average. However, specific localities and populations have lower uptake, and a range of programmes continue to address this.

3.30. The national Public Health infrastructure has been redesigned with Public Health England ceasing to exist from 1 October 2021. In its place the Office for Health Improvement and Disparities has been created, within the Department for Health and Social Care (DHSC), along with the UK Health Security Agency. The role of these organisations and relationship with local authorities is developing through on-going consultation.

3.31. Locally, Public Health and the wider health and care system are developing processes to ensure we can live with COVID-19. This will follow well established processes for managing outbreaks of other communicable diseases. It is likely that this response will be required to be scaled up or down over the next two years as we adjust to COVID-19, respond to seasonal increases and new variants. We will maintain capacity and capability that enables us to maintain resilience.

3.32. An equitable recovery from the pandemic is important and returning to business as usual to address other priorities is essential. Many opportunities exist to maximise the learning and relationships from the pandemic and apply this to actions to improve health and wellbeing. This aligns with the levelling up agenda and will involve a focus on addressing disparities in health and collaborating with partners to address the wider determinants of health.

#### Health Disparities White Paper

3.33. As announced in the Levelling Up White Paper (see 2.9-2.12 above), to further progress work on reducing health disparities, the DHSC will publish a Health Disparities White Paper later in 2022. It will set out a strategy to tackle the core drivers of health inequalities with a strong focus on prevention and disparities by ethnicity, socioeconomic background, and geography.

3.34. Furthermore, the Government has commissioned two significant independent reviews to tackle health disparities: one into potential ethnic bias in the design and use of medical devices; and a separate and independent review of the Government's ambition to make England smoke free by 2030. The latter review was published in early June and made 15 recommendations for Government to achieve a smokefree society, with four critical recommendations. These are: investing £125m per year in a comprehensive smokefree 2030 programme, potentially funded by a 'polluter pays' levy; increasing the age of sale by one year, every year; offering vaping as a substitute for smoking, with accurate information about the benefits of switching; and for the NHS to prioritise further action to stop people from smoking. While the Government has made progress in reducing smoking rates to their lowest ever level, there are an estimated six million smokers in England and smoking is still one of the largest drivers of health disparities.

3.35. The Government has said it will consider the findings of the review and publish its response as part of the Health Disparities White Paper. Both independent reviews form part of the Office for Health Improvement and Disparities' agenda to tackle inequalities in health and care, which will include the publication of a new Tobacco Control Plan later in the year. Locally, ESCC will have a new multi-agency strategy in 2022 outlining a systems approach to make East Sussex smokefree in line with the national plan.

3.36. The Public Health department will continue to address health inequalities with partners which include the Sussex Health and Care Partnership (SHCP) and wider partners in local authorities, education, business and the VCSE sector. We will use evidence-based interventions aimed to address local need through three domains of work, known as the Public Health Core Offer, which is as follows:

- Health protection and addressing threats to health
  - Maximising our health protection expertise and impact to protect health in a wide range of settings. This will include developing a health protection strategy beyond COVID-19.
- Health improvement across the system and life course
  - Maximising prevention and health improvement across the Council, education, workplaces, Integrated Care System and Integrated Care Partnership.
  - Building on the prevention agenda outlined in the SHCP place-based plan.
  - Our programmes will aim to ensure our residents have better beginnings and healthier and longer lives. New work on healthy ageing and 'everyday creativity' will evolve.
- Health in all policy and communities
  - Maximising our work on the wider determinants of health through collaboration with partners in education, employment, housing and planning to achieve better health.
  - Building on community assets, social prescribing and resilience aligned to SHCP programmes.

#### Food Strategy

3.37. The independent National Food Strategy for England, published in two parts in July 2020 and July 2021, looked at the entire food chain, from 'field to fork'. It made a number of recommendations, which Government committed to respond to and the Government's Food Strategy was subsequently published in mid-June. This set out plans to deliver three objectives: a prosperous agri-food and seafood sector that ensures a secure food supply and contributes to the levelling up agenda through good quality jobs; a sustainable, nature positive, affordable food system that provides choice and access to high quality products that support healthier and home-grown diets for all; and trade that provides export opportunities and consumer choice through imports, without compromising our regulatory standards for food.

3.38. The Strategy includes plans for changes to public sector procurement of food and catering, and Government are now consulting on updating the Government Buying Standards for Catering Services policy to ensure it promotes procurement of local, sustainable, healthier food and catering; opens up public sector supply chains to a wider range of companies, particularly small and medium-sized enterprises (setting a target that 50% of public sector food spend is on food produced locally or certified to higher environmental production standards); and increases transparency of food supply chains. Government is consulting on making the updated policy mandatory for educational institutions, local authorities and residential care; and on requiring public sector

organisations to report on the food they buy, serve and waste. A number of the recommendations previously made in the independent National Food Strategy are already being delivered locally through the East Sussex Healthy Weight Partnership and the East Sussex whole-system Healthy Weight Plan 2021-2026. This includes working with partners across the county to establish local food partnerships, which are focused on building more secure and sustainable food systems in their area. In 2022, an additional £200,000 from the Household Support Fund will be going to foodbanks and food partnerships to support emergency food provision across the county.

### ASC and Health: Local policy priorities and strategic challenges

#### Development of a partnership approach to community wellbeing

3.39. In response to the COVID-19 pandemic five community hubs were established by a new collaborative partnership between ESCC, East Sussex district and borough councils, VCSE organisations and the NHS East Sussex CCG. A national requirement in the first phases of the pandemic response, these focussed on ensuring that vulnerable and Clinically Extremely Vulnerable people had access to food, medicines and social contact. Working together across organisational boundaries towards a very clear common purpose left partners with an understanding of what is possible, and an ambition to embed their learning for the future.

3.40. The pandemic further exposed pre-existing vulnerabilities within the county's communities, which are likely to be further exacerbated by pressures from the cost of living crisis and other economic trends. Partners have agreed on the need to develop a longer-term approach to collectively address these problems building on the ethos of the initial community hubs model.

3.41. In light of this, engagement was undertaken in 2021/22 to set out a shared vision for a community hubs model in East Sussex. The community hub model is based on a vision of upstream prevention and early intervention, with the aim of supporting the capacity of local communities to help themselves, with access to formal and specialist services and support where this is helpful and needed. By working effectively at a community level the goal is to build strength and resilience and, as part of wider partnership action, reduce demand for more costly services in the future.

3.42. The next step in 2022/23 will be to agree the shared vision for community hubs that has come out of the initial engagement work and build on this to develop the business case for the model with partners in district and borough councils, and the VCSE sector.

#### COVID-19 - ASCH recovery and learning

3.43. The Adult Social Care and Health Programme was established in June 2020 to respond to the COVID-19 pandemic. The project ran until August 2021. The Programme's objective was to ensure that ASC and Health will be able to operate to the best of its abilities in the longer term, taking into account lessons learned from the immediate and short-term responses to, as well as the overall effects of, the pandemic. 13 projects were established to deliver the objectives of the programme and a number delivered changes to the way we support our clients and to the way we work. Moving beyond this work, a key area of focus is continuing to employ the use of technology to complete remote Care Act assessments and reviews where face-to-face visits are not deemed necessary. This will be key to supporting delivery of the reforms to ASC charging outlined at 3.4-3.8. We will ensure ongoing focus is given to the client and carer experience of this and the impact on the outcome for clients and carers, ensuring that we continue to use strength-based practice methodologies during assessments and reviews.

#### Care Market Support and Resilience

3.44. During the pandemic, the challenges faced by the care market have been significant and have varied according to the type of service. Council staff have liaised closely with providers throughout to support them in continuing to provide services whilst managing COVID-19 outbreaks and staffing shortages. For example, ESCC supported care homes with the provision of temporary staff, meals, deep cleaning, infection prevention and control advice and guidance, psychological wellbeing support for staff and weekly virtual meetings where current issues were discussed with local clinicians. The regular Social Care COVID-19 Bulletin continues to be produced regularly and is a valued channel of communication by providers. At the time of writing, over 260 Bulletins have been published.

3.45. More broadly, as part of wider health and social care system working, ASC has secured home care provision and residential and nursing placements to enable people to be discharged from hospital in a timely way.

3.46. ESCC has also managed the allocation of more than £30m in Government grants to independent sector providers, used to support providers to meet the increased costs of providing social care services during the pandemic, including increased staffing costs and infection prevention and control measures.

3.47. COVID-19 has brought into sharp focus the challenges facing independent sector providers. Workforce shortages continue to be a significant challenge both locally and nationally. Looking forward, work has now commenced on the Fair Cost of Care review, funding reforms and wider social care reforms (see 3.2-3.11 above).

#### ASC workforce challenges

3.48. The national demand for social care staff far outstrips supply. The challenge is heightened by the competition at entry level from other industries, with many paying higher hourly rates. The Government has put care staff on the shortage occupation list (roles deemed by the Government to be in short supply and therefore afforded more relaxed eligibility criteria for sponsored work visa applications); however many care roles would not meet the minimum salary requirements and appointees could only stay for up to 12 months.

3.49. Approximately one third of our local care workforce are over 55, which means succession planning and retention of existing staff is essential and a focus for the ASC department. We are responding to this through a range of innovative interventions, with the following as just some examples:

- Recruitment of staff to pro-actively promote the sector and maximise community opportunities.
- Working with partner networks, such as the Armed Forces Network, to establish ongoing recruitment campaigns for veterans, reservists and cadets.
- Engaging with sixth form colleges to attract students to ASC through placements and training.
- Piloting a programme with the Department of Work and Pensions (DWP) to offer 'try before you apply' placements for over 50s on Universal Credit.
- Attending careers/recruitment fairs across the county.
- Working closely with partners in the Association of Directors of Adult Social Services South East and ICS colleagues to generate new ideas and undertake strategic planning.
- Developing an East Sussex Recruitment Hub to facilitate access to jobs across the county.
- Providing a free training offer across provider services to support with retention, for example through offering wellbeing workshops.
- Supporting overseas recruitment initiatives by four Home Care providers, resulting in 49 new carers working in East Sussex, with 29 more yet to arrive in the UK.

#### **4. Children's Services**

4.1. Major national policy reviews relating to Children's Services have been published in recent months, including the national review of children's social care and linked review of the children's social care market, both of which propose a range of reforms to transform the children's social care system to improve outcomes for children and sustainability. The report of the review by the National Child Safeguarding Practice Panel into recent high-profile child deaths has also made recommendations for improving child safeguarding practice. The Education White Paper and related Schools Bill have been published, proposing a number of initiatives to secure improved educational attainment nationally, announcing the ambition for a fully academised education system, and clarifying the role of local authorities in education; and proposals for changes to the SEND and Alternative Provision systems to address long-term pressures and challenges are currently out to consultation. Further details of these proposed reforms, and how they will be responded to locally are set out below.

4.2. This section also summarises priority areas of focus for the Department for now and future years, including in supporting increasing numbers of Unaccompanied Asylum Seeking Children and care leavers; responding to sustained high demand and increased complexity of need in early help and social care services following the pandemic; working with schools to support education recovery, attendance and mental health and emotional wellbeing; supporting Electively Home Educated children; and planning for effective use of new, short-term funding to establish Family Hubs.

#### **National Review of Children's Social Care**

4.3. The Government-commissioned Independent Review of Children's Social Care, described as "a once in a generation opportunity to transform the children's social care system and provide children with loving, safe and stable families" was published on 23 May, along with the Government's response. The review has considered the whole system of support, safeguarding, protection and care, and the child's journey into and out of that system. The final report [Final Report - The Independent Review of Children's Social Care \(independent-review.uk\)](https://www.independent-review.uk/) makes a wide range of significant recommendations including:

- (i) Significant new investment in practical, multi-disciplinary early help support for families, including support to meet adult needs as well as those of children, with a view to enabling more children to continue to be cared for by their families rather than come into local authority care, and to return to the care of their families wherever possible.
- (ii) A new national framework for children's social care based on a clear vision for the purpose of social care which is to enable all children to grow up supported by enduring, loving relationships with people other than professionals involved in their care.
- (iii) A new early career framework for social workers and significant workforce development investment.
- (iv) Ensuring that the right, multi-agency, experience and skills are brought to bear when children need to be the subject of child protection plans.
- (v) A national recruitment campaign for foster care.
- (vi) New arrangements for commissioning care for children with complex needs.
- (vii) Making experience of local authority care a "protected characteristic" for the purpose of discrimination legislation.

4.4. In response, Government has committed to developing the proposed national framework and has promised a major statement of policy, responding to the review recommendations by the end of the year.

4.5. The publication of the care review report was closely followed by the publication of the report of the review by the National Child Safeguarding Practice Panel into the cases of two children, Arthur Labinjo-Hughes and Star Robson, whose murders were the subject of extensive national publicity in the autumn of 2021. This in-depth review made both national and local recommendations. The Government's response signalled that it intended to accept the national recommendations which will have implications for the way safeguarding services are organised in East Sussex. The Government statement set out a proposal to include its plans within the major statement of policy proposed for later in 2022.

4.6. ESCC and its safeguarding partners (in particular the NHS and Sussex Police) will be reviewing carefully the learning set out in the National Panel's review to ensure that our joint working and safeguarding practice continues to provide the best possible support for children, young people and families. The values and direction of travel set by the wider care review resonate well with our early help and social care practice in the county. Using our well-established Connected Care practice model we are committed to doing everything we can to ensure that all children, including those in our care, grow up supported by enduring loving relationships. Implementation of the key recommendations of the review would provide a significant opportunity to further improve outcomes for children, young people and families in East Sussex.

#### Review and regulation of the Children's Social Care market and providers

4.7. Alongside the Independent Review of Children's Social Care, the Government asked the Competition and Markets Authority to review current market activity and the role of independent/private placement provision for children within it. The market study, published in March 2022, found that there is a shortage of appropriate placements in children's homes and with foster carers, meaning that children are not getting the right care from their placement. Some children are also being placed too far away from where they previously lived or are in placements that require them to be separated from their siblings.

4.8. This shortage also means that high prices are often being paid by local authorities. The report's analysis finds that the main reason for this is the fragmented system by which services are commissioned, which means that local authorities are not able to leverage their role as purchaser of placements.

4.9. The report recommends that the Government creates or develops national and regional organisations that could support local authorities with their responsibilities. The report also addresses concerns regarding the financial sustainability of private sector providers, and the options for bringing more foster carers in house. It recommends that its findings are reflected within the Independent Review of Children's Social Care. The published Independent Review has recommended that to address current weaknesses in the system, Regional Care Cooperatives (RCCs) should take on responsibility for the creation and running of all public sector fostering, residential and secure care in a region, as well as commissioning all not-for-profit and private sector provided care for children, as necessary. The Review suggests that local authorities would have direct involvement in running RCCs and children would continue to be in the care of local authorities.

4.10. ESCC is experiencing the same challenges and pressures in relation to placements. Whilst 78% of our looked after children are placed with in-house foster carers, it is becoming increasingly challenging to identify appropriate placements and the price of placements has significantly increased. East Sussex is part of a commissioning framework agreement with other local authorities to improve leverage in purchasing placements. Rigorous steps are taken to ensure the safety and quality of placements.

#### Early Help and Family Hubs

4.11. In March 2021, the Government published the Leadsom Review into early years services, *The best start for life: a vision for the 1,001 critical days*. The report stressed the importance of children having the best possible support as early as possible and the important role of staff such as health visitors and experts in early language development.

