FULL COUNCIL – TUESDAY 6 FEBRUARY 2024

Documents being circulated with the County Council agenda

Document	Report in County Council agenda to which it is related
LAC Annual Report (Appendix 1 of the Cabinet report) (page 3)	Cabinet report, paragraph 1
Draft Council Plan (Appendix 2 of the Cabinet report) (page 45)	Cabinet report, paragraph 2
Council Plan Equality Impact Assessment (Appendix 2a of the Cabinet report) (page 87)	Cabinet report, paragraph 2
Medium Term Financial Plan (Appendix 3 of the Cabinet report) (page 93)	Cabinet report, paragraph 2
Budget Summary 2024/25 (Appendix 4 of the Cabinet report) (page 95)	Cabinet report, paragraph 2
Savings Targets 2024/25 – 2026/27 (Appendix 5 of the Cabinet report) (page 129)	Cabinet report, paragraph 2
Council Tax precepts 2024/25 (Appendix 6 of the Cabinet report) (page 131)	Cabinet report, paragraph 2
Reserves and robustness statement (Appendix 7 of the Cabinet report) (page 133)	Cabinet report, paragraph 2
Engagement Feedback (Appendix 8 of the Cabinet report) (page 143)	Cabinet report, paragraph 2
Capital Programme Update (Appendix 9a of the Cabinet report) (page 159)	Cabinet report, paragraph 2
Equality Impact Assessment for Capital Programme (Appendix 9b of the Cabinet report) (page 169)	Cabinet report, paragraph 2
Capital Strategy (Appendix 9c of the Cabinet report) (page 181)	Cabinet report, paragraph 2
Fees and Charges (Appendix 10 of the Cabinet report) (page 199)	Cabinet report, paragraph 2
CCN letter to Government (Appendix 11 of the Cabinet report) (page 213)	Cabinet report, paragraph 2
Council Monitoring - Corporate Summary (Appendix 12 of the Cabinet report) (page 217)	Cabinet report, paragraph 3
Council Monitoring - Treasury Management Prudential Indicators (Appendix 13 of the Cabinet report) (Page 225)	Cabinet report, paragraph 3
Council Monitoring - Adult Social Care and Health – Q2 2023/24 (Appendix 14 of the Cabinet report) (Page 227)	Cabinet report, paragraph 3
Council Monitoring – Business Services – Q2 2023/24 (Appendix 15 of the Cabinet report) (Page 237)	Cabinet report, paragraph 3
Council Monitoring – Children's Services – Q2 2023/24 (Appendix 16 of the Cabinet report) (Page 245)	Cabinet report, paragraph 3
Council Monitoring – Communities, Economy and Transport – Q2 2023/24 (Appendix 17 of the Cabinet report) (Page 255)	Cabinet report, paragraph 3

Council Monitoring – Governance Services – Q2 2023/24 (Appendix 18 of the Cabinet report) (Page 263)	Cabinet report, paragraph 3
Council Monitoring – Strategic Risk Register – Q2 2023/24 (Appendix 19 of the Cabinet report) (Page 271)	Cabinet report, paragraph 3
Council Monitoring – Supporting information – COMF funding Q2 2-23/24 (Appendix 20 of the Cabinet report) (Page 279)	Cabinet report, paragraph 3
People Scrutiny Review – Action Plan (Appendix 21 of the Cabinet report) (Page 281)	Cabinet report, paragraph 4
Place Scrutiny Review – Action Plan (Appendix 22 of the Cabinet report) (Page 289)	Cabinet report, paragraph 5
Treasury Management Policy and Strategy 2024/25 (Appendix 23 of the Cabinet report) (Page 293)	Cabinet report, paragraph 6
Conservators of Ashdown Forest finances to 31 March 2024 (Appendix 24 of the Cabinet report) (Page 323)	Cabinet report, paragraph 7
Pay Policy Statement (Appendix 1 of the Governance Committee report) (Page 327)	Governance Committee report, paragraph 1
Scrutiny Review of School Exclusions (Appendix 1 of the Report of the People Scrutiny Committee) (Page 335)	People Scrutiny Committee report, paragraph 1
Scrutiny Review of Pothole Management (Appendix 1 of the Report of the Place Scrutiny Committee) (Page 371)	Place Scrutiny Committee report, paragraph 1

PHILIP BAKER
Assistant Chief Executive



Looked After Children's Annual Progress Report 2022-23

Sally Carnie

Head of Service for LAC

Who did we look after?

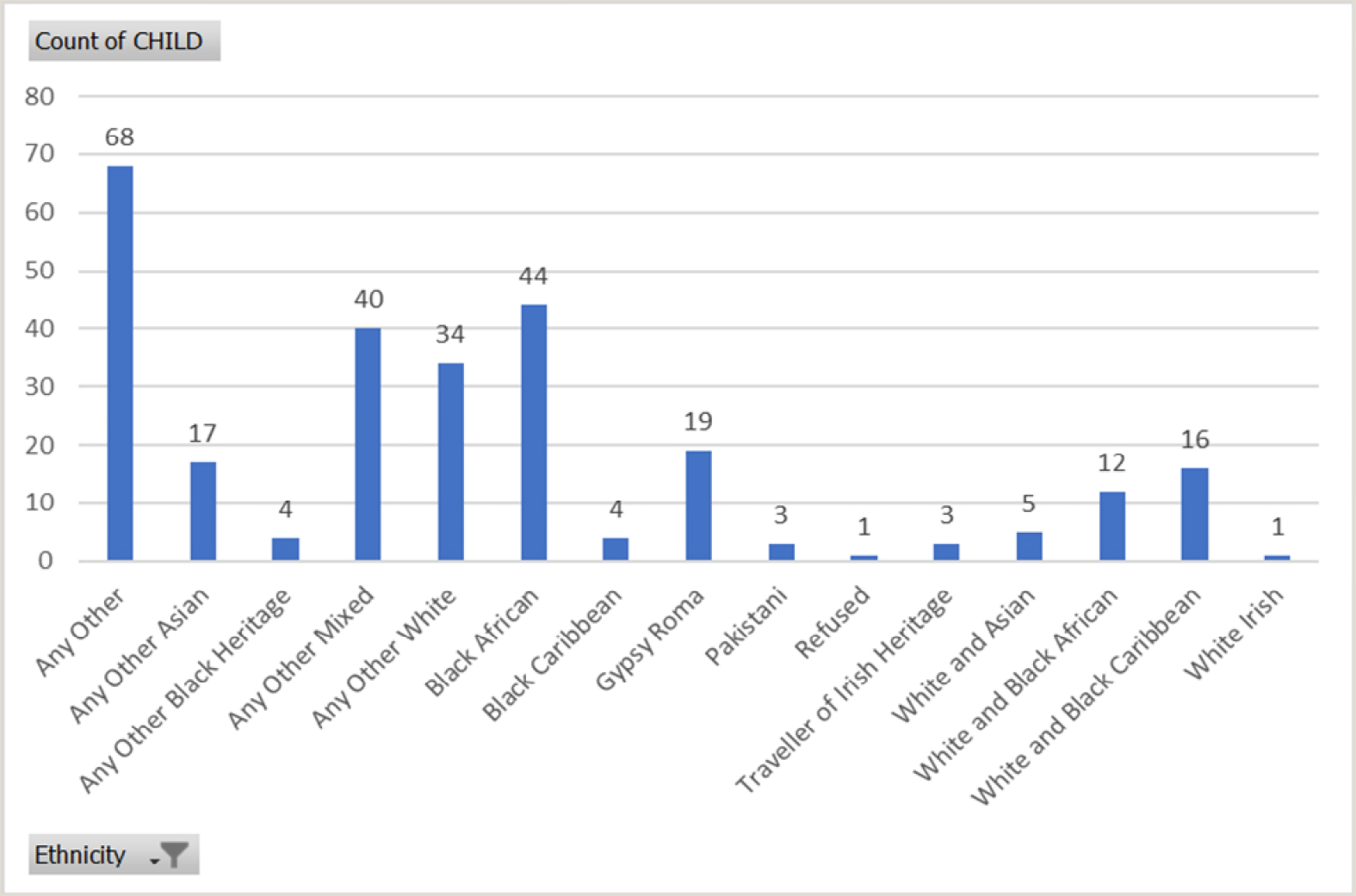
The data shows a snapshot as of 31st March 2023

- We looked after 374 boys and 287 girls.
- There were more children in care than the previous year. This was in part due to an additional 8 Unaccompanied Asylum Seeking Children (UASC) in the snapshot figure as compared to the previous year.
- There were lower numbers of children who left care in this period compared to last year and more children came into our care overall.
- 865 children came in and left our care during the year which is an increase of 20 as compared with 2021-22. This represents significantly higher activity levels across the service.

Statistics	2021-2022	2022-2023
Looked After Children	628	661 (+33)
Children coming into care	246	249 (+3)
0-5 year olds admitted to care	81	81 (-)
6-12 year olds admitted to care	71	57 (-14)
13+ admitted to care	94	111 (+17)
Children leaving care	228	217 (-11)
0-12 year olds leaving care	94	92 (-2)
13+ leaving care	134	125 (-9)

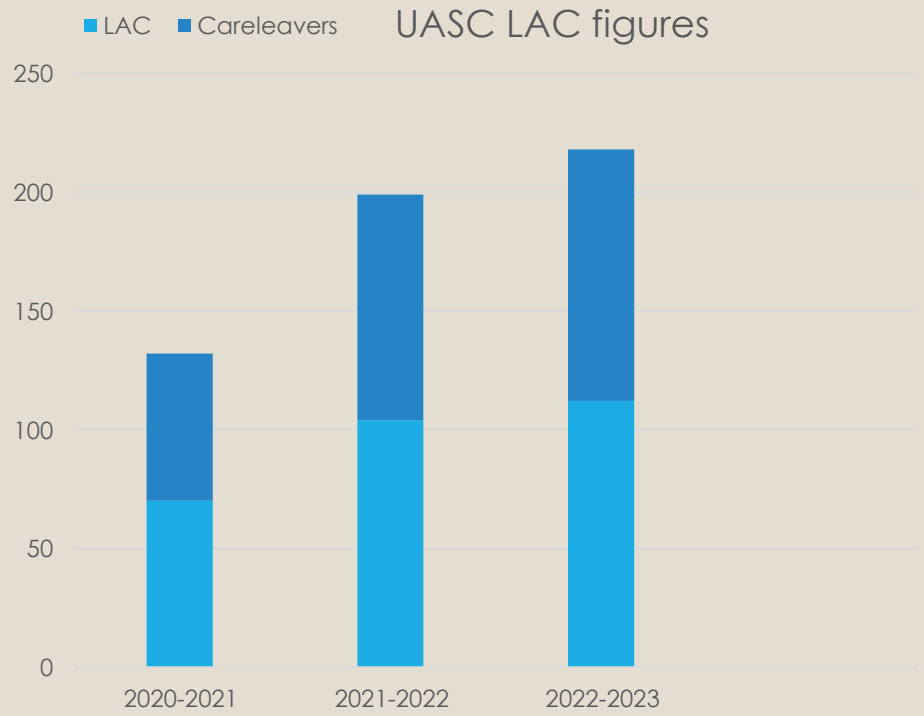
Ethnicity of our Looked After Children (LAC)

31% of our Looked After Children (LAC) during 2022-23 identified as being of a minority ethnic background or of mixed heritage.



Our Unaccompanied Asylum Seeking Children (UASC)

- East Sussex County Council (ESCC) cared for 112 UASC under 18 during 2022-23, compared to 104 during 2021-22. In addition, there were 106 Care Leavers aged 18+ which is an increase of 11 from the previous year.
- Our UASC were mainly male; 85% were aged 16 or over and the youngest was aged 12.
- During 2022-2023 35 young people came to ESCC through the National Transfer Scheme (NTS) and the remainder were spontaneous arrivals via Police involvement or directly from Newhaven Port.
- Most of these children were from Afghanistan, closely followed by Sudan and Iran. There were also small numbers of children from Vietnam, Egypt, Albania, Eritrea, Iraq, Syria, Somalia, Libya, Gambia, Algeria, Angola, Turkey, Ethiopia and Chad.



Children looked after by the Disability Service

- The Children's Disability Service criteria for allocation is 'Children who have severe and enduring cognitive delay, severe learning disability, low functional abilities and physical disabilities.
- As of 31st March 2023, this service worked with 17 LAC. 12 children were aged 0-15 and 5 were aged 16-18.
- Geographically, 4 children were living outside East Sussex.
- These 17 children were in receipt of full time care. In addition, the service provided extensive packages of support and respite to other children and their families in the community.

Placements	
ESCC foster carers	3
Agency foster carers	2
ESCC Residential Homes	7
Independent Residential Homes	4
Supported Accommodation	1

Where our children are living

Decrease in	Decrease in children placed with total number of foster carers, kinship and ESCC foster carers.
Increase in	Increase in both children placed for adoption and children placed with parents.
Increase in	Increase in children aged 16+ living with our supported accommodation providers including with our inhouse supported lodgings providers.
Increase in	Increase in children living in both ESCC and agency Children's Homes.

Data shows a snapshot as of 31st March 2023

Placement Type	31st March 2021	31st March 2022	31st March 2023
With foster carer	426	451	431
Of these: in house carers	265	276	257
Kinship carers	65	84	77
Agency carers	96	91	97
Placed for Adoption	23	14	16
Supported Accommodation / Supported Lodgings	57	63	87
ESCC Children's Homes	14	16	22
Agency Children's Homes	57	58	68
Agency Special Schools	1	1	1
Placed with Parents	22	22	33
Independent Living	7	0	0
Youth custody/secure unit	3	3	1
Hospital/NHS establishment	1	0	1
Family Centre/Mother & Baby Unit	0	0	1
Total	611	628	661

How well did we do in 2022-23?

Indicator Ref	Description	2022/23 Value		2021/22 England	2021/22 Value		2020/21 England	2020/21 Value	
NI 58	Emotional & Behavioural Health of children in care	16.2	↓	13.8	14.2	↓	13.7	14.1	↑
Adoption 1	Percentage of children who ceased to be looked after who were adopted	7.0%	↓	10.6%	8.4%	↓	10.2%	15.3%	↑
Adoption 2	Average time between an LA receiving court authority to place a child and the LA deciding on a match with an adoptive family (3 year average)	329 days	↓	199 days	301 days	↓	183 days	274 days	↓
NI62 Placements 1	Number of children looked after with 3 or more placements during the year	15.0%	↓	9.8%	10.4%	↑	8.9%	13.3%	↓
NI63 Placements 2	% of LAC under 16 who've been lac for 2.5 years or more & in the same placement for 2 years or placed for adoption	71.4%	↓	71.0%	73.9%	↑	70.3%	63.7%	↑
Placements 3	% of LAC at 31st March placed outside LA boundary and more than 20 miles from where they used to live	17.2%	↓	16.5%	15.4%	↑	16.4%	17.3%	↓

Where performance has improved/increased it is shown with a green arrow ↑ and where it has dipped with a red arrow ↓

How well did we do in 2022-23? (continued)

Indicator Ref	Description	2022/23 Value		2021/22 England	2021/22 Value		2020/21 England	2020/21 Value	
Leaving Care 1 * *see note below*	% of former relevant young people aged 19-21 who were in education, employment or training	55.90%	↑	55.4%	54.9%	↑	52.0%	46.3%	↓
Leaving Care 2 * *see note below*	% of former relevant young people aged 19-21 who were in suitable accommodation	87.4%	↓	87.8%	88.4%	↑	87.7%	87.8%	↑
Leaving Care 3 * *see note below*	% of former relevant young people aged 17-18 who were in education, employment or training	77.1%	↑	66.5%	71.8%	↑	65.0%	68.7%	↓
Leaving Care 4 **see note below*	% of former relevant young people aged 17-18 who were in suitable accommodation	92.6%	↓	90.3%	94.5%	↓	90.6%	95.5%	↓
Thrive PI 9	Rate of Children looked after per 10,000 population aged under 18	62.0	↓	70.0	58.9	↓	67.0	57.5	↓
Health 1	Percentage of children who had their teeth checked by a dentist	62.5%	↓	70.2%	70.3%	↑	39.6%	32.6%	↓
PAF C81	Final warnings, reprimands and convictions of lac	0.9%	↔	2.2%	0.9%	↑	2.4%	1.8%	↑

Where performance has improved/increased it is shown with a green arrow ↑ and where it has dipped with a red arrow ↓

** Leaving Care Indicators–calculated using data collected at the time of each young person's 17th, 18th, 19th, 20th or 21st birthday*

What the performance data is telling us

ESCC performance data was produced for 2022-23 and the national data contained in the tables above was for the year 2021-22. The improvement arrows therefore refer to a comparison with the ESCC data for the previous year.

The overall performance has largely remained stable with very little significant movement.

The SDQ data dipped and as a result an action plan has been developed to address this.

The adoption data showed a deterioration in performance across all timeliness measures. This has been closely scrutinised at a child level and it has revealed that this performance had been affected by the particular levels of complexity contained within this cohort. (see adoption slide)

LAC with 3 or more placement moves also dipped, largely due to the national sufficiency issues regarding placement availability.

Percentage of dental checks completed also dipped. This is being closely monitored by the strategic health team who are trying to improve dental capacity and availability for LAC locally.

There was good performance across the Care Leaver indicators with significant improvements in relation to EET and suitable accommodation.

Adoption South East (ASE)

Family Finding & Linking in East Sussex	2021-22	2020-21
Number of children adopted (AOs)	10	27
Number of children approved for adoption	16	26
Number of relinquished children	0	1
Number of 2 sibling groups matched	0	1
Number of 3 sibling groups matched	0	0
Number of 4 sibling groups matched	0	0
Number of children matched outside of ASE	3	3
Number of children matched within ASE	10	22
Number of children placed for Foster to Adopt (F2A)	8	8

- In 2022-23 Adoption South East (ASE) placed 84 children with their adoptive families. Of these children, 19 were from East Sussex, X in sibling groups and X single children.
- The average number of children ASE were actively family finding for each month during 2022-23 was 60. On average, each month, 6 of these children had no potential matches. This lack of a match can be due to various reasons i.e., the children are newly referred to us, that their foster carers are under assessment, or they require enhanced family finding to identify the right family that can meet their needs. Although some children do take longer than a year to place due to complexity, the team is ambitious to achieve adoption for all children with an adoption care plan.
- Early permanence has continued to be actively promoted by ASE aiming to improve the timeliness of placing children for adoption in ESCC.
- Adoption support has been an area of significant growth within ASE this year supporting over 2,000 families across the region with different strands of support. This included support via the ASE website, online courses, online and face to face groups, activity days, statutory birth record counselling and birth record information sharing. ASE has continued to provide a high level of therapy for families supporting over 1000 children. There has also been a continued commitment to Adoption Voices to ensure that families have easy access to local support.

*See ASE Annual Report on slide 41

Fostering Recruitment

The data provided is a final snapshot as of 31st March 2023

24 new foster homes, 40 placements created

Whist the ESCC Fostering Service was able to recruit more foster carers, offering more placements during this period, it had become increasingly challenging given the extremely competitive nature of the market both from the independent sector and neighbouring Local Authorities.

The success the service had, was due largely to the dedicated specialist marketing and communications officer. This post enabled the service to refresh the recruitment and marketing strategy to focus on the recruitment of both experienced foster carers and applicants new to the fostering role.

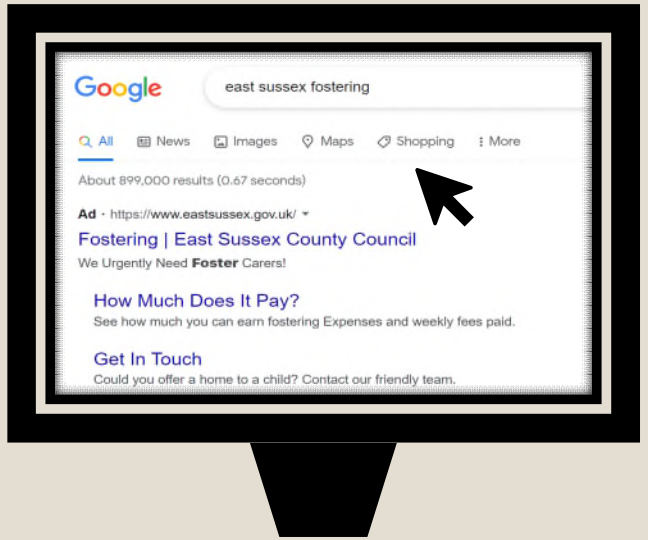
The significant increase in conversion rate can be attributed to potential applicants being provided with more relevant information supporting them to make an informed decision at the start of the process, with 44% continuing their application to approval.

Recruitment	2019-2020	2020-2021	2021-2022	2022-2023
Enquiries	268	227	200	274
Q&A calls	114	92	68	79
Initial visits	71	42	32	43
Approvals	22	20	14	24
Placements	39	30	21	40
Conversion rate Enquiry to approval	8%	9%	6%	7%
Conversion rate Screening call to approval	19%	22%	16%	24%
Conversion rate Initial visit to approval	31%	48%	34%	44%

Fostering Recruitment (Continued)

Maintenance payments to foster carers were uplifted for implementation on 1st April 2023. Whilst this did not bring ESCC allowances in line with the national minimum allowance (NMA) this was widely welcomed by existing foster carers. The additional commitment to enhance payments to equal the NMA will be critical in the retention of our existing foster carer resource and encouraging new applications.

Incentive payments to foster carers signposting friends and family from their network to apply as foster carers continues and as seen as a valuable part of our overall recruitment strategy.



Google Adverts - Covid Recovery Funded Project

East Sussex has invested funding to improve ESCC Fostering's position on "Google Ad Keyword Searches".

Carers transferring to ESCC had often advised that the presenting order of Google search results was a factor in their previous decisions to enquire with agencies.

Fostering Friendly Employer Scheme

ESCC have implemented this as HR policy formalising the additional time off an ESCC employee is entitled to for the attendance of fostering related meetings.

Other initiatives existing and targeted for 2023/2024

Council tax discount or exemption
In discussion and to be explored in 23/24 for approved foster carers

Recruitment events
Live online information sessions and revised schedule of community and pop-up locations for "Vinnie-the-Van"

Review of outdoor advertising
i.e., roundabout and lamppost banners.

Council tax postal mailout
Fostering flyers posted to 110,000 homes across East Sussex.

Global Radio and More Radio campaigns
New scripts for ad's targeting diversity and parent and child applicants.

Website editing and social media
Upgraded content on the ESCC website and social media profiles.

Keeping in touch
With applicants and enquirers who previously did not progress if it was not the right time for them.

SUPPORTED LODGINGS

The data provided is a snapshot as of 31st March 2023.

There were 33 registered supported lodgings providers

- ESCC recruited an additional **6** new SL households in 22/23.
- **24** providers cared for young people aged 16+ only.
- **9** of these providers were approved as “hybrid” (combined approval as foster carers and supported lodgings providers)
- **1** household was being assessed as a Supported Lodgings provider.

East Sussex Fostering Service was one of the first Local Authorities to extend the registration of appropriate supported lodgings providers to become foster carers. Hybrid foster carers are able to provide placements for young people under the age of 16

From 01/04/22 - 31/03/23, the service received 220 placement referrals in total to consider. Out of these, 102 Young people were placed in Supported Lodgings

- **3** of these young people were Homeless (18+)
- **7** were Unaccompanied Asylum Seeking Children
- **92** were Looked After Children.

Placement Support Service

Placement Support continued to work with some of the most vulnerable cared for young people at risk of placement breakdown.

The service worked closely with our Fostering Duty team to support short term emergency placements, by having workers who were on a weekend rota.

The Placement Support Service worked closely with the Virtual School to support cared for young people and those on the 'edge of care' (EOC) who were excluded or on a part-time timetable at school.

The Placement Support Service continued to support some of our young people in the Through Care Team, who were living independently, living in-house residentially or with an external agency.

Feedback from other professionals

"Thank you for your support and can I say what an amazing support S is to M, the way they work with her is something to be admired" (SW in training)

"Without you and your team 'our' and our foster carers job would not be possible" (SSW)

Placement Support Service (continued)

- Placement Support - 77 support packages
- Parent & Baby - 1 support package
- Through Care Team - 17 support packages to care leavers
- Edge of care - 5 support packages to families
- Reviews held - 65
- Set ups held - 17
- Worker ended - 26
- Virtual School sessions - 316, supporting 26 young people

100
Packages of Support Delivered

Feedback from our evaluations

"We couldn't continue without the support; PSS has been the answer to our success as foster carers to our young adult"

"Amazing service, I don't think we would have coped without it at times"

"Wonderful activities in the holidays"

"We could not ask for a better service from our PSW's, one can never over rate kindness and commitment"

"Couldn't fault the support we receive"

"They just make the difference; I think the support helps me to not feel overwhelmed"

Children in Care Council

Recruitment
Members took part regularly on recruitment panels for new staff working with young people within East Sussex.

Independent care review
CICC members joined a zoom meeting with Josh McAlister and other care experienced young people, to discuss his recommendations from the independent care review.

APPG
CICC attended 2 APPG (All Parliamentary Party Group) meetings to discuss being a sibling in care and mental health provision.

Corporate Parents and Senior Management Team
CICC members have met with members of the senior management team and corporate parents several times this year, building a better understanding for each other's roles.

CICC Partnership working.
Pan Sussex
CICC members worked with the CICC from Brighton and Hove to co-produce an evaluation framework, for relationship based social work practice.

Children and Young People's Trust
CICC supported a refresh of the East Sussex children and young people's plan and its priorities at the annual trust event.

Foundations for our Future
CICC members have were part of a project for mental health and wellbeing run by NHS Sussex, Priority 1-54 and ESCC giving their views on social prescribing and accessing mental health services offered for young people.



Children in Care Council (continued)



Volunteering
The average hours each member has spent volunteering over the past 12 months is 102.

Funding
CICC secured an extra £1037.88 in extra funding this year for team building and qualifications for CV enhancements.

SUSS it (Speak up Sessions)
36 activities giving 66 young people the opportunity to speak out and speak up if they wanted too. Through this engagement 48 young people have asked for help with individual issues.

Digital Ambassadors
CICC were involved in the digital care project run by ESCC to train, update and promote resources for keeping cared for children safe and resilient online. They had the opportunity to work with the newest virtual reality technology and used 3D printers.

National Participation
7 CICC members along with 87 cared for young people from all over the UK, attended a day at Westminster to lobby Parliament about important issues.

Our young people raised concerns around education and placement stability with one member having a one-on-one discussion with the education secretary at the time Nadhim Zahawi.

Our Children's Homes

Hazel lodge, St Leonards-on-Sea

- Judged as 'Good' by Ofsted in October 2022.
- Young people in the home made positive progress.
- The staff team remained stable and are focused on providing good quality care to the young people in the home.

Brodrick House, Eastbourne

- **The home was judged as "Good" by Ofsted - October 2022**
- Staff team continued to be well established and consistent, with a full team. There was only one leaver in the last 2.5 years continued to offer sessional work with us.
- Young people continued to demonstrate positive outcomes and achieve personal goals overall.
- Young people enjoyed a number of trips away and positive activities.

Homefield Cottage, Seaford

- **The home was judged by OFSTED to be 'Outstanding in all areas' in March 2023**
- The children/young people all made positive progress.
- The children/young people enjoyed the summer holidays and engaged in lots of fun activities.
- The staff team continue to be resilient, child focused and have high aspirations for our resident children and young people.



Our Children's Homes (continued)

Silver Birches, Hastings

- **Granted registration by Ofsted in May 2022**
- First admission May 2022
- Development of expansive outdoor space - outdoor gym installed, landscaping work completed
- **Judged as 'Good' by Ofsted in November 2022**

Lansdowne Secure, Hailsham

- **Judged Good by Ofsted in November 2022**
- Service paused in Dec 2022 whilst restructure completed
- All children supported to move by end of January 2023
- Staff temporarily redeployed from February 2023
- Subject Matter Experts appointed February 2023 and Project Group Established
- Steering Group including DfE, San and NHS England in place
- Plan to reopen November 2023



Our Children's Homes(Continued)

Acorns, Bexhill-on-Sea

- Continued to provide care for 2 young people, both of which have a high level of complex needs.
- Staff worked closely with colleagues in the Health, Education and Social Care around the care and pathway planning for each young person.
- Judged as 'Requires Improvement' by Ofsted in May 2023.



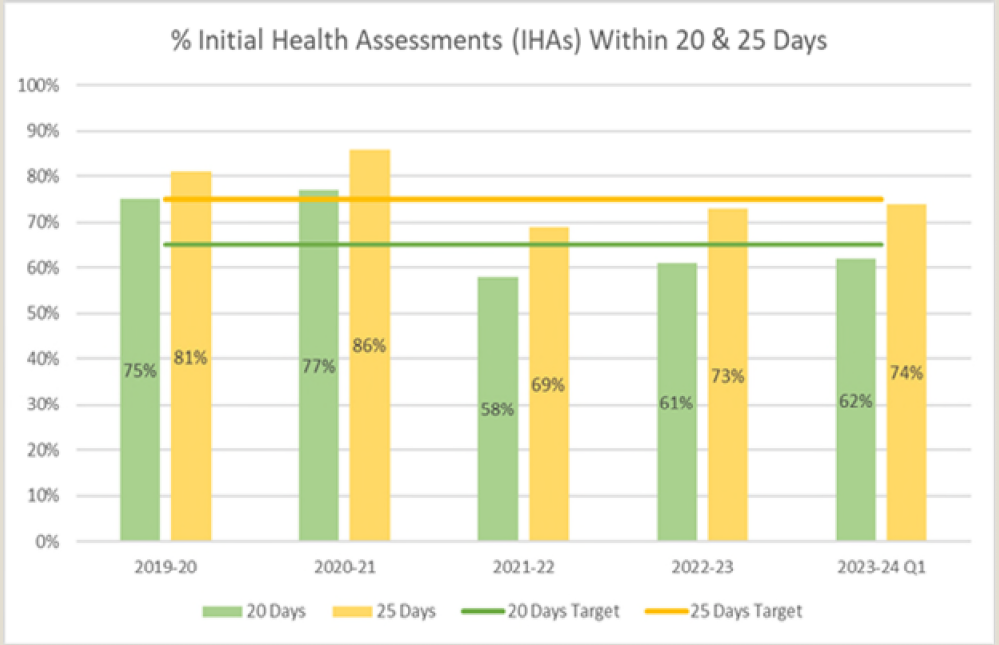
The Bungalow, Eastbourne

- Registered for 7 children aged 7-19 and provides full time accommodation to children with a severe level of disability who are unable to live in a family setting.
- During the period 2022-2023, most children attended local schools and all maintained contact with their families.
- The Bungalow received an Ofsted judgement of 'requires improvement ' in March and June 2023

The health of our children

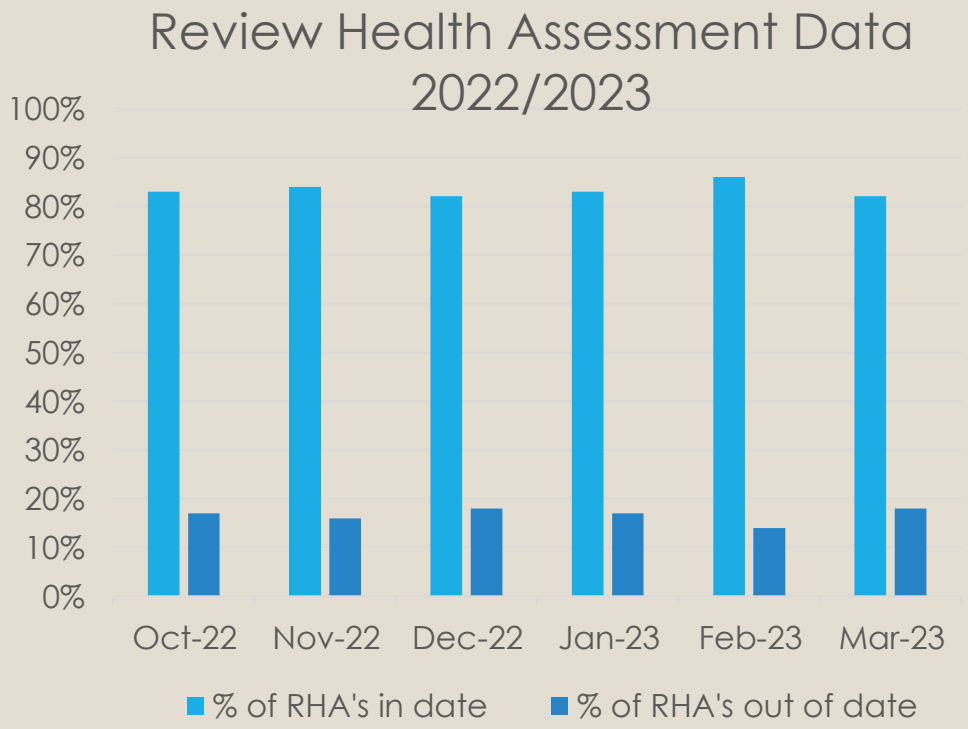
NHS Core Plus 5 – LAC and Care Leavers have been identified, both nationally and locally, as a group who should be included in the 'plus' cohort to ensure their health needs are prioritised across all services.

- There was a gradual improvement in the timeliness of the completion of Initial Health Assessments (IHA's), albeit the performance remained below the local target.
- The Head of Locality Services implemented a robust tracking and monitoring process to improve performance, and this data was scrutinised at the quarterly Health Strategic Meetings.
- Obtaining written consent within timescales remained a significant challenge for the service. The dip in performance 2021-22 was directly attributable to the post Covid health guidance and a return to written consent.
- The changes to the LAC age profile also impacted on this performance with a higher number of older children declining IHA's.
- In addition, the national placement sufficiency challenges resulted in more children being placed outside East Sussex, and therefore that local health service were required to complete the IHA. This often led to delays too.



The health of our children (continued)

- Overall, the timely completion of Review Health Assessments (RHA's) was maintained between 80-90%. This performance was closely scrutinised by the Strategic Health Group and monitored on a monthly basis by the Head of Service LAC.
- However, the timely completion of RHA's in a small number of cases was impacted by the increased numbers of LAC, the number of children living in Other Local Authorities and the cohort of older children who declined taking part in an RHA.
- The Designated Nurse/ Doctor for LAC in Sussex recognised that the current system didn't offer enough flexibility for the older cohort of children and have proposed a more responsive system. There are plans to embed a caseload working approach which would facilitate longer term relationships between the young people and the health team. It is hoped that this will encourage young people to take up the offer of an RHA.



The mental and emotional wellbeing of our children

- The Sussex Children and Young Peoples' Emotional Wellbeing and Mental Health Strategy 2022–2027 for Sussex Children and Young People up to the age of 25s was produced by the Sussex Health and Care Partnership last year and it set the direction of travel for the development of local services.

- The Looked After Children's Mental Health Service (LACMHS) offered; 35 consultations to the networks during 2022-23 this was down by 5 on the previous year, 68 drop ins which was down by 22 for 2021-22, and one Therapeutic Parenting Group each quarter either to foster carers or Residential Children's Home staff. The numbers of cases opened at any one time varied between 88 (Q2) and 78 (Q4).

- The specification for LACAMHS was jointly reviewed during 2022-23 between the provider (SPFT), the Strategic Commissioner and the LAC Service. The new specification addresses the review findings of: longer waiting times due to increasing demand due to children coming into care, Section 20 cases, and Section 31 return home assessments; more LAC presenting with significant risk of harm to themselves or others; crisis situations, urgent assessments and interventions for high risk; the number of placement breakdowns and associated support for children affected; and the level of need arising in RCH. It is due to be issued in 2022-23.

- The ongoing staffing recruitment challenges within SPFT for the Adopted Children's Mental Health Service (ADCAMHS) were not resolved during 2022-23, the service was not able to take on any clients during the year but did continue to support existing clients. Mental Health Support for this group of children and their families was largely provided by independently commissioned therapists funded by the Adoption Support Fund. A proposal which could enhance this commissioning is currently being explored with the SWIFT service.

The mental and emotional wellbeing of our children (continued)

- A specialist Mental Health Nurse was embedded within the Through Care Service to offer direct interventions to young people, and advice and guidance to their allocated workers.

- The Health and Wellbeing Project for Care Leavers was extended during 2022-23. Up until March 2023 277 personalised health budgets had been allocated to young people.

- SPFT appointed a Named Nurse for Looked after Children and Care Leavers in March 2022. The Named Nurse offers safeguarding consultation to LACAMHS and the wider SPFT services in East Sussex. During 2022-23 a total of 12 consultations, 4 of which were for LACMHS, were completed. In addition, they are available for ad hoc supervision / consultations.

- The Named Nurse completed a Quality Improvement project which focussed on improving performance data and training to increase SPFT staff awareness/knowledge regarding Looked after Children and Care Leavers. The training addressed core safeguarding issues in relation to adult specialist safeguarding and specialist children's safeguarding. Improvements in the data capture has assisted the day-to-day operational management, and it also enabled the service to identify Looked After Children requiring a transfer of care to adult mental health services or primary care.

Virtual School (VS)

- **Virtual Head extended duties** - The Virtual Head Teacher's strategic role to promote the educational outcomes for children with a Social Worker was extended for a further two years. The VS worked strategically with social care and education teams across the authority including attendance, inclusion and special education needs. The VS provided advice and information to social workers in teams across the Authority and worked with the Designated Safeguarding Leads Network within schools.
- **Post 16 Pupil Premium** – The 2021 pilot was developed to enhance the educational outcomes for young people aged 16+ and was extended for a further two years. The VS worked in partnership with post 16 providers to ensure a joined-up approach, improve educational planning, track attendance and develop provision for UASC. VS funded academic tutoring and coaching for individual young people.
- **Tuition** - 299 blocks of tuition in core subjects were provided to 53 children last academic year. 100% of all children and young people said their confidence against their targets had increased. 98% of the young people achieved at least one target and partially met the others.
- **English as an Additional Language (EALS)** – Tutors delivered 169 sessions of EALS additional language tuition through the year.
- **Training** – An extensive training programme was developed by the VS. This included Designated Teacher training, attachment training for schools, Personal Education Planning training and an Education Master Series for Social Workers. This Education Series was aimed at improving Social Workers understanding of the education system.
- **Alternative education provision** – VS funded and supported 65 Alternative Provision interventions for 43 young people who required a specific intervention to support skills for learning, wellbeing and engagement in preparation for a return to school.
- **Extra-curricular activities** – A range of activities were delivered throughout 2022-23 including a film making course, university schools and Glyndebourne performances. Children and young people were also funded to take part in new activities such as music lessons, horse care, horticulture and water sports.
- **Children In Care Awards -** Achievement awards were presented by Jacqueline Wilson as part of an event at Bedes School. 101 children and young people were nominated in the categories of educational achievement, positive contribution, personal achievement and skills and talents. Another 37 primary aged children were nominated for awards which were presented at a special event.

Education of our children - Headline data

All current data is provisional, and progress and attainment 8 data is not yet available for GCSEs.

- **Key Stage 1** data showed the percentage of ESCC LAC who reached the expected standard in Reading was in line with national and regional CLA results but writing and Maths levels were lower. There were no ESCC children working at greater depth.
- There was an improvement in the percentage of children meeting the expected standard in phonics from 33.3% last year to 50% this year. 22% of this cohort were given an EHCP since they sat the tests.
- **Key Stage 2** data showed significant improvement in reading. The percentage of children in care in East Sussex reaching expected standard or above in Reading in 2023 was **60.0%** compared with **44.4%** in 2022 (+**15.6%**). This was also higher than the percentage of looked after children in the South-East and nationally reaching expected standard in Reading.
- There was a small increase in writing from 35.7% in 2022 to 40% in 2023. This compares with CLA levels of 40% regionally and 47% nationally.
- The percentage of children reaching expected standard or above in Maths in 2023 was **40.0%** compared with 40.7% in 2022 (**-0.7%)**. The South East figure for 2023 was 43% and the national figure 50%.
- The percentage of children in care to East Sussex achieving greater depth in Reading in 2023 was **25.0%** compared to **11.1%** in 2022 **(+13.9)**. This was greater than the percentage of children in care in the South-East achieving greater depth which is 14.0% (+8%) and nationally (16%) and in line with all children at 27.6%
- Individual children made extremely good progress with progress scores of up to 22.6 in writing and 18.37 in reading.
- **Key Stage 4 Data** showed that the percentage of students achieving a 4 or higher in core subjects increased this year. 25% of students achieved a 4 or more in both English and Maths. This was a 3% increase from last year. 42% gained a 4 or higher in English or Maths which was 10% more than last year. 38.3% gained a level 4 and above in Maths and 27.7% in English. These figures were significantly higher than the pre COVID results from 2019.

Education of our children - Headline data (continued)

- The percentage of students achieving a grade of 5 or above in English and Maths reduced from 14% to 6%. This is disappointing but supports the view that many of our young people performed better in the adapted assessments that took place because of COVID. The percentage getting a 5 in English or Maths was however slightly better (21.3%) than last year. This was an improvement on the 2019 results.
- There were some very pleasing individual achievements. 1 student achieved a level 6 in History and 5s in all other subjects. 1 student gained an 8 in Maths and another a 7 in biology. 2 students received distinctions in imedia BTEC. 1 student received a distinction in Hospitality and Catering with another a distinction in Level 1 Food and Cookery skills.
- **Post 16** results enabled 5 Care Leavers to gain University places. 2 of these young people have however, decided to defer for a year.
- 1 student achieved a B in A-level Art and Photography. Another achieved a B in A-level photography and a distinction, which is equivalent to an A at A-level, in B-tech sport. 2 other young people passed the first year of a level three course and are staying on an additional year to complete the course.
- Many other post 16 young people also achieved level 1 and 2 qualifications which will enable them to progress onto other courses.
- **Overall attendance** last year was 88.76% (June 2023). This is a 1.75% drop on last year. This should be compared with East Sussex data of 91.9% (June 2023 all children). Most of the absence was authorised and the main type selected was ‘other’. This code is used when a child or young person is unable to attend because they have moved. Data compared to last year shows an increase in unauthorised absence. Of the unauthorised, some of this was holiday which schools had informally agreed but not authorised for exceptional reasons.
- 70.30% of our children and young people had attendance of above 90%.
- During this period the VS was involved in the development of a cross county policy which focused on improving attendance, one strand of which was to ensure that it was identified as a priority for all professionals supporting children.

The Through Care Team

What we have achieved in 2022-23

• Groupwork returned to 'in person' meetings during this period with a weekly meeting for lunch, careers advice and mental health support in Eastbourne and a fortnightly meeting in Hastings.

• Young people took part in a variety of consultation events, such as reviewing the Pathway Plan and Wellbeing pilot, some events took place in person and others remotely, thus ensuring wider accessibility and participation.

• The Care Leavers Council met each month remotely.

• Young people participated in Corporate Parenting Panel.

• A Facebook notice board was launched providing young people with information about upcoming events and useful links.
• Young people represented East Sussex at National Benchmarking events.

• Young people all had access to laptops and Wi-Fi in order to continue with their education, facilitate their access to employment and to keep in touch with their families.

• The updated Local Offer was published and shared with all young people ensuring they were aware of the support available to them.
• Developments continued to extend the wider corporate parenting role across all agencies in East Sussex and the multi-agency Care 2 Work Strategic meeting was re-established.

• The Health and Wellbeing Project continued to support young people to use personalised budgets for activities designed to improve their overall wellbeing. This initiative has received widespread acclaim nationally.

The Through Care Team

What we have achieved in 2022-23 (continued)

- Placement Support Workers (PSWs) continued to work closely with our young people who were isolated in their own accommodation or were struggling to maintain their placements.
- A Rent Guarantor pilot scheme was implemented to secure better quality private rental accommodation options for young people.
- Young people accessed the Life Long Links service, which promoted connections with family members and other significant adults in their lives.
- The (TCT) continued to work closely with East Sussex County Council Adult Social Care Specialist Accommodation Team ensuring a smoother transition for those Care Leavers with diagnosed mental health needs or trauma related diagnoses.
- The Skills Journal was developed in partnership with Young People and is due to be launched in 23/24
- The housing pathway was reviewed and the CSAAL launched.



Our Unaccompanied Asylum Seeking Children (UASC)

Developments 2022-23

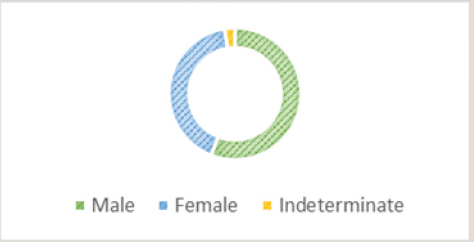
- Further investment was made to increase the capacity of the UASC team as it expanded to cover Ukrainian children.
- The establishment of adult asylum hotels across Eastbourne and Hastings by the Home Office (HO) placed considerable pressure on the service during this period. Over 60 referrals were received from people claiming that they had had their age incorrectly recorded at the point of entry and requesting support as children. 20 of these young people subsequently came into our care.
- The rising number of age assessments led to the development of a more streamlined service for managing and recording these referrals. The National Age Assessment Board also agreed to work in partnership ESCC to support with any outstanding age assessments. This will begin in September 2023
- The service worked closely with the South East Regional Group and the HO to pilot best practice by working directly with the social work teams at Kent Intake Unit to improve communication and information sharing.
- Young people's panels were developed to gather feedback regarding their support needs with issues such as cultural issues and life story work.

Our Unaccompanied Asylum Seeking Children (continued)

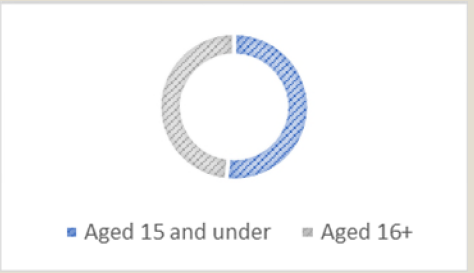
- The service continued to explore a range of new education offers for UASC including bringing a new provider into the area. The EALS (English as an additional language service) increased its offer of personalised tuition for this group of young people. Pupil Premium was established as a permanent offer to all our over 16 year olds.
- Joint work was undertaken with health colleagues to improve the health offer to UASC. The Initial Health Assessments were adapted to take account the specific issues for this cohort. The development of a greater understanding of the trauma and life experiences these young people had had was supported by the UASC team.
- This service worked closely with Adult Social Care in the development of a Migrant Help team, and has continued to support Unaccompanied Minors coming from Ukraine.
- Young people were supported to access additional social activities to improve their wellbeing in groups. This included cycling, rock climbing and water sports.
- The Refugee Council was commissioned to extend their offer to UASC including working with young people over the age of 18years.
- The 'Welcome to the UK' groups continued during this period, and further work was undertaken to develop a specific UASC Skills Journal to support independent living skills for these young people.

Our Children who went missing

In 2022-23, 118 LAC went missing, of these, 66 were male, 49 were female and 3 were indeterminate



57 of the 118 missing LAC were aged 16 and over, while the other 61 were aged 15 and under



74 of the missing LAC went missing more than once



In 2022-23 there were 761 missing episodes throughout the year, 667 episodes of children being missing for less than 24 hours, 58 episodes of children being missing for between 24 to 48 hours, 30 episodes where children were missing between 2 and 4 days and 6 episodes where they were missing for 5 days or more.

All these children were tracked by Sussex Police and by Children Services staff. Risk assessments were regularly reviewed on high profile children who went missing and where necessary, formal strategy discussions were held in line with safeguarding procedures

Our children who are at risk of criminal exploitation

- During 2022-23, 56 children were subject to ESCC MACE/SAFER operational oversight and therefore categorised as being at high risk of exploitation.
- 9 of these children were ESCC LAC, 1 was female and 8 were male.
- 1 of these children was deemed to be at risk of sexual exploitation and 8 deemed to be at risk of criminal exploitation.

Our children involved in the Youth Justice Service

- The Youth Justice Service (YJS) worked with 22 looked after children/young people during 2022-23. 6 of those children became LAC as a result of being securely remanded.
- Nine percent of the YJS caseload in 2022/23 were Looked After Children.
- LAC aged 10 - 17 represented less than 1% of the total population of this age group across the county, however they remained over-represented within the YJS cohort.

My Voice Matters (MVM)

Timeliness of My Voice Matters meetings

- 95% of all MVM were held early or on time in 2022/2023
- 2019/2020 – 92%
- 2020/2021 – 95%
- 2021/2022 – 97%
- 6 MVM meetings were held within 4 weeks of the scheduled date.
- Most late MVM's were delayed either in the child's best interests or because an essential party was unable to attend

Participation: children make their voices heard in lots of different ways

- 97% of Children aged 4+ participated in some way in their MVMs process
- 2019/2020 – 91%
- 2020/2021 – 95%
- 2021/2022 – 97%
- There was positive feedback about the development of IRO profiles, which were shared with Looked After Children. They noted that they liked knowing a little bit of personal information about their IRO.

The role of our elected members

The Corporate Parenting Panel met virtually three times during 2022-23 to discuss the agenda items set out below

29 April 2022

- Children in Care Council (CiCC) Annual Report - 2021 - 2022
- Developing the Corporate Parenting Panel
- Looked After Children (LAC) Statistics
- Ofsted Inspection reports for Brodrick House
- Children's Home Regulations 2015, Regulation 44: Inspection reports for the following Children's Homes - Acorns at Dorset Road, Brodrick House, Hazel Lodge, Homefield Cottage, Lansdowne Secure Unit and The Bungalow, Sorrel Drive, Silver Birches and The Bungalow, Sorrel Drive

29 July 2022

- Ofsted Inspection reports for Brodrick House and The Bungalow
- Children's Home Regulations 2015, Regulation 44: Inspection reports for the following Children's Homes - Acorns at Dorset Road, Brodrick House, Hazel Lodge, Homefield Cottage, Lansdowne Secure
- Fostering Services Annual Progress Report 2021-22
- Independent Reviewing Service Annual Report 2021-22
- Looked After Children (LAC) Statistics

The role of our elected members (continued)

28 October 2022

- Quarterly Registered Children's Homes Report for the following Children's Homes - Brodrick House, Homefield Cottage, Hazel Lodge, Silver Birches, Lansdowne Secure Children's Home, Acorns and the Bungalow
- Ofsted Inspection reports for Silver Birches and Lansdowne Secure Children's Home
- Virtual School Annual Report
- Look After Children's (LAC) Annual Report
- Looked After Children (LAC) Statistics
- Presentation on proposed new approach to Corporate Panel Parenting (CPP)
- National Review - Children with disabilities and complex health needs placed in residential settings - verbal report

20 January 2023

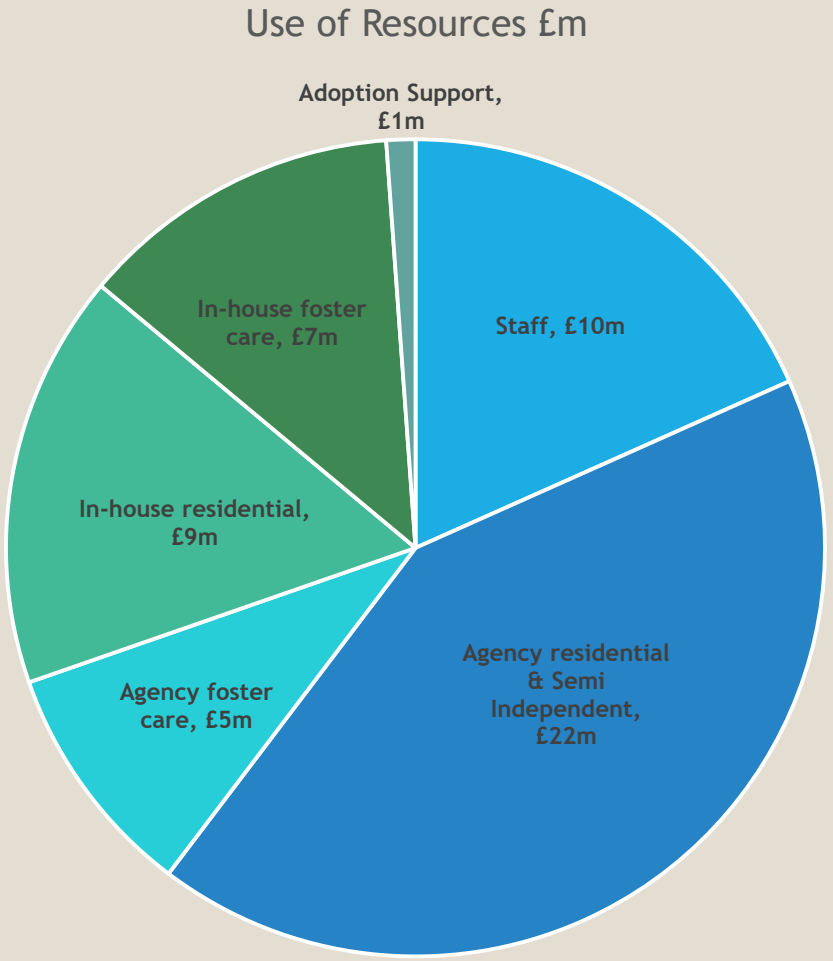
- Quarterly Registered Children's Homes Report for the following Children's Homes - Brodrick House, Homefield Cottage, Hazel Lodge, Silver Birches, Lansdowne Secure Children's Home, Acorns and the Bungalow.
- Ofsted Inspection reports for Acorns, Hazel Lodge and Brodrick House
- Looked After Children (LAC) Statistics
- Lansdowne Secure Unit-temporary closure and forward plan
- Placement Sufficiency-National Context
- East Sussex Sufficiency Strategy presentation
- Key priorities in relation to care and placements from our children and young people
- Foster Carers Association reflections on demand, current challenges and opportunities
- Discussion-Corporate Parenting Panel Response to Sufficiency Challenges and proposals

Sufficiency

- Sufficiency of all placement types continued to be very challenging during this period. A consequence of this was that there were occasions when children were placed in unregistered provision for short periods of time. These arrangements were subject to robust risk assessments and carefully monitored.
- A thorough analysis of the sufficiency issues experienced locally was undertaken during 2022-23 and a revised sufficiency strategy was produced. All recommendations were presented to Departmental Management Team (DMT)
- A specialist team of consultants (Impower) were engaged at the end of 2022-23 to assist with the development of sufficiency solutions.

Use of Resources

- The service maintained minimum levels of staffing in order to support all in house placement types and meet its statutory responsibilities for LAC.
- The budget of £7m supported 334 children living in in-house fostering placements. In addition, 97 children were placed in agency fostering placements at a cost of £9m. Overall, there were fewer children in fostering placements. These placements provide the best value for money.
- More children with very complex behaviours were placed in in-house residential homes during this period. Additional costs were incurred due to the very high levels of supervision and support required. Nonetheless, a market premium rate would have been substantially higher had the independent sector been able to offer suitable placements.
- There was an increase of 10 children placed in agency residential (68) and an increase of 24 children placed in semi independent provision (87). Agency residential costs are substantially higher than those for semi independent provision. Both sets of costs are reported in the same cost centre, alongside any unregistered placement costs/wrap around support. This accounts for just under half of the total LAC placement budget.
- There was an overspend of £9m for this period which was largely attributable to the increased use of agency residential placements and the additional wrap around support for our most complex children.



Priorities for 2022-23

- Delivery of revised sufficiency strategy.
- Consolidate changes made to Corporate Parenting Panel. Further develop and extend corporate parenting responsibilities across key partners.
- Continue to contribute to service developments in relation to emotional wellbeing and mental health of our looked after children including strengthening joint commissioning with the NHS
- Embed the Local Offer for our Care Leavers across whole Council and key partners responsible for corporate parenting.
- Further develop and focus on meeting the identity needs of our children, young people and their families.

Priorities for 2022-23 (continued)

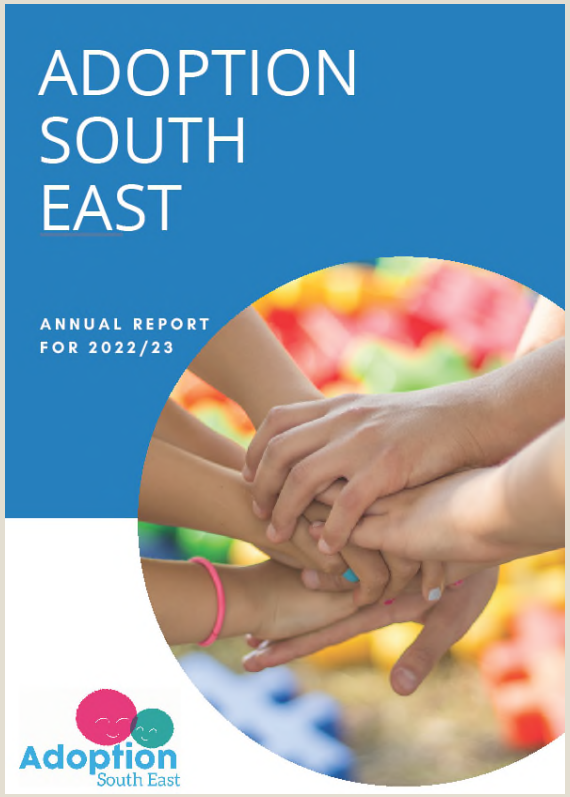
- Develop ambitious programme to enable our children and Care Leavers to maintain safe relationships within their networks and promote Life Long Links for all.
- In partnership with ASE, promote best practice in relation to early permanence, keeping in touch and post adoption support. Improved performance in relation to timeliness for children with a plan for adoption.
- Reopen Lansdowne Secure Childrens Home
- Launch reunification programme to promote the safe return home for LAC
- Launch revised Life Story Work Pilot
- Contribute to ESCC's implementation of the Care Review

Children's Services Annual Reports 2022-23









Council Plan 2024/25

Introduction

This Council Plan sets out our ambitions and what we plan to achieve by 2027 for our four overarching priority outcomes: driving sustainable economic growth; keeping vulnerable people safe; helping people help themselves; and making best use of resources now and for the future.

The Council provides services used by all residents in East Sussex, including providing care and support to children, families and the elderly, maintaining the roads, providing library services, and working to boost the local economy.

We provide services to some of the most vulnerable people in the county, and these services are vital in helping to keep these people safe and helping them to help themselves.

Ongoing cost of living challenges have a significant impact on the lives of many people in East Sussex. We will continue to address these challenges and help to tackle the long-term consequences for local people. The Council has seen a significant increase in the demand for and cost of providing vital services for our residents, particularly the most vulnerable. We will continue to focus our stretched resources on helping those most in need and where we can make the most impact as the financial situation remains challenging.

We plan for and respond to national reforms in major, demand-led service areas, such as adults' and children's social care and special educational needs and disability. This includes preparations for the new CQC inspections of adult social care. Current and forecast economic conditions and increased demand for services contribute to a very challenging financial outlook for the Council over the coming years. Without significant additional funding the current demand for services and ongoing projections present an increasingly difficult financial position in the short and medium term, which may impact on our ability to provide certain services.

We are committed to addressing and adapting to the impact of climate change on our county. With that in mind, we will consider the future impact of the choices we make about using resources, as well as the short-term impacts, across all that we do. The Council has updated its corporate Climate Emergency Plan and, as a member of the Environment Board for East Sussex, is playing a key role in delivering some of the programmes and projects set out in the East Sussex Climate Emergency Road Map.

We do not work in isolation, so we will continue to work with all our partners to make sure there is a shared view of priorities and that we make the most of opportunities and resources available locally. We lobby hard to protect and promote the interests of East Sussex.

We work closely with local businesses to identify and promote the conditions needed to grow our local economy in a sustainable way, helping improve access to quality jobs, goods and services for our communities. The Council will continue work to develop and oversee the delivery of a new Economic Growth Strategy. The strategy will help create a more productive economy which will mean increased wealth for our businesses and residents. We have a vision for a more innovative, productive and sustainable East Sussex economy, and the strategy will set out the steps we will take to achieve that.

We will build on our long-established partnerships with health and care organisations to help deliver joined-up care and to ensure that the most vulnerable receive the support they need in a timely manner. A key partner in East Sussex is the voluntary, community and social enterprise (VCSE) sector. The VCSE organisations are often the first to respond to the needs of communities, and provide specialist support that is often not available from other providers. Through working together we can ensure that our residents have the local support to access the different services they need in order to be able to live an independent life.

We consider equality, diversity and inclusion impacts throughout all aspects of our business planning processes. This ensures that our planned priorities are based on a good understanding of diversity and local needs and that we identify and respond to opportunities to remove barriers and maximise positive outcomes. We monitor the outcomes for people sharing different characteristics so that we understand our impact.

Our planning for the years ahead continues to be underpinned by a relentless focus on our priority outcomes and their supporting delivery outcomes. These priority and delivery outcomes shape the Council Plan performance measures and targets that are the main tool we use to assess our progress. We also keep track of a wide range of related key data evidencing local need in East Sussex.

The performance measures help us assess our impact more fully and respond appropriately when we need to do so. We review this data when making our plans and publish them with our State of the County report each year. A selection of this information is provided throughout the plan and listed in more detail at the end.

Our priorities and delivery outcomes

The Priority Outcomes

The Council has four overarching priority outcomes: driving sustainable economic growth; keeping vulnerable people safe; helping people help themselves; and making best use of resources now and for the future. Making best use of resources now and for the future is the gateway priority through which any activity and accompanying resources must pass. For each priority outcome there are specific delivery outcomes.

Driving sustainable economic growth - delivery outcomes

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

Keeping vulnerable people safe - delivery outcomes

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

Helping people help themselves - delivery outcomes

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

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

- To help tackle Climate Change East Sussex County Council activities are carbon neutral as soon as possible and in any event by 2050
- We work as One Council
- 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
- Ensuring we achieve value for money in the services we commission and provide
- Maximising the funding available through bidding for funding and lobbying for the best deal for East Sussex

- We are an employer of choice and support our staff to achieve and develop, ensuring we have the workforce we need to deliver services both now and in the future

Priority - Driving sustainable economic growth

Priority Overview

A thriving economy in East Sussex is key to the wellbeing of the county. Ensuring that local people have access to relevant training and employment, well designed local infrastructure and services, a positively managed environment and accessible cultural activities, will have a positive impact on their wellbeing, enabling them to live independently of public sector support or benefits. Supporting our economy to recover and grow sustainably will help our communities to be more resilient and our businesses to be more competitive.

1.1 Economic Recovery

Delivery outcome: East Sussex businesses are supported to succeed and grow sustainably

Working with partners we will develop and oversee the delivery of a new Economic Growth Strategy to boost the local economy. This will build on our Economic Insight Analysis, which set out the evidence base for a range of interventions that will have most impact on the economy, particularly in relation to productivity, innovation and pre-scale up businesses. Support will include using Shared Prosperity Funding from our district and borough partners to deliver a specialist business support programme across the county. We will also work to shape new ways to attract more investment into the economy.

Trading Standards will continue to offer assistance to businesses in East Sussex to ensure they continue to adapt and thrive. We provide advice and training to businesses, enabling them to market their goods confident that they are legally compliant. We will continue to advise businesses on the changed regulatory regimes brought about by the UK's departure from the EU in December 2020. We have also worked with Newhaven Port to introduce inspection regimes to ensure that only safe and compliant goods are imported and available to the public.

1.2 Employment and productivity

Delivery outcome: The county is an attractive place to live, work and do business

We will build on the county's economic strengths and unique characteristics to drive economic growth in sectors with the most potential to grow and provide employment. We will build on the areas where the county performs strongly, such as the creative industries, the visitor economy, construction, engineering, health and social care, and food and drink production. We will also look to the future to attract and retain new businesses that will provide the jobs of tomorrow.

We will continue to deliver our grants and loans programme, East Sussex Invest, to support job creation and sustainable growth, and will deliver the Newhaven Town Deal Grants programme on behalf of Lewes District Council.

We will continue to work with the district and borough councils in East Sussex to implement the schemes and projects funded by the Government through their Town Deals and Levelling Up Fund, Levelling Up Partnerships and the new Long Term Plan for Towns.

The Government announced in August 2023 that the functions and responsibilities of Local Enterprise Partnerships would pass to upper tier local authorities from April 2024. As the Council takes on these responsibilities, we will continue to deliver the Local Enterprise Partnership funded projects and influence the local Economic Growth Strategy.

1.3 Local infrastructure

Delivery outcome: Individuals, communities and businesses thrive in East Sussex with the environmental and social infrastructure to meet their needs

Businesses can only thrive if they have the local infrastructure they need and access to the right skills in the local workforce. The Council's seven-year highway maintenance contract with Balfour Beatty Living Places commenced on 1 May 2023. The contract includes strong quality requirements, carbon reduction targets and enhanced social value, providing more apprenticeships and training and community benefits. We are continuing to invest in our highways to maintain safe road conditions. This includes a programme of resurfacing and patching work along with a larger programme of surface dressing, which helps prolong the life of a road. The additional funding we have invested, on top of the funding we received from Government, will allow us to address a greater proportion of the county's roads than grant funding alone would enable us to do and provide greater resilience to the network.

We also coordinate street works, deliver public realm schemes and local transport infrastructure improvements to cope with the changing but increasing demand on the network. A number of infrastructure projects will continue or be delivered in 2024/25, including improvements to Terminus Road in Eastbourne, walking and cycling improvements in Eastbourne and Bexhill and progressing the project to replace Exceat Bridge. We will continue updating our Local Transport Plan, with the new plan scheduled to run until 2050. We will seek the adoption and early implementation of the new plan in 2024/25. The plan will consider how transport can help support sustainable economic recovery and growth in the county and improve the economic connectivity of East Sussex whilst also working towards achieving the Council's commitment to achieve net zero carbon emissions by 2050.

Business in the 21st century needs modern digital infrastructure. Our e-Sussex project to rollout super and ultra-fast broadband across the county has improved access to services, jobs and education, and has helped support flexible working.

We will complete the final stages of our broadband contract in 2024/25 to provide higher broadband speeds for residents and businesses with over 99% of the county now having access to superfast speeds of over 30mbps and 69% having access to gigabit-capable speeds. We will continue to work with Government to support its plans to deliver gigabit-capable broadband infrastructure, ensuring East Sussex receives as much investment as possible and that any new contract generates social value benefits for our businesses and residents.

Transport for the South East (TfSE) is a sub-national transport body representing sixteen Local Transport Authorities. TfSE's Transport Strategy, published in 2020 presents a vision for the region and sets out a plan for how to get there. Achieving that vision will require significant investment in a better transport network. The TfSE Strategic Investment Plan is the blueprint for future investment in strategic transport infrastructure in the South East for the next thirty years. Over the next 12 months

TfSE will be implementing their Delivery Action Plan to deliver the interventions identified in this ambitious plan.

The Council has developed an Enhanced Partnership following the launch of the Government's National Bus Strategy 'Bus Back Better' alongside leading on the development of an East Sussex Bus Service Improvement Plan. The East Sussex Bus Service Improvement Plan aims to deliver to East Sussex residents and visitors the highest possible quality bus services that provide frequent and comprehensive choice, reduces congestion, and makes a positive contribution to better air quality and decarbonisation. East Sussex received a funding allocation of £41.4m over 2.5 years to March 2025, the third highest for shire/rural authorities, and the highest per head of population amongst these authorities. Changes to services that will be rolled out in 2024/25 will include improvements to existing services, delivering flexible services to areas with no service or a limited service, fare reductions and improvements to bus stop infrastructure.

The Council will take on new duties and responsibilities arising from the Government's Environment Act. We will work with our partners to develop a Local Nature Recovery Strategy for East Sussex and Brighton and Hove, with the aim of the strategy being adopted by spring 2025. The Environment Act also outlined a number of changes to waste and recycling services. We are working with our partners to understand the implications of these for our services and together will plan for their implementation as further details become available.

1.4 Workforce skills

Delivery outcome: The workforce has and maintains the skills needed for good quality employment to meet the needs of the current and future East Sussex economy

We want all local people to have the skills they need to succeed and for businesses to have access to a skilled workforce. We will work with post-16 providers, strategic partners, and businesses through Skills East Sussex (SES) and priority sector task groups to understand and respond to local skills needs and economic priorities. This includes the priorities set to be achieved by 2030 for recovery, upskilling the workforce, supporting the unemployed and looking ahead to the skills the economy will need for a net-zero and digitised future.

Through our partnerships we will deliver a range of programmes to improve careers provision for young people and promote and deliver work-based training via schemes such as Apprenticeships and T-Levels. We will support those who are furthest from the workplace through careers, pre-employment and digital inclusion initiatives.

We are a major employer in East Sussex and are committed to supporting the on-going investment in continuous professional development of our staff. The Council has been paying the Apprenticeship Levy of approximately £1m per year since 2017. We have successfully implemented a workforce-based approach and have developed a strategy and action plan to maximise our draw down of the Levy to support employing new apprentices and to support current staff receiving qualifying apprenticeship training. We will continue to address identified areas of skills and employment shortages within the county by also using the levy scheme to fund apprenticeships in local small and medium businesses.

1.5 Our role

Delivery outcome: The value of our role as both a significant employer and a buyer of local goods and services is maximised

As a body with significant spending power in the county we constantly review our procurement processes to ensure they are accessible to local suppliers, maximise the use of local providers in the supply chains, and secure added economic, social and environmental benefits. To support this, we have launched the refreshed East Sussex Social Value Marketplace, which enables the sharing of resources across our suppliers, communities, and charity partners. The Council is also dedicated to its responsibilities on mitigating modern slavery in supply chains.

The seven-year Highways and Infrastructure Services Contract with Balfour Beatty Living Places is expected to deliver the equivalent of £180m worth of social value benefits (around 62% of contract value). This includes a commitment to deliver 60% of the contract value through local supply chains, in addition to delivering apprenticeships, creating local jobs and providing a wide range of employability support.

In response to the current recruitment and retention challenges, the Council is seeking to maximise the use of apprenticeships, traineeships, intern arrangements and more flexible working arrangements as a way of attracting new talent. In support of this, we are attending events such as careers fairs to maximise our presence with job seekers. We are also linking in with organisations that support people back into employment to extend our reach into sections of the labour market that are underrepresented or face significant barriers to employment.

The adult social care sector in East Sussex provides employment for around 21,000 people. We will continue our key role in shaping and supporting a sustainable market so that the wider adult social care sector can continue to make a valuable contribution to the local economy.

1.6 Children

Delivery outcome: All children progress well from early years through school and into post-16 education, training and employment

We want local people to have the skills they need to succeed and all children to progress well from early years through school and into education, training and employment.

Our partnership infrastructure remains the key local mechanism for delivering our shared ambitions. We will continue to work collaboratively to build capacity across the system for school-led improvement. We will work in partnership, within available resources, to meet the needs of all pupils and deliver excellent educational outcomes.

We will continue to place a strong focus on our most disadvantaged pupils to ensure that they achieve consistently high outcomes. We will also work closely with every school, setting and college to secure a strong special educational needs and disability offer which makes education accessible to all children in their local community school.

Educational attainment is negatively affected by poor rates of attendance. We will maintain our focus on supporting schools and work closely with providers to secure

good attendance and reduce the level of suspensions and exclusions for all groups of children and young people. We will provide support to families and monitor children and young people who have long-term poor attendance.

We will work with our partners to promote and secure participation in post 16 education and training, including provision and support for vulnerable groups and young people with special educational needs and/or disabilities. We will ensure that we prepare young people for work by providing good quality careers guidance and work experience. We will continue to provide targeted 1 to 1 support for vulnerable groups via the Youth Employability Service and we will implement robust tracking and data analysis to inform interventions that will improve transition and progression to post 16 education, training and employment.

East Sussex has been selected by the Government to be one of thirty-one local authorities to pilot key reforms outlined in the Special Educational Needs and Disabilities and Alternative Provision Green Paper Implementation Plan, as part of the national change programme.

1.7 Planned work

Examples of planned work during 2024/25

- Jointly with Team East Sussex we will publish and begin overseeing the delivery of the new Economic Growth Strategy
- We will establish a Local Visitor Economy Partnership with West Sussex County Council, Brighton and Hove City Council and other partners to support the sustainability, accessibility and growth of tourism across the whole of Sussex.
- We will work with Towner Eastbourne to maximise the legacy of the Turner Prize coming to Eastbourne in 2023
- We will deliver at least 60% of the Council's circa £400m procurement spend through local companies
- We will work with stakeholders to further evolve the approach to social value, targeting areas where sector-specific factors require tailored approaches. This includes working with areas where supply chains are characterised by high levels of Voluntary, Community and Social Enterprise sector contribution
- We will work to improve the transition for children to post-16 education and to develop the range of provision on offer at post-16 including supported employment opportunities

Priority - Keeping vulnerable people safe

Priority Overview

Safeguarding vulnerable children and adults is one of our key priorities and responsibilities to the community.

There will always be children and adults who cannot be looked after at home by their families. For vulnerable children who cannot be looked after at home by their families, we aim to intervene early and find permanent or long-term placements for them through fostering or adoption where appropriate. We will be ambitious so that they can achieve their best. We will also ensure that vulnerable adults are safeguarded whether they are looked after at home or somewhere else.

2.1 Vulnerable people

Delivery outcome: All vulnerable people in East Sussex are known to relevant local agencies and services are delivered together to meet their needs

One of our key objectives is that there is an effective multi-agency early help and child protection system, which ensures that children and young people who are, or are likely to be, at risk of harm are identified, supported and protected. This is part of a wider multi-agency safeguarding system, underpinned by strong statutory multi-agency governance and scrutiny by the East Sussex Safeguarding Children Partnership.

The Council is part of the Children and Young People's Trust network of organisations. Through the Trust we aim to work across public services such as health, social care, education, criminal justice and probation, in addition to working alongside partners in the statutory and voluntary sector, to progress our joint priorities.

The Department for Education has published its response to the Stable Homes, Built on Love Implementation Strategy and consultation, which sets out the Government's vision for reform of children's social care. We will be responding to the changes in guidance alongside our statutory agency partners as they are rolled out.

The number of children in our care and the complexity of children's needs has continued to rise. We want children to stay close to the people and places they know, where it is best for them to do so. This is not always possible because demand outstrips supply of care placements locally and nationally. We are working to overcome these challenges through investing in earlier intervention and support to families, further investment in recruitment and retaining our foster carers, and our ability to secure the right care for the right child for the right length of time, through an approach called Valuing Care.

As part of our work to support children to grow up in supportive, safe environments we will continue to support families with complex needs through the Government's Supporting Families programme. We continue to extend the number of teams and services taking a whole family approach both internally and also in the work we commission. We will identify as many external funding streams as possible to sustain or increase family support programmes and youth work.

We will also continue our work to safeguard vulnerable adults through the Safeguarding Adults Board (SAB). This is a multi-agency partnership, made up of

statutory and voluntary partners as well as lay members, established to promote well-being and oversee Safeguarding Adults work county-wide.

It is important that vulnerable adults and their families can access the information and support they need. Health and Social Care Connect, the Adult Social Care and Health contact centre, continues to provide a single point for information, advice and access to community health and social care services seven days a week, from 8am to 8pm.

The Council expects to undertake the Adult Social Care CQC Assurance Process in 2024/25 and it is a priority objective for our Adult Social Care and Health department to continue preparing for that CQC assessment.

The Council is a lead member of the Sussex Integrated Care System (ICS) which brings together the NHS, Local Authorities, and other partners in Sussex through the statutory Sussex Health and Care Assembly and NHS Sussex Integrated Care Board. The Council also jointly facilitates the East Sussex Health and Care Partnership with the local NHS, to ensure a strong focus on the health and care needs of the East Sussex population, driven by the Joint Strategic Needs Assessment (JSNA) and the priorities set out in our East Sussex Health and Wellbeing Strategy Healthy Lives, Healthy People 2022 – 2027.

We will continue to pursue a range of projects and initiatives aimed at improving the mental health and wellbeing of East Sussex residents. We are committed to supporting people in crisis, including those at risk of suicide. We will work with colleagues across Sussex to progress the recommendations of the new Sussex Suicide Prevention Strategy (2024-27). This will include a local programme of activity and continuation of our work to reduce deaths at coastal locations.

We will continue to work in a cross-county partnership to ensure all migrants and the communities they settle in can achieve independence and wellbeing. East Sussex has welcomed arrivals from many countries through dedicated resettlement and visa schemes. One of the largest cohorts to arrive in East Sussex are Ukrainian people. We continue to support Ukrainian families towards independence and wellbeing as East Sussex residents. This means ensuring all Ukrainians can access support with welfare and wellbeing, English language, employment and routes into independent accommodation.

2.2 Safe at home

Delivery outcome: People feel safe at home and well supported by their networks

We work with partners, including health services, police, ambulance, and fire and rescue services, to ensure people are safeguarded and able to live independently and free from abuse. We will raise awareness of safeguarding issues and enquire into concerns of abuse.

We support the most vulnerable families, helping them to find ways to manage independently and cope with problems so that they can stay together where possible and achieve better outcomes for children and parents.

Early Help services support families to tackle their problems before they become more difficult to reverse. We will continue to deliver this through an integrated service with health visitors as part of the 0-19 Early Help service alongside the development

of Family Hubs. The aim is to provide earlier support and prevent escalation to more intensive specialist services as this is better for families and helps to manage demand for higher cost services. The new Early Intervention Partnership Strategy sets out a system wide approach, working with health, education and community and voluntary services to shape our priorities. Part of the delivery of the strategy work in 2024/25 will include earlier identification of needs, keywork with vulnerable families and early years family support services integrated with delivery of the Healthy Child Programme by our health visitors. It will also include provision of earlier emotional wellbeing support and evidence-based youth work with vulnerable young people.

Our Early Help offer has been further enhanced by a significant investment in our Early Help level 2 keywork team. In 2024/25 the team will work in collaboration with education colleagues to ensure a joined-up approach to improving attendance.

We also offer universal, open-access and drop-in early help services for children, families and young people where these are fully externally funded. We provide support to young people and families through our network of 11 family hubs and four youth centres.

We work in partnership to reduce crime, anti-social behaviour and domestic abuse and help victims to stay safe from harm. This includes providing support services and raising awareness of domestic abuse across the county. An increasing number of domestic violence referrals in East Sussex relate to people aged over 65. However, the number of older victims accessing support from domestic abuse services remains disproportionately low. We are increasing awareness of domestic abuse amongst older residents, and the support which is available to them. Through our partnership work we also continue to support East Sussex residents to address drug and alcohol misuse, sustain their recovery and to prevent drug and alcohol related deaths.

Our Trading Standards service helps to protect vulnerable people from exploitation such as rogue traders and cold callers. We also investigate food fraud, illicit tobacco and counterfeit alcohol to protect people from the increased risks associated with these. These services are provided in partnership with the police and other agencies to ensure an effective level of prevention and support work is offered to the residents and businesses of East Sussex.

2.3 Supportive relationships

Delivery outcome: Children grow up supported by enduring, loving relationships

Our aim is to ensure that all children grow up supported by enduring, loving relationships. We will embed the family safeguarding approach of practice and our Connected Families team which delivers earlier intensive multi-disciplinary support and interventions to families of children in need and children subject to child protection planning. This model involves professionals from different agencies working together to support families to identify and implement the changes they need to make to ensure children can remain safely at home.

2.4 Support services

People feel safe with services

While we aim to help people stay safe and independent, this is not always possible. There will always be children and young people who cannot be cared for at home and with their families. Where it is clear this is the case for children, we will intervene early and find permanent or long-term, cost effective, placements for them through fostering or adoption where appropriate. Vulnerable adults that cannot cope by themselves need to have support services that are safe and of good quality. We will continue to monitor satisfaction with our commissioned services including through service user evaluations.

