

LGA Corporate Peer Challenge

East Sussex County Council

20-23rd June 2023

Feedback report





Contents

- 1. Executive summary _____ 3
- 2. Key recommendations _____ 4
- 3. Summary of the peer challenge approach _____ 6
- 4. Feedback _____ 7
- 5. Next steps _____ 14

1. Executive summary

The peer challenge team found East Sussex County Council (ESCC) to be a well-run council, with both the Leader of the Council, and the Chief Executive, well-respected by staff, partners, and members. The managerial and political Leadership of the council is well established with both the Chief Executive and Leader being experienced and having held their positions for a number of years.

The peer challenge team found that the whole council was open and approachable, this came through consistently in interviews, and in feedback from stakeholders and partners.

East Sussex County Council strives to be an inclusive organisation with some front-line staff praising the organisation for its genuine commitment to equality, diversity, and inclusion.

The peer challenge team was impressed by the loyal, proud, and dedicated staff. The team found that there was no fixation on hierarchy within the organisation and that staff work together collaboratively. A staff member in a focus group summed it up, saying they were: "Proud to work for East Sussex County Council. No egos. It is well run and positive".

The peer challenge team reviewed documentation, policies, and reports. The team found that the council is financially prudent, an evidence-based organisation with robust governance arrangements. The team noted that the council has a low-risk approach and queried if this approach needs to be adapted to meet the significant challenges the council is facing.

It was clear in interviews, and from reviewing performance data and reports, that the organisation does what it says it will do and does it well. The team found a strong record of delivery across all key services areas.

In interviews partners and stakeholders repeatedly stated that East Sussex County Council is a trusted and respected partner.

Members, including opposition members, stated in interviews that member - officer relations are strong. The peer challenge team found that there are good member-officer relations built on trust and mutual respect.

The peer challenge team reviewed policies, statistics and asked about climate change in interviews. The team found that there are good foundations in place on carbon reduction. However, in the view of the peer challenge team, more could be done to work collaboratively with partners on wider climate issues where partners are willing. The team also found that more clarity is required on countywide sustainable growth for example: Biodiversity Net Gain, asset optimisation, green skills, and green technology.

The peer challenge team reviewed budget reports and documents and asked questions about the council's finances in interviews. The team noted that the council has identified significant gaps within the Medium-Term Financial Plan (MTFP). In the peer challenge team's view, there is more work to be done on how that budget gap will be resolved and what the council's service offer will be.

The peer challenge team urges the council to build on the good foundations to plan for the longer-term future. A key question to answer is: 'how will the council change to meet those longer-term challenges whilst supporting residents?'

In interviews it was clear that partners would welcome the council taking on a stronger leadership role, convening partners on broad strategic issues. The peer challenge team are of the view that the council could become a more active place shaper and working with others, help create and deliver a defined vision for the local area.

The peer challenge team found that there was good and innovative practice in places. The team believe that this good and innovative practice should be shared and celebrated more across the organisation, and with the public.

The peer challenge team reviewed the management of property and assets. The team found that there is a need for a more corporate, coherent approach to the management and distribution of property and assets. The peer challenge team encourage the council to continue to think about opportunities for alternative use, including for County Hall, and co-location of the wider public estate.

2. Key recommendations

There are a number of observations and suggestions within the main section of the report. The following are the peer team's key recommendations to the council:

2.1 Recommendation 1

Work with partners and stakeholders to create a compelling place narrative for East Sussex.

2.2 Recommendation 2

Produce a detailed multi-year plan for the future council offer which addresses the challenges and uncertainties as outlined in the Medium-Term Financial position.

2.3 Recommendation 3

Utilise the strong financial record and consider a greater risk appetite in some areas, in order to meet ambitions on key priorities and challenges.

2.4 Recommendation 4

Take the opportunity to convene a countywide climate change partnership board. This would enable greater alignment and collaboration in the delivery of climate action (where partners are willing). Consider what capacity, capability, and resources will be required.

2.5 Recommendation 5

Act on the future of office spaces, particularly County Hall, reflecting the move to hybrid working, creating more opportunities for cross-departmental communication and collaboration including partners. Use this decision as an opportunity to stimulate environmental, social, and economic value.

2.6 Recommendation 6

Build on the work being done on increasing opportunities for advancement, talent identification, succession planning, and recruitment. Increase diversity, including at senior levels of the organisation.