4.12. The Government continues to promote early help for children and young people of all ages and their families through its service transformation and payment by results programme, Supporting Families (see below), and in summer 2021 linked the Leadsom review to a revised Government plan for the development of Family Hubs, delivering integrated early help such as maternity, health visiting, parenting and family support and benefits advice through hubs within the community.

4.13. In March 2022, the Department for Education (DfE) announced that East Sussex was one of 75 local authorities chosen as eligible for a share of £302m to establish Family Hubs. We are awaiting final details of the funding available and the expectations in terms of delivery. A plan is under development, and it is anticipated that the programme will be rolled out over the next 2 years. The additional funding is unlikely to be able to replace fully the £1.7m savings which the Council made in early help from 2019-2022, when the service was reshaped in the context of reduced resources to focus support on those most in need. The funding is also expected to be time-limited so we expect to need to work to ensure it is used on developments that create a lasting legacy and develop community capacity wherever possible, rather than establishing increased levels of long-term service provision. It will provide an opportunity, however, to develop our digital offer, enhance volunteering and support integration of services with the NHS including potential expansion of maternal and infant mental health services.

4.14. In May 2022, the Government announced a significant new £300m investment in relation to the prevention of youth offending. Over the next three years local authorities will be provided with additional funding to support youth justice teams to deliver 'Turnaround', early intervention schemes. This is intended to provide targeted wraparound support to stop children and young people going down a path of criminality. Support could include mentoring, extra school tuition, sports clubs and activities. The funding will also bolster existing youth justice schemes. We await further information on funding that will be made available for ESCC and any conditions attached.

#### Supporting Families Programme

4.15. Supporting Families (previously called Troubled Families) is the national programme for the delivery of whole family support. Led by DLUHC, the programme encourages local authorities to take a 'whole family, whole system' approach and promotes the use of data in planning and delivery of services to families. In East Sussex it is known as 'Family Focus' and keywork support is provided through our Early Help 0-19 Service. We exceeded our target of 602 families for 2021/22. This was a minimum expectation of the number of families who would achieve their goals, making positive progress and enabling the Council to make payment by results claims. We anticipate being able to achieve the target set for us in 2022/23; the funding for the programme will be kept at the same level as 2021/22.

#### Unaccompanied Asylum Seeking Children and the National Transfer Scheme

4.16. In June 2021, Kent County Council declared it could no longer safely accept new Unaccompanied Asylum Seeking Children (UASC) into its care. In response, the Government proposed changes to the National Transfer Scheme (NTS) to encourage more authorities to accept transfers of UASC. East Sussex was amongst a number of local authorities that have participated in this scheme from the outset. The Government announced in November 2021 that the scheme was to become mandatory and directed local authorities to provide care placements for UASC through an NTS rota. Although East

Sussex does not see the same volume of UASC presenting in the county as in Kent, UASC do still arrive in the area. Through a combination of spontaneous arrivals and UASC received through the NTS we have seen a steady increase in the numbers we are supporting, which currently stands at 63 looked after children and 95 care leavers.

#### Impact of the COVID-19 pandemic on children

4.17. Throughout the pandemic Children's Services have remained focussed on the needs of children, particularly vulnerable children, and their families. Children's Services were effective in making swift and careful adaptations to the way we work during the pandemic and also distributed COVID-19 grant funding direct to vulnerable families, through the food voucher schemes, and the Holiday Activity programmes.

4.18. The long-term impact of the pandemic remains unclear at this stage, however Early Help and Social Care services, alongside key partners, are experiencing significant and sustained high demand and increased complexity of need. This is particularly in relation to children and adults' emotional wellbeing and mental health, domestic abuse and substance misuse. Between April 2021 and end of March 2022, there has been a 29% increase in the number of contacts through our integrated Single Point of Access, and a 9% increase in referrals. The rates of children in need and children subject to child protection planning have also been impacted. We have been able to avoid an increase in contested care proceedings, particularly through our Family Drug and Alcohol Court and Foundations programmes. We have had increased numbers of teenagers entering care with their parents' agreement, however, particularly teenagers who are neuro-diverse and those who are victims of criminal exploitation. Through our well-established 'Connected Practice' approach, our stable and skilled workforce, and our robust performance management and effective quality assurance, the service continues to prioritise meeting the needs of our most vulnerable children.

#### Schools' future policy and funding

4.19. The Education White Paper Opportunity for All: Strong Schools with Great Teachers for your Child was published in March 2022. The White Paper sets out the ambition that by 2030, 90% of all children will leave primary school having achieved the expected standard in reading, writing and maths. Various programmes and initiatives have been announced to help achieve this, including teacher development, curriculum support, tutoring, a parent pledge and an increased focus on school attendance. The role of the local authority is clarified as champion of children, ensuring the system works for vulnerable children and planning services that are best co-ordinated locally. Local authorities will continue to have a core statutory role in relation to school place planning and admissions.

4.20. The White Paper also announces the ambition for a fully academised, trust-led system, with all maintained schools joining an academy trust by 2030; and that local authorities will be able to establish new trusts where too few strong trusts exist. Local authorities will cease to have a role in improving the quality of school provision. The School Improvement Monitoring and Brokering Grant that has supported local authorities to deliver a range of school improvement functions has been reduced by 50% this financial year and will end completely from April 2023. ESCC will work closely with the Regional Schools Commissioner and the Diocese during 2022/23 to develop area-based plans for academisation, guided by discussions with local schools, academies, trusts and the boards.

4.21. As covered above (see 2.15-2.16), the 2022 Queen's Speech announced a new Schools Bill which will introduce the legislative provisions needed to deliver reforms outlined in the Education White Paper, as well as progress other recent national education policy proposals. The Bill will include provisions to:

- strengthen the regulatory framework for academy trusts and establish new statutory standards for trusts;

- make reforms to the attendance legal framework, requiring schools to publish an attendance policy and putting attendance guidance on a statutory footing, making roles and responsibilities clearer;
- establish 'children not in school' registers, and create a duty on local authorities to provide support to home educating families;
- improve safeguarding by expanding registration requirements for independent educational institutions, enhancing enforcement, and working with Ofsted to expand investigatory powers; and
- support full implementation of a direct National Funding Formula (NFF) so each mainstream school is allocated funding on the same basis, determined nationally. The DfE launched a consultation on plans to finalise implementation of the Direct NFF at the beginning of June, with some proposals relating to the interaction between the direct NFF and funding for high needs provision. ESCC will consider the proposals in the consultation, the impact these may have on future funding of high needs provision in East Sussex and respond.

#### Education recovery, attendance and attainment

4.22. The Primary and Secondary Boards have played an important role in supporting schools through the COVID-19 pandemic. Local partnerships have enabled schools to share practice and solve problems whilst the Boards have provided strategic direction and additional resources to address key priorities, particularly focused on our most disadvantaged pupils. ESCC is committed to working closely with the Boards and all schools, academies and Multi Academy Trusts to develop the most effective possible leadership and structures for education in the county.

4.23. The Council continues to work closely with the Boards to ensure that schools are able to access resources which relate to the national school catch-up programme. This includes the National Tutoring Programme (NTP), which continues into the 2022-23 academic year. The Boards continue to play a vital role in assessing the impact and effectiveness of education provision in the county.

4.24. Improving school attendance remains a high priority for the Council; current rates of persistent absence (less than 90% attendance) are high at 21% for primary schools and 27% for secondaries. A Rapid Improvement Plan brings together all activity across the education division in relation to improving attendance, including clear roles and responsibilities for working with schools in relation to their own strategic plans to improve attendance. The DfE consulted on new Attendance Guidance in February 2022 with updated guidance published to schools, trusts and local authorities on 6 May. No additional funding has been provided and the Council will need to consider how to meet requirements in the updated guidance within existing resources. The Schools Bill announced in the Queen's Speech (see above) places this guidance on a statutory footing.

#### Education Investment Areas

4.25. As part of the Levelling Up White Paper, the Government announced the establishment of 55 Education Investment Areas which have been identified for access to additional support to improve outcomes in literacy and numeracy. East Sussex is an Education Investment Area, and Hastings has been identified as one of 24 Priority Investment Areas. The Government will invest to support academy trusts to expand in Education Investment Areas, and Priority Investment Areas will have access to a national total of £40m additional funding for bespoke interventions to address local needs. Access to the funding is through bids, based on evidence from previous interventions; we do not know at this stage how much funding will be allocated to Hastings.

#### Electively Home Educated children

4.26. The Council provides information, guidance and signposting to families who choose to electively home educate (EHE) their child. The EHE team ascertains the suitability of home education on an annual basis, to ensure that every child is receiving their educational entitlement. The EHE team also supports dialogue between families and schools where a family wants their child to attend school but have concerns about their child's provision.

4.27. There were 1345 EHE children on 26 April 2022 compared to 1274 on 26 April 2021. We work in partnership across Children's Services to monitor and respond to EHE numbers and any safeguarding indicators. The Council will need to consider how to meet the expectations associated with the new register for children not in school, referred to in the Education White Paper, and to be legislated for in the Schools Bill, when further guidance is published.

#### Mental health and emotional wellbeing in schools

4.28. As COVID-19 restrictions were lifted over the past year, an increased need for Mental Health and Emotional Wellbeing (MHEW) support for schools and families has become evident. The Schools MHEW Advisers continue to have an impact through advice and support for schools and colleges. An additional Schools MHEW Adviser has been appointed, which has led to the development of the 'MHEW in Education Team', within the Educational Psychology Service. This team has delivered training for Senior Mental Health Leads in 36 schools, which has been supported by a grant from the DfE.

4.29. The MHEW in Schools Steering group oversees the MHEW whole school approach and multi-agency project work. The group oversees the offer around MHEW for all schools in East Sussex. One example of joint working is the guidance and training for schools and parent/carers around Emotionally Based School Avoidance (EBSA).

4.30. Mental Health Support Teams (MHSTs) provide interventions for mild to moderate mental health issues for children and young people in 53 schools across the county. There are four MHSTs which continue to be integrated into the existing education and clinical landscapes. The MHST service received 573 referrals in the six months between September 2021 and April 2022. The programme of intervention and support that can be offered to MHST schools has been broadened and strengthened over the past year, through training on working with children with SEND, solution-focussed approaches, and offering direct support to parents and carers.

4.31. Recruitment is underway for the second MHST in the Hastings/Rye area which is due to be in place for September 2022. This will provide further resources in an area which experiences the most health inequalities. It is anticipated that approximately 52% of East Sussex schools will be part of MHSTs by 2024.

#### SEND reforms

4.32. In March 2022, the DfE published a Green Paper to consult on proposals for changes to the existing SEND and Alternative Provision Systems. This was informed by the outcome of the SEND Review, which was originally due to be published in summer 2021. The Council contributed to the original SEND review consultation and the DfE have identified proposals to address significant issues with the current arrangements.

4.33. The Green Paper makes proposals across five broad areas with a view to, amongst other things, improving mainstream provision for children with SEND, improving parental confidence in mainstream provision, creating a national framework for the assessment and provision of children with SEND, reform of the tribunals process, and clarifying roles and responsibilities across key partners in education, health and social care. The Green Paper also makes proposals to address the significant escalation in costs that the SEND system has seen nationally, which include new costing frameworks for SEN provision as well as

increasing special schools and the continuation of the 'safety valve' programme for Local Authorities who are struggling to meet costs within allocated budgets (these do not include East Sussex).

4.34. The Green Paper consultation concludes on 22 July and a national board will be set up to review the responses and make further proposals for legislative change. As part of the proposals, there will be a revised inspection framework for local areas (the Council, plus statutory partners) which is due to come into effect in 2023.

#### Local SEND strategy

4.35. As a result of the delays in the publication of the Green Paper, the timeline for the new SEND strategy has been pushed back. This will now be completed in autumn 2022. The strategy will be informed by both the direction of the Green Paper and the outcomes of a Public Health-led Joint Strategic Needs Assessment that was produced in August 2021.

4.36. A working group has been set up with representatives from all key partners and the strategy will be co-produced with parents and carers. Extensive consultation has been undertaken with stakeholders across the county (including schools, parents and young people) and the new strategy will identify the main priorities for the Council over the next 2 to 3 years. We will set up a SEND Partnership Board to oversee the delivery of the strategy with representatives drawn from the various stakeholders in the SEND system. We will use both the strategy and the partnership board to ensure that we are well placed to deliver on the final outcomes of the Green Paper.

### **5. Refugee Resettlement and Asylum Dispersal**

5.1. Recent global events including the withdrawal of NATO troops from Afghanistan and the Russian invasion of Ukraine have led to Government establishing new formalised schemes to enable refugees to resettle in the UK. Local authorities have played a central role in establishing these schemes, working with local partners to ensure that those arriving will have access to safe accommodation, public services and community support. The latest position in delivering these schemes in East Sussex and future risks surrounding them are set out below, along with details of Government plans for a new approach to asylum dispersal.

#### Afghan Resettlement Schemes

5.2. The Government has established two resettlement schemes for Afghan citizens. An Afghan Relocations and Assistance Policy (ARAP) Scheme, for people who were Locally Employed Staff by the British Government in Afghanistan and Afghan Citizens Resettlement Scheme (ACRS), for other people made vulnerable by the crisis in Afghanistan.

5.3. For councils who support refugees to resettle through the above schemes, Government has provided a standard integration funding package, similar to that provided for the previous Syrian refugee resettlement scheme. Refugees waiting to be resettled are placed in 'bridging accommodation' (usually hotels) until more permanent housing is found. This is arranged and supported by the Home Office, although upper tier local authorities have safeguarding responsibilities for people placed in bridging accommodation. £10m has also been provided nationally to support local housing authorities with finding appropriate long-term accommodation and to reduce reliance on temporary accommodation in resettlement.

5.4. Under the ARAP scheme, 8 families will be resettled in East Sussex and these resettlements are in progress. The ACRS scheme formally opened on 6 January 2022 and aims to accommodate up to 5,000 people in the first year and up to a total of 20,000 over 5 years. A task and finish group was established by East Sussex borough and district councils last autumn to oversee preparations for this in East Sussex (bringing together partners from

across housing, health, education, social care, and the community sector) to build on existing good practice through the Syrian Vulnerable Persons Resettlement Programme and identify potential capacity gaps within services. 200 individuals will be resettled in East Sussex with 40 in each of the 5 district/borough areas over the next 5 years. These will begin as people move out of bridging accommodation into identified accommodation.

#### Ukrainian refugee response

5.5. In response to the refugee crisis arising from the Russian invasion of Ukraine, the Government has established two routes through which Ukrainian refugees can enter the UK:

- Ukraine Family Scheme – an extension and adaptation of the existing family visa process; and
- Homes for Ukraine – for Ukrainian nationals to be sponsored to come to the UK by private individuals, organisations or community groups.

5.6. To enable local authorities to provide support for arrivals, undertake safeguarding checks of hosts and safety checks of housing, and arrange access to services, Government is providing funding at a rate of £10,500 per Ukrainian national arriving under the Homes for Ukraine scheme for the first year. This is intended to enable councils to provide support to families to rebuild their lives and fully integrate into communities. Future years' funding will be considered at a later date. There is no funding associated with the Ukraine Family Scheme.