Together with our residents and partners, the Council has developed What Matters to You, an Adult Social Care strategy for the county, The strategy includes six strategic priorities and complements and aligns to the strategic plans set out both nationally in People At The Heart Of Care, and locally in Healthy lives, healthy people: East Sussex Health and Wellbeing Board strategy and the Improving Lives Together strategy - Sussex Health and Care. We will deliver key actions resulting from the strategy including developing new methods to deliver training, helping our staff signpost residents onto external support in the community and communicating more clearly what adult social care can offer. We will also help to improve access to financial information, guidance and advice, look to develop the use of technology to enable people to live in suitable homes and take steps to address loneliness.

2.5 Health

Delivery outcome: We work with the wider health and care system to support people to achieve the best outcomes possible

Public Health aims to improve life expectancy and the quality of life by addressing health inequalities with partners which include the Government, the Sussex Integrated Care System, district and borough councils, education, business, and the VCSE sector. We will address local need and Public Health programmes will be delivered (in line with the conditions and statutory obligations of the Public Health Grant) to ensure our residents have better beginnings, and healthier and longer lives. We will work in a wide range of settings through local outbreak planning and management, screening, immunisation and emergency planning and preparedness, to ensure the combined efforts of all relevant agencies and professions have the maximum impact.

We will work collaboratively with partners in education, employment, housing and planning to achieve better health, building on community assets, social prescribing and resilience aligned to the wider programmes of the Sussex Shared Delivery Plan. The Council's One You East Sussex service provides support to people to quit smoking, improving their lives and the lives of those around them.

The Sussex Integrated Care Strategy Improving Lives Together builds on our East Sussex Health and Wellbeing Strategy, and sets out our ambition for a healthier future for everyone in Sussex over the next five years. The approach will have a greater focus on keeping people healthy, supporting all aspects of people's lives and the specific needs of children and young people, as well as living well and ageing well as adults and having a good end of life. To support this a 5-year Shared

Delivery Plan has been developed. The Shared Delivery Plan includes our ongoing East Sussex collaborative programmes for children and young people, mental health and improving health outcomes, as well as the Sussex Health and Care Assembly's priority to maximise the potential of partnerships and a new joined-up community approach through the development of Integrated Community Teams.

The Council continues to work to support the care market in the county and ensure people receive the most appropriate level of care in the most appropriate setting. Discharge To Assess / Home First pathways support timely discharges from hospital freeing up capacity in the NHS. Our Joint Community Reablement team also support hospital discharges, 68% of clients that were supported by the team in 2023/24 did not require on-going care.

2.6 Planned work

Examples of planned work during 2024/25

- We will work as part of the East Sussex Safer Communities Partnership to develop multi-agency approaches to tackle drug and alcohol-related harm by sharing expertise and resources across the council, policing and probation, Public Health, and the VCSE sector
- We will continue to develop a new Connected Families service for teenagers on the edge of care
- We will work to deliver the actions in the adult social care strategy "What Matters To You"
- We will support people who have been a victim of sexual violence and domestic abuse through the specialist domestic abuse and sexual violence services
- We will continue to help prevent vulnerable people from becoming a victim of mass marketing fraud and intervene if people have already become a victim
- We will continue to protect people from the increased risks associated with food fraud, illicit tobacco and counterfeit alcohol through the risk based investigations undertaken by Trading Standards

Priority - Helping people help themselves

Priority Overview

Whilst we must keep vulnerable people safe, people prefer and need to be independent. If we can encourage families and communities to work together to build better local communities, meet local need, and support individuals to stay independent, we can meet our objectives of breaking dependency, while reducing demand for services and therefore costs. Helping people to be self-supporting will become increasingly important as the resources available to public services decline.

3.1 Putting people first

Delivery outcome: Commissioners and providers from all sectors put people first when providing services and information to help them meet their needs

One of the best things we can do to support people is to focus very clearly on their needs when designing and providing services and when we make information available so people can help themselves.

Our focus is to provide people with the support they need as early as possible to help them remain healthy and independent. When they need them, our services will be provided by integrated health and care teams, meaning their care will be more efficient and personal, delivered by one system.

By providing support as early as possible it should mean that people don't need health and care services as much. But when they do, we will make sure they can get services quickly, easily and, before they reach crisis point.

We want to ensure that local people receive the right services, in the right place, at the right time. This may mean they access and use services differently. We aim to empower them with the knowledge of how to best use available health and social care services, and how to best get the support they need.

We will provide information and advice for all those seeking care and support. We will provide support that reduces the need for social care in the longer term and/or prevents the need for a more expensive service. We will continue to work with health partners to support hospital discharge. We will also work with partners in the NHS and the VCSE, and with carers and carers' organisations, to develop a new strategic carer's partnership plan to help support the needs of carers. This will include increased identification of carers taking account of those who may not access services as early as others such as carers from minority communities, those living with disabilities, or those with multiple caring roles.

Health inequalities are avoidable, unfair and systematic differences in health between different groups of people. We will ensure that tackling health inequalities is a principle applied throughout all aspects of our business planning processes and service delivery.

We provide online access to information, for children and young people with special educational needs and disabilities and their families, about services and expertise available in the area from a range of local organisations, including providers of education, health and social care. We will use feedback from service users to improve the quality and accessibility of this information and address any gaps.

We help improve the lives and outcomes of children and young people with special educational needs and disabilities, helping them to achieve their full potential at home, in school, educational settings and in their communities. This includes being well-prepared for adult life. Our Special Educational Needs and Disability Strategy sets out how we will work across education, social care, health to improve access to provision and support for children and families. We will carry out statutory assessments of children with special educational needs and disabilities where there are significant barriers to learning and we will work with educational settings to secure the right education provision and support them.

We are committed to ongoing co-production and participation activities to ensure the voice of children and young people and their families and users of adult support services is central to the development of services and decision making.

3.2 Maintaining independence

Delivery outcome: The most vulnerable get the support they need to maintain their independence and this is provided at or as close to home as possible

It is often best if people in need of care and support receive this at home, if possible, with the help of friends and family. We work to ensure that people's homes are safe, providing access to care services, and personal budgets so that people can choose the care and support they need.

We will work with residents, local organisations and services to develop a new service to help people think about, plan for and manage their later life. We aim to make the new service available in-person, online and through a new digital app. Alongside this we will also develop our community equipment offer through expanding equipment assessment capacity with a Trusted Assessor approach and providing advice and self-assessment options for people who choose to purchase equipment.

Education is a protective factor against many of the risks to good mental health and wellbeing that face children and young people across East Sussex. Our Excellence for All strategy will provide opportunities for schools and settings to develop communities which promote good mental health and wellbeing.

Mental Health Support Teams continue to operate in 75 targeted schools, covering approximately 52% of our school age population. The teams deliver high quality interventions to support children and young people with mild to moderate difficulties who are referred to the service. We have reshaped our internal structures to create an Education Division. This allows us to take forward plans to support all schools within the county with a cohesive offer of whole school approach and a central training calendar. This, combined with a county-wide offer of support for parents and carers, is part of strategic work to deliver a more equitable offer across the county in terms of supporting schools with mental health and emotional wellbeing. One of our priorities for 2024/25 is to provide accessible high-quality advice, guidance and self-help for children and young people, their families and practitioners.

3.3 Local mutual support systems

Delivery outcome: Through working well with the voluntary, community and social enterprise sector, individuals, families and communities are supported to thrive

People, families and communities across East Sussex have huge potential to thrive and to support each other. There is a substantial infrastructure of public, voluntary and community sector work across the county that can seek to help local people achieve their ambitions.

We work with partners and residents across the county to help local communities thrive and tackle some of the most difficult issues that impact on people's happiness and wellbeing, such as loneliness.

We are working with partners across health, social care, the voluntary and community sector, and others to increase community and personal resilience in East Sussex. We aim to increase volunteering; improve and coordinate support to strengthen communities; and help individuals to improve their own health and well-being and take action to prevent disease and ill health.

Community Networks provide a range of prevention support, access to practical help and increase the availability of social opportunities to local communities. In 2024/25 the Council will develop a Community Networks Support Programme, to support stronger connections and mutual support between the VCSE and public sector.

The Council provides cost of living support webpages to help residents access information about money advice, employment and skills, and how to access benefits and grants. The Council is also part of a multi-agency financial inclusion steering group with representatives from a range of statutory sectors and the VCSE sector. Amongst its priorities is to maximise funding opportunities across the system, improve the take up of benefits and grants and provide access to the right information, advice and support at the right time.

Collisions on our roads can have a terrible human cost. We will complete 24 infrastructure schemes at high-risk sites in 2024/25 to improve the safety on our road network. Cycling supports an active lifestyle, benefitting fitness and general wellbeing. To encourage cycling and improve road safety we will deliver Bikeability training to 4,000 pupils and complete 100 Wheels for All sessions in 2024/25.

3.4 Planned work

Examples of planned work during 2024/25

- We will continue to develop the Local Offer website which provides information and advice to families and children with special educational needs and disabilities
- Following an independent review of young people's emotional health and wellbeing services across Sussex, the East Sussex Children and Young People's Mental Health and Emotional Wellbeing (MHEW) Planning Group will drive and oversee improvements in MHEW services in East Sussex as part of implementing the Sussex-wide strategy 'Foundations for our Future'
- We will continue to support the needs of carers in the community, including by providing more intensive support with short-term crisis intervention

- We will help people to maintain their independence by providing rehabilitation support services and intermediate care
- Our One You service will help people to quit smoking
- We will deliver road safety training for the most vulnerable road users in the county through Bikeability training and Wheels for All sessions
- We will design and implement road safety infrastructure schemes at high-risk sites to make our roads safer

Priority – Making best use of resources now and for the future

Priority Overview

This priority underpins all our activities and is a key measure of success for all our priority outcomes. It applies to all the resources available for East Sussex, not only within the Council, but across the public sector, voluntary and community sector and private partners, and within local communities. We will work as a single unified organisation to deliver our priorities; ensuring high quality, streamlined services are commissioned and developed in partnership; working to reduce demand for services and focusing on our residents and communities. We will ensure that the decisions we take are sustainable both now and for the future, ensuring they provide best value for money and support our ambitions to become carbon neutral.

4.1 Carbon Neutral

Delivery outcome: To help tackle Climate Change East Sussex County Council activities are carbon neutral as soon as possible and in any event by 2050

We will build on our earlier work to ensure Council activities are carbon neutral as soon as possible and in any event by 2050. We will continue to implement our corporate Climate Emergency Plan for 2023-25. This includes a focus on reducing the carbon emissions from our buildings, as well as committing capital investment on heat decarbonisation in our schools and non-school buildings. The Council has committed an additional £9.9m of funding up to March 2025 to cut corporate carbon emissions.

During 2024/25 we will continue to roll out our LED lighting programme and to install solar PV (photovoltaic) panels on Council properties and bid for external funding to support the heat decarbonisation of additional sites. We will also undertake energy efficiency projects outside these schemes to lower energy consumption and reduce carbon emissions.

We will continue work to reduce carbon emissions from our supply chain. In line with our new Supply Chain Carbon Reduction Strategy we will establish an understanding of emissions amongst the Council's diverse supply chain, opportunities to reduce these emissions, and the challenges or support required for any reductions.

4.2 One Council

Delivery outcome: We work as one Council

We will ensure that we work in a unified way so that resources are focused on delivering our priority outcomes. This means minimising the cost of back-office services and directing resources to frontline services. We will focus on delivering services close to local people in the most cost-effective way possible. We will also continue to work to exploit technology effectively as an enabler for providing efficient services.

The impact of the pandemic has created a large-scale shift to how organisations operate and has provided an unprecedented opportunity to accelerate our planned changes to how we work in the future. We will continue to invest in enabling technology and evolve our working practices to ensure we have modern, flexible workspaces and work styles that enable hybrid ways of working, building on the success of existing flexible working options. We will review our office estate as part of this work, ensuring that it is the right size for our future needs. New working

practices will drive efficiency, as well as significantly reducing carbon emissions through a reduced requirement for staff travel.

We continue to identify new opportunities to harness the power of technology to support new ways of working, connect with partners and support the delivery of resident and community outcomes through our Strategic Digital Framework. We will put people at the centre of our approach to implementing new technologies, whilst ensuring that these support our commitment to achieving best value for money.

The Managing Back Office Systems programme will continue the work to implement a new Oracle Fusion system to replace the Council's core finance and Human Resources systems. The improvements delivered by the new system will help support our new working practices.

4.3 Working in partnership

Delivery outcome: 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

We will work in partnership across the public, voluntary and community, and private sectors to ensure that all appropriate available resources are used to deliver maximum benefits to local people. We will be proactive in making the best use of our assets, sharing property, staff, technology and data with partners so we work as efficiently as possible, removing duplication and increasing flexibility. We will join with partners to seek opportunities to achieve better value through our procurement.

Collaboration is important as we continue to support our residents and businesses dealing with challenges around the cost of living.

Orbis, our partnership with Surrey County Council and Brighton and Hove City Council for some of our back-office services, has allowed us to provide efficient and resilient services while achieving savings which are being used to sustain services for residents of all three areas.

The Strategic Property Asset Collaboration in East Sussex was formed by a number of public and third sector organisations coming together in partnership. Together we continue to look for opportunities to co-locate and collaborate around property, to ensure cost effectiveness and to improve the customer journey by creating more effective environments to deliver services from.

4.4 Value for money

Delivery outcome: Ensuring we achieve value for money in the services we commission and provide

Across all our resources, services, and partnerships we will seek to achieve the maximum positive impact to deliver our priority outcomes for people in East Sussex.

We will ensure the best value for money from our spend with third parties. We are actively working to strengthen our planning processes to enable better strategic decision making in this area and maximise value for money.

We are continuing to review our properties (excluding schools) to assess the needs of the organisation and ensure these are being used in the most efficient way. This includes reviewing the potential for income generation from our properties.

Work continues to ensure our office spaces are suitable for Council staff and business. This has led to a smaller footprint for dedicated office space and we will, over time, be able to reduce the cost of occupancy in all of our corporate buildings. This reduction in office space will also support the Council's commitment to reduce carbon emissions.

We continue to identify opportunities for the development of digital and data capabilities across the Council, supporting the exploration and use of new and emerging technology, including AI and automation, to increase productivity and help free up staff capacity for other priorities.

4.5 Maximising funding

Delivery outcome: Maximising the funding available through bidding for funding and lobbying for the best deal for East Sussex

We will continue to take all opportunities to raise the distinct funding needs of the Council with Government, to address the long-term fair funding needs of our services. We will work with partners to press for the best outcomes for the county, lobbying with our local MPs and with our local, regional and national partners including the South East 7, County Councils Network (CCN), Society of County Treasurers and Local Government Association (LGA).

However, the current and forecast economic conditions present an increasingly difficult financial outlook for the Council in the short and medium term and may impact on our ability to deliver some services in the future.

4.6 Employer of choice

Delivery outcome: We are an employer of choice and support our staff to achieve and develop, ensuring we have the workforce we need to deliver services both now and in the future

We are committed to the development of our workforce and continue to embed our People Strategy into our culture. The People Strategy, which is being updated for 2024-2027, supports the delivery of the Council's priorities and provides the direction and purpose for our people related activities. The Strategy is built around the four pillars of: i) Leadership and Management, ii) Performance, Development and Reward, iii) Employee Engagement and Inclusion and iv) Employee Health and Wellbeing.

We will continue to develop our employer brand 'We Choose East Sussex' and continue our work to establish the Council as an 'employer of choice'. This work includes making updated recruitment materials available, as well as ensuring our workforce policies and approaches support individuals to remain in work, such as our financial wellbeing services, wellbeing offer, occupational health and absence management services.

We continue to support the development of our managers to ensure they are best equipped to meet the continuing challenges we face as an organisation. This is informed by our Leadership and Management Capability Framework which sets out the management and leadership expectations in support of the Council's priority outcomes and operating principles.

4.7 Planned work

Examples of planned work during 2024/25

- We will reduce the amount of CO_2e produced from Council operations
- We will maintain or reduce the number of working days lost to sickness absence
- We will complete works to provide an ultra-fast digital network that can be used by the Council, its schools, and other public service partners
- We will continue to review our use of assets to ensure effective utilisation of our property and land, with consideration of cost and carbon implications

Equality objectives

The Council recognises the diverse needs of our communities and is committed to promoting equality of opportunity and diversity in employment and service delivery. We challenge discrimination and encourage respect, understanding and dignity for everyone living, working and visiting East Sussex. We do this through our influence in the community, strategic planning and policy formation in employment and service delivery. The Council has reviewed its equality objectives and updated them to define our focus for 2024/25:

- We will lead by example, delivering services that are informed by the views, strengths and needs of our communities and providing an inclusive and supportive working environment for our staff. To help achieve this we will take practical actions on equality, diversity and inclusion as set out in the Corporate Equality Diversity and Inclusion Action Plan.
- We will implement the new service and associated workplace adjustment pathway agreed following the Workplace Adjustments review.

Revenue budget: gross and net

The charts below show how we will spend your revenue budget money in 2024/25, and where the money will come from (gross and net). More information on our revenue budget can be found in our financial budget summary which explains the difference between the gross and net budgets.

How we will spend your money (gross)

Chart to be added when available

How we will spend your money (net)

Chart to be added when available

Where the money comes from (gross)

Chart to be added when available

Where the money comes from (net)

Chart to be added when available

Revenue Spending

Chart to be added when available

Adult Social Care

Chart to be added when available

Public Health

Chart to be added when available

Business Services

Chart to be added when available

Children's Services

Chart to be added when available

Communities, Economy & Transport

Chart to be added when available

Governance Services

Chart to be added when available

Revenue Data

Table to be added

Capital programme

Capital programme: projects in the year ahead 2024/25

The planned capital programme supports the Council's Capital Strategy to 2043/44. It comprises targeted basic need investment that supports services in the delivery of priority outcomes and is supported by a planned programme to 2032/33. It includes providing for essential school places, investments in roads and transport infrastructure, support for climate change initiatives, enhancing the life of existing assets and ensuring they are fit for purpose, as well as support for strategic investment. Details of the full current capital programme are in our financial budget summary. Below are examples of key projects (to be added) that will be underway in 2024/25 at a cost of £(to be added)m.

Chart to be added when available

Economic Growth & Strategic Infrastructure

Community & Social Care Facilities

Highways & Structural Maintenance

Integrated Transport Schemes

Schools

Building Maintenance & Efficiency

Capital Resourcing 2023/24 to 2025/26

Because capital projects may take several years to deliver, we need to know how we will fund the full £(to be added) million programme to 2026/27. Details of where this money will come from are given below.

Chart to be added when available

Promoting equality of opportunity

Equality impact assessment summary report for Council Plan 2024/25

Date of assessment: 10/01/2024

Summary of findings: There are no disproportionate negative impacts on people sharing any specific characteristics. The Council Plan as a whole is designed to support our objectives to promote equality and to address known inequalities. Many services or programmes will have benefits for all people in the county, across all legally protected characteristics. The Council's approach is to integrate consideration of equality impacts into planning, implementation and monitoring of all activities, so specific needs, assets, barriers and opportunities are assessed individually to maximise positive impacts and avoid or minimise negative impacts.

Summary of recommendations and key points of action plan: Our Council Plan priorities and delivery outcomes are designed to help address identified inequalities in outcomes for different groups in our local community and incorporate our equality objectives. We will take additional actions to mitigate against the potential issues we have identified.

Potential issues	**Mitigating actions**
Identification of potential disproportionate impacts or issues relating to people sharing specific characteristics that have not been identified at this stage.	The planned work set out in the Council Plan will be taken forward through specific programmes of activity within individual directorates. Robust equality analysis will be undertaken on each planned activity, to ensure that these are designed and implemented in a way that maximises opportunities to promote equality, whilst minimising any adverse impacts.
Our resources do not reflect the demand for services, which may mean we will have to adjust our services to match the funds we have.	Priorities will continue to be defined based on local evidence of need and what works and makes a difference locally. We will continue to be democratic, open and honest in determining the best level and quality of services we can provide, within available resources, and in communicating priorities.
The population of East Sussex is changing, and people's needs and assets change.	We will work closely with partners, including the Voluntary, Community and Social Enterprise sector, to make the most of opportunities, resources and links with diverse communities available locally. We recognise that VCSE organisations are often the first to recognise and respond to the needs of diverse communities and that they provide safe, accessible, and inclusive spaces for individuals, groups and the wider community, that support inclusion and belonging.

COVID19 and the lockdowns and social restrictions have impacted some people and communities sharing protected characteristics worse.	We continue to work to understand the ongoing ways in impacts of the pandemic on people sharing specific characteristics and to address the inequalities that have been revealed and/or worsened. Work across the Council and with statutory and VCSE partners is co-ordinating support and identifying ways to maximise access for vulnerable residents to the advice and support available. Portfolio Plans and service plans identify tailored responses to identified needs.
The effects of the national rise in the cost of living are being disproportionately felt by some people more than others, linked to their characteristics.	Work across the council and with statutory and VCSE sector partners is co-ordinating support and identifying ways to maximise access for vulnerable residents to the advice and support available. Portfolio Plans and service plans identify tailored responses to identified needs.

We will also continue to monitor our impact on outcomes for the people of East Sussex, including differences between outcomes for people sharing different protected characteristics. We will use this information to inform future business planning activities as part of our annual State of the County exercise. We will report quarterly on progress against the activities in the Council Plan, including any issues, as part of our Council Monitoring reports. We will also report on our progress in delivering the actions in this Council Plan that will advance equality as part of our Annual report, which will be published in Autumn 2024.

More information on equality and diversity can be found on our equality and diversity web page.

Performance measures and targets

Targets – Driving sustainable economic growth

Performance measure	2023/24 Outturn (Target)	2024/25 Target	2025/26 Target	2026/27 Target	2024 – 2027 Outcome Summary
Deliver East Sussex Skills priorities for 2021-2026	(a) Adult Learning Network established b) Deliver six interventions that meet the Skills East Sussex priorities c) Deliver six embedded numeracy interventions)	a) Deliver six interventions that meet the Skills East Sussex priorities b) Deliver six embedded numeracy interventions	To be set 2024/25	To be set 2025/26	Training providers are developing a curriculum which is informed by sector skills evidence and our local businesses are actively engaged in supporting training provision in the county, supporting sustainable economic development
East Sussex Careers Hub	(East Sussex Careers Hub to support schools to achieve an average of 5 national benchmarks. 210 Industry Champions support schools and colleges in the county)	To be set February 2024 pending expression of confidence in funding allocation	To be set 2024/25	To be set 2025/26	Our young people and adults are helped to become aware of careers opportunities available to them, supporting sustainable economic development
Deliver new economic strategy	(Draft economic strategy developed)	Economic Growth Strategy endorsed and adopted by key stakeholders including Team East Sussex	Not applicable strategy delivered	Not applicable strategy delivered	Support the creation of the conditions needed to sustainably grow the East Sussex economy

Performance measure	2023/24 Outturn (Target)	2024/25 Target	2025/26 Target	2026/27 Target	2024 – 2027 Outcome Summary
Create a pan-Sussex visitor economy group to re-start the leisure, hospitality, culture, retail and tourism economy and enhance existing marketing vehicles	(Develop a shared Sussex Story and assets to promote the region. Develop a shared Sussex Meetings, Inceptive, Conferences and Events (MICE) initiative)	Establish a Sussex Local Visitor Economy Partnership and agree a Strategic Plan	To be set 2024/25	To be set 2025/26	The visitor economy grows as the visibility of Sussex is raised, perceptions are inhanced. The number of visitors to the coast is increased and the length of stay and spend is increased.
Create a prioritised list of cultural projects ready for and seeking funding over the value of £100k	(Maintain a list of cultural projects ready for and seeking funding over the value of £100k)	Advise four project sponsors	To be set 2024/25	To be set 2025/26	The conditions are created to ensure that East Sussex benefits from one of the fastest growing sectors of the economy, the creative economy is grown following fostering of creative startups, creative businesses are upscaled and businesses are attracted into East Sussex
Job creation from East Sussex Programmes	(27 jobs created)	45 jobs created	45 jobs created	To be set 2025/26 (subject to funding)	The East Sussex economy has grown and more jobs are created by supporting the growth of businesses through capital investment
Percentage of Principal roads requiring maintenance	(4%)	7% (to be confirmed subject to further modelling)	7% (to be confirmed subject to further modelling)	7% (to be confirmed subject to further modelling)	A satisfactory standard of road condition across all road types is achieved and maintained

Performance measure	2023/24 Outturn (Target)	2024/25 Target	2025/26 Target	2026/27 Target	2024 – 2027 Outcome Summary
Percentage of Non-Principal roads requiring maintenance	(4%)	8% (to be confirmed subject to further modelling)	8% (to be confirmed subject to further modelling)	8% (to be confirmed subject to further modelling)	A satisfactory standard of road condition across all road types is achieved and maintained
Percentage of Unclassified roads requiring maintenance	(14%)	25% (to be confirmed subject to further modelling)	25% (to be confirmed subject to further modelling)	25% (to be confirmed subject to further modelling)	A satisfactory standard of road condition across all road types is achieved and maintained
Deliver a range of Family Learning programmes across East Sussex to provide high quality learning opportunities for parents/carers and their children to develop English, maths and language skills and to support a culture of learning in the family (subject to external funding)	(500 enrolments across Family English, maths and Language (FEML) and Wider Family Learning (WFL) programmes)	500 enrolments across Family English, maths and Language (FEML) and Wider Family Learning (WFL) programmes	500 enrolments across Family English, maths and Language (FEML) and Wider Family Learning (WFL) programmes	500 enrolments across Family English, maths and Language (FEML) and Wider Family Learning (WFL) programmes	Families, particularly those from areas of deprivation, have intergenerational learning opportunities and develop positive attitudes to learning
In partnership with funding organisations provide online learning (including skills for life and ICT courses) in libraries (subject to contract)	(70 achievements)	75 achievements	75 achievements	75 achievements	People have access to free qualifications that support them into, or back into, work and education
The number of businesses receiving advice and support through training and bespoke advice provided by Trading Standards	(350)	350	To be set 2024/25	To be set 2025/26	Businesses in East Sussex are equipped to thrive, comply with the law, and are supported to “get it right first time”

Performance measure	2023/24 Outturn (Target)	2024/25 Target	2025/26 Target	2026/27 Target	2024 – 2027 Outcome Summary
The Council's Apprenticeship Levy strategy supports the Council's workforce development and training plans	(Where appropriate Standards exist, to ensure apprenticeship training is available and taken up (subject to the needs of the business), which addresses skills shortages in the Council)	Where appropriate Standards exist, to ensure apprenticeship training is available and taken up (subject to the needs of the business), which addresses skills shortages in the Council	Where appropriate Standards exist, to ensure apprenticeship training is available and taken up (subject to the needs of the business), which addresses skills shortages in the Council	To be set 2025/26	Apprenticeships in the Council provide a positive opportunity for staff to develop and grow, enhancing the Council's workforce and career opportunities
The percentage of Council procurement spend with local suppliers	(60%)	60%	60%	60%	Local businesses are supported and we help drive economic growth and employment in the county through use of our purchasing power
Economic, social and environmental value committed through contracts, as a percentage of our spend with suppliers	(≥10.0%)	≥10.0%	≥10.0%	≥10%	The Social Value Measurement Charter is used to provide robust measures in eligible contracts that commit suppliers to deliver the Council's social value objectives
The percentage of eligible 2 year olds who take up a place with an eligible early years provider	(Equal to or above the national average)	Equal to or above the national average	Equal to or above the national average	Equal to or above the national average	All children engage, attain and progress well from early years into education, training and employment

Performance measure	2023/24 Outturn (Target)	2024/25 Target	2025/26 Target	2026/27 Target	2024 – 2027 Outcome Summary
The percentage of pupils achieving a “good level of development” at the Early Years Foundation Stage	(Ac Year 2022/23 Equal to or above the national average)	Ac Year 2023/24 Equal to or above the national average	Ac Year 2024/25 Equal to or above the national average	Ac Year 2025/26 Equal to or above the national average	All children engage, attain and progress well from early years into education, training and employment
Average Attainment 8 score for state funded schools	(Ac Year 2022/23 46.5)	Ac Year 2023/24 To be set March 2024 pending validated outturn data	Ac Year 2024/25 To be set March 2024 pending validated outturn data	Ac Year 2025/26 To be set March 2024 pending validated outturn data	All children engage, attain and progress well from early years into education, training and employment
The percentage of disadvantaged pupils achieving at least the expected standard in each of reading, writing and maths at Key Stage 2	(Ac Year 2022/23 37.7%)	Ac Year 2023/24 To be set March 2024 pending validated outturn data	Ac Year 2024/25 To be set March 2024 pending validated outturn data	Ac Year 2025/26 To be set March 2024 pending validated outturn data	The gap for disadvantaged pupils at all Key Stages is kept as small as possible so that all children attain and progress well from early years into education, training and employment
The average Attainment 8 score for disadvantaged pupils	(Ac Year 2022/23 33.3)	Ac Year 2023/24 To be set March 2024 pending validated outturn data	Ac Year 2024/25 To be set March 2024 pending validated outturn data	Ac Year 2025/26 To be set March 2024 pending validated outturn data	The gap for disadvantaged pupils at all Key Stages is kept as small as possible so that all children attain and progress well from early years into education, training and employment
The percentage of young people who are in Not in Education, Employment or Training (NEET) at academic age 16	(Below 4%)	Below 4%	Below 4%	Below 4%	Young people participate in education, training or employment with training until they are at least 18 improving their long-term employment and health prospects

Performance measure	2023/24 Outturn (Target)	2024/25 Target	2025/26 Target	2026/27 Target	2024 – 2027 Outcome Summary
The percentage of young people who are in Not in Education, Employment or Training (NEET) at academic age 17	(Below 6%)	Below 6%	Below 6%	Below 6%	Young people participate in education, training or employment with training until they are at least 18 improving their long-term employment and health prospects
Average Attainment 8 score for Looked After Children (LAC)	(Ac Year 2022/23 19)	Ac Year 2023/24 To be set April 2024 pending validated outturn data	Ac Year 2024/25 To be set April 2024 pending validated outturn data	Ac Year 2025/26 To be set April 2024 pending validated outturn data	Looked after Children participate in education, training or employment with training until they are at least 18 improving their long-term employment and health prospects
The percentage of LAC participating in education, training or employment at academic age 16 (Year 12)	(80%)	80%	80%	80%	Looked after Children participate in education, training and employment with training until they are at least 18 improving their long-term employment and health prospects
The percentage of LAC participating in education, training or employment at academic age 17 (Year 13)	(70%)	70%	70%	70%	Looked after Children participate in education, training and employment with training until they are at least 18 improving their long-term employment and health prospects

Targets – Keeping vulnerable people safe

Performance measure	2023/24 Outturn (Target)	2024/25 Target	2025/26 Target	2026/27 Target	2024 – 2027 Outcome Summary
Percentage of Health and Social Care Connect referrals triaged and progressed to required services within 24 hours	(95%)	95%	95%	95%	Services are provided in a timely manner
Health and Social Care Connect – % of contacts that are appropriate and effective (i.e. lead to the provision of necessary additional services)	(95%)	95%	95%	95%	Contacts from health professionals are appropriate and effective
The % of people affected by domestic violence and abuse who have improved safety/support measures in place upon leaving the service	(90%)	90%	90%	90%	Vulnerable people who have been affected by domestic violence are enabled to feel more in control of their life, and better able to make decisions to increase their safety
When they leave the service the % of those affected by rape, sexual violence and abuse who have improved coping strategies	(88%)	88%	88%	88%	Vulnerable people who have been affected by rape, sexual violence and abuse, are protected and provided with skills which enable them to be more in control of their lives and more optimistic about the future
Number of drug and alcohol related deaths in the county	(74)	69	63	58	The number of drug and alcohol related deaths is reduced
Rate of children with a Child Protection Plan (per 10,000 children)	(62 (661 children))	To be set April 2024 pending 2023/24 outturn	To be set April 2024 pending 2023/24 outturn	To be set April 2024 pending 2023/24 outturn	Children at risk from significant harm are kept safe

Performance measure	2023/24 Outturn (Target)	2024/25 Target	2025/26 Target	2026/27 Target	2024 – 2027 Outcome Summary
Rate (of 0-17 population) of referrals to children's social care services (per 10,000 children)	(≤ 556)	≤556	≤556	≤556	Children at risk from significant harm are kept safe
Rate (of 0-17 population) of assessments started by children's social care services (per 10,000 children)	(≤ 558)	≤558	≤558	≤558	Children at risk from significant harm are kept safe
Rate of Looked After Children (per 10,000 children)	(63.4 (676 children))	To be set April 2024 pending 2023/24 outturn	To be set April 2024 pending 2023/24 outturn	To be set April 2024 pending 2023/24 outturn	Children at risk from significant harm are kept safe
The number of active interventions for vulnerable people who have been the target of rogue trading or financial abuse	(200)	200	To be set 2024/25	To be set 2025/26	Residents of East Sussex are safe in their own home and protected from criminals. Residents are empowered to feel safe and supported to say "no" to criminals and deter and disrupt criminal activity

Targets – Helping people help themselves

Performance measure	2023/24 Outturn (Target)	2024/25 Target	2025/26 Target	2026/27 Target	2024 – 2027 Outcome Summary
Road Safety: Deliver targeted cycle training activities to vulnerable road users	(Deliver Bikeability Training to 4,000 individuals and 100 Wheels for All sessions)	Deliver Bikeability Training to 4,000 individuals and 100 Wheels for All sessions	To be set 2024/25	To be set 2025/26	The confidence and skills of cyclists is improved by delivering cycle training to cyclists through targeted Bikeability training sessions delivered at Schools and training centres across the county

Performance measure	2023/24 Outturn (Target)	2024/25 Target	2025/26 Target	2026/27 Target	2024 – 2027 Outcome Summary
Road Safety: Implement infrastructure schemes on identified high risk sites/routes to improve road safety	(Implement 24 safety schemes)	Implement 24 safety schemes	To be set 2024/25	To be set 2025/26	The number of crashes and casualties at identified high risk sites/routes sites is reduced through the implementation of infrastructure improvement schemes to improve outcomes for residents, businesses and visitors to East Sussex
National outcome measure: Proportion of working age adults and older people receiving direct payments	(≥31.5%)	≥31.5%	≥31.5%	≥31.5%	Adults who require support are able to live as independently as possible
Number of carers supported through short-term crisis intervention	(390)	390	TBC, contract ends March 2025	TBC, contract ends March 2025	Carers are supported when they most need it enabling them to carry on in their caring role
Number of people receiving support through housing related floating support	(7,000)	7,000	7,000	7,000	Adults can maintain their independence
Percentage of respondents who strongly agree or agree that the professionals who are involved in organising and providing their care communicate well with each other and share information to make sure their support is the best it can be (Listening To You)	(>56%)	>56%	>56%	>56%	Through joint and partnership working as part of the East Sussex Health and Care Partnership and Sussex Integrated Care System all available resources are used to deliver maximum benefits to local people and achieve value for money

Performance measure	2023/24 Outturn (Target)	2024/25 Target	2025/26 Target	2026/27 Target	2024 – 2027 Outcome Summary
The proportion of people who received short-term services during the year, where no further request was made for ongoing support	(>90.5%)	>90.5%	>90.5%	>90.5%	Effective early intervention is provided to ensure people are given the support they need as quickly as possible, also reducing the need for more expensive intensive interventions at a later date ensuring the most effective use of resources
National outcome measure: Achieve independence for older people through rehabilitation / intermediate care	(>90%)	>90%	>90%	>90%	Effective early intervention is provided to ensure people are given the support they need as quickly as possible; also reducing the need for more expensive intensive interventions at a later date ensuring the most effective use of resources
Proportion of all new EHC Plans issued within 20 weeks (a) Including Exception Cases (b) Excluding Exception Cases	((a) 65% (b) 70%)	(a) 65% (b) 70%	(a) 65% (b) 70%	(a) 65% (b) 70%	All children and young people with SEND with an agreed need for an EHCP receive their plan in a timely way to ensure that they receive appropriate support to achieve their full potential
The proportion of respondents to the feedback surveys who agree that things have changed for the better as a result of getting targeted support from the 0 – 19 Early Help Service	(80%)	80%	80%	80%	The services provided are making a difference to the lives of service users

Performance measure	2023/24 Outturn (Target)	2024/25 Target	2025/26 Target	2026/27 Target	2024 – 2027 Outcome Summary
Successful smoking quits through the OneYou East Sussex service	New measure 2024/25	7% of local smoking population to set a quit date, with 50% achieving four-week quit	7% of local smoking population to set a quit date, with 55% achieving four-week quit	7% of local smoking population to set a quit date, with 60% achieving four-week quit	Increase in number of smokers who make a quit attempt and successfully quit cigarette smoking
GP practices in East Sussex deliver a targeted NHS Health Check service	(10% of the eligible population in the 20% most deprived areas (IMD1) have received a health check)	Increase coverage of IMD1 NHS Health Checks by 9% (i.e., uptake by total eligible population)	Increase coverage of IMD1 NHS Health Checks by 8% (i.e., uptake by total eligible population)	Increase coverage of IMD1 NHS Health Checks by 8% (i.e., uptake by total eligible population)	To reach a 5-year coverage of IMD1 NHS Health Checks of 50% by end of 2026/27

Targets – Making best use of resources

Performance measure	2023/24 Outturn (Target)	2024/25 Target	2025/26 Target	2026/27 Target	2024 – 2027 Outcome Summary
Number of working days lost per FTE (Full Time Equivalent) employee due to sickness absence in non-school services	(9.10)	9.10	9.10	To be set 2025/26	The use of resources is maximised and staff and customer wellbeing improved
Deliver the Property Asset Investment Strategy	(Outline Business cases brought forward against at least 2 priority projects)	6 business cases completed	To be set 2024/25	To be set 2025/26	Income generation from property and capital receipts are optimised and our strategy helps promote economic growth across the county
Review use of corporate buildings	(Develop revised office strategy based on 2022/23 review)	Implement reduction of office footprint identified in 2023/24	To be set 2024/25	To be set 2025/26	Our corporate buildings better utilise space and enable new ways of working, leading to reduced cost of occupancy in our core corporate buildings

Performance measure	2023/24 Outturn (Target)	2024/25 Target	2025/26 Target	2026/27 Target	2024 – 2027 Outcome Summary
Reduce the amount of CO2 arising from County Council operations	(43% reduction on baseline year (2019/20) emissions (emissions not to exceed 7,139 tonnes CO2e))	50% reduction on baseline year (2019/20) emissions (emissions not to exceed 6,211 tonnes CO2e)	To be set 2024/25	To be set 2025/26	A reduction in the amount of CO2 arising from Council operations is recorded on an annual basis, thus reducing the cost of energy to the Council and shrinking the carbon footprint in line with our carbon budget
Progress on implementation of Carbon reduction schemes	(23 energy saving schemes implemented)	23 energy saving schemes implemented	23 energy saving schemes implemented	To be set 2025/26	The Council's carbon footprint is reduced and our operations support a more sustainable approach going forward
Delivery of Corporate Equality Diversity and Inclusion Action Plan actions planned for the year	(Deliver the key actions within the action plan)	Deliver the key actions within the action plan	To be set 2024/25	To be set 2025/26	We lead by example, delivering services that are informed by the views, strengths and needs of our communities and providing an inclusive and supportive working environment for our staff
Achievement of key milestones for the Workplace Adjustments Review	(Completion of appropriate milestones that support the objectives of the Workplace Adjustments Review)	Implementation and monitoring of new Workplace Adjustments activity	To be set 2024/25	To be set 2025/26	Appropriate workplace adjustments are in place for all staff who require them.

State of the County data

We review 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. We publish this data each year in State of the County – Focus on East Sussex, when we start the planning process that leads to this Council Plan. A selection of this data is listed below. Unless otherwise stated the data refers to 2022/23. Where possible official national statistics are used for comparison with the England average.

Driving sustainable economic growth

2022/23

Measure	East Sussex	England
Percentage of working age residents (16-64) with a level 4 qualification or above (includes degrees, Higher National Certificate, Higher National Diploma and others)	33.8% (2021)	37.1% (2021)
Percentage of working age residents (16-64) with no qualifications or qualified only to National Vocational Qualification 1	10.6% (2021)	12.4% (2021)
Annual gross full-time earnings, median average (residence based)	£31,145 (2022)	£33,208 (2022)
Percentage of working age population (16-64) in employment	76.2% (2021)	75.4% (2021)
People claiming unemployment benefits (JSA and Universal Credit) percentage of population 16-64 year olds at March	3.6% (2023)	3.8% (2023)
New business registration rate per 10,000 people over 16	47.5 (2022)	64.6 (2022)
New houses built, total completed / total affordable	1,606 / 359 (2021/22)	-
Average Attainment 8 score per pupil state funded secondary schools	43.6	46.3
Average Progress 8 score for state funded secondary schools	-0.19	-0.03

2022/23

Measure	East Sussex	England
Percentage of pupils who achieved a 9-5 pass in English and maths GCSEs	41.0%	45.3
Average point score (APS) per entry for level A levels (age 16-18)	32.34	34.05
Attainment of A level students (age 16-18) average point score (APS) per entry, best 3	31.14	34.55
Attainment of A level students (age 16-18) % achieving grades AAB or better at A level, of which at least two are in facilitating subjects	8.6%	15.6%

Keeping vulnerable people safe

2022/23

Measure	East Sussex	England
Rate per 10,000 (aged 0 –17 population) of Looked After Children	61	70
Rate per 10,000 (aged 0-17 population) of children with a Child Protection Plan	50.1	42.1
Percentage of children who ceased to be looked after adopted during the year ending 31 March	8%	10%
Percentage of people (65 and over) who were still at home 91 days after discharge from hospital	91.2%	82.3%
Suicide rate per 100,000 of population three-year average	12.1 (2019 - 2021)	10.4 (2019 - 2021)
Hospital admissions caused by unintentional and deliberate injuries in children aged 0-14 years, rate per 10,000 resident population	107.6	84.3

Helping people help themselves

2022/23

Measure	East Sussex	England
Percentage of children aged 4-5 years with excess weight (overweight or obese), by postcode of child	22.1%	21.3%
Percentage of children aged 10-11 years with excess weight (overweight or obese) by postcode of child	32.6%	36.6%
Percentage of adults (aged 18+) classified as overweight or obese	62.7% (2021/22)	63.8% (2021/22)
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	13.9	14.6
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	488.2	560.8
Proportion of older people aged 65 and over who received reablement services following discharge from hospital	1.4%	2.9%
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	94.7%	77.5%
Emergency hospital admissions due to falls in people aged 65 and over per 100,000	2,523 (2021/22)	2,100 (2021/22)
Number of people killed or seriously injured on the roads	399 (calendar year 2022)	-

East Sussex County Council

Equality Considerations

Assessing equality impacts enables us to make services and public policy better for all service-users and staff and supports value for money by getting council services right first time.

This assessment is used as an alternative to the Equality Impact Assessment (EqIA) template in specific circumstances, when impacts are limited or only apply to one or two characteristics[ii]. This helps the Council to make good decisions for its service-users, staff and residents and to provide evidence that those decisions conform with the Council's obligations under the Equality Act 2010.

Title of Project/Service/Policy	Council Plan 2024/25-2026/27
Team/Department	Performance, Research and Intelligence
Directorate	Governance Services
Description of your Project (Service/Policy, etc.) including its Purpose and Scope	The Council Plan sets out our organisational priorities for the next three years. These are based on what we need to do to help deliver our four overarching priority outcomes; Driving sustainable economic growth, Keeping vulnerable people safe, Helping people help themselves and Making best use of resources for now and the future. It outlines the focus of our work with communities, businesses and partners. Performance measures and targets are set for the next three years that help us assess our progress against our aims and priorities. The plan includes a summary of our revenue budget and capital programme for 2024/25. The Council Plan is at the centre of our business planning processes. The activities outlined in the Council Plan feed through into the Portfolio Plans for each directorate. These activities are delivered across multiple services and programmes, often in collaboration with partners. There are designated leads for activities who are responsible for overseeing delivery and performance.

	We will continue to monitor our impact on outcomes for the people of East Sussex, including differences between outcomes for people sharing different protected characteristics. We will use this information to inform future business planning activities as part of our annual State of the County exercise. We will report quarterly on progress against the activities in the Council Plan, including any issues, as part of our Council Monitoring reports. Collectively this evidence gathering, prioritising, implementing and monitoring is called Reconciling Policy, Performance and Resources (RPPR). All aspects of the RPPR process have consideration of equality, diversity and inclusion impacts embedded within them, to ensure that planned priorities are based on a good understanding of diversity and local needs, identify and respond to opportunities to remove barriers and maximise positive outcomes, and that outcomes for people sharing different characteristics are monitored. The planned work set out in the Council Plan is intended to have a positive impact on all our residents, communities, businesses and visitors to the County. The priority outcomes and the corresponding activities, and measures have been identified based on evidence of need, taking into account any legislation, legislative change or service review outcomes which are relevant to that service area, and available resources. One of the delivery outcomes within the Council Plan is to ensure that we deliver 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. We consider as part of our business planning processes the collective impact of any proposed work.

East Sussex County Council

Assessment of overall impacts and any further recommendations
For clarity all disproportionate impacts on specific groups are highlighted in the single section below. Overall impacts and notes: There are no disproportionate negative impacts on people sharing any specific characteristics. The Council Plan as a whole is designed to support our objectives to promote equality and to address known inequalities. Many services or programmes will have benefits for all people in the county, across all legally protected characteristics. The council's approach is to integrate consideration of equality impacts into planning, implementation and monitoring of all activities, so specific needs, assets, barriers and opportunities are assessed individually to maximise positive impacts and avoid or minimise negative impacts. In addition, there are several activities or programmes of work outlined in the Council Plan that specifically seek to improve outcomes for people sharing one or more of the legally protected characteristics, where evidence indicates greater need or inequality – see all of the Portfolio Plans for full details of actions across all departments: • We will ensure that tackling health inequalities is a principle applied throughout all aspects of our business planning processes and service delivery • We will continue to place a strong focus on our most disadvantaged pupils to ensure that they achieve consistently high outcomes. We will also work closely with every school, setting and college to secure a strong Special Educational Needs and Disability offer which makes education accessible to all children in their local community school • We will continue to provide targeted 1 to 1 support for vulnerable groups via the Youth Employability Service. • We will continue to help prevent vulnerable people from becoming a victim of mass marketing fraud and intervene if people have already become a victim • We will continue to protect people from the increased risks associated with food fraud, illicit tobacco and counterfeit alcohol through the risk based investigations undertaken by Trading Standards • We will support people who have been a victim of sexual violence and domestic abuse through the specialist domestic abuse and sexual violence servicesWe want to ensure that local people receive the right services, in the right place, at the right time. This may mean they access and use services differently. We aim to empower them with the knowledge of how to best use available health and social care services, and how to best get the support they need

• We work to ensure that people's homes are safe, providing access to care services, and personal budgets so that people can choose the care and support they need
• We will continue to provide support for frail adults to help manage risks and maintain their independence at home.
• The council has also set two equality objectives to define our focus for 2024/25:
  ○ We will lead by example, delivering services that are informed by the views, strengths and needs of our communities and providing an inclusive and supportive working environment for our staff. To help achieve this we will take practical actions on equality, diversity and inclusion as set out in the Corporate Equality Diversity and Inclusion Action Plan.
  ○ We will implement the new service and associated workplace adjustment pathway agreed following the Workplace Adjustments review.	

Potential issues	**Mitigating actions**
• Identification of potential disproportionate impacts or issues relating to people sharing specific characteristics that have not been identified at this stage.	• The planned work set out in the Council Plan will be taken forward through specific programmes of activity within individual directorates. Robust equality analysis will be undertaken on each planned activity, to ensure that these are designed and implemented in a way that maximises opportunities to promote equality, whilst minimising any adverse impacts.
• Our resources do not reflect the demand for services, which may mean we will have to adjust our services to match the funds we have.	• Priorities will continue to be defined based on local evidence of need and what works and makes a difference locally. We will continue to be democratic, open and honest in determining the best level and quality of services we can provide, within available resources, and in communicating priorities.
• The population of East Sussex is changing and people's needs and assets change.	• We will work closely with partners, including the Voluntary, Community and Social Enterprise (VCSE) sector, to make the most of opportunities, resources and links with diverse communities available locally. We recognise that VCSE organisations are often the first to recognise and respond to the needs of diverse communities and that they provide safe, accessible, and inclusive spaces for individuals, groups

• COVID-19 continues to have greater ongoing impacts on some people and communities sharing protected characteristics. • The effects of the national rise in the cost of living are being disproportionately felt by some people more than others, linked to their characteristics.	and the wider community, that support inclusion and belonging. • We continue to work to understand the ongoing impacts of the pandemic on people sharing specific characteristics and to address the inequalities that have been revealed and/or worsened. • Work across the council and with statutory and VCSE sector partners is co-ordinating support and identifying ways to maximise access for vulnerable residents to the advice and support available. Portfolio Plans and service plans identify tailored responses to identified needs.

Actions planned

Our Council Plan priorities and delivery outcomes are designed to help address identified inequalities in outcomes for different groups in our local community and incorporate our equality objectives.

The planned work set out in the Council Plan will be taken forward through specific programmes of activity within individual directorates. Robust equality analysis will be undertaken on each planned activity, to ensure that these are designed and implemented in a way that maximises opportunities to promote equality, whilst minimising any adverse impacts. The impacts of activities carried forward from the previous plan will be kept under review, which will include considering whether existing mitigating actions remain sufficient, or if any further measures are required.

We will continue to monitor our impact on outcomes for the people of East Sussex, including differences between outcomes for people sharing different protected characteristics. We will use this information to inform future business planning activities as part of our annual State of the County exercise. We will report quarterly on progress against the activities in the Council Plan, including any issues, as part of our Council Monitoring reports. We will also report on our progress in delivering the actions in this Council Plan that will advance equality as part of our Annual Report, which will be published in Autumn 2024.

EqIA sign-off: (for the EqIA to be final an email must be sent from the relevant people agreeing it, or this section must be signed)

Staff member competing Equality Impact Analysis: Richard Miles, Senior Performance Manager, Performance Research and Intelligence **Date:** 10/01/24

Directorate Management Team rep or Head of Service: Victoria Beard, Head of Performance Research and Intelligence
Date: 10/01/24

Equality lead: Sarah Tighe-Ford, Equalities Manager **Date:** 10/01/24

Medium Term Financial Plan (MTFP) Update

Medium Term Financial Plan	*2023/24 Approved Budget*	*2024/25 Planned Budget*	*2025/26 Estimate Budget*	*2026/27 Estimate Budget*
	£million	*£million*	*£million*	*£million*
TAXATION & GOVERNMENT FUNDING		*(501.302)*	*(538.102)*	*(546.531)*
Council Tax	*(337.353)*	*(14.662)*	*(9.515)*	*(13.483)*
Adult Social Care Precept	*(14.475)*	*(7.060)*	*-*	*-*
Business Rates (Inclusive of BR Pooling in 2024/25)	*(94.946)*	*(7.523)*	*0.601*	*(1.598)*
Social Care Grant	*(38.557)*	*(6.836)*	*-*	*-*
ASC Market Sustainability and Improvement Grant	*(6.055)*	*(5.257)*	*-*	*-*
Services Grant	*(2.916)*	*2.438*	*-*	*-*
Revenue Support Grant	*(4.076)*	*(0.270)*	*(0.069)*	*(0.063)*
Local Council Tax Support Grant 2021/22	*(2.114)*	*2.114*	*-*	*-*
Local Tax Income Guarantee	*(0.459)*	*0.459*	*-*	*-*
New Homes Bonus	*(0.351)*	*(0.203)*	*0.554*	*-*
TOTAL TAXATION & GOVERNMENT FUNDING	***(501.302)***	***(538.102)***	***(546.531)***	***(561.675)***
SERVICE PLAN				
Service Expenditure	*396.461*	*457.488*	*515.467*	*545.334*
Inflation				
Non-pay Inflation	*35.545*	*28.222*	*15.749*	*16.010*
Allocation of pay award and pensions to service departments	*10.972*	*10.401*	*-*	*-*
Adult Social Care				
Better Care Fund - Discharge Funding	*(3.053)*	*(2.035)*	*5.088*	*-*
Discharge Funding - New Burdens	*3.053*	*2.035*	*(5.088)*	*-*
Growth & Demography	*3.413*	*3.917*	*7.491*	*3.917*
Future demand modelling net of attrition (Covid-related)	*1.133*	*(0.365)*	*-*	*-*
Market Sustainability and Fair Cost of Care (MSFCC) Fund	*1.745*	*-*	*-*	*-*
MSFCC Fund Pressures	*(1.745)*	*-*	*-*	*-*
MFSCC - Support for New Burdens (from precept)	*(3.149)*	*-*	*-*	*-*
Independent Living Fund rolled into Social Care Grant	*0.956*	*-*	*-*	*-*
Voluntary Sector, Community Hubs, Shielded Group	*0.440*	*-*	*-*	*-*
ASC Strategy	*-*	*0.330*	*0.330*	*-*
Children's Services				
Growth & Demography (G&D)	*1.760*	*0.973*	*0.808*	*0.808*
Looked After Children Placements Covid-related	*(0.872)*	*(0.347)*	*(1.758)*	*-*
Covid Grant Funding for Looked After Children Placements	*0.077*	*(0.442)*	*1.758*	*-*
School Attendance (new duty)	*1.500*	*-*		*-*
Home to School Transport	*4.021*	*-*	*-*	*-*
Family Safeguarding	*0.316*	*(0.194)*	*(2.075)*	*(3.533)*
Net Operational Pressures incl. Careleavers and Locality	*2.285*	*-*	*0.475*	*2.929*
Pressures approved via protocol (23/24)	*0.282*	*0.124*	*-*	*-*
Looked After Children Demand	*-*	*18.340*	*3.093*	*4.370*
Locality Social Work and MASH	*-*	*0.782*	*-*	*-*
IT & Digital Systems Development	*-*	*0.044*	*0.039*	*0.144*
Foster Carers Service	*-*	*1.540*	*-*	*-*

Additional Staffing Capacity	-	*0.645*	*(0.105)*	-
Subject Access Requests Resource	-	*0.122*	-	-
Reprofile of Public Health Investment	-	*(2.420)*	*0.459*	*(0.586)*
Communities, Environment & Transport				
Waste PFI Efficiencies	*(0.100)*	-	-	-
Waste Housing Growth	*0.190*	*0.265*	*0.355*	*0.388*
Waste PFI Additional Income		*(3.000)*	*3.000*	-
Support to economic development	*(0.055)*	-	-	-
Highways Contract Mobilisation	*2.313*	*(2.313)*	-	-
Highways Contract Mobilisation (offset by Reserves)	*(0.817)*	*0.817*	-	-
Pressures approved via protocol 23/24	*0.815*	*(0.800)*	-	-
Local Planning Advice Resourcing	-	*0.090*	-	*(0.080)*
Access to Employment and Skills	-	*0.200*	-	-
Local Nature Recovery Scheme	-	-	*0.100*	-
Pan Sussex Tourism	-	*0.225*	-	*(0.225)*
Highways Core - TUPE Updated Data	-	*0.158*	-	-
Highways Core - Second Grass Cut	-	*0.080*	-	-
Business Services				
Pressures approved via protocol	*0.551*	*(0.078)*	-	-
Modernising Back Office Systems (MBOS)	-	*0.386*	-	-
Licences, including digital and robotics	-	*0.403*	-	-
Governance Services				
Pressures approved via protocol, incl. Coroners Services	*0.425*	*0.567*	*0.148*	-
Savings				
Savings Slippage	*(1.347)*	-	-	-
Review of BSD Savings Options	*0.373*	*(0.693)*	-	-
NET SERVICE EXPENDITURE	***457.488***	***515.467***	***545.334***	***569.476***
Corporate Expenditure	-	*43.814*	*36.979*	*46.519*
Treasury Management	*13.930*	*(2.850)*	*4.600*	*2.500*
General Contingency	*4.880*	*0.390*	*0.040*	*0.120*
Contingency for Potential Pay Award, Recruitment and Retention	*11.283*	*(3.343)*	*4.870*	*4.852*
Inflation Risk Provision	*2.972*	*3.245*	*0.017*	*0.019*
Provision for Energy Price Increase	*1.300*	*(1.300)*	-	-
Pensions	*8.023*	*(3.149)*	-	-
Apprenticeship Levy	*0.600*	-	-	-
Movement in Reserves	*(0.144)*	*0.144*	-	-
Levies & Grants	*0.970*	*0.028*	*0.013*	*0.014*
TOTAL CORPORATE EXPENDITURE	***43.814***	***36.979***	***46.519***	***54.024***
TOTAL PLANNED EXPENDITURE	***501.302***	***552.446***	***591.853***	***623.500***
CUMULATIVE DEFICIT/(SURPLUS)	***-***	***14.344***	***45.322***	***61.825***
One-off Use of Financial Management Reserve 2024/25	-	*(14.344)*	-	-
ANNUAL DEFICIT/(SURPLUS)	***-***	***0.000***	***45.322***	***16.503***

Budget Summary 2024/25

Revenue Budget 2024/25

Medium Term Financial Plan 2024/25 to 2026/27

Capital Programme to 2033/34

DRAFT

All figures and charts are subject to adjustments to reflect the final settlement and final budget decisions

East Sussex County Council

Contents

	Page
Introduction	**3 to 4**
Medium Term Financial Planning	**5 to 7**
Resources	**8 to 10**
Funding / spending power	
Council Tax in East Sussex **TO FOLLOW**	
Specific and Special Grant Funding	
Revenue Budget Summary	**11 to 17**
ESCC Budget	
Gross Budget to Net Budget	
Gross & Net Revenue Budgets Charts	
Budget Changes 2023/24 to 2024/25	
Subjective Analysis	
Revenue Budgets	**18 to 25**
Adult Social Care	
Public Health	
Business Services / Orbis	
Children's Services	
Communities Economy and Transport	
Governance Services	

	Page
Capital Programme to 2032/33	**26 to 32**
Introduction	
Summary of Departmental Spending & Resources	
Adult Social Care	
Business Services	
Children's Services	
Communities Economy and Transport	
Reserve balances	**33**
Explanation of key terms	**34**

Further information can also be obtained from our website:
eastsussex.gov.uk

or by writing to:
Ian Gutsell
Chief Finance Officer
East Sussex County Council
County Hall, St Anne's Crescent
Lewes
East Sussex BN7 1UE
or by email to:
finance@eastsussex.gov.uk

Chief Finance Officer's Foreword

Introduction

This budget summary provides detail on the 2024/25 revenue budget and the Capital Programme to 2033/34. It gives analysis of expenditure by type and also by accountability, along with detail of our resources to finance that expenditure. The summary provides a useful source of information for Council officers, elected members and the public alike.

The 2024/25 Approved Budget

In 2024/25 the Council (including schools) will spend £552.4m to deliver services to the people of East Sussex, with a further £98.1m of investment in infrastructure and assets through its capital programme. The Council's stated priorities outcomes are:-

- Driving Sustainable Economic Growth;
- Helping people to help themselves;
- Keeping vulnerable people safe; and
- Making the best use of resources in the short and long term.

Revenue Budget

At the Autumn Statement November 2023, no funding was announced for upper tier local authorities beyond what had been previously published. As widely expected the Provisional Local Government Settlement, published on 18 December 2023, did not announce anything that significantly improved the Council's financial position for 2024/25. Allocations of grants were confirmed and have been factored into the MTFP, leaving a deficit position of £14.3m in 2024/25, which will be balanced through use of the Financial Management reserve. The uncertainty of future funding continues as the settlement was once again for one year only. In setting the balanced budget for 2024/25, no additional savings to those identified in previous years have been sought.

In setting a balanced budget for 2024/25, there still remains an deficit on the MTFP of £61.8m by 2026/27. There remain significant uncertainties which may have an impact:

- What will be the announcement of Funding Reform when implemented?
- What will happen with regard to the Business Rates system, particularly as Business Rates Retention seems to be off the table?
- What will be the impact of the General Election, due within the next 12 months?
- How long will inflation remain comparatively high and what impact will this have on services?
- What financial impact will the reforms to Adult Social Care and Children's Services have in the coming years?
- What pressures will arise as the climate change agenda moves forward?
- What are long term implications of the pandemic?

Chief Finance Officer's Foreword (cont'd)

Capital Programme

The planned programme aligned to the Capital Strategy to 2044/45 has been reviewed and extended to maintain a 10 year planned programme. Work has been completed to reset priorities and present realigned targeted basic need capital investment to maintain capital assets, deliver core services to the residents of East Sussex, as well as to support carbon reduction targets.

The programme to 2033/34 is £837.7m gross. The projected income to fund the programme is £454.4m, leaving a potential borrowing requirement of £383.3m.

Ian Gutsell
Chief Finance Officer
February 2024

Medium Term Financial Planning

DRAFT

£'m	2023/24 Budget	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate
TAXATION & GOVERNMENT FUNDING		(501.302)	(538.102)	(546.531)
Council Tax	(337.353)	(14.662)	(9.515)	(13.483)
Adult Social Care Precept	(14.475)	(7.060)		
Business Rates (Inclusive of BR Pooling in 2022/23)	(94.946)	(7.523)	0.601	(1.598)
Social Care Grant	(38.557)	(6.836)		
ASC Market Sustainability and Improvement Grant	(6.055)	(5.257)		
Services Grant	(2.916)	2.438		
Revenue Support Grant	(4.076)	(0.270)	(0.069)	(0.063)
Local Council Tax Support Grant 2021/22	(2.114)	2.114		
Local Tax Income Guarantee for 2020/21	(0.459)	0.459		
New Homes Bonus	(0.351)	(0.203)	0.554	
TOTAL TAXATION & GOVERNMENT FUNDING	**(501.302)**	**(538.102)**	**(546.531)**	**(561.675)**
SERVICE PLAN				
Service Expenditure	396.461	457.488	515.467	545.334
Inflation				
Contractual inflation (contract specific)	5.140	4.393	1.354	1.000
Normal inflation for contracts	30.405	12.207	12.004	12.676
Allocation of 2021/22 pay award to service departments	2.428			
Allocation of 2022/23 pay award to service departments	8.544			
Allocation of 2023/24 pay award to service departments		7.752		
Allocation of 2023/24 pensions increase to services		2.649		
Adult Social Care				
Better Care Fund - Discharge Funding	(3.053)	(2.035)	5.088	
Better Care Fund - Discharge Funding New Burdens	3.053	2.035	(5.088)	
Growth & Demography	3.413	3.917	3.917	3.917
Future demand modelling net of attrition (Covid-related)	1.133	(0.365)		
Market Sustainability and Fair Cost of Care (MSFCC) Fund	1.745			
MSFCC Fund Pressures	(1.745)			
MFSCC - Support for New Burdens (from precept)	(3.149)			
Independent Living Fund rolled into Social Care Grant	0.956			
Voluntary Sector, Community Hubs, Shielded Group	0.440			
Pressures approved via protocol		8.782	4.641	0.580
Children's Services				
Growth & Demography (G&D)	1.760	0.973	0.808	0.808

Medium Term Financial Planning

DRAFT

£'m	2023/24 Budget	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate
Looked After Children Placements Covid-related	(0.872)	(0.347)	(1.758)	
Covid Grant Funding for Looked After Children Placements	0.077	(0.442)	1.758	
Financial Sustainability ex. G&D and Covid LAC				
School Attendance (new duty)	1.500			
Home to School Transport (incl. approved pressures)	4.021		0.000	
Family Safeguarding (Appendix 10)	0.316	(0.194)	(2.075)	(3.533)
Net Operational Pressures incl. Careleavers and Locality	2.285		0.475	2.929
Pressures approved via protocol in previous years	0.282	0.124		
Pressures approved via protocol		24.643	4.681	6.268
Reprofile of Public Health investment		(2.420)	0.459	(0.586)
Communities, Environment & Transport				
Waste PFI Efficiencies	(0.100)			
Waste Housing Growth	0.190	0.265	0.355	0.388
Waste PFI additional income		(3.000)	3.000	
Support to Economic Development	(0.055)			
Highways Contract Mobilisation	2.313	(2.313)		
Highways Contract Mobilisation – Reserve Contribution	(0.817)	0.817		
Pressures approved via protocol in previous years	0.815	(0.800)		
Pressures approved via protocol		0.753	0.100	(0.305)
Business Services				
Pressures approved via protocol in previous years	0.551	(0.078)		
Modernising Back Office Systems (MBOS)		0.386		
Pressures approved via protocol		0.403		
Governance Services				
Pressures approved via protocol	0.425	0.567	0.148	
Savings				
Temporary mitigations to savings	(0.100)			
Removal of CET Trading Standards Saving	0.100			
Savings Slippage	(1.347)			
Review of BSD Savings Options	0.373	(0.693)		
Net Service Expenditure	**457.488**	**515.467**	**545.334**	**569.476**
Corporate Expenditure		43.814	36.979	46.519
Treasury Management	13.930	(2.850)	4.600	2.500
General Contingency	4.880	0.390	0.040	0.120
Contingency for Potential Pay, Recruitment and Retention	1.283	(3.343)	4.870	4.852

Medium Term Financial Planning

DRAFT

£'m	2023/24 Budget	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate
National Insurance 1.25% Increase	0.000	0.000	0.000	0.000
Inflation risk provision	2.972	3.245	0.017	0.019
Provision for Energy Price Increase	1.300	(1.300)	0.000	0.000
Pensions	8.023	(3.149)	0.000	0.000
Apprenticeship Levy	0.600			
Movement in Reserves	(0.144)	0.144	0.000	0.000
Levies & Grants	0.970	0.028	0.013	0.014
TOTAL CORPORATE EXPENDITURE	**43.814**	**36.979**	**46.519**	**54.024**
TOTAL PLANNED EXPENDITURE	**501.302**	**552.446**	**591.853**	**623.500**
CUMULATIVE DEFICIT/(SURPLUS)	**0.000**	**14.344**	**45.322**	**61.825**
One-off Use of Financial Management Reserve 2024/25		**(14.344)**		
ANNUAL DEFICIT/(SURPLUS)	**0.000**	**0.000**	**45.322**	**16.503**

Resources - funding / core spending power

Settlement Funding Assessment (SFA) 2024/25

The SFA represents the general funding level provided by Government to local authorities. For only the fifth time since the introduction of current formula in 2013/14, Government funding to local authority services has increased. For 2024/25, the increase in SFA is £3.092m or 3.77%. The change from 2023/24 includes inflationary increases to both the Baseline Funding Level and the Revenue Support Grant.

Settlement Funding Assessment (SFA):

Funding	2023/24	2024/25	1 year change	1 year change
	£'000	£'000	£'000	%
Business Rates Retention	13,043	13,438	395	3.03%
Business Rates Top-up	64,831	67,258	2,427	3.74%
Total Business Rates (Baseline Funding Level)	77,873	80,696	2,823	3.62%
Revenue Support Grant (RSG)	4,076	4,346	270	6.62%
Total - ESCC	**81,950**	**85,042**	**3,092**	**3.77%**

(NB: this data comes from DLUHC and therefore there may be rounding differences)

Business rates retention is based on the Government's national assessment of business rate yield. The Council's budget for business rates retention reflects its 9% share of locally collected business rates from information provided by the District and Borough Councils at set points in time.

Resources - funding / core spending power

Core Spending Power

Core Spending Power represents the Government's assessment of the funding they provide to us. It includes their assumptions on growth and inflation. The calculation is designed to give their view as to how local authority spending is changing overall.

The table below details changes to the County Council's Spending Power for 2015/16 to 2024/25; 2024/25 reflecting a one-year settlement only (NB: this data comes from DLUHC and therefore there may be rounding differences)

Core Spending Power	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	Change from 2015/16	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	%
Business Rates retention	*11,302*	*11,396*	*11,462*	*11,855*	*34,939*	*12,291*	*12,291*	*12,291*	*13,043*	*13,438*	*2,136*	*18.9%*
Business Rates Top-Up	*56,828*	*57,302*	*58,638*	*60,351*	*42,413*	*62,773*	*62,773*	*62,773*	*64,831*	*67,258*	*10,430*	*18.4%*
Revenue Support Grant	*68,875*	*45,107*	*26,727*	*14,966*		*3,548*	*3,568*	*3,687*	*4,076*	*4,346*	*-64,529*	*-93.7%*
Settlement Funding Assessment	137,005	113,805	96,827	87,172	77,352	78,612	78,632	78,752	81,950	85,042	-51,963	-37.9%
Compensation for business rates capping	994	994	1,053	1,655	2,407	3,009	3,911	7,672	13,265	16,344	15,350	1544.9%
Council Tax	227,221	242,632	257,380	276,720	287,676	300,874	310,355	327,722	348,789	368,686	141,466	62.3%
Improved Better Care Fund			11,313	15,157	18,551	21,136	21,136	21,777	21,777	21,777	21,777	
New Homes Bonus	2,275	2,720	2,078	1,231	886	761	505	816	351	554	-1,721	-75.6%
New Homes Bonus returned funding	222	159	168								-222	-100.0%
Transition Grant		*2,704*	2,696									
Adult Social Care Support Grant			2,597	1,616								
Winter pressures Grant [1]				2,586	2,586							
Social Care Support Grant [2]					4,417							
Social Care Grant [3]						14,631	17,083	23,674	38,557	45,393	45,393	
Market Sustainability and Fair Cost of Care Fund [3]								1,745				
Adult Social Care Market Sustainability and Improvement Fund									6,055	11,312	11,312	
Adult Social Care Discharge Fund									3,053	5,088	5,088	
Services Grant								5,175	3,036	478	478	
Grants rolled in [4]	832	1,053	1,018	986	956	956	956	971	3,932		-832	
ESCC Core Spending Power	**368,547**	**364,065**	**375,131**	**387,122**	**394,831**	**419,979**	**432,578**	**468,303**	**520,764**	**554,674**	**186,127**	**50.5%**

[1] For 2020-21, Winter Pressures Grant allocations were rolled into the Improved Better Care Fund, and no longer ringfenced.

[2] For 2020-21, Social Care Support Grant allocations were rolled into the Social Care Grant.

[3]For 2023-24, Market Sustainability and Fair Cost of Care Fund allocations were rolled into the ASC Market Sustainability and Improvement Fund.

[4]For 2024-25,Market Sustainability and Improvement Fund Workforce Fund has been rolled into the ASC Market Sustainability and Improvement Fund

For the Council, last years Spending Power calculation showed that spending would increase by £145.4m or 39.5% in the 8 years since 2015/16, which has since revised to £152.2m or 41.3%. This year's calculation suggests an increase in Spending Power of £186.1m or 50.5% since 2015/16. The increase includes Government's assumption that the Council will take up the maximum allowance to increase Council Tax by 4.99% in 2024/25, which includes an adult social care precept at 2.0%. The increase also includes increases to the Social Care Grant and other grants to support social care and hospital discharge, together with the continuation of the Services Grant at a reduced level.

The Government revises this measure each year, the combination of additional inclusions and changes to Core Spending Power mean the Government's presentation of Core Spending Power may lead to public confusion with regards to the County Council's financial position.

