
West Sussex: Reset and Reboot

Summary

- 1** This report provides an overview of the work being done, building on the significant strengths of the County Council's COVID-19 response, to address the governance and service challenges facing the County Council in 2020/21 and beyond. The report proposes delivering a new corporate plan (the reset) to refocus and prioritise activities and budgets and also underpinning work (the reboot) to make significant changes to how we work within the County Council and with our partners.

Overview

- 2** The COVID-19 crisis has helped the County Council consolidate and strengthen the progress that had already started. Our new ways of working and focus directly benefit the residents, communities and businesses that we serve. In response to COVID-19 staff have been redeployed, partnership working has been accelerated and we have transformed our digital capability, supporting a predominantly remote workforce.
- 3** Although we have made significant progress in Children's Services, Fire & Rescue and corporate governance, we must not forget where we were before the virus hit. We know we needed to change and the good governance project has identified key areas for us to focus on, including a commitment to put residents at the heart of everything we do; to create strong and visible joint member and officer leadership; to work closely with partners; to invest in and value our staff; and to make the way we work as straightforward as possible.
- 4** We have demonstrated to ourselves and to others during the COVID-19 crisis what we are capable of and the uncompromising commitment of members and our workforce to the residents of West Sussex. We have shown through the cooperation across the health and social care sector and the formation of the community hubs, that we can work well with partners. Things are different already, but we need to keep changing to build on the progress we have made.
- 5** Our key next steps are to define what we do next (reset) and how we do it (reboot).
- 6** The reset involves creating a new business plan. It will define the outcomes we will deliver during the next 12 months and be based on the work of members, our learning from COVID-19 and key service improvement work already underway. The service improvements in Children's, the Fire Service and Adults' will be included and, given the pressure on the West Sussex economy following COVID-19 and potential pressure post Brexit and any recession, our work with partners will be an essential part of future working. The detailed economic recovery plan will be considered by Cabinet at its next meeting. In our Reset Plan we will be clear about the work we are committing to, it will be costed, reflecting the significant financial pressures West Sussex County Council is under, and supported by robust planning and performance routines.
- 7** The reboot or the 'how' we achieve these outcomes involves a number of steps. Guided by the Leader and Cabinet, members will be provided with the tools and development to support effective leadership and scrutiny. We will develop senior

officers to strengthen collective leadership and part of that will involve delivering a small number of demonstrator projects where we will test new ways of working. These are not yet finalised but will focus on key issues that involve cross council working such as prevention, streamlining decision making and robust performance management.

- 8** We have demonstrated our capability and commitment to our residents during COVID-19. Our focus now is to continue to build on these positives and create at the core of the organisation a focus on the communities we serve, effective leadership, strong officer/member relationships, a commitment to partnership working and a valued and high-performing workforce.

The Reset Plan

- 9** It is vital that the County Council develops an integrated business and financial planning cycle that is based on a good understanding of the local evidence base, the national and local policy context, a comprehensive understanding of the financial position (revenue and capital) and the service challenges in meeting the needs of residents, businesses and communities. The Reset process will bring together our policy, business and financial planning and risk management. It will be the vehicle for the County Council's decision making and planning to ensure we are making the very best use of the resources available, understanding the value for money we deliver and focussed on our priority outcomes. It will also ensure we understand the implications of the tough choices that will need to be made in the face of huge resource and demand challenges and also uncertainty.
- 10** The Reset Plan and Reboot will be underpinned by the agreed West Sussex County Council Values and following principles:
- Led and made in West Sussex reflecting residents, communities and businesses needs and building on our strengths
 - Strong learning from our own and others' experiences including COVID-19
 - Based in realistic optimism and a sustainable business plan (performance, resources and risks)
 - Held together consistently with a focus on agreed priorities
 - Providing clarity about what successful outcomes look like in 12 months' time.
- 11** In compiling the Reset Plan we will give full consideration to the need to sustain the improvements identified and initiated in Fire & Rescue Services and Children's Services before the pandemic and also the need to devise a Development Plan for Adults' Services. We also need to give full consideration to residents' views, especially in relation to the crucial provision of highways, supporting economic recovery and incorporate our significant ambition to deliver our climate strategy for West Sussex. We must also recognise that resources will be under significant pressure and there will be tough choices to be made as we deliver a balanced budget and ensure we are a financially sustainable and resilient organisation.
- 12** The plan will be developed through strong engagement with members, including through scrutiny work, staff and our local partners and also drawing on best practice from elsewhere.
- 13** We want to work openly so this report sets out:

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- the current position and evidence base in West Sussex (**Appendix 1**)
 - our overview of national and local policy context (**Appendix 2**)
 - a summary of performance in 2019/20 (**Appendix 3**)
 - an overview of our financial position and projections (**Appendix 4**).

