

Report to Parish Councils
Cllr Nick Bennett

July 2021

Significant uncertainty continues to dominate the context within which we are working. The ongoing impact of Covid-19 remains hard to predict in terms of the potential for further waves of infection, and the scale and nature of the implications for our us all. The financial outlook remains unclear with a further one-year financial settlement anticipated for 2021/22 and key national reforms having been subject to further delay. The national policy agenda continues to evolve rapidly, with legislative and policy changes that respond to the UK's departure from the EU and new global positioning, societal changes brought and exacerbated by the pandemic, and the climate emergency. This is alongside a range of public service reforms signalled by Government, the impacts of which are not yet fully clear.

The Council spends over £800m gross each year (£400m net) and it is vital that these resources are deployed, in partnership with others, in the most effective way to support our priorities and core service provision. We have a limited window of opportunity now to consider any further preparations we can make for the period ahead, including any areas for one-off investment which would help us better manage future demand for services.

The County Council plays a key role in the quality of life of the residents, communities and businesses of East Sussex through services, employment, purchasing and how we work in partnership with others. In developing our plans we need to have regard to the context in which we will be working. This includes:

- The impact of operating in an economy recovering from the Covid driven recession. The Government will have to consider how it begins to pay off the borrowing it has undertaken during the pandemic – 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 Council's income and ability to spend.
- The shape of the post-Brexit economic and policy agenda, the impact of new post-EU funding regimes, and the Government's Levelling Up programme.
- Specific uncertainty over the future of local government funding, and delays to key reforms. The level of Government funding that ESCC will receive from 2022/23 onwards is not confirmed.
- The lasting impact the pandemic will have on young people in terms of education and employment opportunities.
- The growing impact of climate change, the national and local commitments to achieve carbon neutrality and the introduction of a range of new measures through the Environment Bill.

- The impact of Government reviews and reforms of public services – for example legislative developments in health and social care integration, measures to support NHS recovery post-Covid, structural changes in Public Health, reviews of children’s social care and Special Educational Needs and Disability (SEND), and the nature of planned reforms to Adult Social Care and the role of local government in the future.
- Significant national policy developments related to infrastructure, transport and planning and, locally, the re-procurement of our highways contract and refresh of our Local Transport Plan.
- The opportunity to build on positive work with our public and Voluntary and Community Sector (VCS) partners during the pandemic.

Demand Changes

- **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** – since 2018 our numbers of looked after children have remained fairly stable, however our active participation in the National Transfer Scheme has seen a rise in the number of Unaccompanied Asylum Seeking Children looked after by the authority. The number of children and young people with Education, Health and Care Plans (EHCPs) has continued to increase over the last six years, the majority of the increase is due to increasing numbers of young people in the Key Stage 5 and post 19 age groups with EHCPs.
- **Economy**- the percentage of people claiming unemployment benefits has risen due to the pandemic and its impact on the economy. Younger adults have been particularly affected, with 10.2% claiming unemployment benefits. Parts of the County have higher percentages of people employed in the retail and wholesale and accommodation and food sectors than the national average, these are sectors that have been more affected by both Covid-19 restrictions and the impact of Brexit.
- **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.
- **Priority basic need** including highways, Environmental and Social Governance (ESG), school places and SEND provision.

I hope this report is helpful, the full ‘State of the County’ report will be presented to Cabinet on 13 July. Please let me know if you’d like a copy.