Resources - specific and special grant funding

DRAFT

Direct impact on County Council Services

	Rebased Budget 2023/24 £'000	Estimate 2024/25 £'000	Change £'000
Adult Social Care/Public Health			
Public Health Grant	29,801	30,196	395
DoH ADDER Grant	1,350	1,350	0
Improved Better Care Fund (IBCF)	21,777	21,777	0
Discharge Funding (administered via IBCF)	3,053	5,068	2,015
Local Reform and Community Voices Grant - War Pensions scheme disregard	218	218	0
Local Reform and Community Voices Grant	361	361	0
DWP Resource Management	5	5	0
	56,565	**58,975**	**2,410**
Children's Services			
Troubled Families Grant	1,851	1,651	(200)
Unaccompanied Asylum Seeking Children (UASC)	2,920	2,920	0
Extended Rights to Free Transportation	714	875	161
Staying Put	270	270	0
Youth Offending Team Grant - Core	457	530	73
Youth Offending Team Grant - Secure Remand	197	53	(144)
School Improvement grant	217	217	0
Hastings Opportunity Area Fund	0	0	0
DfE 18+ Care Leavers Service	81	81	0
KS2 moderation and phonics	18	18	0
Homelessness Prevention	47	35	(12)
Multiply Adult Numeracy	878	880	2
Virtual School Heads	67	67	0
	7,717	**7,597**	**(120)**
Communities Economy and Transport			
PFI Grant - Waste	2,996	2,996	0
Transport of the South East	2,065	2,065	0
Bus Service Improvement Plan	9,503	6,622	(2,881)
Bus Service Operators Grant	443	443	0
DEFRA - Area of Outstanding Natural Beauty High Weald	1,318	2,065	747
Bikeability Grant for Local Highway Authorities	164	217	53
National Trail grant	0	43	43
Biodiversity Net Gain and Local Nature Recovery Strategies	0	93	93
	16,489	**14,544**	**(1,945)**
Business Services			
PFI Grant - Peacehaven Schools	1,759	1,759	0
Homes for Ukraine	16	0	(16)
	1,775	**1,759**	**(16)**
Centrally Held items			
Inshore Fisheries Conservation Authorities Grant	58	58	0
MHCLG New Burdens grant	12	12	0
	70	**70**	**0**
Total Direct Impact	**82,616**	**82,945**	**329**

Indirect impact - where the Council passports funds to schools/other organisations

	Rebased Budget 2023/24 £'000	Estimate 2024/25 £'000
Children's Services		
Dedicated Schools Grant	254,190	254,867
Pupil Premium Grant	9,273	9,273
Teachers Pension Grant	46	110
Universal Infant Free School Meals	3,119	3,119
PE and Sport Grant	1,836	1,836
Teachers Pay Grant	0	2,015
Higher Education Funding Council grant	612	602
Ukraine Funding	782	782
Early Careers Framework	163	163
Mentor Back Fill	102	102
Mainstream School Additional	5,207	5,207
NQT Education Recovery	13	13
	275,343	**278,089**
Communities Economy and Transport		
Skills Funding Agency	564	564
Community Learning	202	202
Total Indirect Impact	**276,109**	**278,855**

Grant Funding Summary

Government Specific and Special Grants		
Total Direct Impact	82,616	82,945
Total Indirect Impact	276,109	278,855
	358,725	**361,800**
Total	**358,725**	**361,800**

Summary by department		
Adult Social Care/Public Health	56,565	58,975
Children's Services	283,060	285,686
Communities Economy and Transport	17,255	15,310
Governance Services	0	0
Business Services	1,775	1,759
	358,655	**361,730**
Corporate items	70	70
	358,725	**361,800**
Total	**358,725**	**361,800**

(please note, at this stage not all grants are confirmed)

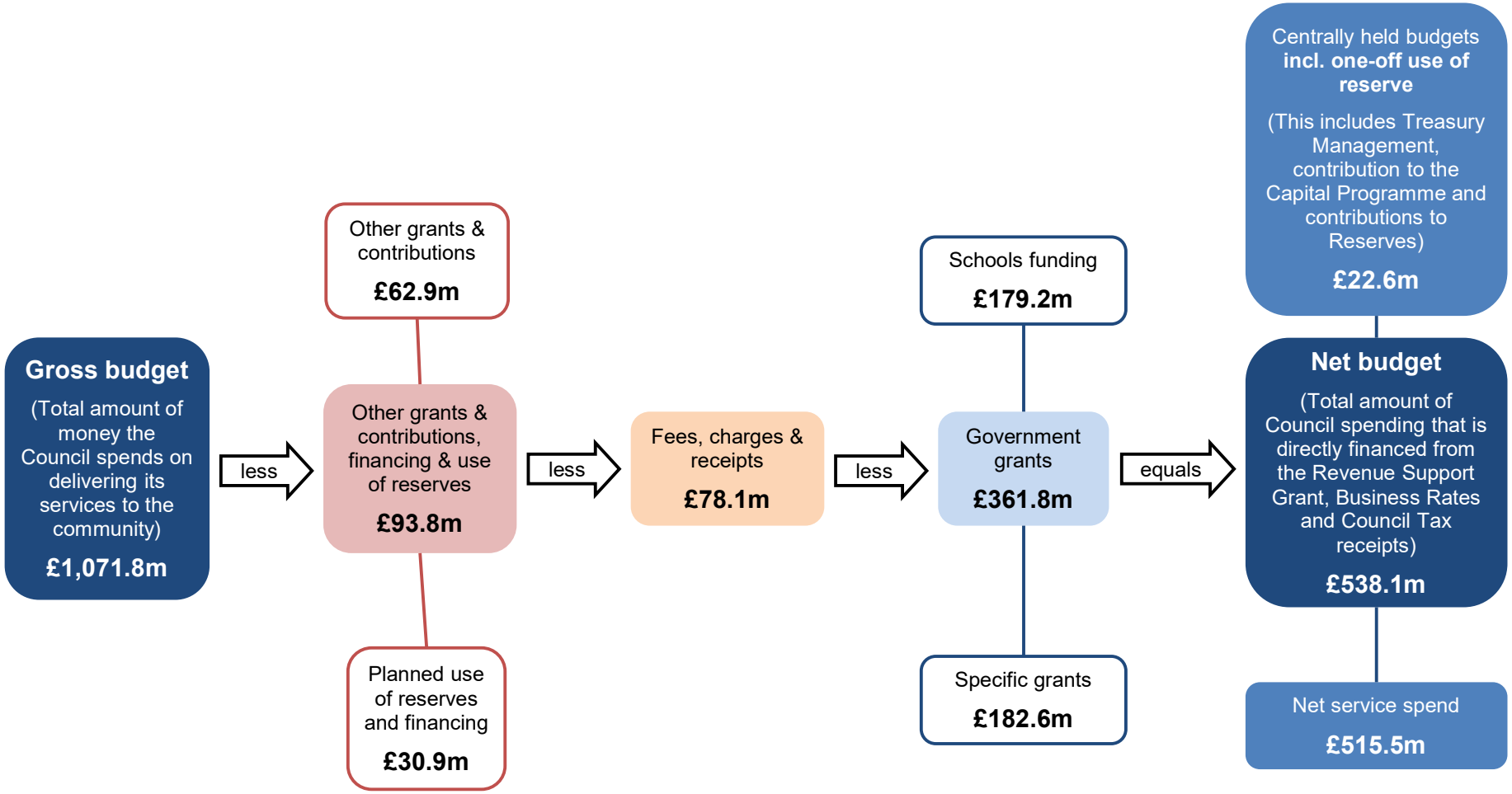
Revenue Budget Summary 2024/25

DRAFT

ESCC Budget	2023/24 Budget £000	2024/25 Budget £000	Change £000	%
Gross Expenditure	**988,505**	**1,071,840**	**83,335**	**8.43%**
Less:				
Fees, Charges & Receipts	(65,621)	(78,079)	(12,458)	
Specific Government Grants	(335,093)	(361,800)	(26,707)	
Financing and Planned use of reserves	(15,919)	(30,919)	(15,000)	
Other grants and contributions	(70,426)	(62,940)	7,486	
Net Expenditure	**501,446**	**538,102**	**36,656**	**7.31%**
Made up of:-				
Net Service Expenditure	**457,488**	**515,467**	**57,979**	**12.67%**
Treasury Management	13,930	11,080		
General Contingency	4,880	5,270		
Contingency for Potential Pay, Recruitment and Retentio	11,283	7,940		
Contract inflation and collection fund risk	2,972	6,217		
Provision for Energy Price Increase	1,300	0		
Pensions	8,023	4,874		
Apprenticeship Levy	600	600		
Levies and Grants	970	998		
One-off use of Financial Management Reserve		(14,344)		
Net corporate expenditure	**43,958**	**22,635**	**(21,323)**	**-48.51%**
Net Budget	**501,446**	**538,102**	**36,656**	**7.31%**
Funded by:-				
Business Rates (Inclusive of BR Pooling in 2021/22 & 2022/23)	(95,090)	(102,469)		
Social Care Grants	(44,612)	(56,705)		
Services Grant	(2,916)	(478)		
Revenue Support Grant	(4,076)	(4,346)		
Local Council Tax Support Grant 2021/22	(2,114)			
Local Tax Income Guarantee for 2020/21	(459)			
New Homes Bonus	(351)	(554)		
Collection Fund Adjustment	1,248	1,443		
Collection Fund Council Tax (Surplus)/Deficit	(4,287)	(3,993)		
Funding Other Than Council Tax	**(152,657)**	**(167,102)**	**(14,445)**	**9.46%**
Council Tax Requirement	**348,789**	**371,000**		
Taxbase: Number of "Band D" equivalent dwellings	205,921.2	208,625.0		
Band D Council Tax	**£1,693.80**	**£1,778.31**	**£84.51**	**4.99%**

Revenue Budget Summary 2024/25 - gross budget to net budget

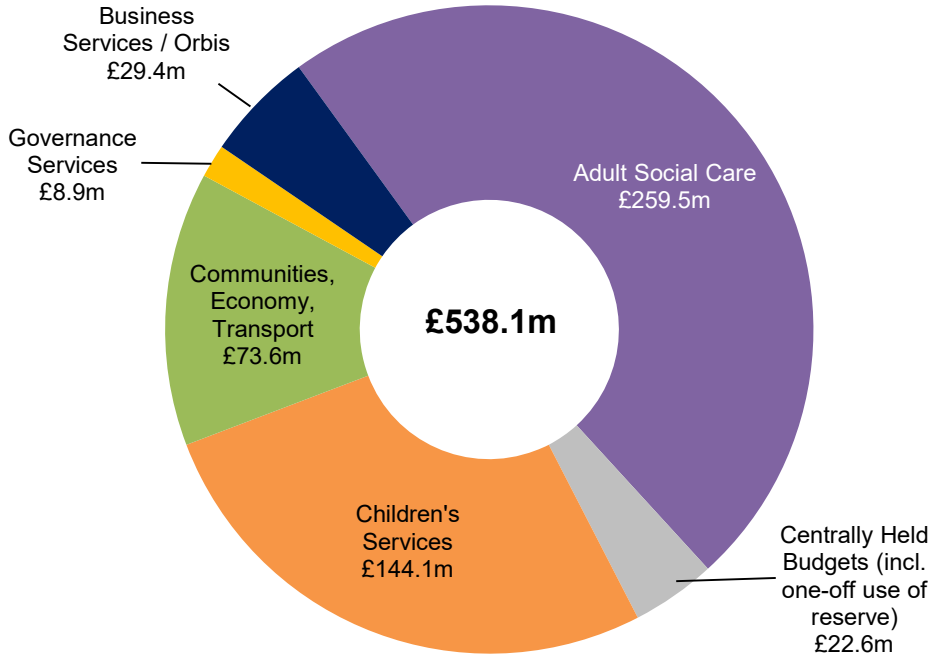
DRAFT



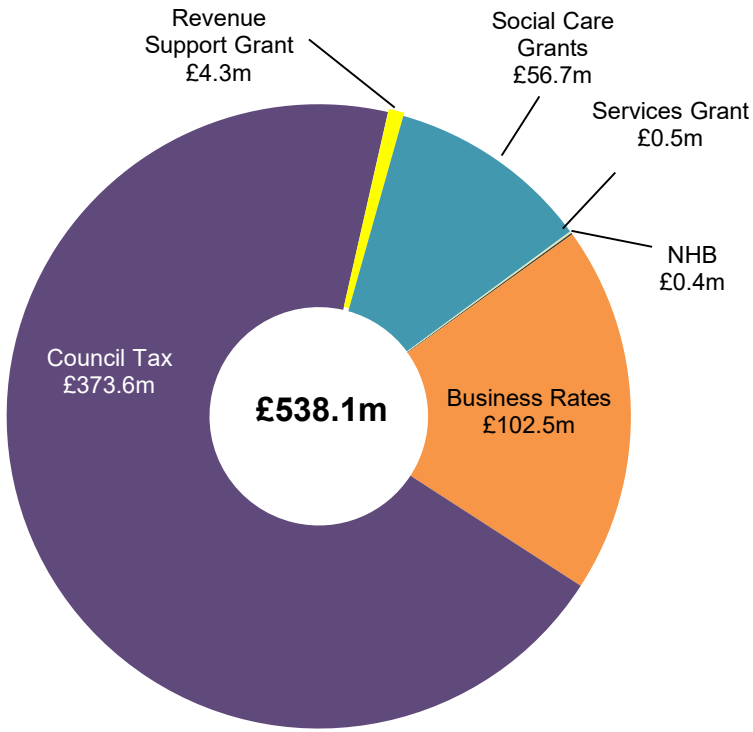
Revenue Budget Summary 2024/25 - net revenue budget

DRAFT

How we will spend your money (net)

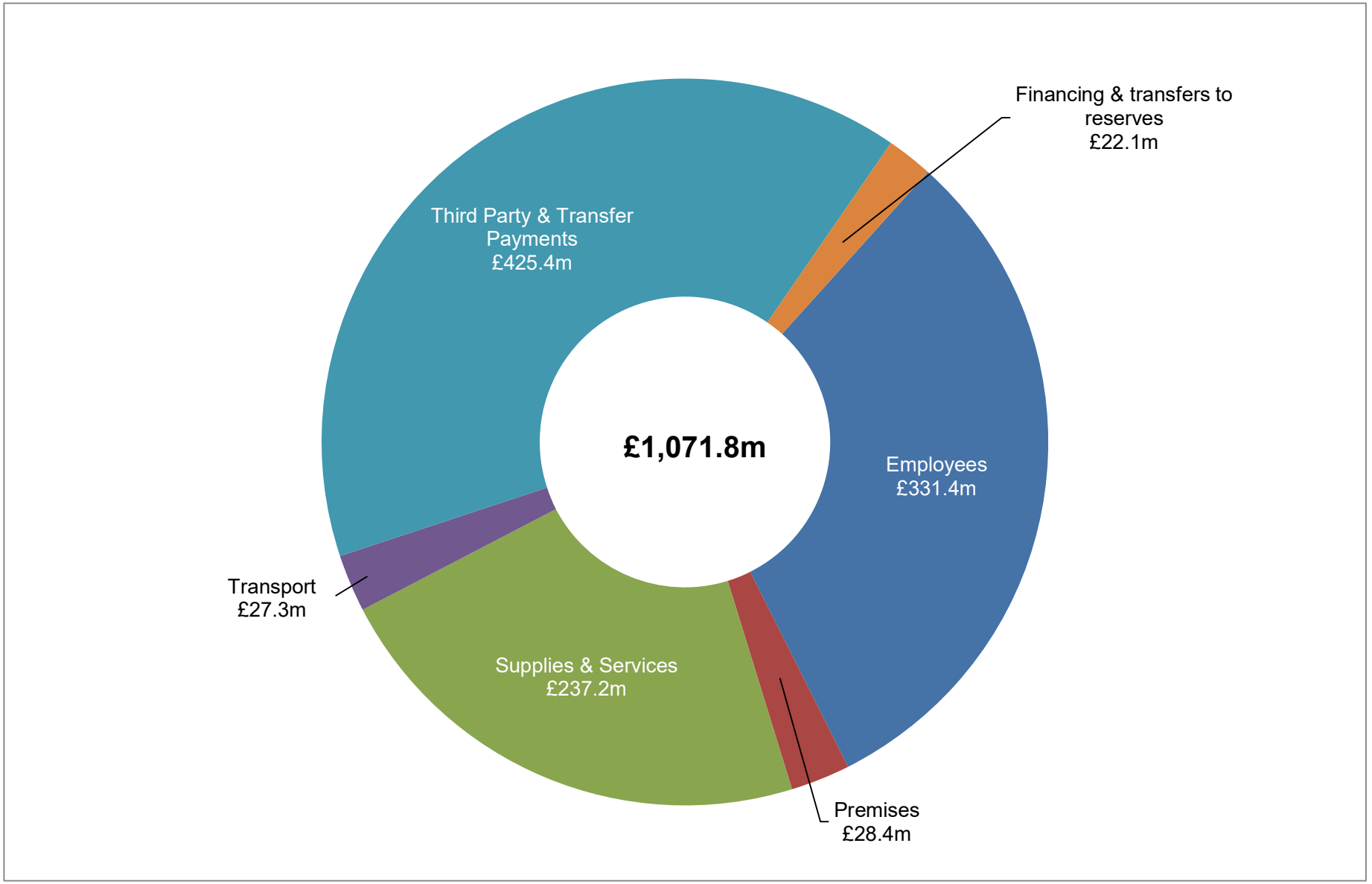


Where the money comes from (net)



Revenue Budget Summary 2024/25 - subjective analysis

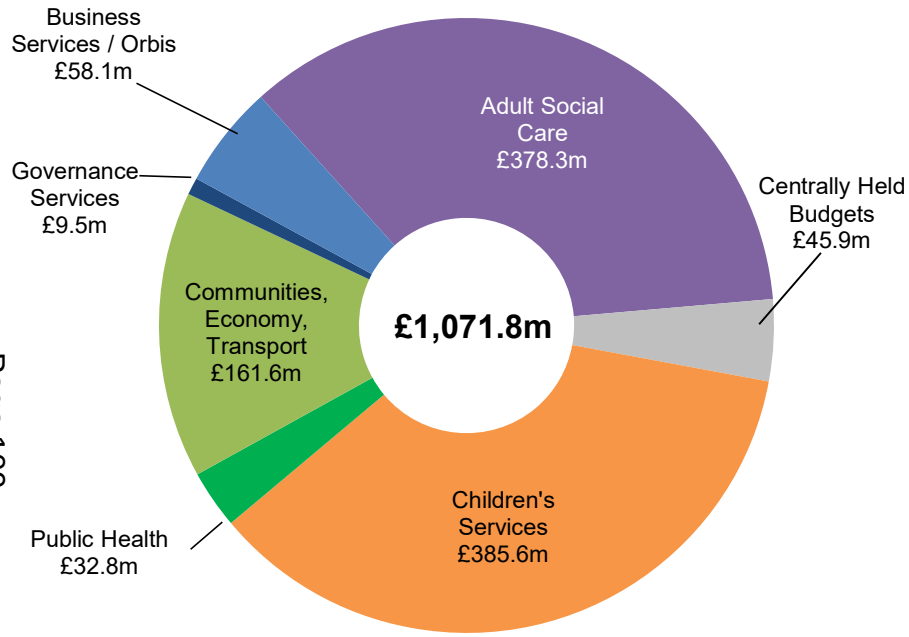
DRAFT



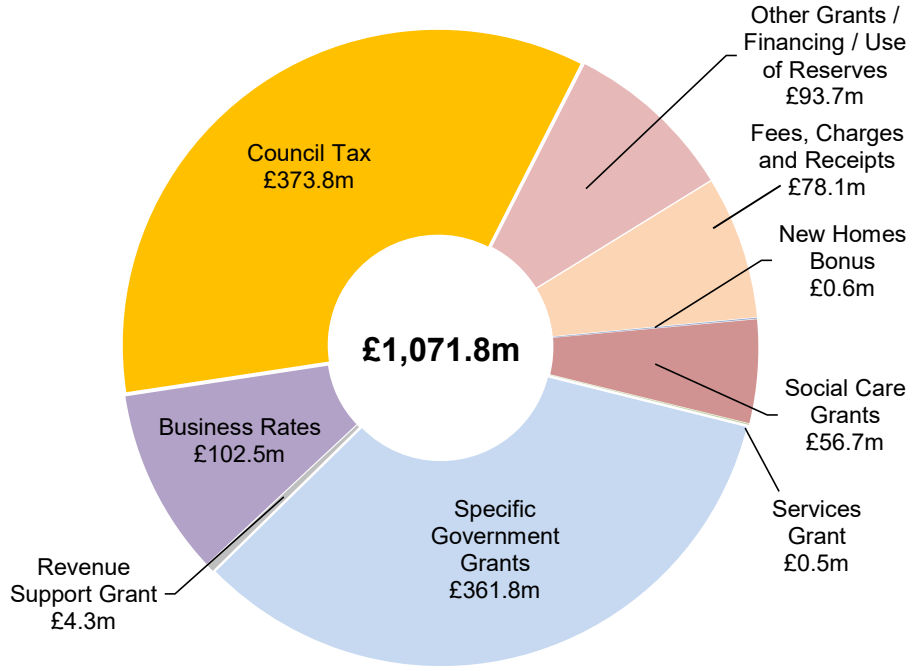
Revenue Budget Summary 2024/25 - gross revenue budget

DRAFT

How we will spend your money (gross)



Where the money comes from (gross)



Revenue Budget Summary 2024/25 - budget changes 2023/24 to 2024/25 DRAFT

	2023/24 Rebased Net Budget	Additions	Reductions	2024/25 Net Budget	Change	
	£'000	£'000	£'000	£'000	£'000	%
Adult Social Care	237,033	22,488	(17)	259,504	22,471	9.48%
Public Health	-	-	-	-	-	0.00%
Business Services / Orbis	28,991	1,117	(693)	29,415	424	1.46%
Children's Services (inc. schools)	120,303	26,214	(2,429)	144,088	23,785	19.77%
Communities, Economy & Transport	73,197	361	-	73,558	361	0.49%
Governance Services	8,314	588	-	8,902	588	7.07%
Total Departments	**467,838**	**50,768**	**(3,139)**	**515,467**	**47,629**	**10.18%**
Centrally held budgets	43,814	3,807	(10,642)	36,979	(6,835)	-15.60%
One-off Use of Reserve	-	-	(14,344)	(14,344)	(14,344)	-100.00%
Total	**511,652**	**54,575**	**(28,125)**	**538,102**	**26,450**	**5.17%**

Revenue Budget Summary 2024/25 - subjective analysis

DRAFT

Department	Employees	Premises	Transport	Supplies & Services	Transfers & Third Party Payments	Financing & Transfers to Reserves	**Total Expenditure**	Government Grants	Other Grants & Contributions	Fees, Charges & Receipts	Financing & Planned Use of Reserves	**Total Income**	Internal Recharges (exp & inc)	**Net Service Expenditure**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Adult Social Care	65,003	821	647	35,829	276,059	-	**378,359**	(27,428)	(52,040)	(39,704)	(150)	**(119,322)**	467	**259,504**
Public Health	3,424	-	16	67	29,299	-	**32,806**	(31,546)	-	-	(2,764)	**(34,310)**	1,504	**-**
Business Services / Orbis	21,902	12,766	46	21,873	1,462	1	**58,050**	(2,197)	(7,572)	(7,562)	(935)	**(18,266)**	(10,369)	**29,415**
Children's Services	199,823	10,592	1,773	56,290	116,861	280	**385,619**	(285,196)	18,375	(6,387)	(1,033)	**(274,241)**	32,710	**144,088**
Communities Economy & Transport	21,091	3,877	24,822	109,226	715	1,856	**161,587**	(15,310)	(21,534)	(24,107)	(2,764)	**(63,715)**	(24,314)	**73,558**
Governance Services	6,740	387	42	2,293	8	-	**9,470**	(53)	(169)	(319)	(29)	**(570)**	2	**8,902**
Services	**317,983**	**28,443**	**27,346**	**225,578**	**424,404**	**2,137**	**1,025,891**	**(361,730)**	**(62,940)**	**(78,079)**	**(7,675)**	**(510,424)**	**-**	**515,467**
Centrally held budgets	13,414	-	-	11,597	958	19,980	**45,949**	(70)	-	-	(8,900)	**(8,970)**	-	**36,979**
One-off use of Reserve	-	-	-	-	-	-	**-**	-	-	-	(14,344)	**(14,344)**	-	**(14,344)**
Total	**331,397**	**28,443**	**27,346**	**237,175**	**425,362**	**22,117**	**1,071,840**	**(361,800)**	**(62,940)**	**(78,079)**	**(30,919)**	**(533,738)**	**-**	**538,102**

Revenue Budgets - Adult Social Care

DRAFT

2023/24		2024/25												
Rebased Net Budget		Employees	Premises	Transport	Supplies and Services	Third Party & Transfer Payments	Financing and Transfer to Reserves	**Total Expenditure**	Government Grants	Other Grants and Contributions	Fees, Charges & Receipts	Financing and Planned Use of Reserves	**Total Income**	Internal Recharges (exp & inc)	**Net Service Expenditure**
£'000		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
	Independent Sector - Physical, Sensory and Memory & Cognition Support														
57,735	Residential & Nursing	-	-	-	-	84,049	-	**84,049**	-	(35)	(20,965)	-	**(21,000)**	-	**63,049**
7,230	Supported & Other Accommodation	-	-	-	-	7,230	-	**7,230**	-	-	-	-	**-**	-	**7,230**
24,325	Home Care	-	-	-	-	28,036	-	**28,036**	-	-	-	-	**-**	-	**28,036**
1,447	Day Care	-	-	-	-	1,643	-	**1,643**	-	-	(313)	-	**(313)**	142	**1,472**
20,510	Direct Payments	-	-	-	-	20,510	-	**20,510**	-	-	-	-	**-**	-	**20,510**
(26,908)	Other Services	500	-	-	26,628	1,940	-	**29,068**	(27,063)	(22,095)	-	-	**(49,158)**	-	**(20,090)**
(10,347)	Fairer Charging *	-	-	-	-	-	-	**-**	-	-	(10,347)	-	**(10,347)**	-	**(10,347)**
-	Meals in the Community	-	-	-	-	-	-	**-**	-	-	-	-	**-**	-	**-**
73,992	**Subtotal**	**500**	**-**	**-**	**26,628**	**143,408**	**-**	**170,536**	**(27,063)**	**(22,130)**	**(31,625)**	**-**	**(80,818)**	**142**	**89,860**
	Independent Sector - Learning Disability Support														
48,741	Residential & Nursing	-	-	-	-	57,859	-	**57,859**	-	-	(4,253)	-	**(4,253)**	-	**53,606**
13,958	Supported & Other Accommodation	-	-	-	2	13,956	-	**13,958**	-	-	-	-	**-**	-	**13,958**
1,512	Home Care	-	-	-	-	1,512	-	**1,512**	-	-	-	-	**-**	-	**1,512**
1,811	Day Care	-	-	-	-	1,951	-	**1,951**	-	-	(141)	-	**(141)**	-	**1,810**
8,302	Direct Payments	-	-	-	-	8,302	-	**8,302**	-	-	-	-	**-**	19	**8,321**
1,023	Other Services	3	-	3	-	1,349	-	**1,355**	-	(332)	-	-	**(332)**	-	**1,023**
(1,352)	Fairer Charging *	-	-	-	-	-	-	**-**	-	-	(1,352)	-	**(1,352)**	-	**(1,352)**
73,995	**Subtotal**	**3**	**-**	**3**	**2**	**84,929**	**-**	**84,937**	**-**	**(332)**	**(5,746)**	**-**	**(6,078)**	**19**	**78,878**
	Independent Sector - Mental Health Support														
17,693	Residential & Nursing	-	-	-	(1)	20,392	-	**20,391**	-	-	165	-	**165**	-	**20,556**
2,988	Supported & Other Accommodation	-	-	-	-	2,988	-	**2,988**	-	-	-	-	**-**	-	**2,988**
477	Home Care	-	-	-	-	477	-	**477**	-	-	-	-	**-**	-	**477**
36	Day Care	-	-	-	-	38	-	**38**	-	-	(2)	-	**(2)**	-	**36**
1,143	Direct Payments	-	-	-	-	1,143	-	**1,143**	-	-	-	-	**-**	-	**1,143**
(9,819)	Other Services	-	-	-	-	56	-	**56**	-	(9,875)	-	-	**(9,875)**	-	**(9,819)**
(497)	Fairer Charging *	-	-	-	-	-	-	**-**	-	-	(497)	-	**(497)**	-	**(497)**
12,021	**Subtotal**	**-**	**-**	**-**	**(1)**	**25,094**	**-**	**25,093**	**-**	**(9,875)**	**(334)**	**-**	**(10,209)**	**-**	**14,884**

Revenue Budgets - Adult Social Care

DRAFT

2023/24		2024/25													
Rebased Net Budget		Employees	Premises	Transport	Supplies and Services	Third Party & Transfer Payments	Financing and Transfer to Reserves	**Total Expenditure**	Government Grants	Other Grants and Contributions	Fees, Charges & Receipts	Financing and Planned Use of Reserves	**Total Income**	Internal Recharges (exp & inc)	**Net Service Expenditure**
£'000		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
	Adult Operations														
30,154	Assessment & Care Management	30,780	148	174	684	931	-	**32,717**	(54)	(2,263)	(142)	-	**(2,459)**	137	**30,395**
11,686	Directly Provided Services - Older People	12,636	242	316	621	2,320	-	**16,135**	-	(4,268)	(327)	-	**(4,595)**	208	**11,748**
8,185	Directly Provided Services - Learning Disability	7,852	213	64	818	-	-	**8,947**	-	(12)	(575)	-	**(587)**	357	**8,717**
50,025	**Subtotal**	**51,268**	**603**	**554**	**2,123**	**3,251**	**-**	**57,799**	**(54)**	**(6,543)**	**(1,044)**	**-**	**(7,641)**	**702**	**50,860**
	Strategy, Commissioning and Supply Management														
5,136	Commissioners, Comissioned Services and Supply Management	5,728	215	25	79	4,305	-	**10,352**	-	(4,355)	-	-	**(4,355)**	4	**6,001**
5,834	Supporting People	-	3	-	-	6,211	-	**6,214**	-	(380)	-	-	**(380)**	-	**5,834**
4,174	Equipment & Assistive Technology	170	-	-	4,870	3,306	-	**8,346**	-	(3,388)	(850)	-	**(4,238)**	-	**4,108**
701	Carers	1,212	-	50	12	2,184	-	**3,458**	-	(2,764)	-	-	**(2,764)**	-	**694**
-	Mental Health Commissioned Services	-	-	-	-	-	-	**-**	-	-	-	-	**-**	-	**-**
15,845	**Subtotal**	**7,110**	**218**	**75**	**4,961**	**16,006**	**-**	**28,370**	**-**	**(10,887)**	**(850)**	**-**	**(11,737)**	**4**	**16,637**
6,305	**Planning, Performance and Engagement**	5,060	-	12	442	1,827	-	**7,341**	(311)	(608)	(105)	-	**(1,024)**	-	**6,317**
3,703	**Service Strategy (including Director & support)**	436	-	1	1,649	102	-	**2,188**	-	(1,156)	-	(150)	**(1,306)**	-	**882**
1,147	**Safer Communities**	626	-	2	25	1,442	-	**2,095**	-	(509)	-	-	**(509)**	(400)	**1,186**
237,033	**Total**	**65,003**	**821**	**647**	**35,829**	**276,059**	**-**	**378,359**	**(27,428)**	**(52,040)**	**(39,704)**	**(150)**	**(119,322)**	**467**	**259,504**

* Fairer Charging is income from clients for non residential/nursing services. This represents contributions towards packages of care that may include a combination of Supported Accommodation, Home Care, Day Care, Direct Payments or Other Services.

Main changes between years	£'000
Rebased Net Budget 2023/24	**237,033**
Growth / Pressures	3,882
Inflation	18,606
Savings	-
Pay award	-
Tfrs between depts	(17)
Departmental Estimate 2024/25	**259,504**

Revenue Budgets - Public Health

DRAFT

2023/24 Rebased Net Budget		2024/25 Employees	Premises	Transport	Supplies & Services	Transfers & Third Party Payments	Financing & Transfers to Reserves	Total Expenditure	Government Grants	Other Grants & Contributions	Fees, Charges & Receipts	Financing & Planned Use of Reserves	Total Income	Internal Recharges (exp & inc)	Net Service Expenditure
£'000		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
11,418	Mental Health and Best Start	-	-	-	-	10,975	-	**10,975**	-	-	-	-	**-**	400	**11,375**
10,668	Risky Behaviours and Threats to Health	43	-	-	15	11,338	-	**11,396**	(1,350)	-	-	-	**(1,350)**	622	**10,668**
3,605	Health Systems	-	-	-	10	3,863	-	**3,873**	-	-	-	-	**-**	-	**3,873**
1,008	Communities	-	-	-	-	1,240	-	**1,240**	-	-	-	-	**-**	-	**1,240**
(26,699)	Central Support	3,381	-	16	42	1,883	-	**5,322**	(30,196)	-	-	(2,764)	**(32,960)**	482	**(27,156)**
-	**Total**	**3,424**	**-**	**16**	**67**	**29,299**	**-**	**32,806**	**(31,546)**	**-**	**-**	**(2,764)**	**(34,310)**	**1,504**	**-**

Main changes between years	**£'000**
Rebased Net Budget 2023/24	
Growth / Pressures	
Inflation	
Savings	
Pay award	
Tfrs between depts	
Departmental Estimate 2024/25	**-**

Revenue Budgets - Business Services / Orbis

DRAFT

2023/24 Rebased Net Budget		2024/25 Employees	Premises	Transport	Supplies & Services	Transfers & Third Party Payments	Financing & Transfers to Reserves	**Total Expenditure**	Government Grants	Other Grants & Contributions	Fees, Charges & Receipts	Financing & Planned Use of Reserves	**Total Income**	Internal Recharges (exp & inc)	**Net Service Expenditure**
£'000		**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
5,795	Finance	8,603	618	4	3,499	16	-	**12,740**	(233)	(2,697)	(592)	(843)	**(4,365)**	(2,122)	**6,253**
8,215	IT & Digital	7,012	106	3	5,568	-	-	**12,689**	(121)	(1,047)	(1,054)	(54)	**(2,276)**	(1,857)	**8,556**
2,150	HR & Organisational Development	2,843	-	2	450	(38)	1	**3,258**	(61)	-	(637)	(38)	**(736)**	(371)	**2,151**
(100)	Procurement	-	-	-	-	-	-	**-**	-	(100)	-	-	**(100)**	-	**(100)**
9,001	Property	3,444	12,042	37	8,606	1,484	-	**25,613**	(1,782)	(3,728)	(5,279)	-	**(10,789)**	(6,019)	**8,805**
3,930	Contribution to Orbis Partnership	-	-	-	3,750	-	-	**3,750**	-	-	-	-	**-**	-	**3,750**
28,991	**Total**	**21,902**	**12,766**	**46**	**21,873**	**1,462**	**1**	**58,050**	**(2,197)**	**(7,572)**	**(7,562)**	**(935)**	**(18,266)**	**(10,369)**	**29,415**

Main changes between years	**£000**
Rebased Net Budget 2023/24	28,991
Growth / Pressures	763
Inflation	328
Savings	(693)
Pay award	
Tfrs between depts	26
Departmental Estimate 2024/25	**29,415**

Revenue Budgets - Children's Services

DRAFT

2023/24 Rebased Net Budget		2024/25 Employees	Premises	Transport	Supplies & Services	Transfers & Third Party Payments	Financing & Transfers to Reserves	Total Expenditure	Government Grants	Other Grants & Contributions	Fees, Charges & Receipts	Financing & Planned Use of Reserves	Total Income	Internal Recharges (exp & inc)	Net Service Expenditure
£'000		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
	Early Help & Social Care														
1,257	Policy Support & Commissioned Services	508	-	4	46	660	-	**1,218**	-	(90)	(76)	-	**(166)**	206	**1,258**
8,230	Early Help Keywork and Children's Centres	6,341	325	161	285	204	-	**7,316**	-	(1,475)	(55)	-	**(1,530)**	24	**5,810**
22,313	Locality Social Work & Family Assessment	13,801	-	284	508	11,039	-	**25,632**	(800)	(200)	-	-	**(1,000)**	(13)	**24,619**
45,939	Looked After Children	19,359	287	564	843	52,993	280	**74,326**	(1,655)	(244)	(4,426)	-	**(6,325)**	278	**68,279**
3,890	Other Children & Families	3,550	20	85	872	4,383	-	**8,910**	(2,920)	(781)	-	(654)	**(4,355)**	(746)	**3,809**
862	Youth Justice	1,579	27	31	29	53	-	**1,719**	(583)	(281)	-	-	**(864)**	7	**862**
82,491	**Subtotal**	**45,138**	**659**	**1,129**	**2,583**	**69,332**	**280**	**119,121**	**(5,958)**	**(3,071)**	**(4,557)**	**(654)**	**(14,240)**	**(244)**	**104,637**
	Education														
4,052	Inclusion and Special Educational Needs	15,803	18	240	8,985	42,251	-	**67,297**	(60,374)	(1,929)	(632)	-	**(62,935)**	(347)	**4,015**
5,133	Standards & Learning Effectiveness	9,339	-	148	28,756	2,667	-	**40,910**	(35,480)	(1,914)	(381)	(39)	**(37,814)**	2,054	**5,150**
215	Other Education	214	-	-	7	-	-	**221**	(6)	-	-	-	**(6)**	-	**215**
9,400	**Subtotal**	**25,356**	**18**	**388**	**37,748**	**44,918**	**-**	**108,428**	**(95,860)**	**(3,843)**	**(1,013)**	**(39)**	**(100,755)**	**1,707**	**9,380**
1,297	**Adoption South East**	1,232	-	37	255	-	-	**1,524**	-	(228)	-	-	**(228)**	-	**1,296**
-	**Schools**	118,537	9,875	153	14,055	2,508	-	**145,128**	(179,164)	26,078	-	(200)	**(153,286)**	**8,158**	**-**
	Management & Support														
21,966	Admissions & Transport	629	-	7	146	5	-	**787**	(1,274)	-	(36)	(140)	**(1,450)**	23,767	**23,104**
3,220	Management & Support	6,977	40	35	1,374	90	-	**8,516**	(2,940)	(441)	(773)	-	**(4,154)**	(696)	**3,666**
1,929	Safeguarding	1,954	-	24	129	8	-	**2,115**	-	(120)	(8)	-	**(128)**	18	**2,005**
27,115	**Subtotal**	**9,560**	**40**	**66**	**1,649**	**103**	**-**	**11,418**	**(4,214)**	**(561)**	**(817)**	**(140)**	**(5,732)**	**23,089**	**28,775**
120,303	**Total**	**199,823**	**10,592**	**1,773**	**56,290**	**116,861**	**280**	**385,619**	**(285,196)**	**18,375**	**(6,387)**	**(1,033)**	**(274,241)**	**32,710**	**144,088**

Main changes between years	**£'000**
Rebased Net Budget 2023/24	**120,303**
Growth / Pressures	21,523
Inflation	4,691
Savings	-
Pay award	-
Tfrs between depts	(9)
Other	(2,420)
Departmental Estimate 2024/25	**144,088**

Revenue Budgets - Communities, Economy & Transport

DRAFT

2023/24 Rebased Net Budget		2024/25												
		Employees	Premises	Transport	Supplies and Services	Third Party & Transfer Payments	Financing and Transfer to Reserves	**Total Expenditure**	Government Grants	Other Grants and Contributions	Fees, Charges & Receipts	Financing and Planned Use of Reserves	**Total Income**	Internal Recharges (exp & inc)	**Net Service Expenditure**
£'000		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
	Community Services														
662	Archives	453	643	1	791	-	-	**1,888**	-	(1,110)	(144)	-	**(1,254)**	29	**663**
877	Road Safety	1,112	11	29	146	-	-	**1,298**	(217)	(90)	(76)	-	**(383)**	-	**915**
1,089	Trading Standards	1,054	-	9	109	-	-	**1,172**	-	-	(40)	(44)	**(84)**	1	**1,089**
107	Travellers Sites	236	96	5	14	-	-	**351**	-	(114)	(135)	-	**(249)**	5	**107**
277	Emergency Planning	457	-	3	14	-	-	**474**	-	(196)	(1)	-	**(197)**	-	**277**
3,012	**Subtotal**	**3,312**	**750**	**47**	**1,074**	**-**	**-**	**5,183**	**(217)**	**(1,510)**	**(396)**	**(44)**	**(2,167)**	**35**	**3,051**
	Customer, Library & Registration Services														
4,187	Libraries	3,144	659	40	1,019	-	3	**4,865**	(202)	(97)	(301)	-	**(600)**	(79)	**4,186**
292	Records	148	177	-	41	-	-	**366**	-	-	(17)	-	**(17)**	3	**352**
319	Customer Care	361	-	1	7	-	-	**369**	-	-	-	(4)	**(4)**	-	**365**
(94)	Registration	1,542	94	21	67	-	-	**1,724**	-	(5)	(1,891)	-	**(1,896)**	18	**(154)**
4,704	**Subtotal**	**5,195**	**930**	**62**	**1,134**	**-**	**3**	**7,324**	**(202)**	**(102)**	**(2,209)**	**(4)**	**(2,517)**	**(58)**	**4,749**
	Transport & Operational Services														
8,808	Passenger Services	288	-	-	17,945	-	-	**18,233**	(6,970)	(285)	(102)	(44)	**(7,401)**	(2,489)	**8,343**
-	Home to School and ASC Transport	110	-	23,987	527	-	-	**24,624**	(5)	(650)	(63)	-	**(718)**	(23,906)	**-**
(265)	Parking	986	-	2	3,608	-	371	**4,967**	-	(317)	(7,539)	(269)	**(8,125)**	2,894	**(264)**
32,234	Waste Disposal	409	486	12	60,390	273	-	**61,570**	(2,996)	(16,624)	(6,993)	(1,600)	**(28,213)**	2	**33,359**
831	Rights of Way/Countryside Management	891	31	24	199	3	-	**1,148**	(43)	(89)	(194)	-	**(326)**	11	**833**
565	Other Transport & Operational Services	1,044	25	634	144	-	32	**1,879**	-	-	(200)	(133)	**(333)**	(950)	**596**
42,173	**Subtotal**	**3,728**	**542**	**24,659**	**82,813**	**276**	**403**	**112,421**	**(10,014)**	**(17,965)**	**(15,091)**	**(2,046)**	**(45,116)**	**(24,438)**	**42,867**

Revenue Budgets - Communities, Economy & Transport

DRAFT

2023/24 Rebased Net Budget		2024/25												
		Employees	Premises	Transport	Supplies and Services	Third Party & Transfer Payments	Financing and Transfer to Reserves	**Total Expenditure**	Government Grants	Other Grants and Contributions	Fees, Charges & Receipts	Financing and Planned Use of Reserves	**Total Income**	Internal Recharges (exp & inc)	**Net Service Expenditure**
£'000		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
	Highways														
1,424	Contract Management	932	-	10	612	-	-	**1,554**	-	-	-	(19)	**(19)**	15	**1,550**
15,451	Contract Costs (fixed and reactive)	-	1,423	-	17,736	-	-	**19,159**	-	(147)	(4,635)	-	**(4,782)**	-	**14,377**
621	Non Contract Works	-	79	-	513	187	-	**779**	-	(114)	(25)	-	**(139)**	-	**640**
17,496	**Subtotal**	**932**	**1,502**	**10**	**18,861**	**187**	**-**	**21,492**	**-**	**(261)**	**(4,660)**	**(19)**	**(4,940)**	**15**	**16,567**
	Planning & Environment														
252	Environment	844	70	2	62	-	-	**978**	(93)	-	(239)	(386)	**(718)**	(9)	**251**
848	Planning	1,749	-	15	332	-	-	**2,096**	-	(20)	(1,109)	(40)	**(1,169)**	12	**939**
-	High Weald	634	26	5	1,978	-	-	**2,643**	(2,065)	(571)	(43)	-	**(2,679)**	35	**(1)**
1,100	**Subtotal**	**3,227**	**96**	**22**	**2,372**	**-**	**-**	**5,717**	**(2,158)**	**(591)**	**(1,391)**	**(426)**	**(4,566)**	**38**	**1,189**
1,704	**Economic Development Skills and Growth**	2,076	57	13	1,351	225	-	**3,722**	(654)	(481)	(360)	(225)	**(1,720)**	128	**2,130**
3,008	**Management & Support**	2,621	-	9	1,621	27	1,450	**5,728**	(2,065)	(624)	-	-	**(2,689)**	(34)	**3,005**
73,197	**Total**	**21,091**	**3,877**	**24,822**	**109,226**	**715**	**1,856**	**161,587**	**(15,310)**	**(21,534)**	**(24,107)**	**(2,764)**	**(63,715)**	**(24,314)**	**73,558**

Main changes between years	**£'000**
Rebased Net Budget 2023/24	**73,197**
Growth / Pressures	(4,278)
Inflation	4,639
Savings	-
Pay award	-
Tfrs between depts	-
Departmental Estimate 2024/25	**73,558**

Revenue Budgets - Governance Services

DRAFT

2023/24		2024/25													
Rebased Net Budget		Employees	Premises	Transport	Supplies & Services	Transfers & Third Party Payments	Financing & Transfers to Reserves	**Total Expenditure**	Government Grants	Other Grants & Contributions	Fees, Charges & Receipts	Financing & Planned Use of Reserves	**Total Income**	Internal Recharges (exp & inc)	**Net Service Expenditure**
£'000		**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
2,727	**Corporate Governance**	1,664	3	23	1,160	8	-	**2,858**	-	(76)	(37)	-	**(113)**	4	**2,749**
	Corporate Support														
1,211	Communications	1,270	-	2	70	-	-	**1,342**	(53)	(47)	(1)	(29)	**(130)**	(2)	**1,210**
2,187	Legal	2,324	-	10	134	-	-	**2,468**	-	-	(281)	-	**(281)**	-	**2,187**
3,398	**Subtotal**	**3,594**	**-**	**12**	**204**	**-**	**-**	**3,810**	**(53)**	**(47)**	**(282)**	**(29)**	**(411)**	**(2)**	**3,397**
	Community Services														
1,439	Coroners	879	384	4	624	-	-	**1,891**	-	(2)	-	-	**(2)**	-	**1,889**
-	Third Sector	-	-	-	-	-	-	**-**	-	-	-	-	**-**	-	**-**
1,439	**Subtotal**	**879**	**384**	**4**	**624**	**-**	**-**	**1,891**	**-**	**(2)**	**-**	**-**	**(2)**	**-**	**1,889**
750	**Senior Management & Organisational Development**	603	-	3	305	-	-	**911**	-	(44)	-	-	**(44)**	-	**867**
8,314	**Total**	**6,740**	**387**	**42**	**2,293**	**8**	**-**	**9,470**	**(53)**	**(169)**	**(319)**	**(29)**	**(570)**	**2**	**8,902**

Main changes between years	**£'000**
Rebased Net Budget 2023/24	**8,314**
Growth / Pressures	567
Inflation	21
Savings	-
Pay award	-
Tfrs between depts	-
Departmental Estimate 2024/25	**8,902**

Capital programme to 2033/34

DRAFT

Introduction

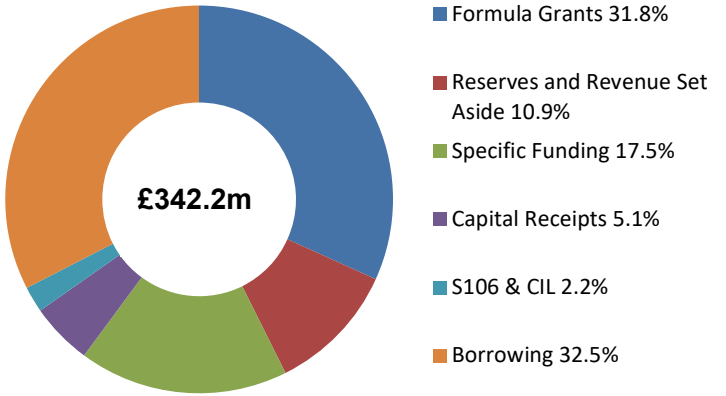
The planned capital programme supports the Council's Capital Strategy to 2044/45. It comprises targeted basic need investment that supports services in the delivery of priority outcomes and is supported by a planned programme to 2033/34. It includes providing for essential school places, investments in roads and transport infrastructure, support for climate change initiatives, enhancing the life of existing assets and ensuring they are fit for purpose, as well as support for strategic investment.

The proposed programme includes:

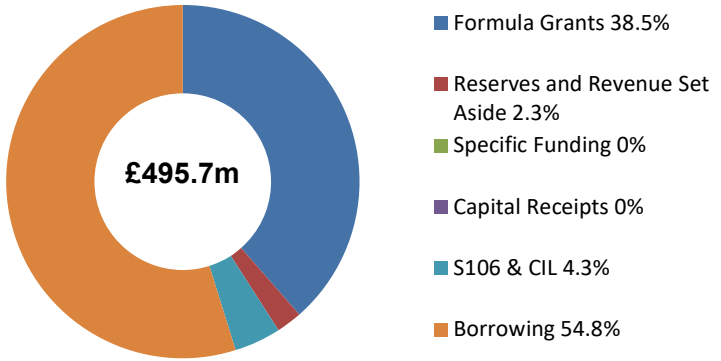
- Improvements to roads and transport infrastructure, to reflect the importance we place on our road network and its role in providing connectivity for our businesses and communities.
- Investment to support essential works to highway structures and to address a backlog of life-expired street lighting columns.
- Providing necessary school places and school access initiatives, safeguarding and temporary accommodation.
- Investment for important additional school places for pupils with Special Educational Needs and Disabilities (SEND).
- Investment to support the Council's commitment of carbon neutrality by 2050 at the latest.
- Capital Building Improvements and energy saving measures;
- Essential Libraries work to keep libraries in their current condition and stop them from deteriorating;
- Support of Economic Growth and Strategic Infrastructure investment.
- Supported accommodation and improvements

Total Programme of £724.9m comprising:

MTFP Programme to 2026/27



Programme 2027/28 to 2033/34



An estimated 36**%** (£299.7m) will be funded from Government grants, with 11% (£88.4m) funded from scheme-specific income, requiring the remaining 53% (£449.8m) funded locally through borrowing, capital receipts and use of reserves set aside for a specific purpose.

Capital programme - current programme and resources

Capital Programme	2023/24	2024/25	2025/26	2026/27	2023-27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	Remaining
	Current Yr	MTFP Period			Programme Total								Budget Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Adult Social Care	1,259	3,381	1,677	72	**6,389**								**6,389**
Business Services	21,162	30,160	20,811	18,507	**90,640**	25,515	40,020	25,053	18,680	29,318	19,349	15,477	**264,052**
Children's Services	1,215	1,936	2,085	2,158	**7,394**	774							**8,168**
Communities, Economy & Transport	56,503	61,213	73,555	46,479	**237,750**	46,044	47,570	47,594	43,912	44,746	45,607	46,090	**559,313**
Gross Expenditure by Department	**80,139**	**96,690**	**98,128**	**67,216**	**342,173**	**72,333**	**87,590**	**72,647**	**62,592**	**74,064**	**64,956**	**61,567**	**837,922**
Corporate Slippage Risk Factor	-	*(19,143)*	*(22,079)*	-	***(41,222)***	*5,889*	*5,889*	*5,889*	*5,889*	*5,889*	*5,889*	*5,889*	***0***
Revised Gross Expenditure	**80,139**	**77,547**	**76,049**	**67,216**	**300,951**	**78,222**	**93,479**	**78,536**	**68,481**	**79,953**	**70,845**	**67,456**	**837,922**
Section 106 and CIL	(1,607)	(3,189)	(1,873)	(754)	**(7,423)**	(2,512)	(25)	(25)	(25)	(25)			**(10,035)**
Other Specific Funding	(9,215)	(27,283)	(21,403)	(1,855)	**(59,756)**								**(59,756)**
Net Expenditure	**69,317**	**47,075**	**52,773**	**64,607**	**233,772**	**75,710**	**93,454**	**78,511**	**68,456**	**79,928**	**70,845**	**67,456**	**768,131**

Current Funding Assumptions	2022/23	2023/24	2024/25	2025/26	2022-26	2026-33	Total
		MTFP Period			Programme Total	Programme Total	Resource
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Capital Receipts	817	7,061	9,753	-	**17,631**		**17,631**
Formula Grants	32,502	23,916	26,223	26,023	**108,664**	191,066	**299,730**
Section 106 and CIL Target						18,588	**18,588**
Recycled Loans	80	300	300	300	**980**	770	**1,750**
Reserves and revenue set aside	18,899	2,798	6,409	8,207	**36,313**	10,828	**47,141**
Borrowing	17,019	13,000	10,088	30,077	**70,184**	313,107	**383,291**
	69,317	**47,075**	**52,773**	**64,607**	**233,772**	**534,359**	**768,131**

Capital programme - Adult Social Care

DRAFT

Adult Social Care	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	Budget Total
	MTFP Period											
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Specific Projects:												
Greenacres	9	131										140
Learning Disability Supported Living Scheme	1,200	3,200	1,627	22								6,049
House Adaptations	50	50	50	50								200
Gross Expenditure	**1,259**	**3,381**	**1,677**	**72**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**6,389**
S106 & CIL												
Other Specific Funding	(881)	(3,331)	(1,627)	(22)								(5,861)
Net Expenditure	**378**	**50**	**50**	**50**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**528**

Capital programme - Business Services

DRAFT

Business Services	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	Budget Total
	MTFP Period											
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Target led basic need:												
Schools Basic Need (delivered on behalf of CSD)	2,066	643	460	460	5,941	24,059	9,436	5,009	11,972	3,498	694	64,238
Special Educational Needs	1,114	825	300	300	1,000							3,539
Special Educational Needs – Additional Places	150	5,272	8,000	5,000	429							18,851
Capital Building Improvements (Schools)	4,218	5,575	4,182	3,982	3,982	3,982	3,982	3,982	3,982	4,182	3,982	46,031
Capital Building Improvements (Corporate)	3,509	4,640	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	44,149
IT & Digital Strategy Implementation	4,055	6,717	3,869	4,765	10,163	7,979	7,635	5,689	9,364	7,669	6,801	74,706
Specific Projects:												
Lansdowne Secure Unit Phase 2	65											65
Energy Efficiency - SALIX scheme	350	350										700
Disability Children's Homes	716	24										740
Westfield Lane (delivered on behalf of CSD)	53											53
Youth Investment Fund	1,510	6,114										
IT & Digital Strategy implementation (MBOS)	3,332											3,332
IT & Digital - Utilising Automation	24											24
Gross Expenditure	**21,162**	**30,160**	**20,811**	**18,507**	**25,515**	**40,020**	**25,053**	**18,680**	**29,318**	**19,349**	**15,477**	**256,428**
S106 & CIL	(958)	(548)			(1,910)							(3,416)
Other Specific Funding	(1,925)	(6,464)										(8,389)
Net Expenditure	**18,279**	**23,148**	**20,811**	**18,507**	**23,605**	**40,020**	**25,053**	**18,680**	**29,318**	**19,349**	**15,477**	**244,623**

Capital programme - Children's Services

DRAFT

Children's Services	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	Budget Total
	MTFP Period											
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Target led basic need:												
Schools Delegated Capital	1,150	1,150	1,150	1,150								4,600
Specific Projects:												
House Adaptations	50	50	50	50								200
Conquest Centre redevelopment	15											15
Children's Services Essential System Developments		736	885	958	774							3,353
Gross Expenditure	**1,215**	**1,936**	**2,085**	**2,158**	**774**	**0**	**0**	**0**	**0**	**0**	**0**	**8,168**
S106 & CIL Other Specific Funding	(1,150)	(1,150)	(1,150)	(1,150)								(4,600)
Net Expenditure	**65**	**786**	**935**	**1,008**	**774**	**0**	**0**	**0**	**0**		**0**	**3,568**

Capital programme - Communities, Economy & Transport

DRAFT

Communities, Economy & Transport	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	Budget Total
	MTFP Period											
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Target led basic need:												
Highways Structural Maintenance	35,893	21,688	22,246	22,819	32,012	32,622	33,249	33,895	34,561	35,247	35,953	340,185
Bridge Assessment Strengthening	2,740	7,160	2,901	2,901	1,830	1,885	1,942	2,000	2,060	2,122	2,186	29,727
Rights of Way Surface Repairs and Bridge Replacement Programme	552	588	625	662	702	744	789	836	886	939	590	7,913
Street Lighting and Traffic Signals (life expired)	2,000	3,985	3,988	3,429	1,041	1,095	1,135	1,192	1,250	1,310	1,372	21,797
Specific Projects:												
Broadband	160	100	5,257									5,517
Street Lighting and Traffic Signals - SALIX scheme	219											219
Climate Emergency Works	3,095	3,690	4,206	4,137	3,166	3,501	3,588					25,383
Flood & Coastal Resilience Innovation Programme	885	988	989	683								3,545
Bexhill & Hastings Link Road Complementary Measures	100	89										189
Community Match Fund	95	379										474
Economic Growth & Strategic Infrastructure Programme												
Economic Intervention Fund - Grants	75	300	300	300	300	300	283					1,858
Economic Intervention Fund - Loans	80	300	300	300	300	300	170					1,750
Stalled Sites	13	50	50	50	50	57						270
EDS Upgrading Empty Commercial Property				7								7
Other Integrated Transport Schemes	2,802	2,500	6,087	9,087	6,014	5,919	5,919	5,919	5,919	5,919	5,919	62,004
Integrated Transport Schemes - A22 Corridor Package	100											100
Visually Better Roads	1,293											1,293
Gypsy and Traveller Site Refurbishment		70	70	70	70	70	70	70	70	70	70	700
The Keep	228	26		85	110	628						1,077
Library Refurbishment	580	727	449	449	449	449	449					3,552
Peacehaven Library Refurbishment & Conversion		27										27
Community Road Safety Interventions	206	516										722

Capital programme - Communities, Economy & Transport

DRAFT

Communities, Economy & Transport	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	Budget Total
	MTFP Period											
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Newhaven Port Access Road	28	266	500									794
Real Time Passenger Information	70	94	61									225
Passenger Services Software	26											26
Bus Service Improvement Plan	2,545	9,380	10,000									21,925
Lewes Bus Station Replacement	4											4
Queensway Depot Development (Formerly Eastern)	104		2,900	1,500								4,504
Exceat Bridge	1,259	4,673	920									6,852
Area-wide Traffic Management Scheme - Schools Streets	64	136										200
Area-wide Traffic Management Scheme - Eastbourne Liveable Town Centre	37	237										274
Local Enterprise Funded Schemes												
Eastbourne Town Centre Phase 2	900	1,500	6,796									9,196
Eastbourne/South Wealden Walking & Cycling Package	79	1,000	1,328									2,407
Hailsham/Polegate/Eastbourne Movement & Access Corridor	350	44										394
Hastings & Bexhill Movement & Access Package	-79	700	3,582									4,203
Gross Expenditure	**56,503**	**61,213**	**73,555**	**46,479**	**46,044**	**47,570**	**47,594**	**43,912**	**44,746**	**45,607**	**46,090**	**559,313**
S106 & CIL	(649)	(2,641)	(1,873)	(754)	(602)	(25)	(25)	(25)	(25)			(6,619)
Other Specific Funding	(5,259)	(16,338)	(18,626)	(683)								(40,906)
Net Expenditure	**50,595**	**42,234**	**53,056**	**45,042**	**45,442**	**47,545**	**47,569**	**43,887**	**44,721**	**45,607**	**46,090**	**511,788**

Reserve Balances

DRAFT

	Anticipated Balance 31st Mar 2024 £'000	Net planned Movements 2024/25 £'000	Anticipated Balance 31st Mar 2025 £'000	Estimated Balance 31st Mar 2028 £'000
Held on behalf of others or statutorily ringfenced				
Balances held by Schools	20,082		20,082	20,082
Extended Schools	1,438		1,438	1,438
Schools Supply Teacher Insurance	222		222	0
Schools	**21,742**	**0**	**21,742**	**21,520**
Public Health	6,108	(1,381)	4,727	6,538
High Weald	229		229	229
Car Parking	2,670	(74)	2,596	2,598
ACRES (Adult College of Rural East Sussex)	422		422	422
Lewes Athletics Track	11		11	11
The Keep - Archive Service	377	(26)	351	368
Sussex Air Quality Partnership	24		24	0
EU Exit Funding	427		427	427
IT&D Partnerships	296	(54)	242	0
Subtotal held on behalf of others or statutorily ringfenced	**32,306**	**(1,535)**	**30,771**	**32,113**
Service-Specific Reserves:				
Corporate Waste	19,443	(1,600)	17,843	8,867
Capital Programme	9,364	17	9,381	483
Insurance Risk	7,495		7,495	7,314
Adult Social Care Reform	3,099		3,099	0
Total Named Service Reserves	**39,401**	**(1,583)**	**37,818**	**16,664**
Strategic Reserves:				
Priority Outcomes and Transformation reserve: to fund the transformation programme to change, protect and improve Council services	5,924	(289)	5,635	5,602
Financial Management reserve: to manage the potential financial consequences of risks recognised in the Council's risk management arrangements and the CFO's robustness statement, and to enable the effective management of the medium-term financial strategy and investment strategy	31,766	(15,098)	16,668	19,440
Total Strategic Reserves	**37,690**	**(15,387)**	**22,303**	**25,042**
General Fund	**10,000**	**0**	**10,000**	**10,000**
Total Reserves	**119,397**	**(18,505)**	**100,892**	**83,819**

This table provides a summary of planned movements in and out of the individual reserves over the financial year 2024/25, plus estimated balances by March

Explanation of key terms

Balances
A working balance is needed so that payments can be made before income is received, and as a cushion against unexpected expenditure during the year.

Band D Property
Property band commonly used to specify the average council tax. The band includes property values between £68,001 and £88,000 (as at 1st

Budget
An expression mainly in financial terms of the Council's policy for a specific period.

Business Rates
A charge on commercial and industrial buildings fixed by the Government and collected by District and Borough Councils. As of 2013/14 a proportion is retained and shared locally amongst authorities (including Fire & Rescue), rather than going to the Government for redistribution on a national basis. That part of business rates going to Government is redistributed as "Top-Up" grant, where local need is assessed as greater than the share of business rates retained locally. All County Councils are "Top-Up" authorities, receiving only a small share of business rates.

Depreciation
Amounts charged to services revenue for the use of assets/infrastructure.

Capital Expenditure / Capital Programme
Expenditure on the acquisition of assets, or which adds to rather than maintains the value of existing assets. It is financed mainly from borrowing and charged to the revenue account over a number of years.

Capital Financing
Capital expenditure is financed by loans, Government grants, external contributions (e.g. developers' contributions to specific schemes) contribution from the revenue account, and proceeds from the sale of assets. The revenue budget bears the cost of direct revenue contributions, together with interest and the provision for repayments of these loans.

Capital Receipts
Income received from the sale of capital assets, together with specific contributions, including Government grants, towards capital expenditure.

Contingency
A sum set aside to meet future pay and price rises over and above provision made in departmental budgets.

Council Tax Requirement
This is an amount calculated, in advance of each year, by each billing authority (e.g. Lewes District Council) and by each major precepting authority, (e.g. East Sussex County Council). It is the amount of revenue to be met from Council Tax, and is equivalent to an authority's Band D Council Tax multiplied by its council tax base.

Dedicated Schools Grant (DSG)
A major ring-fenced government specific grant, introduced in 2006/07, which provides funding for schools and schools-related expenditure.

Earmarked Reserves
Reserves which are set aside for specific purposes.

Government Grants
Contributions by central Government towards either the revenue or capital cost of local authority services.

Levies
A contribution which the County Council is required to make towards the costs of Ashdown Forest Conservators, Environment Agency (for flood defence) and Sussex Inshore Fisheries and Conservation Authority.

Net Budget Requirement
The total expenditure (after deduction of income) that the Council can finance from the aggregation of Revenue Support Grant, Business Rates and Council Tax.

New Homes Bonus
A government grant which is aimed at encouraging local authorities to increase the number of homes in their area.

Precept
The income which the Council requires a District or Borough Council to raise on its behalf from Council Tax.

Provisions and Reserves
Provisions are made from liabilities and losses which are likely or certain to be incurred but the amount or dates on which they will arise cannot be determined accurately. Internal reserves are set aside to finance future expenditure for purposes falling outside the definition of provisions.

Revenue Expenditure
Expenditure that the Council incurs on the day-to-day costs of providing services including principally on pay, running costs of buildings, equipment, third party payments and capital financing costs.

Revenue Support Grant (RSG)
Additional funding received from central government, outside that received through the business rates retention scheme.

Slippage
Actual capital payments or income, spent or received in a year different to that planned in the capital programme.

Specific and Special Grants
Grants paid by central Government for specific services and allocated to local authorities according to specific policies criteria.

Supported Borrowing
The level of borrowing that the Government will support via grant towards interest and principal repayments.

Tax Base
All domestic properties are placed in one of eight valuation bands. The council tax base is calculated according to Government regulations to assess, by proportion, the equivalent number of Band D properties. The County's net expenditure is divided by this number to give the council tax levy.

Third Party Payments
Payments made to agencies and contracted service providers, e.g. payments to private sector nursing homes.

Transfer Payments
Money paid by a local authority to an individual specifically to enable them to pay someone else e.g. awards paid to students to enable them to pay fees.

Savings 2024/25 to 2026/27

Department	Savings £'000			
	2024/25	2025/26	2026/27	Total
Business Services / Orbis	693			693
Total Departments	**693**	**0**	**0**	**693**

NB: new savings are currently not being sought

Business Services / Orbis

East Sussex County Council - Savings 2024/25 to 2026/27		Gross budget	Net budget	Savings				Protected characteristics											
		2018/19[1]	2018/19[1]	2024/25	2025/26	2026/27	Total	Age	Disability	Sex	Gender Reassignment	Ethnicity	Marriage / Civil Partnership	Pregnancy /Maternity	Religion / Belief	Sexual Orientation	No equality impacts	Further Information
Activity	**Savings Proposal**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**											
IT&D	SEG wide area network operating costs	47,534	22,270	100			**100**										y	There are no equality impacts identified on staff or residents.
Property assets - offices	Rationalisation of corporate estate			593			**593**										y	No impacts are identified at this stage. Learning will be applied from previous accommodation changes and Equality Impact Assessments and consultation will be undertaken in the normal way as plans progress.
TOTAL Business Services / Orbis				**693**	**0**	**0**	**693**											

[1] 2018/19 is the budget on which the original three-year savings plan (2019/20 to 2022/23) was based. The savings planned for 2024/25 represent a reprofile since the original savings poposal was agreed.

East Sussex County Council
Council Tax Precepts for 2024/25

		£	£	£
Gross Expenditure			***1,071,840,000***	
Income			***533,738,000***	
Net Budget				538,102,000
	Business Rates & S31 Grants	35,211,000		
	Business Rates Top Up	67,258,000		
	Revenue Support Grant	4,346,000		
	Services Grant	478,000		
	New Homes Bonus	554,000		
	Social Care Grant	45,393,000		
	ASC Market Sustainability and Improvement Grant	11,312,000		
	Previous year's surpluses/(deficits)			
	Collection Fund Adjustment	- 1,330,488		
	Council Tax Collection Fund	3,880,564		
			167,102,076	
				167,102,076
	Council Tax Requirement			370,999,924
	Tax base (total equivalent Band D properties)			208,625.0
	Basic council tax			1,778.31

Therefore Council Tax per Category of Dwelling:-

	Proportion of Basic Council Tax	£
Band A	6/9	1,185.54
Band B	7/9	1,383.13
Band C	8/9	1,580.72
Band D	9/9	1,778.31
Band E	11/9	2,173.49
Band F	13/9	2,568.67
Band G	15/9	2,963.85
Band H	18/9	3,556.62

Precept to Each Billing Authority

	No of band D equivalent dwellings	£
Eastbourne	35,687.2	63,462,905
Hastings	26,728.0	47,530,670
Lewes	38,538.3	68,533,044
Rother	39,197.5	69,705,306
Wealden	68,474.0	121,767,999
Total	208,625.0	370,999,924

Schedule of Instalments for payment from Districts & Boroughs

12 April 2024
21 May 2024
27 June 2024
02 August 2024
10 September 2024
16 October 2024
21 November 2024
02 January 2025
06 February 2025
14 March 2025

This page is intentionally left blank

Reserves and Budget Robustness Statement

1.0 Chief Finance Officer Statement on the Budget Robustness

1.1 Section 25 of the Local Government Act 2003 places a statutory duty on the "Chief Financial Officer" (Section 151 Officer) to review the Medium Term Financial Plan and comment upon the robustness of the budget and the adequacy of the reserves to be held by the authority when it is making the statutory calculations required to determine its Council Tax or precept. The authority is required to take this report into account when making that decision.

1.2 Section 26 of the Local Government Act 2003 places an onus on the Chief Financial Officer to ensure the authority has established a minimum level of reserves to be retained to cover any unforeseen demands that could not be reasonably defined within finalising the proposed budget.

2.0 Role of the Chief Finance Officer

2.1 Under Section 151 of the Local Government Act 1972 and Section 114 of the Local Government Finance Act 1988, the Chief Finance Officer (CFO) is responsible for the proper administration of the Council's financial affairs.

2.2 The statutory duties of the CFO are set out in the Constitution of the County Council. This includes the requirement to report to the County Council, Cabinet, and external auditor if the Council's expenditure is likely to significantly exceed the available resources.

2.3 The Chartered Institute of Public Finance and Accountancy (CIPFA) has published a statement on the Role of the CFO in Local Government. The Statement requires that, to ensure that they can operate effectively and perform their core duties, the CFO:

- is a key member of the leadership team, helping it to develop and implement strategy and to resource and deliver the authority's strategic objectives sustainably and in the public interest;
- must be actively involved in, and able to bring influence to bear on, all material business decisions to ensure immediate and longer term implications, opportunities and risks are fully considered, and alignment with the authority's financial strategy; and
- must lead the promotion and delivery by the whole authority of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently and effectively.

To deliver these responsibilities the CFO:

- must lead and direct a finance function that is resourced to be fit for purpose; and
- must be professionally qualified and suitably experienced.

3.0 Report of the Chief Finance Officer on the robustness of the 2023/24 budget proposal.

3.1 Whilst the budget has been prepared on a sound financial basis, following the reconciling policy, performance and resources (RPPR) process, and will deliver the proposed Council Plan, **there is a significant underlying deficit position**. In presenting a balanced budget for 2024/25 I must advise that **£14.3m of reserves have been used**.

3.2 The impact of increased service demands and inflation, together with the increase in national living wage and lack of additional government funding for social care in the Local Government Settlement, mean that the deficit position will continue. This is not a sustainable position. In order to address the position, the Council will need to instigate work to identify a range of actions that it will need to take

to set a balanced budget for 2025/26, without the need to draw significantly on reserves. The current projected deficit for 2025/26 is £45.3m.

3.3 The **Adequacy of Earmarked Reserves** has been reviewed and whilst these are considered adequate to enable the council to set a balanced position for 2024/25, strategic reserves are projected to reduce to £25.0m by 2028 after taking into account the planned draw for 2024/25, which underlines the need for actions to be taken if government funding is not forthcoming. The use of reserves in this way means the council has had to abandon its usual approach of maintaining reserves to help future proof Council services from unforeseen risks.

3.4 The Revenue Budget has been formulated having regard to several factors including funding availability; risks and uncertainties; inflation; priorities; demography and service pressures. As capital investment decisions have a direct impact on the council's revenue budget, particularly relating to borrowing costs, the Capital Programme has been reprofiled with the intention of setting a more realistic and affordable programme that reduces pressure on the Medium Term Financial Plan (MTFP).

3.5 As the development of the Council Plan and budget for 2024/25 has progressed, the position has been subject to reviews with Chief Officers, other Officers and Members, including Cabinet and Scrutiny Committees. Due consideration has also been given to reconciling the over-arching financial strategy with corporate priorities and hence all the proposals have been developed as an integral part of service planning.

3.6 Consideration has been given to unforeseen issues that could arise during the year and ensuring that those risks can be managed. The strategic risk register has been reviewed and an analysis of ESCC's financial position in the current year has been carried out, to identify direct impacts and risks that are inherent within the 2023/24 budget, which is significantly overspending. There are pressures on budget from demand for social care placements and the impacts of inflation, which the OBR now predicts will be higher than previously forecast, and the announcement of NLW increases on the social care provider market. The County Council holds a general contingency of £5.3m within the base revenue budget to cushion the impact of unexpected events and emergencies in year.

3.7 Increasing the Council Tax will provide a more sustainable income to the Council which will help to mitigate some of this risk. Implementing the 2.0% Adult Social Care precept and the allowed 2.99% precept (before triggering referendum) will support and help protect services that are already under significant pressure. However, the level of Council Tax required to set a balanced budget for 2024/25, without having to draw upon reserves, would be 9.09%, which is not an option.

4.0 Reserves

4.1 The Council's (ESCC) approach to the management and accounting for earmarked reserves is set out in the Reserves and Balances Policy approved by Cabinet in September 2021, at Annex A. The Reserves have been reviewed using the principles set out in the Policy ensuring that they are reflective of the Council's strategic agenda and the current financial risks and issues the Council faces through the medium term.

4.2 It is crucial to bear in mind that the reserves are the only source of financing to which the Council has access to fund risks and one-off pressures over a number of years. If the Council minimises the level of reserves too significantly there is a risk that in future, the ability to properly manage unforeseen or one off costs will be significantly impaired. Reserves can only be spent once and the possibility of creating new reserves is limited in an era where budgets are tight and can become overspent, not just individually but corporately.

4.3 Reserves are a key element of the Council's financial management arrangements. Reserves can be broadly categorised as follows:

- **General Fund Balance** - a working balance to manage in-year risks if they cannot be managed via other mitigations. It is best practice for a well-run authority to hold such a balance to assist in delivering services over a period longer than one financial year.
- **Earmarked Reserves** - funds that are held to meet known or anticipated future one-off requirements, facilitating transformation and the management and mitigation of future financial risk and uncertainty.

4.4 ESCC General Fund Balance and Earmarked Reserves are projected to total £119.4m as of 1 April 2024: a decrease of £28.6m against the actual reserves at 1 April 2023 totalling £148.0m.

Movements in year are:

- Priority Outcomes and Transformation (POT) – a net decrease of £11.5m, movements in 2023/24 shown in Table 2 below.

Table 2: Movements in POT Reserve 1 April 2023 to 1 April 2024

Description	Movement
Tfr to Capital Programme Reserve for highways, agreed at Cabinet June 23	(£5.6m)
Tfr future one-off investment to Capital Programme Reserve for highways & climate emergency	(£3.8m)
Various other movements not exceeding £0.5m individually (net)	(£2.1m)
Total Movement	**(£11.5m)**

- Financial Management (FM) – A net decrease of £10.1m, movements in 2023/24 are shown in Table 1 below.

Table 1: Movements in FM Reserve 1 April 2023 to 1 April 2024

Description	Movement
Modernising Back Office Systems (MBOS)	(£5.8m)
Investment Projects - Connected Families (formerly Edge of Care)	(£1.1m)
Forecast revenue overspend at Q2	(£1.7m)
Highways Contract Mobilisation	(£0.8m)
Investment Projects - Accommodation and Floating Support	(£0.7m)
Total Movement	**(£10.1m)**

4.5 The current reserves position is summarised in the table below and shows the estimated balance at 31 March 2028 is now £83.8m. Of this £25.0m relates to available strategic reserves: this position represents the known planned use for these reserves and includes the planned draw from the financial management reserve in 2024/25 of £14.3m but does not assume reserves will be used to mitigate projected budget deficits in 2025/26 and beyond.

4.6 Total service and strategic reserves are projected to reduce to £41.7m by 2028. As a result of ongoing demand and inflationary pressures, and a lack of additional government funding, the cumulative deficit is projected to grow to £61.8m by 2026/27, which would exceed the level of reserves available to balance the budget:

Table 3: Summary of Reserves

	01.04.23 Actuals per Q2 Cabinet Report	Estimated Balance at 31.03.27 per Full Council Feb 23	Full Council February 2024 (£m)	
			01.04.24 Estimate	31.03.28 Estimate
Earmarked Reserves:				
Held on behalf of others or statutorily ringfenced	**34.9**	**33.9**	**32.3**	**32.1**
Named Service Reserves				
Waste Reserve	19.9	7.5	19.4	8.9
Capital Programme Reserve	13.4	0.3	9.4	0.5
Insurance Reserve	7.4	7.1	7.5	7.3
Adult Social Care Reform Reserve	3.1	0.0	3.1	0.0
Subtotal named service reserves	**43.8**	**14.9**	**39.4**	**16.7**
Strategic Reserves				
Priority Outcomes and Transformation	17.4	2.1	5.9	5.6
Financial Management	41.9	22.5	31.8	19.4
Subtotal strategic reserves	**59.3**	**24.6**	**37.7**	**25.0**
Total Earmarked Reserves	**138.0**	**73.4**	**109.4**	**73.8**
General Fund Balance	*10.0*	*10.0*	*10.0*	*10.0*
TOTAL RESERVES	**148.0**	**83.4**	**119.4**	**83.8**

4.7 At 1 April 2024 the estimated Earmarked Reserves are as follows:

4.8 **Held on behalf of others or statutorily ringfenced** amount to £32.3m – most significantly this comprises £20.1m schools' balances which cannot legally be spent on ESCC activities, and ringfenced Public Health Reserve of £6.1m.

4.9 **Named Service Reserves** that are set aside to manage a specific financial risk, amount to £39.4m and comprise of a:

- Waste Reserve – to manage financial risks relating to the waste contract and legislative change. These risks are reviewed and managed through this reserve on a 4 year rolling programme; the reserve is shown as reducing to reflect emerging risks, which include but are not limited to reduced recyclate prices increasing disposal costs, and changes in law/compliance with waste regulations/contractor policy change.
- Capital Programme Reserve – to support the Council's Capital Programme and to reduce the need to borrow, that has a consequential increase in pressure on revenue budgets.
- Insurance Reserve – this is to fund insurance liabilities that have arisen over previous years, based on the liability estimated by the Actuary in 2022 and other local knowledge and represents estimates that may become payable in 2024/25 and beyond.
- Adult Social Care Reform Reserve – this reserve has been set up to support the financial risk of proposed social care reforms, now delayed until 2025.

4.10 **Strategic reserves** are as follows:

- The Priority Outcomes and Transformation reserve – to fund the transformation programme to change, protect and improve Council services, and programmes that meet the Council's priority outcomes.
- A Financial Management reserve – to manage the potential financial consequences of risks recognised in the Council's risk management arrangements and the Chief Finance Officer's (CFO) robustness statement, including the risk of the pay award being over that planned within

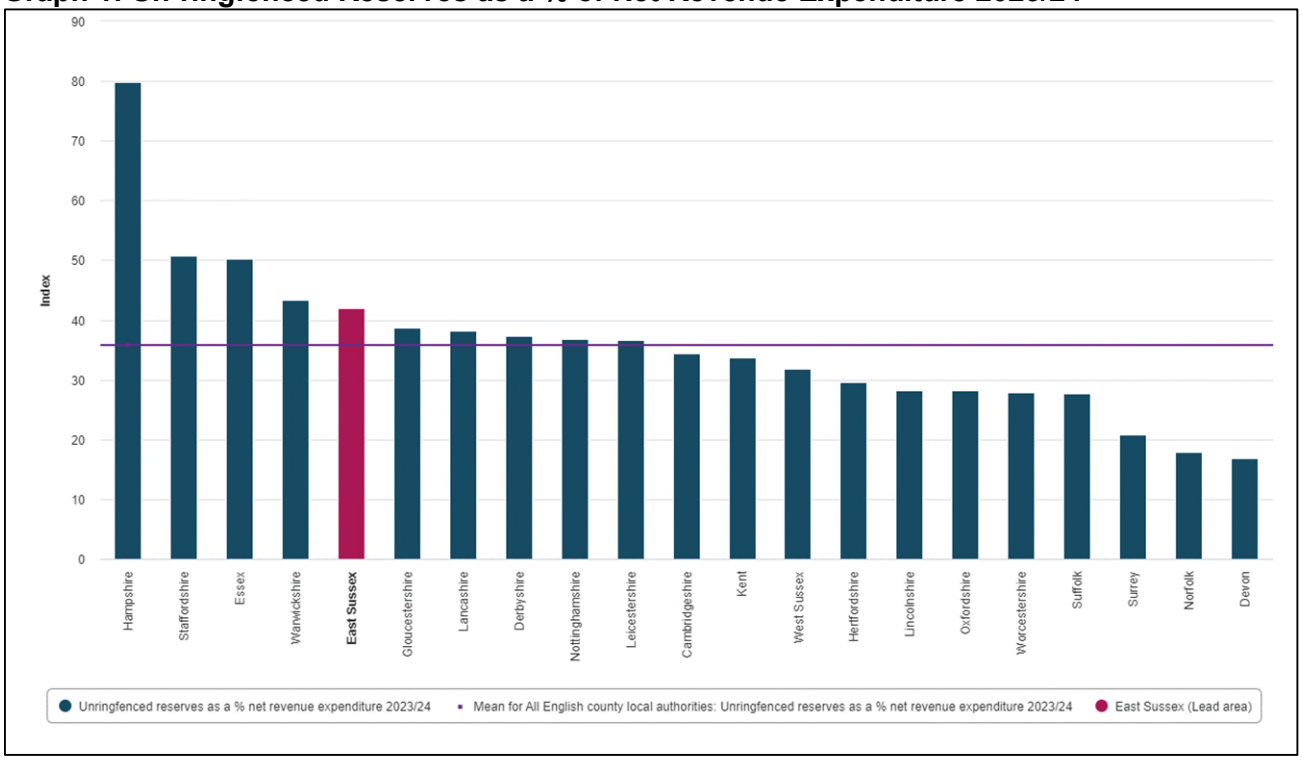
the Medium Term Financial Plan (MTFP). It also enables wider management of the medium-term financial strategy and the investment strategy.

4.11 It is essential that we maintain sufficient reserves to weather ongoing financial uncertainty and the risk associated with reform of the system. It therefore continues to be a priority to, where possible, bolster the Financial Management reserve and the Priority Outcomes and Transformation reserve where the opportunity presents. However, the worsening financial position in 2023/24, and the absence of a long-term funding settlement has made this approach increasingly difficult.

5.0 Benchmarking data

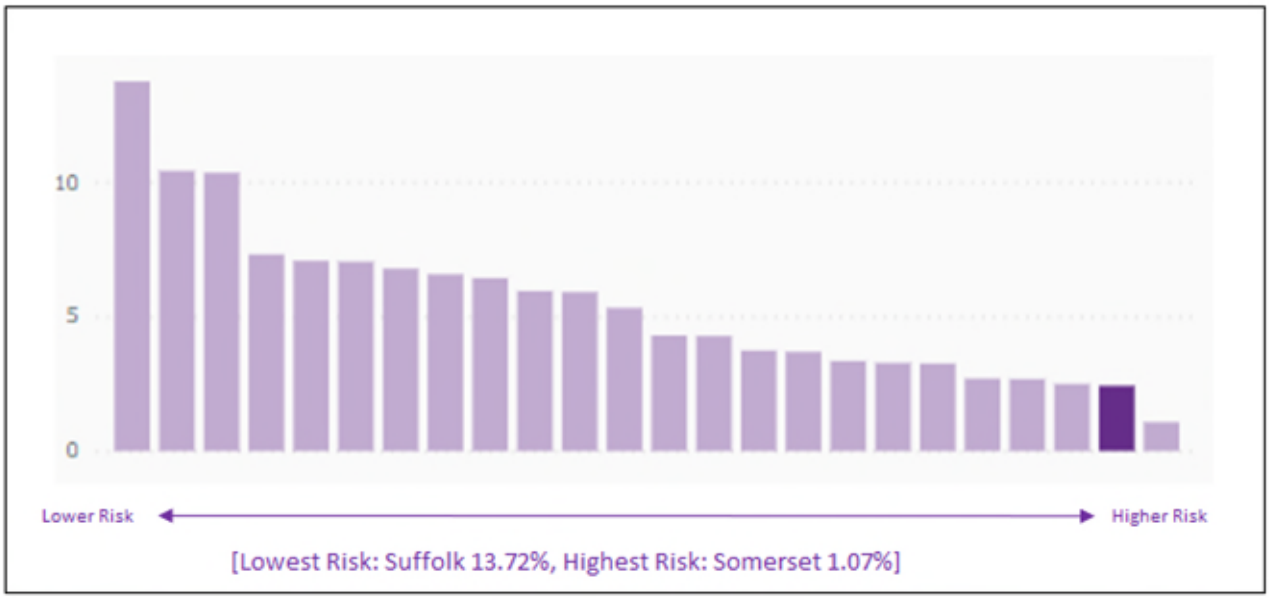
5.1 Graph 1 below shows the LGA's analysis of un-ringfenced reserves as a % of net revenue expenditure in 2023/24. The Council is placed 5th out of the 21 counties with available data, with reserves at 42% of net revenue expenditure.

Graph 1: Un-ringfenced Reserves as a % of Net Revenue Expenditure 2023/24



5.2 The CIPFA Resilience Index provides an indicator of the robustness and reasonableness of levels of reserves. The graph below provided by CIPFA as part of this index in December 2023 looks at the current level of unallocated reserve (General Fund) as a percentage of net revenue expenditure (NRE).

Graph 2: Unallocated Reserve as a % of Net Revenue Budget 2022/23



5.3 For the **General Fund Balance** there are two main approaches taken by Councils to determine their required minimum level; Past guidance recommended that general fund should be equivalent to a certain percentage of an authority's budget but in recent years that prescribed level has been replaced by an assumption that finance officers will set aside an amount that they feel is appropriate given the levels of risk facing their authority.

5.4 Despite holding the second lowest percentage of General Fund compared to other county councils at 2.42%, it is still considered sufficient as, in addition, the Council holds a general contingency within the base revenue budget to cushion the impact of unexpected events and emergencies in year. This contingency is set at 1% of NRE less Treasury Management, which was £4.3m for 2022/23. If this contingency was included, the percentage for ESCC would increase to 3.16% which would put the Council at 6th lowest in the graph above.

The table below shows the estimated General Fund plus General Contingency as a % of Net Revenue Expenditure for the next three years:

Table 4: GF + GC as % of NRE

Estimated Budget (£m)	**2024/25**	**2025/26**	**2026/27**
General Fund (GF)	10.000	10.000	10.000
General Contingency (GC)	5.270	5.310	5.430
Total GF + GC	**15.270**	**15.310**	**15.430**
Net Revenue Expenditure (NRE)	**552.446**	**591.853**	**623.500**
GF + GC as a % of NRE	**2.76%**	**2.59%**	**2.47%**

5.5 The challenge is to maintain an appropriate level of reserves, whilst also mitigating the pressures faced within the MTFP.

Table 7: Financial Assessment of 2024/25 Risks

Risk	Potential magnitude	Estimate of potential impact	Magnitude £m
Growing demand for services in ASC Independent Sector.	ASC IS 2024/25 net budget £183.7m	5% increased demand over that already invested	9.2
Growing demand for services, particularly CSD LAC and Home to School Transport.	CSD LAC & HTST net budgets for 2024/25 £92.1m	10% increased demand over that already invested	9.2
Inflation on pay is more than the contingency of 3% due to pressure from unions and political commitment.	Each 0.5% increase is approx. £1m	0.5% additional increase	1.0
National and international trade and supply chain issues causing excess inflation.	Inflation provided in MTFP £28.4m	5% increase in current provision.	1.4
Non achievement of Fees & Charges targets built into the revenue budget, due to post pandemic impacts and the prevailing economic climate.	Planned Fees & Charges for 2024/25 is £78.1m.	Underachievement of 5%	3.9
Impact of the Cost of Living Crisis and recession on Business Rates and Council Tax collection rates.	Reduction in anticipated revenue from Business Rates and Council Tax.	Rates collected reduces by 1%	4.8
Changes in historic weather patterns may be being the potential for adverse weather conditions which may present the Council with additional unfunded costs. The impact of weather and other events as opposed to additional prevention cannot be quantified.	Historic winter maintenance spend is circa £1.1m. Pressures due to unknown event impacts e.g. floods, fire	10% increase in costs due to adverse weather 1% of insurance reserve	0.1 0.1

5.6 Taking everything into account, the General Fund Balance of £10.0m, is sufficient based on professional judgement which, given the level of risks, is a minimum general balance and remains lower proportionately than other shire counties. This is, however, considered adequate for 2024/25 on the basis that a balance of the strategic reserves remains available, as noted at 5.5, an in-year contingency is held.