5.7. Cabinet received a detailed update in April on work taking place with our partners to support Ukrainian refugees arriving in East Sussex, particularly through the Homes for Ukraine Scheme. As highlighted in that report, while extensive work is taking place with our partners to respond robustly and positively to ensure refugees are welcomed and well-supported - and it has been heartening to see the support offered by local communities underpinning this - there are significant risks for ESCC and our partners related to the resettlement of Ukrainian refugees, which we will need to continue to manage in future. These include:

- Capacity - the need for a rapid, and now sustained, response by ESCC and partner services which continue to be stretched by COVID-19 and other pressures.
- Vulnerability – both refugees and sponsors may fall into vulnerable groups and be at risk of exploitation and we are taking steps to manage safeguarding risks.
- Support needs – refugees, including children, are likely to arrive with significant health support needs, notably need for mental health support. Schools will need to find additional spaces, and wider support, for newly arrived children.
- Breakdown in arrangements - there may be some cases where the sponsor/guest relationship breaks down and the guest is homeless or at risk of homelessness. Government has established a mechanism and some guidance to enable local authorities to rematch Homes for Ukraine guests with new sponsors where it is unviable or unsafe for the sponsorship relationship to continue, but the detail of how this will be delivered is to be determined locally. Although Government have asked councils to keep rematches to a minimum and said that homelessness duties will still apply in instances of early sponsorship breakdown, this approach does not accommodate the complex reality of real scenarios and the need to ensure traumatised Ukrainian refugees are supported with due care and compassion. Additionally, families who arrived on the Ukraine Family Scheme may encounter problems with their accommodation and they are unable to transfer schemes at present, and if they present as homeless will not be eligible for any additional funding. Government has indicated that district and borough councils' statutory homelessness duties will apply in this instance.
- Community integration – the need to support new arrivals to settle into communities and to support communities in welcoming refugees who have been through an ordeal

and may be traumatised by their experiences. It is possible that community tensions could arise. Language support is likely to be required and this capacity may be stretched nationally.

- Longer-term resourcing and planning – there is a risk that resources allocated to deliver the Homes for Ukraine scheme are insufficient to meet the ongoing support needs of arrivals, and as highlighted above, no specific funding is associated with providing support for people arriving through the Ukraine Family Scheme. Ongoing support and funding after the initial 6-month provision of accommodation by sponsors is currently unclear presenting challenges for longer-term planning.

5.8. Our central role in the Homes for Ukraine scheme is prompting a review of our overall support offer to refugees to ensure we are adequately prepared and resourced and able to deliver a fair and equitable response to all refugees in future (see 5.13-5.14 below).

#### Asylum dispersal system

5.9. On 13 April, the Home Office announced a 'Full Dispersal' system whereby all local authorities in England, Scotland and Wales will be expected to be asylum dispersal areas and will receive new Government funding to support this. Government has said the change is needed as the asylum system is under enormous and unsustainable pressure due to the challenges of the pandemic and significant increase in small boat crossings in the English Channel. Home Office statistics released in February showed that 28,526 migrants crossed the Channel in 2021, up from 299 in 2018. Almost all claimed asylum.

5.10. The UK has a legal obligation to provide asylum seekers who would otherwise be destitute with accommodation and other support while their claim is being considered. The pandemic and increase in Channel crossings has led to an increased use of hotels as accommodation and the expansion of asylum dispersal areas is planned to support a move away from use of hotels to more suitable dispersed accommodation. The Home Office has started to expand procurement of private sector rental properties and will make local authority areas aware of proposed properties to allow any specific concerns to be raised for consideration. Objections can be raised on four grounds: concerns around social cohesion, if procurement will impact on development or community plans, the issues with the provision of wraparound services, and if a property has special characteristics in short supply (for example, a property adapted for someone with disabilities). Local authorities will not be expected to accommodate asylum seekers beyond 0.5% of their total population.

5.11. Alongside this change, an informal 8-week consultation with local authorities also commenced in May to shape the design of the reformed system to ensure it is:

- Fair, sustainable and value for the taxpayer
- Collaborative, providing increased engagement and involvement of local authorities
- Innovative and responsive to changing demands and needs
- Responds to local factors and competing demands in local regions and places

The consultation is not on the policy of full dispersal, which the Home Office state is necessary, but on how it will be implemented.

5.12. In addition to the online consultation, the Home Office is also undertaking regional engagement workshops with local authorities to agree a regional allocation model, to implement full dispersal for the coming years. The model will consider the impacts on urban and rural areas as well as market capacity. ESCC is working with local district and borough councils to ensure that the impact of Full Asylum Dispersal in East Sussex is fully considered and reflected in our consultation responses.

#### Future local support

5.13. As outlined above, at the same time as increasing numbers of refugees have arrived through the Ukrainian and Afghan schemes, increasing numbers of people are arriving in the UK through small boat crossings over the Channel seeking asylum. This has contributed to increasing numbers of UASC (see 4.16 above) and pressure on the asylum system that the above reforms are intended to address.

5.14. Given the recent trend in increasing arrivals, expectation that numbers of refugees and asylum seekers will increase in future in response to climate change and other international conflicts, and an expectation that all regions will contribute to supporting arrivals, we can expect activity to support refugees and asylum seekers to be a significant and long-term area of work and focus for the Council in future. This will require development of our local resources, expertise and knowledge in these areas, a strengthening of existing and new partnerships, and a clear and joined up strategic approach across East Sussex and the wider region.

## **6. Communities**

6.1. ESCC provides a range of services, and acts with our partners, to support our local communities, delivering on our strategic priorities to keep vulnerable people safe and drive sustainable economic growth. The following sections outline the latest developments and local priorities for our work to support victims of domestic abuse and violence; tackle Violence Against Women and Girls; support drug and alcohol misusers; and provide trading standards advice and support to businesses and residents, and prepare for implementation of new post-EU border checks at Newhaven Port. It also summarises recent national policy developments that will inform our future work to prevent extremism; improve community safety; support local resilience; and deliver our planning functions.

### **Implementing the Domestic Abuse Act 2021 and Tackling Domestic Abuse Plan 2022**

6.2. Work continues to ensure new national requirements for local authorities relating to domestic abuse support and services are reflected in local plans and activities. The Pan-Sussex Strategic Framework for Domestic and Sexual Violence and Abuse and Violence Against Women and Girls (VAWG) has been refreshed to incorporate the new statutory definition of domestic abuse within the Domestic Abuse Act 2021, which now includes economic abuse, and considers children as victims of domestic abuse in their own right. The strategic priorities within the framework align with the national Tackling Domestic Abuse Plan published at the end of March 2022, prioritising prevention, supporting victims, pursuing perpetrators, and building a stronger system. The East Sussex action plan for delivery of the strategy is being developed in partnership with key stakeholders to ensure implementation of both the Act and the national plan, with the East Sussex Domestic and Sexual Violence and Abuse Management Group overseeing its development and delivery.

6.3. Section 57 of the Domestic Abuse Act 2021 places a new duty on local authorities to provide support to victims of domestic abuse and their children in refuges and other safe accommodation. A needs assessment was completed by a project team in the Office of the Sussex Police and Crime Commissioner and funded by the three Sussex Tier 1 authorities. The Pan-Sussex Domestic Abuse Accommodation and Support Strategy 2021-2024 was published on 5 January 2022, incorporating local priorities based on need. A local action plan has been developed in partnership with key stakeholders to deliver on the recommendations and priorities for East Sussex. The needs assessment will be refreshed annually to enable monitoring of progress and effectiveness of the strategy, with a full needs assessment being completed every 3 years.

6.4. A Pan-Sussex Domestic Abuse Partnership Board has been established, responsible for supporting ESCC, Brighton and Hove City Council and West Sussex County Council in meeting their local authority duty under Part 4 of the Domestic Abuse Act (which outlines support to be provided by local authorities to victims of domestic abuse). The Board works to

improve outcomes for victims of domestic abuse, including their children, through a strategic approach to identifying and addressing gaps in support. To deliver on the statutory requirement for those with lived experience to be represented on the Board, a Community Development Officer has been appointed working across Sussex to establish a Lived Experience Board and to support survivor engagement and co-production.

#### National and local plans for tackling Violence Against Women and Girls

6.5. The National Tackling Violence Against Women and Girls (VAWG) Strategy was published in July 2021, shaped by a comprehensive Call for Evidence on VAWG run by the Home Office, which was re-opened following the tragic rape and murder of Sarah Everard. As part of this, the Safer Streets Fund was established to invest in crime prevention initiatives and local projects across the country aimed at increasing the safety of public spaces for all, but with a particular focus on tackling VAWG.

6.6. A successful Pan-Sussex partnership bid for Safer Streets 3 focussed on the night-time economy and VAWG, funding healthy relationship education in East Sussex schools, Bystanders training, VAWG Co-ordinators, Street Pastors, VAWG Police Patrols, 'stop tops' for distribution to bars, pubs and clubs to reduce the risk of drink spiking, and environmental safety improvements (lighting and CCTV) in Alexandra Park (Hastings) and Gildredge Park (Eastbourne). Partners have bid to Safer Streets 4 to continue many of these initiatives.

6.7. The Pan-Sussex Strategic Framework for Domestic and Sexual Violence and Abuse has been refreshed to explicitly incorporate VAWG and it aligns with the priorities in the National VAWG strategy, while the local action plan is driving the coordination of an effective response to VAWG in East Sussex. ESCC is committed to commissioning effective services in line with the latest National Statement of Expectations to tackle VAWG to ensure a collaborative whole system response to ensure that victims and survivors and their children can get the help they need.

#### Police, Crime, Sentencing and Courts Act

6.8. The Police, Crime, Sentencing and Courts Act will introduce a serious violence duty on specified authorities, including local authorities, to work together to prevent and reduce serious violence (including domestic abuse and sexual offences). The duty requires the specific authorities to work together to formulate an evidence-based analysis of serious violence in a local area and then formulate and implement a strategy detailing how they will respond to those issues. The Act also places a duty on chief officers of police, local authorities and Integrated Care Systems or local health boards to undertake offensive weapons homicide reviews to learn the lessons from such deaths and help prevent future homicides. We will work to implement the guidance that relates to these new duties once it is received.

#### Drug and alcohol treatment work and Project ADDER

6.9. There continues to be increased investment into drug and alcohol treatment in East Sussex. In 2021/22, the core substance misuse services were supplemented by Project ADDER funding targeted at opiate and crack users in Hastings, and the Public Health England Universal Allocation which has benefitted the whole county.

6.10. Project ADDER has completed its second year and has embedded a whole system approach to providing a comprehensive model of support and disruption activity. The model provides treatment for drug misuse and focusses on wider issues including mental and physical health, housing and employment. The initiative has successfully engaged some of the most chaotic heroin and crack cocaine users in Hastings, many of whom were treatment naïve or resistant in the past. There has been a return to the face-to-face delivery of some treatment support for drug and alcohol misusers across the county, while retaining a model of hybrid support after the successful delivery of services during the pandemic.

6.11. There have been notable increases in those presenting for support with alcohol misuse as well as an increase in the number of 18-21 year olds in treatment. This may be due to the raising of the upper age range of the under- 19s service to under- 21s. The East Sussex Recovery Community continues to develop and there will be further investment in this area through the year.

#### Police and Crime Commissioner (PCC) review

6.12. The Government has conducted a review of Police and Crime Commissioners (PCCs) and the conclusions of the second part of the review - designed to ensure that PCCs have the information, levers and tools to help cut crime, drugs misuse and anti-social behaviour – were published in March.

6.13. The second part of the review includes recommendations to give PCCs levers to bring together crime and justice partnerships and some recommendations within this impact on local authorities in their roles in Community Safety Partnerships (CSPs) and supporting Police and Crime Panels (PCPs). The Home Office will undertake a full review of CSPs to improve their transparency, accountability, and effectiveness, before assessing their position within the wider landscape of local partnerships. Through this review, the Home Office will also consider a new duty for CSPs to report on their anti-social behaviour strategies and delivery plans to PCCs; with potential for the PCC's role in the Anti-Social Behaviour Community Trigger process to be set out in the new legislation. The Home Office has also committed to clarify the existing legislation on PCC representation on local government committees, in order to facilitate greater collaboration between PCCs, local government leaders and Local Enterprise Partnerships. To support this, the Home Office will develop guidance to help facilitate closer engagement between PCCs and those charged with responsibility for economic regeneration within the core PCC guidance.

6.14. With regards to PCPs, the Home Office plans to work with the LGA to take forward changes intended to drive up the standard of scrutiny applied by PCPs to PCCs. These changes include looking at ways to improve the recruitment and retention of independent members on PCPs, and whether a regional approach could improve the professionalism, quality and consistency of the support provided to panels.

6.15. ESCC will engage, with our partners, with implementation of the recommendations of the review as they progress.

#### Independent Review of Social Cohesion and Resilience

6.16. The Government's independent adviser for social cohesion and resilience, Dame Sara Khan, launched a call for evidence in April this year to examine the harm and impact extremism is having at a local level on communities and individuals. The call for evidence has three main sections:

- Experiences of those targeted by extremists such as Extreme Right-Wing, Far Left, Islamist and other religious fundamentalists.
- Understanding the role of local authorities and public bodies in promoting social cohesion and countering extremism.
- Supporting local communities and civil society to challenge extremism, develop community resilience and promote social cohesion.

6.17. The consultation will seek to make recommendations on how Government can strengthen social cohesion and build community and institutional resilience and has been shared with all East Sussex Prevent Board partners. Responding to the consultation, ESCC highlighted ongoing work to understand loneliness in East Sussex and the development of community hubs. Also highlighted is the work of the dedicated ESCC Prevent Project Officer

delivering training to local authority colleagues, staff in schools, colleges and public facing roles about the requirements of the Prevent Duty, recognising extremist behaviour, hate crime and referring to Prevent. We also outlined the need for a national strategy and central government guidance specific to implementing cohesion and resilience.

#### Trading Standards priorities and focus

6.18. Trading Standards, Sussex Police and the district and borough Environmental Health teams worked closely together during the pandemic, enforcing any business restrictions and providing comprehensive advice, guidance and support to residents and local businesses. Whilst there are no restrictions currently in force, Trading Standards continues to be a member of the Public Health-led Operational Cell to monitor the spread of COVID-19 and has also continued with the Enforcement Cell created during the pandemic; but has broadened its remit to provide an opportunity for the exchange of information and support between local regulators across all of Sussex.

6.19. Another key area of focus this year has been in preparing for the implementation of new border checks at Newhaven Port. After the post-Brexit Trade Deal with the EU was agreed, the Government published a Border Operating Model to outline how the borders would be managed in future. Trading Standards has a role in this around product safety checks. At the time of writing, a further delay to border control measures has been announced by Government, the fourth time the date for implementation has been put back. The latest announcement suggests a scheme will be introduced by the end of 2023. ESCC Trading Standards has already liaised with the Port and UK Border Force and undertaken pilot check projects to ensure that we are ready and able to respond to these additional demands. This delay will enable Trading Standards to focus resources in the short-term on local businesses, supporting them with new regulations and controls brought about by our exit from the EU, and freedom for Government to develop a new regulatory regime.

#### Local Resilience and National Reviews

6.20. In July 2021, Government launched a consultation on a national resilience strategy. The consultation asked questions on a range of topics, including risk and resilience, partnerships, community, investment, and resilience in an interconnected world. The Civil Contingencies Act 2004 (CCA) is also being reviewed. The early results have been published in spring 2022.