14 It is also important to recognise that the Reset Plan will need to be a dynamic document supported by an iterative process as we currently can only have limited understanding of how we will need to evolve our services to deal with the future. This will emerge as we learn to live with the reality of a world with COVID-19 and the significant impact on people's lives. We will need to manage the legacy impacts of the initial wave of infection and respond to potential new waves of infection for the foreseeable future. The pandemic has had a profound impact on our communities and services which we are not yet fully able to quantify and reflect in our future activities and finances. In shaping the Reset Plan we need to consider a number of timeframes:

- Immediate: preparatory work that, subject to resource, be undertaken during the response phase in preparation for recovery;
- Medium term – initial weeks and months: living with the virus and social distancing and making sure our services can operate in this new context; and
- Longer term: first year and beyond, the world post vaccine.

15 We will plan initially on the need for services, communities and businesses to adapt to the new reality of coronavirus being with us for the next year as a minimum; while also managing the recovery from and legacy impacts of the initial wave of infection. Although national restrictions are gradually being lifted in light of declining rates of transmission, at a local level, we expect to be taking steps to keep transmission rates low and deal with potential outbreaks for some time, which will have an impact on our resources and the way we deliver services.

16 In developing our medium and longer term plans we will need to have regard to the broader context in which we will be working. This includes:

- The impact of operating in an economy which may be in recession. The Government will have to consider how to approach its borrowing commitments - this could mean a mixture of higher taxation, with possible impact on economic recovery and reductions in public service expenditure. Both would impact on the County Council's income and ability to spend.
- The combination of a recession driving up demand for our services and the Government's spending decisions on our financial position – as the County Council is required by law to set a balanced budget.
- The impact on young people's education, wellbeing and prospects and on those of many working-age adults.
- The impact of the end of the transition phase of Brexit on the economy, our responsibilities and our access to goods and services.
- The conclusions the Government may draw from the pandemic in terms of public services – for example the solutions for better integration in health and social care and what will be the effect on the role of local government in the future?

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- The impact on our supply chains and what that means for our choices about commissioning and direct provision?
 - The impact of the pandemic on our public and Voluntary and Community Sector (VCS) partners – we need to build on the positive aspects of the work with them during the emergency to tackle issues in the future, including the increased need that is likely to exist in our communities as a result of the pandemic.

The Financial Outlook

(a) Revenue

- 17** At a national level, government funding that the County Council will receive between 2021/22 to 2023/24 is yet to be confirmed. The Spending Review (SR) 2019 was for a single year, therefore funding will need to be announced for SR20, the date of which is still to be confirmed, although it is anticipated to be during the Autumn. Additionally, the Fair Funding Review and Business Rate Retention reform have been delayed until at least 2021/22. For robust financial plans to be developed, it is essential that some level of certainty of government funding is received.
- 18** At a local level, the impact of the pandemic and economic downturn on income collection rates for Council Tax, growth on the Council Tax base and the levels of Business Rates have yet to be fully understood and modelled. There is the potential for a significant reduction in the collection of Council Tax in 2020/21 extending into the Medium Term Financial Strategy period. The delay in the Business Rates Retention reform and the impact of business failure arising from the economic downturn has the potential to significantly reduce income in 2020/21 onwards. The announcement on 2 July of additional government funding, to support the response to pressures arising from COVID-19, and the proposal to spread the potential impact of any Collection Fund deficit over a three year period are to be welcomed however, this will not change the overall financial outlook for the County Council.
- 19** The financial risks facing us are significant, growing and potentially will impact in the near future. More detail is provided at Appendix 4. COVID-19 has had a significant financial impact upon our financial resilience. The County Council is facing unprecedented pressures as a consequence of the COVID-19 circumstances but, the urgency of managing this situation could potentially result in losing sight of the longer term financial implications, that in the worst case scenario could result in the need for halting all non-essential expenditure in order to balance or reset the budget, what is often referred to as submitting a S114 notice.
- 20** In February 2020, prior to the impact of COVID-19, when setting its budget for 2020/21, the County Council recognised that there was a funding gap across the period 2021/22 to 2023/24 equal to £45m. The budget gap estimate was based upon the expectation that the 2020/21 budget would not be overspent, which in turn rested upon the expectation that savings and/or additional income of £18.4m in 2020/21 and a further £10.6m in 2021/22 would be delivered. The Budget Gap for 2021/22 has increased significantly since February 2020. The current estimate is that the budget gap for 2021/22 is somewhere between £34m and £73m, depending primarily upon the impact upon Council Tax and Business Rates as a consequence of the pandemic and the anticipated recession.