2.7 Recommendation 7

Identify and showcase the many examples of individual and team excellence and celebrate the successes with pride.

2.8 Recommendation 8

Review the current organic, incremental approach to change, in order to meet the current and future challenges.

3. Summary of the peer challenge approach

3.1 The peer team

Peer challenges are delivered by experienced elected member and officer peers. The make-up of the peer team reflected the focus of the peer challenge and peers were selected on the basis of their relevant expertise. The peers were:

- Chief Executive Peer – Dr Martin Reeves, Oxfordshire County Council
- Member Peer – Cllr Simon Geraghty, Leader of Worcestershire County Council
- Senior Officer Peer – Matti Raudsepp - Director of Customer, Arts & Property -Bournemouth, Christchurch & Poole Council.
- Senior Officer Peer – Julie Greaves - Head of Sustainability, Hertfordshire County Council
- Peer Challenge Manager - Angela Kawa, LGA
- NGDP Shadow - Sophie Kitching, Warwickshire County Council

3.2 Scope and focus

The peer team considered the following five themes which form the core components of all Corporate Peer Challenges. These areas are critical to councils' performance and improvement.

1. **Local priorities and outcomes** - Are the council's priorities clear and informed by the local context? Is the council delivering effectively on its priorities?
2. **Organisational and place leadership** - Does the council provide effective local leadership? Are there good relationships with partner organisations and local communities?
3. **Governance and culture** - Are there clear and robust governance

- arrangements? Is there a culture of challenge and scrutiny?
4. **Financial planning and management** - Does the council have a grip on its current financial position? Does the council have a strategy and a plan to address its financial challenges?
 5. **Capacity for improvement** - Is the organisation able to support delivery of local priorities? Does the council have the capacity to improve?

In addition to these questions, the council asked the peer team to provide feedback on climate change issues and actions.

3.3 The peer challenge process

Peer challenges are improvement focused; it is important to stress that this was not an inspection. The process is not designed to provide an in-depth or technical assessment of plans and proposals. The peer team used their experience and knowledge of local government to reflect on the information presented to them by people they met, things they saw and material that they read.

The peer team prepared by reviewing a range of documents and information in order to ensure they were familiar with the council and the challenges it is facing. The team then spent three and a half days onsite at East Sussex County Council, during which they:

- Gathered information and views from more than 50 meetings, in addition to further research and reading.
- Spoke to 108 people including a range of council staff together with members and external stakeholders.

This report provides a summary of the peer team's findings. In presenting feedback, they have done so as fellow local government officers and members.

4. Feedback

4.1 Local priorities and outcomes

The peer challenge team reviewed the council's performance data and reports. The



team found that the council has a strong track record of service delivery and delivering for residents.

Ofsted Inspections have been very positive with the council's Children's Services judged to be Outstanding in 2018. The Joint Area inspection in 2020 was also very positive. Local preparations are underway for CQC assurance inspection.

The peer challenge team reviewed the council's approach to the use of data. The peer challenge team are of the view that the council needs to do more to utilise data across the organisation and with partners, for insights and longer-term forecasts and scenario planning. This will assist the council in preparing for the future and ensuring the organisation considers how it can meet changing demands with constrained budgets and resources.

In interviews it was clear that council staff feel that the organisation is inclusive. The council is making further advancements in Equality, Diversity, and Inclusion (EDI). However, greater diversity is required at all levels of management. The senior management team and HR are aware that this is an area where they need to develop further and are working to make positive changes in this area.

The peer challenge team saw evidence that demonstrated that both Children's and Adult Social Services are actively considering EDI in their work and undertaking specific training for staff in their departments. The peer challenge team urge the council to use the newly established EDI Board to consider how this can be replicated across the organisation.

The peer challenge team looked at the economic growth hub and heard in interviews with partners that the hub is valued by them and that it has been effective. The team urge the council to consider ways to increase funding to the growth hub in order to sustain ongoing business support to Small and Medium Enterprises.

In interviews the team heard that local civil society has stepped up and taken on delivery of some community support work. In a number of interviews these organisations stated that they are willing to do more. In the view of the peer team the council could work with them to deliver things differently, using coproduction to effectively and efficiently produce shared outcomes that would be beneficial to local communities.