5.7 The MTFP provides an estimated position for the next three years, shown at Table 8.

Table 8: Medium Term Financial Plan Position

	2024/25	2025/26	2026/27
Estimated Annual Deficit / (Surplus)	0.0m	45.3m	16.5m
Estimated Annual Deficit / (Surplus) – cumulative	0.0m	45.3m	61.8m

5.8 We are using significant reserves to balance the budget for 2024/25, which will constrain the council's ability to use reserves to manage future financial risk.

5.9 Work will continue to identify risks and pressures. In addition, the effects of several national funding decisions will impact on the financial position, the timing of which is yet to be determined. These are

significant areas of change that currently are not fully understood and cannot be fully quantified but will have potential significant financial impact, and include:

- General Election during 2024/25
- Adult Social Care reform and potential new burdens.
- The impact of the levelling up agenda.
- The Fair Funding Review consultation and outcome; this will be the basis of the new needs assessment upon which business rates will be redistributed.
- The future funding of social care.
- Impact of new Government policies.
- Potential taxation reform; and
- Environmental targets, including the impact of Climate Emergency.

5.10 The uncertainty regarding the future finance system means it is increasingly important to hold sufficient reserves to manage this unquantifiable financial risk. Therefore, it continues to be proposed that every opportunity should be taken to top up the Council's strategic reserves.

Annex A

Reserves and Balances Policy

1.0 Background

This policy sets out the Council's approach to reserves and balances. The policy has regard to Local Authority Accounting Panel (LAAP) Bulletin 77 "Local Authority Reserves and Balances", issued in November 2008.

1.1 In reviewing medium-term financial plans and preparing annual budgets, the Council will consider the establishment and maintenance of reserves for the general fund. The nature and level of reserves will be determined formally by the Council, informed by the judgement and advice of the Chief Finance Officer (CFO).

2.0 Types of Reserve

The Council will maintain the following reserves:

- A working balance to manage in-year risks, called the General Fund Balance.
- A means of building up funds to meet known or predicted requirements, called Earmarked Reserves.

2.1 Earmarked reserves will be maintained as follows:

- priority outcomes and transformation reserve: to fund the transformation programme to change, protect and improve Council services, and programmes that meet the Council's priority outcomes.
- financial management reserve: to manage the potential financial consequences of risks recognised in the Council's risk management arrangements and the CFO's robustness statement, and to enable the effective management of the medium-term financial strategy and investment strategy.
- named service reserves will be held specifically for the capital programme, waste contract risk, insurance risk and risks around Adult Social Care Reform.
- other reserves will be held on behalf of others (e.g., Schools) and/or statutorily ring-fenced (e.g. Public Health).

2.2 The Council will also maintain a number of other reserves that arise out of the interaction between legislation and proper accounting practices. These reserves, which are not resource-backed, are for accounting purposes and will be specified in the annual Statement of Accounts.

3.0 Principles to assess the adequacy of reserves.

The CFO will advise the Council on the adequacy of reserves. In considering the general reserve, the CFO will have regard to:

- the strategic financial context within which the Council will be operating through the medium-term.
- the overall effectiveness of governance arrangements and the system of internal control.
- the robustness of the financial planning and budget-setting process.
- the effectiveness of the budget monitoring and management process

3.1 Having had regard to these matters, the CFO will advise the Council on the monetary value of the required general reserve.

3.2 In considering specific reserves, the CFO will have regard to matter relevant in respect of each reserve and will advise the Council accordingly.

4.0 Underspends

The process for determining the specific use of any underspend will be based upon the principles of effective financial management. Therefore, underspends will not automatically be carried forward via reserves, nor will they only be available to the service that has identified the underspend.

4.1 Periodically during the year, Services will be asked to submit business cases for the use of underspend. Business cases will be determined by the CFO in conjunction with the Corporate Management Team. These will then be held in a Strategic Reserve.

5.0 Use of reserves

Members, as part of agreeing the budget, will agree the policy for drawdown of reserves on the advice of the CFO. Use of reserves will be approved by CMT and reported to Cabinet as part of the RPPR monitoring process.

5.1 The CFO will monitor the drawdown of specific reserves in accordance with the agreed policy, and keep Members advised.

Appendix 8

Feedback from Engagement Exercises

1. People Scrutiny Committee

1.1. The People Scrutiny RPPR Board met on the 15 December 2023 and agreed comments to be put to Cabinet, on behalf of the parent Committee, for its consideration in January 2024. The information supplied to the Board to support its discussions comprised of:

- an RPPR Board overview report;
- a Local Government Association (LGA) briefing on the Autumn Statement 2023;
- an interim report on the responses to the public survey; and
- the draft portfolio plans for the Adult Social Care and Health (ASCH) and the Children's Services Departments (CSD).

1.2. The Board met before the provisional local government finance settlement 2024 to 2025 was published and therefore the Board was not able to comment in detail on the Council's budgetary position. The Board received an update from the Chief Finance Officer on the finance briefings circulated and the Government's local government finance policy statement published on 5 December.

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

Financial outlook

1.4. The Board expressed its concern about the financial challenges facing the Council, particularly ASCH and CSD, following the Autumn Statement and subsequent local government finance policy statement. Whilst the Board welcomed the increase to the national living wage and its benefit for local workers, there was also recognition that this would generate additional financial challenges, particularly for ASCH in relation to care fees.

Interim public survey report

1.5. The Board discussed the interim results of the public engagement survey and also noted that, as a snapshot of local views from those who responded, the survey needed to be viewed as part of wider stakeholder engagement. The Board discussed approaches to engagement which were noted by Officers. The Board noted that the results highlighted a preference to prioritise spending on roads, however Members commented that this did not necessarily show the full picture and conversations with residents about care services, for both adults and children, often led to an agreement that spending in this area was also a priority. The Board agreed that more work needed to be done to promote to communities the work and priorities of ASCH and CSD, to raise awareness of the range of services they offer as well as current pressures.

Adult Social Care and Health draft portfolio plan

1.6. The Board received an update from the Director of ASCH on the draft ASCH portfolio plan and the key developments and challenges facing the Department for 2024/2025.

1.7. The Board recognised the impact of the changing demography in East Sussex, most notably the projected ongoing increase in the number of older people, including those with long term illnesses, which was contributing to increased pressures on local services and the ASCH budget.

1.8. The Board wished to acknowledge the ongoing challenge of recruitment in adult social care services and the potential impact of this on service delivery. However, the Board was reassured that this remained a priority area and that targeted work on this had recently reduced the number of vacancies.

1.9. The Board recognised the increasing resources needed to support migrants, and the complexity of the various schemes in place for different migrant groups and welcomed the work the Department was doing to respond to this, working with local partners.

Children's Services draft portfolio plan

1.10. The Board received an update from the Director of CSD on the draft CSD portfolio plan and the key developments and challenges facing the Department for 2024/2025.

1.11. The Board noted the range of responses to social care challenges reflected in the Department's plans and specifically welcomed the recently agreed increase in foster carer payments and viewed this an investment which would result in savings elsewhere through supporting the availability of in-house foster care placements.

1.12. The Board recognised the need for strong mental health support for young people and were reassured that this remained a priority for the Department, as seen through their ongoing work with partners, including the NHS Child and Adolescent Mental Health Service, and ongoing funding to support mental health and emotional wellbeing in schools.

1.13. The Board recognised the ongoing challenges in education around school attendance and welcomed the prioritisation of work in this area within the Department's Portfolio Plan, including work to reduce the number of pupils on part-time timetables and the number of families electing to home educate (EHE). The Board noted the progress in this area to date, including work from a pilot EHE early intervention programme which had seen a significant reduction in the number of new elective home education applications.

2. Place Scrutiny Committee

2.1. The Place Scrutiny RPPR Board met on the 6 December 2023 and agreed comments to be put to Cabinet, on behalf of the parent Committee, for its consideration in January 2024. The information supplied to the Board to support its discussions comprised of:

- an RPPR Board overview report;
- a Local Government Association (LGA) briefing on the Autumn Statement 2023;
- the draft portfolio plans for the Communities, Economy and Transport (CET), Business Services (BSD) and Governance Services (GS) Departments; and
- an interim report on the responses to the public survey.

2.2. The Board met before the provisional local government finance settlement 2024 to 2025 was published and therefore the Board was not able to comment in detail on the Council's budgetary position.

2.3. The comments of the Place Scrutiny RPPR Board are set out below:

Financial outlook

2.4. The Board noted the impacts of the announcements made in the Government's Autumn Statement on council finances, in particular that there was no further funding for Children's Services where there were particular pressures, and the confirmation of existing grant arrangements for social care. The Board understood that the announced increase in the National Living Wage was likely to have an impact on the Council's financial position through increased wage costs particularly for commissioned services in Adult Social Care.

2.5. The Board noted that the Autumn Statement included an announcement on plans for public sector productivity measures and the expectation to increase productivity growth by at

least half a per cent a year. The Board suggested that Cabinet seeks to clarity what this might mean for local authorities and any potential financial impact on the Council.

2.6. The Board also noted the Government's announcement on offering Level 2 devolution powers to some councils that cover a whole county area. The Board suggested that the Council keeps a watching brief on developments in this area.

Communities, Economy and Transport draft portfolio plan

2.7. Footway Maintenance - The Board discussed whether there was potential to add a performance target for footway (pavement) maintenance, similar to the one used for roads, and the practical constraints in relation to this. The Board suggested that the Place Scrutiny Committee give further consideration to this as part of its ongoing work programme.

2.8. Artificial Intelligence (AI) – The Board noted the potential opportunities and risks of increasing the use of AI in providing council services. The Board suggested that Cabinet explores the opportunities for AI to achieve further efficiencies and improvements in the delivery of services. The Place Scrutiny Committee would wish to be involved in any future work to explore the increased use of AI.

2.9. The Board noted that the recent Local Government Association (LGA) Peer Challenge made a number of recommendations to which the Council has published a response. The Board suggested that actions to address the Peer Challenge recommendations are included in the relevant Portfolio Plans where appropriate (e.g. a review of the partnership arrangements for countywide action on climate change).

3. East Sussex Wider Strategic Partners

3.1. The Leader, Deputy Leader and Chief Officers held a virtual meeting with representatives of the Council's wider strategic partners on 8 January 2024. 23 partner organisations were represented in the meeting, from public, voluntary and private sector organisations and service user groups.

3.2. The Leader opened the session and thanked partners for joining, as it was a valuable opportunity for partners to provide feedback, help shape ESCC's planning for the year ahead and ensure our priorities were aligned wherever possible, to achieve the best outcomes for residents and make the best use of collective resources.

3.3. The Chief Executive and Chief Finance Officer then delivered a presentation which provided an overview of the evidence base that underpins ESCC's Reconciling Policy, Performance and Resources (RPPR) planning for 2024/25; the national policy context and public service reforms planned for the year ahead; the anticipated financial position for 2024/25 onwards; and updates to the Capital Programme.

3.4. Ahead of preparing the budget for 2024/25, ESCC had run a public survey to gather residents' views on the Council's priorities. Although the demography of respondents was not representative of the county as a whole, the overwhelming majority had supported the priorities and favoured lobbying Government to provide more funding to East Sussex. The survey identified highway maintenance and education as particular spending priorities for those that responded. ESCC remained committed to partnership working wherever possible, and joint lobbying would continue to be very important to ensure ESCC and the county received sufficient funding in future.

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

- Partners noted the difficult financial position ESCC was in, reflecting that the challenges seemed starker than they had in previous years. Partners asked what residents could expect from the Council in the face of these challenges, and whether the public survey had informed what residents would accept as a reasonable service level. The Chief Executive said that the public survey was one of many sources, alongside other consultations and engagement work, that the Council used to ensure that its priorities aligned with those of the wider county and its residents. A particular challenge arose from the fact that over 70% of ESCC's budget was spent on the most vulnerable residents, whereas the services available to everyone such as roads and libraries received a much smaller proportion of funding but were more visible. It was therefore difficult to communicate some of the challenges to residents who were not often aware of the scope of services the Council provides. The Director of Children's Services explained in further detail what was behind some of the increasing challenges for the Children's Services Department. ESCC was not unique in the problems it faced in this area, which were largely driven by wider national pressures and changes. These included rising cost of living pressures for families, an unsettling of expectation around regular school attendance since the beginning of the pandemic, increased understanding and awareness of mental health and neurodiversity, and a decline in the number of foster carers. While there was a drive to recruit more fosters carers, the decline had increased the Council's exposure to the independent care market which was widely regarded as dysfunctional and subject to profiteering. ESCC remained committed to supporting and getting the best outcomes for all children and young people in the county.

- Partners noted that the public survey had shown that respondents wanted to reduce spending in adults' and children's services in favour of increased investment in roads, and asked whether this was similar to feedback from previous public engagement exercises. The Chief Executive responded that this response reflected that the budgets for adults and children's services were by far the largest, and therefore there was perhaps a perception that there were savings that could be made in these departments, rather than a specific desire to reduce spending in those areas. The Director of Adult Social Care and Health added that everyone is affected by funding to universal services, while most people do not see the areas where the majority of council budget goes. It was also noted that a lot of people were not aware of where funding for some services came from, and local authority care services were often confused with the NHS. The Leader of the Council added that very few residents were aware of how many vulnerable children and adults the Council supported and partners commented that there may be value in developing a narrative to explain to residents that supporting the most vulnerable was to the benefit of the whole county.

- Partners asked about the prospects of the Council's ongoing lobbying work. The Leader of the Council commented that there had been disappointment across the local government sector due the lack of additional funding in the Autumn Statement or Provisional Local Government Finance Settlement despite significant lobbying on the costs of children's social care placements and SEND. ESCC had no intention of reducing the scale or ambition of its lobbying work and would be responding to the consultation on the provisional settlement which remained open. The Chief Executive added that in most previous years the Government had responded to lobbying ahead of the provisional settlement, so it was unfamiliar to have to be lobbying on the same points at this point of the budget setting cycle, but there remained a strong lobbying push in partnership with others. Partners offered to support in lobbying efforts including to try and increase investment into the county via direct Government funding, grants and philanthropy.

- The representative from East Sussex Healthcare NHS Trust noted that the pressures being experienced by ESCC were similar to ones in the NHS and the NHS also expected it to be a very difficult financial year. The Leader of the Council commented that there was a strong plan for continued health and care integration in East Sussex and hoped that budget pressures would not reduce the momentum for partnership working.

- Partners expressed their concerns that the ESCC's difficult financial position may result in a further reduction of key preventative services which would have a knock-on impact with increased demand for acute services. In particular partners highlighted their concern on how financial challenges would impact on vulnerable children and young people, and committed to working in partnership to support children and young people and achieve the best outcomes for them in both the short and long term.

- Partners asked whether ESCC could further encourage utility companies to hasten and improve their reinstatement works on the county's road network, noting that this was a source of increasing frustration for many residents, a lot of whom were not aware that it was not ESCC who was responsible for the repairs. The Director of Communities, Economy and Transport explained that presently, utility companies had too long a timeframe to complete reinstatement work, and these reinstatements were often done to a standard below ESCC's expectations, but that the Council had limited powers of enforcement due to the low level of fines it could levy on utility companies. To improve this ESCC had submitted a lane rental scheme proposal to the Department for Transport which was awaiting approval, and the Leader of the Council had jointly signed a letter with other local authority Leaders that lobbied for more local powers and oversight that would help local authorities maintain the highway network better.

- Partners asked whether, through the Integrated Care Board (ICB), the NHS had provided additional funding to support adult social care services. The Director of Adult Social Care and Health explained that part of integration of health and social care was moving away from the NHS and social care working and deploying resources separately, and instead use funding collectively to maximum effect. Through the ICB a lot of services were now being jointly planned, delivered and commissioned by ESCC and the NHS, and a proportion of the funding the ICB received for winter had been spent on social care services to help improve hospital discharge rates. The Better Care Fund was another example of NHS funding that was pooled with local authority care budgets to spend on improving social care where appropriate to support the whole system.

- Partners fed back that they had found the presentation and discussion informative and helpful, and welcomed the County Council's ongoing commitment to partnership working. The innovative, open and positive relationships partners had with officers across the organisation were strongly valued. The Pro-Vice Chancellor for Global and Civic Engagement at the University of Sussex highlighted the university's Civic University Agreement that aimed to strengthen and improve the university's connections to local communities across Sussex and which he hoped would be a helpful additional forum for partnership working.

3.6. Partners were thanked for providing a clear message on what their priorities were, and they were encouraged to contact the Leader, Deputy Leader or Chief Officers if they wished to any make further comments on the budget proposals following the meeting.

4. Youth Voice Group Representatives

4.1. The Lead Member for Children and Families, the Lead Member for Education and Inclusion, Special Educational Needs and Disability (ISEND), the Director of Children's

Services and officers met with the Youth Cabinet and Young SEND Ambassadors on 23 October 2023 to discuss young people's priorities. The priorities identified were: jobs, money and opportunities; mental health and emotional wellbeing; and school attendance. Young people highlighted the need for increased opportunities for all young people, including those in rural areas, to receive information and guidance on careers and opportunities; the need for co-produced and clear information and guidance on mental health and emotional wellbeing, that promoted self-care and was accessible through a range of channels; and recommended that young people were involved in developing work to improve attendance, focusing on strengthening a sense of belonging at school.

4.2. The Lead Member for Children and Families, the Lead Member for Education and ISEND, the Director of Children's Services and the Assistant Director, Communication, Planning and Performance then met with the East Sussex Youth Cabinet, Children in Care Council (CICC), Care Leavers Council, and Young SEND Ambassadors on 13 January 2024 to discuss the County Council's budget setting process and young people's priorities for the year ahead.

4.3. A presentation was delivered by young people on the role of youth voice in decision making; with updates on the work of the Youth Cabinet, CICC, Young SEND Ambassadors and Care Leavers Council. A presentation was then delivered by officers on the Reconciling Policy, Performance and Resources process, the Council's priority outcomes, factors the Council considers in setting its budget each year, and the financial position and priority areas of work in the Council Plan for 2024/25.

4.4. Four questions, developed by young people, were then discussed in small groups with Lead Members, officers and young people. The following areas were covered:

<u>Youth voice in council processes and services</u>

4.5. One of the groups discussed what the Council was doing to create opportunities for young people to get involved in the reviewing of council processes and services. Young people and adults spoke of the importance of youth voice, and the different ways young people could get involved in decision making, including through the Youth Cabinet, CICC, Leaving Care Council, Young SEND Ambassadors, and Social Care Reference Groups. In addition, there were youth voice opportunities in the youth centres and in other services that the Council manages, such as the Mental Health Support Teams in schools. These groups are brought together several times a year to discuss council services and develop priority work. For example, the Climate Summit for Education Settings that aims to help schools to understand how to meet their environmental targets.

4.6. Young people commented on the importance of ensuring young people were given accessible information that they could understand when involved in reviewing services and the importance of providing feedback on any outcomes, so young people knew they were making a difference. Young people's views about different services were gathered each year, which were used to make changes to service provision; the Department produced a 'You said, we did' report each year to reflect these changes.

4.7. Communication was a key theme in this discussion, with young people highlighting the importance of listening to young people's needs, particularly for young people in care. Young people fed back that it was important that they were involved in decisions about their care and that they felt understood by social workers.

4.8. Young people spoke about the positive impact of youth voice, noting, "partnership work between the youth voice groups helps us to build a collective sense of identity and pride, and helps us to support each other's priorities."

Financial support for young people

4.9. One of the groups discussed how the Council was supporting young people in the face of financial difficulties. Young people heard about the Council's aim to taking a 'whole family' approach to supporting young people, including with difficulties related to money, and that there were resources available to staff on how to provide information to families about financial support. Cost of Living Council webpages also provided information to families, and staff, about financial support available to people in East Sussex.

4.10. Additionally, the Council offers a range of specific support to care leavers over the age of 18. Young people commented that services and staff working with young people should have detailed knowledge about what support was available to young people and their families and recommended that information given to them about finances should be made as accessible as possible, so it is easily understood. They also noted the need to increase support for young people with SEND after leaving care.

4.11. Young people commented that they would like to increase their skills in financial literacy and recommended that youth voice groups have more involvement in related projects, including the Passport to Independence scheme, as they could bring different perspectives and learn from each other. Developing young people's life skills, including financial responsibilities, was also noted as a priority for young people.

Mental health and emotional wellbeing

4.12. One of the groups discussed how the Council was improving information about mental health and emotional wellbeing support and services. Young people commented that approaches to support young people with their mental health needed to recognise individual need and that different approaches would be needed for different people. There was also a concern that funding in this area was not being prioritised in some schools and that more training for teachers was needed (the need for more support *for* teachers was also recognised). In their recommendations to leadership on improving how information on mental health and emotional wellbeing was delivered, young people suggested that communication and information needed to be accessible for all young people, including those with SEND and dyslexia, and that some pupils at school may need additional support to access this information. In response, young people heard that the Council was working to improve its own webpages on the Local Offer, including information about mental health and emotional wellbeing. There was also work with the NHS and other partners to improve the way children, young people, families and professionals in schools, councils and NHS organisations could find information, including work with a creative organisation to create social media platforms.

4.13. Young People also noted the need to improve mental health services, including improving waiting times for Child and Adolescent Mental Health Services (CAMHS) and the need to create more incentives for people to want to train as mental health nurses and practitioners. Young people heard there was continued focus on supporting young people's mental health through the Single Point of Advice (SPOA) team; the first point of contact for Children's Social Care, Early Help 0-19 Service, and CAMHS in East Sussex. Professionals and the public could contact the SPOA if they had concerns about the welfare and/or mental health of children and young people in East Sussex. The SPOA would screen referrals within 24 hours and pass to the appropriate service for further assessment and support. This had enhanced the process for identifying and reporting emerging complex needs, ensuring East Sussex Early Help, Children's Social Care and CAMHS teams were engaged at the appropriate level.

4.14. Young people noted the current impacts on mental health, including a lack of provision in schools for mental health support; the internet and social media making more people introverted and detached; and the lasting impact of lockdowns.

School attendance and developing a sense of belonging at school

4.15. One of the groups discussed how the Council was helping schools to address that many young people were not feeling a sense of belonging at school. Young people noted the impact Covid lockdowns had had on pupils integrating back into school, especially for pupils in Year 7 and 8, and the significant impact this was having on school attendance. One young person commented that they felt a lack of support for students returning to school after lockdown and it was noted that addressing bullying for all students, but particularly young people with SEND, to enable everyone to feel safe at school, was a priority for young people. Young people felt that schools providing positive extra-curricular activities encouraged more positive and supportive relationships between pupils. Young people recognised the increased workload of, and pressure on, teachers to support to all pupils but spoke of the need to support young people with challenging behaviour to avoid exclusion.

4.16. There was a wider discussion on attendance in schools with everyone recognising that attitudes to education had changed post-Covid; young people commented that schools had become less welcoming and more institutional, and they believed that attendance would improve if teachers had a greater understanding of mental health issues. There was also a comment about the pressure some young people were feeling to improve their attendance and the difficulty some pupils were feeling to return to school after periods of absence.

4.17. Officers described how CSD was working with schools to develop training and guidance to support schools to create warm and welcoming environments, including support with reviewing anti-bullying policies and practices. An Inclusion Conference for schools was organised each year by CSD – this year, its focus was on how schools could support children and young people to have a greater sense of inclusion and wellbeing, and that their individual and diverse needs are better understood.

4.18. Young people heard about Mental Health Support Teams, which included specialist mental health practitioners in schools, who helped schools to take a 'whole school approach' and to support individual children. However, it was recognised that there was growing demand for mental health support in schools.

5. Trade Union Representatives

5.1. A meeting was held with trade union representatives on 17 January 2024 to consult them on the Council's draft Council Plan and budget proposals for 2024/25.

5.2. The Leader of the Council opened the meeting and thanked the trade union representatives and the staff they represent for their work this year. The Leader noted that, as the report to Cabinet said, the importance of the services provided by the Council had been evident once again this year, and that delivery of those services would not have been possible without the commitment and hard work of staff who continued to respond to growing service pressures and changes. This dedication had been recognised by the Local Government Association team in the peer challenge last year. The Leader noted, as detailed in the Cabinet papers, this was the most challenging financial position the Council had seen in years, due to national factors beyond local control which were resulting in growth in need for statutory, demand-led services and increasing costs right across the Council.

5.3. The Chief Executive and Chief Finance Officer then delivered a presentation which provided an overview of ESCC's Reconciling Policy, Performance and Resources planning

for 2024/25; the national policy context and public service reforms planned for the year ahead; the anticipated financial position for 2024/25 onwards and updates to the Capital Programme; and lobbying priorities in light of this financial position.

5.4. Following the presentation, trade union representatives asked questions and made comments which are outlined below.

Staff recruitment and retention

5.5. Representatives enquired about any potential changes to staffing due to the current challenging financial situation. The Leader and Chief Executive confirmed there were currently no proposed cuts for 2024/25, other than the final Business Service Department savings from the existing programme.

5.6. Representatives noted the importance of investing in staff wellbeing and welcomed the positive work of the Council to support staff, including through Occupational Health and reasonable adjustments. However, ongoing challenges with recruitment and retention were also noted, despite improved pay, and there were concerns about the high cost of using agency staff for children with complex needs, recently seen in the Children's Services Department (CSD). A question was also asked about any financial implications for the reopening of Lansdowne Secure Children's Home. The Director of CSD responded that over recent years the Department had needed to employ agency staff with particular expertise, and at a high ratio, to support children with very complex needs who had been housed in children's homes due to a lack of suitable placements in independent homes. The Department was prioritising developing a workforce that was flexible and responsive to children's needs in order to reduce spend on agency staff if possible. The Director also confirmed that Lansdowne would open subject to Ofsted approval and was hoping to welcome several children soon. A recent positive visit by the Corporate Parenting Panel had recognised the enthusiasm and commitment of staff. The Director noted that in previous years Lansdowne had generated a small surplus, rather than a significant income, but that it made an important contribution to the provision of secure accommodation across the country, and she welcomed the recent work with unions, and others, to reset the home.

5.7. In response to the discussion on vacancy rates, the Assistant Director of Human Resources and Organisational Development (HR&OD) assured representatives that every department considered and discussed these through recruitment and retention boards and were working hard to address issues.

Pay

5.8. Representatives noted the recent announcement by the Government on the increase in the national living wage and asked what impact this had on the Council budget. The Assistant Director of HR&OD confirmed that the ESCC Single Status grades matched the national local government pay grades so there were no staff paid below the national living wage, however this did have implications for the broader care economy.

5.9. Representatives noted the recent local pay awards, and the proposals for 2024/25, and asked how this would affect budget forecasting. Representatives noted differences in pay offered by other local authorities and cited recent industrial action in Brighton & Hove and suggested that this could present challenges with recruitment. Representatives asked if Adult Social Care and Health (ASCH) would be conducting a pay review. The Director for ASCH responded that they would continue to monitor staff recruitment issues and would continue to discuss these issues with unions.

5.10. Representatives enquired about the use of external consultants and suggested that costs could be saved by utilising internal skill sets. The Chief Executive clarified the

distinction between agency staff and consultants and confirmed that consultants were only brought in where it was justified in terms of capacity or knowledge.

Service delivery

5.11. Representatives noted the current financial challenges facing the Council and recognised that ESCC had previously made savings responsibly, and over time, which had avoided the need for more extreme measures as taken recently by some other councils. Representatives raised concerns however, that the current projected deficit could impact service delivery and the offer to local residents. The Chief Executive responded to say that the Council would continue to explore a range of approaches, including for example the use of technology, to maintain its offer and staff engagement would be a key part of this planning.

Prevention

5.12. Representatives raised concerns that the Cabinet papers identified the lack of funding for preventive work which had resulted in services becoming increasingly focused on responding to need. The Leader noted that previous decisions to make savings in preventive work had been extremely difficult and prevention was still a priority for the Council, including working to take forward recommendations in Josh McAllister's independent review on early prevention in Children's Services, and noting that early intervention was a core part of Council services. The Director of CSD reiterated this commitment to prevention, noting the Council's recent investment in Family Safeguarding.

Lobbying

5.13. Representatives welcomed the ongoing lobbying outlined in the Cabinet papers, and noted the importance of lobbying to ensure councils were able to fund vital preventative work which would reduce the need for more intensive support in the future. It was suggested that future lobbying could include the positive preventive work the Council would be able to undertake, and its benefits, if it had sufficient funds.

5.14. Representatives noted it was important for ESCC and unions to lobby to protect public services and that there also needed to be increased awareness amongst the public about the range of services delivered by the Council. The Chief Executive and Leader assured representatives they were continuing to lobby at both a local and national level, including with MPs.

Support for migrants

5.15. Representatives asked if the proposed Government policy to house migrants at Northeye in Bexhill would have any implications on the budget. The Chief Executive confirmed that there was no clear plan for the site and that it is was a Home Office initiative in which the Council was not involved, other than advising the Government on safeguarding. ESCC would not be otherwise involved in the development or operation of the site.

Policy changes to social care

5.16. Representatives asked about proposals for a National Care Service and potential impacts on local service delivery. The Director of ASCH responded that current proposals were still unclear and the Council would wait for any further developments (presumably a Green Paper). However, the key to any changes to social care was adequate resources to ensure the Council could deliver the care and support that people need.

Highways

5.17. Representatives noted the new highways contract with Balfour Beatty and asked if the Council was seeing improvements to both roads and value for money. The Director of Communities, Economy and Transport (CET) welcomed the new contract, which included

responsibility of the provider to cover the costs of any failed repairs and noted that the contract aimed to ensure residents received the best outcomes from available resources. The Director also urged representatives to raise awareness of the need for residents to report potholes.

Council work on climate change/adaptation

5.18. Representatives noted the importance of the Council reducing carbon emissions, including from school buildings, and asked about planned work in this area. The Director of CET and Chief Operating Officer (COO) outlined the Council's priorities on reducing carbon emissions and climate change adaptation. The work included positive progress towards net zero, including through changes to make council buildings more energy efficient, switching to a green energy tariff, working with staff to collaborate on ideas to make changes and by procurement to reduce scope 3 emissions.

5.19. In terms of adapting to climate change, the Council was investing in a range of work, including improving drainage and heating which was important to reduce impacts on residents. The Director of CSD also noted that the Council had worked with the Youth Cabinet to produce a charter for schools for action to reduce carbon emissions.

5.20. The Deputy Leader and Lead Member for Resources and Climate Change noted that the Council had a clear strategic approach to carbon reduction, and included schools in those targets, which not all local authorities did. He also noted the positive work in procurement and the work of the Environment Board, which worked with partners on a range of approaches, including work on local nature recovery and biodiversity issues, to reduce carbon emissions.

5.21. Representatives commented on the need to develop local public transport as this had a greater impact than promoting the use of electric vehicles. The Leader noted numerous projects in place, including work with Transport for the South East and the Local Transport Plan currently out for consultation. The Director for CET added that, whilst investment in public transport was a priority, this was still a challenge for rural areas where people were more reliant on their cars. However, initiatives such as the Flexi Bus which aimed to increase opportunities to use public transport, and work on Active Travel to encourage people to walk and cycle, were delivering improvements. Representatives agreed that the benefits of walking and cycling should be promoted and that this relied on continued maintenance of cycle paths to ensure they were safe.

Trade Union engagement

5.22. Representatives fed back that they were appreciative of this engagement and felt they were kept informed of changes. Representatives welcomed the updates and noted they would continue to respond to consultations.

5.23. The Leader thanked representatives for the positive feedback and for their input in the session, and confirmed Members and officers would continue to maintain open engagement with trade unions as doing so was important for working together effectively to deliver services. Representatives were encouraged to submit any further comments or feedback before the Full Council meeting where the budget would be agreed.

6. Business Representatives

6.1. The Leader and Deputy Leader, supported by officers, held a remote meeting with business and culture representatives on 22 January 2024 to consult on the Council's budget proposals and draft Council Plan for 2024/25. The Chief Executive, Chief Finance Officer

and Assistant Director for Economy delivered a presentation on the policy context and evidence base informing the proposals; the Council's priorities and plans to support economic development in 2024/25; and revenue and capital spending proposals.

6.2. Business and culture representatives welcomed the briefing provided and asked questions and made comments which are outlined below:

Economic Growth

6.3. Attendees welcomed the Council's focus on economic growth, which was felt to be a long term solution to the financial difficulties facing local authorities.

6.4. The development of the new Economic Growth Strategy was welcomed by attendees who noted it was important to consider how the implementation would be funded given the difficult economic situation, particularly when considering the lack of additional funding for upper-tier local authorities, as outlined by the Chief Finance Officer during the presentation. There was concern that financial pressures would limit the level of investment into the local economy outlined in the strategy. The Leader outlined that the Economic Growth Strategy was important and agreed that the implementation required resources, and there was uncertainty around future funding but that the Council would continue to deliver as many of the projects outlined in the strategy as possible.

6.5. The Assistant Director for Economy outlined the importance of external funding in delivering such projects, noting that one of the key aspects of the Local Enterprise Partnership (LEP) transition plan was establishing the Council as an accountable body to deliver new Government funding programmes, and the resources required to deliver them. Similarly, much of the Economic Growth Strategy focused on securing funding from external sources and, most importantly, contained detailed plans which established a strong position to secure this external funding.

6.6. Attendees noted the lack of inquiry into the disparity between previous funding from the European Union (EU) and the UK Shared Prosperity Fund (UKSPF), which was designed to replace the funding from the EU.

Use of Reserves

6.7. Representatives expressed concerns about the need for the Council to use reserves to balance the budget for 2024/25 and asked about the sustainability of this for future years.

Budget Planning

6.8. Attendees recognised there was continued uncertainty in terms of funding and the national economic situation, and therefore alternative routes for investment would need to be explored.

6.9. It was acknowledged that the Council had made some difficult decisions about service provision in recent years and representatives enquired about any potential future cuts to frontline services to help ease immediate financial pressures. The importance of ESCC's positive work over a number of years had resulted in a better financial position than many other local authorities. It was noted that no changes to service provision were currently planned for 2024/25 as the Council had already implemented the Core Offer and there were implications of below that level.

6.10. Representatives welcomed the Council not seeking further savings in 2024/25, however, attendees noted the difficult and unstable international economic situation which was likely to continue for at least the next two years and which could have an impact on the delivery of local services due to increased costs. Supply chain issues and the decline in international trade were noted as having an impact locally, with a decline in the number of

local businesses trading internationally. These factors also impacted on the amount of foreign direct investment and new jobs locally.

Devolution and Partnership Working

6.11. The focus on partnership working, particularly the Visitor Economy Partnership outlined in the presentation (where ESCC will be forming a partnership with Brighton & Hove City Council and West Sussex County Council), was welcomed by representatives and more information about whether the Council was seeking other opportunities for partnership working was requested, with specific reference to inward investment services. The Leader agreed that any opportunity for partnership working was welcomed when it was effective, however it was important to recognise when this was best achieved at a local level.

6.12. The Assistant Director for Economy noted that the Council had a strong record of partnership working. In terms of the work on inward investment, the economies of neighbouring local authorities were very different with different needs, which needed to be considered in any partnership work, and that each would effectively be competing with each other for inward investment opportunities.

6.13. Business and culture representatives thanked councillors and officers for the detailed presentation on the budget and business planning for the year ahead. The Leader thanked participants for their input.

7. Public Survey Results Summary

7.1. ESCC held an engagement exercise with the public using an online survey which outlined the priorities for the next three years. The survey asked for views on whether the public agreed these are the right priorities and, if not, what suggestions they might have for better ones and, by definition, better use of the Council's budget. The survey was available on the ESCC Citizen Space platform and was also available in other formats, including paper, if required.

7.2. Care should be taken when reading the results as, due to its nature as a self-selecting online survey, the sample is not demographically representative of East Sussex.

7.3. The survey ran for 6 weeks from the 30 October to 10 December 2023. This report is based on 2153 completed questionnaires. The findings were as follows:

- Nearly three quarters (70%) agreed the Council were focussing on the right priorities.
- However, when asked for agreement on the way the Council split the budget, respondents were undecided. Nearly a third (31%) agreed and almost a quarter (24%) disagreed. The highest figure, though, was those saying they neither agreed nor disagreed (39%) which, when combined with the don't knows (6%) results in almost half (44%) of respondents being unsure.
- Of the 516 who disagreed with the way Council proposed to split the budget, well over half (63%) felt Roads was a priority for increased funding, with Schools and Education some distance behind at 33%, followed by Community Safety (25%) and Children's Social Care and early help (24%), the latter also coming second in the choice for reduced funding (22%). The first choice for reduced funding was Adult Social Care (33%).
- Asked to rank four suggestions for reducing the gap between funding and the cost of producing services, Asking the Government for more funding was the option most favoured by respondents, with 1635 (76%) ranking it as first choice. Charging for Council services was first choice for 271 (13%) whilst Reducing Council Services (126) and Increasing Council Tax (121) were first choice for just 6% of respondents.

- Household Waste Recycling Sites (1638) and Roads (1630) were the top two service used by respondents over the past 12 months with just over three quarters of respondents (76%) having used them followed by Countryside Footpaths (58%), Buses within the County (54%) and Libraries (50%)

Demographics

7.4. The report is based on 2153 completed online interviews, comprising:

Eastbourne area	351	16%
Hastings area	217	10%
Lewes area	506	24%
Rother area	378	18%
Wealden area	472	22%
Post code not given	229	10%
	2153	100%

7.5. Care should be taken when comparing responses from the East Sussex areas above as a significant proportion of respondents did not supply the level of postcode detail required. Post codes entered by respondents have been used to allocate their response to the area they live in on a 'best fit' basis. 52% entered their postcode in sufficient detail to confidently allocate to a district or borough. 38% have been allocated to the district or borough area in which the majority of the given postcode sector population lives, due to the response only containing the first part, or less, of the postcode, and some postcodes at this level cutting across district and borough boundaries. The remaining 10%, where the post code was not given at all, have been allocated to a "Not Answered" group.

7.6. 97% of respondents said they lived in East Sussex, 13% said they work or own a business in East Sussex and 1% said they were visiting East Sussex. Respondents could select more than one answer if applicable and 86 respondents said they both lived and worked/owned a business in the county.

7.7. The age breakdown of respondents was:

- 16-24 – 1%
- 25-44 – 9%
- 45-59 – 18%
- 60-74 – 37%
- 75+ – 18%

Which, perhaps unsurprisingly, resulted in 83% of respondents not having any dependent children. 17% of respondents preferred not to give their age.

7.8. 56% of respondents were female and 36% male, 8% preferring not to say and 6 were non-binary.

7.9. 90% of respondents were white and 80% identified as heterosexual, whilst 39% said they didn't have a religion and 44% were Christian.

7.10. These results are influenced by the majority of respondents being in the 60+ age brackets and should not be taken as representative of East Sussex as a whole.

7.11. The full survey report is available as part of the supplementary engagement and equality impact assessment pack alongside the County Council agenda.

This page is intentionally left blank

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. 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: supporting the Council's aim of reaching carbon neutrality from our activities as soon as possible and in any event by 2050 in an appropriate and cost-efficient way.

1.2 At Full Council in February 2023 the target led basic need capital strategy of 20 years, supported by a 10-year planned capital programme was approved. The approved programme was further updated at State of the County in July 2023 to reflect the 2022/23 outturn, project and programme reprofiles and approved variations, revising the gross programme to £651.575m to 2032/33. For planning purposes, the first 3 years of the programme are considered approved, whilst the remaining years are indicative to represent the longer-term planning for capital investment.

1.3 The financial outlook for local authorities is increasingly challenging, with factors such as the volatile economic situation, demands on service provision, inflation on wages and contracts, undefined impact of national reforms and uncertain funding allocations leaving much uncertainty about the Council's future financial position. Capital investment decisions have a direct impact on the council's revenue budget, particularly relating to borrowing costs, and are therefore to be considered in the context of their impact on the MTFP. This update therefore proposes changes to the Capital Programme outside normal Capital Strategy updates that presents a more realistic and affordable programme that reduces pressure on the MTFP position.

1.4 Updated estimates to funding assumptions are reflected as part of normal capital strategy updates. Further updates to Formula Grant assumptions will be made to reflect government announcements, noting that changes in funding formula and allocation criteria will alter the level of grants anticipated and impact on the level of borrowing required.

1.5 The Capital Strategy continues to drive the authority's capital investment ambition whilst also ensuring appropriate capital expenditure, capital financing and treasury management within the context of the sustainable, affordable, long-term delivery of services.

2 Capital Programme Update

2.1 This section outlines the proposed capital programme updates in accordance with Capital Strategy principles, as well as further updates that present a more realistic and affordable programme that reduces pressure on the revenue MTFP position to address the Council's challenging financial position. The first three years of the programme over the MTFP period to 2026/27 are to be presented for approval, whilst the remaining years to 2033/34 are indicative to represent the longer-term planning for capital investment. A detailed capital programme that reflects all the proposals outlined in this update is provided at **Annex A**.

Normal Capital Strategy Updates

2.2 Table 1.1 below summarises the gross movements to the approved capital programme since State of the County in July 2023 and proposed updates to be made in accordance with Capital Strategy principles. The updates provide a revised capital programme of £879.3m, of which £390.7m is planned for delivery in the period to 2026/27.

Table 1.1 – Capital Programme Updates (£m)	Ref	Current Year 2023/24	MTFP Period			2027/28 to 2033/34	Total
			2024/25	2025/26	2026/27		
Approved Gross Expenditure (State of the County 2023)		**88.852**	**91.777**	**80.239**	**68.148**	**322.559**	**651.575**
Normal Capital Strategy Updates							
Approved Variations	A	5.710	8.640	-	-	-	**14.350**
Capital Programme Reprofiles	B	(28.436)	23.530	1.243	2.343	1.320	**0.000**
Highways Maintenance Investment	C	15.700	5.100	5.100	5.100	30.600	**61.600**
School Basic Need / SEND Update	D	-	0.441	(11.373)	(14.260)	26.152	**0.960**
IT&D Programme	E	-	-	-	-	1.750	**1.750**
Other Normal Capital Strategy Updates	F	-	-	-	1.250	47.502	**48.752**
Children's Services Essential System Developments	G	-	0.736	0.885	0.958	0.774	**3.353**
Queensway Depot		-	2.500	1.500	-	-	**4.000**
Gypsy and Traveller Site Refurbishment		-	0.070	0.070	0.070	0.490	**0.700**
Highways Structural Maintenance – Carriageway		-	5.000	-	-	-	**5.000**
Highways Structural Maintenance – Drainage		-	1.700	1.700	1.700	11.900	**17.000**
Highways Structural Maintenance – Footways		-	1.800	1.800	1.800	12.600	**18.000**
Highways Structural Maintenance – Bridges		-	3.385	-	-	-	**3.385**
Rights of Way Capital Bridge and Surfacing Programme		-	0.074	0.141	0.168	1.685	**2.068**
Local and Major Transport Infrastructure		-	3.000	3.000	3.000	21.000	**30.000**
Climate Emergency Works		-	-	3.187	3.387	10.255	**16.829**
Revised Gross Expenditure		**81.826**	**147.753**	**87.492**	**73.664**	**488.587**	**879.322**

2.3 The draft capital programme after normal Capital Strategy updates would require capital programme borrowing of £159m up to 2026/27, the revenue cost of which would have a significant impact on the MTFP which is already in a large deficit position. Following engagement with Capital Strategic Asset Board (CSAB) members, services have reviewed the planned capital programme to consider how it can be profiled with the intention of setting a more realistic and affordable programme that reduces pressure on the MTFP position.

2.4 Additionally, the programme continues to experience significant levels of budget slippage compared to original budgets (over £28m slippage reported at Q2 2023/24) which can undermine the planning process, particularly in terms of treasury management modelling and the impact of borrowing on the revenue budget over the medium term, emphasising the importance of setting a realistically deliverable programme in future years. A corporate capital risk factor has therefore also been included in the proposals.

Capital Programme Review

2.5 Table 1.2 below summarises the gross movements that provides a revised capital programme of £837.9m, of which £342.2m is planned for delivery in the period to 2026/27. This option would require borrowing of £111.4m to 2026/27 (a decrease of £47.9m from the normal Capital Strategy updates above). A risk factor is proposed further in this report to reflect likely programme slippage, which reduces the planned programme by £41.2m to £301.0m in the period to 2026/27.

Table 1.2 – Capital Programme Updates (£m)	Ref	Current Year 2023/24	MTFP Period			2027/28 to 2033/34	Total
			2024/25	2025/26	2026/27		
Revised Gross Expenditure (table 1.1)		**81.826**	**147.753**	**87.492**	**73.664**	**488.587**	**879.322**
Schools Basic Need / Special Education Need	H	(0.500)	(1.070)	0.270	(4.002)	5.302	**0.000**
Capital Building Improvements (Corporate)	I	-	-	(0.640)	(0.640)	(3.320)	**(4.600)**
IT&D Capital Programme	J	0.013	(0.096)	(2.448)	(2.649)	5.180	**0.000**
Communities, Economy & Transport:							
Highways Structural Maintenance: Carriageways	K	-	(5.100)	(5.100)	(5.100)	-	**(15.300)**
Highways Structural Maintenance: Carriageways	L	-	(5.000)	-	-	-	**(5.000)**
Highways Structural Maintenance: Drainage		-	(1.700)	(1.700)	(1.700)	-	**(5.100)**
Highways Structural Maintenance: Footways		-	(1.800)	(1.800)	(1.800)	-	**(5.400)**
Other Integrated Transport Schemes	M	-	(3.000)	(3.000)	-	-	**(6.000)**
Climate Emergency Works	N	-	(1.769)	1.019	0.750	-	**0.000**
Newhaven Port Access Road		-	(0.500)	0.500	-	-	**0.000**
Bus Services Improvement Plan		-	(10.000)	10.000	-	-	**0.000**
Queensway Depot Development		-	(2.900)	1.400	1.500	-	**0.000**
Other Integrated Transport Schemes		-	(1.697)	(1.237)	2.934		**0.000**
Bridge/Structures Assessment Strengthening		-	(3.385)	1.566	1.819	-	**0.000**
Street Lighting and Traffic Signals		-	(2.540)	0.100	2.440	-	**0.000**
Eastbourne Town Centre Phase 2a		(1.200)	(0.546)	1.746	-	-	**0.000**
Eastbourne Town Centre Phase 2b		-	(5.050)	5.050	-	-	**0.000**
Eastbourne/South Wealden Walking & Cycling Package		-	(1.328)	1.328	-	-	**0.000**
Hastings & Bexhill Movement & Access Package		-	(3.582)	3.582	-	-	**0.000**
Total after Capital Programme Review		**80.139**	**96.690**	**98.128**	**67.216**	**495.749**	**837.922**
Capital Programme Slippage Risk Factor	O	-	(19.143)	(22.079)	-	41.222	**0.000**
Revised Gross Expenditure		**80.139**	**77.547**	**76.049**	**67.216**	**536.971**	**837.922**

Cost of borrowing impact on the MTFP

2.6 The revised capital programme, including the inclusion of a capital programme slippage risk factor, would reduce the level of borrowing to £70.2m up to 2026/27, which is estimated to have a positive MTFP impact for cost of borrowing of £4.0m as detailed in the table 2 below.

Table 2 – Cost of borrowing impact on the MTFP	MTFP Period			Total
	2024/25	2025/26	2026/27	
Normal Capital Strategy Updates	0.200	2.000	1.800	**1.800**
Capital Programme Review	(0.900)	(2.700)	(3.000)	**(3.000)**
Capital Programme Slippage Risk Factor	(0.500)	(1.800)	(2.800)	**(2.800)**
Toal Impact in the MTFP	**(1.200)**	**(2.500)**	**(4.000)**	**(4.000)**
Annual Impact on the MTFP	**(1.200)**	**(1.300)**	**(1.500)**	**(4.000)**

2.7 The following section outlines the proposed updates to the capital programme.

Normal Capital Strategy Updates

A Approved Variations

A gross increase to the programme of £14.4m relating to fully funded schemes having a net nil impact on the capital programme due to the identification of developer contributions and specific grant funding in accordance with the Capital Strategy.

B Capital Programme Reprofiles

Review of current programme profiles across years to reflect current best knowledge and to be consistent with Quarter 2 monitoring.

C Highways Maintenance Investment

A total increase to the Highways Structural Maintenance programme of £15.700m in 2023/24 was approved by Cabinet in June 2023 and Full Council in July 2023, relating to:

- £5.100m to maintain the approved 2023/24 'steady state' road condition target rates of 4% (A Roads), 4% (B&C Roads) and 14% (Unclassified Roads) being in 'red' condition.
- £5.600m spend on additional highways maintenance, comprising £2.500m patching work and £3.100m drainage work, to be funded form the Priority Outcomes and Transformation Reserve set aside for one-off investment.
- £5.000m to provide additional future resilience.

In order to maintain approved road condition target rates in the future, the £5.100 additional investment was assumed on an ongoing basis.

D Schools Basic Need / SEND Update

There continues to be some degree of uncertainty over precisely how many school places will be required in the longer term future and when, as this is dependent on local planning authorities developing their local plans to an extent that will inform and enable housing growth and for those developments to happen. The revised programme is based on the assumption that school places needed to serve housing developments in a number of locations, including the two major developments in Bexhill and Uckfield, will not be required until later in the 10-year capital programme period. If pressure on school places occurs sooner, there is a risk we may not be able to deliver our statutory duty to deliver sufficient school places . The proposed School Basic Need programme has increased by £0.460m following a review of the 10-year strategy, summarised as follows:

- A £10m increase due to 1.5FE (form entry) increase in primary places anticipated in Ringmer and Polegate/Willingdon.
- A £10m decrease due to 2.0FE reduction in anticipated places required at Frant, East Hoathly and Hailsham.
- A £0.4m increase due to the extension of the Temporary Accommodation Programme across the ten-year programme.

The current capital budget allocation for SEND provision is £22.4m over the capital programme, with programme updates including reprofiles to reflect current best estimates. Further work will be undertaken on this during the 2023/24 academic year to inform required updates to the ten-year capital strategy next year for special school provision, including specialist facilities in mainstream schools. This update includes an additional £0.500m for an emerging requirement to provide post-16 SEND provision in the Bexhill area.

E IT&D Programme

This programme has also been subject to separate review and an extension of the programme by 1 year in accordance with the Capital Strategy and would require an additional £1.750m investment towards IT Core Provision (£1.681m), Staff Technology Refresh (£0.067m) and Compliance (£0.002m).

F Other Normal Capital Strategy Updates

The capital programme has been updated to extend the programme by a further year to maintain a 10-year planning horizon. This extends annual envelopes of funding for ongoing programmes of work and those fully funded by grants by one year and therefore assumes these at the same level.

G Additional Investment Proposals

The following capital investment proposals put forward by services are in addition to normal Capital Strategy updates, and have been approved by CMT for inclusion in the proposed capital programme as part of the RPPR process.

Capital Programme Review

H Schools Basic Need / Special Educational Needs Provision

A review by CSD and BSD has identified the potential to reprofile the School Basic Need programme and Special Education Needs provision which reduces the need to borrow over the MTFP period. There is a risk that some of the reprofiled funding of Special Educational Needs provision may be needed within the MTFP following a review of requirements and that spend on School Basic Need may be needed sooner than re-profiled should demand for places in certain areas increase more quickly than currently forecast.

I Capital Building Improvements (Corporate)

This update removes previous years' slippage profiled to future years, with the exception of 2024/25 where an increased programme of works has been identified.

J IT&D Programme

The programme has been reprofiled to reduce the need to borrow over the MTFP period, which would delay expenditure on some of the refresh dates on Desktops, Thin Clients and Meeting Room equipment.

K Highways Structural Maintenance - Carriageway

The removal of £5.100m identified at (C) to maintain approved 'steady state' road condition targets over the MTFP period which will result in further deterioration in road condition, whilst still to be confirmed subject to further modelling, the Council Plan reflects revised condition targets of 7% (A Roads), 8% (B&C Roads), 25% (Unclassified) being in "red" condition.

L Highways Structural Maintenance - Various

The removal of additional investment proposals over the MTFP period intended to provide early additional resilience will hamper the ability to maintain road condition targets and lead to an acceleration in the deterioration of footways and pedestrianised areas.

M Other Integrated Transport Schemes

A delay to the additional investment proposal that would fund the integrated transport programme beyond grant funding levels to fund specific transport infrastructure requirements. This will potentially delay delivery of major route network scheme packages and result in fewer integrated transport schemes being designed and delivered.

N Other Capital Programme Reprofiles

Delaying and/or reprofiling the delivery of other schemes to later in the MTFP period to reduce the need to borrow in the short term. This will impact the timing of bridge maintenance, replacement of street lighting columns, defer completion of Queensway Depot and associated disposal of formal depots, as well as impacting other schemes identified at table 1.2.

O Capital Programme Slippage Risk Factor

It is therefore proposed that a slippage risk factor be applied to the capital programme to reflect likely slippage based on a risk assessment of historic levels of actual expenditure and slippage at a project/programme level. The risk factor will be held at a corporate level to enable services / project managers to manage project budgets at a local level, whilst ensuring greater robustness to the planning and monitoring process at a corporate level.

3 Funding Updates

3.1 Table 3 below provides an updated capital programme funding position to reflect the capital programme updates and their associated funding assumptions outlined above and other more specific updates.

Table 3 – Capital Programme Funding Update (£m)	Current Year 2023/24	MTFP Period			2027/28 to 2033/34	Total
		2024/25	2025/26	2026/27		
Gross Expenditure	**80.139**	**96.690**	**98.128**	**67.216**	**495.749**	**837.922**
Specific Funding (3.2)	(10.822)	(30.472)	(23.276)	(2.609)	(2.612)	**(69.791)**
Net Expenditure	**69.317**	**66.218**	**74.852**	**64.607**	**493.137**	**768.131**
Formula Grants (3.3)	(32.502)	(23.916)	(26.223)	(26.023)	(191.066)	**(299.730)**
Capital Receipts (3.4)	(0.817)	(7.061)	(9.753)	-	-	**(17.631)**
Reserves and Revenue Set Aside (3.5)	(18.979)	(3.098)	(6.709)	(8.507)	(11.598)	**(48.891)**
Developer Contributions Target (3.6)	-	-	-	-	(18.588)	**(18.588)**
Capital Programme Slippage Risk Factor	*-*	*(19.143)*	*(22.079)*	*-*	*41.222*	***0.000***
Programme Borrowing (3.7)	**17.019**	**13.000**	**10.088**	**30.077**	**313.107**	**383.291**

3.2 **Specific Funding:** The approved programme is supported by £69.8m of scheme specific grants and external funding which is sourced and managed by services at a project level, in the main comprising of Development Infrastructure Contributions allocated to specific projects; DfT grants for Bus Service Improvement Plan, social care capital grants towards supported living improvements; Youth Investment Fund grant towards youth centre improvements; Levelling Up Fund grant towards Exceat Bridge replacement; and Devolved Formula Capital grant toward schools delegated capital works.

3.3 **Formula Grants**: The capital programme is supported by £299.7m of non-specific formula grant, which represents 36% of the total gross programme funding. Formula grant assumptions reflect best estimates but noting that there continues to be risk in relation to these grants as values for future years are still yet to be announced. Formula Grants values have been updated following an announcement by the DfT in November 2023 of additional Highways Maintenance Funding. This additional funding, alongside confirmation on an ongoing "baseline" funding level, has increased the level of anticipated Formula Grants by £82m over the ten-year planning period, although the actual profile of funding in future years is still unknown.

Further updates to Formula Grants assumptions will be made once the detailed implications of any announcements are known, noting that changes in funding formula could change the level of grants anticipated and impact on the level of borrowing.

3.4 **Capital Receipts:** Property Services hold a schedule of capital receipts available to support the capital programme, which is reviewed regularly and estimates are based on Property Officers' professional judgment on a site by site basis.

3.5 **Reserves and Revenue Set Aside**: The Council can use revenue resources to fund capital projects, where these have been approved as part of the budget setting process or an approved business case. This includes specific reserves, payback from invest to save schemes and revenue contributions. The Council also holds a Capital Programme Reserve to support the capital programme to reduce the need to borrow, that has a consequential increase in pressure on revenue budgets.

3.6 **Developer Infrastructure Contributions (Section 106 and Community Infrastructure Levy) Target:** The capital programme includes a total £18.6m of targeted developer contributions over the

capital programme, in addition to £10.0m identified as part of specific funding at paragraph 3.2. Work is ongoing through the S106 and CIL Working Group to maximise specific sums that can be applied to basic need projects / programme to reduce the funding target. There continues, however, to be a risk that the current target for Developer Infrastructure Contributions to support the programme is too high, and there being increased uncertainty on the future of developer contributions with the Levelling Up and Regeneration Bill proposing a move to a single Infrastructure Level.

3.7 **Borrowing:** The updated capital programme has a borrowing requirement for the period 2023/24 to 2033/34 of £383.3m, which represents 46% of the total gross programme funding. This is an increase of £67.3m compared to that reported in the State of the County 2023 of £316.0m due to the updates presented in this report. Most notably the increased on-going highways investment, the added year of investment to maintain the 10-year planning horizon and additional investment proposals outlined at Section 2. These increases to the borrowing requirement have been offset to some extent by increased Highways Maintenance Funding formula grants, and the review of capital programme carried out by services.

4 Impact on the Revenue Medium Term Financial Plan and Treasury Management Capacity

4.1 Decisions on future capital investment should be considered in the context of the impact on the Treasury Management (TM) capacity to fund the investment and the revenue budget, whereby the cost of funding and Minimum Revenue Provision needs to be included within the MTFP. The current capital programme already requires borrowing in future years, which together with the Minimum Revenue Provision accounting requirements, will need the TM budget to be increased beyond the current MTFP.

4.2 Current TM modelling for the direct costs of borrowing estimates that **for every £10m of additional borrowing, there would be an associated revenue cost of approximately £750,000 per year over the full life of the asset (based on a 30 year asset life),** although the profile of costs will vary dependent on a number of variables such as timing, internal balances and interest rates. As highlighted at budget setting in February 2023 the current planned programme borrowing requirement will need Treasury Management budget increases outside the current MTFP period.

4.3 The modelled MTFP revenue impact of borrowing for the level of investment identified for the various updates are set out within this report. Treasury Management modelling takes a holistic approach considering a number of variable factors including availability of cash balances and interest rates impacting borrowing costs and return on investments. Therefore any updates to the MTFP will consider the overall impact on the TM budget.

5 Risk provision update

5.1 A £7.5m ongoing risk provision was approved in February 2023 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. Its utilisation, if approved by CSAB would, therefore, require additional borrowing and be reported through the RPPR process and quarterly monitoring in the normal way.

5.2 There are several risks and uncertainties regarding the programme to 2026/27 and beyond which have necessitated holding a risk provision. These risks as reported at State of the County 2023 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.

5.3 There are currently increased uncertainties that exist within the construction industry in terms supply chain issues and volatile 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.

6 Capital Strategy

In 2017, the CIPFA (Chartered Institute of Public Finance and Accountancy) Prudential Code was revised and included the requirement for Local Authorities to produce a Capital Strategy. The Council’s current Capital Strategy covers the period 2023/24 to 2043/44 and was approved as part of RPPR 2022/23. The Capital Strategy has been reviewed to ensure is continues to reflect emerging risks, principles and corporate priorities, and informed by decisions at State of the County 2023 and discussions at CSAB.

Annex A – Detailed Capital Programme

Capital Programme (gross) (£m)	Current Year 2023/24	MTFP Period			2027/28 to 2033/34	Total
		2024/25	2025/26	2026/27		
Adult Social Care:						
House Adaptations	0.050	0.050	0.050	0.050	-	**0.200**
Learning Disability Support Living Scheme	1.200	3.200	1.627	0.022	-	**6.049**
Greenacres	0.009	0.131	-	-	-	**0.140**
Adult Social Care Gross	**1.259**	**3.381**	**1.677**	**0.072**	**-**	**6.389**
Business Services:						
Salix Contract	0.350	0.350	-	-	-	**0.700**
Lansdowne Secure Unit – Phase 2	0.065	-	-	-	-	**0.065**
Youth Investment Fund	1.510	6.114	-	-	-	**7.624**
Schools Basic Need	2.066	0.643	0.460	0.460	60.609	**64.238**
Special Educational Needs	1.114	0.825	0.300	0.300	1.000	**3.539**
Special Educational Needs – Grove Park Additional Places	0.150	5.272	8.000	5.000	0.429	**18.851**
Disability Children's Homes	0.716	0.024	-	-	-	**0.740**
Westfield Land	0.053	-	-	-	-	**0.053**
Capital Building Improvements (Schools)	4.218	5.575	4.182	3.982	28.074	**46.031**
Capital Building Improvements (Corporate)	3.509	4.640	4.000	4.000	28.000	**44.149**
IT & Digital Strategy Implementation	4.055	6.717	3.869	4.765	55.300	**74.706**
IT & Digital Strategy Implementation - MBOS	3.332	-	-	-	-	**3.332**
IT & Digital Strategy Implementation - Utilising Automation	0.024	-	-	-	-	**0.024**
Business Services Gross	**21.162**	**30.160**	**20.811**	**18.507**	**173.412**	**264.052**
Children's Services:						
House Adaptations	0.050	0.050	0.050	0.050	-	**0.200**
School Delegated Capital	1.150	1.150	1.150	1.150	-	**4.600**
Conquest Centre Redevelopment	0.015	-	-	-	-	**0.015**
Essential System Developments	-	0.736	0.885	0.958	0.774	**3.353**
Children's Services Gross	**1.215**	**1.936**	**2.085**	**2.158**	**0.774**	**8.168**
Communities, Economy & Transport:						
Broadband	0.160	0.100	5.257	-	-	**5.517**
Climate Emergency Works	3.095	3.690	4.206	4.137	10.255	**25.383**
Flood & Coastal Resilience Innovation Programme	0.885	0.988	0.989	0.683	-	**3.545**
Bexhill and Hastings Link Road – Complementary Measures	0.100	0.089	-	-	-	**0.189**
Economic Intervention Fund – Grants	0.075	0.300	0.300	0.300	0.883	**1.858**
Economic Intervention Fund – Loans	0.080	0.300	0.300	0.300	0.770	**1.750**
Stalled Sites	0.013	0.050	0.050	0.050	0.107	**0.270**
Upgrading Empty Commercial Properties	-	-	-	0.007	-	**0.007**
Community Match Fund	0.095	0.379	-	-	-	**0.474**

Community Road Safety Interventions	0.206	0.516	-	-	-	**0.722**
Newhaven Port Access Road	0.028	0.266	0.500	-	-	**0.794**
Real Time Passenger Information	0.070	0.094	0.061	-	-	**0.225**
Passenger Services Software	0.026	-	-	-	-	**0.026**
Bus Services Improvement Plan	2.545	9.380	10.000	-	-	**21.925**
Lewes Bus Station Replacement	0.004	-	-	-	-	**0.004**
Queensway Depot Development	0.104	-	2.900	1.500	-	**4.504**
The Keep	0.228	0.026	-	0.085	0.738	**1.077**
Other Integrated Transport Schemes	2.802	2.500	6.087	9.087	41.528	**62.004**
Integrated Transport Schemes – A22 Corridor	0.100	-	-	-	-	**0.100**
Area-wide Traffic Management - Schools Streets	0.064	0.136	-	-	-	**0.200**
Area-wide Traffic Management - Eastbourne Liveable Town Centre	0.037	0.237	-	-	-	**0.274**
Exceat Bridge Replacement	1.259	4.673	0.920	-	-	**6.852**
Libraries Basic Need	0.580	0.727	0.449	0.449	1.347	**3.552**
Peacehaven Library Refurbishment and Conversion	-	0.027	-	-	-	**0.027**
Highways Structural Maintenance	35.893	21.688	22.246	22.819	237.539	**340.185**
Bridge/Structures Assessment Strengthening	2.740	7.160	2.901	2.901	14.025	**29.727**
Street Lighting and Traffic Signals	2.000	3.985	3.988	3.429	8.395	**21.797**
Street Lighting and Traffic Signals - SALIX scheme	0.219	-	-	-	-	**0.219**
Visually Better Roads	1.293	-	-	-	-	**1.293**
Rights of Way Surface Repairs and Bridges	0.552	0.588	0.625	0.662	5.486	**7.913**
Gypsy and Traveller Site Refurbishment	-	0.070	0.070	0.070	0.490	**0.700**
Eastbourne Town Centre Phase 2a	0.800	1.500	1.746	-	-	**4.046**
Eastbourne Town Centre Phase 2b	0.100	-	5.050	-	-	**5.150**
Eastbourne/South Wealden Walking & Cycling Package	0.079	1.000	1.328	-	-	**2.407**
Hailsham/Polegate/Eastbourne Movement & Access Corridor	0.350	0.044	-	-	-	**0.394**
Hastings & Bexhill Movement & Access Package	(0.079)	0.700	3.582	-	-	**4.203**
Communities, Economy & Transport Gross	**56.503**	**61.213**	**73.555**	**46.479**	**321.563**	**559.313**
Total Programme Gross	**80.139**	**96.690**	**98.128**	**67.216**	**495.749**	**837.922**
Capital Programme Slippage Risk Factor	-	(19.143)	(22.079)	-	41.222	**0.000**
Total Programme after Slippage Risk Factor	**80.139**	**77.547**	**76.049**	**67.216**	**536.971**	**837.922**

Appendix 9b

Equality Impact Assessment for CAPITAL PROGRAMME 2023-24 to 2033-34

Following the introduction of the Equality Act 2010 ('the EA') a public authority must, in the exercise of its functions, have due regard to the need to –

(a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the EA;
(b) advance equality of opportunity between persons who share a relevant protected characteristic (as defined by the EA) and persons who do not share it;
(c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

The protected characteristics set out in the EA are age, disability, gender reassignment, pregnancy/ maternity, race, religion or belief, sex and sexual orientation. Marriage and civil partnership are also protected characteristics for the purposes of the duty to eliminate discrimination. When making decisions the County Council also considers other matters such as the impact of rurality, deprivation and being a carer, where relevant.

The Capital Programme requires Members to have due regard to the Equality Duty contained in Section 149 of the EA as set out above.

Having "due regard" does not necessarily require the achievement of all the aims set out in section 149 of the EA. Instead it requires that Members understand the consequences of the decision for people in relation to their protected characteristics and consider these alongside other relevant factors when making the decision to pursue one course of action rather than another, alternative course of action that may have different consequences. The regard which is necessary will depend upon the circumstances of the decision in question and should be proportionate. Where a decision is likely to have an impact on a significant number of people, or where it is likely to have a significant impact on even a small number of people, the regard required will be high.

This means that in setting the Capital Programme, the three equality aims set out above have to be considered as a relevant factor alongside financial constraints and all other relevant considerations. Due to the ongoing financial pressures the Council is facing, the current Capital Programme focusses on a strategy to deliver core need as efficiently as possible. As agreed, service developments and investment opportunities that are outside core need are required either to be match funded or produce a business case that demonstrates benefits. Approved bids are added to the programme in line with current variation policy and financial regulations. Members must consider the equalities impacts, as identified, of agreeing this Capital Programme. Specifically, Members need to take account of what the potential impacts of spending on this proposed programme will be for the communities in East Sussex, and take the same account of equality impacts if proposing amendments or alternative spending. It will be open to Directors and Lead Members at the time of taking those decisions to spend more on one activity and less or none on another, with due reference to equality impacts. Where further assessment of equality impact is needed to assess more detailed plans, this has been indicated, and Directors and Lead Members will need to further consider these impacts and their implications for decisions.

The EA does not require the use of a specific template for an equality impact assessment (EqIA); however the cases considering the public sector equality duty have held that a documented process is the best way to demonstrate that the equalities impacts have been identified and considered, proportionate to the impacts identified. All proposals have been assessed for their equality impacts. Where a project which was included in the Capital Programme is likely to have disproportionate impacts upon people sharing protected characteristics, officers have considered the consequences of that particular project or bid and have summarised these impacts for Members to consider and identified potential mitigating actions. Where impacts are potentially greater and a full EqIA has been conducted these are available as background documents. Members must read the full version of the EqIAs and take their findings into consideration when determining these proposals.

CAPITAL PROGRAMME 2023/24 to 2033/34	
Proposal	**Summary of equality impact assessment**
Adult Social Care	
House Adaptations (Adults): Older People's/Learning Disability Service Improvements	No disproportionate equality impacts are identified. Requests for this fund are based upon individual assessment of need, and comprehensively screened to ensure they meet the agreed defined criteria for funding. An EqIA has been completed for this proposal and is attached: 'A Older People's/Learning Disability Service Improvements', updated in December 2023.

Learning Disability Supported Living	To inform the project an initial EqIA was created with involvement from the care provider and from the Community Learning Disability Team. This supported the way in which the Beckley Close clients were prepared for their move into temporary accommodation while the build is in progress, including ensuring continuity in staff support and familiarity with the temporary building. There have been unavoidable delays to the project and to minimise impacts, clients, parents and carers are kept updated, and clients' well-being and behaviour is evaluated on an ongoing basis. No specific equality impacts have been identified and individual needs are being continually assessed. Lessons learned from the Beckley Close project will be applied to the Jasmine Lodge project. An EqIA has been completed for this proposal and is attached: 'B Learning Disability Supported Living' (updated December 2023 from original assessment in October 2021). This EqIA continues to be updated as the project progresses.
Greenacres	No disproportionate equality impacts are identified in relation to this funding. This funding is allocated for ongoing maintenance that ESCC is responsible for and also for specific adaptations required by new tenants to meet their identified needs. No further equality impact assessment is required.
Business Services	
SALIX Contract	No disproportionate equality impacts are identified in relation to this programme. Funding for this scheme was agreed previously. Programme relates solely to carbon reduction measures in schools and ESCC buildings, identified and prioritised based on energy consumption. No further equality impact assessment is required.

Youth Investment Fund	A number of potential impacts and benefits to people sharing protected characteristics have been identified. The planned capital improvements will allow the development of new open access universal youth services that are in line with the Family Hub / Youth Hub strategic development. The proposal will have a positive impact on young people in areas of coastal deprivation (Peacehaven) and rural isolation (Heathfield) Our Youth Hub model has key elements in place to ensure they are successful, including: fully accessible, environmentally sustainable state of the art facilities; universal and targeted support; support services and engaging positive activities; specialist trained staff and volunteers; embedded youth voice and participation mechanisms; and close partnership working to facilitate early intervention. An EqIA has been completed for this proposal and is attached: 'C Grant Funding for Youth Hubs' - reviewed and updated Nov 2023
Core Programme - Schools Basic Need	An EqIA has been completed for this proposal and is attached: 'D Schools Basic Need Capital Programme' was completed in January 2021 and updated in January 2024.
Special Educational Needs (SEN)	The EqIA for the schools' basic need capital programme includes information about the need for more SEN places. In addition, parents/carers and school communities were consulted on our SEND place planning strategy in May / June 2021. Respondents agreed with our priorities for provision and also identified further gaps in SEND provision across the county. A report on the findings of the consultation was shared with the East Sussex Parent and Carer Forum and posted on the ISEND local offer pages. The new School Organisation Plan 2023 to 2027 sets out our SEND place planning strategy in further detail (to be published in Dec). The EqIA 'D Schools Basic Need Capital Programme', updated in November 2022, is attached identifying impacts of this proposal.

Special Educational Needs – Grove Park Additional Places	The EqIA for the schools' basic need capital programme includes information about the need for more SEN places. In addition, we consulted parents/carers and school communities on our SEND place planning strategy in May / June 2021. Respondents agreed with our priorities for provision and also identified further gaps in SEND provision across the county. The EqIA 'D Schools Basic Need Capital Programme', updated in November 2022, is attached identifying impacts of this proposal. A full EqIA specifically for the Grove Park proposal will be undertaken at the stage of statutory proposals.
Disability Children's Homes	The proposal will lead to improvements in the service that can be provided to disabled children that need residential care, as more children who require this support will be able to access it. Plans for the site respond to the changing profile and needs of the disabled children and young people currently requiring full-time accommodation or respite care. Feedback from parents and carers clearly sets out the demand for more residential provision. This proposal responds directly to this identified need and feedback. There are potential benefits here for young people who need more of their own space and who are approaching transition period. There are benefits to young people and their families of more availability of specialist provision. No negative impacts are identified and no additional actions are required beyond those already included in the plans. An EqIA has been completed for this proposal and is attached: 'E Disability Children's Homes: Sorrel Drive' EqIA, completed in November 2022.
Core Programme - Capital Building improvements (schools)	Work related to legislation, statutory requirement, health and safety and urgent repair work, as identified via the condition surveys and plans that ensure that schools are maintained at a minimum requirement. No EqIA needed as spend is prioritised according to agreed Capital Programme priorities.
Core Programme - Capital Building improvements (corporate)	Work related to legislation, statutory requirement, health and safety and urgent repair works. No EqIA needed as spend is prioritised according to agreed Capital Programme priorities.

Core Programme - IT & Digital Strategy implementation	An EqIA has been completed for this proposal and is attached: 'F IT&D Core Programme' EqIA, completed in 2021.
Children's Services	
House Adaptations for Disabled Children's Carers Homes	The proposal has the potential for positive impact on the protected characteristic of 'age' and 'disability' – as the capital for house adaptations is aimed at support children and young people who are disabled. The is to improve the adaptability of homes so that disabled children can have accessible facilities. The Disabled Facility Grant (DFG) is allocated by central Government direct to District and Borough Councils. The grant is intended to provide for adaptations to the homes of adults and children with disabilities. Where the needs of young people cannot be met by the DFG then the councils can approach ESCC for additional capital funding (with a fixed maximum). Each application is assessed against previously agreed criteria to ensure fair allocation of resource. No further equality assessment is required.
Schools Delegated Capital	No disproportionate equality impacts are identified. Schools delegated capital is funding that comes into the LA for maintained schools and then delegated to each school via a formula to be used for small capital works. No further equality impact assessment is required.
Essential System Developments	No equality impacts are identified. The aim is to ensure that ICT systems are fit for purpose for delivering modern council services in a digital era and protecting data. Improvements will enable better monitoring of people's legally protected characteristics to inform service delivery. No further equality impact assessment is required.

Communities, Economy & Transport	
Broadband	No disproportionate equality impacts are identified. Equality impacts were assessed prior to contract award for each of the three infrastructure delivery contracts (2013, 2015 and 2018) and prior to becoming a “top up” funder to DCMS’s Gigabit Voucher Scheme (2020). No disproportionate impacts were identified, as eligibility is based on technical criteria relating to properties not occupiers. No further equality impact assessment is required. The project is now in contract closure and no further build will take place. ESCC remains a “top up” funder.
Council’s Climate Emergency Works	No equality impacts are identified in this proposal because the Climate Emergency Plan (CEP) is a high-level plan and, as such, much of the implementation detail will be in plans and strategies that fit in below the main CEP and because the Plan will not have a direct impact on services provided to East Sussex residents. Individual EqIAs are being developed for specific projects, where this is required and all identified impacts and mitigating actions are being addressed within these projects. No further equality impact assessment on the CEP is required.
Flood & Coastal Resilience Innovation Programme	The project will monitor water levels to understand and then better manage flooding risk in the catchment area. Communications and engagement plans have been designed to identify, understand and be responsive to diverse people’s needs. This includes reaching out to individuals and groups that may have been under-represented in the past, to ensure their views are included and considered; communicating across different platforms and using a wide range of methods; and following best practice in design and programming to reduce the barriers to involvement. An ongoing process of evaluation throughout the programme ensures any additional impacts are identified to improve engagement over time. No further equality impact assessment is required at this time.

Bexhill and Hastings Link Road (BHLR) Complementary Measures	No disproportionate equality impacts are identified. Work on the Link Road has been completed. Remaining spend relates to completion costs and there are no equality impacts arising from the remaining funding. No further equality impact assessment is required.
Economic Intervention Fund - Grants	No disproportionate equality impacts are identified. Grants are offered to expanding or relocating businesses, thus the applicants are generally established companies. An EqIA is not required at this time as grants are made to qualifying business entities not individuals.
Economic Intervention Fund - Loans	No disproportionate equality impacts are identified. The ESI Loan fund is a revolving self-financing fund from an original allocation from the capital programme and the Government's Regional Growth Fund eight years ago. As with the grants it is aimed at supporting existing businesses grow or relocate to the county. Loans are made to qualifying business entities not to individuals. No further equality impact assessment is required.
Stalled Sites	No disproportionate equality impacts are identified. This is a residual fund originally allocated in 2015. It is open to owners of sites that are undeveloped due to difficult site constraints and helps with funding site investigation and business cases and in some cases provides loans for pre-development work. The eligibility is based on the site not the owners. Applications also come from local authorities. No further equality impact assessment is required.
Community Match Fund	Equality Impact Assessments are completed for each project within this fund. Impacts may vary depending on the project funded. Funding for this scheme was agreed previously. Funding allocation is per agreed annual spend and follows agreed spend criteria.

Community Road Safety Interventions	No disproportionate equality impacts are identified. Allocation of £250k per year from the current Community Match underspend to provide community focused road safety interventions, based on two stage appraisal process and criteria. Criteria include assessment of location, including proximity to schools, GP surgeries, hospitals and shops where road users may be more vulnerable. No EqIA is needed.
Newhaven Port Access Road	No disproportionate equality impacts are identified. Note: this project is concluding and has followed previously agreed plans. No further equality impact assessment is required.
Real Time Passenger Information	The project is an ongoing one, based on previously agreed principles. Impacts are positive in that the project aims to provide additional, accessible information to support people to access bus services. The EqIA 'G Bus Service Improvement Plan' EqIA, completed November 2022, is attached identifying impacts of this proposal.
Bus Service Improvement Plan	People sharing the following characteristics may experience barriers when accessing buses which the BSIP aims to address: age (older and younger people), disability, ethnicity, religion, sexual orientation, gender reassignment, sex (women). There are also potential positive impacts in relation to rurality and people on low incomes. The improvements made by the BSIP aim to improve accessibility for all. There will also be an ongoing engagement mechanism organised with the independent watchdog Transport Focus. An EqIA has been completed for this proposal and is attached: 'G Bus Service Improvement Plan' EqIA, completed November 2022.
Queensway Depot Development	No disproportionate equality impacts are identified. The project is to develop a new building. Any requirements in relation to building accessibility will be considered in planning stages. No further equality impact assessment is required.
The Keep	There are three proposals: 1. Internal maintenance, flooring and furniture: No equality impacts are identified as there will be no changes to accessibility within the building. No further assessment required. 2. Building Maintenance System (BMS): No equality impacts are identified as the BMS regulates only temperature and humidity of building. No further assessment required. 3. Security improvements: No disproportionate equality impacts are identified. No further equality assessment is required.

Other Integrated Transport Schemes	EqIAs are completed for each project in this programme. Impacts may vary according to the detail of the project. Impacts and actions are identified in the specific EqIA for each project
Area Wide Traffic Management Schemes – Schools Streets	Equality impacts are identified in this proposal and an equality impact assessment is in progress. Throughout the co – design engagement phase and design process of the School Streets scheme, consideration has been given to identify any groups that are at risk of being excluded from engagement, and to identify appropriate methods for engagement. Sustrans are developing an equality impact assessment at the moment as part of the design work, which is not yet finalised. This will be available in early 2024.
Area Wide Traffic Management Schemes – Eastbourne Liveable Town Centre	Both positive and potentially negative impacts have been identified in relation to disabled people, race/ethnicity and pregnancy and maternity, in the designs for Memorial Roundabout, the Ring Road Relocation and pedestrianisation. Issues identified are being incorporated into the designs. An EqIA has been completed for this proposal and is attached: 'H Eastbourne Town Centre MAP P2b'.
Exceat Bridge Replacement	Work on this project is ongoing and impacts identified in the EqIA remain accurate. An EqIA has been completed for this proposal and is attached: 'I Exceat Bridge' EqIA, completed in 2019 and reviewed in 2023, and also 'J Exceat Orders' EqIA (on the side roads orders and compulsory purchase orders), completed in June 2023.
Libraries Basic Need	An EqIA and access audit are being completed for each refurbishment once initial scoping has been completed. All alterations linked to findings have been made prior to full specifications being drafted for tender to ensure that we have an accurate assessment of works proposed which reflect the needs of the service. EqIAs have been completed for this proposal and are attached: 'K Libraries Capital Programme: Bexhill' and 'L Libraries Capital Programme: Seaford'.
Peacehaven Library Refurbishment and Conversion	The assessment in 'Libraries Basic Need' above applies.