6.21. Respondents have said they believe more can be done at the national and local level to communicate national risks. Greater transparency and accessibility in relation to risk information was also a common theme. There was a consensus that everyone has a part to play in improving the UK's resilience, particularly in the light of the COVID-19 pandemic and the active partnerships this created between organisations and volunteers.

6.22. The CCA prescribes the local arrangements for civil protection (Part 1) and the UK's emergency powers (Part 2). Evidence submitted shows that the Act has served the responder community well. There was broad agreement that current information sharing arrangements are insufficient and the duty to share information should be placed on central Government. The majority of respondents also recognised funding as a key factor in the ability to deliver emergency preparedness in the UK. Government have said the review of the CCA will carefully consider how the Act can support organisations to use their resources as efficiently as possible.

6.23. ESCC will keep a close eye on developments in this area. Our clear message to Government has been that we support a refreshed Resilience Strategy and CCA, but new burdens on the Sussex Resilience Forum and ESCC must be matched by funding. Government is piloting funding across the UK to Local Resilience Fora at £7.45m in 2022/23.

Sussex has received £177,684 and plans are in place and being developed to improve partnership working and resilience across Sussex thanks to this injection of funding.

#### Fire Reform White Paper

6.24. In May 2022, the Government published the Fire Reform White Paper which outlines plans to reform fire safety across England to strengthen fire and rescue services and put the majority of the Grenfell Tower Inquiry recommendations into law. The proposed reforms include governance changes that would see fire and rescue committee structures replaced with a single elected official, who is ideally directly elected. The single elected individual could be a mayor, county council leader, or police, fire and crime commissioner. The Government has opened a ten-week consultation on the proposed reforms.

#### National planning reforms

6.25. On the 11 May, the Government introduced the Levelling Up and Regeneration Bill in Parliament. Significant parts of this Bill relate to reforms and changes to the planning system. Whilst detail around some of the reforms will not emerge until consultations around aspects of the Bill are issued later in the year, a clear direction of travel for the planning system is given. Aspects of the Bill are relatively consistent with proposals that were set out in the Planning for the Future White Paper, which was published in September 2020. However, some of the previously proposed reforms, such as introducing a land zoning system and removing the need for planning applications in certain instances, have been seemingly withdrawn.

6.26. The Bill emphasises the importance of a plan-led system (i.e. the Local Plan sets out where, when and how development will take place) and proposes that more weight is given to the content of Local Plans in decisions on planning applications. Whilst this approach is to be broadly welcomed from a County Council perspective, it will “ramp-up” the need for timely and effective input into the Local Plan processes, particularly through our role as an infrastructure provider (the Bill proposes a duty for infrastructure providers to engage in the Local Plan process, although this is something the County Council already does).

6.27. Other changes and reforms proposed focus on matters such as infrastructure funding, environmental assessment of proposals, enforcement and providing additional protection to heritage assets. All of these matters will impact upon the County Council, both within our County Planning Authority role and through our statutory consultee/infrastructure provider role. Establishing these impacts and ensuring that the County Council can adapt its relevant service provision will be a critical task as the Bill progresses towards Royal Assent and more detail is published by the Government. When it comes to service provision in the planning field, there is a recognition from Government that planning departments are generally under-resourced and the Bill proposes some significant increases in planning application fees (potentially up to a 35% increase) and the ability for statutory consultees to charge for their advice and input.

### **7. Highways and Transport**

7.1. The below sections outline future priorities for our work to deliver local transport improvements and maintain East Sussex highways. We will be focussed on delivering the final stages of the East Sussex Highway Maintenance Contract re-procurement project; undertaking additional highway improvements and structural maintenance using investment agreed for 2022/23 and beyond; further pressing for improvements to sections of the A21 and A27; delivering electric vehicle charging infrastructure improvements and working with partners in Transport for the South East to robustly present the case for investment in strategic transport improvements in the region.

7.2. With regards to public transport and active travel, we will work to utilise indicative new funding to deliver our Bus Service Improvement Plan; use the Local Cycling and

Walking Infrastructure Plan to secure revenue and capital funding for schemes where opportunities arise; and lobby for, and engage with national plans for, rail improvements. At the same time, we will progress a refresh of our Local Transport Plan to reflect recent national, regional and local policy changes, and develop a strategic approach to transport decarbonisation in the county.

#### East Sussex Highway Maintenance Contract

7.3. The current highway maintenance contract is a seven-year contract awarded to Costain in April 2016. The contract does not allow for any extensions, by design, and therefore a new contract will need to be in place before the end of April 2023. A project team has been established, reporting to the Highway Re-procurement Board and a Scrutiny Reference Group has been established, drawn from Members of the Place Scrutiny Committee, to provide oversight and scrutiny of the project.

7.4. The project team is working to the Corporate Strategic Commissioning template and has completed the Outline Business Case, which was approved by Cabinet in January 2021, and a Detailed Business Case (DBC), which was approved by Cabinet in July 2021. In considering the DBC, a Single Provider Integrated Service Delivery Model, for a new contractor to provide both the works and design service, was approved by Cabinet to be developed into a set of tender documents.

7.5. On 12 November 2021, a notice was placed on the Find a Tender Service (FTS). The FTS is used by public buyers in compliance with Public Contracts Regulations 2015, calling for expressions of interest. Six candidates completed the Selection Questionnaire. Following evaluation, three organisations were notified to tender for the contract in January 2022. These three organisations have submitted their detailed tenders, and these are currently being evaluated by the project team. A report recommending the preferred tenderer will be submitted to Cabinet in November 2022. Once awarded, there would then be a five to six month mobilisation period with the new contract commencing on 1 May 2023.

7.6. Engagement of Members has been key to the success of this project. The Scrutiny Reference Group has held eleven meetings and four briefing sessions to date, which have included an overview of the current contract, contract form, and business case development. The Reference Group signalled their support of the options appraisal long list to shortlist and identified key priorities to be included in the DBC in their interim report. Scrutiny involvement will continue and it is envisaged that the Scrutiny Reference Group will hold further meetings to receive an update on the bids that have been submitted. Scrutiny will continue its engagement with the next stages of the project as the new contract is mobilised.

#### Additional investment in Highways

7.7. At February Full Council, additional capital funding totalling £46.3m was approved for highways maintenance over the next 10 years with increased work programmes to stem the deterioration of key highway assets and to maintain our current network carriageway condition scores. This investment will also enable us to address the backlog of life-expired streetlighting columns and undertake specific safety improvements to highway structures across the county. This investment was allocated as follows:

- £3.1m (per annum) for next 10 years for carriageway assets.
- £6.5m for specific structure maintenance projects. This will include refurbishment and painting of Newhaven Swing Bridge (£1.1m), Iden Lock bridge bearing replacement (£1.3m) and Shinewater bridge bearing replacement and refurbishment (£4.1m)
- £8.8m across the next four years to address a backlog of life-expired street lighting columns. This will enable a reduction in the budget in 2026/2027 from £1.5m per annum to £0.8m per annum.

7.8. In addition, one-off investment in highways of an additional £5.8m was agreed by Cabinet in November 2021 for the 2022/23 financial year. This was agreed with a view to it complementing the services and budgets already in place. It provides an opportunity for additional improvements to the road network, which would not have necessarily met the criteria for funding but are considered important to local communities. This investment complements other works identified through our policies and asset management approach. This additional funding has been allocated as follows;

- Carriageway patching £2.5m
- Pavements £1.8m
- Lines and Road Markings £0.5m
- Road signs and signposts £1.0m

7.9. Works have already started to be delivered using this one-off additional investment and in the period to end of April 2022 circa £250,000 has been spent on this additional improvement programme.

#### Bus Service Improvements

7.10. The Council has developed an Enhanced Partnership with local bus operators following the launch of the Government's National Bus Strategy 'Bus Back Better', and we have developed a Bus Service Improvement Plan (BSIP) which was submitted to Government at the end of October 2021.

7.11. The East Sussex BSIP is an ambitious plan that seeks to stimulate and drive significant improvements to bus services across the local authority area and the wider region (working with our local authority partners) to deliver to East Sussex residents and visitors the highest possible quality bus services, that provide frequent and comprehensive choice, reduce congestion, and make a positive contribution to better air quality and decarbonisation. The plan also aims to deliver a raft of supporting measures on fares and ticketing, information provision, technological innovation, and bus stop facilities.

7.12. The Government announced in April 2022 that East Sussex has received an indicative 3-year allocation of up to £41.4m to deliver the plan. Our allocation is the third highest for county councils, and the highest per head of population amongst these authorities.

7.13. The team are now working on the prioritisation of the indicative funding allocation, to begin implementation in 2022/23. The Department for Transport (DfT) have made it very clear in their communication and guidance that they expect the vast majority of our allocation to be spent on bus priority measures, ambitious and eye-catching initiatives to reduce and simplify fares, increased service frequencies and new or expanded routes.

#### Local Cycling and Walking Infrastructure Plan

7.14. In response to the Government's Cycling and Walking Investment Plan and the more recent 'Gear Change' strategy, we have developed, with key local partners, a Local Cycling and Walking Infrastructure Plan (LCWIP). This sets out proposed local cycling and walking networks for the key coastal towns and the market towns within the county. The LCWIP was approved by Cabinet in September 2021.

7.15. The LCWIP will be used to work with our partners to explore and secure both revenue funding for walking and cycling initiatives and capital funding for infrastructure from various sources such as the DfT's Capability Fund. This forms part of the £2bn Government funding available to local authorities up to March 2025 for active travel infrastructure and initiatives. The LCWIP is also being used to inform the borough and district councils'

development of their emerging spatial plans for development through the updates to their Local Plans.

#### Rail developments

7.16. The Kent and East Sussex Rail Connectivity study, funded by DfT and the County Council, considered four options to potentially improve rail connectivity to the Kent and East Sussex coast. Two of these options are in East Sussex; the first with partial line speed improvements on the Marshlink and the use of bi-mode (diesel or battery) trains, whilst the second involves further line speed improvements and the electrification of Marshlink. Both options include a new platform between platforms 2 and 3 at Ashford International and track reconfiguration to enable trains to run between the HS1 link and Marshlink.

7.17. The study informed the development of a Strategic Outline Business Case (SOBC) which set out the strategic case for each option; the estimated costs; an economic analysis of the benefits of each option relative to its cost; and recommendations on which options should be taken to the next development stage. The SOBC was submitted to Government in May 2021 for their consideration. This remains with Government who will direct which options in the SOBC, if any, should be taken forward. We will continue to lobby Government, and through Transport for the South East, for investment in high speed rail into the county to level up the coastal communities it would serve.

7.18. The Williams-Shapps Plan for Rail, published by Government in May 2021, intends to transform the railway by making it more efficient and responsive to the modern environment and catering to the needs of passengers and the freight industry. A key element of the Plan is the creation of a new public body, 'Great British Railways' which under a single leadership will run and plan the network, own the rail infrastructure, procure passenger services, and set and collect most fares and timetables. A Transport Bill will be brought forward through the 2022 Parliament to bring Great British Railways, currently in shadow form, into effect. In addition, private partners will be contracted to operate trains, with franchising being replaced by Passenger Service Contracts. Fares and tickets will be simplified, including standardising mobile and online ticketing and flexible season tickets, and there will be better integration of rail with buses and cycling, as well as other forms of transport.

7.19. Together, these changes will have a significant impact on rail passengers and businesses in the county. It is important that we continue to be involved in future processes associated with the delivery of the Plan for Rail and engage with Great British Railways to ensure these changes benefit our residents, those visiting East Sussex, and businesses operating in and out of the county.

#### National Highways Programmes - A27 and A21

7.20. In 2020, Government published its second Roads Investment Strategy (RIS2), covering the period 2020 – 2025. RIS2 identifies that further work will be undertaken on developing proposals for the A27 between Lewes and Polegate as a potential pipeline scheme for construction between 2025 and 2030. This further work, managed by National Highways (previously Highways England), has commenced but is at an early stage. Alongside our partners, the County Council will continue to engage with National Highways on making the case for investment in a more comprehensive solution for this section of the strategic road network to improve the economic connectivity of the county and level up our communities compared to others in the South East region.

7.21. RIS2 also included the development of a package of road safety improvements for the A21 corridor north of Hastings. National Highways continues work on the development of proposed safety package study for the A21 which will be rolled out over the life of RIS2. While not included in the current RIS, we will continue to lobby and make the case to Government, including through Transport for the South East, for improvements to the

Kippings Cross to Lamberhurst, Flimwell and Hurst Green sections of the A21 in the next Roads Investment Strategy.

#### Refresh of Local Transport Plan

7.22. The East Sussex Local Transport Plan sets out our strategy and policies for how we plan to invest in improving transport and maintaining the roads in the county to meet transport needs. While our current Local Transport Plan covers 2011 to 2026, we plan to refresh it to reflect the national, regional and local policy changes in recent years that will influence how we plan and deliver transport in East Sussex in the future. This includes the County Council's declaration of a climate emergency, along with many of the developments referred in this section above.

7.23. Government is expected to publish guidance on updates to Local Transport Plans later this year and our Plan will need to align with this. Over the course of the coming year, we will be developing the evidence base to inform the plan's development, undertaking early engagement and consultation with the public to seek their views and ideas on the future of transport and mobility for the county, as well as identifying and testing potential future transport scenarios for the county.

7.24. The Government's Transport Decarbonisation Plan, Decarbonising Transport: a better, greener Britain was published in July 2021. This sets out the Government's pathway to net zero transport in the UK, the wider benefits that net zero transport can deliver and the principles that underpin the Government's approach to delivering net zero transport.

7.25. The Transport Decarbonisation Plan will influence our own transport policies and plans for the county through the update to the Local Transport Plan. To tackle transport related emissions, we will need to consider how we can use our cars less, how we move away from planning for vehicles to planning for people and places more in the future; and ensure active travel (walking and cycling) and public transport become the preferred choice for our daily activities. Our Local Cycling and Walking Infrastructure Plan (see 7.14-7.15), Bus Service Improvement Plan and Enhanced Bus Partnership (see 7.10-7.13) supports this. Working with partners, we are considering our approach and the role we play in delivering electric vehicle charging infrastructure in the county (see below) as well as engaging with bus operators on greening their fleets.

#### Electric Vehicle Infrastructure

7.26. The Council has made a commitment to develop a strategy to support the growing demand and needs of electric vehicle users within East Sussex and has now appointed an Electric Vehicle Infrastructure Manager to support these activities. Transport is the greatest contributor to carbon emissions in East Sussex and supporting this area will be a major part of carbon reduction within the county.

7.27. ESCC has commissioned reports to evaluate needs across the County and is working closely with local district and borough councils as well as other public service organisations to deliver electric vehicle charging infrastructure across our own estates. The strategy aims to support the take up of electric vehicles with the installation of charging infrastructure at ESCC's corporate sites and highway locations. The ability to charge at or close to home is a major concern to many electric vehicle users and the consultation and development of essential and practical locations is a priority. Other measures include the influence on local policy through planning, and the measures outlined in the Government policy paper, Taking Charge: the Electric Vehicle Infrastructure Strategy. The rationale for the County Council to take up these roles includes the addressing of market failure and the need to support economic growth and social mobility by ensuring that charging infrastructure supports future mobility needs and the path to net zero.