4.2 Organisational and place leadership

The peer challenge team reviewed the evidence provided and interviewed staff, members, and partners. The team found that East Sussex County Council is a well-run and well-managed organisation with a good record on service delivery.

The peer challenge team also found that East Sussex County Council has well-respected senior management and political leadership. Partners, staff, and members, repeatedly said in interviews that both the Chief Executive and Leader are accessible, approachable, and responsive.

The council has a strong commitment to partnership working and is considered a good partner by their stakeholders. These partnerships are not fully utilised and could be developed further. The peer challenge team encourages the council to build on these good relationships to deliver improved outcomes for the area and local communities.

The peer challenge team reviewed, policies, plans and reports. The team found that whilst there are lots of individual place-based plans and policies and a clear and coherent council plan, there is no overarching vision for East Sussex as a place. In the view of the peer challenge team a place vision could help bring partners together to tackle some of the more difficult and longer-term issues which cannot be dealt with by any one organisation acting alone. For example, climate change.

The peer challenge team urges the council to consider how it could take more of a leadership role and convene partners on these broader issues.

4.3 Governance and culture

The peer challenge team spoke to a range of staff in different parts and at different levels of the organisation, and also spoke to HR and the unions. A staff member in a focus group stated that East Sussex County Council is: “A good place to work”. The peer challenge team found that the organisation is supportive and inclusive.

The peer challenge team reviewed audit and risk management. The peer challenge team found that there are strong arrangements in place for internal audit, risk, and assurance. This has been endorsed by external audit reports.

The council has a really strong foundation including strong financial management and governance procedures. The peer challenge team believe that this strong base can allow the council to dare to do things differently, and in some areas be bolder.

The peer challenge team looked at the council's governance arrangements and procedures. The team found that the Reconciling Policy, Performance and Resources (RPPR) process has been an effective mechanism for delivering good performance and significant savings, it is well understood and embedded within the organisation. However, the council should consider whether this process is effective for longer-term, multi-year financial challenges. And therefore, consider what other approaches are needed in order to meet the multi-year financial challenge and the budget gap.

The peer challenge team found that processes at the council are strong and robust. However, there was some frustrations expressed by staff and partners that the processes can slow down the pace of delivery in some instances.

As stated elsewhere in this report, the peer challenge team found that there are good member-officer relations. The team also found that there are mutually respectful member-member relations as well. Members, including opposition members, reported that they feel that they get good support from officers. They also stated that officers are responsive.

The peer challenge team considered member training. The county council has a continuous member training programme which is regularly reviewed, and any improvements needed taken into account via member feedback and emerging issues. In the current financial climate, it would be prudent to review member training on budget/finances, audit, and risk management.

The peer challenge team looked at the scrutiny function at the council. Whilst scrutiny is well-run and supported by officers, there are some frustrations from opposition members. In particular opposition members would be keen to have more input into work plans and more opportunities to invite external witnesses. The peer challenge team encourages the council to consider this feedback and how scrutiny arrangements support this engagement.

The peer challenge team also encourages the council to review, and ensure it utilises, the skills and experience of all members, to provide further insight, capacity,

and challenge.

4.4 Financial planning and management

The peer challenge team reviewed budget documents, budget reports, audit reports and interviewed staff, members, and partners about the council's finances. The peer challenge team found that the council has a strong starting point with a good record of financial stability.

The team also considered the council's track record on the delivery of planned savings, the peer challenge team found that there is a good track record on delivery of savings.

The council has, however, identified a significant budget gap of circa £40m+ in 2025/26, and £54m in 2026/27. This significant budget gap is outlined in the Medium-Term Financial Plan. The Reconciling Policy, Performance and Resources (RPPR) process may not be sufficient to meet the scale of this budget gap, the council should consider enhancements or alternatives to this process.

Having reviewed the budget documents the peer challenge team believe that there is a need for greater use of data on demand projections, scenario planning and options appraisals, to address this gap. These options will need to be aligned to the future council offer.

The team are also of the view that the county council needs to forensically understand the following: activity, demand and cost within Children's and Adults Services. As these services are where the majority of the demand and budget pressure arise for the organisation.