Core Programme - Highways Structural Maintenance	No disproportionate equality impacts are identified. Maintenance of public highways and public rights of way across the county is a statutory requirement of the County Council under the Highways Act. Priorities are defined based on the overarching principle of 'Asset Condition', which is that the Council ensures that it is investing in its assets to maintain a basic level of condition, which allows the Council to deliver its Priority Outcomes, meeting any security and health and safety requirements. All potential projects are assessed against agreed criteria. No further equality impact assessment is required.
Core Programme - Bridge Assessment Strengthening	No disproportionate equality impacts are identified. As traffic continues to increase on our roads there is requirement for a programme of bridge strengthening and replacement to ensure they remain safe. Priorities are defined based on the overarching principle of 'Asset Condition', which is that the Council ensures that it is investing in its assets to maintain a basic level of condition, which allows the Council to deliver its Priority Outcomes, meeting any security and health and safety requirements. All potential projects are assessed against agreed criteria. No further equality impact assessment is required.
Core Programme - Street Lighting and Traffic Signals	No disproportionate equality impacts are identified. Programme ensures that street lighting is adequate and, as the existing stock comes to the end of its life, it is replaced with modern, energy efficient, technology that also addresses the issue of light pollution. Also ensures that the maintenance of traffic signals is adequate to meet the needs of maintaining safe roads and that meet the needs of all users. Priorities are defined based on the overarching principle of 'Asset Condition', which is that the Council ensures that it is investing in its assets to maintain a basic level of condition, which allows the Council to deliver its Priority Outcomes, meeting any security and health and safety requirements. All potential projects are assessed against agreed criteria. No further equality impact assessment is required.

Core Programme - Rights of Way Surface Repairs and Bridge Replacement Programme	No disproportionate equality impacts are identified. Programme maintains and protects the public's right to use the 2000 miles (3,500km) of footpaths, bridleways and byways in East Sussex. Priorities are defined based on the overarching principle of 'Asset Condition', which is that the Council ensures that it is investing in its assets to maintain a basic level of condition, which allows the Council to deliver its Priority Outcomes, meeting any security and health and safety requirements. All potential projects are assessed against agreed criteria. No further equality impact assessment is required.
Gypsy and Traveller Site Refurbishment	ESCC own and manage four permanent Travellers' sites and one transit site across the County. Gypsies, Roma and ethnic Travellers are racial groups as defined in s9 Equality Act 2010. ESCC is responsible for providing and maintaining communal amenity block facilities, including a kitchen and bathroom. Capital funding for a rolling basic refurbishment and maintenance programme is required to ensure that amenity block facilities are safe and meet the basic needs of our Gypsy and Traveller communities. No further equality impact assessment is required.
Local Enterprise Partnership (LEP)/South East Local Enterprise Partnership (SELEP) schemes	Responsibility for these previously LEP funded schemes is expected to be transferred to ESCC in April 2024, following the Government's decision to no longer fund LEPs, and subject to further Government guidance. Once the SELEP and East Sussex integration action plans have been approved, work will commence on the implementation phase which will be undertaken throughout 2024. As part of this, ESCC will be responsible directly to Government for ensuring that equality impacts and actions are identified in LEP funded projects and any residual funds as appropriate. Projects where the County Council is the lead will be subject to the same EqIA processes that apply to all projects in the capital programme. The schemes are: Eastbourne Town Centre Phase 2a, Eastbourne Town Centre Phase 2b, Eastbourne/South Wealden Walking & Cycling Package, Hailsham/Polegate/Eastbourne Movement & Access Corridor, and Hastings & Bexhill Movement & Access Package

Capital Strategy 2024/25 to 2044/45

Document summary

With a scope of 20 years, the Capital Strategy 2024/25 to 2044/45 sets the framework in which the capital programme is planned and allows the Council to prioritise the use of resources to support the long-term priorities.

Contents

1. Purpose of the Strategy....1
2. Technical Background....2
3. Reconciling Policy, Performance and Resources Framework....3
4. Principles....5
5. Capital Programme Expenditure....6
6. Capital Programme Funding....7
7. Environmental, Social and Governance (ESG) Considerations....8
8. Equalities Impact....9
9. Debt, Borrowing and Treasury Management....10
10. Investments for Commercial Purposes....10
11. Governance....11
12. Risk....12
13. Skills and Knowledge....13
Appendix 1: Basic Need Definitions....14
Appendix 2: Business Case Guidance....17

1. Purpose of the Strategy

1.1 The purpose of the Capital Strategy is to drive the authority's capital investment ambition whilst also ensuring appropriate capital expenditure, capital financing and treasury management within the context of the sustainable, long-term delivery of services.

1.2 The Capital Strategy supports the Council Plan, which is our vision for a basic but decent level of service for East Sussex, in a difficult financial climate, set out under the following priority outcomes:

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

1.3 The Strategy prioritises investment in assets that support the objectives of the Council Plan, whilst also acknowledging that capital investment decisions have a direct impact on the council's revenue budget, particularly relating to borrowing costs, and are therefore to be considered in the context of their impact on revenue budget and wider council financial position.

1.4 The aim of this Capital Strategy is also to ensure that all elected members fully understand the overall long-term policy objectives and resulting Capital Strategy requirements, governance procedures and risk appetite.

2. Technical Background

2.1 The Capital Strategy is framed within the following statute and guidance:

Legislation

Local Government Act 2003

- Chapter 1:
  - 1.1 – Power to Borrow
  - 1.3 – Duty to determine affordable borrowing limit
  - 1.12 – Power to invest
  - 1.15 – Regard to guidance issued

Professional Codes

CIPFA Professional Codes

- Prudential Code 2021
- Treasury Code of Practice 2021

Guidance

Government and CIPFA guidance

- Minimum Revenue Provision 2018
- Local Government Investments 2018

2.2 The Strategy is completed in line with best practice as outlined within the Chartered Institute of Public Finance and Accountancy (CIPFA) revised 2021 Treasury and Prudential Code, it:

- Applies a long-term approach.
- Explores external influence on Capital Strategy e.g. Local Enterprise Partnership (LEP).
- Examines Commercial activity/ambition.
- Determines implications of Treasury Management Strategy.
- Ensures Council Plan priorities drive capital investment.
- Examines available resources and capacity to deliver.
- Assesses affordability against ambition and address any gap.
- Identify capital financing principles.
- Demonstrate integration with other strategies and plans.

- Produce a 10-year capital investment plan, with actions, timescale, outputs and outcomes; plus a 3-year funded programme in line with the Medium Term Financial Plan (MTFP).
- Identify risks and mitigation.
- Outline Governance, monitoring processes and procedures.

2.3 This Capital Strategy is reported separately from the Treasury Management Strategy Statement which ensures the separation of the core treasury function under security, liquidity and yield principles, and the policy and commercial investments usually driven by expenditure on assets.

3. Reconciling Policy, Performance and Resources Framework

3.1 The Capital Strategy is an integrated part of the Council's planning framework, Reconciling Policy, Performance and Resources (RPPR). It will have an impact on, and will be impacted by, the other strategies and documents both internally and externally: Internally this includes:



Name	Description
Council Plan	Sets ambitions and plans for each of the four overarching priority outcomes: driving sustainable economic growth; keeping vulnerable people safe; helping people help themselves; and making best use of resources now and for the future.

Medium Term Financial Plan	The Medium Term Financial Plan covers up to the next three years, it is updated each year to encompass any economic or political impacts.
Capital Planned Programme	The programme sets out for the coming 10 years the programme of capital investment that supports delivery of the Council's priority outcomes updated each year to maintain the 10-year horizon.
Annual Budget	The annual budget details the intended revenue (current) expenditure for the next financial year, it allows the Council to set its Council Tax rate for that year. Including any impact from planned investment.
Treasury Management Strategy	Setting out the acceptable limits on ratings, investment periods, amounts to be invested and the borrowing strategy.
Strategic Asset Plan 2020 to 2025	The key purpose of the Plan is to set the principles by which the Council manages its land and buildings, ensuring assets are used as effectively as possible and optimising an ongoing net income stream to the council.
SPACES Programme (Strategic Property Asset Collaboration in East Sussex)	A well-established multi organisation partnership that has been delivering property and land co-location and collaboration projects across East Sussex and Brighton & Hove since 2011.
Environmental policies, plans and strategies	The County Council agreed a Climate Emergency Action Plan in June 2020 and is also a partner in the Environment East Sussex Board, which has developed an Environment Strategy for East Sussex.
Capital Strategy	With a scope of 20 years, the strategy sets the framework in which the capital programme is planned and allows the Council to prioritise the use of its resources to support the long term priorities.

3.2 In addition to the internal framework there are a number of external organisations and partners who inform our capital strategies, these include, but are not limited to:

- Coast to Capital Local Enterprise Partnership;
- District and Borough Councils via their Local Plans: There is a requirement for contribution receiving authorities to publish an annual 'Infrastructure Funding Statement' (IFS). Each authority IFS will improve provides transparency, increased accountability and promoted infrastructure delivery through publication of Section 106 (S106) and Community Infrastructure Levy (CIL) monies held, including details on allocations and spending. Districts and boroughs will also provide future spending priorities on infrastructure linked to their Local Plans with a statement on projects or types of infrastructure they intend will be funded by CIL. Providing the opportunity to actively bring processes together on monitoring, spending and promote delivery. The Council will continue to work in partnership with its districts and boroughs on infrastructure planning and delivery though the IFS and Local Plan reviews;
- Local Planning Authorities, such as District and Borough Councils and the South Downs National Park Authority may impose planning conditions to specific schemes.
- NHS Sussex Integrated Care Board;
- Brighton University;
- SPACES *(Strategic Property Asset Collaboration in East Sussex Programme)* is a partnership that includes East Sussex County Council (ESCC), all District and Borough Councils, Brighton & Hove City Council, three emergency services, representatives from the voluntary and community sector, NHS and some central government departments such as Probation Services, Job Centre Plus (Department for Work and Pensions - DWP) and Department for Transport (DfT).

3.3 The Council will actively seek opportunities to engage with other partner organisations to achieve positive outcomes for our residents, using all available forums to develop connections that can be utilised to achieve mutually beneficial approaches to deliver capital projects.

4. Principles

4.1 Capital expenditure can be defined as expenditure that results in the acquisition, construction or enhancement of an asset (e.g. land, buildings, roads, plant and equipment), that continues to benefit the Council for a period of more than one financial year. At East Sussex County Council (ESCC), projects can be capitalised if they meet the definition of capital expenditure and are over the current approved de minimus of £20,000. Any item below this limit is charged to revenue.

4.2 The strategy sets the strategic direction for next 20 years and is supported by a 10 year planned programme. Published as a separate document, the Capital Programme will be updated annually through the RPPR process, to ensure that the Council continues to focus on the right priorities and is able to react to changes in circumstances.

4.3 The Prudential Code requires that authorities demonstrate that they make capital expenditure and investment decisions in line with services objectives and have proper stewardship arrangements, provide value for money, are prudent, sustainable and affordable.

4.4 To ensure that the Council meets the requirements, it will:

- **Ensure capital expenditure contributes to the achievement of the Council's Priority Outcomes.** Capital is considered annually as part of the RPPR process, which underpins the financial planning process;

- **Ensure investment decisions make best use of resources**. A capital and treasury model is in place to ensure that the impact of capital expenditure and use of resources is understood and a holistic view taken;

- **Have a clear framework for making capital expenditure decisions.** Basic need provides a platform that **must** be funded. Other decisions require a business case that meet certain criteria to be approved (see Appendix B);

- **Ensure a corporate approach to generating capital resources is established.** The approach to providing funding for capital is set out in section 6 of this strategy**;**

- **Prioritise the implementation of key risk management tools.** Including prudential indicators as part of the Council's Treasury Management Policy and Strategy and follow the core principles of the codes;

- **Have access to sufficient long-term assets to provide services.** The Council use statistical information, including population trends and housing development plans along with asset condition surveys and regular valuations of our assets to help plan long-term need**.**

- **Ensure capital investments decisions are considered in the content of the Council's wider financial position.** Any investment decisions will be considered in the context of their impact on the Council's revenue budget and integrated into medium term financial planning as part of the RPPR process.

4.5 **Basic Need -** The strategy focusses on the delivery of basic need for the Council to continue to deliver our services as efficiently as possible. Basic need for the purposes of the capital strategy is provided below, and further detail is provided in in Appendix A*:*

- **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:** supporting the Council's aim of reaching carbon neutrality from our activities as soon as possible and in any event by 2050 in an appropriate and cost-efficient way.

4.6 **Investment Projects** - In addition to the basic need programme the Council will consider business cases where a clear payback, funding stream or future cost avoidance can be demonstrated. Any payback will reduce borrowing in the year it is received and contribute to the sustainability of the programme.

4.7 **Capital Loans –** Where loans to third parties that are being used to fund expenditure that is classed as capital in nature, the loans will be accounted for as capital expenditure and will therefore be approved as part of the capital programme. Capital loans to third parties will only be considered where there is an agreed terms of repayment, and repayments will be treated in accordance with the Council's Treasury Management Strategy.

5. Capital Programme Expenditure

5.1 The Council's planned Capital Programme for the period 2023/24 to 2033/34 is set out at Appendix A, noting that the expenditure over the planned MTFP period to 2026/27 is presented for approval, whilst the remaining years to 2033/34 are indicative to represent the longer-term planning for capital investment. Capital investment is made to protect assets that support the priority outcomes of the Council Plan, as set out below. Investment decisions need to consider the current financial position of the Council and the revenue implications of increasing borrowing:

Driving sustainable economic growth

- Investment into Broadband infrastructure to increase the number of premises in the county that can access superfast broadband.
- Capital grants and loans to local business as part of the Council's Economic Investment Fund.
- Structural maintenance of highways to maintain and improve highway assets in the county and provide early improvements and resilience.
- Investment in towards cycling, walking and bus infrastructure, road safety, traffic management and public realm improvements.

Keeping vulnerable people safe

- The redevelopment of existing learning disability services into high quality supported living spaces.

Helping people help themselves

- A programme to support house adaptations for people with learning disabilities and carers of disabled children.

Making best use of resources now and for the future

- Improvements to the Council's corporate buildings to maintain at an agreed level.
- Improvements to school buildings and investment to provide necessary school places, school access initiatives, safeguarding and temporary accommodation.
- A programme to ensure that our ICT is fit for purpose for delivering modern council services in a digital era and protecting data.
- Investment in assets to support the Council's carbon neutral commitment.

6. Capital Programme Funding

6.1 The Council's Capital Programme is funded from a range of sources as set out below. In the short to medium term, to support the challenging revenue budget position, the Council seeks to minimise the level of borrowing entered into and maximise grants, capital receipts and other income to reduce the pressures on Treasury Management:

- **Prudential Borrowing** – The introduction of the Prudential Code in 2004 allows the Council to undertake unsupported borrowing itself. This borrowing is subject to the requirements of the Prudential Code for Capital Expenditure for Local Authorities. This has revenue implications for the Council in the form of financing costs, including Minimum Revenue Provision, which will be considered via the annual RPPR process.
- **External Grants for Specific Purposes** – these include grant allocations categorised for specific purposes to deliver specific schemes or outcomes. Where the Council is already funding a scheme or targeted outcome from council funding streams such or borrowing or capital receipts, then such grants will be used to reduce the use of council funding in the defined order outlined at 5.2.
- **External Grants for Non-Specific Purposes** – grant allocations for the delivery of the Council's capital plans (most often from government departments), that are categorised as non-specific. Any grants attracted are used to fund the approved Basic Need capital programme and reduce the Councils need to borrow.
- **Infrastructure Contributions (Section 106 and Community Infrastructure Levy) -**

  S106 Contributions – some projects within the Capital Programme are funded by contributions from private sector developers. Where applicable we request contributions for infrastructure such as roads and transport, schools, libraries, household waste recycling centres and rights of way relating to development that has an impact in East Sussex.

  Community Infrastructure Levy (CIL) - CIL is a standard charge on developments used to fund a wide range of infrastructure that is needed because of the development. The Charging Authorities (District & Borough Councils) are required to produce a CIL Charging Schedule, which sets out the rates of CIL to be charged on development, East Sussex County Council can then approach the Charging Authority to drawdown some or all of the CIL to fund infrastructure projects.

  Infrastructure Contributions represents an important source of funding as it can act to facilitate leverage of additional external funding crucial to meet the County's infrastructure requirements. The capital strategy will seek to maximise the use of Infrastructure Contributions to fund basic need requirements and unfunded infrastructure schemes (via net nil variation), and for future planning purposes, the capital programme will include a reasonable funding target for future years. This target has an inherent risk of not being secured, and will therefore be reviewed annually for reasonableness and, if necessary, actions taken to reduce the target whilst not increasing the need to borrow.
- **Other External Contributions** - Other organisations and partners such as may from time to time make a contribution towards the delivery of a specific capital project. The same principles will apply as to External Grants for Specific Purposes (see above).
- **Reserves and Revenue Set Aside** – The Council can use revenue resources to fund capital projects, where these have been approved as part of the budget setting process or an approved business case. This includes specific reserves, payback from invest to save schemes and revenue contributions (CERA).
- **Capital Receipts** – The Council can generate capital receipts through the sale of surplus assets such as land and buildings. The Council seeks to maximise the level of these

resources, which will be available to support the Council's plans. This funding source will be prioritised to fund assets with the shortest useful life, such as IT equipment, to reduce the requirement to borrow for assets that attract a greater annual Minimum Revenue Provision cost.

- **Capital Reserve** – The Council has set aside funds in a reserve that can be drawn upon to fund capital schemes, however reserves can only be used once and therefore are a finite resource. The purpose of the Capital Reserve is to support the Council's Capital Programme and to reduce the need to borrow. This funding source will be prioritised where possible and appropriate to fund assets with the shortest useful life, such as IT equipment, to reduce the requirement to borrow for assets that attract a greater annual Minimum Revenue Provision cost.
- **New Homes Bonus** – New Homes Bonus is a (non-specific) revenue grant given by Central Government to Councils which is based on the number of homes build or brought back into habitation in the previous year and is payable for four years. New Homes Bonus can be used to fund revenue or capital expenditure. This will be decided annually through the RPPR process.

6.2 The application of these funding sources to capital expenditure incurred during the year will be applied in the following order where possible to minimise revenue implications:

a. Scheme specific income e.g. specific grants, S106 contributions, Community Infrastructure Levy and Other External Contributions
b. Reserves and Revenue set aside funding where agreed;
c. Non-Specific grants
d. New Homes Bonus
e. Capital Receipts
f. Capital reserve (dependant on allocations for any specific items of investment set aside for future years)
g. Borrowing

6.3 **Leasing** - Lease obligations are similar to borrowing as they have an ongoing revenue budget commitment. Leasing will be considered following due diligence over the life of the asset, comparing the financial and non-financial benefits and risks to the Council owning and delivering such assets itself.

6.4 **Flexible Use of Capital Receipts** – Capital receipts cannot usually be used to fund revenue costs under statutory guidance, however, in 2016 the government introduced a direction, that has since been extended, to enable local authorities to fund the revenue costs of transformation projects that generate ongoing revenue savings or reduce the cost of service delivery. This direction recommends that a council that intends to use this flexibility should produce a Flexible use of Capital Receipts Strategy setting out details of projects to be funded through flexible use of capital receipts prior to the start of each financial year. The Council does not intend to use this flexibility as it would limit the amount of funding available to fund the Capital Programme or increase the level of borrowing which would have revenue implications for the Council.

7. Environmental, Social and Governance (ESG) Considerations

7.1 Environmental, Social and Governance (ESG) considerations are relevant in capital decision making in order to support the Council's strategies. ESG requirements will need to be supported within the business case (see Section 4), and once approved, any capital items will enter the programme via the variation process.

7.2 In October 2019 the County Council declared a Climate Emergency and set a target of achieving carbon neutrality from its activities as soon as possible and in any event by 2050, in line with the new target for the UK agreed by Parliament in 2019. The County Council agreed a Climate Emergency Action Plan in June 2020. In accordance with the Climate Emergency Action Plan, where possible, officers will support these strategies through identifying a programme of energy efficient projects linked to capital programmes and embed low carbon outcomes in where appropriate in capital contracts.

7.3 To ensure that the costs and benefits of any potential projects is balanced with the social, economic and environmental implications of carbon reduction initiatives, the following should be considered.

- Energy efficiency measures should be considered at the start of any capital project and included in the whole project costs when establishing a business case;
- Where possible, ESG schemes should be integrated within existing funded programmes, e.g. boiler replacement programme with carbon low carbon replacements as part of the capital building maintenance programme;
- A whole building approach should include whole life costings which will range from shorter to longer term pay back periods, and it may be possible to use short term savings to subsidise longer term improvements.
- Scheme Specific Funding, such as external grants and Section 106/CIL contributions should be considered and actively sought to fund projects. This should include lobbying of government departments to provide funding for low carbon measures, such as the Department of Education when funding new schools and major improvements.

8. Equalities Impact

8.1 Following the introduction of the Equality Act 2010 ('the EA') a public authority must, in the exercise of its functions, have due regard to the need to – (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the EA; (b) advance equality of opportunity between persons who share a relevant protected characteristic (as defined by the EA) and persons who do not share it; (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

8.2 The protected characteristics set out in the EA are age, disability, race, pregnancy/ maternity, religion or belief, sex, gender reassignment, and sexual orientation. Marriage and civil partnership are also protected characteristics for the purposes of the duty to eliminate discrimination. When making decisions the County Council also considers other matters such as the impact of rurality, deprivation and being a carer.

8.3 This means that in setting the Capital Programme, the three equality aims set out above have to be considered as a relevant factor alongside financial constraints and all other relevant considerations. The EA does not require a specific template or format for this assessment however, cases considering the public sector equality duty have held that an Equality Impact Assessment (EqIA) is the best way to demonstrate that the equalities impacts have been identified and considered.

8.4 Where a capital project is added to the Capital Programme, officers will demonstrate that the equalities impacts have been assessed and considered by carrying out an initial high level EqIA. This will identify whether a further EqIA is required if the proposal is agreed. Where EqIAs are in place for existing projects in the capital programme, these must be reviewed and refreshed annually as part of the RPPR process.

9. Debt, Borrowing and Treasury Management

9.1 A requirement under the Chartered Institute for Public Finance and Accountancy (CIPFA) Code of Practice for Treasury Management in the Public Services is to prepare a Treasury Management Policy and Strategy setting out the Council's policies for managing investments and borrowing. The Local Government Act 2003 and supporting regulations requires the Council to 'have regard to' the Prudential Code and to set Prudential Indicators to ensure that the Council's capital investment plans are affordable, prudent and sustainable.

9.2 The Local Government Act 2003 permits local authorities to borrow to finance capital expenditure provided that the plans are affordable, prudent and sustainable in the long term. The Treasury Management Policy and Strategy and the Capital Programme identifies a borrowing need. The treasury management function ensures that the Council's cash is organised in accordance with the relevant professional codes so that sufficient cash is available to meet the capital expenditure plans.

9.3 Under the Prudential Code and Treasury Management Code, the Council is required to set parameters around its borrowing and treasury activity, including an authorised borrowing limit for each year which cannot be breached. Additionally, when funding capital expenditure through borrowing, the Council is required to set aside a sum from revenue each year to repay the debt, known as the Minimum Revenue Provision (MRP).

9.4 To ensure the separation of the core treasury function under security, liquidity and yield principles (SLY), and the policy and commercialism investments usually driven by expenditure on an asset, the Capital Strategy is reported separately from the Treasury Management (TM) Strategy. Therefore, the debt related to the activity and the associated interest costs, payback period, Minimum Revenue Provision policy or for non-loan type investments, the cost against the current market value and the financial risks are part of the Treasury Management Policy and Strategy.

9.5 The proposed capital programme investment has consideration directly to the Treasury Management Strategy. A specific model developed for this purpose continues to be used and updated to remain currents so that it remains responsive to any treasury management risks, such as interest rate volatility. Any borrowing required is within the limits set by the Treasury Management Strategy, which sets out the acceptable limits on ratings, investment periods, amounts to be invested and the borrowing strategy.

9.6 The Treasury Management revenue budget currently holds capacity due to the following items, but it is anticipated that this capacity will dimmish and cease over time as the need to borrow to finance the capital programme increases.

- Capacity is held for a capital programme risk provision (approved annually as part of the RPPR process).
- Slippage in the capital programme will create temporary capacity in MRP budgets.
- The Treasury Management Strategy seeks to maximise return on investments (commensurate with the Council's risk appetite) and allow for an appropriate level of internal borrowing.

Subject to annual consideration as part of the Council monitoring process, any underspends within the Treasury Management revenue budget will be reinvested into the capital programme (managed through the Capital Reserve), to reduce the need to borrow and significantly increase the Treasury Management revenue budget in the future.

10. Investments for Commercial Purposes

10.1 Investments for commercial purposes are held primarily for financial return and are not linked to Treasury Management activity or directly part of delivering services. This includes non-

financial assets such as commercial property, where they are held primarily for financial return.

10.2 The Council's Strategic Asset Plan 2020-2025 seeks to manage and maintain property effectively, efficiently and sustainably, together with optimising financial return and commercial opportunities from the rationalisation and disposal of land and building. In accordance with this objective, the Council will seek to optimise financial return and commercial opportunities in order to drive value for residents and businesses, whilst managing risk effectively and proportionately. The Council has a portfolio of commercial property assets valued at £12.1m (as at 31st March 2023) with an annual net income of £0.3m (2022/23) which supports Council services.

10.3 In addition, the Council is able to provide third party loans and financial guarantees in order to enable external projects which support the Council's priority outcomes. The Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 direct that a loan to an external organisation to fund any expenditure that would be treated as capital expenditure if it were incurred by the local authority must be treated as capital. As a result, all loans to external parties are subject to the governance requirements of all capital expenditure incurred by the council in accordance with this Strategy.

10.4 In accordance the Treasury and Prudential Codes, the Council will not borrow for projects where the primary purpose is for commercial return.

11. Governance

11.1 The Council's constitution and financial regulations govern the capital programme as set out below:

- All capital expenditure must be carried out in accordance with the financial regulations and the Council's constitution;
- Capital expenditure must comply with the statutory definition of capital purposes as defined within this document and wider financial standards;
- The Capital Programme approved by Full Council as part of the Council's annual RPPR budget report sets the capital funding availability for the Council. This is updated and approved by Full Council as part of the Council's RPPR State of the County report;
- All schemes are formally approved into the capital programme by following the process set out in the financial regulations;
- With the exception of strategic projects supported by a business case, Basic Need will only be added to, or removed from, the Capital programme as part of the annual budget setting process or as part of State of the County. Any request outside of this process would have to be approved by Cabinet;
- Officers are not authorised to commit expenditure without prior formal approval as set out in the financial regulations;
- Each scheme must be under the control of a responsible person/project manager.

11.2 The Council has a Capital Strategic Asset Board (CSAB), a cross-departmental group consisting of officers from each service department, finance, property and procurement. CSAB oversees the development and delivery of the Council's capital programme.

11.3 Departmental Capital Boards/sub boards exist for the school basic need programme, Property Maintenance and related projects; Communities, Economy and Transport; and Information, Technology and Digital. There is also a CIL & Section 106 Working Group that reports to the CSAB.

11.4 In year, the Capital Programme is monitored and reported to the Corporate Management Team and then to Cabinet and Full Council, on a quarterly basis, as part of the Council's RPPR monitoring process.

11.5 Governance arrangements, including risk management (see section 12), will be reviewed to ensure that it remains fit for purpose and is in line with best practice.

12. Risk

12.1 The Council seeks to minimise its exposure to risks that are unwanted and unrewarded. Capital is managed centrally on an ongoing basis to ensure that there is sufficient liquidity in the short and medium term to meet costs and support front line services, as well as meeting long-term solvency and funding requirements.

12.2 The Council is exposed to a range of risks that could be triggered by local, national or global events resulting in, for example:

- Financial risks related to the investment of the Council's assets and cash flow, market volatility, currency etc.
- Macroeconomic risks related to the growth or decline of the local economy, interest rates, inflation and, to a lesser degree, wider national and global economics.
- A credit and counterparty risk related to investments, loans to institutions and individuals and counterparties in business transactions.
- Operational risks related to operational exposures within its organisation, its counterparties, partners and commercial interests.
- Strategic risks related to key initiatives undertaken by the Council such as significant purchases, new ventures, commercial interests and other areas of organisational change deemed necessary to help the Council meet its Priority Outcomes.
- Reputational risks related to the Council's dealings and interests, and the impact of adverse outcomes on the Council's reputation and public perception.
- Environmental and social risks.
- Governance risks related to ensuring that prudence and careful consideration sit at the heart of the Council's decision-making, augmented by quality independent advice and appropriate checks that balance oversight and efficiency.

12.3 Managing the Council's risks is an area of significant focus for senior management and members, and the Council adopts an integrated view to the management and qualitative assessment of risk.

12.4 The Council aims to minimise its exposure to unwanted risks – risks that are avoidable and which carry no commensurate reward for the Council – through a range of cost effective mitigation strategies.

12.5 To ensure that risks to the delivery of the capital programme, a structured framework of planning and monitoring is maintained as detailed in section 11, which is intended to identify those schemes at risk of non or late delivery.

12.6 The Council maintains a contingency at a corporate level, to mitigate possible risks arising from the capital programme. Control of this contingency is maintained by the CSAB, which operates within the normal governance arrangements (see section 11).

12.7 As part of capital planning, a number of potential projects or needs for additional funding maybe identified, these are added to a register of such schemes, with the risks and impacts analysed. The CASB will review these on a regular basis and commission further work as necessary to bring the business cases forward if risk is deemed to have developed to a point where further action is required.

13. Skills and Knowledge

13.1 The Capital Programme and Treasury Management Strategy are managed by a team of professionally qualified accountants with extensive Local Government Finance experience, who attend courses on a regular basis to keep abreast of new developments. The Council's Section 151 Officer is the officer with overall responsibility for Capital and activities and is a qualified accountant.

Appendix 1: Basic Need Definitions

Place

The overarching principle of "Place" is that the Council ensures that it is investing in its assets to meet future need. The areas of agreed investment are:

Schools Basic Need Programme

Ensuring the provision of sufficient school places is a statutory duty of the Council and needs to be funded. The requirement for school places in East Sussex is driven by housing growth, inward migration and changes in birth rates.

The programme will recognise the potential need for additional primary school places in areas of new housing development together with the increase in secondary school places required for those children already at primary school, which reflects an historic increase in births.

Special Educational Needs and Disability (SEND) Place Planning

Local authorities have a statutory duty to ensure there are sufficient good school places for all pupils, including for those with Special Educational Needs and Disabilities (SEND). Provision is an area of pressure for the Council, with forecasted growth in need over the capital programme period.

SEND requirements will be considered as basic need as part of school place planning, whilst also considering the implication of alternative provision (such as providing places within the independent sectors).

Economic Development including Place Shaping

A Council's priority outcome is to drive sustainable growth. Working with our partners, the Council will include in its capital programme schemes that support this outcome.

The Council will consider, as part of the "Other Investments" outside of basic need, schemes that will provide long-term benefits and demonstrate payback of the initial investment.

House Adaptations

House adaptions for both adults and children are an important element of allowing people to remain in their homes (District & Boroughs) or in accommodation, which meets their needs (County).

Working alongside our partners in Districts and Boroughs to ensure Disabled Funding Grant is utilised, along with our own resources, to provide the best outcomes for our residents.

Integrated Transport

The integrated transport delivers the objectives of the County's Local Transport Plan, which is complemented five-year implementation plans, delivering priority schemes. The schemes to be delivered are only added to the capital programme when external grant or contributions have been secured.

Climate Change

To achieve the Council's aim of reaching carbon net zero by 2050 at the latest in an appropriate and cost-efficient way, extensive works to decarbonise ESCC's estates operations will be necessary. The capital strategy will support an annual programme of energy efficiency projects linked to capital maintenance programmes, and consider the identification of additional resources required to meet actions identified in climate emergency plans, based on a robust process for identifying, prioritising and delivering projects.

Asset Condition

The overarching principle of “Asset Condition” is that the Council ensures that it is investing in its assets to maintain a basic level of condition, which allows the Council to deliver its Priority Outcomes, meeting any security and health and safety requirements. The areas include:

Highways Structural Maintenance

Maintenance of public highways and public rights of way across the county is a statutory requirement of the County Council under the Highways Act. ESCC has very clear obligations to maintain the public highway, and, therefore, without adequate supporting capital maintenance budget the pressure on revenue budgets will undoubtedly increase and the Council will be at greater risk of third party claims for damages.

Road condition, and the ability to prevent the formation of potholes, has long been a priority for Members, and, in recent years, the focus of the Capital Maintenance Programme has been to improve the overall condition of the carriageway through programmes of preventative patching and carriageway resurfacing. The capital strategy will support the basic need target of maintaining road condition at 4% (A Roads), 4% (B&C Roads), 14% (Unclassified) being in “red” condition, based on a method of survey and analysis prescribed by the Department for Transport.

We receive many requests to install physical features to prevent driving or parking in unsuitable places. All requests are assessed by the Road Safety team and will not be taken forward unless the location meets the criteria used by our scoring system.

If we can improve safety by making minor changes, this will be carried out as part of the highway’s maintenance programme. However, more complex improvements, such as traffic calming schemes, pedestrian crossings or cycle lanes are funded from our budget for transport improvements and undergo a strict scoring process.

To ensure that highways drainage is adequate to meet the needs of maintaining safe roads and, as the occurrence of extreme weather events increases, is able to cope with those events

Bridge Strengthening/Street Lighting/Traffic Signals

As traffic continues to increase on our roads there is requirement for a programme of bridge strengthening and replacement to ensure they remain safe.

To ensure that street lighting is adequate and, as the existing stock comes to the end of its life, it is replaced with modern, energy efficient, technology that also addresses the issue of light pollution.

To ensure that the maintenance of traffic signals is adequate to meet the needs of maintaining safe roads and that meet the needs of all users.

Rights of Way

Maintaining and protecting the public's right to use the 2000 miles (3,500km) of footpaths, bridleways and byways in East Sussex.

Real Bus Information

Real Time Passenger Information (RTPI) has been introduced in East Sussex to help provide better, more reliable information about bus services. The County Council continues to work with neighbouring local authorities and bus operators to roll out the system, which enables live bus times (real time information) to be displayed on electronic RTPI signs installed at a number of major bus stops and also on the Traveline website, text messages and smartphone apps.

Building Maintenance - schools

Work related to legislation, statutory requirement, health and safety and urgent repair work, as identified via the condition surveys and plans that ensure that schools are maintained at a minimum requirement, including the provision of temporary classrooms, plans based on birth rates and population projections are included in the Place section above.

Building Maintenance – non schools

Work related to legislation, statutory requirement, health and safety and urgent repair works. The money spent on capital will avoid higher running costs helping to reduce the cost of occupancy of corporate buildings.

Libraries

To maintain libraries in a safe and suitable condition from which to deliver the outcomes of the Libraries Strategic Commissioning Strategy.

Energy Efficient Projects

Where funding from Salix can be attracted that pays back the investment, these will be added to the capital programme.

IT&D Strategy Programme

The overarching principle of the IT&D strategy is to ensure that our Information and Communications Technology (ICT) is fit for purpose for delivering modern council services in a digital era and protecting any data held.

The business has a dependent on a basic level of infrastructure in order to be able to function. A substantive proportion of the ICT Strategic Investment bid is for operational activity, essential to keep working, services that support the rest of the organisation.

Continued investment in provisioning operational services keeps the Council's technology tools up to date and working, to ensure that as an organisation, contractual support obligations are maintained and ESCC remains secure, resilient and compliant.

In order to stay ahead of business user expectation, investment in developing current systems is fundamental. Failure to keep pace with technological development will, in the short-term, paralyse Council infrastructure. The current development activity will become the future operational activity. Failure to build upon the technology investments already made will leave the Council ill prepared for the future, compromising the ability of the infrastructure to support the business in achieving its goals, making it difficult to share business information securely with partners and access it more flexibly across traditional boundaries.

Appendix 2: Business Case Guidance

B1. The Council does not prescribe how a business case should be made but a template is available for services to use as necessary. There are also some basic principles.

B2. The 5-Case Business Case model, as recommended by HM Treasury, sets out some basic questions that all business cases should answer.

The Strategic Case

- **Is the proposal needed?**
  - Will it further the Council's objectives?
  - Is there a clear case for change?

The Economic Case

- **Is it value for money?**
  - Have a range of options been considered?
  - Is it the best balance of cost, benefits and risk?

The Commercial Case

- **Is it viable?**
  - Is there a supplier who can meet our need?
  - Can we secure a value for money deal?

The Financial Case

- **Is it affordable?**
  - Are the costs affordable and realistic?
  - Is there funding available and is it supported?
  - Is there a clear payback?

The Management Case

- **Is it achievable?**
  - Are we capable of delivering the project?
  - Do we have robust systems and processes in place?

This page is intentionally left blank

Appendix 10 - Fees and Charges over 4.0% for those identified at Q3 2022/23 as part of RPPR

Dept	Service	Description	Current (£)	Proposed (£)	Movt (£)	Movt (%)
Adult Social Care	Deferred Payment Agreements (DPAs)	Start up (Legal)	909.84	955.33	45.49	5.0%
		Start up (Bus ops)	75.60	80.51	4.91	6.5%
		Start up (FABA)	184.81	199.87	15.06	8.2%
		Start up (Brokerage)	21.35	22.21	0.86	4.0%
		Total start up	**1,191.60**	**1,257.92**	**66.32**	**5.6%**
		Annual Fee (Bus ops)	163.44	173.44	10.00	6.1%
		Annual fee FABA	300.11	322.01	21.90	7.3%
		Total annual fee	**463.55**	**495.45**	**31.90**	**6.9%**
		Redemption (Legal)	329.77	346.25	16.48	5.0%
		Redemption (Bus ops)	69.26	74.99	5.73	8.3%
		Redemption (FABA)	41.58	44.42	2.84	6.8%
		Total redemption	**440.61**	**465.66**	**25.05**	**5.7%**
Adult Social Care	Telecare - Charge relates to weekly equipment rental	Telecare charges - new clients	up to 2.85	up to 3.85	1.00	35.1%
Governance Services	Democratic Services - School Appeals Academy Charges	Stage 1	50.00	55.00	5.00	10.0%
		Stage 2	150.00	180.00	30.00	20.0%
		Stage 3	240.00	280.00	40.00	16.7%
		Stage 3 (9th Appeal)	210.00	245.00	35.00	16.7%
Governance Services	Democratic Services - webcasting	Webcasting Provision at meetings: hourly Charge for Webcasting	45.00	49.95	4.95	11.0%
		Webcasting Provision at meetings: hourly Staff Charge	30.00	33.30	3.30	11.0%
Children's Services	Buzz Active provides outdoor activities out of three locations in East Sussex, Bushy Wood, Eastbourne and Cuckmere. We run nationally accredited courses, taught by qualified instructors, for individuals, groups and families, for children from 6 onwards, for schools, and groups with special needs. Buzz also provides schools and educational establishments with advice and support, resources, training and planning for leading offsite activities.	10% uplift on majority of charges for courses, activities etc.	various	various	various	10.0%
		Group SUP taster session (paddle start) - Public Adult 2hrs pp	31.50	35.00	3.50	11.1%
		Adventure week - Public Junior 32hrs pp	205.00	249.00	44.00	21.5%
		Junior Holiday adventure day - Public Junior 6.5hrs pp	45.00	60.00	15.00	33.3%
Children's Services	Lansdowne is one of 15 Secure Children's Homes in England and Wales. There are two purposes for secure children's homes; the first is to provide care for vulnerable children who are remanded or sentenced by a criminal court, and, the second is to care for children who need to be placed for their own safety, or the safety of others. Young people placed in secure establishments under the latter circumstances are usually placed for welfare reasons under Section 25 of the Children Act (1989).	Secure Accommodation per night charge	1,970.00	2,500.00	530.00	26.9%
Children's Services	Training and network events to support the ESCC Information Governance traded service for schools.	Cost per delegate	50.00	55.00	5.00	10.0%

Dept	Service	Description	Current (£)	Proposed (£)	Movt (£)	Movt (%)
Children's Services	Statutory Assessments Training Courses - New to Yr 6, moderation support, KS2 clusters	New to Year 2/6	275.00	300.00	25.00	9.1%
Communities, Economy and Transport	Registration - The Service is responsible for registering all births, deaths and still-births, and for registering and conducting all civil marriages and civil partnerships (CPs) that occur within East Sussex, in addition to providing citizenship ceremonies for all of the county's new British citizens. The team also retains responsibility for the custody of all registers dating back to 1837, and licences over 100 Approved Marriage Premises located across the county. [NB: * includes vat]	Change of Name Deed (extra copy at the time)*	10.00	12.00	2.00	20.0%
		Change of Name Deed (extra copy at later date)*	25.00	27.00	2.00	8.0%
		Proof of Life Signing*	15.00	17.00	2.00	13.3%
		Document Certification up to 10 pages*	6.00	7.00	1.00	16.7%
		PD2	25.00	30.00	5.00	20.0%
		Registrars Pen*	12.00	15.00	3.00	25.0%
		Commemorative Certificate*	8.00	10.00	2.00	25.0%
		Private Citizenship Ceremony	125.00	135.00	10.00	8.0%
		Ceremony Amendment Fee	30.00	35.00	5.00	16.7%
		Peak Demand Day Surcharge (BH Weekends)	150.00	165.00	15.00	10.0%
		Ceremony Personalisation Appointment (Mon-Fri)	30.00	35.00	5.00	16.7%
		Non-Stat Ceremony*	350.00	395.00	45.00	12.9%
		Two Part Bolt On Ceremony*	175.00	195.00	20.00	11.4%
		AMP Licensing (3 years)	2,295.00	2,395.00	100.00	4.4%
		Register Office Marriage/CP Fees Monday-Thursday				
		Tier A Hookstead	215.00	225.00	10.00	4.7%
		Tier B - Mayors Parlour/Rossetti Room/Southbourne Suite	440.00	460.00	20.00	4.5%
		Tier C - Evelyn Room/Newton Room/Winterbourne Suite/Council Chamber/Court Room	485.00	510.00	25.00	5.2%
		Tier D - Ainsworth Room	535.00	560.00	25.00	4.7%
		Register Office Marriage/CP Fees Friday-Sunday				
		Tier A Hookstead	390.00	410.00	20.00	5.1%
		Tier B - Mayors Parlour/Rossetti Room/Southbourne Suite	515.00	540.00	25.00	4.9%
		Tier C - Evelyn Room/Newton Room/Winterbourne Suite/Council Chamber/Court Room	560.00	590.00	30.00	5.4%
		Tier D - Ainsworth Room	610.00	640.00	30.00	4.9%
		Register Office Marriage/CP Fees Bank Holidays				
		Tier B - Mayors Parlour/Rossetti Room/Southbourne Suite	740.00	780.00	40.00	5.4%
		Tier C - Evelyn Room/Newton Room/Winterbourne Suite/Council Chamber/Court Room	785.00	825.00	40.00	5.1%
		Tier D - Ainsworth Room	835.00	875.00	40.00	4.8%
		Marriage/CP Fees at a licensed venue				
		Monday-Thursday	565.00	660.00	95.00	16.8%
		Friday-Sunday	625.00	660.00	35.00	5.6%
		Bank Holidays	855.00	895.00	40.00	4.7%

Dept	Service	Description	Current (£)	Proposed (£)	Movt (£)	Movt (%)
Communities, Economy and Transport	Modern Records - this is the County's own Records Management Service which also provides a managed and secure storage service to ESFRS, WDC, Brighton's Coroner, a Parish Council, various Schools and one of the CCGs.	Supply of Standard Box with Barcode (L39xW21xH24) - per box	2.20	3.00	0.80	36.4%
Communities, Economy and Transport	Trading Standards protects consumers and traders in East Sussex. The service enforces government legislation, offers advice to businesses and consumers, provides licences and inspections for businesses and investigates offences and prosecutes offenders.	Accredited Financial Advisor Advice	82.00	95.00	13.00	15.9%
		Primary Authority (External Consultancy)	1,640.00	1,900.00	260.00	15.9%
Communities, Economy and Transport	ROW & Countryside Parks - Various income streams at resulting from enforcing Rights of Way access and income from activities at our Countryside Parks.	Fishing permits	10.00	11.00	1.00	10.0%
		Rights of way temporary closures usually due to a utility company or major development requiring to work on/access to a path	243.00	253.00	10.00	4.1%
		An additional hourly charge out rate is applied in complex temporary closure or development cases (e.g. to cover staff site meetings, additional notice posting etc.)	61.00	64.00	3.00	4.9%
		Land Charge Fees for CON29	19.00	21.00	2.00	10.5%
Communities, Economy and Transport	Transport Development Control. The team is responsible for: -Providing highway authority advice in the preparation of Local Plans by Borough & District Councils; -Site supervision and management of developer led improvement schemes and development; -Providing the statutory highway comments on planning applications and pre-application enquiries; -Presenting evidence at appeals; -Securing development transport contributions and highway improvements; -Travel Plans, negotiating Section 38/278 agreements; -Responding to Local Land Charge Searches; -Maintaining the Highway Terrier, and producing highway land information; -The team also provides Section 184 licences for dropped kerbs and new accesses.	Pre-application service for planning applications:				
		Up to 10 Dwellings	225.00	235.00	10.00	4.4%
		11-30 Dwellings	480.00	500.00	20.00	4.2%
		31-50 Dwellings	960.00	1,000.00	40.00	4.2%
		51-80 Dwellings	1,450.00	1,510.00	60.00	4.1%
		81-199 Dwellings	2,390.00	2,490.00	100.00	4.2%
		200+ Dwellings	3,400.00	3,540.00	140.00	4.1%
		Commercial Development:				
		Up to 250 sq m	225.00	235.00	10.00	4.4%
		251 - 1000 sq m	480.00	500.00	20.00	4.2%
		1001 - 2000 sq m	960.00	1,000.00	40.00	4.2%
		2001 - 5000 sq m	1,450.00	1,510.00	60.00	4.1%
		5000+ sq m	2,390.00	2,490.00	100.00	4.2%
		Highway Extent and related queries:				
		Highway Extent queries - for provision of a highway extent and plan which can involve investigation	38.00	45.00	7.00	18.4%
		Traffic schemes questions is for details of a specific planned scheme	24.00	30.00	6.00	25.0%
		Copy Agreement - is for electronic copies of either a Sec 38 or Sec 278 agreement	11.50	15.00	3.50	30.4%
Communities, Economy and Transport	Waste Service includes the management & disposal of the Council's municipal waste and management of the Council's closed landfill sites.	HWRS Hardcore/Soil/Plasterboard per bag	4.00	6.00	2.00	50.0%
		HWRS Tyres each	2.00	2.50	0.50	25.0%
		HWRS Asbestos per bag	6.00	7.40	1.40	23.3%
Communities, Economy	The Keep provides an Archive Service that is utilised by many	Reprographics - digital images				

Dept	Service	Description	Current (£)	Proposed (£)	Movt (£)	Movt (%)
and Transport	organisations along the South Coast. It is a partnership between ESCC, BHCC and the University of Sussex. Public access to the Archives is facilitated and a wide program of educational talks and events is provided. It is also the base for the SFHG who pay a notional rent and their activities support the maintenance and indexing of Family Records. Other material requiring specialist storage is archived here by other entities such as TNA and University of Brighton.	Digital image A4	£8.00	£10.00	2.00	25.0%
		Digital image A3	£8.00	£10.00	2.00	25.0%
		Digital image over A3	£10.00	£15.00	5.00	50.0%
		Reprographics - printed images				
		Printed image A4	£11.00	£15.00	4.00	36.4%
		Printed image A3	£12.00	£20.00	8.00	66.7%
		Printed image over A3	£20.00	£30.00	10.00	50.0%
Communities, Economy and Transport	Traveller Sites in Hailsham, Maresfield, Polegate, Robertsbridge and Bridies Tan.	Rentals - all sites except Bridies Tan	73.98	78.64	4.66	6.3%
		Service charges - all sites except Bridies Tan	8.00	10.00	2.00	25.0%
		Rental - Bridies Tan	72.00	75.00	3.00	4.2%
		Service charges - Bridies Tan	8.00	10.00	2.00	25.0%
Communities, Economy and Transport	Flood Management: The focus of the Flood Risk Management service is on surface water, minor watercourse and groundwater flooding. The team is responsible for Ordinary Watercourse consenting, responding to general land drainage enquiries, and is involved in identifying funding streams to deliver flood alleviation/management schemes in the county.	Data provision	280.00	300.00	20.00	7.1%
		Pre application hourly review	121.00	155.00	34.00	28.1%
Communities, Economy and Transport	Parking	Recharge Sussex Police for maintenance of machines and cash collections at North Street CP	23.27	24.67	1.40	6.0%
		Access Protection Marking (all areas)	46.00	50.00	4.00	8.7%
		Rother - Permits				
		Resident Permit - 1st				
		Resident Permit - 12 months	25.00	27.00	2.00	8.0%
		Resident Permit - 6 months	15.00	17.00	2.00	13.3%
		Resident Permit - 3 months	8.00	10.00	2.00	25.0%
		Resident Permit - 2nd				
		Resident Permit - 2nd - 12 months	75.00	81.00	6.00	8.0%
		Resident Permit - 2nd - 6 months	38.00	41.00	3.00	7.9%
		Resident Permit - 2nd - 3 months	19.00	21.50	2.50	13.2%
		Resident visitor permits				
		Standard reident (per day)	0.50	0.55	0.05	10.0%
		Housebound resident (per day)	0.25	0.30	0.05	20.0%
		Hotel/Guesthouse				
		Per night	1.00	1.10	0.10	10.0%

Dept	Service	Description	Current (£)	Proposed (£)	Movt (£)	Movt (%)
		Business				
		All zones (petrol and diesel)				
		12 months	420.00	454.00	34.00	8.1%
		6 months	210.00	227.00	17.00	8.1%
		3 months	105.00	113.50	8.50	8.1%
		Single zone (petrol and diesel)				
		12 months	220.00	238.00	18.00	8.2%
		6 months	110.00	119.00	9.00	8.2%
		3 months	55.00	59.50	4.50	8.2%
		All zones (Electric or LPG)				
		12 months	100.00	108.00	8.00	8.0%
		6 months	50.00	54.00	4.00	8.0%
		3 months	25.00	27.00	2.00	8.0%
		Single zone (Electric and LPG)				
		12 months	100.00	108.00	8.00	8.0%
		6 months	50.00	54.00	4.00	8.0%
		3 months	25.00	27.00	2.00	8.0%
		Doctors	60.00	65.00	5.00	8.3%
		Trade	2.00	2.20	0.20	10.0%
		Healthcare	0.50	0.55	0.05	10.0%
		Rother - On Street				
		Battle (max stay 1 hour)				
		15 mins	0.10	0.15	0.05	50.0%
		30 mins	0.20	0.25	0.05	25.0%
		1 hour	0.40	0.45	0.05	12.5%
		Bexhill (short and medium length of stay) (town centre)				
		15 mins	0.10	0.15	0.05	50.0%
		30 mins	0.20	0.25	0.05	25.0%
		1 hour	0.40	0.45	0.05	12.5%
		2 hours	0.80	0.90	0.10	12.5%
		Bexhill (short and medium length of stay) (Marina)				
		15 mins	0.45	0.50	0.05	11.1%
		30 mins	0.90	1.00	0.10	11.1%
		1 hour	1.70	1.85	0.15	8.8%
		2 hours	2.70	2.95	0.25	9.3%
		Bexhill (short and medium length of stay) (West Parade)				
		15 mins	0.10	0.15	0.05	50.0%
		30 mins	0.20	0.25	0.05	25.0%
		1 hour	0.40	0.45	0.05	12.5%
		2 hours	0.70	0.80	0.10	14.3%
		3 hours	1.05	1.15	0.10	9.5%
		4 hours	1.40	1.55	0.15	10.7%

Dept	Service	Description	Current (£)	Proposed (£)	Movt (£)	Movt (%)
		Bexhill (long stay) (Seafront)				
		15 mins	0.10	0.15	0.05	50.0%
		30 mins	0.20	0.25	0.05	25.0%
		1 hour	0.40	0.45	0.05	12.5%
		2 hours	0.70	0.80	0.10	14.3%
		3 hours	1.05	1.15	0.10	9.5%
		4 hours	1.40	1.55	0.15	10.7%
		5 hours	1.70	1.85	0.15	8.8%
		6+ hours	2.00	2.20	0.20	10.0%
		Bexhill (long stay) (Station)				
		15 mins	0.10	0.15	0.05	50.0%
		30 mins	0.20	0.25	0.05	25.0%
		1 hour	0.40	0.45	0.05	12.5%
		2 hours	0.80	0.90	0.10	12.5%
		3 hours	1.20	1.30	0.10	8.3%
		4 hours	1.60	1.75	0.15	9.4%
		5 hours	2.00	2.20	0.20	10.0%
		6 hours	2.40	2.60	0.20	8.3%
		7 hours	2.80	3.05	0.25	8.9%
		8 hours	3.20	3.50	0.30	9.4%
		9 hours	3.60	3.90	0.30	8.3%
		10 hours	4.00	4.35	0.35	8.7%
		Rye (max stay 2 hours)				
		15 mins	0.10	0.15	0.05	50.0%
		30 mins	0.20	0.25	0.05	25.0%
		1 hour	0.40	0.45	0.05	12.5%
		2 hours	0.80	0.90	0.10	12.5%
		Hastings - Permits				
		Resident Permit - 1st zones A to F & W				
		Standard -More than 185g/km of CO2 - 12 months	95.00	103.00	8.00	8.4%
		Standard -More than 185g/km of CO2 - 6 months	47.50	51.50	4.00	8.4%
		Standard -More than 185g/km of CO2 - 3 months	23.75	25.75	2.00	8.4%
		Discount -185g/km or less of CO2 - 12 months	85.00	92.00	7.00	8.2%
		Discount -185g/km or less of CO2 - 6 months	42.50	46.00	3.50	8.2%
		Discount -185g/km or less of CO2 - 3 months	21.25	23.00	1.75	8.2%
		Discount 2 -150g/km or less of CO2- 12 months	75.00	81.00	6.00	8.0%
		Discount 2 -150g/km or less of CO2- 6 months	37.50	40.50	3.00	8.0%
		Discount 2 -150g/km or less of CO2- 3 months	18.75	20.25	1.50	8.0%
		Discount 3 -120g/km or less of CO2 - 12 months	55.00	60.00	5.00	9.1%
		Discount 3 -120g/km or less of CO2 - 6 months	27.50	30.00	2.50	9.1%
		Discount 3 -120g/km or less of CO2 - 3 months	13.75	15.00	1.25	9.1%
		Discount 4 -100g/km or less of CO2 -12 months	15.00	16.25	1.25	8.3%

Dept	Service	Description	Current (£)	Proposed (£)	Movt (£)	Movt (%)
		Resident Permit - 2nd zones A to F & W				
		Standard -More than 185g/km of CO2 - 12 months	130.00	140.00	10.00	7.7%
		Standard -More than 185g/km of CO2 - 6 months	65.00	70.00	5.00	7.7%
		Standard -More than 185g/km of CO2 - 3 months	32.50	35.00	2.50	7.7%
		Discount -185g/km or less of CO2 - 12 months	120.00	130.00	10.00	8.3%
		Discount -185g/km or less of CO2 - 6 months	60.00	65.00	5.00	8.3%
		Discount -185g/km or less of CO2 - 3 months	30.00	32.50	2.50	8.3%
		Discount 2 -150g/km or less of CO2- 12 months	110.00	119.00	9.00	8.2%
		Discount 2 -150g/km or less of CO2- 6 months	55.00	59.50	4.50	8.2%
		Discount 2 -150g/km or less of CO2- 3 months	27.50	29.75	2.25	8.2%
		Discount 3 -120g/km or less of CO2 - 12 months	90.00	97.00	7.00	7.8%
		Discount 3 -120g/km or less of CO2 - 6 months	45.00	48.50	3.50	7.8%
		Discount 3 -120g/km or less of CO2 - 3 months	22.50	24.25	1.75	7.8%
		Discount 4 -100g/km or less of CO2 -12 months	50.00	54.00	4.00	8.0%
		Resident Permit - zones G to L & O & S				
		Petrol or diesel -12 months	50.00	54.00	4.00	8.0%
		Petrol or diesel -6 months	25.00	27.00	2.00	8.0%
		Petrol or diesel -3 months	12.50	13.50	1.00	8.0%
		LPG or compressed gas -12 months	37.00	40.00	3.00	8.1%
		LPG or compressed gas -6 months	18.50	20.00	1.50	8.1%
		LPG or compressed gas -3 months	9.25	10.00	0.75	8.1%
		Electric vehicle - 12 months	25.00	27.00	2.00	8.0%
		Electric vehicle - 6 months	12.50	13.50	1.00	8.0%
		Electric vehicle - 3 months	6.25	6.75	0.50	8.0%
		Resident Permit - zones G to L & O & S (second permit)				
		Petrol or diesel -12 months	75.00	81.00	6.00	8.0%
		Petrol or diesel -6 months	37.50	40.50	3.00	8.0%
		Petrol or diesel -3 months	18.75	20.25	1.50	8.0%
		LPG or compressed gas -12 months	62.00	67.00	5.00	8.1%
		LPG or compressed gas -6 months	31.00	33.50	2.50	8.1%
		LPG or compressed gas -3 months	15.50	16.75	1.25	8.1%
		Electric vehicle - 12 months	50.00	54.00	4.00	8.0%
		Electric vehicle - 6 months	25.00	27.00	2.00	8.0%
		Electric vehicle - 3 months	12.50	13.50	1.00	8.0%
		Doctor	143.00	154.00	11.00	7.7%
		Primary Care Worker	26.00	28.00	2.00	7.7%
		Day permitsDay permits				
		Resident Visitor (2 hour)	1.00	1.10	0.10	10.0%
		Resident Visitor (5 hour)	2.60	2.80	0.20	7.7%
		Business scratch cards (5 hour)	5.20	5.65	0.45	8.7%

Dept	Service	Description	Current (£)	Proposed (£)	Movt (£)	Movt (%)
		Business scratch cards (10 hour)	7.80	8.45	0.65	8.3%
		Waiver - 1 day	10.00	11.00	1.00	10.0%
		Waiver - 7 consecutive days	30.00	32.50	2.50	8.3%
		Hastings - On Street				
		Old Town 4hr max stay 2h in High Street (Summer)				
		20 mins	1.00	1.10	0.10	10.0%
		30mins				
		1hour	2.95	3.20	0.25	8.5%
		2 hours	5.90	6.40	0.50	8.5%
		3 hours	8.85	9.60	0.75	8.5%
		4 hours	11.80	12.75	0.95	8.1%
		9 hours				
		Up to 10 hours				
		Old Town 4hr max stay 2 hr in high Street (Winter)				
		20 mins	0.40	0.45	0.05	12.5%
		30mins	1.00	1.10	0.10	10.0%
		1hour	1.95	2.15	0.20	10.3%
		2 hours	3.90	4.25	0.35	9.0%
		3 hours	5.85	6.35	0.50	8.5%
		4 hours	7.80	8.45	0.65	8.3%
		9 hours				
		Up to 10 hours				
		Central Area 2 hr max stay & Wellington Square				
		20 mins	1.00	1.10	0.10	10.0%
		40 mins	2.00	2.20	0.20	10.0%
		1hour	2.95	3.20	0.25	8.5%
		Up to 1 hr 20 mins	3.90	4.25	0.35	9.0%
		Up to 1 hr 40 mins	4.90	5.30	0.40	8.2%
		2 hours	5.90	6.40	0.50	8.5%
		Cornwallis Street, Devonshire Road, South Terrace				
		30mins	1.00	1.10	0.10	10.0%
		1hour	2.00	2.20	0.20	10.0%
		Up to 1 hr 30 mins	3.00	3.25	0.25	8.3%
		2 hours	4.00	4.35	0.35	8.7%
		Market Area				
		30mins	1.20	1.30	0.10	8.3%
		1hour	2.40	2.60	0.20	8.3%
		2 hours	4.80	5.20	0.40	8.3%
		Low tariff 4 hr max stay				
		20 mins	0.20	0.25	0.05	25.0%
		40 mins	0.40	0.45	0.05	12.5%
		1 hour	0.60	0.65	0.05	8.3%

Dept	Servic	Description	Current (£)	Proposed (£)	Movt (£)	Movt (%)
		1 hr 20 mins	0.80	0.90	0.10	12.5%
		1 hr 40 mins	1.00	1.10	0.10	10.0%
		2 hours	1.20	1.30	0.10	8.3%
		2 hrs 20 mins	1.40	1.55	0.15	10.7%
		2 hrs 40 mins	1.60	1.75	0.15	9.4%
		3 hours	1.80	1.95	0.15	8.3%
		3 hrs 20 mins	2.00	2.20	0.20	10.0%
		3 hrs 40 mins	2.20	2.40	0.20	9.1%
		4 hours	2.40	2.60	0.20	8.3%
		Cambridge Gardens, Cornwallis Gardens, Cornwallis Terrace, Eversfield Place				
		30mins	1.00	1.10	0.10	10.0%
		1hour	2.00	2.20	0.20	10.0%
		1 hr 30 mins	3.00	3.25	0.25	8.3%
		2 hours	4.00	4.35	0.35	8.7%
		2 hrs 30 mins	5.00	5.40	0.40	8.0%
		3 hours	6.00	6.50	0.50	8.3%
		3 hrs 30 mins	7.00	7.60	0.60	8.6%
		4 hours	8.00	8.65	0.65	8.1%
		Castle Hill Road, Priory Road 4 hr max stay & Wellington Road				
		30 mins	0.60	0.65	0.05	8.3%
		1 hour	1.20	1.30	0.10	8.3%
		1 hr 30 mins	1.80	1.95	0.15	8.3%
		2 hours	2.40	2.60	0.20	8.3%
		2 hrs 30 mins	3.00	3.25	0.25	8.3%
		3 hours	3.60	3.90	0.30	8.3%
		3 hrs 30 mins	4.20	4.55	0.35	8.3%
		4 hours	4.80	5.20	0.40	8.3%
		Coaches only				
		1 hour	1.95	2.15	0.20	10.3%
		2 hours	3.90	4.25	0.35	9.0%
		3 hours	5.85	6.35	0.50	8.5%
		4 hours	7.80	8.45	0.65	8.3%
		5 hours	9.75	10.55	0.80	8.2%
		6 hours	11.70	12.65	0.95	8.1%
		7 hours	13.65	14.75	1.10	8.1%
		8 hours	15.60	16.85	1.25	8.0%
		9 hours	17.55	19.00	1.45	8.3%
		10 hours	19.50	21.10	1.60	8.2%
		Station Approach (St Leonards)				
		1hour	0.20	0.25	0.05	25.0%
		2 hours	0.40	0.45	0.05	12.5%

Dept	Service	Description	Current (£)	Proposed (£)	Movt (£)	Movt (%)
		9 hours	3.90	4.25	0.35	9.0%
		Rock A Nore Road				
		30mins	1.00	1.10	0.10	10.0%
		Eastbourne - Permits				
		Resident Permit - 1st				
		Standard -More than 185g/km of CO2 - 12 months	95.00	103.00	8.00	8.4%
		Standard -More than 185g/km of CO2 - 6 months	47.50	51.50	4.00	8.4%
		Standard -More than 185g/km of CO2 - 3 months	23.75	25.75	2.00	8.4%
		Discount -185g/km or less of CO2 - 12 months	85.00	92.00	7.00	8.2%
		Discount -185g/km or less of CO2 - 6 months	42.50	46.00	3.50	8.2%
		Discount -185g/km or less of CO2 - 3 months	21.25	23.00	1.75	8.2%
		Discount 2 -150g/km or less of CO2- 12 months	75.00	81.00	6.00	8.0%
		Discount 2 -150g/km or less of CO2- 6 months	37.50	40.50	3.00	8.0%
		Discount 2 -150g/km or less of CO2- 3 months	18.75	20.25	1.50	8.0%
		Discount 3 -120g/km or less of CO2 - 12 months	55.00	60.00	5.00	9.1%
		Discount 3 -120g/km or less of CO2 - 6 months	27.50	30.00	2.50	9.1%
		Discount 3 -120g/km or less of CO2 - 3 months	13.75	15.00	1.25	9.1%
		Discount 4 -100g/km or less of CO2 -12 months	15.00	17.00	2.00	13.3%
		Disabled resident	6.50	7.00	0.50	7.7%
		Resident Permit - 2nd				
		Standard -More than 185g/km of CO2 - 12 months	130.00	140.00	10.00	7.7%
		Standard -More than 185g/km of CO2 - 6 months	65.00	70.00	5.00	7.7%
		Standard -More than 185g/km of CO2 - 3 months	32.50	35.00	2.50	7.7%
		Discount -185g/km or less of CO2 - 12 months	120.00	130.00	10.00	8.3%
		Discount -185g/km or less of CO2 - 6 months	60.00	65.00	5.00	8.3%
		Discount -185g/km or less of CO2 - 3 months	30.00	32.50	2.50	8.3%
		Discount 2 -150g/km or less of CO2- 12 months	110.00	120.00	10.00	9.1%
		Discount 2 -150g/km or less of CO2- 6 months	55.00	60.00	5.00	9.1%
		Discount 2 -150g/km or less of CO2- 3 months	27.50	30.00	2.50	9.1%
		Discount 3 -120g/km or less of CO2 - 12 months	90.00	97.00	7.00	7.8%
		Discount 3 -120g/km or less of CO2 - 6 months	45.00	48.50	3.50	7.8%
		Discount 3 -120g/km or less of CO2 - 3 months	22.50	24.25	1.75	7.8%
		Discount 4 -100g/km or less of CO2 -12 months	50.00	54.00	4.00	8.0%
		Business (all zones)				
		Petrol or diesel - 12 months	546.00	590.00	44.00	8.1%
		Petrol or diesel - 6 months	273.00	295.00	22.00	8.1%
		Petrol or diesel - 3 months	136.50	147.50	11.00	8.1%
		Electric or LPG-12 months	130.00	140.00	10.00	7.7%
		Electric or LPG -6 months	65.00	70.00	5.00	7.7%
		Electric or LPG -3 months	32.50	35.00	2.50	7.7%
		Business (single zone)				
		Petrol or diesel - 12 months	286.00	309.00	23.00	8.0%

Dept	Service	Description	Current (£)	Proposed (£)	Movt (£)	Movt (%)
		Petrol or diesel - 6 months	143.00	154.50	11.50	8.0%
		Petrol or diesel - 3 months	71.50	77.25	5.75	8.0%
		Electric or LPG-12 months	143.00	154.00	11.00	7.7%
		Electric or LPG -6 months	65.00	70.00	5.00	7.7%
		Electric or LPG -3 months	32.50	35.00	2.50	7.7%
		Doctor permits	78.00	84.00	6.00	7.7%
		Day permits				
		Resident Visitor	1.20	1.30	0.10	8.3%
		Resident Visitor concession	0.60	0.65	0.05	8.3%
		Health care worker / carer permits	1.20	1.30	0.10	8.3%
		Trade permits	4.50	4.90	0.40	8.9%
		Hotel guest permits	2.00	2.20	0.20	10.0%
		Eastbourne- On Street				
		2hr Max Stay (central)				
		15 mins	0.40	0.45	0.05	12.5%
		30 mins	1.95	2.15	0.20	10.3%
		1hour	3.90	4.25	0.35	9.0%
		2 hours	5.85	6.35	0.50	8.5%
		2hr Max Stay				
		15 mins	0.40	0.45	0.05	12.5%
		30 mins	1.00	1.10	0.10	10.0%
		1hour	1.95	2.15	0.20	10.3%
		2 hours	3.90	4.25	0.35	9.0%
		4hr Max Stay				
		15 mins	0.40	0.45	0.05	12.5%
		30 mins	1.00	1.10	0.10	10.0%
		1hour	1.95	2.15	0.20	10.3%
		2 hours	3.90	4.25	0.35	9.0%
		4 hours	5.85	6.35	0.50	8.5%
		Hardwick Road				
		15 mins	0.40	0.45	0.05	12.5%
		30 mins	0.80	0.90	0.10	12.5%
		1 hour	1.60	1.75	0.15	9.4%
		2 hours	2.95	3.20	0.25	8.5%
		4 hours	4.90	5.30	0.40	8.2%
		6 hours	5.85	6.35	0.50	8.5%
		All day	7.80	8.45	0.65	8.3%
		Seafront (Summer)				
		15 mins	0.40	0.45	0.05	12.5%
		30 mins	0.80	0.90	0.10	12.5%
		1hour	1.60	1.75	0.15	9.4%
		2 hours	2.95	3.20	0.25	8.5%

Dept	Service	Description	Current (£)	Proposed (£)	Movt (£)	Movt (%)
		4 hours	4.90	5.30	0.40	8.2%
		6 hours	5.85	6.35	0.50	8.5%
		All day	7.80	8.45	0.65	8.3%
		Seafront (Winter)				
		15 mins	0.40	0.45	0.05	12.5%
		30 mins	0.40	0.45	0.05	12.5%
		1hour	0.40	0.45	0.05	12.5%
		2 hours	0.80	0.90	0.10	12.5%
		4 hours	2.35	2.55	0.20	8.5%
		6 hours	2.95	3.20	0.25	8.5%
		All day	7.80	8.45	0.65	8.3%
		Coach Bay				
		15 mins	3.90	4.25	0.35	9.0%
		30 mins	3.90	4.25	0.35	9.0%
		1hour	3.90	4.25	0.35	9.0%
		2 hours	7.80	8.45	0.65	8.3%
		4 hours	7.80	8.45	0.65	8.3%
		Lewes - Permits				
		Resident Permit - 1st				
		Standard -More than 185g/km of CO2 - 12 months	95.00	103.00	8.00	8.4%
		Standard -More than 185g/km of CO2 - 6 months	47.50	51.50	4.00	8.4%
		Standard -More than 185g/km of CO2 - 3 months	23.75	25.75	2.00	8.4%
		Discount -185g/km or less of CO2 - 12 months	85.00	92.00	7.00	8.2%
		Discount -185g/km or less of CO2 - 6 months	42.50	46.00	3.50	8.2%
		Discount -185g/km or less of CO2 - 3 months	21.25	23.00	1.75	8.2%
		Discount 2 -150g/km or less of CO2- 12 months	75.00	81.00	6.00	8.0%
		Discount 2 -150g/km or less of CO2- 6 months	37.50	40.50	3.00	8.0%
		Discount 2 -150g/km or less of CO2- 3 months	18.75	20.25	1.50	8.0%
		Discount 3 -120g/km or less of CO2 - 12 months	55.00	60.00	5.00	9.1%
		Discount 3 -120g/km or less of CO2 - 6 months	27.50	30.00	2.50	9.1%
		Discount 3 -120g/km or less of CO2 - 3 months	13.75	15.00	1.25	9.1%
		Discount 4 -100g/km or less of CO2 -12 months	15.00	17.00	2.00	13.3%
		Resident Permit - 2nd				
		Standard -More than 185g/km of CO2 - 12 months	130.00	140.00	10.00	7.7%
		Standard -More than 185g/km of CO2 - 6 months	65.00	70.00	5.00	7.7%
		Standard -More than 185g/km of CO2 - 3 months	32.50	35.00	2.50	7.7%
		Discount -185g/km or less of CO2 - 12 months	120.00	130.00	10.00	8.3%
		Discount -185g/km or less of CO2 - 6 months	60.00	65.00	5.00	8.3%
		Discount -185g/km or less of CO2 - 3 months	30.00	32.50	2.50	8.3%
		Discount 2 -150g/km or less of CO2- 12 months	110.00	120.00	10.00	9.1%
		Discount 2 -150g/km or less of CO2- 6 months	55.00	60.00	5.00	9.1%
		Discount 2 -150g/km or less of CO2- 3 months	27.50	30.00	2.50	9.1%

Dept	Service	Description	Current (£)	Proposed (£)	Movt (£)	Movt (%)
		Discount 3 -120g/km or less of CO2 - 12 months	90.00	97.00	7.00	7.8%
		Discount 3 -120g/km or less of CO2 - 6 months	45.00	48.50	3.50	7.8%
		Discount 3 -120g/km or less of CO2 - 3 months	22.50	24.25	1.75	7.8%
		Discount 4 -100g/km or less of CO2 -12 months	50.00	54.00	4.00	8.0%
		Business (all zones)				
		Standard -More than 185g/km of CO2 - 12 months	1,000.00	1,080.00	80.00	8.0%
		Standard -More than 185g/km of CO2 - 6 months	550.00	595.00	45.00	8.2%
		Standard -More than 185g/km of CO2 - 3 months	300.00	325.00	25.00	8.3%
		Discount -185g/km or less of CO2 - 12 months	900.00	972.00	72.00	8.0%
		Discount -185g/km or less of CO2 - 6 months	500.00	540.00	40.00	8.0%
		Discount -185g/km or less of CO2 - 3 months	275.00	297.00	22.00	8.0%
		Discount 2 -150g/km or less of CO2- 12 months	800.00	864.00	64.00	8.0%
		Discount 2 -150g/km or less of CO2- 6 months	450.00	486.00	36.00	8.0%
		Discount 2 -150g/km or less of CO2- 3 months	250.00	270.00	20.00	8.0%
		Discount 3 -120g/km or less of CO2 - 12 months	600.00	648.00	48.00	8.0%
		Discount 3 -120g/km or less of CO2 - 6 months	350.00	378.00	28.00	8.0%
		Discount 3 -120g/km or less of CO2 - 3 months	200.00	216.00	16.00	8.0%
		Discount 4 -100g/km or less of CO2 -12 months	200.00	216.00	16.00	8.0%
		Falmer - Permits				
		Resident Permit - 1st				
		Petrol or Diesel - 12 months	50.00	54.00	4.00	8.0%
		Petrol or Diesel - 6 months	25.00	27.00	2.00	8.0%
		Petrol or Diesel - 3 months	12.50	13.50	1.00	8.0%
		LPG or compressed gas - 12 months	37.00	40.00	3.00	8.1%
		LPG or compressed gas - 6 months	18.50	20.00	1.50	8.1%
		LPG or compressed gas - 3 months	9.25	10.00	0.75	8.1%
		Electric vehicle- 12 months	25.00	27.00	2.00	8.0%
		Electric vehicle- 6 months	12.50	13.50	1.00	8.0%
		Electric vehicle- 3 months	6.25	6.75	0.50	8.0%
		Resident Permit - 2nd				
		Petrol or Diesel - 12 months	75.00	81.00	6.00	8.0%
		Petrol or Diesel - 6 months	37.50	40.50	3.00	8.0%
		Petrol or Diesel - 3 months	18.75	20.25	1.50	8.0%
		LPG or compressed gas - 12 months	62.00	67.00	5.00	8.1%
		LPG or compressed gas - 6 months	31.00	33.50	2.50	8.1%
		LPG or compressed gas - 3 months	15.50	16.75	1.25	8.1%
		Electric vehicle- 12 months	50.00	54.00	4.00	8.0%
		Electric vehicle- 6 months	25.00	27.00	2.00	8.0%
		Electric vehicle- 3 months	12.50	13.50	1.00	8.0%
		Lewes & Falmer Day permits				
		Resident Visitor	1.20	1.30	0.10	8.3%
		Resident visitor concession	0.60	0.65	0.05	8.3%

Dept	Service	Description	Current (£)	Proposed (£)	Movt (£)	Movt (%)
		Health care worker / carer permits	1.20	1.30	0.10	8.3%
		Trade permits	4.50	4.90	0.40	8.9%
		Hotel guest permits	2.00	2.20	0.20	10.0%
		Lewes - On Street				
		High Street				
		15 mins	1.00	1.10	0.10	10.0%
		30 mins	1.95	2.15	0.20	10.3%
		1hour	3.90	4.25	0.35	9.0%
		2 hours	7.80	8.45	0.65	8.3%
		Intermediate				
		30 mins	0.60	0.65	0.05	8.3%
		1hour	1.20	1.30	0.10	8.3%
		2 hours	2.40	2.60	0.20	8.3%
		3 hours	3.60	3.90	0.30	8.3%
		4 hours	4.80	5.20	0.40	8.3%
		5 hours	6.00	6.50	0.50	8.3%
		6 hours	7.20	7.80	0.60	8.3%
		7 hours	8.40	9.10	0.70	8.3%
		8 hours	9.60	10.40	0.80	8.3%
		9 hours	10.80	11.70	0.90	8.3%
		10 hours	12.00	13.00	1.00	8.3%
		Outer				
		1hour	0.60	0.65	0.05	8.3%
		2 hours	1.20	1.30	0.10	8.3%
		3 hours	2.40	2.60	0.20	8.3%
		4 to 10 hours	3.00	3.25	0.25	8.3%

4th December 2023

Sent by email
Secretary of State for Levelling Up, Housing & Communities, Rt.Hon. Michael Gove MP
CC. Chancellor of the Exchequer, Rt.Hon. Jeremy Hunt MP

Dear Secretary of State for Levelling Up, Housing & Communities

Autumn Statement and Implications for County & Unitary Authorities

As Leaders of England's largest county and unitary authorities, we write collectively to you in response to the announcements made in the Autumn Statement.

Firstly, we want to start by welcoming the announcements on devolution. The County Councils Network (CCN) has worked hard with your officials over many months to secure these announcements. We look forward to powers and funding being devolved to many of our members and, in doing so, ensuring those areas that want a devolution deal secure this as soon as possible.

However, while these are welcome steps on devolution, the statement didn't address the severe and mounting financial pressures facing well run, county and unitary authorities. In the lead up to the Autumn Statement, CCN provided detailed evidence on the dire financial situation facing our councils, and indeed could not have been clearer on the consequences of not responding on our warnings.

As result of inflation permanently scarring our budgets and escalating demand for services, our councils face overspending their budgets by a collective £639m. This is contributing to a £4bn deficit over the next three years. Faced this with this financial outlook, some 1 in 10 of our councils were unsure or not confident they can balance their budget this year, growing to 4 in 10 next year, and 6 in 10 by 2026.

We understand that the public finances are tight, but the government had some fiscal headroom in the Autumn Statement to help ease these pressures outside of our control. However, no direct additional funding was provided to local government, and increases to the national living wage have added hundreds of millions of additional, unplanned, costs to our budgets. Moreover, in the lead up to the Statement, CCN put forward practical suggestions for reform in both children's services and home to school transport to reduce short and long-term costs, which unfortunately have not yet been acted upon.

The results of CCN's post-Autumn Statement budget survey[1] therefore show that our councils' financial position is significantly worse than before the Statement**.** The majority of CCN councils have no choice but to increase their planned level of service reductions, reduce investment on growth-creating capital projects, and levy higher council tax rises. For an increasing number, even this action will not be enough to balance the books, with CCN's survey now showing that seven in ten of our councils are now unsure or not confident they can deliver a balanced budget next year.