### Transport for the South East

7.28. Transport for the South East (TfSE) was established in 2017 by ESCC and partners, as a partnership to speak with one voice on the South East region's transport needs and priorities. TfSE published its Transport Strategy in 2020 and has recently completed a programme of geographic and thematic studies including the publication of its Future Mobility Strategy and Freight, Logistics and Gateways Strategy.

7.29. Over the next 12 months, TfSE will go out to public consultation on its draft Strategic Investment Plan (SIP) - the blueprint for future investment in strategic transport infrastructure in the South East over the next thirty years. This plan will set out a long-term investment plan designed to deliver the vision at the heart of TfSE's Transport Strategy. Following a 12-week consultation, commencing on 20 June, and approval by TfSE's partnership board, the final SIP will be submitted to Government early in 2023.

7.30. Following confirmation of DfT funding for 2022/23, TfSE will also be progressing work in some key thematic areas, including:

- Decarbonisation – identifying potential routes to net zero carbon emissions from transport by 2050.
- Electric vehicle charging – with the delivery of a regional electric vehicle charging infrastructure strategy.
- Bus Back Better - supporting Local Transport Authorities (LTA) with the delivery of their Bus Service Improvement Plans (see 7.10-7.13 above for detail on ESCC's plan).
- Local Capacity and Capability – Supporting LTAs with the delivery of their Local Transport Plans (LTPs) (see 7.22-7.25 above for detail on ESCC's LTP refresh) by enhancing capabilities in key areas.
- Freight – relaunching the Freight Forum following the publication of the Freight, Logistics and Gateways Strategy and driving forward the action plan that accompanies the strategy.
- Future mobility – developing a geographic planning tool that will help identify where specific future mobility interventions will have the greatest and most meaningful impact for residents.

## **8. Economy**

8.1. The following sections outline recent developments in Government policy and investment programmes that will affect the support we provide, with partners, to drive sustainable local economic growth in future. There will be challenges and limitations in the scope and scale of the delivery of some of this support in future, arising from reduced availability of growth funding for the county, as detailed in the sections below.

### Supporting the local economy

8.2. The impacts of the COVID-19 outbreak on East Sussex businesses continue to be felt. Financial and other support has been provided by Government, however the long-term impacts of the pandemic on our national and local economy will continue for some time to come. This, coupled with the rising cost of living, inflation and staff shortages in a number of sectors could result in unwanted impacts on the East Sussex economy. We will monitor those impacts and identify what measures could be brought in to mitigate them. Business East Sussex (BES) (the East Sussex Growth Hub and part of the ESCC Economic Development Team) continues to identify priorities to support businesses to emerge stronger and more robust than before the pandemic. The Economic Development team continues to invest in businesses by offering grants and loans, whilst commissioning a range of specialist support programmes aimed at helping businesses “pivot”, thrive and grow for the coming year.

8.3. Since its publication last summer, great strides have been made in delivering the Team East Sussex (TES) Economy Recovery Plan (ERP) and helping businesses, people and communities recover from COVID-19. Between September 2020 and April 2022, £220m has been secured for investment in East Sussex. This is a combination of £186m of new money and a further £34m already secured that has been realigned to support business survival, reset and recovery.

#### National Economic Investment Programmes - UK Community Renewal Fund

8.4. In March 2021, the Government's launched the prospectus for the pilot £220m UK Community Renewal Fund (UKCRF) for the period April 2021 to March 2022. The UKCRF was a precursor to the much larger multi-year UK Shared Prosperity Fund (see below), which replaces EU structural and development funding from April 2022. A UKCRF bid was submitted in June 2021 and the outcome determined in November 2021 with East Sussex securing five projects unlocking £2.5m investment. As a result of delays to the programme start, Government have provided the option for projects to consider extending their activity up to December 2022. [A list of the successful projects can be viewed here.](#)

8.5. The purpose of the UKCRF is mainly to support revenue funded activity, piloting innovative projects that can respond to the four investment themes of employment support, skills, business support and community/place shaping. Upper tier authorities are responsible for administering and programme managing the fund with delivery partners.

#### UK Shared Prosperity Fund

8.6. UK Shared Prosperity Fund (UKSPF) is the Government's domestic replacement for the European Structural and Investment Fund Programme (ESIF) in which the UK continues to participate until 2023. The Government launched the prospectus for the new UKSPF programme on 13 April 2022 with a focus on three main investment themes: Communities and Place, Supporting local business, and People and Skills.

8.7. The responsibility for administering and managing the programme has been awarded to district and borough councils. Each lower tier local authority has received its allocation and must develop a local investment plan to be submitted to Government between 30 June and 1 August 2022, with announcements anticipated to be made from October 2022 onwards. Each district and borough council in East Sussex has been allocated £1m, with the exception of Wealden District Council which has been allocated £1.2m. The allocations cover the three-year period from April 2022 – March 2025 and are not per annum, so a total allocation of £5.2m has been made to East Sussex. This is significantly lower than the previous ESIF funds leveraged into the county supporting many successfully run pan-county business support, employment and skills projects, which will start to close in the period between now and April 2023. For the limited UKSPF funding available, priorities will be determined by each borough and district authority against the three investment themes.

#### Multiply Programme

8.8. In April, Government also released details of the new UK-wide Multiply Programme (part of the UKSPF) worth £559m. The aim of the programme is to reach adults over 19 years old to improve their functional numeracy skills to a qualification at Level 2. The purpose is to help people improve their ability to understand and use maths in daily life, home and work and the interventions delivered with Multiply funding need to be additional and differentiated from what is already fully funded through the Adult Education Budget and should not displace that provision.

8.9. ESCC is a lead authority responsible for managing the programme and has been indicatively allocated £2.5m over the three year period from April 2022 to March 2025, subject to the submission of an investment plan by 30 June 2022. Officers are reviewing the

prospectus and technical guidance and have allocated resources to submit the investment plan, which will involve conversations both internally with teams involved in adult education provision and with external partners to prioritise the interventions within the limited funding available.

#### Levelling Up Fund

8.10. Government announced its £4.8bn Levelling Up Fund (LUF) in 2021, which will provide funding to invest in local infrastructure that has a visible impact on people and their communities. The fund covers the period April 2021 to March 2024 (with some schemes funded up to March 2025 in exceptional circumstances) and is for bids of up to £20m capital funding (or more by exception). The LUF addresses the three investment themes of transport, regeneration and town centre, and cultural.

8.11. Each upper tier local authority has the right to submit one bid on transport investment throughout the lifetime of the LUF programme. As such, the County Council submitted a transport funding bid in June 2021 which was approved with just under £8m awarded to deliver the replacement of Exceat Bridge on the A259 near Seaford, linking two of our growth areas, Eastbourne and Newhaven, which are also within the highest priority areas for the LUF.

8.12. In addition, borough and district councils can put forward bids across all three investment themes but will need the support of the local transport authority for any bid that contain transport investments. In 2021, all East Sussex borough and district councils considered bid submissions for projects or packages under the LUF Round One in their respective areas around the three investment themes. All bids were submitted (except in Hastings) to Government in June 2021. Government announced in October 2021 that both the Eastbourne Borough Council and Lewes District Council LUF Round One bids were successful with £19.8m and £12.7m respectively awarded. The Eastbourne LUF bid included £4.8m towards the pedestrianisation of the Seaside Road to Grand Parade section of Terminus Road (Victoria Place) which forms part of the wider public realm and pedestrian improvements that have been delivered in the town centre in recent years. The Lewes bid focussed on Newhaven, with investment in Newhaven fisheries providing two new fish landing stages to accommodate small commercial fishing vessels, build a new centre of excellence for seafood processing in the town and create a new restaurant and community destination to stimulate the local market and spend in the area.

8.13. Government announced the opening of the second round of the LUF in late March 2022. It focusses on the same three investment themes as Round One and on smaller scale, local projects that require less than £20m funding. Applicants that were unsuccessful in the first round, such as Wealden and Rother (Hastings did not bid but intend to in this round) are eligible to re-apply in this round. Second round bids will need to be submitted to Government by 6 July 2022, but as the County Council was successful in securing funding from Round One, we are not able to bid again. We are, however, working with each local council submitting a bid to understand what their bids may comprise and where we can support in the implementation of the programmes, subject to the bids being approved.

#### Local Enterprise Partnership and Growth Hub futures and funding

8.14. Local Enterprise Partnerships (LEPs) were introduced across England in 2011 as a more locally driven replacement for the 9 regional development agencies abolished in 2010. The 38 LEPs are partnerships between councils, businesses and other stakeholders, focussed on driving productivity and job creation. LEPs are led by a business chair and board members who are leaders of local businesses and public bodies. East Sussex is part of the South East LEP (SELEP), which also includes Essex, Kent, Medway, Southend and Thurrock.

8.15. The 2021 Autumn Budget signalled change, with the Government undertaking to evolve the form and function of LEPs as part of their 'levelling up' agenda. The Levelling Up White Paper published in February 2022, together with additional Government correspondence sent directly to LEPs, set out the "pathway to devolution", where LEP functions are to be integrated into local democratic institutions across the country by 2030. In the short/medium term, LEPs have been given a remit to continue in areas where Mayoral Combined Authorities or Devolution Deals do not presently exist.

8.16. For now, the expectation is that SELEP will continue 'as normal' for 2022/23, albeit with core funding reduced by 25%, and will begin working with local authority areas on transitioning LEP functions next year.

8.17. In terms of the East Sussex Growth Hub, work continues to put in place measures to support the economy as the number of UK businesses in critical financial distress rises as costs spiral and COVID-19 loan repayments become due. The majority of business support programmes in East Sussex will close by December 2022 as EU funding comes to an end. As set out above, the Levelling Up White Paper set in motion changes to the roles and functions of LEPs and the ensuing reduced funding settlement was accompanied by a halving of Growth Hub funding given to LEPs. This will clearly have an impact on Growth Hub services across the SELEP region but probably most so in East Sussex where the allocation received was always the smallest of the three Hubs.

#### Skills

8.18. The Skills East Sussex (SES) Board has agreed its priorities for the period to 2030, with a progress review planned for 2025. The priorities are:

- ensuring that national policy and funding supports the delivery of learning and skills in East Sussex;
- enabling our Further Education and Higher Education establishments to recruit excellent educators with specialist technical knowledge;
- improving our digital skills and digital inclusion;
- upskilling our workforce to increase regional productivity;
- supporting the unemployed and unqualified; and
- developing skills and provision for a net zero future.

8.19. To meet the SES priorities, sector-based task groups have set out action plans which include actions such as coordinated recruitment campaigns, mapping and improving training pathways, development of Level 4-6 provision, supporting recruitment through sector-based work academy programmes and educator recruitment campaigns, and continuing professional development.

8.20. The Employability and Skills team continue to progress a number of projects to address the county's skills issues and the SES priorities. These include:

- The Careers East Sussex platform – which includes information on jobs in the local economy; education, training, apprenticeships and pre-employment pathways; a careers search tool; and an e-prospectus for applications to post-16 education and training.
- East Sussex Careers Hub - is working with all secondary schools, special schools and colleges, and volunteer Enterprise Advisers from business to drive up understanding of careers, the labour market and employability. It is one of the top performing Hubs in the country as measured against the national Gatsby Benchmarks.
- 'Steps to Success' Effective Transitions pilot - was launched in January 2022, one of only 10 pilots in a national research project to understand what works to support transitions into post-16 education of the most vulnerable young people, persistently absent from school in the current year 10 cohort. Learning from the research pilot will be shared nationally and locally.

- The Employability for Supported, Temporary Accommodation and Refugees team - works in partnership with a range of stakeholders to improve opportunities for those experiencing, or at-risk of homelessness in the county. This includes leading on Moving on Up, a programme to support people in these setting into training, employment and ultimately independent living.
- The Transform programme - supports East Sussex Small- and Medium-sized Enterprises with advice and support on apprenticeships and skills training; and to access Government incentives and unspent Levy funds to pay for apprenticeship training.

8.21. Research is currently underway to identify future skills needs and shifts in local employment and skills trends, following COVID-19 and Brexit, and in the context of increasing digital transformation, automation and the transition to a net zero economy. The research findings will help to inform local provider development of training and plan volumes of delivery.

8.22. The Skills for Jobs White Paper and the Post-16 Education Bill were presented to Parliament in May 2021. The White Paper aims to bridge current skill gaps by providing a Lifetime Skills Guarantee, placing employers in a more central role within the education system and investing in higher-level technical qualifications and apprenticeships. The paper presents a range of opportunities for East Sussex, including scope for the development of modular learning (where individuals access multiple modules of study, rather than taking a full degree or technical qualification in one go, providing greater flexibility in learning), lifelong learning grants for all adults to undertake technical or academic learning pathways, support with teacher recruitment and capital investment in Further Education facilities to improve the range and quality of local provision.

8.23. The White Paper also heralded the development of Local Skills Improvement Plans (LSIPs), and Sussex Chamber of Commerce has successfully applied to be one of eight national trailblazers. The LSIP is a collaboration with employers, education providers, local authorities and partners across Sussex, and builds on the successful model developed by SES and sector-based task groups. The LSIP was submitted in March 2022 and now awaits response from the DfE, with major funding proposals to support the plan expected in the financial year 2023/24.

## **9. Environment and Climate Change**

9.1. The Council declared a climate emergency in 2019 and set a target of achieving carbon neutrality from its activities as soon as possible and in any event by 2050. This is in line with the updated target for the whole UK agreed by Parliament in 2019. In 2020, the Council committed to cutting its corporate carbon emissions by an average of 13% per year and agreed a Climate Emergency Action Plan covering 2020/22. The Council's 2022/23 target is to achieve a 34% reduction on baseline year (2019/20) emissions (emissions not to exceed 8,206 tonnes CO2 equivalent). In 2021, the Council committed an additional £3.8m to help meet this reduction target and a further £3m per year between 2023-25.

9.2. A number of projects to cut carbon emissions are being delivered in 2022, including low energy lighting, solar photovoltaics schemes and whole-building retrofit. Alongside this, modelling work is being completed to identify the most cost-effective options to reach net zero and an updated corporate Climate Emergency Plan will be produced during 2022 to cover 2023-25. This level of investment and activity demonstrates that work to tackle climate change and carbon emissions has become a part of ESCC's core business, with investment in carbon reduction being a basic need and key priority for the Council.

9.3. In 2021 the Council worked with its partners on the East Sussex Environment Board to produce a Climate Emergency Road Map for the whole county, which was adopted by

Team East Sussex in January 2022. The road map summarises many of the areas of work that the Council either leads on, or works with partners on, to mitigate and adapt to climate change. These include programmes to support more walking, cycling and local bus services, to address fuel poverty, to support businesses to become more energy efficient and residents to invest in renewable energy, and to manage flood risk to homes and businesses. A key area of activity for the Council, following the Government's climate change strategies published over the last year and summarised below, is to continue to bid for external funding to maximise the impact and reach of its own resources.

9.4. The following sections detail the range of recent national commitments, strategies and legislation that will have implications for the Council's work to deliver climate change mitigation and adaptation; achieve carbon neutrality as soon as possible; and protect the local natural environment. In many cases, Government has committed to publishing further guidance or detail on plans for delivery which is still awaited, including, notably, clearer expectations on how central and local government will interact in delivery of net zero and how many commitments made in the Environment Act are to be delivered. At the same time, it is anticipated that the level of funding allocated to delivering some national commitments in these areas may be insufficient, and we await further information on funding to be provided for new burdens for ESCC arising from the Environment Act.