21 The impact of the COVID-19 situation, whereby the latest estimated impact submitted to the Ministry of Housing, Communities and Local Government in June anticipated a deficit of approximately £34m in 2020/21 relative to the funding provided by the Government to date, indicates the scale and speed of change that the County Council is dealing with. The details of the funding available to us as a consequence of the Government announcement on 2 July were not available at the time of writing this report but clearly, this would help to reduce any deficit but is unlikely to be enough to remove the estimated deficit entirely.

22 The current minimum budget gap for 2021/22, reflecting the circumstances arising from COVID-19 and representing the minimum level of savings or additional income to be identified in order to set a balanced budget for next year is £34m. This will potentially change depending upon a variety of factors;

- How deep and long-lasting the anticipated recession arising from the pandemic is.
- The level of further additional funding that might be made available by the Government, including confirmation that current grant funding underpinning essential services, for example social care, will not be withdrawn.
- Whether the recovery from the impact of the pandemic is sustained or whether there is a '2nd Wave'.
- The degree to which 2020/21 net expenditure is contained within the budgets available.

23 It is imperative that the Reset Plan enables the County Council to be resilient going forward ensuring it continues to hold its reserves for their intended purpose. Any drawdown of reserves required to fund pressures will need a robust and sustainable plan to reinstate the reserves to their original position.

24 To manage these risks the Reset Plan will incorporate a reset of the financial planning and all associated decisions, including those that have been agreed for implementation. This will ensure resources need to be aligned to deliver new priorities. Work will be undertaken to ensure we understand and challenge effectively:

- the cost pressures on services (including as a result of COVID-19);
- relative value for money;
- staffing numbers and support costs;
- building usage needed to support the Council's future operations; and
- service delivery.

25 In addition, some potential areas for changes have been identified. The cross-council areas are identified at Appendix 4. The service specific areas are below and all will be explored over the summer in conjunction with the associated service delivery impact and the learning from COVID-19 so far. Some are new services that have been set up as part of the COVID-19 response and we will need to consider ability to sustain these activities going forward. Members are encouraged to identify additional areas to be explored. The areas identified for further work include:

- Greater promotion of prevention and independence in Adult Social Care

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- Reducing dependency on building based services
 - Joint working with health
 - Closer working with the care providers
 - Transport provision
 - Re-procurement of contracts
 - Use of property
 - Fees and charges
 - Local Facility provision
 - Early Help
 - Social work effectiveness
 - Shielding and community hubs
 - Outbreak Management
 - Mental Health support across all ages

(b) Capital Programme

26 The capital programme needs to be reset to ensure it meets the County Council's emerging priorities and revenue constraints following the COVID-19 crisis. Responding to the COVID-19 crisis and planning for an economic recovery has led to a number of announcements from the Government that will impact our capital programme including:

- Improvements to cycleways and footpaths
- A call on projects from Local Enterprise Partnerships for projects that can deliver by March 2021
- A recognition of required funding to maintain the school estate
- The role of our town centres in the economic recovery

27 These new priorities will need to be considered alongside the existing planned five-year programme to ensure the emerging programme is appropriately resourced in the reset of the revenue budget. Borrowing to fund the proposed programme will need to be affordable and reflected in the revenue budget and the long-term implications of borrowing on the council's financial position clearly understood.

28 Proposed projects will be assessed against criteria that recognises the County Council's statutory duties, projects impacting favourably on the revenue budget and political priorities.

County Council Priority Outcomes

29 If we are to steer a clear path through the high level of uncertainty is it important the County Council is clear about its priority outcomes, which will provide a focus for decisions about spending and savings and will direct activity. The proposed priority outcomes are listed below with key contributing service areas:

| Priority Outcome | Service Area |
|---|--|
| Keeping vulnerable people safe | Children's services |
| | Fire & Rescue |
| | Adults & Health |
| | Public health |
| | Community safety |
| | COVID-19 specific services |
| Sustainable, prosperous economy | Climate Change |
| | Local economic recovery and resilience |
| | Road network and shared spaces |
| | Waste strategy |
| Helping people and communities fulfil their potential | Preventative work: Adults and children |
| | A skilled local workforce |
| | Effective schools |
| | Communities, high streets & civic pride |
| | Rural transport |
| Making the best use of resources | Strong business planning (priority driven, performance, finance – revenue and capital) |
| | Workforce |
| | Property |
| | Improved governance |
| | Strong partnerships |

30 In the full plan, each priority outcome will be supported by a number of delivery outcomes, which will shape the Reset Plan's performance measures and targets and be used for regular performance reporting.