[1] https://www.countycouncilsnetwork.org.uk/councils-in-significantly-worse-financial-position-after-the-autumn-statement-with-seven-in-ten-now-unsure-if-they-can-balance-their-budget-next-year/

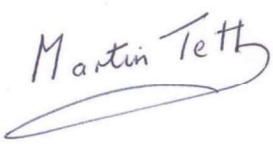
Local government is a vital part of the fabric of this country but every reduction in service erodes the role councils play in society and makes it harder to provide the important services businesses and communities rely on: from protecting the most vulnerable, regenerating their areas, to even the simple things such as keeping our streets clean.

There is still an opportunity to rectify the situation at this month's local government financial settlement. We therefore collectively urge you to make the strongest case possible to the Treasury for additional funding focused on children's social care and home to school transport. This should be coupled with CCN's reform proposals, which could help ease the burden on government finances and reduce long-term costs for councils.

Failure to provide additional funding would mean England's largest councils would face the prospect of outlining painful reductions to frontline services, raising council tax to the maximum permitted, and using reserves at unsustainable levels to balance budgets. This is a situation we would all want to avoid in a General Election year.

Your sincerely,

Cllr Martin Tett
Leader, Buckinghamshire Council



Cllr Lucy Nethsingha
Leader, Cambridgeshire County Council



Cllr Adam Zerny
Leader, Central Bedfordshire Council



Cllr Sam Corcoran
Leader, Cheshire East Council



Cllr Linda Taylor
Leader, Cornwall Council



Cllr Mark Fryer
Leader, Cumberland Council



Cllr Barry Lewis
Leader, Derbyshire County Council



Cllr Spencer Flower
Leader, Dorset Council



Cllr Amanda Hopgood
Leader, Durham County Council



County Councils Network
CCN, 18 Smith Square, Westminster, London, SW1P 3HZ
Tel: 020 7664 3002

Cllr Anne Handley
Leader, East Riding Council



Cllr Keith Glazier
Leader, East Sussex County Council



Cllr Kevin Bentley
Leader, Essex County Council



Cllr Mark Hawthorne
Leader, Gloucestershire County Council



Cllr Rob Humby
Leader, Hampshire County Council



Cllr Richard Roberts
Leader, Hertfordshire County Council



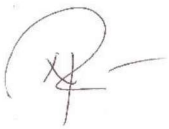
Cllr Jonathan Lester
Leader, Herefordshire Council



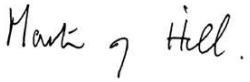
Cllr Roger Gough
Leader, Kent County Council



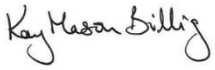
Cllr Nick Rushton
Leader, Leicestershire County Council



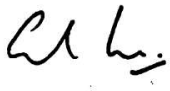
Cllr Martin Hill
Leader, Lincolnshire County Council



Cllr Kay Mason Billing
Leader, Norfolk County Council



Cllr Carl Les
Leader, North Yorkshire Council



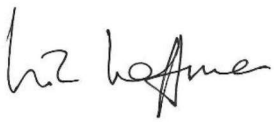
Cllr Glen Sanderson
Leader, Northumberland County Council



Cllr Ben Bradley MP
Leader, Nottinghamshire County Council



Cllr Liz Leffman
Leader, Oxfordshire County Council



Cllr Lezley Picton
Leader, Shropshire Council



Cllr Bill Revans
Leader, Somerset Council



Cllr Alan White
Leader, Staffordshire County Council



County Councils Network
CCN, 18 Smith Square, Westminster, London, SW1P 3HZ
Tel: 020 7664 3002

Cllr Matthew Hicks
Leader, Suffolk County Council



Cllr Tim Oliver
Leader, Surrey County Council



Cllr Izzi Seccombe
Leader, Warwickshire County Council



Cllr Jonathan Nunn
Leader, West Northamptonshire Council



Cllr Paul Marshall
Leader, West Sussex County Council



Cllr Simon Geraghty
Leader, Worcestershire County Council

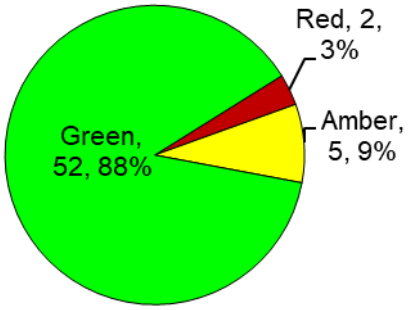
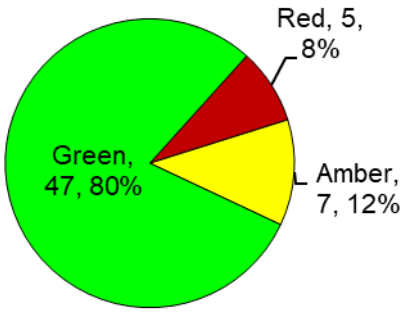


County Councils Network
CCN, 18 Smith Square, Westminster, London, SW1P 3HZ
Tel: 020 7664 3002

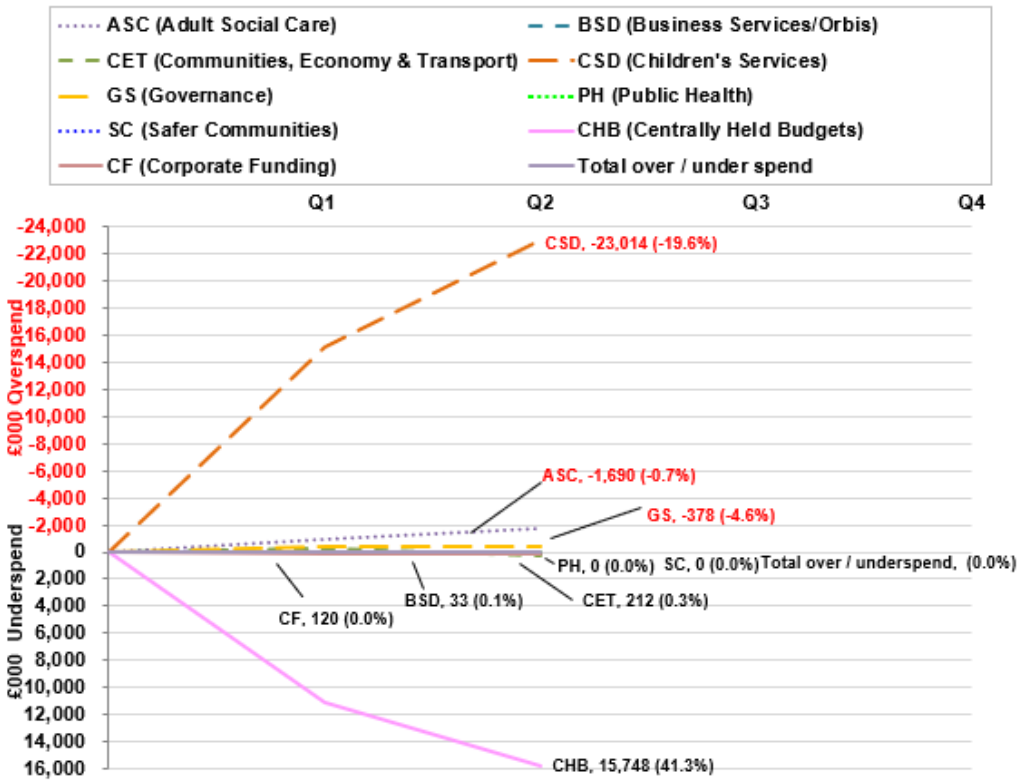
Council Monitoring Corporate Summary – Q2 2023/24

Council Plan performance targets

Priority	Red	Amber	Green
Driving sustainable economic growth	1	3	21
Keeping vulnerable people safe	2	0	10
Helping people help themselves	1	3	11
Making best use of resources now and for the future	1	1	5
Total	**5**	**7**	**47**

Performance overview Q1 2023/24	Performance overview Q2 2023/24	Measures off target by department
		There are 59 measures in the Council Plan. In Q2, 4 departments had measures that were off target. ASCH – 1 Red measure, 3 Amber measures BSD – 1 Red measure, 1 Amber measure CET – 1 Red measure CSD – 2 Red measures, 3 Amber measures

Revenue budget outturn (net £000)



Revenue budget summary (£000) 2023/24

Services:

Divisions	Planned Gross	Planned Income	Planned Net	Projected Gross	Projected Income	Projected Net	(Over)/ under spend Gross	(Over)/ under spend Income	(Over)/ under spend Net
Adult Social Care	338,484	(105,448)	233,036	371,757	(137,031)	234,726	(33,273)	31,583	(1,690)
Safer Communities	2,030	(909)	1,121	2,236	(1,115)	1,121	(206)	206	-
Public Health	33,777	(33,777)	-	32,950	(32,950)	-	827	(827)	-
Business Services / Orbis	54,595	(26,729)	27,866	55,903	(28,070)	27,833	(1,308)	1,341	33
Children's Services	401,587	(284,187)	117,400	429,376	(288,962)	140,414	(27,789)	4,775	(23,014)
Communities, Economy & Transport	160,804	(88,403)	72,401	162,280	(90,091)	72,189	(1,476)	1,688	212
Governance Services	8,911	(738)	8,173	9,308	(757)	8,551	(397)	19	(378)
Total Services	**1,000,188**	**(540,191)**	**459,997**	**1,063,810**	**(578,976)**	**484,834**	**(63,622)**	**38,785**	**(24,837)**

Centrally Held Budgets (CHB):

Divisions	Planned Gross	Planned Income	Planned Net	Projected Gross	Projected Income	Projected Net	(Over)/ under spend Gross	(Over)/ under spend Income	(Over)/ under spend Net
Treasury Management	21,630	(7,700)	13,930	19,031	(12,230)	6,801	2,599	4,530	7,129
Capital Programme	-	-	-	-	-	-	-	-	-
Unfunded Pensions	5,202	-	5,202	4,653	-	4,653	549	-	549
General Contingency	4,880	-	4,880	-	-	-	4,880	-	4,880
Provision for Budgetary Risks	4,272	-	4,272	740	-	740	3,532	-	3,532
Apprenticeship Levy	772	-	772	741	-	741	31	-	31
Levies, Grants & Other	14,845	(5,779)	9,066	14,700	(5,917)	8,783	145	138	283
Debt Impairment	-	-	-	656	-	656	(656)	-	(656)
Total Centrally Held Budgets	**51,601**	**(13,479)**	**38,122**	**40,521**	**(18,147)**	**22,374**	**11,080**	**4,668**	**15,748**

Corporate Funding:

Divisions	Planned Gross	Planned Income	Planned Net	Projected Gross	Projected Income	Projected Net	(Over)/ under spend Gross	(Over)/ under spend Income	(Over)/ under spend Net
Business Rates	-	(94,336)	(94,336)	-	(94,336)	(94,336)	-	-	-
Revenue Support Grant	-	(4,076)	(4,076)	-	(4,076)	(4,076)	-	-	-
Service Grant	-	(2,916)	(2,916)	-	(3,036)	(3,036)	-	120	120
Council Tax	-	(351,828)	(351,828)	-	(351,828)	(351,828)	-	-	-
Social Care Grant	-	(44,612)	(44,612)	-	(44,612)	(44,612)	-	-	-
New Homes Bonus	-	(351)	(351)	-	(351)	(351)	-	-	-
Total Corporate Funding	**-**	**(498,119)**	**(498,119)**	**-**	**(498,239)**	**(498,239)**	**-**	**120**	**120**

Divisions	Planned Gross	Planned Income	Planned Net	Projected Gross	Projected Income	Projected Net	(Over)/ under spend Gross	(Over)/ under spend Income	(Over)/ under spend Net
TOTAL	**1,051,789**	**(1,051,789)**	**0**	**1,104,331**	**(1,095,362)**	**8,969**	**(52,542)**	**43,573**	**(8,969)**
Use of Covid funding	-	-	-	-	(5,666)	(5,666)	-	5,666	5,666
Use of COMF	-	-	-	-	(1,596)	(1,596)	-	1,596	1,596
Use of Financial Management Reserve	-	-	-	-	(1,707)	(1,707)	-	1,707	1,707
FINAL TOTAL	**1,051,789**	**(1,051,789)**	**0**	**1,104,331**	**(1,104,331)**	**0**	**(52,542)**	**52,542**	**0**

Revenue Savings Summary 2023/24 (£'000)

Service description	Original Target for 2023/24	Target including items c/f from previous year(s)	Achieved in-year	Will be achieved, but in future years	Cannot be achieved
ASC	-	-	-	-	-
BSD / Orbis	869	869	659	210	-
CS	-	-	-	-	-
CET	105	910	105	745	60
GS	-	-	-	-	-
Total Savings	**974**	**1,779**	**764**	**955**	**60**
ASC			-	-	-
BSD / Orbis			-	-	-
CS			-	-	-
CET			-	-	-
GS			-	-	-
Subtotal Permanent Changes [1]			**0**	**0**	**0**
Total Savings & Permanent Changes	**974**	**1,779**	**764**	**955**	**60**

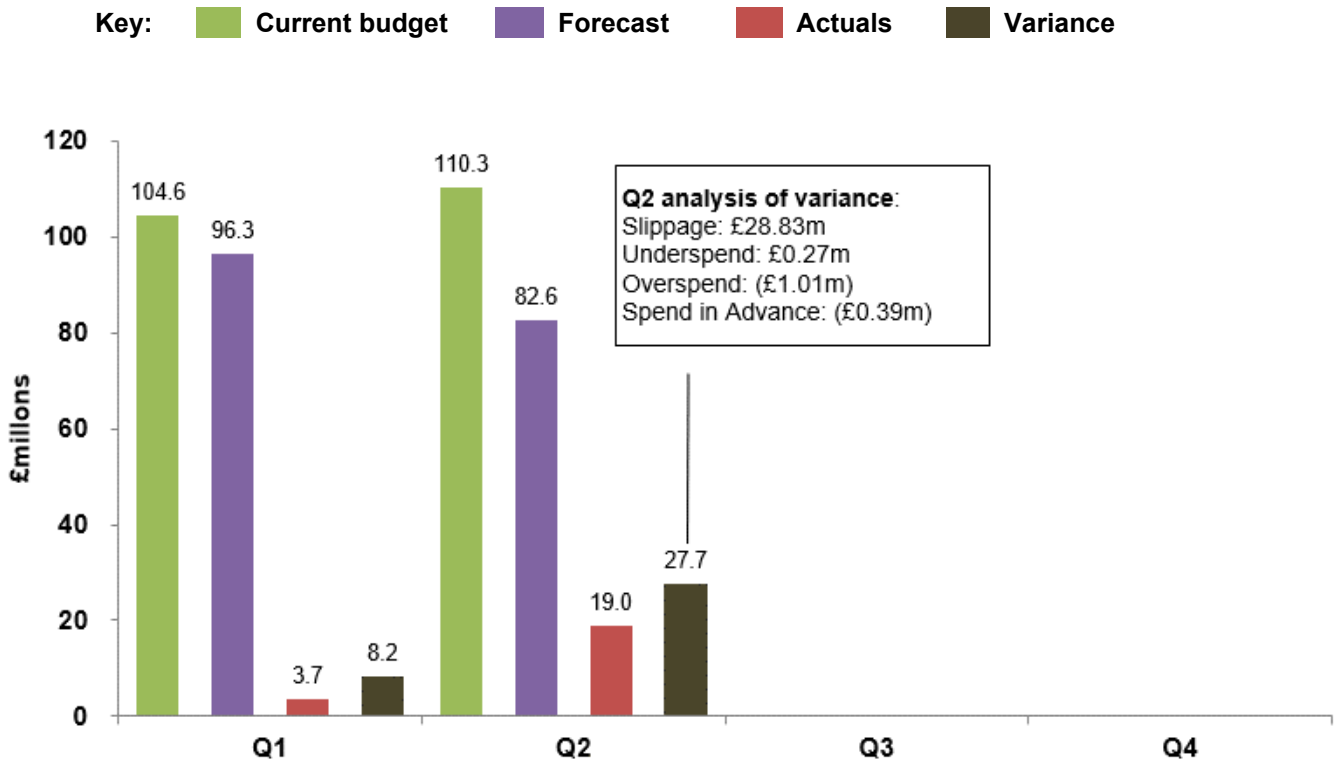
Memo: treatment of savings not achieved in the year (£'000)	Temporary Funding [2]	Part of reported variance [3]	Total
ASC	-	-	**0**
BSD / Orbis	210	-	**210**
CS	-	-	**0**
CET	745	60	**805**
GS	-	-	**0**
Total	**955**	**60**	**1,015**

[1] Where agreed savings are reasonably unable to be achieved other permanent savings are required to be identified and approved via quarterly monitoring.

[2] Temporary funding will only replace a slipped or unachieved saving for one year. The saving will still need to be made in future years (or be replaced with something else).

[3] The slipped or unachieved saving will form part of the department's overall variance. It will either increase an overspend or decrease an underspend. The saving will still need to be made in future years (or be replaced with something else).

Capital Programme (gross £ millions) – approved projects



Capital Programme Summary 2023/24 (£'000)

	Budget Q2	Actual to date Q2	Projected 2023/24	Variation (Over) / under Q2 budget	Variation analysis: (Over) / under spend	Variation analysis: Slippage to future year	Variation analysis: Spend in advance
Adult Social Care	2,367	257	1,259	1,108	-	1,108	-
Business Services	30,175	7,541	21,380	8,795	269	8,773	(247)
Children's Services	1,215	336	1,447	(232)	(232)	-	-
Communities, Economy & Transport	76,505	10,915	58,484	18,021	(781)	18,949	(147)
Gross Expenditure (Planned Programme)	**110,262**	**19,049**	**82,570**	**27,692**	**(744)**	**28,830**	**(394)**
Section 106 and CIL	2,548	-	-	-	-	-	-
Other Specific Funding	16,257	-	-	-	-	-	-
Capital Receipts	817	-	-	-	-	-	-
Formula Grants	31,966	-	-	-	-	-	-
Reserves and Revenue Set Aside	20,369	-	-	-	-	-	-
Borrowing	38,305	-	-	-	-	-	-
Total Funding	**110,262**	-	-	-	-	-	-

Treasury Management

The Treasury Management Strategy (TMS), which provides the framework for managing the Council's cash balances and borrowing requirement, continues to reflect a policy of ensuring minimum risk, whilst aiming to deliver secure realistic investment income on the Council's cash balances.

The average level of Council funds available for investment purposes during Q2 was £293.169m. The total amount received in short term interest for Q2 was £3.540m at an average rate of 4.79%, compared to £3.058m at an average rate of 4.19% for Q1 2023/24. The anticipated average investment return for the year is currently 5.37%, from the 4.45% assumed at budget setting, based on the latest forecasts from our external treasury management advisors.

The Bank of England Base Rate was increased once in Q2 on the 3 August 2023 to 5.25%. The investment return outlook has improved however, the potential for increased interest rates into the future has reduced. 5.25% is expected to be the peak and the latest forecasts suggest marginal decreases in the bank rate from September 2024. Where possible a number of fixed term deposits with banks were placed for periods up to 1 year in Q2 at improved rates. These investments have been 'laddered' and will mature at different intervals in the next 12 months. This will take advantage of securing investment returns in future quarters.

In seeking investment opportunities, as defined by the TMS, opportunities have been taken to reinvest in maturing bank deposits that aligns to the United Nations' Sustainable Development Goals (SDGs). In Q2, a total of £18m was reinvested for a duration of six months, maintaining the £30m placed for investment in SDG deposits. We will look to place deals maturing with other local authorities in Q3 if the rates are favourable compared to traditional bank deposits.

No short-term borrowing was required in Q2. The majority of the Council's external debt, totalling £216.6m at Q2, is held as long-term loans. No long-term borrowing was undertaken in Q2, and no further cost-effective opportunities have arisen during Q2 to restructure the existing Public Works Loan Board (PWLB) or wider debt portfolio.

The Treasury Management budget is currently forecasting to underspend by £7.1m. This is based on the position outlined above with regard to balances held and investment returns and slippage on the capital programme reducing the need to borrow externally in 2023/24.

The performance of the Council's treasury management activity, against benchmarks and the key indicators set in the Treasury Management Strategy, as approved by Full Council on 7 February 2023, are set out at Appendix 2.

Reserves and Balances 2023/24 (£000)

Reserve / Balance	Balance at 1 Apr 2023	Forecast net use at Q1	Forecast net use at Q2	Movement	Estimated balance at 31 Mar 2024
Statutorily ringfenced or held on behalf of others:					
Balances held by schools	20,082	-	-	-	20,082
Public Health	7,812	(1,704)	(1,704)	-	6,108
Other	6,983	(821)	(882)	(61)	6,101
Subtotal	**34,877**	**(2,525)**	**(2,586)**	**(61)**	**32,291**
Service Reserves:					
Corporate Waste	19,883	(470)	(470)	-	19,413
Capital Programme	13,425	(4,062)	(4,062)	-	9,363
Insurance	7,363	133	133	-	7,496
Adult Social Care	3,099	-	-	-	3,099
Subtotal	**43,770**	**(4,399)**	**(4,399)**	**-**	**39,371**
Strategic Reserves:					
Priority / Transformation	17,398	(5,894)	(11,469)	(5,575)	5,929
Financial Management	41,880	(9,583)	(8,397)[1]	1,186	33,483
Subtotal	**59,278**	**(15,477)**	**(19,866)**	**(4,389)**	**39,412**
Total Reserves	**137,925**	**(22,401)**	**(26,851)**	**(4,450)**	**111,074**
General Fund	10,000	-	-	-	10,000
Total Reserves and Balances	**147,925**	**(22,401)**	**(26,851)**	**(4,450)**	**121,074**

[1] Currently excludes any transfers relating to Q2 variances

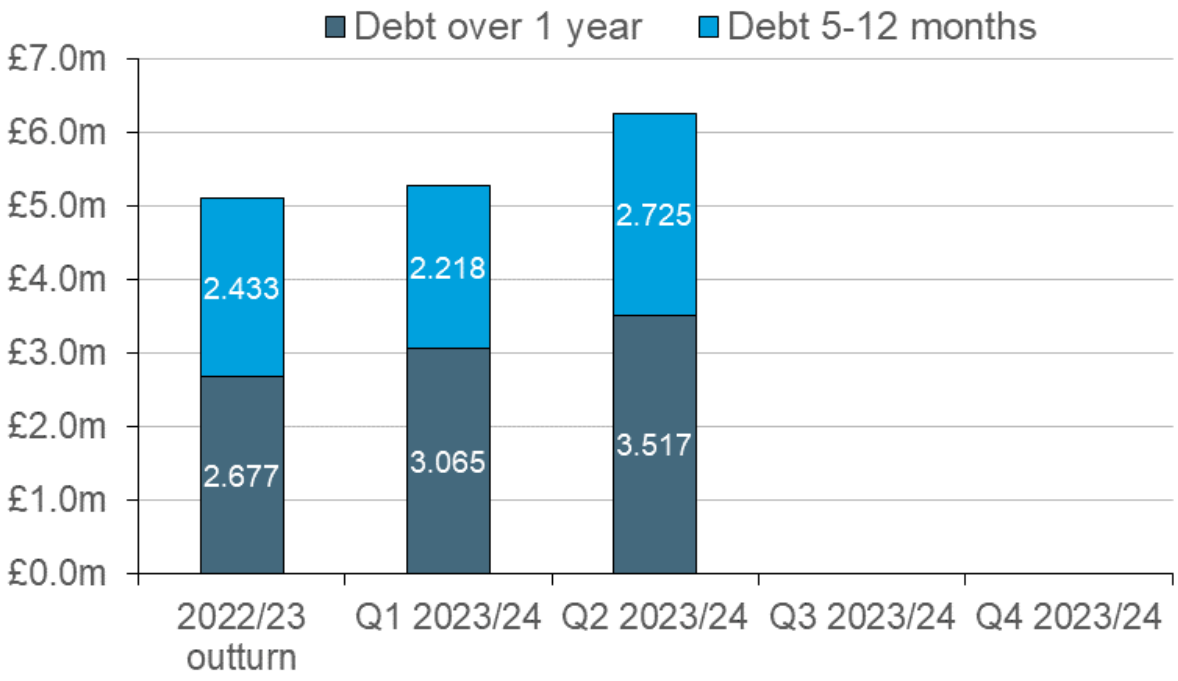
Changes to Fees & Charges

Bikeability provides cycle safety training. During the quarter there was an approved change to the fee structure to schools, resulting in an increase of over 4% for two courses:

Course	Current Price	Proposed Price	Equivalent proposed price per person (£) *	Equivalent movement per person (£)	Movement (%)
Bike balance	£7.50 per child	£100 per class of 10 (4x30min)	£10.00	£2.50	33.3%
Beginners Group (Learn to Ride)	£12 pp (1h)	£75 per class of 6 (1h)	£12.50	£0.50	4.2%

*This is the minimum charge per person; if the class is below the maximum people allowed then the charge per person increases.

Outstanding debt analysis (£ millions)



The value of debt aged over 5 months at Quarter 2 has increased by £1.132m to £6.242m, compared to the 2022/23 outturn position of £5.110m.

£5.836m (93.48%) relates to Adult Social Care (ASC), which has increased by £1.621m compared to the 2022/23 outturn position of £4.215m. £0.473m of this increase relates to income due from the NHS Integrated Care Board (ICB).

The debt over 5 months related to income due to other departments has decreased by £0.489m to £0.406m at Q2, compared with the 2022/23 outturn position of £0.895m.

Recovery of debt continues to be a high priority focus. A debt working group has been set up to review the overall debt position and identify any mitigating actions that can be taken forward. A monthly ASC debt panel is also being introduced that will review complex and ongoing cases and ensure the most appropriate steps are taken to recover debt.

This page is intentionally left blank

Treasury Management Prudential Indicators – Q2 2023/24

The Chartered Institute of Public Finance and Accountancy published the revised Treasury and Prudential codes in 2021, which now requires quarterly reporting of performance against forward looking prudential indicators. The performance of the Council's treasury management activity, against benchmarks and the key indicators in the Council's Treasury Management Strategy, as approved by Full Council at its meeting of 7 February 2023, are set out below.

Investments

The average investment return over Q2 was 4.82% under-performing the benchmark rate by 27 basis points (or 0.27 percentage points). This is typical in a rising interest rate environment as a result of the time lag between changes in base rate and investments maturing and being able to re-invest at more favourable rates.

Quarter	Average Investment Balance £m	Average Investment return	Average Benchmark Rate*	Difference
Q1	295.687	4.19%	4.34%	(0.15%)
Q2	293.169	4.82%	5.09%	(0.27%)

**the Benchmark rate used is the Standard Overnight Index Average (SONIA); a rate administered by the Bank of England based on actual transactions of overnight borrowing by financial institutions.*

The timing of Bank of England (BoE) bank interest rate movements in the quarters explains the widening gap between Q1 & Q2 average benchmark rate, SONIA and the average interest earned. The gap will reduce going forward as the base rate has not increased since August.

During Q2 we have monitored the security of the Council's investment, to asses the risk of those investments losing their value. These risks were assessed using the financial standing of the groups invested in, the length of each investment, and the historic default rates. Our investment strategy sets an allowable risk level of 0.050% (i.e. that there is a 99.95% probability that the Council will get its investments back). The actual indicator ranged between 0.003% and 0.008%, reflecting the high proportion of investments held in highly secure and/or very liquid investments.

Investment Risk benchmark	0.050%
Maximum investment risk experienced Q2	0.008%

Borrowing

The table below shows the Council's total external borrowing and average rate as at 30 September 2023:

	Balance as at 30 September 2023 £m	Average Rate
PWLB	210.142	4.53%
Market Loans	6.450	4.25%
Total borrowing	**216.592**	**4.52%**

The table below shows the Q2 forecast of the Capital Financing Requirement (CFR) compared to the estimate within the 2023/24 strategy approved in February 2023. The CFR is expected to give rise to new borrowing required of £68.334m by the end of the year, compared to the original estimate of £83.932m. The strategy currently forecasts that the level of reserves and balances in the medium term allows internal borrowing of up to £50.000m, and therefore it is currently expected that external borrowing of £18.334m may be required to support the capital programme.

Capital Financing Requirement (CFR) (Underlying Borrowing Need)	**Original Estimate 2023/24 £m**	**Revised forecast as at 30 September 2023 £m**
Opening CFR	274.367	272.225
Borrowing Need	34.904	20.105
Minimum Revenue Provision	(7.429)	(7.404)
Closing CFR	**301.842**	**284.926**
External Borrowing as at 30 September 2023		**216.592**
Forecast Underborrowing (if no action taken)		**68.334**

The table below shows that the Council is operating within the Operational Boundary and Authorised Borrowing Limits set within the Treasury Management strategy and has sufficient headroom to cover the borrowing need arising from the year's capital programme.

Borrowing Limits	**Operational Boundary £m**	**Authorised Borrowing Limit £m**
Limit set for 2023/24	376.000	396.000
Less: PFI & Leases	65.000	65.000
Limit for Underlying Borrowing	311.000	331.000
Actual External Borrowing at 30 September	216.592	216.592
Headroom*	94.408	114.408

**Authorised Borrowing headroom cannot be less than zero*

The maturity profile of the Authority's borrowing is within the limits set within the strategy.

Maturity Structure of borrowing	**Lower Limit set**	**Upper Limit set**	**Actual as at 30 September 2023**
Under 12 Months	0%	25%	2%
12 months to 2 years	0%	40%	2%
2 years to 5 years	0%	60%	7%
5 years to 10 years	0%	70%	16%
Over 10 years	0%	90%	72%

Adult Social Care and Health – Q2 2023/24
Summary of progress on Council Priorities, issues arising, and achievements

Adult Social Care (ASC)

Health and Social Care integration

Early progress has been made during Q2 to establish the proposed footprints model for the Integrated Community Teams (ICTs) across Sussex. ICTs are made up of professionals working together across different organisations with local communities, individuals, and their carers. During Q2, we have revisited and updated previously successful integrated approaches for engagement and the deployment of collective resources. We have designed five footprints for ICTs, reflecting borough and district boundaries. This model provides a starting place to help us to test the different functional elements of ICTs - population health and wellbeing improvements, reducing health inequalities, and delivering integrated care for those who need it. During Q2, preparations continued for the October relaunch of the East Sussex Community Oversight Board. This is the programme board for leading ICT implementation in East Sussex. Programme scoping has been taking place within the emerging Sussex-wide framework and principles for developing ICTs, and the shared approach to communications and engagement that will support this.

Adult Social Care Strategy

During Q2, we published What Matters To You, our Adult Social Care Strategy. This was produced over the course of a year after engagement with clients, carers and other stakeholders. It sets out what our residents who need care and support, their carers, and their families told us were important to them to live well. The strategy guides residents' understanding of what adult social care is, outlines our six key priorities, and explains how we will take those priorities forward in planning for the future of adult social care in East Sussex.

Adults are able to take control of the support they receive

The number of people in receipt of Direct Payments has increased from 1,520 as of 31 March 2023 to 1,565 as of 30 September 2023. However, the number of people receiving community based long term support in the same period has increased at a greater rate (4,792 to 5,057), resulting in a drop in the proportion of people receiving Direct Payments. Despite this drop, we are still performing well compared to national benchmarks (based on current national data, this performance would fall within the upper-middle quartile). It is important to note that this measure is a snapshot at the end of each reporting period so performance can fluctuate.

The Support With Confidence measure is not being reported against in Q2 **(ref iii)**, as we are not currently accepting new applications to the Support with Confidence Scheme, or progressing any applications or renewals, while we consider a report published by the National Direct Payment Forum. A public consultation on the future of the Support with Confidence scheme was launched on 27 September and will close on 5 December 2023.

Reabling people to maximise their level of independence

Reablement services are provided to help people to regain mobility and daily living skills, especially after a hospital stay. A range of measures are used to look at how effective reablement services are. These include:

- During Q2, 95.5% of people who received short-term services did not request any further support.
- During Q2, 72% of Reablement service users discharged from the Joint Community Rehabilitation Service did not require ongoing care.
- During Q1 (reported a quarter in arrears) 93.7% of older people discharged from hospital to reablement / rehabilitation services were at home 91 days after their discharge from hospital. Based on current national data, this performance would fall within the upper quartile.

Number of carers supported through short-term crisis intervention

During Q2, the number of carers supported through short term crisis intervention **(ref i)** fell to 59 (from 87 in Q1). However, this is due to a reduction in overall referrals for carer support. We are therefore working with the provider to continue to promote their service to other carer organisations, to raise their profile and increase referrals.

Third Sector support

We increased our collaborative working with VCSE partners during Q2 on financial inclusion issues, on supporting Community Networks, and on supporting volunteering. Also during the quarter, the Community Network programme held a series of Strategic and Local partner group workshops with VCSE and public sector colleagues, to identify potential areas of support that the programme could develop based on the needs of VCSE and public sector partners. We also launched the Tribe Project, which is an app and website to make it easier to volunteer across the county. We continue to work with VCSE and public sector colleagues to help them advertise opportunities to the platform, and to scope out the next phase of the project which will look at Social Prescribing.

Homes for Ukraine

As at 30 September 2023, 1,683 guests had arrived in East Sussex under the Homes for Ukraine scheme, sponsored and hosted by 766 sponsors. A significant number (477) have moved on from their hosts into private sector accommodation.

Safer Communities (Safer East Sussex Team (SEST), Substance Misuse and Recovery Services and Domestic Violence and Abuse, Sexual Violence and Abuse Services)

Modern Slavery and Human Trafficking (MSHT) and Exploitation

During Q2, the Safer East Sussex Team (SEST) have been working with partners to develop a profile of Modern Slavery in East Sussex, building on a recent University of Sussex research project. This involves working with partners, including Sussex Police and West Sussex County Council, to explore strategies and tools to improve future information sharing and reporting for early intervention and responses. Following this, the Sussex Police Exploitation team will be working with SEST to take forward options for better identification and recording of potential victims.

East Sussex Violence Reduction Partnership - Serious Violence Duty

During Q2, Sussex Police seconded a Partnership Data Lead into the Safer Communities Team, funded by the Home Office Serious Violence Duty Implementation Grant. This is a new and unique role which incorporates analysis, insights and community consultation to produce holistic profiles and develop local action plans of areas where communities are most affected by serious crime. The locations selected are based on the East Sussex Serious Violence Joint Strategic Needs Assessment and are: i) Devonshire (Eastbourne); ii) Baird (Bromsgrove); iii) Newhaven South (Valley); iv) Bexhill Sidley; and v) Hailsham.

Safer Streets Devonshire Project

In September, the Safer Communities Team co-ordinated a Partnership Day of Action in the Devonshire area of Eastbourne. This provided a visible multi-agency presence and engaged with residents, local businesses and services, while Community Payback participants cleared alleyways of litter. A repeat event is being co-ordinated with the support of the Eastbourne Joint Action Group.

Antisocial Behaviour

Interventions are being delivered through Safer Streets 4 funding including bespoke mediation support, a Planning for Real exercise was completed in Q2 and committed to putting up Crimestoppers Zone signs in the five streets with the highest volume of anti-social behaviour

(ASB), holistic outreach, new CCTV at ASB hotspots, and improved lighting to support accessibility of the newly launched Recovery Café for people affected by drug and alcohol misuse. We also continued to work closely with multi-agency partners to identify additional actions and programmes that can help to tackle anti-social behaviour, and the perceptions around anti-social behaviour in both Eastbourne and Hastings town centres.

Harm to Hope

During Q2, the East Sussex Harm to Hope Strategy and Action Plan was published and three sub-groups (Prevention, Enforcement and Treatment) have been established to drive through systems improvements and deliver on the National Combatting Drugs Strategy.

Preventing Violent Extremism

39 community safety awareness raising sessions were delivered to schools, colleges, students, staff, partners and the wider community during Q2. The Prevent Support Officer delivered 16 sessions to primary, secondary and Special Educational Needs schools. 11 training sessions were also delivered to teaching staff, designated safeguarding leads (DSLs) and other school-related staff. Positive feedback was received for all of these sessions.

In September, a joint work initiative commenced with the Rother Police Neighbourhood Youth Officers (PNYOs) to target Year 7 pupils in secondary schools for discussion and inputs around online safety and responsibility, with a Prevent theme. In total, approximately 1,370 students and staff have received input in Q2.

Domestic Violence and Abuse, Sexual Violence and Abuse Services

During Q2, a commissioning plan with commitments on spending the additional new funding allocated to the Council by the Government, specifically for delivery of domestic abuse support was approved. The commissioning plan has been informed by a needs assessment refresh completed in Q4 2022/23 and engagement with key leads.

The Voice of Lived Experience Board (VOLEB) presented at a Sussex Police Domestic Abuse Champions Training day (attended by 80 Sussex Police staff). Two members of the Board spoke about their experience of interactions with the Police to demonstrate the importance of holding the victim-survivor experience in mind when responding to domestic abuse. Following positive feedback on the training, VOLEB have contributed extensively to the Continuous Professional Development programme for Sussex and Surrey Police staff (which will reach over 1,750 officers and staff when complete).

The Safer Communities team carried out a social media campaign to promote Honour Based Abuse Awareness Day on 14 July, sharing key messages and signposting to services in co-ordination with specialist organisations.

Public Health

NHS Health Checks

The NHS Health Checks target for 2023/24 of 10% coverage of IMD1 (the top 20% most deprived areas identified by the Index of Multiple Deprivation) equates to 2,300 NHS Health Checks to people living in the most deprived areas. At Q1 (reported a quarter in arrears) we have delivered 496 NHS Health Checks **(ref ii)**.

NHS Health Checks are predominantly delivered by GP practices in East Sussex. To help reach the target, NHS Health Checks conducted for individuals living in areas that are particularly deprived attract an enhanced payment. Hastings & St Leonards Primary Care Network (PCN) had a slight pause on activity due to capacity. However, Hastings & St Leonards PCN and Public Health have worked together to train vaccination staff to deliver NHS Health Checks with a specific focus on those living in the most deprived areas to improve capacity.

Making It Happen

The 'Making it Happen' programme runs community-based projects and services aimed at addressing loneliness, social isolation and social cohesion. During Q2, 18 grants totalling £50,000 have been given to community groups. The activity funded included expanding sessions at the Men's Shed, so the shed is now open on set days for men's, women's and mixed sessions. Other activities funded ranged from development of a new community green space in Newhaven, an inclusive football group for self-identifying women, a new gaming club for young people in Hampden Park, several arts-based activities, and peer support groups for older people, including the establishment of an asset-based befriending and social connection project, Friends Altogether in Rother (FAiR). Making it Happen continues to encourage collaboration between groups or other community-based programmes, for example between FAiR and the Rye Jazz Festival, or a Parent Toddler Group at the Uckfield Family Hub and other community groups.

National Institute for Health and Care Research (NIHR)

In Q2, we have been successful in progressing to Phase 2 of our application for NIHR research funds. If successful the funds will allow us to evaluate the impact of our Theatre in Education (TIE) programme which focuses on improving attitudes, knowledge, self-efficacy and confidence in relation to illicit substance use in secondary schools. Uptake of TIE has been very good in the past, and so this an important contribution to addressing a key safeguarding concern for schools and the wider system.

Getting East Sussex Moving

#GettingEastSussexMoving is a new campaign to encourage people in East Sussex to be more active. The year-long campaign launched in September, with a different theme each month. Residents can find out more information on where to be active by visiting: https://www.eastsussex.gov.uk/social-care/health-advice/getting-east-sussex-moving.

Revenue Budget Summary

ASC

The net ASC budget of £233.036m includes a 10% inflationary uplift of £25.797m to support the care market across the Independent Sector. This uplift is in addition to £4.546m to fund growth and demographic pressures and £2.707m to fund the costs of pay awards. The costs of the increases are partially funded by £6.635m raised through the 2% ASC Care Precept. In July 2023, the Department of Health and Social Care (DHSC) announced an additional £3.932m for the Market Sustainability and Improvement Fund. ASC expect to apply the funding to mitigate the overspend in the remainder of the financial year 2023/24.

The projected outturn is £234.726m which is a forecast overspend of £1.690m. This comprises an overspend of £2.436m on Independent Sector care provision, offset by an underspend of £0.746m in Directly Provided Services. The overspend on the Independent Sector is due to a combination of factors with the most material being increasing complexity of need; pressures arising from demand and demographic growth returning to pre-pandemic levels of modelling; and increasing levels of debt around client contributions which are likely linked to the cost of living crisis. The underspend in Directly Provided Services is due to staffing vacancies and reflects the difficulties in recruitment.

Safer Communities

The net budget of £1.121m is forecast to be fully spent in 2023/24.

Public Health

The Public Health (PH) budget of £33.777m comprises the PH grant allocation of £29.803m, the Supplemental Substance Misuse Treatment and Recovery Grant (ADDER) allocation of £1.350m, a planned draw from reserves of £2.058m for projects and £0.566m drawn to support in-year spending.

PH is forecasting an underspend of £0.827m in 2023/24, comprised of £0.910m slippage on the PH Reserve projects, £0.096m forecast underspend on the general PH programme and a forecast overspend of £0.179m on the Health Visiting programme.

COVID-19 related funding streams

ASC continues to incur expenditure relating to schemes initiated during the national COVID-19 response.

Grant	Funding brought forward £'000	Planned Usage £'000	Balance Remaining £'000
Contain Outbreak Management Funding	2,695	2,695	-
CEV Grant (support to CEV individuals)	1,539	1,539	-
Omicron Support Fund	41	41	-
Total	**4,275**	**4,275**	**0**

Homes for Ukraine

ASC continues to lead on the programme of services to support Ukrainian guests to settle in East Sussex. Total projected expenditure in 2023/24 is £5.799m against expected funding of £11.839m with the remaining budget allocated for the subsequent years of support required under statutory guidance. In addition, ASC will pass through £1.434m to districts and boroughs to fund payments to hosts, in line with guidance.

HFU Grant Funding	Funding Confirmed £'000	Further Funding Anticipated £'000	Total Funding £'000	Actual Expenditure £'000	Balance Remaining £'000
Funding for guests	11,287	552	11,839	5,799	6,040
Host Payments	-	1,434	1,434	1,434	-
Total	**11,287**	**1,986**	**13,273**	**7,233**	**6,040**

Capital Programme Summary

The ASC Capital programme budget is £2.367m for 2023/24. The outturn this year is forecast to be £1.259m. There is slippage of £1.108m mainly due to delays following a contractor going into administration.

APPENDIX 3

Performance exceptions (see How to read this report for definition)

Priority – Helping people help themselves

Performance measure	Outturn 22/23	Target 23/24	RAG Q1 23/24	RAG Q2 23/24	RAG Q3 23/24	RAG Q4 23/24	Q2 23/24 outturn	Note ref
Number of carers supported through short-term crisis intervention	494	390	G	A			146	i
Improved targeting of NHS Heath Checks	29.5%	10% of the eligible population in the 20% most deprived areas (IMD1) have received a health check	R	A			Reported a quarter in arrears Q1: 496 22% of annual target of 2,300	ii
Number of providers registered with Support With Confidence	346	≥2022/23 outturn	A	R			Target not reported against in Q2	iii

Savings exceptions 2023/24 (£'000)

Service description	Original Target For 2023/24	Target including items c/f from previous year(s)	Achieved in-year	Will be achieved, but in future years	Cannot be achieved	Note ref
	-	-	-	-	-	
	-	-	-	-	-	
Total Savings	**0**	**0**	**0**	**0**	**0**	
			-	-	-	
			-	-	-	
Subtotal Permanent Changes [1]			**0**	**0**	**0**	
Total Savings and Permanent Changes	**0**	**0**	**0**	**0**	**0**	

Memo: treatment of savings not achieved in the year (£'000)	Temporary Funding [2]	Part of reported variance [3]	Total	Note Ref
	-	-	-	
	-	-	-	
	-	-	-	
Total	**0**	**0**	**0**	

[1] Where agreed savings are reasonably unable to be achieved other permanent savings are required to be identified and approved via quarterly monitoring.

[2] Temporary funding will only replace a slipped or unachieved saving for one year; the saving will still need to be made in future years (or be replaced with something else).

[3] The slipped or unachieved saving will form part of the department's overall variance - it will either increase an overspend or decrease an underspend. The saving will still need to be made in future years (or be replaced with something else).

Revenue Budget 2023/24 (£'000)

Adult Social Care – Independent Sector:

Divisions	Planned Gross	Planned Income	Planned Net	Projected Gross	Projected Income	Projected Net	(Over)/ under spend Gross	(Over)/ under spend Income	(Over)/ under spend Net	Note ref
IS - Physical Support, Sensory Support and Support for Memory & Cognition	143,603	(69,611)	73,992	159,145	(88,986)	70,159	(15,542)	19,375	3,833	
IS - Learning Disability Support	79,044	(5,052)	73,992	88,683	(11,225)	77,458	(9,639)	6,173	(3,466)	
IS - Mental Health Support	22,933	(10,912)	12,021	31,238	(16,414)	14,824	(8,305)	5,502	(2,803)	
Subtotal	**245,580**	**(85,575)**	**160,005**	**279,066**	**(116,625)**	**162,441**	**(33,486)**	**31,050**	**(2,436)**	

Adult Social Care – Directly Provided Services & Assessment and Care Management:

Divisions	Planned Gross	Planned Income	Planned Net	Projected Gross	Projected Income	Projected Net	(Over)/ under spend Gross	(Over)/ under spend Income	(Over)/ under spend Net	Note Ref
Physical Support, Sensory Support and Support for Memory & Cognition	16,714	(5,121)	11,593	15,198	(5,153)	10,045	1,516	32	1,548	
Learning Disability Support	8,263	(592)	7,671	8,374	(592)	7,782	(111)	-	(111)	
Mental Health Support	3,221	(3,098)	123	3,221	(3,098)	123	-	-	-	
Substance Misuse Support	477	-	477	476	-	476	1	-	1	
Equipment & Assistive Technology	7,414	(3,782)	3,632	7,414	(3,782)	3,632	-	-	-	
Other	130	-	130	110	-	110	20	-	20	
Supporting People	6,144	(310)	5,834	6,144	(310)	5,834	-	-	-	
Assessment and Care Management	29,023	(2,203)	26,820	30,737	(2,891)	27,846	(1,714)	688	(1,026)	
Carers	3,536	(2,834)	702	3,459	(2,757)	702	77	(77)	-	
Management and Support	17,350	(1,735)	15,615	16,551	(1,625)	14,926	799	(110)	689	
Service Strategy	632	(198)	434	1,007	(198)	809	(375)	-	(375)	
Subtotal	**92,904**	**(19,873)**	**73,031**	**92,691**	**(20,406)**	**72,285**	**213**	**533**	**746**	

Divisions	Planned Gross	Planned Income	Planned Net	Projected Gross	Projected Income	Projected Net	(Over)/ under spend Gross	(Over)/ under spend Income	(Over)/ under spend Net	Note Ref
Total Adult Social Care	**338,484**	**(105,448)**	**233,036**	**371,757**	**(137,031)**	**234,726**	**(33,273)**	**31,583**	**(1,690)**	

Safer Communities:

Divisions	Planned Gross	Planned Income	Planned Net	Projected Gross	Projected Income	Projected Net	(Over)/ under spend Gross	(Over)/ under spend Income	(Over)/ under spend Net	Note Ref
Safer Communities	2,030	(909)	1,121	2,236	(1,115)	1,121	(206)	206	-	
Total Safer Communities	**2,030**	**(909)**	**1,121**	**2,236**	**(1,115)**	1,121	**(206)**	**206**	**0**	

Public Health – Core Services:

Divisions	Planned Gross	Planned Income	Planned Net	Projected Gross	Projected Income	Projected Net	(Over)/ under spend Gross	(Over)/ under spend Income	(Over)/ under spend Net	Note Ref
Mental Health & Best Start	11,417	-	11,417	11,401	-	11,401	16	-	16	
Risky Behaviours and Threats to Health	12,153	-	12,153	11,788	-	11,788	365	-	365	
Health Systems	3,549	-	3,549	3,254	-	3,254	295	-	295	
Communities	930	-	930	990	-	990	(60)	-	(60)	
Central Support	3,212	-	3,212	3,965	-	3,965	(753)	-	(753)	
Recovery & Renewal – Funded by Test & Trace	458	-	458	404	-	404	54	-	54	
Public Health Grant Income	-	(29,803)	(29,803)	-	(29,803)	(29,803)	-	-	-	
ADDER Grant	-	(1,350)	(1,350)	-	(1,350)	(1,350)	-	-	-	
Draw from General Reserves	-	(566)	(566)	-	(470)	(470)	-	(96)	(96)	
Draw from Health Visiting Reserves	-	-	-	-	(179)	(179)	-	179	179	
Project Board Reserves	2,058	(2,058)	-	1,148	(1,148)	-	910	(910)	-	
Total Public Health	**33,777**	**(33,777)**	**0**	**32,950**	**(32,950)**	**0**	**827**	**(827)**	**0**	

Capital programme 2023/24 (£'000)

Approved project	Budget: total project all years	Projected: total project all years	Budget Q2	Actual to date Q2	Projected 2023/24	Variation (Over) / under Q2 budget	Variation analysis: (Over) / under spend	Variation analysis: Slippage to future year	Variation analysis: Spend in advance	Note ref
Supported Living Projects	6,400	6,400	2,177	247	1200	977	-	977	-	
Greenacres	2,598	2,598	140	9	9	131	-	131	-	
House Adaptations for People with Disabilities	2,719	2,719	50	1	50	-	-		-	
Total ASC Gross	**11,717**	**11,717**	**2,367**	**257**	**1,259**	**1,108**	**0**	**1,108**	**0**	

This page is intentionally left blank

Business Services – Q2 2023/24
Summary of progress on Council Priorities, issues arising, and achievements

Key cross cutting programmes

Carbon

In line with our current Climate Action Plan, good progress has been made in Q2 on the delivery of energy efficiency projects across the estate. A total of seven projects have been completed to date during 2023/24:

- Two LED lighting projects at Milton Grange and Frant Primary School.
- Two solar PV energy generation projects at The Keep and the Phoenix Centre.
- Installation of triple glazing at Grovelands Primary School.
- Two large asset rationalisation projects ensuring more modern facilities with reduced carbon emissions. These are the move from Ropemaker Park to Alder Close and the move from Ocean House to the reduced footprint at both Muriel Matter House and Cavendish House. These projects are yielding carbon emission savings from reduced footprint of these new assets.

Further projects commenced in Q2, notably six heat decarbonisation projects being partly funded by a £1m Phase 3b Public Sector Decarbonisation Scheme grant, as well as an additional three LED lighting projects. Ongoing supply chain and site issues mean that the full target of 23 energy saving schemes implemented may not be achieved. Seven have been delivered so far, nine more are underway and a further seven are due to commence in Q3 and Q4.

During Q2 the Property Team hosted further energy savings workshops for managers / school caretakers, with a focus on heat cost savings. There was an annual target to train 40 site managers, but this has been exceeded already this year, with 67 people trained and further workshops being scheduled for Q3 and Q4.

Total energy consumption (buildings, streetlighting and servers) in Q1 (reported a quarter in arrears) was down 8% when compared with the same period last year and down 26% on the baseline year 2019/20. Building energy use in Q1 was down 8% compared with the same period last year and 25% down on the baseline year 2019/20.

There is not yet enough data to accurately estimate the carbon emissions end of year outturn for 2023/24. The majority of energy use and carbon emissions arise in the second half of the year as they are significantly influenced by the weather. However, if consumption for the remainder of 2023/24 is the same as 2022/23 our Scope 1 and 2 carbon emissions for 2023/24 would increase by 1% compared with 2022/23, against the target of a 16% reduction required to keep within the five-year carbon budget. This would result in a 31% reduction on the 2019/20 baseline, against a cumulative target of 43%. The main contributing factor to the increase in emissions projected for 2023/24 is the increase in the electricity emissions factor (the carbon intensity of the national grid), which has risen 7% year on year due to an increase in natural gas use in electricity generation and a decrease in renewable energy generation, which is out of the Council's control **(ref i)**.

Modernising Systems

The Managing Back Office Systems (MBOS) Programme was established to deliver the replacement of the Council's core finance and Human Resources systems, to support further developments to increase agile and digital working. The programme would enable the Council to move off SAP, which is due to go out of support in 2027. The User Acceptance Test phase continued in Q2 and Payroll Parallel Run Phase1 (PPR1) testing was completed, with PPR2 nearing completion but missing its target date. We have always agreed to not compromise on our quality targets and, as PPR2 did not meet these in the required timeframe, the Programme Board made the decision not to go live in 2023. In parallel to concluding the key deliverables required for go-live such as business readiness, training and preparations for PPR3, we are taking the

opportunity to assess in detail what further work is required across all parts of the programme in order to determine the best way forward which maintains the quality of the system and achieves a robust and smooth go-live.

Human Resources and Organisational Development (HROD)

As part of the wider workplace adjustments improvement programme a new workplace adjustment pathway has been developed and implemented and a 'strengths based' tool developed. These are to ensure we have the right framework in place for staff to be signposted to the adjustments they need to do their role effectively. To improve the timeliness and consistency of reports for specialist adjustments, we have awarded the contract for Workplace Needs Assessments for neurodivergent individuals to local supplier 'Genius Within'. Alongside this, improved guidance on the Occupational Health process has been put in place and the stress risk assessment and wellness plan have been streamlined and improved.

Following a change to the contractual arrangements, we have successfully retained the business of 20 schools within the London Borough of Redbridge for the provision of HR Advisory services, delivering significant income to the Team.

Attendance Management and Wellbeing

The Q1+2 sickness absence figure for the whole authority (excluding schools) is 4.20 days lost per Full Time Equivalent staff (FTE), a fall of 11.4% since last year. The year end estimate for 2023/24 is 8.92 days/FTE, so the target of 9.10 days/FTE is predicted to be met. The predominant reason for the decrease in absence rates is a large fall in Covid related absence compared to the same period last year.

However, mental health absence has increased by 265 days in Q1+Q2 compared to the same period last year. It is important to note this within the context of the benchmarking data from our absence management provider 'GoodShape' which suggests this is a common theme across local authorities and our absence rates are within the average for this. Set against this background, we have launched a new process to evaluate our current mental health offer, whilst continuing to provide support to staff by:

- working across departments to develop an improved Wellness Plan and Stress Risk Assessment which will be launched next month for National Stress Awareness Day.
- providing enhanced tools and guidance for workplace adjustments specifically in relation to supporting performance and mental health.
- offering employees additional support when they report an absence due to Mental Health to GoodShape. The aim is to reduce absence length and the risk of further mental health absence taking place in the future.
- putting in place an additional reminder for the completion of return-to-work discussions when the absence has been due to mental health, as further analysis has indicated that when an absence is due to this, the managers are less likely to complete the form. This reminder email highlights the importance of early completion and signposts to further support and guidance.
- raising awareness of the mental health support available from our EAP, OH and partners 'able futures' through a series of interactive staff webinars and individual staff sessions.
- our growing Mental Health First Aid network continues to pro-actively support staff and promote wellbeing resources within teams.

Procurement

Procurement, contract and supplier management activities

The Council has spent £309m with 876 local suppliers over the past 12 months up to the end of Q2, which equates to 65% of our total spend, compared to a target of 60%. The Procurement

team continues to promote our contract opportunities to local suppliers, as well as building local supply chain opportunities into our tenders where possible.

Social Value

In Q2, a total of 67 contracts commenced, of which 63 were out of scope of the Social Value Measurement Charter which quantifies the economic, social and environmental benefits of the procurement. The contracts that were out of scope accessed an existing pre-approved list of suppliers (Frameworks) with predefined contractual terms. The Council's Public Bus Services contracts accounted for 56 of these out of scope contracts. The four in-scope contracts had a total contract value of £1.94m and secured £716k in Social Value commitment, which is 37% of the contract value, against a target of 10%.

The Social Value commitments for Q2 included: spend with local supply chains, educating schools on the benefits of carbon reduction and energy efficiency, environmental and career awareness programmes with local schools and colleges and work experience opportunities.

The Place Scrutiny Committee's report of Procurement: Social Value and Buying Local was agreed at full Council in May 2023. The recommendations included a 12 month trial of a new qualitative approach to social value within the Adult Social Care & Health service which commenced in Q2. A status update will be provided to Place Scrutiny in March 2024 and at the end of the trial in September 2024.

Internal Audit

Through the work of Internal Audit, the Chief Internal Auditor continues to be able to provide assurance over the adequacy and effectiveness of governance, risk management and control for the Council. Internal Audit have continued to focus on delivery of the Annual Internal Audit Plan. At the end of Q2 we have completed 57.6% of the plan to draft report stage, against a Q2 target of 45%.

All high priority actions agreed with management as part of individual audit reviews are subject to action tracking, whereby we seek written confirmation from services that these have been implemented. It was confirmed that 12/12 (100%) of the high-risk actions due to be implemented on a 12-month rolling basis have been actioned.

Property

During Q2 there was continued focus on the Council's Asset Management Plan 2020-2025, where particular emphasis has been placed on business continuity and corporate premise rationalisation. This follows the fire at St. Mark's House as well as the response to Reinforced Autoclaved Aerated Concrete (RAAC) concerns with schools across the country. A RAAC analysis was undertaken in Q2 working with the Department for Education (DfE). The Council had already undertaken RAAC surveys of 87 schools that were constructed between 1930 and 1980. There were additional surveys undertaken at eight schools that were built outside of the specified period but had undertaken additional building works (e.g. extensions and adaptations to existing buildings) to reassure the DfE and these are completed. No RAAC was identified in any local authority schools. There was significant work undertaken in Q2 to advise schools that they did not have RAAC. Property are currently working through the non-school portfolio to assess if RAAC could exist in these buildings. In Q2, a review of building condition surveys held in-house was undertaken and in Q3, surveys (to include RAAC) of up to 47 non-schools assets will be carried out by external property specialists.

Key outcomes for Property in Q2 include:

- The Eastbourne Office strategy has been expedited following the fire at St Marks House in June 2023, with some staff being re-located to St Mary's House and other teams going to shared units around the county, which has taken pressure away from central hubs. Property teams are working to coordinate the alterations required at St. Mary's House. It is not intended

that any teams will return to St Mark's House but a specialist team will remain on the ground floor until Q4.

- The response to the fire itself has been extensive with the necessary consultation with the landlord, insurance representation and subsequent clean-up operation. The key focus has been minimising service interruption which has been helped by Property setting up areas of St Mary's House for services which required an office base and finding other solutions within our portfolio.
- Work is ongoing in relation to an options paper for the County Hall campus, with additional technical support being provided by external specialists for the paper to be completed in Q3.
- There is a new commercial approach on the East Sussex investment portfolio, including reviewing service charges with existing tenants at Sackville House. This will result in additional revenue income which will help with both reactive maintenance and planned modernisation of the property. This approach will be expanded to the wider rental portfolio to ensure that income is maximised and tenants' obligations are fully met.
- The sale of the former Etchingham School Site and 1 Southview Close, Crowborough, have now completed. Marketing has been completed and offers are now being considered for the Hindlands site in Polegate.
- Hye House Farm in Crowhurst was marketed in Q2 with bids due to be evaluated in Q3.

IT & Digital

Migration of services to the new South East Grid (SEG) network on behalf of the Link Consortium has continued throughout Q2. Hosted by the Council, the network allows the Council and other public sector organisations in the South East to access higher speed digital infrastructure connections and contributes to the provision of ultra-fast data network connectivity throughout East Sussex.

The Schools ICT Service has been working to migrate East Sussex and Brighton and Hove schools from their legacy Finance and Management Information Systems onto new platforms. This has factored in the varying needs of many schools and our internal stakeholders. Take up from schools onto the new platforms has been high.

During Q2 a report to shape the Council's approach to the use of artificial intelligence (AI) was considered by the Corporate Management Team (CMT). Recognising that artificial intelligence in local government is a topic of increasing importance and interest, CMT endorsed the development of pragmatic guidance, guardrails (a set of safety controls that monitor and restrict a user's interaction if needed) and governance, to support the acceleration of responsible departmental digital innovation in this rapidly shifting technological and regulatory landscape.

Work is underway to procure a new Wi-Fi service through the SEG Network Services Framework as approved in Q1. This will replace the existing Wi-Fi service contract that expires in March 2024.

Work to replace the core telephony solution paired with a dedicated contact centre solution has continued in Q2. The impending change from landline-based telephony builds on existing technology investment and provides a sustainable solution, reducing the carbon footprint (removing handsets and on-premises equipment) and removing building dependency, thereby supporting a reduction in office space.

External Funding

In Q2, the External Funding Team responded to 82 funding enquiries from a range of charities, social enterprises and schools, working mostly in health and well-being and community work. There are almost 10,800 not for profit subscribers to Funding News, a monthly electronic publication about forthcoming funding opportunities. The team attended 30 meetings to discuss specific needs (e.g. supporting with data, writing a good application) and quality-checked four funding applications to ensure they had the best chance of success, supporting groups with

evidence of need and making the case for funding. The Team attended three countywide networking events where connections with new groups were established. Bid Writing training was delivered to governors and to two groups working with ethnic minority communities. The team has helped secure £214,422 of external funding so far in 2023/24.

Pensions

The Pension Fund Team delivers quality strategic and administrative services to the East Sussex Pension Fund, which comprises 140 employers and 82,000 members, whilst managing investment holdings in excess of £4.6bn in line with the Investment Strategy Statement. In September the Team won the Governance Award at the Local Authority Pension Fund Investments Award 2023.

Revenue Budget Summary

The 2023/24 Business Services net revenue budget is £27.866m. There are £0.869m planned savings in BSD this financial year, of which £0.210m **(ref ii)** relating to the consolidation of the Eastbourne hubs will not be achieved but will be offset by underspending elsewhere. These unachieved savings are included within the current outturn forecast, which is a net £0.033m underspend **(ref iii)**.

Capital Programme Summary

The 2023/24 capital budget is £30.175m. The Youth Investment Fund slippage of £1.235m **(ref iv)** relates to delays as the project is value engineered to stay within budget. The Special Educational Needs - Additional Places slippage of £5.272m **(ref v)** relates to the Grove Park rationalisation programme. This programme will not start until 2024/25 so the project expenditure will be reprofiled accordingly. The Core Programme - Capital Building Improvements Schools slippage of £1.376m **(ref vi)** relates to delays arising from extended lead times on materials which affected the deliverability of works through the summer holiday window. The Core Programme - IT & Digital Strategy Implementation is forecasting slippage of £0.700m **(ref vii)** as a result of delays to the Wifi upgrade programme.

Performance exceptions (Q2 – See How to read this report for definition)

Priority – Making best use of resources now and for the future

Performance measure	Outturn 22/23	Target 23/24	RAG Q1 23/24	RAG Q2 23/24	RAG Q3 23/24	RAG Q4 23/24	Q2 23/24 outturn	Note ref
Reduce the amount of CO2 arising from County Council operations	32% reduction on baseline year (2019/20) emissions	43% reduction on baseline year (2019/20) emissions (emissions not to exceed 7,139 tonnes CO2e)	R	R			Reported a quarter in arrears Q1: 26% reduction on baseline year (2019/20) emissions	i

Savings exceptions 2023/24 (£'000)

Service description	Original Target For 2023/24	Target including items c/f from previous year(s)	Achieved in-year	Will be achieved, but in future years	Cannot be achieved	Note ref
Planned savings - BSD	869	-	659	210	-	ii
Planned savings - Orbis	-	-	-	-	-	
Total Savings	**869**	**0**	**659**	**210**	**0**	
			-	-	-	
			-	-	-	
Subtotal Permanent Changes [1]			**0**	**0**	**0**	
Total Savings and Permanent Changes	**869**	**0**	**659**	**210**	**0**	

Memo: treatment of savings not achieved in the year (£'000)	Temporary Funding [2]	Part of reported variance [3]	Total	Note Ref
Property	210	-	210	
Total	**210**	**0**	**210**	

[1] Where agreed savings are reasonably unable to be achieved other permanent savings are required to be identified and approved via quarterly monitoring.

[2] Temporary funding will only replace a slipped or unachieved saving for one year; the saving will still need to be made in future years (or be replaced with something else).

[3] The slipped or unachieved saving will form part of the department's overall variance - it will either increase an overspend or decrease an underspend. The saving will still need to be made in future years (or be replaced with something else).

Revenue Budget 2023/24 (£'000)

Divisions	Planned Gross	Planned Income	Planned Net	Projected Gross	Projected Income	Projected Net	(Over)/ under spend Gross	(Over)/ under spend Income	(Over)/ under spend Net	Note ref
Finance & Bus Admin	11,239	(5,754)	5,485	11,260	(5,784)	5,476	(21)	30	9	
HR & OD	3,179	(1,160)	2,019	3,179	(1,160)	2,019	-	-	-	
IT & Digital	11,570	(3,671)	7,899	11,578	(3,679)	7,899	(8)	8	-	
Procurement	-	(100)	(100)	-	(100)	(100)	-	-	-	
Property	24,887	(16,044)	8,843	26,166	(17,347)	8,819	(1,279)	1,303	24	
Contribution to Orbis Partnership	3,720	-	3,720	3,720	-	3,720	-	-	-	
Total BSD	**54,595**	**(26,729)**	**27,866**	**55,903**	**(28,070)**	**27,833**	**(1,308)**	**1,341**	**33**	**iii**

Capital programme 2023/24 (£'000)

Approved project	Budget: total project all years	Projected: total project all years	Budget Q2	Actual to date Q2	Projected 2023/24	Variation (Over) / under Q2 budget	Variation analysis: (Over) / under spend	Variation analysis: Slippage to future year	Variation analysis: Spend in advance	Note ref
SALIX Contract	700	700	350	46	81	269	269	-	-	
Lansdowne Unit (CSD)	75	75	65	19	65	-	-	-	-	
Youth Investment Fund	7,624	7,624	2,745	43	1,510	1,235	-	1,235	-	**iv**
Special Educational Needs	3,198	3,198	1,692	744	1,614	78	-	78	-	
Special Provision in Secondary School (Priory and Robertsbridge)	120	120	-	-	-	-	-	-	-	
Special Educational Needs - Grove Park	19,179	19,179	5,422	-	150	5,272	-	5,272	-	**v**
Disabled Children's Homes	786	786	716	24	716	-	-	-	-	
14 Westfield Lane	721	721	53	26	53	-	-	-	-	
Core Programme - Schools Basic Need	98,444	98,444	1,931	1,239	2,066	(135)	-	112	(247)	
Core Programme - Capital Building Improvements Corporate	44,749	44,749	3,509	1,532	3,509	-	-	-	-	
Core Programme - Capital Building Improvements Schools	42,049	42,049	5,594	1,614	4,218	1,376	-	1,376	-	**vi**
Core Programme - IT & Digital Strategy Implementation	72,956	72,956	4,742	2,255	4,042	700	-	700	-	**vii**
Core Programme - IT & Digital Strategy Implementation MBOS	13,125	16,514	3,332	-	3,332	-	-	-	-	

APPENDIX 4

Approved project	Budget: total project all years	Projected: total project all years	Budget Q2	Actual to date Q2	Projected 2023/24	Variation (Over) / under Q2 budget	Variation analysis: (Over) / under spend	Variation analysis: Slippage to future year	Variation analysis: Spend in advance	Note ref
IT & Digital - Utilising Automation	24	24	24	-	24	-	-	-	-	
Total BSD Gross	**303,750**	**307,139**	**30,175**	**7,541**	**21,380**	**8,795**	**269**	**8,773**	**(247)**	

Children's Services – Q2 2023/24
Summary of progress on Council Priorities, issues arising, and achievements

Early Help and Social Care

Review of modelling and placements

Children's Services is working with IMPOWER focusing on placement sufficiency and enhancing our ability to secure the right care for the right child for the right length of time. Very ambitious targets are in place to achieve reduced spend, but only by meeting children's needs more appropriately. Children will remain at the heart of decision making. Utilising the Valuing Care approach, we are working to better identify opportunities to deliver the right care for children, including working with families to secure reunification where it is safe to do so and enhancing our recruitment strategy for our foster carers. In Q2:

- IMPOWER presented a detailed analysis of children and young people's needs in East Sussex and associated placement cost pressures in July 2023
- IMPOWER worked closely with teams and individuals within Children's Services to develop a set of proposed interventions to help us realise the opportunities identified to reduce cost and improve outcomes for children
- a multi-agency panel has been established that is taking a strength-based approach to the opportunities identified in the first cohort of children
- planning took place for the first home matching event in October
- a second larger cohort of children was identified to continue to roll out the Valuing Care approach, and training for social workers was started
- engaged with foster carers and the fostering service during August and September to identify and prioritise opportunities that will have the most impact on foster carer recruitment and retention

Rate of Children on a Child Protection (CP) Plan (per 10,000 children)

The rate of children on a CP plan **(ref iv)** has increased from 62.1 per 10,000 (662 children) at Q1 to 63 per 10,000 (671 children) at Q2. This is above the target of 62 (661 children). This measure remains under close scrutiny with a range of reviews and audits taking place to identify where it is possible to reduce the number of plans safely. The reviews and audits are focused on plans that have either been in place for 18 months plus or plans which are coming up to their second or third review. The Family Safeguarding approach, which will focus on reducing the number of children on a CP plan will be launched in January 2024.

Rate of Looked After Children (LAC) (per 10,000 children)

The rate of LAC **(ref v)** has increased from 63.5 per 10,000 children (677 children) at Q1 to 64.4 (686 children) at Q2. This is above the target of 63.4 (676 children). Of the 686 children, 77 are unaccompanied asylum seeker children, an increase of nine children from Q1. The increase in the number and rate of LAC has continued at Q2. However, the number of children in high cost residential placements has remained stable and there have been higher numbers of children placed within their own family networks. We will continue to monitor this.

Family Hubs

We continue to develop our Family Hubs offer:

- we have launched the 'How Can I Help you?' service, available in Family Hubs, to provide direct face to face support to families and encourage them to become familiar with the locality Family Hubs provision
- new parenting groups are now available to support the transition to parenthood and help for parents with children who are neurodiverse

East Sussex is one of 15 authorities awarded trailblazer status which focuses on parent/infant relationships and perinatal mental health. We have been selected for the national evaluation of Family Hubs Trailblazers with particular interest on our triage offer for perinatal mental health and parent infant relationship support.

Our remaining nine Family Hubs will all be open in Q3 with successful launches taking place attended by children, parents/carers and stakeholders.

Supporting school attendance

In September the Early Help team started a new level 2 keywork programme which will support the Council's focus on improving school attendance. The service is aimed at supporting children with less than 50% school attendance for two school terms.

Early Adopter Programme for the Early Career Framework

In response to Stable Homes Built on Love, the DfE implementation strategy and consultation for reforming children's social care, the DfE has rolled out the Early Adopter for the Early Career Framework (years 1-5) for social workers. After a competitive application process the Council was chosen to be part of the programme. The programme will explore how local authorities deliver their:

- assessed and supported year in employment (ASYE) programme, that gives newly qualified social workers extra support during their first year of employment
- second year programmes
- developing the Professional Practice Development Programme (PPDP). The PPDP aims to train experienced practitioners and managers to support early career social workers to develop their emotional well-being and practice behaviours

The programme of individual support includes video enhanced direct observation and practice feedback to support outcomes. Additionally, we will be working in collaboration with DfE on further design and test elements of the Early Years Framework.

Recruitment of Social Workers

Following a successful recruitment campaign, in September 2023, 27 newly qualified social workers (NQSW) joined the council. In 2022 we recruited 24 NQSW. Since September 2022 we have recruited 19 experienced social workers and seven senior social workers. In 2021/22 we recruited 9 experienced social workers.

Lansdowne Secure Children's Home

Following a wide ranging promotional campaign, we held an open day at Lansdowne Secure Children's home in September. We had over 70 people attend on the day with representatives from Care, Health and Education on hand to answer any questions. The open day was an opportunity for interested parties to find out about the home and what it is like to work there.

As a result of the open day and promotional campaign, we received over 130 applications for Residential Support Worker roles. We have had successful recruitment across all roles and further interviews will take place in October.

Connected Coaches

Connected Families works with young people (aged 11+) who are identified as being on the edge of care or are being supported back into the care of their family. This work is informed by multidisciplinary planning and intensive support delivered by a team of connected coaches. Alongside an allocated Social Worker, the team plan and deliver interventions that support the young person, address parent/carers needs and wider systemic issues. The aim is to reduce risk, increase stability and promote the care of young people within their family. Over the last six months, 53% (17/32) of young people supported have been enabled to stay living safely at home with their families and no longer require a social worker. Those who remain open to children

services tend to be stable on their current care plan, or have stepped down the continuum of need (from child protection to child in need). There is much larger proportion of young people with complex needs who are actively engaged with the service, enabling them to remain within their family network, avoiding foster care, hospital admissions or residential care.

Habitual Knife Carriers Programme

Partnership work between Children's Services and Sussex Police, funded by the Violence Reduction Partnership, is identifying and working with young people for whom there is an escalated risk in involvement in knife crime and or carrying a weapon. The project delivers a range of support including 1-1 work, an extension of the detached out-reach offer to hotspot areas and contextual safeguarding interventions. These have focused particularly on peer groups.

44 children were supported on a 1 to 1 basis through this work between April 2022 and March 2023. Findings for this cohort from a recent external evaluation completed by the National Children's Bureau (July 2023) found a:

- 76% reduction in the number of occurrences of violent crime after the referral compared to the six months prior
- of 29 children linked to a knife possession offence in the 12 months prior to referral, 25 were linked to no further occurrences post-referral
- of 24 children linked to a violent offence as a victim in the 12 months prior to referral, 22 were linked to no further occurrences

The report highlighted the positive impact this strong partnership work has on developing solutions to improve support for children. The project has resulted in a lot of interest and learning. Good practice has been shared with other local authorities and police forces.

Education

Education East Sussex

In September we launched the restructured education division, Education East Sussex. The changes bring together the former Standards and Learning Effectiveness Service (SLES) and the Inclusion, Special Educational Needs and Disabilities (ISEND) service.

The restructure is designed to help the Council to deliver its core roles more effectively in leading the local education system and championing vulnerable children including children with SEND.

Our education priorities are to:

- ensure good attendance for all key stages and pupil groups
- secure strong partnerships that deliver improved educational outcomes for children and young people
- improve inclusion at all key stages for vulnerable children and young people so that they have opportunities to succeed
- ensure effective early intervention to enable all pupils to achieve
- improve the quality of leadership at all levels and key stages
- create a strong and highly effective education division to maximise the impact of our service offer

Co-production

In Q2 we made further progress on our co-production priorities. In July we launched a consultation on the new draft SEND Children and Young People's Co-Production Charter. Co-created with our partners, including children and young people with SEND, the charter:

- outlines how we will co-produce work with children and young people with SEND. This includes how children and young people's voices will be heard, acted upon and central to decisions
- provides guidance on best practice when working with children and young people with SEND

The consultation closed on 22 September. The survey results are being analysed to explore if further changes to the charter are needed.

In September, we held a co-production day with the East Sussex Parent and Carer Forum. The event explored how we can progress our SEND co-production. The event brought together practitioners, parents and carers, and young people to work on a range of different challenges. This relationship based approach is consistent with our Connected Care and Therapeutic Thinking approaches.

SEND strategy briefings

In July, we held two breakfast briefings with representatives from schools, including headteachers and SENCos (special educational needs co-ordinators), on our SEND strategy. The purpose of the sessions was to further engage schools on our joint SEND priorities, and to update on progress. We also took the opportunity to brief schools on expectations ahead of an Area SEND inspection, which will explore our local area partnership's SEND arrangements.

Employment and Skills Cross Council Management Group

The Employability and Skills team led the first biannual meeting of the Employment and Skills Cross Council Management Group in September. This new group brings together senior representatives from departments across the Council. The group will:

- support collaboration and integration on actions, contracts, funding bids and projects with an employment and skills focus
- ensure the greatest impact on external delivery for businesses, sub-contractors/suppliers, and residents, in particular young people and adults from vulnerable groups

The key themes that will be taken forward are:

- workforce development, including a long-term strategy planning for key East Sussex roles (internal and external)
- skills mapping for Transition to Net Zero. This includes what will be required in terms of provision and number of jobs

Average Attainment 8 score for state funded schools, the average Attainment 8 score for disadvantaged pupils and the average Attainment 8 score for Looked after Children (LAC)

Early data sets suggest that the targets for average Attainment 8 score for state funded schools **(ref i)** disadvantaged pupils **(ref ii)** and looked after children **(ref iii)** will not be met. We are awaiting the Department for Education (DfE) data and Key Stage 4 data which will not be validated until early 2024. We will provide further commentary about these targets in Q4.

Participation and strategic partnerships

Youth Voice Engagement Event

The Youth Cabinet co-designed and delivered their Youth Voice Engagement event in July. The event involved youth voice groups from across East Sussex, Lead Members, and the High Sherrif of East Sussex in workshops to share insight about young people's mandated campaigns and council priorities. Insight from these workshops:

- supported young people's understanding of local careers opportunities and informed the local careers offer
- educated young people on climate issues and gathered feedback to inform the development of a Climate Change Charter for Education settings

- added to the evidence to improve ways to communicate information, advice and guidance on mental health and emotional wellbeing
- contributed to the development of the Attendance Strategy and will create opportunities for schools, services and students to work together to improve school attendance.

Holiday Activity and Food (HAF) programme

The delivery of the Holiday Activity and Food (HAF) programme in East Sussex this summer was the biggest yet with more than 21,000 sessions attended by more than 4,200 individual attendees. It was also the most diverse and geographically spread offer so far, with 75 providers running activities at 118 sites, helping to ensure that even families in more rural parts of the county were able to access HAF.

We continued to increase the SEND element of our programme, funding 14 specific SEND providers and providing £13,000 in additional funding to providers to increase staffing in response to bookings for those with additional needs.

Whilst the focus of the HAF programme is young people eligible for benefits-related free school meals, this year has also seen increasing demand from families in other eligible groups. Across the summer this meant that the programme also supported more than 500 young people in these wider groups, including those with SEND, Looked After Children, those on Child Protection plans, Children in Need, Young Carers, those receiving support from Child and Adolescent Mental Health Services and refugee groups.

Transition activities to support attendance

This summer, funding was made available to deliver positive activities to support young people with low attendance at primary school during their transition to secondary school. 313 young people participated, with 1,125 individual sessions attended.

The sessions enabled the attendees to make new friends, meet staff at their new school and familiarise themselves with the new site as well as to provide them with fun and engaging holiday activities.

As part of the programme, providers delivered sessions working with the young people to address concerns about school and identify barriers to attendance. It is too soon to measure the long-term impact on attendance, although the attendance of pupils who attended the programme is being tracked. The feedback from attendees and schools has been positive.

- 86% of young people said they felt more excited about starting their new school
- 81% said they felt less anxious about starting school in September after attending these sessions
- 100% of schools involved said that they would be keen to deliver this type of project again.

Revenue Budget Summary

The Departments net revenue budget is £117.4m, with a forecast overspend of £23.014m, an increase in overspend of £7.846m from Q1 **(ref x)**.

The main area of projected overspend is in Early Help and Social Care of £23.322m, an increase of £6.898m from Q1 **(ref vii)**, this is net of an internal transfer of £0.607m from Central Resources. **(ref vi)** and £4.325m of COVID-19 funding.

There is an underspend within Central Resources of £0.517m, a reduction of £0.783m which includes a transfer of £0.607m to Early Help and Social Care. £0.500m of the balance is an anticipated contribution from Public Health.

There remains a small overspend of £0.020m in Education and ISEND, with no movement from Q1 1**(ref viii)** and an overspend of £0.189m in Communication, Planning and Performance, with an increase from Q1 of £0.165m **(ref ix)**.

Early Help and Social Care increased overspend of £6.898 to £23.322m (ref vii)

The forecast of funding for Asylum Seekers has improved by £0.193m from Q1, due to additional funding being received and all under 18-year-olds now qualifying under the National Transfer scheme.

Early Help 0-19 has received an internal transfer of £0.607m from Central Resources, this underspend is one off due to the part year impact of £1.500m of additional funding invested in year to improved school attendance, it will be fully utilised over a 12-month period.

Looked After Children (LAC) is projecting an additional £6.892m overspend from Q1 to £21.132m.