#### International Context

9.5. There was a wide range of agreements made at Conference of Parties 26 (COP26), the governing body of the UN Convention on Climate Change, in Glasgow in November 2021. These included the phase-down of unabated coal power and fossil fuel subsidies, a request for countries to improve their 2030 national climate targets and plans by the end of 2022, the development of rules for the global trading of carbon offset credits, and pledges to reverse deforestation by 2030 and cut methane emissions. If all current climate pledges are met then the International Energy Agency estimates that global warming could possibly be limited to an average of 1.8°C above pre-industrial levels. COP27 will convene in Egypt in November 2022.

#### The Government's Net Zero Strategy (published in November 2021)

9.6. The Strategy sets out the action the Government plans to take to achieve the carbon emissions reduction target set out in the national Sixth Carbon Budget that runs up to 2037. It follows on from the Government's Ten Point Plan published in 2020 and sets out indicative delivery pathways for all key sectors. The key points of relevance to the Council were that funding was announced for transport and waste, though it was unclear how much was previously unannounced; and the Government committed to setting clearer expectations on how central and local government interact in the delivery of net zero, notably by establishing a Local Net Zero Forum to bring together national and local government senior officials on a regular basis to discuss policy and delivery options on net zero.

#### The Government's Heat and Buildings Strategy (published in November 2021)

9.7. The key points of relevance to the Council were that:

- the Government will decide in 2022 on whether to shift some environmental levies from the cost of electricity to gas to make electric heating more cost-effective;
- a decision will be made by 2026 on the role of hydrogen in decarbonising heating;
- the sale of gas boilers will be banned from 2035; and
- funding will continue to be made available to public sector organisations to decarbonise heat.

9.8. Both the Net Zero Strategy and the Heat and Buildings Strategy set out a large number of commitments. However, there is a lack of detail about how delivery will take place

in many areas and the consensus amongst most commentators is that the funding on offer is not enough to meet the commitments made.

#### The Treasury's Net Zero Review (published November 2021)

9.9. The purpose of the review was to consider the macroeconomic effects, the possible economic opportunities and risks, and the policy levers and likely fiscal implications of the transition to net zero. The review concluded that UK climate action could boost the economy as a result of investment contributing to growth, alongside co-benefits such as improved air quality. The Treasury considers competitive markets to be the most effective way of delivering an efficient transition but recognises that Government policy levers and well targeted and designed regulation will also be needed to address market failures during the transition and to mitigate the impact of higher costs on lower income households. The Treasury will continue to develop the Green Book to include the latest evidence on carbon pricing.

#### Environment Act

9.10. The Environment Act received Royal Assent in November 2021 and the Government is now in the process of introducing secondary legislation, policy and guidance that will enable many elements of the Act to be implemented over the coming 18 months. It is apparent that many aspects of the Act will have implications for the County Council, but in some areas the extent of these will not be fully understood until that secondary legislation, guidance and/or policy emerges.

9.11. One additional duty already known is that the County Council will be a Responsible Authority for preparing a Local Nature Recovery Strategy (LNRS). In broad terms, the LNRS will set a spatial strategy for how and where measures to achieve nature recovery will be achieved. It has been provisionally agreed that the County Council will work in partnership with West Sussex County Council, Brighton & Hove City Council and the Local Nature Partnership to prepare the evidence base and undertake the necessary stakeholder engagement for the preparation of LNRSs. This should ensure a degree of consistency between the two strategies that will eventually exist – one for West Sussex and one for East Sussex and Brighton & Hove. Some initial seed funding has been provided by the Department for Environment, Food & Rural Affairs (DEFRA) to commence preparation of a Strategy. However, we await the full extent of what the additional burdens monies will be, along with the necessary regulations and guidance before this work can fully progress. At this stage, there is every indication that the LNRS will need to be in place by autumn 2023. Additional resourcing, utilising the additional burdens monies, will be required to meet this target.

9.12. Related to the production of the LNRS is the mandating, through the Environment Act of the requirement for new developments to deliver a minimum of a 10% gain in biodiversity, known as Biodiversity Net Gain (BNG). A phased approach to the implementation of BNG is due to commence from autumn 2023 and whilst the preference will be for the gain to be delivered on the development sites in question, there will be occasions where off-site gain is necessary and the LNRS will be used to guide this to some extent. It is acknowledged by DEFRA that assessing and monitoring the implementation of BNG will create additional resourcing pressures on planning authorities. It is expected that some clarity over what additional burdens monies will be provided to planning authorities will be available by this autumn.

9.13. The Environment Act also contains provisions relating to water, air and waste, the latter of which are expected to have significant consequences for the County Council in its role as Waste Disposal Authority. Changes to how waste is managed in the county will include the provision of weekly food waste collections and the introduction of a Deposit Return Scheme. These changes will impact upon the County Council's waste contracts and

are likely to include the need to modify transfer stations and changes to the volumes and type of recycling materials. There are still a lot of unknowns in respect of these changes, including how certain elements will be funded, although some clarity is expected over the coming 12 months.

#### Glover review

9.14. With over half of East Sussex falling within a protected landscape (South Downs National Park and High Weald Area of Outstanding Natural Beauty (AONB)), the Glover Review into protected landscapes and how this is taken forward by the Government will have implications for the county. The Government has published a response to the recommendations in the Glover Review. Although somewhat high level, it does provide some indication of the direction of travel that the Government wishes to take with regards to protected landscapes. Proposals include re-branding of AONBs, ensuring that public bodies give greater weight to the statutory purposes for AONBs and National Parks in their own decisions, granting AONBs statutory consultee status for planning applications and, changes to the governance arrangements of AONB Partnerships. The majority of these changes are more likely to indirectly impact upon certain services in the County Council, particularly within the highways and planning areas.

#### Upcoming reforms and consultations

9.15. Government is taking the opportunity to review a range of regulations and schemes carried over into UK law following our exit from the EU, and a number of consultations will be brought forward on matters that may have operational or financial impacts on the Council. This includes a consultation on developing the UK Emissions Trading Scheme, and on implementing planned reforms to waste and recycling, including extended producer responsibility.

9.16. Government is also currently consulting on proposals for construction waste from DIY activities to be considered DIY waste to allow householders to deposit DIY waste for free. Local authorities would still be able to charge for other construction waste produced as a result of commercial activity. If implemented, this would have financial implications for the Council.

### **10. Supporting Services**

10.1. The below section provides updates on key local and national developments for ESCC's supporting services. Local priorities for 2022/23 are to deliver the implementation phase of the Modernising Back Office Systems programme; continue to implement the new Orbis Business Plan; deliver measures in response to workforce challenges; continue the investments and adaptations to support ESCC's new hybrid working model; continue delivery of the Council's Asset Management Plan; and transition services onto a new corporate and schools data network. Key national developments include public procurement and audit reforms.

#### Modernising Back Office Systems Programme

10.2. The Modernising Back Office Systems (MBOS) Programme was established to replace the Council's core finance and Human Resources (HR) systems. The current SAP system will no longer be supported by the supplier beyond 2027. Replacing a system originally implemented over 15 years ago provides opportunities to take advantage of new technology better able to support an agile and flexible workforce, and to provide easily accessible data and insight to support management decision-making. The vision of the MBOS Programme is to "implement a suite of back-office systems that best meet the current and future needs of the Council and which provides optimal return on investment".

10.3. The programme has undertaken an extensive and robust procurement process and has chosen Oracle Fusion as the new software platform and Infosys as the implementation

partner. The replacement system will deliver clear benefits, including a better user experience, undertaking transactional activity (freeing staff up to focus on more complex and value-added advice), and better availability of data and management reporting.

10.4. The programme has now moved to its implementation phase, with governance and resourcing having been refreshed to ensure that it is fit for purpose for a complex implementation involving the replacement of the organisation's critical finance, HR, recruitment and procurement systems. Closure of the programme is expected in late 2023 or 2024.

#### Orbis Partnership

10.5. The Orbis Partnership drives efficiencies in support functions through integration and standardisation and creates greater operational resilience to deliver value for money and improved service delivery for the customer.

10.6. East Sussex and Surrey County Councils have been working in partnership on business services since 2015 and Brighton & Hove City Council joined the partnership in May 2017. The Orbis Partnership has achieved £13.9m ongoing savings since 2016/17 for the partner councils. A further £8.7m of one-off savings has also been delivered.

10.7. Following a review of the partnership, it was agreed that IT and Digital, Procurement and Internal Audit would remain as integrated Orbis services, along with two Centres of Expertise (on Insurance, and Treasury Management and Tax), and the remainder of services have now returned to sovereign authority control. A new business plan was approved as a result of these changes, and a refreshed Inter Authority Agreement will be signed by partners in 2022/23, with costs being apportioned based on level of usage.

10.8. Services within the partnership have moved to a more service-led approach to governance and delivery with less reliance on centralised Orbis activity, though an element of central coordination will continue. For 2022/23, the partnership will consolidate the changes made during 2021/22 to ensure that Orbis has sound governance, leadership, and a strong operational platform for the coming years.

#### Workforce Challenges

10.9. As we move beyond the COVID-19 pandemic, a range of recruitment and retention challenges have emerged. The national labour market picture is of concern, with March 2022 figures showing a further fall in unemployment to its joint lowest level since 1974, whilst at the same time, a continued decline in the size of the labour force with economic inactivity (the measure of those not looking for work and/or not available for work) rising. There are now 490,000 more people economically inactive than pre-pandemic.

10.10. Recent research by the Institute of Employment Studies (IES) has identified that there are now 1.1 million fewer people in the labour force than would have been expected based on pre-pandemic trends. Vacancies are up across all industries and the further falls in unemployment mean that there are now just 1.1 unemployed person per vacancy – the tightest labour market in at least 50 years.

10.11. This reflects our experiences locally where we are now seeing significant challenges in recruiting to some of our posts. In particular, front line social care worker roles such as in Joint Community Rehabilitation, Learning Disability Services and Children's Looked After Services, as well as some of our technical and professional roles (our response to particular recruitment challenges in the ASC workforce is outlined at 3.48-3.49 above). The position is exacerbated in our more rural locations with recruitment in these areas being especially difficult and there is evidence to show that this tight labour market is putting pressure on pay levels.

10.12. The Council has put in place a number of strategies to respond to these pressures. Work is currently underway on updating our recruitment branding, promoting the Council as an excellent place to work and 'employer of choice'. In support of this we are attending events like careers fairs and shows in order to maximise our presence with job seekers.

10.13. As well as seeking to attract experienced individuals, we are also looking to utilise approaches such as apprenticeships, traineeships and intern arrangements as a way of bringing new talent in to the Council. For example, we made good use of the recent 'apprenticeship incentive scheme' and 'Kickstart' programme. In addition, we also have links to organisations that support people back into employment in the county such as People Matters. These schemes will support individuals to 'learn on the job' and enable us to 'grow our own' workforce for the future.

10.14. Ensuring our workforce is reflective of our residents is also an important part of our strategy. As the largest employer in the county, we provide good employment opportunities for our local residents which in turn, supports them in being economically active. Being a diverse and inclusive place to work further supports our recruitment and retention aims.

10.15. Retention of our existing workforce is also a key aim. Ensuring we have in place policies and approaches that support individuals in the workplace is a crucial part of our approach. Our Wellbeing offer consistently receives positive feedback from staff and we have recently re-procured our employee benefits platform.

10.16. Enabling our staff to be their best is a further element of our approach. As well as an extensive training and development offer, we have recently launched two leadership development programmes: 'Ladder to Leadership' and a series of masterclasses aimed at our Heads of Service. We are committed to supporting our staff with continuous professional development and are creating the environment where staff are encouraged to learn and grow.

#### Workstyles – hybrid working model

10.17. The Council's new hybrid working model was launched on 19 April 2022 to support the wider return to the office, bringing staff back together again after 2 years of working arrangements being affected by the COVID-19 pandemic. Subject to the needs of the service, hybrid working is a way of structuring work to enable our staff to be as productive as possible, regardless of where they are working. Hybrid working also supports staff wellbeing and a reduction in our carbon footprint.

10.18. The new working model has been developed following an extensive programme of engagement with all services across the Council. We anticipate that for many of our staff, hybrid working will mean working from the office for a couple of days a week, rather than the traditional 5 days. Decisions around working patterns will be led with business need at their core and not driven by personal preferences.

10.19. There are many benefits to the Council in adopting a hybrid model. By adapting the way we work, we will be able to build on the carbon emissions reductions realised during the periods of lockdown through reduced travel to the office or attendance at face to face meetings, thereby supporting our carbon reduction aims. In addition, it will also support recruitment and retention needs, as recent research has shown that hybrid working is the top search term used by job applicants and that 47% of employees would likely look for a job elsewhere if their employer did not adopt a flexible working model. Feedback from our own staff has confirmed the benefits felt in relation to improved wellbeing and resilience.

10.20. To ensure that we can maximise the benefits of a hybrid working model, we are investing in the technology needed, as well as configuring our workspaces differently to reflect our revised business needs. Through a process of engagement with services, adaptations are being made to our buildings, for example, enhancing the amount of hybrid meeting spaces available with video conferencing facilities, increasing the amount of smaller private meeting spaces to support confidentiality requirements, and implementing quiet desk zones by using acoustic screens. This is currently being rolled out across our office hub sites in a planned programme of work.

10.21. To support managers and staff, a resources toolkit has been developed, covering a range of key information. Each team has developed a Team Agreement to deal with practical considerations such as the number of working days each member of the Team will be working in the office and a number of e-learning resources have also been developed, including 'managing teams remotely', 'running hybrid meetings' and 'performance management and remote working'.

10.22. We have continued to keep in place appropriate safety measures in our buildings, such as ventilation, temperature checks, enhanced cleaning regimes and CO2 monitors in hub buildings. Taking a Risk Assessment approach has enabled us to identify any risks and therefore put appropriate mitigations in place.

10.23. We will monitor the success of the various measures and adaptations made so far and will review the position in 6 to 9 months' time in order to understand whether any changes are needed.

#### ESCC Property Asset Management

10.24. The Council's Asset Management Plan 2020-2025 contains an action plan to ensure operational assets are used efficiently. The Property Service continues to deliver outcomes as part of the plan, including a renewed focus on providing bespoke asset management advice to frontline services as they adapt their delivery models following COVID-19. There is increasing focus on ensuring the Council's assets continue to reduce their carbon footprint and that capital investment is targeted to improve environmental sustainability as part of the Council's net zero commitment, as well as ensuring that property assets support all Council objectives and services.

#### Ultra-Fast Digital Network

10.25. The Council's IT service will be transitioning services onto a new corporate and schools data network during 2022/23. The primary outcome will be an ultra-fast digital network that can be used by the Council and its schools, as well as other public service partners within East Sussex. This upgraded infrastructure will support the Council's digital ambitions by providing faster, secure, and resilient connectivity to cloud hosted services. This investment in gigabit capable fibre infrastructure will also provide additional infrastructure to the investment already made in improving broadband in East Sussex for the wider benefit of residents.

#### Transforming Public Procurement Green Paper and Bill

10.26. Following the UK's exit from the EU, the Government is taking the opportunity to replace the current procurement regime, which was transposed from EU procurement directives. This will be the biggest change to procurement regulations since their introduction in 1996 and reduces four regulations (Public Contracts Regulations 2015, Utilities Contracts Regulations 2016, Concession Contracts Regulations 2016 and Defence and Security Public Contracts Regulations 2011) down to one set of regulations.