Lobbying and Communications

31 Work has begun to understand the impact of COVID-19 on the county's residents and changes in how this impact is felt on the county over the coming months.

32 In June this year we conducted an online survey of residents as to how they had responded and reacted to COVID-19 and asked them about our response and communications about the virus and its impact.

33 Full analysis has yet to be completed. But the key findings emerging so far are:

- Nearly **50%** of respondents said their mental health was impacted
- The biggest impact has been on lifestyle (**65%**) and the high interest shown with regards to future content was 'leisure and recreation' (**37%**) indicates that residents want help with ideas to restart their lifestyle

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- **47%** feel more connected to their community, but they want to know more about what's on offer
 - **60%** were satisfied with the County Council's overall response; **65%** felt that they were being kept informed
 - Over a third (**35%**) had started using local shops
 - The survey highlighted residents were keen to hear about how to access health services and stay healthy. Partnership working needed with NHS to reassure residents around accessing health services as lockdown eases
 - **39%** exercised more – again something to encourage going forward, due to the health benefits
 - Gardening kept the most residents busy and nearly **30%** are interested in the environment

34 The survey work will feed into our lobbying of the Government both as a County Council and in partnership with others locally and nationally, including with our MPs, to ensure the full impact of the pandemic on our communities is understood and addressed in future policy and funding decisions.

35 In the absence of the anticipated Fair Funding Review, and uncertainty on whether a Comprehensive Spending Review will be delivered this year, our lobbying will continue to call for certainty of future funding for local government. This will be paramount to ensuring we secure adequate resource to deliver what will be required to support West Sussex residents, communities and businesses in the wake of the COVID-19 pandemic, including opportunities to continue positive preventative work that could most effectively manage future need.

Reboot

36 For the Reset Plan to be effectively delivered, it must be underpinned by new ways of working. We have demonstrated our capability and commitment to our residents during COVID-19. Our focus now is to continue to build on these positives and create at the core and throughout the organisation, a focus on the communities we serve, effective leadership, strong officer/member relationships, a commitment to partnership working and a valued and high-performing workforce. We must also be clear and open about the changes required and be held to account for their delivery and improved outcomes.

37 The Good Governance work has involved a wide range of members, staff and partners to identify and shape five key areas of action:

1. Create stable, visible collective leadership
2. Clarify and simplify our decision making, with greater transparency, empowerment and accountability
3. Develop a compelling vision with clear priorities. Reboot corporate planning and performance management to deliver these priorities
4. Become an outward looking, collaborative and engaging organisation
5. Invest in our people to improve how we manage services and staff and to create the capability we need.

38 The Reboot describes 'how' we achieve these outcomes and involves a number of workstreams:

Governance improvements secured

39 In December 2019 the meeting of the County Council approved a number of significant changes to corporate governance, largely aimed at improving the County Council's democratic systems to achieve greater transparency, clarity of role and focus on purpose. Those changes included:

- Monthly public Cabinet meetings
- Collective decisions by Cabinet on all major policy areas
- A reset of the County Council's approach to its role as Fire & Rescue authority including a dedicated scrutiny committee
- A revised set of governance arrangements for the scrutiny function

40 We have also ensured that the structure of our services are compliant with statutory requirements, with the Executive Director Children, Young People and Learning reporting directly to the Chief Executive. Securing and retaining high quality, consistent leadership will be a key success factor.

People strategy

41 Our people are our greatest asset. Our People Strategy, which is under development and will launch in September, will set out clearly our commitment to develop managers and staff. It will describe our collective approach to leadership and management; performance, development and reward; employee engagement and recognition and health, wellbeing and inclusion. The strategy will be collectively owned by the whole organisation and will be developed in consultation with staff to ensure that it is robust, realistic and deliverable.

Leadership

42 This work will build on progress already made, to support strong, collective leadership of the County Council.

43 It will have three strands: Member leadership & engagement; effective Member/officer working and collective officer leadership.

Member leadership & engagement

44 This is about Members agreeing and setting standards for how they work, ensuring appropriate training and development opportunities are in place and that Members are held accountable to the agreed standards.