Children's Homes have increased the projected overspend by an additional £0.732m, taking the overspend to £2.5m, this is due to additional staffing costs required to support the placements at Hazel Lodge, £0.412m, and Silver Birches, £0.296m.

The respite units at Dorset Road and Sorrel Drive are also projecting additional pressure from Q1 of £0.802m with Dorset Road having an additional staff cost of £0.557m and Sorrel Drive projecting additional costs of £0.245m, most of these costs are agency wraparound support costs.

The main pressure is within External Residential costs, where an additional overspend of £5.012m is anticipated on top of that projected at Q1. June saw the numbers of children and young people requiring residential placements, which includes supported accommodation and secure accommodation, peak at 150 (this figure excludes Unaccompanied Asylum-Seeking Children (UASC)). The number of children and young people in these types of placements have plateaued in Q2, with September data showing a slight reduction to 144.

However, the average cost of residential care packages has increased by 13% since Q1. The complex care needs of a relatively small number of children mean that there are further pressures on this budget area. Over the course of the year to date there have been 29 looked after children who have had at some time care packages between £10,000 - £20,000 per week; at the end of quarter 2 there were 12 children whose care costs fell in this bracket. The additional projected overspends since Q1 are summarised below:

- a small number of high cost placements have been extended, till March 2024. This is felt to be a realistic timeframe for the placements, with close scrutiny applied bi-monthly to high cost packages of support, £1.1m
- placement moves to new higher cost placement following notice being given by previous provider, and from in house residential to bespoke new high cost placements due to complex needs, £2.9m
- additional "wraparound" support required to maintain a number of placements, this includes a large sibling group who have required a significant package of additional support to maintain their placement together, £1.0m

The projected underspends on Agency foster carers and in house foster carers services have reduced by £0.238m, and £0.221m respectively since Q1, this is in the main due to incentives being paid to carers to support placements.

Further data quality improvements are being made and the service is working with Impower to support longer term placement sufficiency and identify opportunities for delivering improved care placement options for children and young people (i.e. foster care or reunifications with families) through the 'Valuing Care' approach and panels. Whilst no savings have been realised in Q2 we anticipate reductions in cost of packages of about £0.250m whilst delivering better outcomes for children.

Lansdowne is projecting an additional £0.136m overspend:

Recruitment is progressing with the intention of opening the unit in early 2024. A phased opening with increased occupancy rates is planned to start from 2 January 2024. The unit is expected to reach breakeven point with six beds occupied at the pricing strategy agreed. It is expected to start

to recover costs in 2024/25. Any further delay in opening will result in additional costs which cannot be recovered.

LAC is projecting a slightly smaller overspend of £0.121m, due mainly to reduction of the projected overspend on care leavers staffing costs.

Fostering Services is projecting a reduced overspend, due to a revised income projection of £0.081m.

LAC management are projecting a slight reduction in overspend of £0.050m due to staff moving back to support the opening of Lansdowne.

Localities is projecting an additional £0.926m of overspend from Q1:

The main reason for the increase is due to taking on additional numbers of social workers from September costing an additional £0.459m. In addition, the west teams have seen increases in staff costs of £0.198m to support students with travel, accommodation, and nursery costs. Care costs include additional accommodation costs of £0.121m for an ISEND child and the parent and baby placements have a new case costing £0.031m. A subscription for supporting Kinship Reach has cost £0.056m. Additional impact of homelessness has contributed a further £0.093m.

As noted in the cover report, CSD is exploring ways of mitigating the overall overspend budget projection including through efficient use of national grant funding and delaying filling vacancies where this would not impair cost avoidance. CSD is also reviewing whether all legitimate requests for NHS contributions to the funding of care packages have been made.

Central Resources reduction in underspend of £0.783m to £0.517m (ref vi)

This includes a movement of £0.607m from Central Resources to Early Help and Social Care of the one-off unspent attendance investment (£1.5m investment), increase in legal fees over budget of £0.176m

Communication, Planning and Performance increase in overspend variance of £0.167m to £0.189m:

The increase is the projected overspend is due to £0.068m investment in a reviewing officer post for safeguarding, £0.034m for additional staff to reduce subject access requests and an increase of £0.065m in home to school transport.

Capital Programme Summary

The Capital Programme for 2023/24 is a £1.447m projected spend against a budget of £1.215m **(ref xi)**. The additional spend is the Council's contribution towards projects that are funded by the disabled facilities grant managed by the districts and boroughs. This will be funded from Capital reserves.

Performance exceptions (See How to read this report for definition)

Priority – Driving sustainable economic growth

Performance measure	Outturn 22/23	Target 23/24	RAG Q1 23/24	RAG Q2 23/24	RAG Q3 23/24	RAG Q4 23/24	Q2 23/24 outturn	Note ref
Average attainment 8 score for state funded schools	Ac Year 2021/22 ESCC: 46.5 Nat Av: 48.9	Ac Year 2022/23 46.5	G	A			To be reported at Q3	i
Average attainment 8 score for disadvantaged pupils	Ac Year 2021/22 ESCC: 33.3 Nat Av: 37.7	Ac Year 2022/23 33.3	G	A			To be reported at Q3	ii
Average Attainment 8 score for Looked After Children (LAC)	AC Year 2021/22 ESCC: 23.9 NAT AV: 20.3	Ac Year 22/23 19	G	A			To be reported at Q4	iii

Priority – Keeping vulnerable people safe

Performance measure	Outturn 22/23	Target 23/24	RAG Q1 23/24	RAG Q2 23/24	RAG Q3 23/24	RAG Q4 23/24	Q2 23/24 outturn	Note ref
Rate of children with a Child Protection Plan (per 10,000 children)	64.8 691 children	62.0 661 children	A	R			63.0 671 children	iv
Rate of Looked After Children (per 10,000 children)	62.3 664 children	63.4 676 children	A	R			64.4 686 children	v

Savings exceptions 2023/24 (£'000)

Service description	Original Target For 2023/24	Target including items c/f from previous year(s)	Achieved in-year	Will be achieved, but in future years	Cannot be achieved	Note ref
	-	-	-	-	-	
	-	-	-	-	-	
Total Savings	**0**	**0**	**0**	**0**	**0**	
			-	-	-	
			-	-	-	
Subtotal Permanent Changes [1]			**0**	**0**	**0**	
Total Savings and Permanent Changes	**0**	**0**	**0**	**0**	**0**	

Memo: treatment of savings not achieved in the year (£'000)	Temporary Funding [2]	Part of reported variance [3]	Total	Note Ref
	-	-	-	
	-	-	-	
	-	-	-	
Total	**0**	**0**	**0**	

[1] Where agreed savings are reasonably unable to be achieved other permanent savings are required to be identified and approved via quarterly monitoring.

[2] Temporary funding will only replace a slipped or unachieved saving for one year; the saving will still need to be made in future years (or be replaced with something else).

[3] The slipped or unachieved saving will form part of the department's overall variance - it will either increase an overspend or decrease an underspend. The saving will still need to be made in future years (or be replaced with something else).

Revenue Budget 2023/24 (£'000)

Divisions	Planned Gross	Planned Income	Planned Net	Projected Gross	Projected Income	Projected Net	(Over)/ under spend Gross	(Over)/ under spend Income	(Over)/ under spend Net	Note ref
Central Resources	2,242	(1,332)	910	1,725	(1,332)	393	517	-	517	vi
Early Help and Social Care	98,872	(16,426)	82,446	122,005	(16,237)	105,768	(23,133)	(189)	(23,322)	vii
Education and ISEND	111,954	(8,177)	103,777	113,898	(10,101)	103,797	(1,944)	1,924	(20)	viii
Communication, Planning and Performance	31,385	(4,340)	27,045	34,614	(7,380)	27,234	(3,229)	3,040	(189)	ix
DSG non Schools	-	(96,778)	(96,778)	-	(96,778)	(96,778)	-	-	-	
Schools	157,134	(157,134)	-	157,134	(157,134)	-	-	-	-	
Total CSD	**401,587**	**(284,187)**	**117,400**	**429,376**	**(288,962)**	**140,414**	**(27,789)**	**4,775**	**(23,014)**	**x**

Capital programme 2023/24 (£'000)

Approved project	Budget: total project all years	Projected: total project all years	Budget Q2	Actual to date Q2	Projected 2023/24	Variation (Over) / under Q2 budget	Variation analysis: (Over) / under spend	Variation analysis: Slippage to future year	Variation analysis: Spend in advance	Note ref
House Adaptations for Disabled Children's Carers	1,090	1,322	50	20	282	(232)	(232)	-	-	
Schools Delegated Capital	29,673	29,673	1,150	316	1,150	-	-	-	-	
Conquest Centre redevelopment	356	356	15	-	15	-	-	-	-	
Youth Investment Fund	193	193	-	-	-	-	-	-	-	
Total CSD	**31,312**	**31,544**	**1,215**	**336**	**1,447**	**(232)**	**(232)**	**0**	**0**	**xi**

Communities, Economy & Transport – Q2 2023/24
Summary of progress on Council Priorities, issues arising, and achievements

Economy and environment

Employability and Skills

The Creative and Digital Task Group supported Digifest in Eastbourne in September. The Task Group provided panellists to lead on discussions about creative and digital skills and career pathways. Members of the Engineering Task Group promoted Engineering roles in Hastings as part of Careers Week during Q2. Sussex Community Development Association (SCDA) has delivered practical maths courses during Q2 as part of the Council's Multiply programme. The courses help people to manage their finances better through short learning interventions focusing on personal budgeting and money management.

215 Industry Champions were supporting schools and colleges at the end of Q2.

Apprenticeships

In collaboration with the Transform Project, the 25% of the Apprenticeship Annual Levy funding that can be passed to small and medium employers has almost entirely been allocated for 2024/25. Over £250k has been committed to employers within the county. As the funding for the Transform project expires at the end of 2023 the Apprenticeship Team is working to explore alternative funding avenues to enable the 25% levy spend to continue to be passed on to local employers.

Q&A sessions have continued to be held for staff interested in apprenticeships, with management-based apprenticeships at all levels proving most popular. 17 members of staff enrolled on the Team Leader and Operations Manager apprenticeships during Q2. The annual intake of apprentices undertaking degree-based apprenticeships, including Social Work and a variety of management and teaching degrees, enrolled at University during Q2.

The Pre-Employment project has continued to engage with the Department for Work and Pensions and other referral projects throughout the county. Candidates are now offered the opportunity of training and guidance on making job applications, as well as the opportunity of a mock interview to ensure they are best placed to be successful at interview. This approach has now seen 10 jobseekers move into employment since engagement with the support offered by the project.

Cultural investment and recovery

Work has continued in Q2 on the three priority work packages identified by the Sussex Tourism Leadership Group. Work on the Sussex Story is nearing completion and is expected to be presented in Q3. Over 100 people were surveyed on what makes Sussex unique. The results of these surveys will help shape the marketing which will promote the Sussex Story. VisitSussex have created a newsletter detailing the Meetings, Incentives, Conferences and Exhibitions (MICE) opportunities across Sussex. Sussex was also featured in MICE magazines as a destination to visit.

The Turner Prize exhibition opened at the Towner in Eastbourne on 27 September. 1,200 people attended the opening, and 100 journalists attended the press launch the following day. There have been over 360 individual articles covering the exhibition. These articles have been viewed an estimated 9.95m times and reached a wider audience estimated at 980m. Coverage includes pieces in the Sunday Times, the New York Times, the BBC, the Times, The Daily Telegraph and the Independent.

Broadband

The Broadband Project is now entering its final stages and is moving towards contract closure. The Broadband Team is continuing to engage with Broadband Delivery UK (BDUK) on its centrally run

Project Gigabit programme. The contract for East and West Sussex and Brighton & Hove is expected to be let in January 2024. The Gigabit Voucher scheme, including the East Sussex top up, is on hold during the procurement process. The Broadband Team is continuing to push BDUK for details of how they plan to cover the very hardest to reach properties in the county.

Job creation

East Sussex Invest provides loans and grants to local businesses to help create local jobs and support businesses to become environmentally responsible. As part of a wider corporate approach applications for funding have been temporarily suspended while a full independent review of the fund used for these activities is completed. This review will help is to understand how we can best maximise the use of the fund whilst carefully balancing risk. This review has been commissioned and we expect to receive findings in Q3 **(ref i)**. We anticipate the fund will open again in Q4, which means it is unlikely that we will be able to support enough businesses to create jobs in 2023/24 to meet the target for this measure.

Environment and climate change

Teams in Communities, Economy and Transport (CET) and the Business Services Department (BSD) have continued to work together with partners to develop and deliver carbon reduction and climate change adaptation work. In Q2 this has included:

- submitting a bid of £500k to the next round of the Government's Public Sector Decarbonisation Scheme. This will pay for part of the cost of decarbonising two schools
- producing the annual progress report on becoming a carbon neutral council which was agreed by the Council
- securing funding from the South East Net Zero Hub for a detailed feasibility study of ground-mounted solar PV at Pebsham landfill site

Teams in CET and Public Health (PH) have also worked together to recruit a climate change Health Impact Assessment Officer. This officer will develop a climate change health impact assessment, to help understand the impacts of climate change on health in East Sussex, evaluate what policies and plans are in place and identify any key gaps in provision. Recruitment has also started for a Retrofit Partnership and Programme Manager and Retrofit Data Lead. These roles will help inform the development of a county-wide Housing Retrofit Strategy.

The department are working to procure a consultant to carry out a county-wide climate change vulnerability and risk assessment. This assessment will help inform a wider adaptation plan. Work is ongoing with district and borough councils to develop a bespoke Local Area Energy Plan, which will help to map out what carbon reduction measures could be delivered across the county to accelerate carbon reduction. We are also supporting a Council project that will look at options to develop a county-wide climate change partnership. This is in response to one of the recommendations from the Local Government Association Corporate Peer Challenge.

Planning

100% of County Matter applications were determined within the statutory determination period in Q2. 100% of County Council development applications were also determined within eight weeks or within an agreed extension of time during Q2.

Highways, transport and waste

Highways improvements and road condition

The annual surface dressing programme was completed in Q2. 17 sites were completed, extending the life of almost 30km of roads by up to 10 years. This included repairs along the A22 East Hoathly Bypass and A267 Mayfield Road in Marks Cross. Information about locations included in the programme is available at www.eastsussexhighways.com.

Work continued in Q2 using the additional funding for highways approved by the Council in recognition of the deterioration of the network following the last prolonged, wet and cold winter. 471 patches at over 269 sites have been identified to be completed in 2023/24, with 36 patches completed so far. Around 100 signs are scheduled for replacement in 2023/24, with around 600 further signs which require replacement identified, these will be scheduled into the work programme in the coming quarters. The focus for the additional drainage spend has been on delivering those schemes which are quick and simple to design and will address the most urgent drainage issues. So far around 100 minor schemes have been completed. This includes replacing jammed gully covers and clearing significant blockages. In addition, a programme of investigation works is underway to identify problems and design solutions on more complex drainage problems. These will be delivered through 2023/24 and 2024/25. To date over 50 schemes have been identified for design and delivery. The remaining budget for the refresh of road markings has now been fully allocated and will include renewing the lining along the A22 Hailsham bypass and around 600 further sites around the county.

32 road improvement schemes were completed in Q2 to improve the condition of the roads. 7,217 potholes were repaired with 5,054 of these being carriageway potholes, the remainder were primarily footway potholes.

Road safety

In Q1 and Q2 three road safety infrastructure schemes have been completed and Balfour Beatty Living Places have provided assurances that 24 high risk schemes will be completed by the end of 2023/24.

We delivered 95 Bikeability Courses to 712 individuals at participating schools and the Cycle Centre at Eastbourne Sports Park during Q2. We also delivered 74 ‘Wheels for All’ sessions to 1,097 attendees at the sports park.

Transport and parking

A number of projects have commenced as part of the Bus Service Improvement Plan (BSIP) in Q2:

- £10.5m of conventional bus service improvements began in July. These will result in improvements to the frequency of some services, others running later in the day and improvements to some weekend services. These service enhancements will run to the end of March 2026. Details of the new services can be found on our website.
- Work has continued on improving bus stops around the county. Around 75% of all bus stops now have QR plates, which enable people to scan the plate and receive the next bus information for that stop.

The Home to School Transport Team successfully arranged transport for over 5,000 children at the start of the new school year.

Eastbourne Household Waste Recycling Site began a trial to open 30 minutes earlier Monday to Friday in August. The trial will continue in the autumn and winter. The new opening times allow residents to access the site earlier and reduce queuing.

The Council’s parking enforcement contractor, NSL, are working with bus companies to improve parking enforcement on bus routes. Civil Enforcement Officers have been travelling on buses to see where the problem areas are. Locations with no parking restrictions that are causing problems to services have been identified and will be assessed in future reviews.

The review of parking in Rother was considered by the planning committee in July. A works order is being prepared for the approved changes and works are due to start in Q3. Hastings’ parking review has been completed and the recommendations are due to be considered at the planning committee in Q3.

The Council has been allocated £4.4m of funding through the Government's Local Electric Vehicle Infrastructure Fund. The funding will support the delivery of on street electric vehicle chargepoints in the county. The funding is due to be released upon approval of a business plan and approval of a draft contract. The plan is currently being developed and is due to be submitted in Q3. Procurement of the contract is then expected to take place in Q4. Initial work to deliver the new chargepoints is expected to take place in Q1 and Q2 2024/25.

Waste

The projected 2023/24 outturn for waste re-used, recycled or composted, or used beneficially is 55.8% based on the Q1 outturn (reported a quarter in arrears). Green waste and kerbside recycling tonnage was higher than expected in Q1. The volume of materials recovered from the Newhaven Energy Recovery Facility was also higher than anticipated. These include bottom ash, which is used in highway construction, and metals which are sent for recycling.

Rights of Way (RoW) and Countryside Sites

We completed 94% of high priority maintenance work on schedule in Q2. Rangers concentrated on planned and proactive vegetation clearance.

Communities

Trading Standards

218 businesses and individuals received training and advice from Trading Standards in Q2. Many of these related to recent changes in the law around food and safety labelling.

Trading Standards made 895 positive interventions to protect vulnerable people in Q2. 877 of these were as part of support sessions and training delivered to vulnerable groups. 18 were direct interventions to protect vulnerable people which included installing call blockers to protect vulnerable people from scammers. July was National Scams Awareness Month which enabled the team to connect with many more potentially vulnerable residents.

Libraries

7,198 participants took part in the Summer Reading Challenge in 2023, which is the highest number since 2018. 110 promotional assemblies were delivered before the end of the summer term. Advertisements ran throughout the summer on social media, alongside over 90 events and activities within libraries to promote the challenge. 4,258 participants completed the challenge, a 23% increase compared with 2022.

337 people enrolled on Family Learning Programmes at East Sussex libraries in Q2. 167 of these were in Family Learning, English, Maths and Language programmes. 170 were in Wider Family Learning programmes.

22 people passed online learning courses, including in IT, English and Maths in our libraries in Q2.

Revenue Budget Summary

The CET revenue budget is £72.401m and is currently forecast to underspend by £212k. The largest underspend is in Transport and Operations where current market prices mean that electricity and recycling income in the Waste Service is exceeding budget and the budgeted draw down of £2.335m is not required **(ref v)**.

The underspend in Communities is mostly due to staff vacancies in Trading Standards and Road Safety with additional income from Emergency Planning training **(ref iv)**. The largest overspend is in Highways and is due to the estimated increased cost of electricity for streetlighting **(ref vi)**.

The overspend in Planning and Environment is mostly within the Transport Development Control budget. This can be attributed to the lack of up-to-date Local Plans in the county, which

has led to an increase in speculative planning applications for residential developments. These often have challenging transport issues that need to be addressed. We have seen a rise in the number of applications that have required specialist input (e.g., transport modelling) and/or have become subject to planning appeals. These are particularly resource intensive and have often required short-term consultancy support **(ref vii)**.

The Parking saving will not be achieved this year and is covered by a one-year budget increase **(ref ii)**. The Environmental Services saving will not be achieved and will be addressed next year **(ref iii)**.

Capital Programme Summary

The CET capital programme has a gross budget of £76.119m and there was slippage of £18.949m, overspend of £781k, and spend in advance of £147k. The slippage is mostly in the Hastings and Bexhill Movement and Access Package and is due to the requirement to undertake a prioritisation process that requires funder and Lead Member approval. As a result, progress on the selected schemes will be delayed **(ref x)**. Supply chain issues have caused a backlog in the street lighting replacement scheme **(ref xvii)**. Delays in handing over the design work on the Eastbourne Town Centre 2b scheme have postponed work to the next year **(ref xiii)**. A bat survey is needed to progress work on Shinewater Bridge, and can now only be done in April 2024 **(ref xvi)**. Inflation pressures in the Eastbourne/South Wealden Walking and Cycling package means that the schemes need to be prioritised and will go for lead member approval in February **(ref xi)**. Inflation has also impacted on the Eastbourne Town Centre 2a scheme where increased material costs means that the contract is going out to retender **(ref xii)**. Now that the planning conditions have been discharged and the S106 agreement has been signed, planning permission for the Exceat Bridge has been granted. Negotiations with the numerous landowners are also progressing. However, due to a number of small delays, construction is expected to start in spring 2024. **(ref xv)**. There are delays in project brief approvals on Integrated Transport schemes which has delayed construction **(ref xiv)**. The Bexhill to Hastings Link Road overspend is due to the outstanding archaeology, ecology, and Part 1 compensation claims **(ref viii)**. Consultation on the Bus Service Improvement Plan is reaching its conclusion and scheme will need to be rescoped and therefore some schemes will not be complete this year **(ref ix)**. There are additional schemes with smaller variations to budget.

Performance exceptions (Q2 – See How to read this report for definition)

Priority – Driving sustainable economic growth

Performance measure	Outturn 22/23	Target 23/24	RAG Q1 23/24	RAG Q2 23/24	RAG Q3 23/24	RAG Q4 23/24	Q2 23/24 outturn	Note ref
Job creation from East Sussex Invest	N/A	27 jobs created	G	R			No jobs created through East Sussex Invest	i

Savings exceptions 2023/24 (£'000)

Service description	Original Target For 2023/24	Target including items c/f from previous year(s)	Achieved in-year	Will be achieved, but in future years	Cannot be achieved	Note ref
Parking	-	745	-	745	-	ii
Libraries	105	105	105	-	-	
Environmental Services	-	60	-	-	60	iii
	-	-	-	-	-	
Total Savings	**105**	**910**	**105**	**745**	**60**	
			-	-	-	
			-	-	-	
Subtotal Permanent Changes [1]			**0**	**0**	**0**	
Total Savings and Permanent Changes	**105**	**910**	**105**	**745**	**60**	

Memo: treatment of savings not achieved in the year (£'000)	Temporary Funding [2]	Part of reported variance [3]	Total	Note Ref
Parking	745	-	745	
Environmental Services	-	60	60	
Total	**745**	**60**	**805**	

[1] Where agreed savings are reasonably unable to be achieved other permanent savings are required to be identified and approved via quarterly monitoring.

[2] Temporary funding will only replace a slipped or unachieved saving for one year. The saving will still need to be made in future years (or be replaced with something else).

[3] The slipped or unachieved saving will form part of the department's overall variance - it will either increase an overspend or decrease an underspend. The saving will still need to be made in future years (or be replaced with something else).

Revenue Budget 2023/24 (£'000)

Divisions	Planned Gross	Planned Income	Planned Net	Projected Gross	Projected Income	Projected Net	(Over)/ under spend Gross	(Over)/ under spend Income	(Over)/ under spend Net	Note ref
Management and Support	7,583	(4,714)	2,869	7,621	(4,776)	2,845	(38)	62	24	
Customer, Library and Registration	10,085	(4,992)	5,093	9,417	(4,266)	5,151	668	(726)	(58)	
Communities	3,132	(869)	2,263	3,418	(1,432)	1,986	(286)	563	277	iv
Transport & Operational Services	111,507	(69,498)	42,009	111,362	(69,902)	41,460	145	404	549	v
Highways	21,050	(3,578)	17,472	21,649	(3,874)	17,775	(599)	296	(303)	vi
Economy	3,174	(1,512)	1,662	3,484	(1,822)	1,662	(310)	310	0	
Planning and Environment	4,273	(3,240)	1,033	5,329	(4,019)	1,310	(1,056)	779	(277)	vii
Total CET	**160,804**	**(88,403)**	**72,401**	**162,280**	**(90,091)**	**72,189**	**(1,476)**	**1,688**	**212**	

Capital programme 2023/24 (£'000)

Approved project	Budget: total project all years	Projected: total project all years	Budget Q2	Actual to date Q2	Projected 2023/24	Variation (Over) / under Q2 budget	Variation analysis: (Over) / under spend	Variation analysis: Slippage to future year	Variation analysis: Spend in advance	Note ref
The Keep	1,096	1,096	228	-	228	-	-	-	-	
Peacehaven Refurbishment and Conversion	70	70	-	-	-	-	-	-	-	
Libraries	5,139	5,139	508	638	580	(72)	-	-	(72)	
Broadband	33,800	33,800	160	(1,119)	160	-	-	-	-	
Bexhill and Hastings Link Road	126,247	128,347	-	170	780	(780)	(780)	-	-	viii
BHLR Complementary Measures	1,800	1,800	189	2	100	89	-	89	-	
Economic Intervention Fund	8,884	8,884	175	35	75	100	-	100	-	
Economic Intervention Fund - Loans	3,000	3,000	300	53	80	220	-	220	-	
Stalled Sites Fund	916	916	50	13	13	37	-	37	-	
EDS Upgrading Empty Commercial Properties	500	500	-	-	-	-	-	-	-	
Community Focused Road Safety Interventions	750	750	485	129	206	279	-	279	-	
Climate Emergency Works	9,859	9,859	3,095	1,790	3,095	-	-	-	-	
Flood and Coastal Resilience Innovation Programme	445	445	943	91	885	58	-	58	-	
SALIX Decarbonisation - Ninfield School	145	146	-	1	1	(1)	(1)	-	-	
SALIX Decarbonisation	369	369	-	6	-	-	-	-	-	
Newhaven Port Access Road	23,271	23,271	86	(52)	28	58	-	58	-	
Real Time Passenger Information	2,963	2,963	70	28	70	-	-	-	-	
Bus Service Improvement Plan	22,315	22,315	3,245	364	2,545	700	-	700	-	ix
Replacement Lewes Road Bus Station	100	100	4	(2)	4	-	-	-	-	
PAX Software System	37	37	26	14	26	-	-	-	-	

APPENDIX 6

Approved project	Budget: total project all years	Projected: total project all years	Budget Q2	Actual to date Q2	Projected 2023/24	Variation (Over) / under Q2 budget	Variation analysis: (Over) / under spend	Variation analysis: Slippage to future year	Variation analysis: Spend in advance	Note ref
Hastings and Bexhill Movement & Access Package	9,583	9,583	4,203	(209)	(79)	4,282	-	4,282	-	**x**
Eastbourne/South Wealden Walking & Cycling Package	6,936	6,936	2,064	72	79	1,985	-	1,985	-	**xi**
Hailsham /Polegate/ Eastbourne Movement & Access Corridor	2,251	2,251	275	230	350	(75)	-	-	(75)	
Eastbourne Town Centre Movement & Access Package A	6,936	6,936	3,296	292	2,000	1,296	-	1,296	-	**xii**
Eastbourne Town Centre Movement & Access Package B	5,454	5,454	2,433	(62)	100	2,333	-	2,333	-	**xiii**
Other Integrated Transport Schemes	66,753	66,753	3,740	590	2,802	938	-	938	-	**xiv**
A22 Corridor Package	1,143	1,143	100	202	100	-	-	-	-	
Community Match Fund	780	780	149	15	95	54	-	54	-	
Area-wide traffic management scheme – Schools Streets	200	200	200	-	64	136	-	136	-	
ATF Eastbourne Liveable Town Centre	274	274	274	-	37	237	-	237	-	
Exceat Bridge	10,591	10,591	2,320	254	1,259	1,061	-	1,061	-	**xv**
Queensway Depot Development	1,956	1,956	504	(17)	104	400	-	400	-	
Core Programme - Highways Structural Maintenance	498,675	498,675	35,893	7,065	35,893	-	-	-	-	
Visibly Better Roads	5,800	5,800	1,293	(332)	1,293	-	-	-	-	
Core Programme - Bridge Assessment Strengthening	38,785	38,785	4,740	234	2,740	2,000	-	2,000	-	**xvi**
Core Programme - Street Lighting - Life Expired Equipment	39,561	39,561	4,686	230	2,000	2,686	-	2,686	-	**xvii**
Core Programme - Street Lighting - SALIX scheme	2,961	2,961	219	(82)	219	-	-	-	-	
Core- Rights of Way Surface Repairs and Bridge Replacement Programme	10,417	10,417	552	272	552	-	-	-	-	
Total CET Gross (Planned Programme)	**950,762**	**952,863**	**76,505**	**10,915**	**58,484**	**18,021**	**(781)**	**18,949**	**(147)**	

Governance Services – Q2 2023/24
Summary of progress on Council Priorities, issues arising, and achievements

Reconciling Policy, Performance and Resources (RPPR)

The financial outlook for the Council continues to remain unclear. We are expecting a further one-year financial settlement for 2024/25, and it continues to be unlikely that there will be any significant national reform to local government funding before the next general election, which is expected in 2024.

We continue to act to maximise our resilience as an organisation wherever we can, to work effectively with our partners and to best manage growing demand for our services. At the end of Q2 Cabinet considered the report of the Local Government Association Corporate Peer Challenge which underlined the Council's strong record of delivery, the value of our partnership working and our good foundations to plan for the longer-term future. Cabinet agreed the Council's response to the recommendations, which lays out the actions we will take to respond to the suggested areas for development identified during the Peer Challenge.

Councils across the country, including East Sussex County Council, are also facing a rapid escalation in both demand and costs as a result of national factors beyond local control. In particular, ongoing growth in demand for children's social care, special educational needs and disability (SEND) and adult social care, due to increased need and demographic change, is placing significant pressure on local authorities, both financially and in service provision. These pressures, already impacting on the Council in-year, also need to be taken into account in our planning for 2024/25 and beyond. The RPPR process continues to provide a tried and tested approach to help us navigate this increasingly difficult environment.

Transport for the South East (TfSE)

Following the publication of TfSE's Strategic Investment Plan (SIP) TfSE has produced a set of Policy Position Statements. These statements explain in more detail the global policy interventions that will be needed to support the SIP scheme interventions. Seven statements have been prepared on Strategic Active Travel and Micromobility, Transport and Decarbonisation, Transport and Social Inclusion, Future Rural Transport, Bus Shared Mobility and Mass Transit, Rail, and Highways. These Policy Position Statements will be presented to the TfSE Partnership Board in Q3 for approval. Work is underway to produce a Delivery Action Plan for the SIP, an analytical framework to support business cases and the delivery of the schemes within the SIP, and a Monitoring and Evaluation Plan. A Story map has been developed which will allow users to explore the SIP and Delivery Action Plan via an interactive map.

As part of TfSE's Electric Vehicle Charging Infrastructure Strategy, consultants Arcadis have developed a tool that supports local transport authorities with the rollout of electric vehicle charging infrastructure within their areas. In July 2023 a formal launch and training workshop was facilitated by TfSE to bring local transport authority officers up to speed with using the platform.

Work on the TfSE Regional Active Travel Strategy commenced in July 2023, and Stage 1 of the work on the governance arrangements for the work is now complete. This included the development of the project's Stakeholder Engagement Plan and assembly of the TfSE Regional Active Travel Steering Group.

There is ongoing work to develop a new Freight Forum. The purpose of the Forum is to give TfSE, Transport East, England's Economic Heartland, and other delivery agents and freight and logistics operators the knowledge and evidence we need to ensure that the work we do will properly support the freight sector and inform our work going forward.

Corporate Lobbying

During Q2, the Leader took opportunities to meet with local MPs, and has continued to raise issues and priorities for the county with them. This included a specific update on the State of the

County report and an update on the additional investment in highways agreed by the Council. As well as the pressing need for national action to address the serious shortage of funding to local authorities for highways work, this outlined how demand for our services is increasing because of increased need and demographic change, drawing particular attention to the pressures in Children's Services. The Leader highlighted the very challenging medium term financial outlook for the Council and sought MPs' support in lobbying for certainty of future funding for local government, that reflects local need, and to ensure that service reforms are sustainable and properly funded.

We continued to draw on broader partnerships and networks to lobby on current priorities, including via the County Councils Network and through the Local Government Association conference which took place during Q2. The Chief Executive continues to be involved in national policy development as representative for the South East region on a national grouping of local authority Chief Executives. Other Chief Officers continue to influence service specific national policy developments through national professional associations and networks and responses to specific Government consultations.

Supporting democracy

During Q2 we supported 45 meetings including: one County Council meeting; two Cabinet meetings; 12 Lead Member meetings; 16 Scrutiny Committees and Review Boards and 14 other committees and panels. The webcasts of meetings were viewed 2,210 times in Q2. The most viewed meeting was the Planning Committee meeting on 12 July 2023, which received 485 views.

In Q2 the Member Training and Development programme continued to deliver a range of courses in support of Members and the roles they hold. Courses delivered included sessions on member interests and the code of conduct, the role of public health in local government and planning reform.

The Council's scrutiny committees continued to progress their work programmes during Q2. A scrutiny review of equality and inclusion in Adult Social Care and Health reported to Cabinet, with actions agreed in response to recommendations made by the People Scrutiny Committee. The committee also continued its work on a scrutiny review of school exclusions. Place Scrutiny Committee progressed its scrutiny review of pothole management and continued to provide scrutiny input into the development of the updated Local Transport Plan and through the Climate Emergency Action Plan Reference Group. Both committees also received reports and made comments as part of the RPPR process in July and September. The Health Overview and Scrutiny Committee met in September to consider a report on the re-commissioning of the non-emergency Patient Transport Service, an update on Primary Care Networks in East Sussex and a report from East Sussex Healthcare NHS Trust on their capital building programme including the New Hospitals Programme.

The Health and Wellbeing Board met on 28 September 2023 to consider a number of annual reports for 2022/23 which included the East Sussex Safeguarding Adults Board Annual Report; the Sussex Learning from Lives and Deaths (LeDeR) Annual Report; Healthwatch East Sussex Annual Report; and the Director of Public Health Annual Report. The Board also considered a programme update report on the implementation of the NHS Sussex Shared Delivery Plan (SDP) and a report on a Creative Health Position Paper from the Public Health team.

Q2 saw significant work undertaken by the East Sussex School Appeals Service to complete the main round of school appeals for the September 2023 intake. 100 appeals were received during Q2, and 11 hybrid appeal hearings took place. Of the 100 appeals received during this quarter, 15 were dismissed by an Independent Appeal Panel, and five were upheld. Of the remaining appeals, 47 are scheduled to be heard in Q3, and 33 are no longer required to be heard by an Independent Appeal Panel because these appeals have either been withdrawn by the families or places have become available at the school being appealed for.

Legal Services

During Q2, Legal Services assisted Trading Standards to obtain a 34 month custodial sentence against a fraudulent trader previously convicted of obtaining £19,500 for sub-standard building works. Following a previous successful conviction against a fraudulent trader for possession for sale of counterfeit tobacco, the Service also supported Trading Standards to obtain a fine of £5,000, a victim surcharge of £181 and prosecution costs of £7,620. In Q2, the Service assisted Children's Services to secure six fines ranging from £40-£660, victim surcharges of £742 and prosecution costs of £2,112 against parents for knowingly failing to ensure the regular attendance of their children at school. The Service also assisted Children's Services to obtain convictions against two parents for failing to comply with a School Attendance Order in respect of their children and to secure a £300 fine, a £120 victim surcharge and £1,125 costs.

During Q2 the Service advised in relation to 61 Court of Protection cases and 25 matters involving safeguarding vulnerable adults (compared to 77 and 21 in Q2 2022/23) and 58 Deprivation of Liberty Safeguards applications in the Court of Protection (compared to 41 in Q2 2022/23).

In Q2, the Service continued to work closely with Children's Services, providing advice and representation, including in pre-proceedings and court applications for care proceedings. Our priority is to keep children within their family when it is safe to do so, and for public law applications to be a necessary and proportionate response to achieve the best outcome for the child. In Q2 the Service advised in relation to 54 families in pre-proceedings compared to 52 in Q2 2022/23. The Service applied for care proceedings in respect of 19 families compared to 19 in Q2 2022/23. At the end of Q2, there were a total of 64 ongoing care proceedings compared to 62 proceedings in Q2 2022/23. In Q1, the Service concluded 20 care proceedings compared to 18 in Q2 2022/23. In Q2 concluded care proceedings took on average 41 weeks per child compared to 54 in Q1. This was due to a backlog of hearings being resolved by the courts and the impact of the President of the Family Division's re-focus on concluding proceedings within 26 weeks.

In Q2 the Service also advised and represented Children's Services in relation to 23 other matters, including, applications for adoption orders and discharge of care and placement orders.

The Service completed agreements to secure financial contributions to the Council of £931,048, together with the delivery of additions and improvements to the highway network across the county. A total of 19 legal agreements were completed to secure these provisions for the Council. The Service also advised on 40 new property matters. The Service also advised on 63 contracts and procurement instructions. During Q2, the Service assisted Income Recovery in securing the recovery and repayment of debts totalling £10,665.

Coroner Services

During Q2 2023/24, 499 deaths were reported to the Coroner, averaging 166 deaths per month. Although this is lower than the 190 reported deaths per month on average in Q1, since 2021/22 there has been a year-on-year increase in the total number of deaths reported. In Q2, 216 post mortems were carried out (43% of deaths reported) compared to 283 (50% of deaths reported) in Q1. Although the number of post mortems in Q2 is less than in Q1, since 2021/22 there has been a year on year increase in the total number of post mortems. Of the 499 deaths reported in Q2, 94 went to inquest compared to 90 in Q1. In Q2, 70 inquests were closed compared to 57 in Q1. Inquests, including jury inquests, are held in court with the option for family, interested persons and witnesses to attend court in person or remotely.

Regulation of Investigatory Powers Act (RIPA)

There were no RIPA applications, reviews or renewals during Q2.

Local Government Ombudsman complaints

The Ombudsman issued 17 decisions in Q2. 13 cases were closed before a full investigation for a variety of reasons. These reasons included insufficient evidence of fault, complaints being out of the Ombudsman's jurisdiction, an appropriate remedy had already been applied or because the

complaint had not been through our internal complaint processes. Of the four cases fully investigated, one case related to Adult Social Care (ASC) and three to Children's Services (CS). Three of the cases investigated were closed with the complaint partly or fully upheld as follows:

ASC - The client's sister complained on his behalf that the Council had failed to support him with his care and housing needs and that it did not do enough to prevent him being financially exploited. As a result of these failures the complainant said the client has been living in poor conditions and has lost £80,000.

The Ombudsman found the Council at fault for failing to properly assess and put in preventative measures to support a person in need with fluctuating capacity. However, the Ombudsman was not able to say, had the Council acted correctly, that the client would have received alternative accommodation sooner or would not have lost money. The Council has agreed to apologise to the client and his sister and to make a symbolic payment of £3,750 for the distress caused. It has also agreed to work with the client to assess and plan future services, review procedures, remind staff about the importance of considering preventive measures and review processes when a person's circumstances change.

CS – The complainant said that the Council failed to make suitable education provision for her son, who has had limited school attendance since March 2021.

The Ombudsman found fault with the Council for paying inadequate attention to the child's case during the 2021/22 academic year when aware of his absences. This caused injustice to the complainant and her son as the Council failed to ensure he received satisfactory education. The Council has agreed to apologise to the complainant and make a symbolic payment of £3,750 in recognition of the lack of provision. In light of the Council's introduction of new guidance to officers on the application of its Section 19 policy, the Ombudsman did not need to seek further service improvements from the Council.

CS – The client's mother complained about delays by the Council amending her daughter's Education, Health and Care (EHC) Plan following the breakdown of her school placement. She also complained about the education she missed as a result, and that she had to pay for childminding when her daughter should have been at school.

The Ombudsman found fault because the school's arrangements did not amount to the full-time education that the client's daughter was entitled to and which the Council had a duty to arrange. The Council has agreed to apologise to the complainant and her daughter and to make a symbolic payment of £3,700 to recognise the impact on client's education and to acknowledge the additional childcare costs the complainant incurred.

Web activity

The main council website had just over two million pageviews during Q2 and the intranet had almost 1.5 million pageviews. The top website pages visited included jobs, term dates, libraries, applying for a school place and Flexibus. Customer satisfaction with the website was 65%. The Customer Experience Board regularly review the satisfaction rates and consider where the website can be amended to improve the services we offer our customers.

Media and information work

There were 369 media stories about the Council in Q2. The press office issued 26 press releases, generating 45 stories. 135 media enquiries were handled. The number of press releases issued in July were slightly lower than usual due to pre-election period rules in place for the two by-elections.

Effective publicity and campaigns

75 people attended an open day to showcase job opportunities at Landsdown Secure Childrens' Home in Hailsham. Marketing of the event included advertising on buses, a social media campaign, leaflets and radio slots.

The number of weekly trips on Flexibus (demand-responsive bus service) has climbed to 363 by September (up from 136 a week at the start of June). This followed a sustained marketing campaign which involved printed ads, home leaflet drops, video promotion, newsletters, radio advertising and posters. A parallel campaign to publicise concessionary bus passes coincided with more than 3,000 visits to the promotional web page – three times the traffic of the same period a year ago.

Almost 7,200 children joined the library service's summer reading challenge – the highest level of attendance since 2018 and exceeding the target of 5,100. The campaign to drive take-up included social media promotion which prompted more than 2,100 engagements and a click-through rate of 4.5%, with a click-through rate of 2% normally considered good.

South East 7 (SE7)

SE7 Leaders met in Q2 and discussed latest developments on devolution, the outcomes of the Hewitt Review of Integrated Care Systems, and ongoing legal action being taken against the Home Office related to the housing and support of Unaccompanied Asylum-Seeking Children. Leaders also discussed latest budget positions and the financial challenges all authorities were contending with. Leaders agreed to write collectively to Government on this issue, emphasising the impacts of local authorities' financial situations on residents and communities, and the importance of local government receiving multi-year financial settlements.

SE7 Chief Executives also continue to meet regularly, and in Q2 discussed ongoing opportunities for joint work, local and national policy developments, and how to progress work agreed by the Leaders, including a renewed lobbying strategy for the partnership.

Revenue Budget Summary

The Governance Service revenue budget is currently £8.17m and is forecast to overspend by £378k. The main overspend is in the Coroner budget and is due to an increase in deaths reported to the Coroner and the increase in the number of those deaths that went to post mortem. The rise in post mortems directly increases mortuary, pathology, histology, and toxicology costs **(ref i)**. It is also projected that there will be an increase post mortem fees in-line with local market rates. Legal Service staff costs are overspent due to the cost of covering maternity leave **(ref ii)**. There are some small underspends across the rest of the department.

Performance exceptions (See How to read this report for definition)

Performance measure	Outturn 22/23	Target 23/24	RAG Q1 23/24	RAG Q2 23/24	RAG Q3 23/24	RAG Q4 23/24	Q2 23/24 outturn	Note ref
No Council Plan exceptions in Q2								

Savings exceptions 2023/24 (£'000)

Service description	Original Target For 2023/24	Target including items c/f from previous year(s)	Achieved in-year	Will be achieved, but in future years	Cannot be achieved	Note ref
	-	-	-	-	-	
	-	-	-	-	-	
Total Savings	**0**	**0**	**0**	**0**	**0**	
			-	-	-	
			-	-	-	
Subtotal Permanent Changes [1]			**0**	**0**	**0**	
Total Savings and Permanent Changes	**0**	**0**	**0**	**0**	**0**	

Memo: treatment of savings not achieved in the year (£'000)	Temporary Funding [2]	Part of reported variance [3]	Total	Note Ref
	-	-	-	
	-	-	-	
	-	-	-	
Total	**0**	**0**	**0**	

[1] Where agreed savings are reasonably unable to be achieved other permanent savings are required to be identified and approved via quarterly monitoring.

[2] Temporary funding will only replace a slipped or unachieved saving for one year; the saving will still need to be made in future years (or be replaced with something else).

[3] The slipped or unachieved saving will form part of the department's overall variance - it will either increase an overspend or decrease an underspend. The saving will still need to be made in future years (or be replaced with something else).

APPENDIX 7

Revenue Budget 2023/24 (£'000)

Divisions	Planned Gross	Planned Income	Planned Net	Projected Gross	Projected Income	Projected Net	(Over)/ under spend Gross	(Over)/ under spend Income	(Over)/ under spend Net	Note ref
Corporate Governance	5,202	(335)	4,867	5,468	(335)	5,133	(266)	-	(266)	**i**
Corporate Support	3,709	(403)	3,306	3,840	(422)	3,418	(131)	19	(112)	**ii**
Total Governance	**8,911**	**(738)**	**8,173**	**9,308**	**(757)**	**8,551**	**(397)**	**19**	**(378)**	

Capital programme 2023/24 (£'000)

Approved project	Budget: total project all years	Projected: total project all years	Budget Q2	Actual to date Q2	Projected 2023/24	Variation (Over) / under Q2 budget	Variation analysis: (Over) / under spend	Variation analysis: Slippage to future year	Variation analysis: Spend in advance	Note ref
No current programme for Governance	-	-	-	-	-	-	-	-	-	
Total GS Gross (Planned Programme)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	

This page is intentionally left blank

Strategic Risk Register – Q2 2023/24

Ref	Strategic Risks	Risk Control / Response and Post Mitigation RAG score	RAG
12	**CYBER ATTACK** The National Cyber Security Centre (NCSC) has highlighted the substantial risk to British web infrastructure, with elevated levels of Cyber Crime being reported against all areas of government, particularly in light of the current Ukrainian situation. Cyber attacks are growing more frequent, sophisticated, and damaging when they succeed. The COVID-19 pandemic has increased the need to carry out many additional functions virtually and remotely. Changes in working practice give rise to more requests to relax security controls, with services more likely to take risks on the technology they procure and how they use it. Controls have been enhanced to manage these requests. The impacts of a cyber attack are far-reaching, and it is difficult to put a figure on the cost, but authorities that have been subject to major attacks have calculated the disruption to have cost between £10m and £12m.	Most attacks leverage software flaws and gaps in boundary defences. IT&D use modern security tools to assure our security posture: Monitoring network activity and identifying security threats; Keeping software up to date with regular patching regimes; Continually monitoring evolving threats and re-evaluating the ability of our toolset to provide adequate defence against them; Ongoing communication with the Security industry to find the most suitable tools and systems to secure our infrastructure. IT&D continues to invest in new tools, which use pre-emptive technology to identify threats and patterns of abnormal behaviour. The Council achieved Cyber Essentials Plus accreditation during 2022/23. Cyber Essentials Plus is the industry standard for the private and public sectors, underpinning safe sharing with partners and helping ensure sufficient controls are in place to minimise the risk of a cyber incident. Enhancing user awareness: Expanding E-Learning and policy delivery mechanisms to cover Cyber threat; educating staff around the techniques and methods used by active threats; and providing General Data Protection Regulation (GDPR) training and workshops to cascade vital skills and increase awareness of responsibilities under GDPR legislation. Business Continuity Scenario testing is currently being cascaded through Departmental Management Teams. Services hosted in ISO 27001 accredited Orbis Data Centres.	Red
5	**RECONCILING POLICY, PERFORMANCE & RESOURCE** There is ongoing uncertainty in relation to future funding levels, the longer-term local government funding regime and the impact of national reforms, particularly to Adult Social Care. Rising inflation and cost of living are likely to lead to higher demand for Council services and increase the direct cost of providing services. Together these create a risk of insufficient resources being available to sustain service delivery at the agreed Core Offer level to meet the changing needs of the local community.	We employ a robust Reconciling Policy, Performance and Resources (RPPR) process for business planning, which ensures a strategic corporate response to resource reductions, demographic change and regional and national economic challenges; and directs resources to priority areas. We take a commissioning approach to evaluating need and we consider all methods of service delivery. We work with partner organisations to deliver services and manage demand, making best use of our collective resources. We take a 'One Council' approach to delivering our priorities and set out our targets and objectives in the Council Plan. We monitor our progress and report it quarterly. Our plans take account of known risks and pressures, including social, economic, policy and demographic changes and financial risks. However, we continue to operate in changing and uncertain contexts. Current and forecast economic conditions continue to shape a very challenging financial outlook both for the Council itself and many of the county's residents and businesses. Alongside this we continue to face ongoing challenges as a result of the conflict in Ukraine, national service reforms and the impact of the Coronavirus pandemic. We will continue to use the latest information available on these challenges to inform our business planning. We will also continually review our performance targets, priorities, service offers and financial plans, and will update these as required. We lobby, individually and in conjunction with our networks and partners, for a sustainable funding regime for local government in general and for children's social care and adult social care specifically, to meet the needs of the residents of East Sussex.	Red

Ref	Strategic Risks	Risk Control / Response and Post Mitigation RAG score	RAG
9	**WORKFORCE** An inability to attract and retain the high calibre staff needed could lead to a reduction in the expertise and capacity required to deliver statutory services to our residents, including to prevent harm to children, young people and vulnerable adults at the required level and standards, impacting on the achievement of the Council's strategic objectives.	In September 2022 Cabinet agreed an investment of £270k across 2022/23 and 2023/24 to put in place a number of strategies to respond to the significant current recruitment and retention challenges. Work reported on in Q1 is ongoing with some highlights being: - Linking in with organisations that support people back into employment to extend our reach into sections of the labour market that are underrepresented or face significant barriers to employment. - On-going attendance at events such as careers fairs and shows to maximise our presence with job seekers. - Use of market supplements for specific posts. - Use of apprenticeships, traineeships, intern arrangements and more flexible work arrangements etc as a way of bringing in new talent to the Council. - Ensuring our workforce policies and approaches support individuals to remain in work, e.g. Wellbeing offer, occupational health, and absence management services. Additional work undertaken in Q2 includes: - Appointment to a new post of 'Pre-Employment Coordinator', with specific responsibility to link in with organisations that support people back into employment to extend our reach into sections of the labour market that are underrepresented or face significant barriers to employment. - Continued delivery of our two leadership development programmes to support our talent management strategies: the 'Ladder to Leadership' programme and 'Head of Service Masterclasses'. The second cohort of the Ladder to Leadership programme started in September 2023 - Further development of an 'aspiring leaders programme' aimed at our LMG2/3 and 4 managers. - Further development on forecasting of workforce 'gaps' and future need to enable bespoke approaches to be designed, e.g. a programme of strategic workforce development training is currently being developed.	Red
15	**CLIMATE** Failure to limit global warming to below 1.5°C above pre-industrialisation levels, which requires global net human-caused emissions of carbon dioxide (CO2) to be reduced by about 45 percent from 2010 levels by 2030, reaching 'net zero' by 2050 at the latest. The predicted impacts of climate change in East Sussex include more frequent and intense flooding, drought, and episodes of extreme heat, as well as impacts from the effects of climate change overseas, such as on food supply. This will 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, and greater coastal erosion.	**Climate change mitigation**: the science-based target is to reduce scope 1 and 2 carbon emissions by 50% every 5 years. The focus is on buildings, as they made up 79% of carbon emissions in 2020/21. Internal oversight of progress is by the corporate Climate Emergency Board. **Climate change adaptation**: we work with partners on some aspects of adaptation, including flood risk management plans and delivering a Heat Alert service during the summer months. In Quarter 2 2023/24: A) **Mitigation**: 1) **Carbon Reduction Target**: the target for 2023-24 is a 13% carbon reduction compared with 2022-23 and a cumulative reduction of 42% against the baseline year of 2019-20. Energy usage data for Q1 2023-24 indicates that we achieved an 8% reduction compared with Q1 2022-23. A reliable forecast outturn for the year is not yet possible, as emissions in Q3 & 4 are significantly influenced by the outside temperature, which determines how much heating is required. However, if energy usage in Q3 & 4 is the same as in 2022-23 then the annual result will be a 1% overall increase in carbon emissions compared with 2022-23. This is because the carbon intensity of the national electricity grid	Red

Ref	Strategic Risks	Risk Control / Response and Post Mitigation RAG score	RAG
		has increased in 2023 due to an increase in the use of natural gas and a decrease in renewable electricity generation. This is beyond the control of the County Council. 2) **Carbon Reduction Schemes**: the target for 2023-24 is for the delivery of a further 23 capital schemes. Seven schemes were completed by the end of Q2. The RAG status for meeting the target is currently amber, primarily due to supply chain and site issues (e.g. a local solar PV contractor for the Council went into administration during Q2). B) **Adaptation**: 1) **Adaptation Plan**: In August the Climate Emergency Board agreed to the procurement of consultancy support to produce a climate change vulnerability and risk assessment, to help inform the development of an adaptation plan. A brief has been prepared and a consultant procured during Q3.	
20	**PLACEMENTS FOR CHILDREN AND YOUNG PEOPLE IN OUR CARE** Inability to secure sufficient high quality placements for children in our care, suitable accommodation for care experienced young people and respite provision, leading to significant financial pressure leading to significant financial pressure and poorer outcomes for children/young people.	Effective demand management, robust management of front door, delivery of early help services-implementation of Family Hub programme throughout 23-24, and Level 2 Family Keyworkers (Q3), implementation, monitoring and evaluation of Edge of Care 'Connected Families', Family Safeguarding programmes ('Connected Families in Partnership' launch planned for January 2024), enabling more children to live safely with their families. Further delivery of kinship/Special Guardianship Order placements. Capital bid for Sorrel Drive. Consultancy project-IMPOWER to determine forecast trajectory and development of evidence-based business case to further improve sufficiency of placements (completion July 23). Fostering Recruitment & Retention Strategy completed. East Sussex County Council is part of the South East Sector Led Improvement Programme, Regional Fostering Strategy and piloting Mockingbird hub. Uplift to fostering allowance (for in house carers, Special Guardianship Orders, Kinship carers) approved by the Chief Management Team to help secure sufficient supply of in house foster carers as an alternative to more expensive care packages.	**Red**
19	**SCHOOLS AND INCLUSION, SPECIAL EDUCATIONAL NEEDS AND DISABILITIES (ISEND)** For Children with Special Educational Needs. Inability to secure statutory provision due to lack of availability of specialist placement within the county and increasing demand for placements in this sector. This would put the Council at risk of judicial review and/or negative Local Government Ombudsman judgements for failing to meet our duties within the Children and Families Act 2014, with associated financial penalties and reputational damage.	Effective use of forecasting data to pre-empt issues. Work with statutory partners to develop contingency plans. Work with the market to increase provision where needed. Expanding internal interim offer for children.	**Red**

APPENDIX 8

Ref	Strategic Risks	Risk Control / Response and Post Mitigation RAG score	RAG
1	**ROADS** Extreme weather events over recent years have caused significant damage to many of the county's roads, adding to the backlog of maintenance in the County Council's Asset Plan: and increasing the risk to the Council's ability to stem the rate of deterioration and maintain road condition. The economic impacts of the pandemic and recent events in Ukraine have had some effects on service delivery during this year, particularly with increased costs and shortages of suitable contractors and materials.	While additional funding over the last few years has helped maintain road condition, the latest condition and funding modelling showed the potential for renewed deterioration over the next 10 years, if further investment was not introduced into road maintenance. This reflects the changing climate with more extreme events such as warmer wetter winters, drier summers (drying and shrinking the substructure of roads) punctuated by unseasonal heavy downpours, all now influencing the rate of road deterioration. The wider deterioration in road surfaces from the wet winter has continued with a generally cool and wet summer. Road Condition Indicator (RCI) scores for this year are due shortly. However, through the Reconciling Policy, Performance and Resources process in 2022, the capital budget for road maintenance was increased by £3.1m per year and an additional one-off investment of £5.8m was agreed to be spent on highway maintenance; this has largely been spent now on carriageway patching and footway works, with lining and sign works ongoing. Additional investment was also approved by Cabinet in June for £15.7m to further improve the road condition. £5.6 million from reserves will pay for extra patching and drainage work, and the capital programme will be increased by £5.1 million, with an additional £5 million for the capital programme this year to help with early improvements to provide greater network reliance. The programme of additional works is now underway.	**Amber**
18	**DATA BREACH** A breach of security/confidentiality leading to destruction, loss, alteration, unauthorised disclosure of, or access to, personal data. This includes breaches that are the result of both accidental and deliberate causes. A personal data breach is a security incident that has affected the confidentiality, integrity or availability of personal data regardless of whether information has been accessed, altered or disclosed via electronic or manual means. Risks to individuals, reputational damage, fines from the Information Commissioner's Officer (ICO), compensation claims.	Policy and guidance procedures in place to support practice. Data Protection Officer (DPO), Caldicott Guardians and Information Governance Officers monitor breach reporting and put in place mechanisms to minimise recurrence. Staff training to develop awareness. E-learning and policy delivery mechanism expanded to enhance skills and increase awareness of responsibilities under General Data Protection Regulation legislation. Technical security measures operated by Information Technology and Digital (IT&D), including access control and segregation of duties.	**Amber**

Ref	Strategic Risks	Risk Control / Response and Post Mitigation RAG score	RAG
8	**CAPITAL PROGRAMME** There are risks and uncertainties regarding the capital programme over the current Medium Term Financial Plan period and beyond, which could impact on the ability to deliver the Council's priorities. The volatile national economic situation has increased uncertainties within the construction industry around supply chain issues and high-cost inflation, which are likely to impact project deliverability and affordability. This has been exacerbated by the invasion of Ukraine by Russia and the resultant global sanctions imposed on Russia. Additionally, there is a risk that, due to the complexity of factors and uncertainties impacting them, the level of government grants and other sources of capital programme funding such as developer contributions could be significantly reduced. A combination of the above risks, alongside a volatile interest rate environment, could significantly increase the cost of borrowing to fund the capital programme, impacting affordability and increasing pressures on the Council's revenue budget in the medium and long term.	The Council reviews and updates its 20-year Capital Strategy annually as part of the Reconciling Policy, Performance and Resources (RPPR) process, which sets the framework in which the capital programme is planned and allows the Council to prioritise investment to support its objectives. The development and delivery of the capital programme is overseen by a Capital Strategic Asset Board (CSAB), which is a cross departmental group, who also hear from Departmental Capital Board/Sub Boards who oversee priority areas. 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). Additionally, a capital risk provision in the form of additional borrowing flexibility is in place to provide the ability to react to emerging risks such as supply chain issues and inflationary pressures. The level of provision is reviewed and approved on an annual basis as part of the RPPR process and is maintained by the CSAB in adherence to financial regulations. The CSAB have oversight of all sources of capital funding, including grants, capital receipts and developer contributions, to ensure that resources are used effectively and to minimise the need to borrow. Funding announcements are actively monitored, and funding targets reviewed to minimise the impact on delivery of the capital programme, ensuring that there is sufficient liquidity to meet funding requirements. The Council's Treasury Management modelling takes a holistic approach considering a number of variable factors, including the capital programme requirement, availability of cash balances and interest rates impacting borrowing costs and return on investments. The Council's approved Treasury Management Policy and Strategy has been prepared in the context of the current financial situation and seeks the utilisation of long term cash balances as effectively as possible by investing in longer term instruments and/or using to reduce borrowing costs.	**Amber**

Ref	Strategic Risks	Risk Control / Response and Post Mitigation RAG score	RAG
4	**HEALTH** Failure to secure maximum value from partnership working with the National Health Service (NHS). If not achieved, there will be impact on social care, public health and health outcomes and increased social care operational and cost pressures. This would add pressures on the Council's budget and/or risks to other Council objectives, as well as shared system objectives in the context of our Integrated Care System across workforce and patients who are medically ready for discharge (MRD) from hospital or community beds.	As part of planning for use of the discharge capacity investment funding, continuation of quarter 1 and 2 schemes were agreed with the Integrated Care Board (ICB) and National Health Service (NHS) Chief Executive Officers (CEOs) where these have evidenced patient and system benefit, including for East Sussex discharge to assess (D2A) beds, home care and agency staff to support flow through the system and free up capacity and the transfer of care hub, in line with national requirements. Planning has also taken place as part of the winter planning process for 2023/24 to ensure additional funded schemes for quarter 3 and quarter 4 align across existing improvement plan actions, localised research activity, and the Discharge Frontrunner programme. This will also provide the basis for 2024/25 plans and Better Care Fund discharge allocations, which will enable the continued focus on Home First, reablement, and right sized bedded capacity, including schemes that support more complex care needs and target areas of greatest delay for people ready for discharge from mental health inpatient capacity. Work has also taken place to progress in-year milestones within the 5-year Sussex Integrated Care Strategy Shared Delivery Plan (SDP), including a focus on the East Sussex Health and Wellbeing (HWB) Strategy priorities shared by East Sussex County Council (ESCC) and NHS for children and young people, mental health, community, and improvements in health outcomes. Partnership work has taken place on a pan-Sussex footing to support delivery of improvements to elective and urgent care, hospital discharge, mental health and health inequalities set out in the SDP.	**Amber**
6	**LOCAL ECONOMIC GROWTH** Failure to deliver local economic growth, and failure to maximise opportunities afforded by Government proposal to allocate Local Growth Funding to South East Local Enterprise Partnership, creating adverse reputational and financial impacts.	East Sussex County Council (ESCC), working with partners, has been successful in securing significant amounts of growth funding totalling £129m, via both the South East and Coast 2 Capital Local Enterprise Partnerships, to deliver a wide range of infrastructure projects in East Sussex. We have worked with partners on complementary economic development programmes supporting businesses to grow, providing skills, creating employment, and improving our places with funds secured from various Government departments including the Levelling Up Fund (LUF), UK Shared Prosperity Fund (UKSPF), UK Community Renewal Fund, Getting Building Fund, Bus Service Improvement Plan, Local Skills Improvement Plan, Active Travel, Stronger Towns Fund and Future High Street Fund etc. The impacts and effects of Covid 19 led ESCC to officially launch in September 2020 the East Sussex Economy Recovery Plan, called 'East Sussex Reset'. The plan identifies deliverable actions in the short term, alongside more aspirational asks, and has already aligned and secured new monies totalling £220m investment into East Sussex. The County Council is committed to now producing a longer term East Sussex Economic Growth Strategy. Significant work has started on this with consultants appointed and currently reviewing evidence/data and establishing stakeholder consultation exercises. The plan is to have the strategy approved in 2024. Specifically on the major LUF programme, ESCC submitted a transport package for Exceat Bridge of £8m, while four of the local Borough and District Councils (except Hastings) submitted in June 2021 major capital funding bids under this first round for town centre/regeneration and cultural investment. Outcomes were announced on 27 October 2021, with the following awarded monies: Exceat Bridge (£8m), Eastbourne (£19.8m) and Lewes (£12.6m) all to be delivered by March 2024. The other	**Green**

Ref	Strategic Risks	Risk Control / Response and Post Mitigation RAG score	RAG
		Borough and Districts were unsuccessful but applied under Round 2 in July 2022, with Rother's £19.2m bid awarded in January 2023. The main prospectus for the UKSPF (the successor to the outgoing EU funding) was released in April 2022 with the award of allocations known to each Borough and District Authority, who are now the responsible accountable bodies for the delivery of the programme. Investment plans were submitted to Government by 1 August 2022. ESCC has made the case with regards to pan East Sussex projects, which can continue to deliver against the main themes of the programmes and the Council's priorities. All 5 bids for circa £1m each over the period April 2022 to March 2025 were approved and allocated their monies in December 2022. In addition, as part of the UKSPF, the Multiply programme was announced in late March 2022 to help adults to improve their numeracy skills up to Level 2. The responsibility for managing this programme from 2022-2025 has been awarded directly to ESCC, with up to £2.5m available. We prepared an investment plan working with partners and submitted this by 30 June 2022 to the Department for Education and our plan has been approved for the full allocation. Contracts have been awarded to providers and delivery is underway. The Government's recent Spring Budget announcements in March 2023 are in part intended to provide a stimulus to growing our businesses, increasing employment opportunities for our residents and improving our economy. The budget indicated the role of Local Enterprise Partnerships (LEP) is proposed to end by April 2024. Subsequent consultation was held and Government announced in August that direct funding for LEPs will be removed from April 2024. It is expected that Upper Tier local authorities will take on the current LEP powers, responsibilities and functions including strategy development, business support and oversight/management of capital programmes. The SELEP, working with ESCC and other federated areas, has produced a draft integration plan and will be seeking endorsement from its Strategic Board in quarter 3. As a result, ESCC will be making its decisions on integrating the LEP functions in quarter 3 and 4. The Government also announced the rollout of new Levelling Up Partnerships to improve place-based regeneration and address the biggest barriers to levelling up in the 20 areas most in need over the period 2023-2025. This included Hastings and Rother, enabling these areas to bid for a share of the new £400m capital grant funds.	

This page is intentionally left blank

Supporting information regarding proposal for use of COMF funding – Q2 2023/24

Additional Measures

Additional Measures 3 (AM3) (2023/24) has enabled voluntary, community and social enterprise (VCSE) sector providers to retain the staff and systems that they have put in place from previous year's Additional Measures grants, to continue to provide support to the growing numbers of people experience financial pressures and hardship. A further year of targeted funding will also allow time for specialist delivery partners to consider funding sustainability to meet community needs.

If agreed, the fourth year of Additional Measures funding (AM4) will be allocated using the following principles:

- Ensuring 100% of AM4 funding goes to direct service delivery.
- Ensuring all existing AM4 providers working directly with residents in need continue to receive an allocation.
- Recognising that providers have different financial specialisms and geographical localities and therefore continuing to commission a wide range of providers.
- Continuity – most of AM3 is funding or part-funding staff providing or coordinating direct support to residents. The complexity and longevity of caseloads mean that providers are dependent on confirmation of 2024/25 funding in order to continue take on new cases from the start of the new financial year.

The proposal for AM4 is therefore to extend the Additional Measures grants under the same arrangement for 2024/25 to partners currently delivering front-line advice services.

The overall £87,000 funding reduction when compared to the 2023/24 allocation will be managed as follows:

- The £50,000 grant to Sussex Community Development Association (SCDA) to deliver the Money Advice and Insights Project will cease at the end of the AM3 funding period, 31 March 2024 and will not be re-commissioned under AM4 as, by this point, the project outputs will have been successfully achieved.
- A 9.25% reduction will be applied to the other direct service organisations' current AM3 funding allocation to address the remaining £37,000.

The following table shows the actual allocation this represents.

Additional Measures allocation comparison: AM3 (2023/24) and proposed AM4 (2024/25)

Additional Measures Partner	AM3 funding allocation	Proposed AM4 funding allocation with 9.25% reduction on AM3 figure
Age Concern Eastbourne	£25,000	£22,688
AGE UK EAST SUSSEX	£39,000	£35,392
AMAZE	£39,000	£35,392
Brighton Housing Trust	£39,000	£35,392
Eastbourne Citizens Advice	£37,000	£33,578
Hastings Advice and Representation Centre	£43,000	£39,022
1066 + Rother Citizens Advice	£74,000	£67,155
POSSABILITY PEOPLE LIMITED	£30,000	£27,225
Lewes District Citizens Advice	£37,000	£33,578
Wealden Citizens Advice	£37,000	£33,578
SCDA - Money Advice and Insights Project	£50,000	0
Total	**£450,000**	**£363,000**

Mitigations

The reduction in overall AM funding will be mitigated as follows:

- The Money Advice Insights Project (and other reports and wider factors activities) have enabled us to gather significant insights, information and evidence to inform future Financial Inclusion Programme activity. However, continuation of the SCDA Money Advice Insight project in 2024/25 is not essential, as future insights gathering can be achieved through Multi-agency Financial Inclusion Steering Group, related networks and reports, and direct engagement with delivery partners.
- The Money Advice Insights Project has coordinated AM3 partners to deliver a training offer to support front-line workers in 2023/24. We are working with the national Money and Pensions Service (MaPS) to offer Money Guiders training in early 2024 which will be co-ordinated by the Council and provide a new information, guidance and advice training programme for front-line public sector and VCSE sector workers to access.
- AM4 direct delivery partners will identify and target cohorts of residents with greatest need and will provide regular reporting to ensure that the funding is deployed for the most positive impact.

PEOPLE SCRUTINY REVIEW OF SCHOOL EXCLUSIONS			
SCRUTINY RECOMMENDATION		**DIRECTOR'S RESPONSE AND ACTION PLAN**	**TIMESCALE**
R1.	The Department should utilise area-based teams to identify and support schools and trusts to provide a graduated response to behaviour.	The Department will continue to implement our new area-based teams throughout 2023-24. The main priorities for implementation are: • Recruitment to all outstanding vacancies • Training the new area-based teams to ensure that they are promoting inclusive practice. • Working with all stakeholders (schools, Academy Trusts, Early Help, Virtual School, Education Team) to enhance the multi-agency and collaborative approach to inclusion across East Sussex. • Evaluation of the impact of the area-based approach. • Using the Graduated Response to Behaviour document with all schools to ensure this is embedded in their everyday practise. This will be monitored by the Team Around the School and Setting (TASS) in their visits to schools and the Inclusion and Alternative Provision (AP) Team through the applications for the Inclusion Partnerships. • Reduction in PEXes at both Primary and Secondary phase particularly in Rother, Rye and Hastings.	July 2024
R2.	The Department should continue to encourage schools and Trusts to attend training on whole school relational approaches and develop trauma informed practices so pupils feel safe at school and develop positive relationships. This training should include how to communicate key	The Department will provide a range of training on whole school relational approaches, including through training offered on strategies such as Therapeutic Thinking which is being extended to all secondary and primary schools in East Sussex. This will be included at a range of conferences targeting leaders at all levels in our schools: • Primary Leadership Conference	July 2024

	aspects of these approaches with parents and carers to ensure continuity and support at home.	• Inclusion Conference • Inclusion Partnership Conference • 11-19 Headteachers' Meeting The Department will also continue to offer bespoke training around developing whole school relational approaches and trauma informed practices. This training will be designed in collaboration with our school leaders and will address trends and needs identified through the area-based teams and Education Improvement Partnerships (EIPs) and Area Groups (AGs) The Department will work with the Early Help parenting team to further develop workshops for parents and carers to access and for schools to be able to signpost them to.	July 2025 July 2024
R3.	The Department should work with schools and Trusts to review and make use of available data to: a) identify pupils who are at risk of permanent exclusion and identify available support at Inclusion Partnership meetings; and b) monitor pupils identified by the Attendance Support Team who are absent from mainstream education, either through part time timetables or internal exclusions and assess what alternative support could be put in place.	The Department will use Data Dashboards that are organised into area-based teams to ensure that early identification of pupils who are at risk of multiple suspensions is regularly analysed through the Education Outcomes team. The Inclusion Partnerships will continue to track all children brought for complex case discussions and/or placement at AP to identify patterns and trends. This data will be shared at a strategic level with the area-based teams so that relevant and appropriate support is cascaded across East Sussex and into individual schools. The single points of contact for each school, within the Attendance Support Team (AST) will scrutinise all attendance data at a whole school level including monitoring of part time timetables and tracking their timely reintegration. The AST team will work with the AP commissioning officer to identify the appropriate AP support that may need to be put in place.	Dec 2023 Ongoing (monthly) July 2024

R4.	The Department should develop training for schools and Trusts to share best practice on how adaptive teaching can deliver the curriculum to support needs of all pupils including SEND pupils and pupils facing additional external challenges. This should include developing guidance on assessment to ensure the use of Additional Needs Plans and Personal Education Plans support and address the needs that have been identified.	The Department will continue to facilitate a range of Hubs across East Sussex that bring together Special Educational Needs and/or Disabilities Coordinators (SENDCOs) and leaders of SEND. These hubs will provide peer support and challenge, training on the effective use of Additional Needs Plans and Personal Education Plans. The Education Improvement Partnerships (EIPs) at primary will continue their work in partnership with the Swale MAT on adaptive teaching. This pilot is currently in place in Eastbourne and Hailsham. This project, if successful will be rolled out across the three geographical areas. Alliance Partners at primary and External Advisors at secondary continue to provide school improvement support which will include a sharp focus on SEND across the curriculum.	Ongoing (termly) July 2024 July 2024
R5.	The Department should work with schools and Trusts to promote the benefits of extra-curricular activities including: a) Where provided, through Early Help, the Holiday and Food Activity Programme, Family Hubs and Youth Centres, activities which engage pupils throughout the year and incorporates support for families; b) Summer programmes which support transition	The Education Outcomes Team will continue to work with the Early Help Parenting Team to ensure all schools are aware of, and promote, programmes that run through the school holidays for families and children and young people.	Sept 2025
R6.	The Department should work with schools and Trusts to support pupils transitioning into Early Years in primary and KS3 in secondary by: a) working with pre-school settings and primary schools to identify pupils who may need	Transition at each phase will be a focus for the Department in priority setting across the Division.	April 2024

	additional support when transitioning to primary/secondary school and referring them to appropriate support and programmes; and b) communicating successful approaches and support at the point of transition at all phases to ensure continuity of provision.	The Department will continue to support and work with the RSA on the Reducing Exclusions Project, with the focus on transition. The Joint Primary and Secondary Board will be updated regularly on the Royal Society of Arts (RSA) project and the focus of transition. From this the schools will receive updates from their representatives on the Boards so all are aware of the approaches.	July 2024 Ongoing
R7.	The Department should encourage schools and trusts to increase the use of youth voice in preventive strategies and responses to children at risk of permanent exclusion by providing training and guidance for schools and governors on how to embed youth voice into all areas of school policy.	The Department will continue to work with Youth Participation on what successful reintegration from AP looks like. Youth Participation will continue to liaise with the Chair of the Inclusion Partnerships and deliver training based on their research project on the child voice around the impact of AP and successful reintegration. The focus is on the impact of going to AP, how it can prevent permanent exclusion and how to ensure the child feels they still belong to the school community.	Jan 2024 June 2024
R8.	The Department should work with schools and Trusts to further develop and embed parental engagement to ensure all stakeholders understand how and why a child is at risk of permanent exclusion, including the parent/carer and the child, and include parents and carers with decisions around alternative provision, including all available options.	The Inclusion and AP Team will continue to work in partnership with schools to engage with parents when a child is close to permanent exclusion. This will include ensuring that the parents are informed and asked for their contributions when a child is close to permanent exclusion. The AP Directory will be shared at the Joint Primary and Secondary Board, all Heads will be aware of the AP that is available in their area and for which profile /age of child. The Commissioning Officer for AP will prioritise engaging AP for reception, KS1 and KS2 children. They will focus on	Ongoing through monthly Inclusion Partnerships at Secondary and termly Behaviour Review Panels at Primary. July 2024 July 2024

		getting providers to be on the AP Directory for this age group. This will be shared across all primaries through the Primary Borad meetings and the Education Improvement Partnerships. Before a child can access alternative provision the parental view will be sought by schools. This will follow the guidance that is in the suspensions and permanent exclusion DfE guidance Sept 2023 on engaging with the parents and involving them in the decisions taken.	
R9.	The Department should embed its multi-agency response, including the use of the new level 2 keywork team in Early Help focused on supporting attendance to: a) promote targeted support, including wider family-based issues, to pupils and families who have been identified as at risk of permanent exclusion and multiple suspensions due to a lack of engagement with the school as a result of persistent absence; and b) promote to schools and families parenting programmes that support interventions and preventative measures in schools.	The Education Improvement team: the TASS Attendance Team will liaise with Early Help Level 2 and attend the Inclusion Partnerships to ensure targeted support is shared with schools for children at risk if permanent exclusion and who have a lack engagement with school. The teams across the Education division will coordinate their work with schools through TASS to ensure the school is equipped to support families and children who have a lack of engagement with school.	Monthly Termly
R10.	To accompany the Alternative Provision Directory, which is to be shared with schools and trusts, the Department should develop guidance on: a) how to make best use of alternative provision, including good communication and ways to provide consistent support once a child reintegrates; and b) how alternative provision, including onsite alternative provision, can be used to prevent	The Department will continue to work with schools on further developing the AP Directory and accompanying guidance. This will be through regular updates at the Inclusion Partnerships at secondary level and through the Primary Board at primary level. This is in line with guidance on the AP Directory which is annually updates. TASS use their regular meetings with schools to support and advise schools on setting up AP provision on site if appropriate.	Monthly at Inclusion partnerships Four times a year at the Primary Board. Ongoing

	permanent exclusion and support pupils with additional needs, including those facing additional external challenges.	Alliance Partners at primary and External Advisors at secondary continue to provide school improvement support which will include a sharp focus on SEND across the curriculum and how on site AP adds to their education.	Ongoing
R11.	The Department should continue to provide ongoing support and training for governors including whole school training on SEND needs, mental health issues and inclusive behaviour policies, and produce guidance on how to conduct inclusive Governor Disciplinary Committee Meetings that prioritise youth voice.	The Department will deliver Governor training annually in line with the updates from the DfE Suspension and permanent exclusion from maintained schools, academies and pupil referral units in England, including pupil movement Sept 2023. Use the Youth voice research to inform the training for Governors on how to gather child voice for the Governors' Disciplinary Committee (GDC).	Once an academic year in line with the release of the new Guidance from the DfE. Delivered in the Jan 2024 Inclusion Partnerships for schools and for Governors in a separate session July 2024.
R12.	The Department should develop clear and consistent guidance to share with schools on the benefits of reducing school exclusions, and the support available, including: a) key findings from the RSA 'Rethinking Exclusions' and ISOS projects b) using Primary and Secondary Boards to communicate to schools the benefits of inclusive policies and share best practice for reducing exclusions and agree to a shared responsibility to reducing exclusions. c) on the appropriate use of part time timetables to ensure these are not being used to manage behaviour. Part-time timetables that are in place must be for the shortest time necessary and	Inclusion Partnerships at Secondary Level annual Terms of Reference agreed by all schools. The Terms of Reference are reviewed annually and signed by all schools so they are relevant and reflect any changes that have happened to the structure and/or process of the Inclusion Partnerships. Findings from the RSA and ISOS projects, as well as any further outcomes, will be shared with all schools through the Secondary and Primary Boards. Data dashboard is shared at the Secondary and Primary Boards of suspensions and permanent exclusions. The focus will be on what the data is saying, where the gaps in provision are and how to address the gaps. This will inform the spending of the AP support funding that is available to	Nov 2023 Nov 2024 Nov 2025 At each Secondary and Primary Board *(These boards meet four times an academic year)*

	reviewed regularly with the pupil and their parents.	each Area Group at Secondary level. It will inform the Education Improvement Partnerships planning for the focus of support for the next academic year. The guidance on part time timetables will be shared with all school leaders so all leaders are clear about when and how they should be used. This will be regularly reviewed through the meetings that TASS have with the schools.	