The peer challenge team considered the council's reserves and financial resilience. Overall revenue reserves are at an appropriate level at present, but the budget gap may put reserves under significant pressure if demands continue to rise and savings are not achieved. Therefore, the council should develop a multi-year plan with options to address this future budget gap and ensure that the reserves are not put under pressure.

The peer challenge team considered the council's risk arrangements and approach to risk management. The council has robust arrangements, the team noted that the

council has a low appetite for risk. This low-risk appetite may need to be reconsidered in some areas as the council moves forward to bridge the budget gap.

To be clear, the peer challenge team are not suggesting that the council should switch to a high-risk approach, or stop being prudent or start undertaking risky investments. The peer challenge team are suggesting that there are some limited areas where the council could take a less low-risk approach in order to meet some of the budget challenges at pace. The council should continue to ensure proper and strong governance arrangements remain in place and that risk assessments, options appraisal and scrutiny are undertaken.

The peer challenge team encourages the council to review the use of capital monies and the capital budget to relieve some of the pressure on the revenue budget.

4.5 Capacity for improvement

East Sussex County Council has dedicated staff and willing partners, giving the organisation good foundations that can be built on.

The peer challenge team believes that there are more opportunities to use the convening power of the county council to tap into the clear good will and capacity of all willing partners. This would enable greater joint working and more delivery on the ground in local communities.

The peer challenge team considered the council's approach to improvement and learning. The council has a continuous incremental improvement model that has worked well to date. However, the peer challenge team are of the view that this incremental approach may not be sufficient going forward and may not provide the step change required to meet future challenges.

The team encourages the council to consider what the longer-term council offer is? Particularly in light of budget constraints, the budget gap and changing demand.

In interviews staff, members, and partners talked about the council's office spaces at different sites across the county. The office arrangements across the county have been reviewed and the peer team believe that the council now needs to make a clearly articulated decision on the question of office spaces. This should be done in light of hybrid working and climate change issues, considering the new needs for

more collaborative spaces and meeting rooms vs the need for desk spaces and the need to reduce the council's carbon footprint and ongoing emissions.

The peer challenge team found that there was some good and innovative practice being done in departments. The peer challenge team believes that the council should take innovation and good practice such as this from departments – replicate it and scale it up across the organisation.

The peer challenge team are of the view that there are opportunities in digital, and automation for the county council. The organisation needs to make the most of transformation opportunities from digital investment going forward.

4.6 Climate change

At the council's request the peer challenge team looked at one additional area of scope, climate change and the council's response to the challenges associated with it. There are good foundations in place on carbon reduction. The team reviewed policies, reports and procedures and found that much has been done to establish changes to procedures and practice (procurement, new builds etc.). However, climate change is not fully embedded and considered throughout policy formulation and the decision-making process.

The peer challenge team reviewed training arrangement and found that more training is needed to ensure both members and staff are fully engaged in the delivery of climate action e.g., the roll out of Carbon Literacy and/or in-house i-learn modules.

The peer challenge team looked at governance arrangements in relation to climate change and as a result, would encourage the council to review the current governance structure to deliver climate action across the county with willing partners. It is recommended that the council re-imagines the existing 'environment board' and reviews its membership (including both officers and members), to create a greater focus on climate action.

The peer challenge team encourages the council to work across the county with partners, to create a joined-up approach on climate change. The team are of the view that there is an opportunity to realise impact and share resources by doing this. In particular, there is significant opportunity to link with educational establishments,

businesses, industry, and commerce on the green skills agenda.

The peer challenge team also looked at capacity and the allocation of resources in this area and would suggest that the council needs to ensure that the resources match clearly defined ambitions for the county. The peer challenge team also found that more modelling is required to aid this discussion.

The team believe that the council could be doing more in the way of scrutiny of this area of work. It is therefore suggested that the council undertakes a joint scrutiny of People and Place on the response to climate change, utilising the Centre for Governance and Scrutiny ten questions on climate change.

5. Next steps

It is recognised that senior political and managerial leadership will want to consider, discuss, and reflect on these findings.

Both the peer team and LGA are keen to build on the relationships formed through the peer challenge. The CPC process includes a six-month check-in session, which provides space for the council's senior leadership to update peers on its progress against the action plan and discuss next steps.

In the meantime, Will Brooks, Principal Adviser for the South East, is the main contact between your authority and the Local Government Association. He is available to discuss any further support the council requires.

william.brooks@local.gov.uk.