10.27. The Government published its Green Paper on Transforming Public Procurement in December 2020, with a consultation period open to buyers and suppliers until March 2021.

The Government's response to the consultation was published in December 2021 which indicates that implementation will be towards the end of 2023 at the earliest but is dependent on the conclusion of legislation (the Procurement Bill, which was re-introduced in the 2022 Queen's Speech – see 2.15-2.16 above). The Government has confirmed its intention to provide a six-month implementation period prior to the legislation coming into force.

10.28. The Green Paper stated that the objectives of the new regulations are to ensure public procurement is simpler, less bureaucratic and provides a fairer and more flexible approach, whilst taking greater account of Social Value to deliver the best possible outcomes. The onus will be on procurement professionals to take advantage of the flexibility and apply their commercial skills, whilst also aligning with local and national priorities as set out in the National Procurement Policy Statement.

10.29. During the implementation period, there are likely to be additional costs to implement the changes, with pressures around resourcing and training to fully assess and develop Orbis Procurement to be confident and compliant in delivering under the new regulations.

#### Redmond Review and Audit Reforms

10.30. In 2019, Sir Tony Redmond undertook an independent review of the effectiveness of local authority audit and local authority financial reporting transparency. The Redmond Review reported 23 recommendations to the then Secretary of State for Housing, Communities and Local Government for consideration.

10.31. It was announced in 2019 that the Audit, Reporting and Governance Authority (ARGA) would be set up to replace the Financial Reporting Council (FRC). In this year's Queen's Speech, the Draft Audit Reform Bill was announced, which will see the ARGA fully implemented by 2023. Neil Harris has been appointed as the first Director of Local Audit to lead the move from the FRC to the ARGA.

10.32. Challenges with the delivery of local authority audits continue, with Public Sector Audit Appointments (PSAA) Ltd, reporting that only 9% of 2020/21 local authority audits were completed on time. For the Council, the deadline of 30 September 2021 was missed by 19 days. Heightened regulatory expectations have resulted in increased audit activity particularly with regard to Property, Plant and Equipment valuations and Pensions. Audit firms have struggled to recruit and retain staff, adding to the pressures. Audit fees have increased, with grant funding of £15m nationally being announced to support local authorities to meet these costs. This is an evolving agenda and updates will be taken to the Audit Committee.

10.33. On 31 May 2022, the Government's response to the local audit framework: technical consultation was published, which reconfirmed plans to establish the ARGA as the body to drive through regulatory and cultural change within local authority audit. It also confirmed that, when parliamentary time allows, it will be compulsory for all council audit committees to have at least one independent member appointed. In addition, CIPFA are refreshing their "Audit Committee: Practical guidance for local authorities and police" for issue in June 2022.

**Driving sustainable economic growth - delivery outcomes**

1. East Sussex businesses are supported to recover and grow through the delivery of the Economy Recovery Plan
2. The county's employment and productivity rates are maximised
3. Individuals, communities and businesses thrive in East Sussex with the environmental and social infrastructure to meet their needs
4. The workforce has and maintains the skills needed for good quality employment to meet the needs of the future East Sussex economy
5. The value of our role as both a significant employer and a buyer of local goods and services is maximised
6. All children progress well from early years to school leaver and into education, training and employment

**Keeping vulnerable people safe - delivery outcomes**

7. All vulnerable people in East Sussex are known to relevant local agencies and services are delivered together to meet their needs
8. People feel safe at home
9. People feel safe with services
10. We work with the wider health and care system to support people affected by Covid-19 to achieve the best health outcomes possible

**Helping people help themselves - delivery outcomes**

11. Commissioners and providers from all sectors put people first when providing services and information to help them meet their needs
12. The most vulnerable get the support they need to maintain their independence and this is provided at or as close to home as possible
13. Through our work with others, individuals and communities are encouraged to maintain and develop local mutual support systems

**Making best use of resources now and for the future - delivery outcomes**

14. To help tackle Climate Change East Sussex County Council activities are carbon neutral as soon as possible and in any event by 2050
15. Working as One Council, both through the processes we use and how we work across services
16. Delivery through strong and sustained partnership working across the public, voluntary community, and private sectors to ensure that all available resources are used to deliver maximum benefits to local people
17. Ensuring we achieve value for money in the services we commission and provide
18. Maximising the funding available through bidding for funding and lobbying for the best deal for East Sussex

## **b) Proposed Updated Priority and Delivery Outcomes**

### **Driving sustainable economic growth - delivery outcomes**

1. East Sussex businesses are supported to succeed and grow sustainably
2. The county is an attractive place to live, work and do business
3. Individuals, communities and businesses thrive in East Sussex with the environmental and social infrastructure to meet their needs
4. The workforce has and maintains the skills needed for good quality employment to meet the needs of the current and future East Sussex economy
5. The value of our role as both a significant employer and a buyer of local goods and services is maximised
6. All children progress well from early years through school and into post-16 education, training and employment

### **Keeping vulnerable people safe - delivery outcomes**

7. All vulnerable people in East Sussex are known to relevant local agencies and services are delivered together to meet their needs
8. People feel safe at home and well supported by their networks
9. Children grow up supported by enduring, loving relationships
10. People feel safe with services
11. We work with the wider health and care system to support people to achieve the best outcomes possible

### **Helping people help themselves - delivery outcomes**

12. Commissioners and providers from all sectors put people first when providing services and information to help them meet their needs
13. The most vulnerable get the support they need to maintain their independence and this is provided at or as close to home as possible
14. Through working well with the voluntary, community and social enterprise sector, individuals, families and communities are supported to be independent and to thrive

### **Making best use of resources now and for the future - delivery outcomes**

15. To help tackle Climate Change East Sussex County Council activities are carbon neutral as soon as possible and in any event by 2050
16. We work as One Council
17. We work in strong and sustained partnership with the public, voluntary community, social enterprise and private sectors to ensure that our collective resources and influence are used to deliver maximum benefits
18. Ensuring we achieve value for money in the services we commission and provide
19. Maximising the funding available through bidding for funding and lobbying for the best deal for East Sussex
20. We are an employer of choice and support our staff to achieve and develop

## Appendix 4 - Capital Programme Update

### 1 Background

- 1.1 Through the Reconciling Policy Performance and Resources (RPPR) process the Capital Strategy and programme are reviewed annually to ensure that they support the Council's responsibilities and departmental service strategies. To manage investment to a sustainable level, the Capital Strategy focuses on the delivery of targeted basic need for the council to continue to deliver services as efficiently as possible, rather than rationing through prioritisation. This is in recognition that there will be conflicting priorities but that a level of investment is needed across the council in order to deliver the council's services and react to changes in technology, economy and the environment. Basic need for the purpose of strategic capital planning is provided below: -
- Place: ensuring we can deliver services by planning for future need.
  - Asset Condition: maintaining our assets to an agreed level.
  - ICT Strategy: ensure that our ICT is fit for purpose for delivering modern council services in a digital era and protecting data.
  - Climate Change: tackling climate change has become part of ESCC core business, investment will be required towards the achievement of carbon neutrality.
- 1.2 At Full Council in February 2022 the target led basic need capital strategy of 20 years, supported by a 10-year planned capital programme was approved. The strategy provides for the programme being updated annually to maintain this 10-year planning horizon unless there is a compelling reason not to, this will be done as part of the RPPR process.
- 1.3 The capital programme 2021/22 to 2031/32 reported as part of the Budget in February 2022 had a total programme expenditure of £752.9m. Table 1 below provides details of the funding.

<b>Table 1 - Capital Programme funding (£m)</b>	<b>2021-2032</b>
Formula Grants	(230.4)
S106/CIL target	(24.1)
S106/CIL identified contribution	(14.3)
Specific Funding (inc. grants, partner contributions etc.)	(32.0)
Capital Receipts	(21.0)
Reserves and Revenue set aside	(56.7)
New Homes Bonus	(0.8)
Borrowing	(373.6)
<b>Total Programme Funding</b>	<b>(752.9)</b>

- 1.4 In addition to the basic need programme the Capital Strategy allows for the Council to consider business cases where a clear payback or funding stream can be demonstrated. Any payback reducing the borrowing in the year it is received and therefore contributing to the ongoing sustainability of the programme.
- 1.5 As such these projects are not included in the capital programme until their overall impact, including funding implications, have been assessed and approved.

## 2 Capital Programme Update

- 2.1 Table 2 below summarises the gross movements to the approved capital programme since budget setting in February 2022, noting that the first 3 years of the programme to 2024/25 are approved, whilst the remaining years to 2031/32 are indicative to represent longer term planning against priority outcomes for capital investment. The movements reflect the 2021/22 outturn position and other updates in accordance with the approved governance and variation process.

Table 2 - Capital Programme (gross) movements (£m)	2021/22	MTFP Programme			2025/26 to 2031/32	Total
		2022/23	2023/24	2024/25		
<b>Approved programme at February 2022</b>	<b>88.219</b>	<b>101.899</b>	<b>77.088</b>	<b>78.892</b>	<b>406.781</b>	<b>752.879</b>
Approved Variations (see 2.2)	(2.329)	1.696	(0.500)	0.250	-	<b>(0.883)</b>
2021/22 Net Slippage / Service Reprofiles (2.3)	(10.022)	(7.926)	6.132	4.619	7.197	<b>0.000</b>
2021/22 Underspend (2.3)	(0.275)	(0.081)	-	-	-	<b>(0.356)</b>
2021/22 Covid-19 Related (2.3)	0.326	-	-	-	-	<b>0.326</b>
2021/22 Expenditure (2.3)	(75.919)	-	-	-	-	<b>(75.919)</b>
<b>Total Programme</b>	<b>0.000</b>	<b>95.588</b>	<b>82.720</b>	<b>83.761</b>	<b>413.978</b>	<b>676.047</b>

- 2.2 Net nil approved variations to the programme since Budget in February 2022 total a reduction of £0.883m. This reflects that funded increases to the programme have been offset by a large reduction of £3.5m in the LEP programme due to the Getting Building Fund Fast Track Business Solutions project not meeting conditions attached to the funding award. Funding, therefore, was removed and the project withdrawn from the capital programme.

<b>Table 3 – Net nil approved variations and programme movements since February 2022</b>	<b>Gross Variation (£m)</b>
Capital Building Improvements – Additional Schools Condition Allocation grant (formula grant)	0.882
Other Integrated Transport Schemes: Additional Grant (formula grant)	0.022
Other Integrated Transport Schemes: Uckfield Bus Station (revenue set aside)	0.150
Peacehaven Library Refurbishment & Conversion (revenue set aside)	0.070
The Keep (revenue set aside)	0.005
Rights of Way Vehicle (revenue set aside)	0.024
Schools Delegated Capital Expenditure 2021/22 (specific grant and schools contributions)	0.788
IT&D Strategy Implementation: Workstyles Technology (specific reserves)	0.152
Flood and Coastal Resilience Innovation Programme (specific grant)	0.445
Emergency Active Travel Fund – Tranche 1 (specific grant)	0.019
Salix Solar Panels (Specific Grant)	0.025
Salix Grant programme 2021/22 outturn (specific grant)	(0.265)
Getting Building Fund: Food Street (Local Enterprise Partnership (LEP) Specific Grant)	0.100
Getting Building Fund: Seven Sisters (Local Enterprise Partnership (LEP) Specific Grant)	0.200
Getting Building Fund: Fast Track Business Solutions (LEP Specific Grant removed)	(3.500)
Programme Movement: Other Integrated Transport Schemes – allocate funding to specific scheme below (formula grant)	(1.100)
Programme Movement: Eastbourne Town Centre Phase 2 (formula grant)	0.900
Programme Movement: A22 Corridor Scheme (formula grant)	0.200
Programme Movement: Community Match Fund – allocate underspend to community focused road safety interventions (capital reserve)	(0.750)
Programme Movement: Community Focused Road Safety Interventions (capital reserve)	0.750
<b>Total Variations</b>	<b>(0.883)</b>

2.3 Total 2021/22 capital expenditure was £75.9m against an approved budget of £85.9m (including a net budget reduction of £2.3m of approved variations detailed above), resulting in a variation to budget of £10.0m (compared to net variation estimated of £3.5m forecast at Q3). This variation comprises of slippage of £10.0m which has been reprofiled into future years following a review by services and Capital and Strategic Asset Board, and an underspend of £0.3m on the planned programme. In addition, there is £0.3m of projected COVID-19 related costs that will be funded from COVID-19 specific or tranche funding, thereby having a net nil impact on the Council's capital programme. Details of this are presented in the Q4 monitoring.

2.4 A detailed programme has been included **Annex 1**.

### **3 Funding Update**

3.1 At budget setting in February 2022 several announcements regarding future formula grant allocations were still outstanding. Assumptions previously made for planning purposes relating to these were therefore not changed, as levels were considered reasonably prudent. Given that these non-specific grants are used to fund the approved targeted Basic Need capital programme, but not to inform the level of investment. The level of investment being a strategic decision by the Council. Therefore, the Capital Strategy asserts that any additionality is used to reduce the Councils need to borrow.

3.2 The February 2022 report also considered the potential increased burdens of pending planning system reform and the trend of Community Infrastructure Levy contributions to focus on

transport infrastructure work (which is added via approved variation as net nil to the programme). Both have increased the risk of achieving the S106/CIL funding target identified in the programme. Additionally, on the 11 May, the Government introduced the Levelling Up and Regeneration Bill into Parliament. Within this Bill are likely to be changes to the mechanism currently used for securing new and improved/expanded infrastructure (i.e. S106 agreements and CIL) with the introduction of a single Infrastructure Levy which continues to increase the uncertainty with regard this funding stream. The capital update approved at Full Council in February proposed that, due to this ongoing uncertainty, any increase in capital formula grant allocations in 2022/23 would look to reduce the Section 106/CIL income target. With the caveat that additional grant over the current assumption for Highways, will first be considered against further capital investment opportunities.

- 3.3 Considering the above, table 4 provides the capital funding position, updated to reflect the 2021/22 outturn position, approved variations and Government funding announcements.

<b>Table 4 - Capital Programme Funding movements (£m)</b>	<b>As at February 2022</b>	<b>Approved Variations and Programme Updates (see 2.2)</b>	<b>2021/22 (Under) / Over Spend (2.3)</b>	<b>2021/22 Use (2.3)</b>	<b>Other Funding Changes</b>	<b>Updated Funding</b>
Section 106 & CIL - identified (see 3.8)	<b>14.282</b>	-	-	(5.916)	1.257	<b>9.623</b>
Section 106 & CIL - Target (see 3.4 and 3.8)	<b>24.068</b>	-	-	-	(4.861)	<b>19.207</b>
Other Specific Funding	<b>31.704</b>	(2.632)	-	(10.330)	-	<b>18.742</b>
Capital Receipts (see 3.9)	<b>21.004</b>	-	-	(5.840)	4.136	<b>19.300</b>
Formula Grants (see 3.4)	<b>230.391</b>	0.904	-	(22.916)	12.226	<b>220.605</b>
New Homes Bonus Grant*	<b>0.816</b>	-	-	-	-	<b>0.816</b>
Reserves and Revenue set aside	<b>56.731</b>	0.845	(0.153)	(5.185)	2.089	<b>54.327</b>
Covid-19 Grant Funding	<b>0.250</b>	-	0.326	(0.365)	-	<b>0.211</b>
Borrowing	<b>373.633</b>	-	(0.203)	(25.367)	(14.847)	<b>333.216</b>
<b>Total Programme Funding</b>	<b>752.879</b>	<b>(0.883)</b>	<b>(0.030)</b>	<b>(75.919)</b>	<b>0.000</b>	<b>676.047</b>

\* If New Homes Bonus is received in 2023/24 a decision will be made through the RPPR process regarding its potential use for capital.