Effective Member/officer working

45 This is about improving how Cabinet and the Executive Leadership Team work together to identify and deliver the County Council's priorities; about improving our scrutiny, learning from the West Sussex Fire & Rescue Service scrutiny work and drawing together a Code of Governance so there is shared understanding of roles and responsibilities. We'll do this and learn as we go (for example on the work on this plan) – bringing in support as we need it and reviewing at appropriate points to make sure the work has been effective.

Collective officer leadership

- 46** With a clear focus on performance management and accountabilities, it will set standards, clarify roles and support the collaboration and effectiveness of the Executive Leadership Team, Corporate Leadership Team and Corporate Management Team.

Partnerships

- 47** Our collective response to the COVID-19 pandemic has shown what we can deliver when we work effectively with partners, including districts and boroughs, health colleagues, the voluntary and community sector, the LEP and SE7 partners.
- 48** We want West Sussex County Council to be an effective partner at local, county, regional and national level. To do this we will need to build on the relationships that have been rekindled during the response to the pandemic, to identify our key partners and partnerships and the most effective ways of working.
- 49** This approach will enable us collectively to identify and agree partnership priorities to deliver and hold each other accountable for what and how we deliver.

Demonstrating change

- 50** We will pick a number of 'demonstrator projects' – which will seek to embed our rebooted approach post COVID-19. Small groups of staff, with relevant support, will be supported to deliver these projects. The focus will be on delivery through collaboration and distributive leadership – to provide clear evidence to staff and partners that West Sussex County Council will continue to work differently and will sustain the new ways of working.

Assurance

- 51** It is vital that we are transparent about how to raise concerns, about how we monitor our progress and how we provide assurance of our improvement. We have delivered a new whistleblowing policy and process to ensure that there is a credible way for individuals to raise concerns. We will also consider how to ensure we are held accountable for the changes we have agreed to make and also to undertake light touch stock takes of progress. The Leader will report to the Secretary of State for Housing, Communities and Local Government on progress and next steps.

Capacity

- 52** In order to deliver our ambitions, we need adequate leadership and corporate capacity. It is widely acknowledged that the County Council has relied for too long on consultants and interims. Significant progress has been made with permanent appointments, especially in Children's Services. There is a need to agree senior corporate posts and structures, and seek to recruit permanently to key positions, including the Executive Director Adults and Health and Director for Human Resources and Organisational Change. In order to do this in a joined-up way, the Chief Executive will lead a focused review of the senior corporate centre structure and COVID-19 related capacity.
- 53** We have reviewed the joint working relationship with East Sussex County Council, as our Corporate Improvement Partner and will review again in July 2021.

Communications and engagement

- 54** Our reset and reboot will be underpinned by clear, coherent and transparent communications and engagement with residents, members, staff, partners, communities and businesses.

Conclusion

- 55** The County Council has undertaken significant work to understand what and how it needs to work, especially in the uncertain world being shaped by COVID-19. The combined Reset and Reboot approach based on the Good Governance work, learning from elsewhere and the COVID-19 experience makes us well placed to make the changes we need to make to ensure we serve our residents, communities and businesses as well as we can.

Recommended

County Council is asked to:

- (1) Approve the proposed approach to creating a Reset Plan, using agreed priority outcomes to drive our activities, deployment of resources, performance management, strengthening of partnerships and communications and lobbying work;
- (2) Note the local evidence base (Appendix 1) and the national and local policy outlook (Appendix 2);
- (3) Note the summary of performance in 2019/20 (Appendix 3);
- (4) Note the overview of our financial position and projections (paragraph 17 and Appendix 4) and identify any additional areas for exploration during the development of plans;
- (5) Agree the priority outcomes for discussion over the summer, as the basis of the County Council's business and financial planning, as set out at paragraph 29;
- (6) Agree that officers work up, in consultation with members, staff, and partners, activity, spending and saving proposals and a revised capital programme;
- (7) Agree to receive reports on more detailed plans for 2021/22 and beyond in the autumn when there is greater certainty about the impact of the COVID-19 pandemic on West Sussex and future resources; and
- (8) Note the substantial progress already made to strengthen the governance arrangements and approve the next steps laid out at paragraph 35 to reboot how we work.

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Leader

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Appendices

- Appendix 1 – Local evidence base overview
- Appendix 2 - Policy context (local and national)
- Appendix 3 – Overview of 2019/20 performance
- Appendix 4 – Financial outlook

Background papers

None