- 3.4 More detail of the £12.2m additional funding (2022/23 – 2024/25) from formula grants is provided in table 5 below. Initial proposals, in line with the position presented in February 2022, would reduce borrowing by £8.6m and the S106/CIL target by £3.6m and as set out below:

<b>Table 5 – Changes to Formula Grants</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>Total</b>
Local Transport Capital Block Funding (3.5)	2.939	0.000	0.000	<b>2.939</b>
School Basic Need capital allocation (3.6)	0.329	2.682	(1.622)	<b>1.389</b>
HNPCHA capital allocation change (3.7)	3.275	4.623	0.000	<b>7.898</b>
<b>Total Changes to Formula Grants</b>	<b>6.543</b>	<b>7.305</b>	<b>(1.622)</b>	<b>12.226</b>
Total reduction to borrowing	2.939	7.305	(1.622)	<b>8.622</b>
Total reduction to S106 and CIL target	3.604	-	-	<b>3.604</b>
<b>Total Changes to Funding</b>	<b>6.543</b>	<b>7.305</b>	<b>(1.622)</b>	<b>12.226</b>

- 3.5 **Local Transport Capital Funding:** On 28 February 2022 the Department for Transport announced the allocation of Local Transport Capital Block Funding (comprising Highways Maintenance Block and including the Potholes Fund) to local authorities for the financial year 2022/23 and indicative allocations for the years 2023/24 and 2024/25 subject to consultation. This represents an increase in funding of £2.939m for 2022/23 compared to assumed grant, currently no increase has been included for the latter 2 years so that a prudent approach can be taken ahead of the outcome of consultation. In line with the principles outlined in the Capital Strategy, the additional allocation announced for 2022/23 is proposed to reduce the required borrowing, supporting the highways maintenance programme, of £53.6m by £2.939m. For prudence, no further reduction to borrowing will be applied for the subsequent two years. Should the outcome of the consultation confirm the additional funding then this would also reduce the borrowing requirement in line with Capital Strategy principles.
- 3.6 **Schools Basic Need Allocation:** On 28 March 2022 the Department for Education (DfE) made various announcements with regard to schools' capital funding to local authorities for the 2022/23 financial year and beyond. With regards to Schools Basic Need capital allocation, the announcement based principally on data collected from local authorities in the 2021 School Capacity Survey (SCA), represents a total increase in funding of £1.389m (£0.329m in 2022/23 and a total of £1.060m in the following two years) compared to assumed grant funding. ESCC allocates this grant to fund the Schools Basic Need capital programme to meet the statutory duty of providing sufficient school places. The programme is also supported by S106/CIL contributions and borrowing. The required level of investment is historically greater than the level of basic need grant received, with a borrowing requirement of £28.0m over the period 2021/22 to 2024/25. It is proposed that the £0.329m increase in 2022/23 will be used to reduce the Section 106/CIL income target in line with the principles agreed in February 2022, and the additional grant in later years would reduce the level of borrowing associated to the Schools Basic Need programme in line with the principles outlined in the Capital Strategy.
- 3.7 **High Need Provision Capital Allocation (HNPCA):** The DfE announcement on 28 March 2022 also included allocations for the HNPCA for 2022/23 and 2023/24. The announcement represents a total increase in funding of £7.898m (£3.275m in 2022/23 and £4.623m in 2023/24 compared to assumed grant funding. ESCC allocates this grant to fund the programme of required SEND places. The required level of investment is historically greater than the level of grant received, with a borrowing requirement of £13.9m over the MTFP to 2024/25 (including for provision at Grove Park / Beacon). It is proposed that the £3.275m increase in 2022/23 will support the current investment in SEND, but rather than reduce borrowing, will be used to reduce the S106/CIL income target in line with the principles agreed in February 2022. The additional grant in later years would then reduce the level of borrowing associated to the SEND programme in line with the principles outlined in the Capital Strategy.
- 3.8 **S106 and CIL update:** Ongoing work through the cross departmental CIL and S106 working group has identified a further £1.257m of S106 contributions that can be used to fund basic need programme. This will reduce the S106/CIL funding target identified in the capital programme. There continues, however, to be a risk that the current target for Infrastructure Contributions to support the programme is too high. A detailed review of the risk associated to the income target will be carried out as part of the RPPR process. S106 and CIL funding contributions provide an important source of funding towards basic need requirements and unfunded infrastructure schemes, and can often facilitate leverage of additional external funding. CET had previously identified £27m of transport infrastructure requirements up to 2024 to support the delivery of growth allocations in Local Plans across the County. Work has been ongoing to update this requirement, with latest estimates being a total requirement of £171.5m up to 2030. These schemes are funded by development contributions including S106 and CIL and other external funding sources and, in line with the Capital Strategy, will be approved via

variation as funding streams are confirmed and will have a net nil impact on the capital programme.

- 3.9 **Capital Receipts update:** Review and refinement of Property Services schedule of capital receipts is undertaken on a regular basis with estimates are based on Property Officers' professional judgement on a site by site basis. This is supported by the work undertaken recently and successfully getting a number of surplus properties to the point of sale. Following a recent review, it is suggested that anticipated capital receipts can be increased by £4.136m for capital planning purposes.

#### **4 Programme Risks and Pressures**

- 4.1 A £7.5m ongoing risk provision was approved in February 2022 to mitigate against capital programme risks, representing more than 2% of the programme over the MTFP period. This risk provision is a permission to borrow for emerging risks and is managed through ensuring Treasury Management capacity rather than representing funds that are within the Council's accounts. There are several risks and uncertainties regarding the programme to 2024/25 and beyond which have necessitated holding a risk provision, these risks as reported at Budget 2022 include:
- Excess inflationary pressures on construction costs
  - Uncertainty about delivery of projects in the programme, e.g. highways and infrastructure requirements
  - Any as yet unquantifiable impact of supply issues and cost increases
  - Any as yet unknown requirements,
  - Residual project provision (previously removed) if required; and
  - Uncertainty regarding the level of government grants and the ability to meet CIL and S106 targets.
- 4.2 There are currently increased uncertainties that exist within the construction industry in terms of supply chain issues and high-cost inflation. The capital programme includes an element of 'normal' level of inflation for ongoing target-based core programmes (as opposed to programmes that have cash limited envelopes) such as Highways of 3% annually, with any increases above this level to be covered by the risk provision.
- 4.3 In addition, it is anticipated that there will be increasing pressures on the current programme due to the climate change agenda meaning additional requirements will need to be incorporated into the current programme, such as emerging environmental planning requirements and low carbon replacements of current assets. Emerging pressures on supply chain and inflation should be reported to Capital and Strategic Asset Board so they can be considered as part of the broader RPPR process.

## 5 Programme Update and Review / RPPR Next Steps

- 5.1 Work will now be progressed as part of the RPPR process to extend the programme by a further year to maintain a 10-year planning horizon and ensure continued links into, and support of, the Council's other strategies. As well as adequacy of the risk provision and climate emergency work allocation.
- 5.2 The Capital Strategy will also be reviewed to ensure it continues to drive investment ambition in line with the Council's priorities and to continue to include equality impact assessments (EQIAs) as part of the capital RPPR process. Whilst also providing for appropriate capital expenditure, capital financing and treasury management within the context of sustainable, long-term delivery of services. Updates to the Capital Strategy approved in February 2022 included the emerging relevance of Environment, Social and Governance (ESG) considerations.
- 5.3 Any ongoing pressures and issues that Covid-19 presents will continue to be reviewed as part of the Council's performance monitoring process and funding options will be considered if specific mitigations are not forthcoming.
- 5.4 As part of RPPR Service Departments will also, as normal be asked to conduct a general review of their specific investment need. Specific issues arising are set out below: -
- **Highways Maintenance:** impact of the highways contract.
  - **Special Education Needs and Disability (SEND) School Places:** further SEND provision.
  - **Schools Basic Need:** School Basic need requirements based on SCAP returns and District/Borough council local plans.
  - **Workstyles investment:** a joint review of investment need (including on IT&Digital) to support changing workstyles where the impact of the pandemic has provided opportunities to accelerate planned changes of new working practices.
  - **Carbon Neutral Commitment:** adequacy of provision.
  - **Opportunity to bid for One Off funding from the £5.175m Services Grant allocation set aside as part of the budget in February 2022:** this is a separate process.
  - Ongoing business case development outside basic need.

## 6 Conclusion

- 6.1 This report provides an update on current approved capital programme as part of the annual RPPR cycle. Work will now be progressed as part of the RPPR process to extend the programme by a further year to maintain the 10-year planning horizon and link into and support the Council's other strategies. The Capital Strategy and programme will be reviewed, considering other Council strategies as defined in the Capital Strategy, any requirements outside basic need will need to be supported by a business case.

## Annex A – Detailed Capital Programme

Capital Programme (gross) (£m)	MTFP Programme			2025/26 to 2031/32	Total
	2022/23	2023/24	2024/25		
<b>Adult Social Care:</b>					
House Adaptations	0.050	0.050	0.050	-	<b>0.150</b>
Greenacres	0.144	-	-	-	<b>0.144</b>
<b>Adult Social Care Total</b>	<b>0.194</b>	<b>0.050</b>	<b>0.050</b>	-	<b>0.294</b>
<b>Business Services:</b>					
Salix Contract	0.350	0.350	0.350	2.450	<b>3.500</b>
Lansdowne Secure Unit – Phase 2	0.075	-	-	-	<b>0.075</b>
Special Educational Needs	1.600	1.589	-	-	<b>3.189</b>
Special Educational Needs – Grove Park / Beacon	2.500	5.000	6.000	5.600	<b>19.100</b>
Special Provision in Secondary Schools	0.120	-	-	-	<b>0.120</b>
Disability Children's Homes	0.218	-	-	-	<b>0.218</b>
Westfield Land	0.721	-	-	-	<b>0.721</b>
Schools Basic Need	5.416	5.517	15.853	71.737	<b>98.523</b>
Capital Building Improvements (Schools)	5.179	4.182	4.182	29.274	<b>42.817</b>
Capital Building Improvements (Corporate)	3.439	4.520	4.520	31.640	<b>44.119</b>
IT & Digital Strategy Implementation	12.237	13.057	4.928	48.625	<b>78.847</b>
IT & Digital Strategy Implementation - Utilising Automation	0.024	-	-	-	<b>0.024</b>
<b>Business Services Total</b>	<b>31.879</b>	<b>34.215</b>	<b>35.833</b>	<b>189.326</b>	<b>291.253</b>
<b>Children's Services</b>					
House Adaptations	0.050	0.050	0.050	-	<b>0.150</b>
School Delegated Capital	0.729	1.150	1.150	-	<b>3.029</b>
Conquest Centre Redevelopment	0.015	-	-	-	<b>0.015</b>
<b>Children's Services Total</b>	<b>0.794</b>	<b>1.200</b>	<b>1.200</b>	-	<b>3.194</b>
<b>Communities, Economy &amp; Transport:</b>					
Broadband	0.911	2.757	2.757	-	<b>6.425</b>
Salix Solar Panels	0.077	-	-	-	<b>0.077</b>
Climate Emergency Works	2.090	1.516	5.922	-	<b>9.528</b>
Flood & Coastal Resilience Innovation Programme	0.250	-	-	-	<b>0.250</b>
Bexhill and Hastings Link Road	0.318	-	-	-	<b>0.318</b>
Bexhill and Hastings Link Road – Complementary Measures	0.167	0.060	-	-	<b>0.227</b>
Economic Intervention Fund – Grants	0.282	0.435	0.300	1.054	<b>2.071</b>
Economic Intervention Fund – Loans	0.497	0.500	0.500	0.473	<b>1.970</b>
Stalled Sites	0.055	0.120	0.104	-	<b>0.279</b>
Upgrading Empty Commercial Properties	-	0.007	-	-	<b>0.007</b>
Community Match Fund	0.100	0.380	-	-	<b>0.480</b>

Community Road Safety Interventions	0.250	0.250	0.250	-	<b>0.750</b>
Newhaven Port Access Road	0.189	0.020	0.776	-	<b>0.985</b>
Real Time Passenger Information	0.074	0.078	0.060	0.061	<b>0.273</b>
Queensway Depot Development	0.175	0.466	-	-	<b>0.641</b>
Hailsham HWRS	0.164	-	-	-	<b>0.164</b>
The Keep	0.132	0.096	0.026	0.823	<b>1.077</b>
Other Integrated Transport Schemes	3.144	5.440	5.209	21.867	<b>35.660</b>
Integrated Transport Schemes – A22 Corridor	0.200	-	-	-	<b>0.200</b>
Exceat Bridge Replacement	2.176	3.733	2.509	-	<b>8.418</b>
Emergency Active Travel Fund – Tranche 2	0.756	-	-	-	<b>0.756</b>
Libraries Basic Need	0.497	0.789	0.449	2.245	<b>3.980</b>
Peacehaven Library Refurbishment and Conversion	0.028	-	-	-	<b>0.028</b>
Libraries Targeted Support	0.211	-	-	-	<b>0.211</b>
Highways Structural Maintenance	21.186	21.147	21.688	168.404	<b>232.425</b>
Bridge Assessment Strengthening	3.022	3.708	1.775	15.519	<b>24.024</b>
Street Lighting and Traffic Signals	3.723	3.792	3.839	10.590	<b>21.944</b>
Street Lighting and Traffic Signals – Salix Scheme	0.650	-	-	-	<b>0.650</b>
Visually Better Roads	5.609	-	-	-	<b>5.609</b>
Rights of Way Surface Repairs and Bridges	0.565	0.565	0.514	3.616	<b>5.260</b>
<b>Communities, Economy &amp; Transport (LEP Funded Schemes):</b>					
Eastbourne Town Centre Phase 2	3.241	-	-	-	<b>3.241</b>
Eastbourne/South Wealden Walking & Cycling Package	2.351	-	-	-	<b>2.351</b>
Hailsham/Polegate/Eastbourne Movement & Access Corridor	0.550	0.409	-	-	<b>0.959</b>
Hastings & Bexhill Movement & Access Package	4.089	0.987	-	-	<b>5.076</b>
Skills for Rural Businesses Post-Brexit	0.915	-	-	-	<b>0.915</b>
Getting Building Fund – Rising Sunbeams	2.477	-	-	-	<b>2.477</b>
Getting Building Fund – UTC Maritime and Sustainable Technology Hub	1.300	-	-	-	<b>1.300</b>
Getting Building Fund – Food Street	0.100	-	-	-	<b>0.100</b>
Getting Building Fund – Seven Sisters	0.200	-	-	-	<b>0.200</b>
<b>Communities, Economy &amp; Transport Total</b>	<b>62.721</b>	<b>47.255</b>	<b>46.678</b>	<b>224.652</b>	<b>381.306</b>
<b>Total Programme</b>	<b>95.588</b>	<b>82.720</b>	<b>83.761</b>	<b>413.978</b>	<b>676.047</b>