This page is intentionally left blank

Appendix 22

PLACE SCRUTINY REVIEW OF POTHOLE MANAGEMENT – ACTION PLAN			
SCRUTINY RECOMMENDATION		**DIRECTOR'S RESPONSE AND ACTION PLAN**	**TIMESCALE**
R1.	**The Board recommends that officers develop a strategy for highway drainage, in order to target highways drainage investment requirements more accurately and to help prevent water damage to road surfaces.**	The Highway Asset Management Drainage Strategy 2015-2018 is under review, to be updated to reflect the change in contract and our increased understanding of our drainage asset through the development of the existing Data Management System to include all known drainage asset inventory and mapped areas at risk of flooding to focus maintenance activities	Update to be provided in July 2024
R2.	**The Board recommends the Council lobbies Government to make changes to the way utility companies operate and are regulated under the New Roads and Street Works Act and in particular to:** • **Lower the time allowed for permanent reinstatements from 6 months to 3 months;** • **Extend the reinstatement works guarantee period from 2 years to 5 years;** • **Raise the level of financial penalties for failing to comply with the requirements of the Act;** • **Introduce timescales for utility companies to repair defective apparatus once it has been reported to them, with penalties for non-compliance; and**	A letter was sent on 9 November from Councillor Keith Glazier on behalf of the South East Seven to the Secretary of State for Transport outlining the impact utility companies' street works have on the highways network and with some suggestions for giving local authorities greater oversight/management of their activities. We will share the response with the Committee when received.	Ongoing

	• **Increase the number of utility company inspections that can be recharged from 30%.**		
R3.	**The Board recommends officers explore the feasibility of increasing the amount and type of inspections of utility company reinstatement work to drive up quality and lobby Government for funding to do so.**	The DFT has recently introduced “Performance-Based Inspections”, which in essence allows authorities to undertake additional “chargeable" inspections based on a utility companies performance. If an undertaker has a failure rate lower than 15%, then a 30% sample rate will be applied for inspections carried out, if an undertaker has a failure rate of 15% or higher, then a 50% sample rate will be applied for inspections carried out. These percentages are reviewed quarterly, so any increase will be relevant to recent performance, and whilst may generate some additional inspections it will be applied where performance justifies it. Most of the utility companies in ESCC will be in the 30% sampling bracket, therefore any significant increase to inspections would require additional funding which may require further dialogue with Government.	Ongoing
R4.	**The Board recommends that Guide to Highways is amended to include a reference to the current practice of risk assessing reported road defects which ensures the risks posed to different types of road user are appropriately met through repairs.**	Noted – the Guide to Highways is currently being reviewed and this reference will be included in the updates made by March 2024	March 2024
R5.	**The Board supports the Cabinet report recommendation that a greater proportion of capital funding is allocated from the highways structural maintenance budget to patching and surface dressing in future years, and reviews are undertaken on a periodic basis.**	This approach has been implemented and we have increased the number of patching and surface dressing schemes in the upcoming delivery programmes and reviews against our asset plan will be ongoing.	Ongoing

R6.	**The Board recommends that it is made clear in reporting information that the road condition performance targets refer to the percentage of road length, and that all roads are likely to have a mixture of green, amber and red condition sections of road.**	Noted this will be included where appropriate going forward	Ongoing
R7.	**The Review Board recommends that annual performance monitoring reports are presented to the Place Scrutiny Committee to maximise transparency and scrutiny of pothole repairs, contract key performance indicators (KPIs), and planned highway maintenance work, with the first report scheduled for July 2024.**	Noted, the department will consider how best to report this to scrutiny committee.	July 2024
R8.	**The Board recommends that officers continue to allocate specific, defined levels of investment within the existing highways infrastructure maintenance capital budget, to tackle clusters of potholes and address public concerns about this issue, for example by undertaking patching repairs and surface dressing.**	As above this approach has been fully adopted and a greater amount of funding has been/will be spent on patching and surface dressing programmes. Where issues are repeatedly reported this information is used to help shape future work programmes.	Ongoing
R9.	**The Board recommends that the Guide to Highways on the East Sussex Highways web site is amended to reflect that repairs gangs, BBLP and the Council exercise a degree of flexibility in their approach to repairing safety intervention level defects and will repair other safety intervention level defects they find whilst on site.**	Whilst we understand the sentiment of this suggestion, there is a high risk with this confusing/disappointing the public as it is not always appropriate to “flex” the policy. There is a risk that customers would see inconsistency of approach. However, our policy documents are clear and when the intervention level is ‘flexed’ it will be for good reason and we can explain this on a case by case basis.	Ongoing
R10.	**The Board recommends that the Council continues to lobby Government for better long-term funding arrangements for pothole**	The Council faces a number of long term funding challenges across the wide range of services it provides. As such the Council, through SE7 in particular, does make the	Ongoing

	repairs, and highways maintenance, so that it can plan effectively, does not have to expend resources bidding for funding and can address local road conditions.	case for additional support across these services. The Government has recently announced the outcomes of Network North which sets out increased government funding for highways.	
R11.	**The Board recommends that if funding pressures ease or additional funding becomes available, the Council considers making additional investment in highway drainage.**	Noted and for consideration through the RPPR process	Ongoing through RPPR process
R12.	**The Board recommends that the Department continues to maintain an active approach to modelling highway investment levels needed to achieve the Council's road condition targets and feed the outcomes into the Reconciling Policy, Performance Resources (RPPR) budget setting process.**	Noted – this will take place every two to three years moving forward.	Ongoing
R13.	**The Board recommends that officers review the visibility and usability of website information on planned maintenance work on potholes to make it easier to find and use online, including via the East Sussex County Council website and the upcoming app, and in particular information for patching, resurfacing and revenue funded advisories.**	The website is continually being reviewed, with the most recent and significant change being an update which will allow users to see previously reported potholes and street lighting issues on the mapping system. This will be rolled out for other asset types in the coming weeks. Updates will be communicated as improvements are applied to the website and the App is developed. With a full update provided in July 2024.	July 2024

Appendix 23

TREASURY MANAGEMENT POLICY AND STRATEGY 2024/25



CONTENTS

1. **INTRODUCTION**
1.1. Background
1.2. Reporting Requirements
1.3. Treasury Management Strategy for 2024/25
1.4. Treasury Management Policy Statement
1.5. Current Portfolio Position

2. BORROWING STRATEGY
2.1. Capital Prudential Indicators
2.2. Borrowing Strategy for 2024/25
2.3. Liability Benchmark
2.4. Policy for Borrowing in Advance of Need
2.5. Debt Rescheduling
2.6. Interest Rate Risk & Continual Review

3. MINIMUM REVENUE PROVISION POLICY STATEMENT

4. ANNUAL INVESTMENT STRATEGY
4.1. Annual Investment Strategy for 2024/25
4.2. Investment Policy – Management of Risk
4.3. Sovereign Credit Ratings
4.4. Creditworthiness Policy
4.5. Investment Risk Benchmarking
4.6. Investment Performance Benchmarking

5. OTHER TREASURY ISSUES
5.1. Banking Services
5.2. Training
5.3. Policy on the use of External Service Providers
5.4. Lending to Third Parties
5.5. Updates to Accounting Requirements

ANNEXES:

Annex A Counterparty List
Annex B Economic Background & Prospect for Interest Rates
Annex C Prudential & Treasury Indicators
Annex D Scheme of Delegation
Annex E Investment Product Glossary
Annex F Local Authority Outlook

1. INTRODUCTION

1.1 Background

The Council is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in counterparties or instruments commensurate with the Council's risk appetite, providing adequate liquidity initially before considering investment return.

The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer-term cash flow planning, to ensure that the Council can meet its capital spending obligations. This management of longer-term cash may involve arranging long or short-term loans or using longer-term cash flow surpluses. On occasion, when it is prudent and economic, any debt previously drawn may be restructured to meet Council risk or cost objectives.

The contribution the treasury management function makes to the authority is critical, as the balance of debt and investment operations ensure liquidity or the ability to meet spending commitments as they fall due, either on day-to-day revenue or for larger capital projects. The treasury operations will see a balance of the interest costs of debt and the investment income arising from cash deposits affecting the available budget. Since cash balances generally result from reserves and balances, it is paramount to ensure adequate security of the sums invested, as a loss of principal will in effect result in a loss to the General Fund Balance.

CIPFA defines treasury management as:

"The management of the local authority's borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."

1.2 Reporting Requirements

1.2.1 Capital Strategy

The CIPFA 2021 Prudential and Treasury Management Codes require all local authorities to prepare a capital strategy report, to provide the following:

- a high-level long-term overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services
- an overview of how the associated risk is managed
- the implications for future financial sustainability

The aim of the capital strategy is to ensure that all elected members on the Council fully understand the overall long-term policy objectives and resulting capital strategy requirements, governance procedures and risk appetite.

This capital strategy is reported separately from the Treasury Management Strategy Statement; non-treasury investments will be reported through the former. This ensures the separation of the core treasury function under security, liquidity and yield principles, and the policy and commercialism investments usually driven by expenditure on an asset.

1.2.2 Treasury Management reporting

The Council is currently required to receive and approve, as a minimum, three main treasury reports each year, which incorporate a variety of policies, estimates and actuals.

a. **Prudential and treasury indicators and treasury strategy** (this report) - The first, and most important report is forward looking and covers:

- the capital plans, (including prudential indicators);
- a minimum revenue provision (MRP) policy, (how residual capital expenditure is charged to revenue over time);
- the treasury management strategy, (how the investments and borrowings are to be organised), including treasury indicators; and
- an investment strategy, (the parameters on how investments are to be managed).

b. A mid-year treasury management report – This is primarily a progress report and will update members on the capital position, amending prudential indicators as necessary, and whether any policies require revision.

c. An annual treasury report – This is a backward looking review document and provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.

This Council delegates responsibility for implementation and monitoring treasury management to Cabinet and responsibility for the execution and administration of treasury management decisions to the Section 151 Officer. Cabinet therefore receives the Mid-Year and Annual treasury reports in December each year.

The above reports are required to be adequately scrutinised before being recommended to the Council. This role is undertaken by the Audit Committee.

d. Quarterly reports – In addition to the three major reports detailed above, from 2023/24 quarterly reporting is incorporated into the quarterly Council Monitoring process.

1.3 Treasury Management Strategy for 2024/25

The strategy for 2024/25 covers two main areas:

Capital issues

- the capital expenditure plans (section 2) and the associated prudential indicators (Annex C);
- the minimum revenue provision (MRP) policy (Section 3).

Treasury management issues

- the current treasury position (section 1.5);
- treasury indicators which limit the treasury risk and activities of the Council (Annex C);
- prospects for interest rates (Annex B);
- the borrowing strategy (section 2);
- policy on borrowing in advance of need (section 2.2);
- debt rescheduling (section 2.3);
- the investment strategy (section 4);
- creditworthiness policy (section 4.4); and
- the policy on use of external service provider (section 5.3).

These elements cover the requirements of the Local Government Act 2003, the CIPFA Prudential Code, DLUHC MRP Guidance, the CIPFA Treasury Management Code and DLUHC Investment Guidance.

1.4 Treasury Management Policy Statement

The policies and objectives of the Council's treasury management activities are as follows:

i) This Council defines its treasury management activities as:

'The management of the authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks'.

ii) This Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the Council, and any financial instruments entered into to manage these risks.

iii) This Council acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management, and to employing suitable comprehensive performance management techniques, within the context of effective risk management.

1.5 Current Treasury Position

A summary of the Council's borrowing & investment portfolios as at 30 November 2023 and forecast at the end of the financial year is shown in **Table 1** below:

Table 1	Actual at 30 November 2023			Forecast to 31 March 2024		
	£'000	% of portfolio	Average Rate	£'000	% of portfolio	Average Rate
Investments						
Banks	129,000	48%	5.39%	130,000	54%	5.40%
Local Authorities	66,000	24%	5.06%	80,000	33%	5.40%
Money Market Funds	69,400	26%	5.48%	25,000	11%	5.25%
CCLA Pooled Property Fund	5,000*	2%	4.60%	5,000	2%	4.60%
Total Investments	**269,400**	**100%**	**5.32%**	**240,000**	**100%**	**5.37%**
Borrowing						
PWLB loans	210,142	97%	4.53%	210,142	97%	4.53%
Market loans	6,450	3%	4.25%	6,450	3%	4.25%
Total external Borrowing	**216,592**	**100%**	**4.52%**	**216,592**	**100%**	**4.52%**

*£4,284,479 capital valuation 30 November 2023

2. BORROWING STRATEGY

The capital expenditure plans of the Council are set out in the Capital Strategy Report being considered by Full Council on 6 February 2024. The treasury management function ensures that the Council's cash is organised in accordance with the relevant professional codes so that sufficient cash is available to meet this service activity and Capital Strategy. This will involve both the organisation of the cash flow and, where capital plans require, the organisation of appropriate borrowing facilities. The strategy covers the relevant treasury / prudential indicators, the current and projected debt positions, and the Annual Investment Strategy.

Any capital investment that is not funded from these new and/or existing resources (e.g. capital grants, receipts from asset sales, revenue contributions or earmarked reserves) increases the Council's need to borrow, represented by the Capital Financing Requirement (CFR). However, external borrowing does not have to take place immediately to finance its related capital expenditure: the Council can utilise cash being held for other purposes (such as earmarked

reserves and working capital balances) to temporarily defer the need for external borrowing. This is known as 'internal borrowing'.

The Council's primary objective is to strike an appropriate balance between securing cost certainty, securing low interest rates.

2.1 Capital Prudential Indicators

The Authority's capital expenditure plans are a key driver for Treasury Management activity. The output of the capital expenditure plans is reflected in the prudential indicators, which are designed to assist members' overview and confirm capital expenditure plans.

Tables 2 and 3 show the capital expenditure plans of the Authority, and the implications of these on the Capital Financing Requirement over the 3 year period to 2025/26.

The liability benchmark shown in section 2.3 measures the authority's external debt levels net of the external investments, with the inclusion of a liquidity buffer against the Authority's CFR projection. This measure assumes that the authority will internally borrow almost all its available cash balances held in reserves and balances, with an allowance ensure it is able to meet is cash obligations.

There are four components to the Liability Benchmark: -

1. **Existing loan debt outstanding**: the Authority's existing loans that are still outstanding in future years.
2. **Loans CFR**: this is calculated in accordance with the loans CFR definition in the Prudential Code and projected into the future based on approved prudential borrowing and planned MRP.
3. **Net loans requirement:** this will show the Authority's gross loan debt less treasury management investments at the last financial year-end, projected into the future and based on its approved prudential borrowing, planned MRP and any other major cash flows forecast.
4. **Liability benchmark (or gross loans requirement)**: this equals net loans requirement plus short-term liquidity allowance.

The Liability Benchmark has been produced below in section 2.3 and notes included to explain each element and the Authority's assumptions and forward view.

2.2 Borrowing Strategy for 2024/25

The Council has been carrying an internal borrowing position since 2019/20, a policy which reduces cost and reduces investment counterparty risk as the Council are using cash from its own reserves to fund its borrowing requirement as opposed to entering into external borrowing.

There is £17m expected to be funded via borrowing in the 2023/24 Capital Programme. No new external borrowing is expected to be undertaken to fund this, and this will be funded through cash balances. This is expected to increase the Council's under-borrowed position compared to its CFR from £51m at 31 March 2023 to £64m by 31 March 2024.

The Council's Capital Programme 2024/25 to 2026/27 forecasts £262m of capital investment over the next three years with £168m met from existing or new resources. The increase in the Council's borrowing need over this period is therefore £94m as shown in **Table 2** below. Please note, this has been prepared using the programme **before** the corporate slippage risk factor has been applied.

2023/24 Projected	Table 2	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	Total
£m		£m	£m	£m	£m
80	Capital Expenditure	97	98	67	262
	Financed by:				
(63)	New & existing resources	(65)	(66)	(37)	(168)
17	**Borrowing Need**	**32**	**32**	**30**	**94**

Table 3 below shows the actual expected external borrowing against the capital financing requirement, identifying any under or over borrowing.

2023/24 Estimate	Table 3	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate
£m		£m	£m	£m
221	External Debt at 1 April	217	230	278
(4)	Expected change in Debt	13	48	20
217	**External Debt at 31 March**	**230**	**278**	**298**
272	CFR* at 1 April	281	305	328
17	Borrowing need (Table 2)	32	32	30
(8)	MRP	(8)	(9)	(10)
281	**CFR* at 31 March**	**305**	**328**	**348**
64	**Under / (Over) borrowing**	**75**	**50**	**50**

**CFR in Table 3 is the underlying need to borrow and excludes PFI and lease arrangements, which are included in the CFR figure in the Prudential Indicators in Annex C*

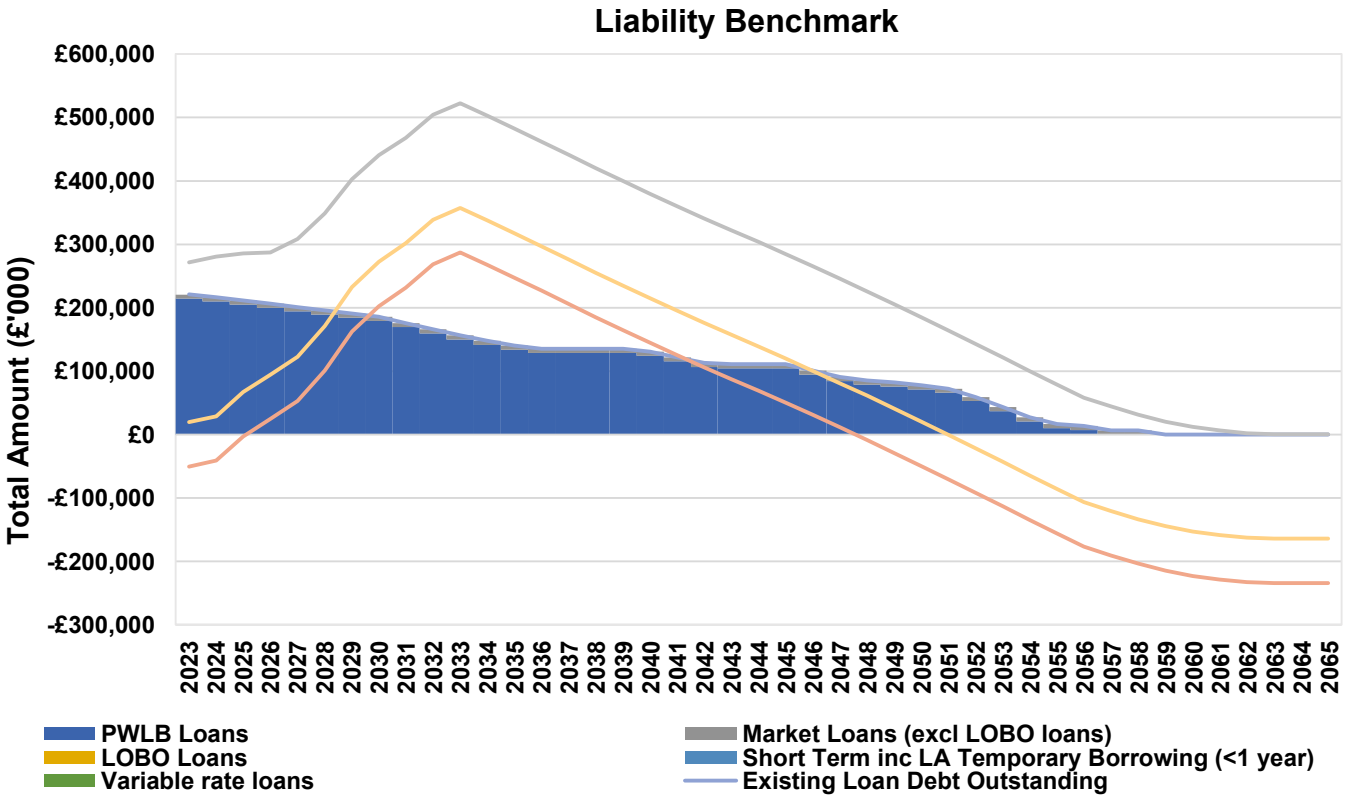
Table 2 demonstrates that the Council has a borrowing need of £94m over the next three years. The strategy will initially focus on meeting this borrowing need from internal borrowing; avoiding external borrowing by utilising the Council's own surplus funds. Modelling of the movement of reserves and the Council's capital expenditure plans demonstrates that the Council's long-term reserves can support a level of at least £75m of internal borrowing across 2024/25, and £50m thereafter. This will mitigate the increase in the cost of borrowing and reduce counterparty risk within the Council's investment portfolio by reducing the portfolio size. The strategy and budget have been prepared based on this assumption. The Liability Benchmark, in section 2.3 below, demonstrates that if the Council were to utilise its cash-backed reserves and balances as far as possible, external borrowing can be avoided until 2028.

The Council's priority is to strike a balance between cost and certainty, and therefore the internal borrowing position will be carefully monitored to avoid incurring higher borrowing costs in the future at a time when the authority may not be able to avoid new borrowing to finance capital expenditure or refinance maturing debt.

2.3 Liability Benchmark

The Liability Benchmark is a measure of the Council's borrowing need were it to fully utilise its cash-backed reserves and balances to avoid external borrowing. It assumes a liquidity buffer is maintained to ensure the Council's obligations are able to be met.

The Council's liability benchmark is shown below:



1) ***External Debt –*** *The maturity profile of the current portfolio of external debt is shown by the bars. The debt has a very gradual maturity profile which means that there are no requirements to pay back large amounts of debt in any one year.*

2) ***Loans CFR –*** *This is the projections of the Council's underlying borrowing requirement (or CFR) based on the Council's capital plans, and is shown by the top, grey line. The 2023/24 opening Loans CFR was £272m, and it is expected to peak at £517m in 2032/33. This only shows the Loans CFR projection based on the current capital programme of the Council, therefore if ongoing borrowing is required beyond 2032/33 then the CFR would rise further and for longer.*

3) ***Net Loans Requirement –*** *The expected net treasury position is shown by the bottom orange line. This shows a projection of the loans requirements measured by opening external debt for 2023/24 (£221m) less the opening external investments for 2023/24 (£272m). The projections are then based on the expected borrowing within the capital programme and the expected movement in reserves and balances, and shows the borrowing requirement if the Council were to utilise all of its reserves and balances for internal borrowing. This shows that the Council had more external investments than external debt as at 31/03/23, which is expected to change from 2024/25 as reserves reduce and borrowing is required in the capital programme. The Net Loans Requirement also peaks in 2032/33 as a result of the end of current capital planning period.*

4) ***Liability Benchmark –*** *The liability benchmark shows the Net Loan Requirement, but with a buffer of £70m incorporated to ensure the Council has sufficient cash to meet its cash obligations. This measure shows the level to which the Council can internally borrow based on the projection of the capital programme, movement of reserves and allowing for a liquidity buffer. Where the liability benchmark rises above the current debt portfolio, this shows a need for external borrowing, and where the benchmark reduces back below the current portfolio, it shows that the Council will be over-borrowed based on current plans.*

This graph demonstrates that the Council may not need to externally borrowing until 2027/28, and that the external borrowing requirement will peak at £352m in 2032/33, before falling. The graph also shows that based on current plans, new borrowing will be required until 2040/41, so a shorter period than the Council historically borrows for.

Whilst the Liability Benchmark is a good indicator of the Council's direction of travel in terms of borrowing need, it assumes that capital borrowing stops after the current capital planning period, and ignores future borrowing beyond the planning period. Therefore it should not be used in isolation when making long term decisions, but as part of a range of factors.

2.4 Policy on Borrowing in Advance of Need

The Council will not borrow purely in order to profit from investment of extra sums borrowed. Any decision to borrow in advance will be within approved Capital Financing Requirement estimates and will be considered carefully to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds. Risks associated with any borrowing in advance activity will be subject to prior appraisal and subsequent reporting.

2.5 Debt Rescheduling

Officers continue to regularly review opportunities for debt rescheduling, but there has been a considerable widening of the difference between new borrowing and repayment rates, which has resulted in much fewer opportunities to realise any savings or benefits from rescheduling PWLB debt.

The reasons for any rescheduling to take place will include:

- the generation of cash savings and / or discounted cash flow savings;
- helping to fulfil the treasury strategy;
- enhance the balance of the portfolio (amend the maturity profile and/or the balance of volatility).

The strategy is to continue to seek opportunity to reduce the overall level of Council's debt where prudent to do so, thus providing in future years cost reduction in terms of lower debt repayments costs, and potential for making savings by running down investment balances to repay debt prematurely as short term rates on investments are likely to be lower than rates paid on current debt. All rescheduling will be agreed by the Chief Finance Officer.

2.5 Interest Rate Risk & Continual Review

The total borrowing need in **Table 2,** as well as the debt at risk of maturity shown in **Table 4** is the extent to which the Council is subject to interest rate risk.

Table 4	2024/25	2025/26	2026/27
	£m	£m	£m
Maturing Debt	5	5	6
Debt Subject to early repayments options	0	0	0
Total debt at risk of maturity	**5**	**5**	**6**

Officers continue to review the need to borrow taking into consideration the potential increases in borrrowing costs, the need to finance new capital expenditure, refinancing maturing debt, and the cost of carry that might incur a revenue loss between borrowing costs and investment returns.

Against this background and the risks within the economic forecast, caution will be adopted with the 2024/25 treasury operations. The Chief Finance Officer will continue to monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances:

- if it was felt that there was a significant risk of a sharp FALL in borrowing rates, then borrowing will be postponed.

- if it was felt that there was a significant risk of a much sharper RISE in borrowing rates than that currently forecast, fixed rate funding will be drawn whilst interest rates are lower than they are projected to be in the next few years.

3. MINIMUM REVENUE PROVISION POLICY STATEMENT

The Council is required to pay off an element of the accumulated General Fund capital spend each year (the Capital Financing Requirement - CFR) through a revenue charge (the Minimum Revenue Provision - MRP). The Department for Levelling Up, Housing and Communities (DLUHC) regulations require the full Council to approve an MRP Statement in advance of each year. A variety of options are available to Councils, so long as the principle of any option selected ensures a prudent provision to redeem its debt liability over a period which is commensurate with that over which the capital expenditure is estimated to provide benefits (i.e. estimated useful life of the asset being financed).

The Council is recommended to approve the following MRP Statement for 2023/24 onwards:

For borrowing incurred before 1 April 2008, the MRP policy will be:

- Annuity basis over a maximum of 40 years.

From borrowing incurred after 1 April 2008, the MRP policy will be:

- Asset Life Method (annuity method) – MRP will be based on the estimated life of the assets, in accordance with the proposed regulations. A maximum useful economic life of 50 years for land and 40 years for other assets. This option will also be applied for any expenditure capitalised under a capitalisation directive.

For PFI schemes, leases and closed landfill sites that come onto the Balance Sheet, the MRP policy will be:

- Asset Life Method (annuity method) - The MRP will be calculated according to the flow of benefits from the asset, and where the principal repayments increase over the life of the asset. Any related MRP will be equivalent to the “capital repayment element” of the annual charge payable.

There is the option to charge more than the prudent provision of MRP each year through a Voluntary Revenue Provision (VRP).

For loans to third parties that are being used to fund expenditure that is classed as capital in nature, the policy will be to charge an MRP over the life of the loan.

In view of the variety of different types of capital expenditure incurred by the Council, which is not in all cases capable of being related to an individual asset, asset lives will be assessed on a basis which most reasonably reflects the anticipated period of benefit that arises from the expenditure. Also, whatever type of expenditure is involved, it will be grouped together in a manner which reflects the nature of the main component of expenditure. This approach also allows the Council to defer the introduction of an MRP charge for new capital projects/land purchases until the year after the new asset becomes operational rather than in the year borrowing is required to finance the capital spending.

4. ANNUAL INVESTMENT STRATEGY

The DLUHC and CIPFA have extended the meaning of 'investments' to include both financial and non-financial investments. This report deals with financial investments. Non-financial investments are covered in the Capital Strategy.

The Council's investment policy has regard to the following:

- DLUHC's Guidance on Local Government Investments (the "Guidance")
- CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes 2021 (the "Code")
- CIPFA Treasury Management Guidance Notes 2021

The Council's investment priorities will be the security of capital first, portfolio liquidity second and then yield (return). *The Authority will aim to achieve the optimum return (yield) on its investments commensurate with proper levels of security and liquidity and with regard to the Authority's risk appetite.*

4.1 Annual Investment Strategy for 2024/25

Investments will be made with reference to the core balance and cash flow requirements and the outlook for interest rates.

Greater returns are usually obtainable by investing for longer periods. However, based on the forecast of Bank Rate below, it is recommended that an "agile" investment strategy is recommended as an appropriate way of optimising returns.

While most cash balances are required in order to manage the ups and downs of cash flow, where cash sums can be identified that could be invested for longer periods, the value to be obtained from longer term investments will be carefully assessed.

- If it is predicted that Bank Rate is likely to rise significantly within the time horizon being considered, then consideration will be given to keeping most investments on short term or variable terms.
- Conversely, if it is predicted that Bank Rate is likely to fall within that time period, consideration will be given to locking in the higher rates currently obtainable, for longer periods.

It is currently expected that the Bank Rate will remain at the current level (expected to be the peak) during the remainder of 2023/24, with the prospect for Bank Rate to fall in the second half of 2024/25, and gradually reducing into 2025/26. Link Asset Service's (LAS) Bank Rate forecasts for financial year ends (March) are:

Year	2023/24	2024/25	2025/26	2026/27
Bank Rate	5.25%	3.75%	3.00%	3.00%

LAS's view on the prospect for interest rates, including their forecast for short term investment rates is appended at Annex B.

The primary principle governing the Council's investment criteria is the security of its investments, although the return on the investment is also a key consideration. After this main principle, the Council will ensure that:

- It maintains a policy covering both the categories of investment types it will invest in and the criteria for choosing investment counterparties with adequate security, and monitoring their security;
- It has sufficient liquidity in its investments;
- It receives a yield that is aligned with the level of security and liquidity of its investments;
- Where possible, it actively seeks to support Environmental, Social and Governance (ESG) investment products and institutions that meet all of the above requirements.

The preservation of capital is the Council's principal and overriding priority.

4.1.1 Changes from 2023/24 Strategy

No new changes to the strategy are proposed.

4.2 Investment Policy – Management of risk

The guidance from the DLUHC and CIPFA place a high priority on the management of risk. This authority has adopted a prudent approach to managing risk and defines its risk appetite by the following means: -

i) Minimum acceptable credit criteria are applied in order to generate a list of highly creditworthy counterparties. This also enables diversification and thus avoidance of concentration risk. The key ratings used to monitor counterparties are the short term and long-term ratings.

ii) Other information: ratings will not be the sole determinant of the quality of an institution; it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To achieve this consideration the Council will engage with its advisors to maintain a monitor on market pricing such as “credit default swaps” and overlay that information on top of the credit ratings.

iii) Other information sources used will include the financial press, share price and other such information pertaining to the banking sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.

iv) This authority has defined the list of types of investment instruments that the treasury management team are authorised to use.

   a. **Specified investments** are those with a high level of credit quality and subject to a maturity limit of one year. The limits and permitted instruments for specified investments are listed within Table 7.

   b. **Non-specified investments** are those with less high credit quality, may be for periods in excess of one year, and/or are more complex instruments which require greater consideration by members and officers before being authorised for use. The limits and permitted instruments for non-specified investments are listed within Table 8.

v) Lending limits (amounts and maturity) for each counterparty will be set through applying the credit criteria matrix (within Table 7).

vi) This authority will set a limit for the amount of its investments which are invested for longer than 365 days, detailed in the Treasury Indicators in Annex C.

vii) Investments will only be placed with counterparties from countries with a specified minimum sovereign rating of AA- (see paragraph 4.3).

viii) This authority has engaged external consultants, (see paragraph 5.3), to provide expert advice on how to optimise an appropriate balance of security, liquidity and yield, given the risk appetite of this authority in the context of the expected level of cash balances and need for liquidity throughout the year.

ix) All investments will be denominated in sterling.

x) As a result of the change in accounting standards for 2022/23 under IFRS 9, this Authority will consider the implications of investment instruments which could result in an adverse movement in the value of the amount invested and resultant charges at the end of the year to the General Fund. (In November 2018, the MHCLG, concluded a consultation for a temporary override to allow English local authorities time to adjust their portfolio of all pooled investments by announcing a statutory override to delay implementation of IFRS 9 for five years ending 31.3.23. At the current juncture it has not

been determined whether a further extension to the over-ride will be agreed by Government.

However, this authority will also pursue value for money in treasury management and will monitor the yield from investment income against appropriate benchmarks for investment performance. Regular monitoring of investment performance will be carried out during the year and included within the quarterly reporting.

4.3 Sovereign Credit Ratings

The current approved strategy of lending to sovereign nations and their banks which hold a minimum of AA- remains in place. The proposed Maximum investment limits and duration periods will remain the same as in the previous strategy at £60 million and one year respectively. The list of countries that qualify using this credit criteria (as at the date of this report) are shown below:

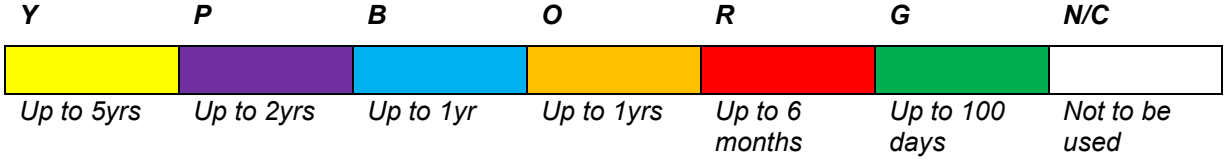
AAA Germany, Netherlands, Singapore, Sweden
AA+ Canada, Finland, USA
AA Abu Dhabi (UAE)
AA- **United Kingdom**

4.4 Creditworthiness Policy

The Council applies the creditworthiness service provided by the Link Group. This service employs a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies which is then supplemented with the following overlays:

- credit watches and credit outlooks from credit rating agencies;
- credit default swap (CDS) spreads to give early warning of likely changes in credit ratings;
- sovereign ratings to select counterparties from only the most creditworthy countries.

This weighted scoring system then produces an end product of a series of colour coded bands which indicate the relative creditworthiness of counterparties. These colour codes are used by the Council to determine the suggested duration for investments. The Council (in addition to other due diligence consideration) will use counterparties within the following durational bands provided they have a minimum A- (UK Banks) and AA- (Non-UK Banks) credit rating:



Typically the minimum credit ratings criteria the Council use will be a Short Term rating (Fitch or equivalents) of F1 and a Long Term rating of A- for UK Banks. There may be occasions when the counterparty ratings from one rating agency are marginally lower than these ratings but may still be used. In these instances consideration will be given to the whole range of ratings available, or other topical market information, to support their use.

The primary principle governing the Council's investment criteria is the security of its investments, although the return on the investment is also a key consideration. After this main principle, the Council will ensure that:

- It maintains a policy covering both the categories of investment types it will invest in and the criteria for choosing investment counterparties with adequate security, and monitoring their security;
- It has sufficient liquidity in its investments.

All credit ratings are monitored daily. The Council is alerted to changes to ratings of all three agencies through its use of the LAS credit worthiness service. If a downgrade results in the counterparty or investment scheme no longer meeting the Council's minimum criteria, its further use as a new investment will be withdrawn immediately.

In addition to the use of credit ratings, the Council is advised of information re movements in Credit Default Swap against the iTraxx benchmark and other market data on a weekly basis. Extreme market movements may result in downgrade of an institution or removal from the Council's lending list. The counterparties in which the Council will invest its cash surpluses is based on officer's assessment of investment security, risk factors, market intelligence, a diverse but manageable portfolio and their participation in the local authority market.

Table 7 below summarises the types of specified investment counterparties available to the Council, and the maximum amount and maturity periods placed on each of these. A full list of the Council's counterparties and the current limits for 2024/25 are appended at Annex A.

Criteria for Specified Investments

Table 7	Country/ Domicile	Instrument	Min. Credit Criteria/LAS colour band	Max. Amount	Max. maturity period
Debt Management and Deposit Facilities (DMADF)	UK	Term Deposits (TDs)	N/A	unlimited	12 Months
Government Treasury bills	UK	TDs	UK Sovereign Rating	unlimited	12 Months
UK Local Authorities*	UK	TDs	UK Sovereign Rating	£60m	12 Months
Banks – part nationalised	UK	▪ TDs ▪ Deposits on Notice ▪ Certificates of Deposit (CDs)	N/A	£60m	12 Months
Banks	UK	▪ TDs ▪ Deposits on Notice ▪ CDs	Blue	£60m	12 Months
			Orange	£60m	12 Months
			Red	£60m	6 Months
			Green	£60m	100 Days
Building Societies	UK	▪ TDs ▪ Deposits on Notice ▪ CDs	Blue	£60m	12 Months
			Orange	£60m	12 Months
			Red	£60m	6 Months
			Green	£60m	100 Days
Individual Money Market Funds (MMF) CNAV and LVNAV	UK/Ireland/ EU domiciled	AAA Rated Money Market Fund Rating	N/A	£60m	Liqiuid
VNAV MMF's and Ultra Short Dated Bond Funds	UK/Ireland/EU domiciled	AAA Rated Bond Fund Fund Rating	N/A	£60m	Liquid
Banks – Non-UK	Those with sovereign rating of at least AA-**	▪ TDs ▪ Deposits on Notice ▪ CDs	Blue	£60m	12 Months
			Orange	£60m	12 Months
			Red	£60m	6 Months
			Green	£60m	100 Days

** Local Authorities appear on both Specified and Non-specified investment list – an investment with a LA for up to a year is Specified, and between 1-2 years is Non-specified. The maximum amount that can be lent to any single Local Authority is £60m across both specified and Unspecified Investments*

***See Paragraph 4.3 for full list of countries that meet these criteria*

Non-Specified investments are any other types of investment that are not defined as specified. The identification and rationale supporting the selection of these other investments and the maximum limits to be applied are set out in **Table 8** below:

Table 8	Minimum credit criteria	Maximum investments	Period
UK Local Authorities**	Government Backed	£60m	2 years
Corporate Bond Fund(s)	Investment Grade	£30m	2 - 5 years
Pooled Property Fund(s)	N/A	£30m	5+ years
Mixed Asset Fund(s)	N/A	£30m	2 - 5 years
Short Dated Bond Fund(s)	N/A	£30m	2 – 5 years

*** Local Authorities appear on both Specified and Non-specified investment list – an investment with a LA for up to a year is Specified, and between 1-2 years is Non-specified. The maximum amount that can be lent to any single Local Authority is £60m across both specified and Unspecified Investments*

The maximum amount that can be invested will be monitored in relation to the Council's surplus monies and the level of reserves. The approved counterparty list will be maintained by referring to an up-to-date credit rating agency reports, and the Council will liaise regularly with brokers for updates. Where Externally Managed Funds are not rated, a selection process will evaluate relative risks & returns. Security of the Council's money and fund volatility will be key measures of suitability. Counterparties may be added to or removed from the list only with the approval of the Chief Finance Officer. A full list of the Council's counterparties and the current limits for 2024/25 are appended at Annex A.

4.5 Investment Risk Benchmarking

The weighted average benchmark risk factor for 2024/25 is recommended to be 0.05%. This is unchanged from 2023/24. This is a measure of the percentage of the portfolio deemed to be at risk of loss by reference to the maturity date, value of investment, and credit rating of the individual investments within the portfolio compared to the historic default data for those credit ratings.

This benchmark is a simple target (not limit) to measure investment risk and so may be breached from time to time, depending on movements in interest rates and counterparty criteria. The purpose of the benchmark is that the in-house treasury team can monitor the current and trend position and amend the operational strategy depending on any changes. Any breach of the benchmarks will be reported with supporting reasons in the mid-year or end of year reviews.

This matrix will only cover internally managed investments, excluding externally managed cash that has been subject to an individual selection process. It also excludes funds lend to other Local Authorities, consistent with the CIPFA Accounting Code.

4.6 Investment Performance Benchmarking

The performance of the Council's investment portfolio will be measured against the overnight SONIA Rate.

5. OTHER TREASURY ISSUES

5.1 Banking Services

NatWest, which is part Government owned, currently provides banking services for the Council.

5.2 Training

The CIPFA Treasury Management Code requires the responsible officer to ensure that members with responsibility for treasury management receive adequate training in treasury management. This especially applies to members responsible for scrutiny.

The scale and nature of this will depend on the size and complexity of the organisation's treasury management needs. Organisations should consider how to assess whether treasury management staff and board/ Council members have the required knowledge and skills to undertake their roles and whether they have been able to maintain those skills and keep them up to date.

As a minimum, authorities should carry out the following to monitor and review knowledge and skills:

- Record attendance at training and ensure action is taken where poor attendance is identified.
- Prepare tailored learning plans for treasury management officers and board/Council members.
- Require treasury management officers and board/Council members to undertake self-assessment against the required competencies (as set out in the schedule that may be adopted by the organisation).
- Have regular communication with officers and board/Council members, encouraging them to highlight training needs on an ongoing basis."

In further support of the revised training requirements, CIPFA's Better Governance Forum and Treasury Management Network have produced a 'self-assessment by members responsible for the scrutiny of treasury management', which is available from the CIPFA website to download.

Training was last provided for members of the Audit Committee (and expended to all Councillors online) on 24 November 2023 and further training will be arranged for November 2024.

The training needs of treasury management officers are periodically reviewed.

A formal record of the training received by officers central to the Treasury function and members who are responsible for decision making and scrutiny of the Treasury function will be maintained by the Principal Accountant (Treasury).

5.3 Policy on the use of External Service Providers

The Council uses Link Asset Services as its external treasury management advisors.

The Council recognises that responsibility for treasury management decisions remains with the Council at all times and will ensure that undue reliance is not placed upon our external service providers. It also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed, documented and subject to regular review.

5.4 Lending to Third Parties

The Council has the power to lend monies to third parties subject to a number of criteria. These are not treasury type investments rather they are policy investments. Any activity will only take place after relevant due diligence has been undertaken.

5.5 Updates to Accounting Requirements

- **IFRS9 – local authority override – English local authorities**

  The MHCLG (DLUHC) enacted a statutory over-ride from 1.4.18 for a five-year period until 31.3.23 following the introduction of IFRS 9 in respect of the requirement for any unrealised capital gains or losses on marketable pooled funds to be chargeable in year. This has been extended to 31.3.25 and the effect of allowing any unrealised capital gains or losses arising from qualifying investments to be held on the balance sheet until 31.3.25: this is intended to allow authorities to initiate an orderly withdrawal of funds if required. In addition, IFRS9 impacts the write-down in the valuation of impaired loans.

- **IFRS 16 – Leasing**

  The CIPFA LAASAC Local Authority Accounting Code Board has deferred implementation of IFRS16 until 1.4.24, the 2024/25 financial year. Once implemented, this has the following impact to the Treasury Management Strategy:

  - The MRP Policy sets out how MRP will be applied for leases bought onto the balance sheet;
  - The Council's Capital Financing Requirement authorised limit and operational boundary expectations for 2024/25 onwards have been increased to reflect the estimated effect of this change.

Counterparty List 2024/25

ANNEX A

Bank with duration colour	Country	Fitch Ratings				Moody's Ratings		S & P Ratings		CDS Price	ESCC Duration	Link Duration Limit	Money Limit
Specified Investments:		L Term	S Term	Viab.	Supp.	L Term	S Term	L Term	S Term		(Months)	(Months)	(£m)
UK Counterparties:													
Lloyds Bank PLC (RFB)	UK	A+	F1	a	WD	A1	P-1	A+	A-1	53.22	6	6	60
Lloyds Bank Corporate Markets Plc (NRFB)	UK	A+	F1	-	WD	A1	P-1	A	A-1	-	6	6	
Bank of Scotland PLC (RFB)	UK	A+	F1	a	WD	A1	P-1	A+	A-1	53.22	6	6	
NatWest Bank (RFB)	UK	A+	F1	a	WD	A1	P-1	A+	A-1	-	12	12	60
NatWest Markets Plc (NRFB)	UK	A+	F1	WD	WD	A1	P-1	A	A-1	84.12	6	6	
Royal Bank of Scotland (RFB)	UK	A+	F1	a	WD	A1	P-1	A+	A-1	-	12	12	
HSBC UK Bank (RFB)	UK	AA-	F1+	a	WD	A1	P-1	A+	A-1	-	12	12	60
HSBC Bank (NRFB)	UK	AA-	F1+	a	WD	A1	P-1	A+	A-1	52.88	12	12	
Barclays Bank UK (RFB)	UK	A+	F1	a	WD	A1	P-1	A+	A-1	-	6	6	60
Barclays Bank (NRFB)	UK	A+	F1	a	WD	A1	P-1	A+	A-1	100.00	6	6	
Santander UK	UK	A+	F1	a	WD	A1	P-1	A	A-1	-	6	6	60
Santander Financial Services (NRFB)	UK	A+	F1	-	WD	A1	P-1	A-	A-2	-	6	6	
Goldman Sachs International Bank	UK	A+	F1	-	WD	A1	P-1	A+	A-1	79.25	6	6	60
Handlesbanken PLC	UK	AA	F1+	-	WD	-	-	AA-	A-1+	-	12	12	60
SMBC Bank International Plc	UK	A-	F1	-	WD	A-	P-1	A	A-1	35.27	6	6	60
Standard Chartered Bank	UK	A+	F1	a	WD	A1	P-1	A+	A-1	52.68	6	6	60
Close Brothers Ltd	UK	A-	F2	a-	WD	Aa3	P-1	-	-	-	6	6	60
Clydesdale Bank PLC	UK	A-	F2	bbb+	WD	A3	P-2	A-	A-2	-	3	3	60
Nationwide Building Society	UK	A	F1	a	WD	A1	P-1	A+	A-1	-	6	6	60
Non UK Counterparties:													
Royal Bank of Canada	Canada	AA-	F1+	aa-	WD	Aa1	P-1	AA-	A-1+	-	12	12	60
Toronto-Dominion Bank	Canada	AA-	F1+	aa-	WD	Aa1	P-1	AA-	A-1+	-	12	12	60
Nordea Bank Abp	Finland	AA-	F1+	aa-	WD	Aa3	P-1	AA-	A-1+	-	12	12	60
Landwirtschaftliche Rentenbank	Germany	AAA	F1+	-	WD	Aaa	P-1	AAA	A-1+	-	12	24	60

Continued Counterparty list Bank with duration colour	Country	Fitch Ratings				Moody's Ratings		S & P Ratings		CDS Price	ESCC Duration	Link Duration Limit	Money Limit
		L Term	S Term	Viab.	Supp.	L Term	S Term	L Term	S Term		(Months)	(Months)	(£m)
NRW.BANK	Germany	AAA	F1+	-	WD	Aa1	P-1	AA	A-1+	-	12	24	60
Bank Nederlandse Gemeenten N.V.	Netherlands	AAA	F1+	-	WD	Aaa	P-1	AAA	A-1+	-	12	24	60
DBS Bank Ltd.	Singapore	AA-	F1+	aa-	WD	Aa1	P-1	AA-	A-1+	-	12	12	60
Oversea-Chinese Banking Corp. Ltd.	Singapore	AA-	F1+	aa-	WD	Aa1	P-1	AA-	A-1+	-	12	12	60
United Overseas Bank Ltd.	Singapore	AA-	F1+	aa-	WD	Aa1	P-1	AA-	A-1+	-	12	12	60
Svenska Handelsbanken AB	Sweden	AA	F1+	aa	WD	Aa2	P-1	AA-	A-1+	-	12	12	60
First Abu Dhabi Bank PJSC	UAE	AA-	F1+	a-	WD	Aa3	P-1	AA-	A-1+	-	12	12	60
Bank of New York Mellon	USA	AA	F1+	aa-	WD	Aa1	P-1	AA-	A-1+	-	12	12	60

Yellow	*Purple*	*Blue*	*Orange*	*Red*	*Green*	*No Colour*
Up to 5yrs	*Up to 2yrs*	*Up to 1yr (semi nationalised UK banks)*	*Up to 1yr*	*Up to 6 months*	*Up to 100 days*	*Not to be used*

Non-Specified Investments:			
	Minimum credit Criteria	Maximum Investments	Period
UK Local Authorities	Government Backed	£60m	2 years
Corporate Bond Fund(s)	Investment Grade	£30m	2 – 5 years
Pooled Property Fund(s)	N/A	£30m	5+ years
Mixed Asset Fund(s)	N/A	£30m	2 - 5 years
Short Dated Bond Fund(s)	N/A	£30m	2 - 5 years

ANNEX B

ECONOMIC OVERVIEW

Provided by Link Asset Services, January 2024

- The third quarter of 2023/24 saw:
  - A 0.3% m/m decline in real GDP in October, potentially partly due to unseasonably wet weather, but also due to the ongoing drag from higher interest rates. Growth for the second quarter, ending 30th September, was revised downwards to -0.1% and growth on an annual basis was also revised downwards, to 0.3%;
  - A sharp fall in wage growth, with the headline 3myy rate declining from 8.0% in September to 7.2% in October, although the ONS "experimental" rate of unemployment has remained low at 4.2%;
  - CPI inflation continuing on its downward trajectory, from 8.7% in April to 4.6% in October, then again to 3.9% in November;
  - Core CPI inflation decreasing from April and May's 31 years' high of 7.1% to 5.1% in November, the lowest rate since January 2022;
  - The Bank of England holding Bank Rate at 5.25% in November and December;
  - A steady fall in 10-year gilt yields as investors revised their interest rate expectations lower.
- The revision of GDP data in Q2 to a 0.1% q/q fall may mean the mildest of mild recessions has begun. Indeed, real GDP in October fell 0.3% m/m which does suggest that the economy may stagnate again in Q3. The weakness in October may partly be due to the unseasonably wet weather. That said, as the weakness was broad based it may also be the case that the ongoing drag from higher interest rates is more than offsetting any boost from the rise in real wages.
- However, the rise in the flash composite activity Purchasing Managers Index, from 50.7 in November to 51.7 in December, did increase the chances of the economy avoiding a contraction in Q3. The improvement was entirely driven by the increase in the services activity balance from 50.9 to 52.7. (Scores above 50 point to expansion in the economy, although only tepid in this instance.) The press release noted that this was primarily driven by a revival in consumer demand in the technological and financial services sectors. This chimes with the further improvement in the GfK measure of consumer confidence in December, from -24 to -22. The services PMI is now consistent with non-retail services output growing by 0.5% q/q in Q3, but this is in stark contrast to the manufacturing sector where the output balance slumped from 49.2 to 45.9 and, at face value, the output balance is consistent with a 1.5% q/q fall in manufacturing output in Q3.
- The 0.3% m/m fall in retail sales volumes in October means that after contracting by 1.0% q/q (which was downwardly revised from -0.8% q/q) in Q2, retail activity remained weak at the start of Q3. That suggests higher interest rates are taking a bigger toll on real consumer spending.
- Higher interest rates have filtered through the financial channels and weakened the housing market but, overall, it remains surprisingly resilient with the Halifax house price index recently pointing to a 1.7% year on year increase whilst Nationwide's December data pointed to a -1.8% year on year decrease. However, the full weakness in real consumer spending and real business investment has yet to come as currently it is estimated that

around two thirds to a half of the impact of higher interest rates on household interest payments has yet to be felt.

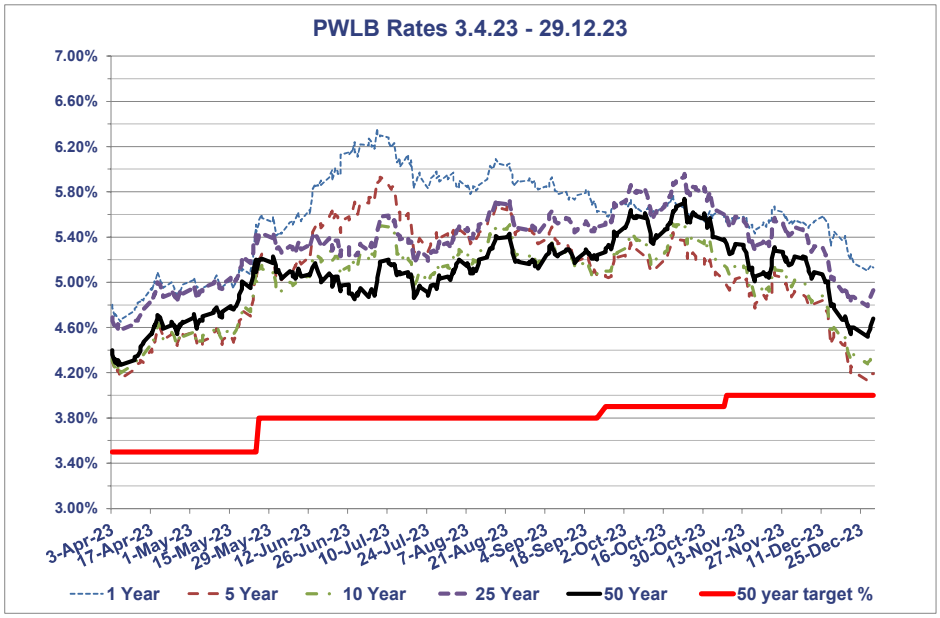
- Overall, we expect real GDP growth to remain subdued throughout 2024 as the drag from higher interest rates is protracted but a fading of the cost-of-living crisis and interest rate cuts in the second half of 2024 will support a recovery in GDP growth in 2025.
- The labour market remains tight by historical standards, but the sharp fall in wage growth seen in October will reinforce the growing belief in markets that interest rates will be cut mid-2024. Wage growth eased in October much faster than the consensus expected. Total earnings fell by 1.6% m/m, which meant the headline 3myy rate eased from 8.0% in September to 7.2% in October. This news will be welcomed by the Bank of England. Indeed, the timelier three-month annualised rate of average earnings growth fell from +2.4% to -1.2%. Excluding bonuses, it fell from 5.3% to 2.0%. Furthermore, one of the Bank's key barometers of inflation persistence, regular private sector pay growth, dropped from 7.9% 3myy to 7.3%, which leaves it comfortably on track to fall to 7.2% by December, as predicted by the Bank in November.
- The fall in wage growth occurred despite labour demand being stronger in October than expected. The three-month change in employment eased only a touch from +52,000 in September to +50,000 in October. But resilient labour demand was offset by a further 63,000 rise in the supply of workers in the three months to October. That meant labour supply exceeded its pre-pandemic level for the first time, and the unemployment rate remained at 4.2% in October. In the three months to November, the number of job vacancies fell for the 17th month in a row, from around 959,000 in October to around 949,000. That has reduced the vacancy to unemployment ratio as demand for labour eases relative to supply, which may support a further easing in wage growth in the coming months.
- CPI inflation fell from 6.7% in September to 4.6% in October, and then again to 3.9% in November. Both these falls were bigger than expected and there are clear signs of easing in domestic inflationary pressures. The fall in core CPI inflation from 5.7% to 5.1% in November was bigger than expected (consensus forecast 5.6%). That's the lowest rate since January 2022. Some of the decline in core inflation was due to the global influence of core goods inflation, which slowed from 4.3% to 3.3%. But some of it was due to services inflation falling from 6.6% to 6.3%. The Bank views the latter as a key barometer of the persistence of inflation and it came in further below the Bank's forecast of 6.9% in its November Monetary Policy Report. This will give the Bank more confidence that services inflation is now on a firmly downward path.
- The Bank of England sprung no surprises with its December monetary policy committee (MPC) meeting, leaving interest rates at 5.25% for the third time in a row and pushing back against the prospect of near-term interest rate cuts. The Bank continued to sound hawkish, with the MPC maintaining its tightening bias saying that "further tightening in monetary policy would be required if there were evidence of more persistent inflationary pressures". And it stuck to the familiar script, saying that policy will be "sufficiently restrictive for sufficiently long" and that "monetary policy is likely to need to be restrictive for an extended period of time". In other words, the message is that the MPC is not yet willing to endorse investors' expectations that rates will be cut as soon as May 2024.
- Looking ahead, our colleagues at Capital Economics forecast that the recent downward trends in CPI and core inflation will stall over the next few months before starting to decline

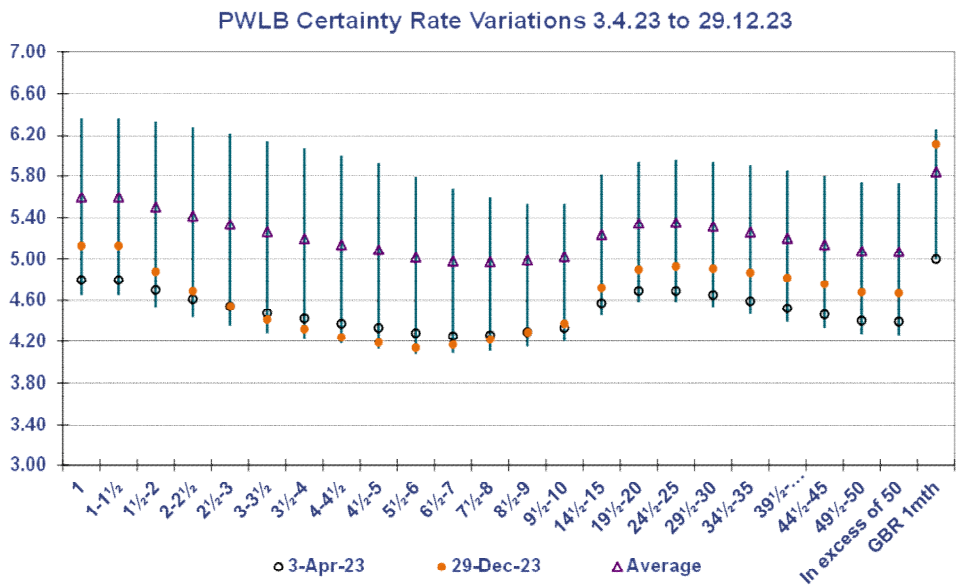
more decisively again in February. That explains why we think the Bank of England won't feel comfortable cutting interest rates until H2 2024.

- The fall in UK market interest rate expectations in December has driven most of the decline in 10-year gilt yields, which have fallen in line with 10-year US Treasury and euro-zone yields. 10-year gilt yields have fallen from 4.68% in October 2023 to around 3.70% in early January, with further declines likely if the falling inflation story is maintained.
- Investors' growing expectations that the Fed will cut interest rates soon has led to an improvement in risk sentiment, which has boosted the pound and other risky assets. In addition, the rise in the pound, from $1.21 in November to $1.27 now, has also been supported by the recent relative decline in UK wholesale gas prices.
- The further fall in 10-year real gilt yields in December has supported the recent rise in the FTSE 100. That said, the index remains 5% below its record high in February 2023. This modest rise in equities appears to have been mostly driven by strong performances in the industrials and rate-sensitive technology sectors. But UK equities have continued to underperform US and euro-zone equities. The FTSE 100 has risen by 2.2% in December, while the S&P 500 has risen by 3.8%. This is partly due to lower energy prices, which have been a relatively bigger drag on the FTSE 100, due to the index's high concentration of energy companies.

In the table below, the rise in gilt yields across the curve as a whole in 2023/24, and therein PWLB rates, is clear to see.

PWLB RATES 03.04.23 - 29.12.23





HIGH/LOW/AVERAGE PWLB RATES FOR 01.04.23 – 29.12.23

	1 Year	5 Year	10 Year	25 Year	50 Year
Low	4.65%	4.13%	4.20%	4.58%	4.27%
Date	06/04/2023	27/12/2023	06/04/2023	06/04/2023	05/04/2023
High	6.36%	5.93%	5.53%	5.96%	5.74%
Date	06/07/2023	07/07/2023	23/10/2023	23/10/2023	23/10/2023
Average	5.60%	5.09%	5.03%	5.35%	5.08%
Spread	1.71%	1.80%	1.33%	1.38%	1.47%

The peak in medium to longer dated rates has generally arisen in August and September and has been primarily driven by continuing high UK inflation, concerns that gilt issuance may be too much for the market to absorb comfortably, and unfavourable movements in US Treasuries.

The S&P 500 and FTSE 100 have struggled to make much ground through 2023.

Prospects for Interest Rates

The Council has appointed Link Group as its treasury advisor and part of their service is to assist the Authority to formulate a view on interest rates. Link provided the following forecasts on 08 January 2024. These are forecasts for Bank Rate, average earnings and PWLB certainty rates, gilt yields plus 80 bps.

Link Group Interest Rate View 08.01.24													
	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27
BANK RATE	5.25	5.25	4.75	4.25	3.75	3.25	3.00	3.00	3.00	3.00	3.00	3.00	3.00
3 month ave earnings	5.30	5.30	4.80	4.30	3.80	3.30	3.00	3.00	3.00	3.00	3.00	3.00	3.00
6 month ave earnings	5.20	5.10	4.60	4.10	3.70	3.30	3.10	3.10	3.10	3.10	3.10	3.10	3.10
12 month ave earnings	5.00	4.90	4.40	3.90	3.60	3.20	3.10	3.10	3.10	3.10	3.10	3.20	3.20
5 yr PWLB	4.50	4.40	4.30	4.20	4.10	4.00	3.80	3.70	3.60	3.60	3.50	3.50	3.50
10 yr PWLB	4.70	4.50	4.40	4.30	4.20	4.10	4.00	3.90	3.80	3.70	3.70	3.70	3.70
25 yr PWLB	5.20	5.10	4.90	4.80	4.60	4.40	4.30	4.20	4.20	4.10	4.10	4.10	4.10
50 yr PWLB	5.00	4.90	4.70	4.60	4.40	4.20	4.10	4.00	4.00	3.90	3.90	3.90	3.90

PWLB Rates

- The short and medium part of the gilt curve has rallied since the start of November as markets price in a quicker reduction in Bank Rate through 2024 and 2025 than held sway back then. This reflects market confidence in inflation falling back in a similar manner to that already seen in the US and the Euro-zone. At the time of writing there is c70 basis points difference between the 5 and 50 year parts of the curve.

The balance of risks to the UK economy: -

- The overall balance of risks to economic growth in the UK is even.

Downside risks to current forecasts for UK gilt yields and PWLB rates include: -

- Labour and supply shortages prove more enduring and disruptive and depress economic activity (accepting that in the near-term this is also an upside risk to inflation and, thus, could keep gilt yields high for longer).

- The Bank of England has increased Bank Rate too fast and too far over recent months, and subsequently brings about a deeper and longer UK recession than we currently anticipate.

- UK / EU trade arrangements – if there was a major impact on trade flows and financial services due to complications or lack of co-operation in sorting out significant remaining issues.

- Geopolitical risks, for example in Ukraine/Russia, the Middle East, China/Taiwan/US, Iran and North Korea, which could lead to increasing safe-haven flows.

Upside risks to current forecasts for UK gilt yields and PWLB rates: -

- Despite the tightening in Bank Rate to 5.25%, the Bank of England allows inflationary pressures to remain elevated for a long period within the UK economy, which then necessitates Bank Rate staying higher for longer than we currently project.

- The pound weakens because of a lack of confidence in the UK Government's pre-election fiscal policies, which may prove inflationary, resulting in investors pricing in a risk premium for holding UK sovereign debt.

- Projected gilt issuance, inclusive of natural maturities and QT, could be too much for the markets to comfortably digest without higher yields compensating.

Gilt yields and PWLB rates

The overall longer-run trend is for gilt yields and PWLB rates to fall back over the timeline of our forecasts, as inflation starts to fall through the remainder of 2023 and into 2024.

Our target borrowing rates are set two years forward (as we expect rates to fall back) and the current PWLB (certainty) borrowing rates are set out below: -

PWLB debt	Current borrowing rate as at 08.01.24 p.m.	Target borrowing rate now (end of Q4 2025)	Target borrowing rate previous (end of Q3 2025)
5 years	4.53%	3.70%	3.80%
10 years	4.67%	3.90%	3.80%
25 years	5.19%	4.20%	4.20%
50 years	4.97%	4.00%	4.00%

Borrowing advice: Our long-term (beyond 10 years) forecast for Bank Rate remains at 3% and reflects Capital Economics' research that suggests AI and general improvements in productivity will be supportive of a higher neutral interest rate. As all PWLB certainty rates are currently significantly above this level, borrowing strategies will need to be reviewed in that context. Overall, better value can be obtained at the shorter end of the curve and short-dated fixed LA to LA monies should be considered. Temporary borrowing rates will remain elevated for some time to come but may prove the best option whilst the market continues to factor in Bank Rate reductions for 2024 and later.

Our suggested budgeted earnings rates for investments up to about three months' duration in each financial year are set out below.

Average earnings in each year	Now	Previously
2023/24 (residual)	5.30%	5.30%
2024/25	4.55%	4.70%
2025/26	3.10%	3.20%
2026/27	3.00%	3.00%
2027/28	3.25%	3.25%
2028/29	3.25%	3.25%
Years 6 to 10	3.25%	3.25%
Years 10+	3.25%	3.25%

As there are so many variables at this time, caution must be exercised in respect of all interest rate forecasts.

Our interest rate forecast for Bank Rate is in steps of 25 bps, whereas PWLB forecasts have been rounded to the nearest 10 bps and are central forecasts within bands of + / - 25 bps. Naturally, we continue to monitor events and will update our forecasts as and when appropriate.

ANNEX C

PRUDENTIAL AND TREASURY INDICATORS 2024/25 to 2026/27

The Council's capital expenditure plans are a key driver of treasury management activities. The output of the capital expenditure plans is reflected in prudential indicators. Local Authorities are required to 'have regard to' the Prudential Code and to set Prudential Indicators for the next three years to ensure that the Council's capital investment plans are affordable, prudent and sustainable. The Code sets out the indicators that must be used but does not suggest limits or ratios as these are for the authority to set itself.

The Prudential Indicators for 2024/25 to 2026/27 are set out in **Table A** below:

Table A	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate
Capital Expenditure £m (gross) Council's capital expenditure plans	£97m	£98m	£67m
Capital Financing Requirement £m* Measures the underlying need to borrow for capital purposes (including PFI & Leases)	£383m	£399m	£413m
Ratio of financing costs to net revenue stream** Identifies the trend in the cost of capital (borrowing and other long term obligation costs) against net revenue stream	3.81%	3.87%	4.25%

** From 2024/25, the CFR includes an estimate for leases that will be bought onto the balance sheet under a change in leasing accounting regulations.*

*** the ratio of financing costs to net revenue stream illustrates the percentage of the Council's net revenue budget being used to finance the Council's borrowing. This includes interest costs relating to the Council's borrowing portfolio and MRP. This was previously reported net of the investment income from the Council's investment portfolio, but this is no longer allowable under the 2021 Code, and therefore the ratio is higher than previously reported.*

The Treasury Management Code requires that Local Authorities set a number of indicators for treasury performance in addition to the Prudential Indicators which fall under the Prudential Code. The Treasury Indicators for 2024/25 to 2026/27 are set out in **Tables B & C** below. These have been calculated and determined by Officers in compliance with the Treasury Management Code of Practice.:

Table B	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate
Authorised Limit for External Debt £m* The Council is expected to set a maximum authorised limit for external debt. This represents a limit beyond which external debt is prohibited, and this limit needs to be set or revised by Full Council.	£413m	£429m	£443m
Operational boundary for external debt £m* The Council is required to set an operational boundary for external debt. This is the limit which external debt is not normally expected to exceed. This indicator may be breached temporarily for operational reasons.	£393m	£409m	£423m
Principal Sums invested for longer than 365 days	£60m	£60m	£60m

Control on interest rate exposure: Upper limit for fixed interest rate exposure Identifies a maximum limit for fixed interest rates for borrowing and investments.	100%	100%	100%
Control on interest rate exposure: Upper limit for variable interest rate exposure Identifies a maximum limit for variable interest rates for borrowing and investments.	15%	15%	15%

**From 2024/25 The Authorised Limit and Operational Boundary includes an estimate for leases that will be bought onto the balance sheet under a change in leasing accounting regulations.*

Table C

Maturity Structure of fixed interest rate borrowing

The Council needs to set upper and lower limits with respect to the maturity structure of its borrowing.

	Lower	Upper
Under 12 months	0%	25%
12 months to 2 years	0%	40%
2 years to 5 years	0%	60%
5 years to 10 years	0%	70%
Over 10 years	0%	90%

ANNEX D

SCHEME OF DELEGATION

1. Full Council

In line with best practice, Full Council is required to receive and approve, as a minimum, three main reports each year, which incorporate a variety of polices, estimates and actuals. These reports are:

i. Treasury Management Policy and Strategy Report

The report covers:

- the capital plans (including prudential indicators);
- the Capital Strategy;
- a Minimum Revenue Provision Policy (how residual capital expenditure is charged to revenue over time);
- the Treasury Management Strategy (how the investments and borrowings are to be organised) including treasury indicators; and
- an investment strategy (the parameters on how investments are to be managed).

ii. A Mid-Year Review Report and a Year End Stewardship Report

These will update members with the progress of the capital position, amending prudential indicators as necessary, and indicating whether the treasury strategy is meeting the strategy or whether any policies require revision. The report also provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.

2. Cabinet

- Recommendation of the Treasury Management Strategy to Full Council
- Approval of the Treasury Management quarterly update reports;
- Approval of the Treasury Management mid-year and outturn reports.

3. Audit Committee

- Scrutiny of performance against the strategy.

4. Role of the Section 151 Officer

The Section 151 (responsible) Officer:

- recommending clauses, treasury management policy/practices for approval, reviewing the same regularly, and monitoring compliance;
- submitting regular treasury management policy reports;
- submitting budgets and budget variations;
- receiving and reviewing management information reports;
- reviewing the performance of the treasury management function;
- ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function;
- ensuring the adequacy of internal audit, and liaising with external audit;
- recommending the appointment of external service providers.

There are further responsibilities for the S151 Officer identified within the 2017 Code in respect of non-financial investments. They are identified and listed in the Capital Strategy where relevant.

ANNEX E
INVESTMENT PRODUCT GLOSSARY

Bank / Building Society: Accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies, other than multilateral development banks. These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail.

Bank / Building Society Secured (Covered Bonds): These investments are secured on the bank's assets, which limit the potential losses in the unlikely event of insolvency, and means that they are exempt from bail-in.

Corporate Bonds: Bonds issued by companies other than banks and registered providers. These investments are not subject to bail-in but are exposed to the risk of the company going insolvent.

Enhanced Cash / Ultra Short Dated Bond Funds: Funds designed to produce an enhanced return over and above a Money Market Fund. The manager may use a wider range of alternative options to try and generate excess performance. These could include different counterparties, instruments as well as longer dated investments.

Equity Fund: Equity funds are pooled investment vehicles that will focus investments primarily in UK equities.

Government: Loans, bonds and bills issued or guaranteed by UK government, local authorities and supranational banks. These investments are not subject to bail-in, and there is a minimal risk of insolvency.

Money Market Funds: An open ended fund that invests in short term debt securities, offers same-day liquidity and very low volatility.

Mixed Asset Funds: Rather than focus on a particular asset class, these funds will look to invest across a broader range of classes in an effort to provide investors with a smoother performance on a year-to-year basis. Primarily, the asset classes will be equities and fixed income, but the latter will include both corporate and government-level investments.

Pooled Property Funds: Shares in diversified property investment vehicles. Property funds offer enhanced returns over the longer term but are more volatile in the short term. The funds have no defined maturity date, but are available for withdrawal after a notice period

Short Dated Bond Funds: Funds designed to produce an enhanced return over and above an Ultra Short Dated Fund. The manager may use a wider range of alternative options to try and generate excess performance. These could include different counterparties, instruments as well as longer dated and a proportion of lower rated investments. The return on the funds are typically much higher but can be more volatile than Ultra-Short Dated bond funds, so a longer investment time horizon is recommended.

ANNEX F
LOCAL GOVERNMENT OUTLOOK

The Chancellor announced the Autumn Budget Statement on 22 November, accompanied by new national economic forecasts from The Office for Budget Responsibility (OBR). The OBR judged that overall growth would be 0.7% in 2024, rising to 1.4% in 2025, and then an average of 1.9% between 2026 and 2028. Debt and borrowing forecasts were lower than at the March 2023 Budget, with debt expected to hit a peak of 93.2% of Gross Domestic Product (GDP) in 2026/27 before falling to 92.8% in 2028/29. The unemployment rate was predicted to peak at 4.6%, later than expected, in 2025 before falling to 4.1%.

The OBR forecasted that headline inflation will remain higher for longer than previously predicted, falling to 2.8% by the end of 2024 and not reaching the 2% target rate until 2025 – this revised projection has impacts for our ongoing operating costs. The Bank of England held interest rates at 5.25% in December in support of its ongoing strategy to curb inflation, with some analysts predicting rates may begin to fall during 2024 as inflation reduces further.

The increased cost of living has continued to impact on households, although inflation, as measured by the Consumer Prices Index (CPI), reduced to 3.9% in the 12 months to November (down from 4.6% in October), a larger than expected reduction. The falls in recent months have been driven by a significant drop in the cost of energy from the peak in autumn 2022 and slower growth in the cost of food and fuel. However, the ongoing high rate, on top of previous price increases, continues to create significant pressures on households, particularly those on low incomes.

Children's Services have continued to experience significant pressures from rising demand and increased complexity of need, coupled with workforce shortages and a lack of specialist placements, all of which has led to escalating costs and operational challenges over the past year. Overspends in Children's Services are significant and commonplace across Local Government, reflecting a national issue.

The provisional Local Government Finance Settlement, received on 18 December, provided the detailed funding picture for local government and was again for one year only. It indicated that Core Spending Power would increase by an average 6.5% for local authorities in England, based on the presumption that all councils will levy the maximum increase in Council Tax. The Council Tax referendum limit was maintained at 3% and the Adult Social Care precept at 2%. The continuation of a range of short-term grants was confirmed, including grant funding for social care, but crucially, there was no additional funding over and above the funding announcement in the 2022 Settlement.

In response to cost pressures on councils the Department for Levelling Up, Housing and Communities (DLUHC) instead advised the use of reserves to maintain services and for investment to be made in preventative approaches in children's services where possible to improve the sustainability of children's social care.

For Local Government, there is a continued reliance on raising funding through council tax, which is unrelated to need, with remaining budget gaps mitigated through use of one-off reserves. This is unsustainable, and the sector continues to lobby for a sustainable funding settlement to enable councils to continue to set balanced budgets.

This page is intentionally left blank

Appendix 24

Ashdown Forest Finances to 31 March 2024

Income and Expenditure Forecast and Budget Summary

Core Budget and Countryside Stewardship Budget Combined

	2023/24 Original Budget	2023/24 Current Budget	2023/24 Forecast
CORE INCOME	**£**	**£**	**£**
Licences & Forest Rate	188,670	188,670	201,561
Unrestricted funding (WDC, AFT, T/PCs)	324,348	324,348	464,527
Income generation and Donations	23,280	23,280	18,912
Forest Products incl. Meat and Deer Carcasses	20,881	20,881	23,750
Visitors	38,745	38,745	17,321
Financial	240	240	4,792
Recharges from Countryside Stewardship programme	177,243	177,243	185,574
Unrestricted Core Income	**773,407**	**773,407**	**916,437**
Other Restricted Core Funding/Grants (specific purpose)	31,419	31,419	33,500
TOTAL CORE INCOME	**804,826**	**804,826**	**949,937**
COUNTRYSIDE STEWARDSHIP INCOME			
Grant funding for CS work programme	605,168	605,168	654,589
TOTAL CS INCOME	**605,168**	**605,168**	**654,589**
TOTAL CORE AND COUNTRYSIDE STEWARDSHIP INCOME	**1,409,994**	**1,409,994**	**1,604,526**

	2023/24 Original Budget	2023/24 Current Budget	2023/24 Forecast
CORE EXPENDITURE	**£**	**£**	**£**
Core Forest Staff Costs	370,726	370,726	346,791
Operational expenses	230,738	230,738	317,626
Administration Overheads	115,642	115,643	164,806
Financial	22,988	22,988	32,445
Visitors	23,032	23,032	5,174
Expenditure from Ringfenced Funding (primarily education prog)	16,603	16,603	42,646
Core capital expenditure	-	-	28,035
TOTAL CORE EXPENDITURE	**779,729**	**779,729**	**937,523**

COUNTRYSIDE STEWARDSHIP EXPENDITURE			
Countryside Stewardship Work Programme Project Expenditure	412,510	352,510	323,586
Staff Costs	332,261	392,261	386,613
TOTAL COUNTRYSIDE STEWARDSHIP EXPENDITURE	**744,771**	**744,771**	**710,199**
TOTAL CORE AND COUNTRYSIDE STEWARDSHIP EXPENDITURE	**1,524,500**	**1,524,500**	**1,647,722**

SURPLUS OF INCOME OVER EXPENDITURE	**(114,506)**	**(114,506)**	**(43,197)**

Core Budget surplus/(deficit)	25,097	25,097	12,413
CS Budget surplus/(deficit)	(139,603)	(139,603)	(55,610)
Total Budget surplus/(deficit)	**(114,506)**	**(114,506)**	**(43,197)**

Ashdown Forest Medium Term Financial Plan

INCOME SUMMARY	2024/25 £	2025/26 £	2026/27 £	2027/28 £
Licences & Forest Rate	204,484	208,574	212,745	217,000
Unrestricted funding (WDC,T/PCs)	187,777	189,579	191,417	193,292
Car Parking	283,213	283,213	283,213	283,213
Income generation and Donations	18,912	20,643	21,056	21,477
Forest Products incl. Meat and Deer Carcasses	27,250	27,795	28,351	28,918
Visitors	16,792	17,128	17,470	17,820
Financial	4,792	4,792	4,792	4,792
CS Recharges	185,574	244,046	246,551	249,089
Other Restricted Funding	63,500	63,500	70,750	70,750
Total Core Income	**992,294**	**1,059,270**	**1,076,345**	**1,086,351**
Countryside Stewardship Funding from Natural England	654,589	654,589	654,589	654,589
Total Countryside Stewardship Income	**654,589**	**654,589**	**654,589**	**654,589**
TOTAL INCOME	**1,646,883**	**1,713,859**	**1,730,934**	**1,740,940**

EXPENDITURE SUMMARY	2024/25 £	2025/26 £	2026/27 £	2027/28 £
Core Forest Staff Costs	430,231	438,836	447,612	456,565
Operational expenses	216,467	220,796	225,212	229,717
Administration Overheads	104,084	106,166	108,289	110,455
Financial	32,445	33,094	33,756	34,431
Visitors	22,650	23,103	36,767	37,668
Capital purchases -Core	40,805	70,805	70,805	70,805
Governance/charity set up	100	102	104	106
Car Parking	119,303	121,689	124,123	126,605
Expenditure from Ringfenced Funding	24,810	27,639	7,250	7,250
Total Core Expenditure	**990,895**	**1,042,230**	**1,053,918**	**1,073,602**
Staff Costs (Countryside Stewardship)	398,517	403,825	409,204	414,655
CS Work Programme Project Expenditure	387,602	224,980	225,736	226,502
Total CS Expenditure for Funded Projects	**786,119**	**628,805**	**634,940**	**641,157**
TOTAL EXPENDITURE	**1,777,014**	**1,671,035**	**1,688,858**	**1,714,758**
Core Budget Surplus/(Deficit)	1,399	17,040	22,427	12,749

CS Budget Surplus/(Deficit)	(131,530)	25,784	19,649	13,432
Total Budget Surplus/(Deficit)	**(130,131)**	**42,824**	**42,076**	**26,182**

Movement in Reserve Balances	**Core £**	**HLS* £**	**CS £**
Reserves at 01/04/2023	**263,580**	**223,304**	**426,581**
Forecast movement 2023/24	12,413	**-**	(55,610)
Forecast balance 31/3/2024	**275,993**	**223,304**	**370,971**
Forecast movement 2024/25	1,399	**-**	(131,530)
Forecast balance 31/3/2025	**277,392**	**223,304**	**239,441**

*The Higher Level Stewardship (HLS) programme ceased in 2016 the balance of funds will be spent in the spirit of the original agreement under the guidance of Natural England.

Pay Policy Statement

Date: March 2024

Approved by East Sussex County Council at its meeting on 6 February 2024.

Document summary

Policy on the pay of Chief Officers, Deputy Chief Officers and Assistant Directors in relation to the rest of the local government workforce, excluding schools.

Enquiries

Pay and Reward Team, 01273 481867

Contents

Key points 2
1. Background to the pay policy statement 2
2. Definitions 2
3. Remuneration of Chief Officers 3
4. Remuneration of employees who are not Chief Officers 3
5. Other elements of remuneration 4
6. Relationship between the remuneration of Chief Officers and that of the wider workforce 5
7. Tax Avoidance 6
8. Appointment or Re-engagement of Chief Officers 6
9. Termination of Employment of Chief Officers 6

Key points

- The annual pay policy statement will be approved by full Council each year and published on the Council's website by 31 March.
- Elected members will take decisions on all matters concerning the pay of Chief Officers and Deputy Chief Officers through the Governance Committee including approval of any annual pay award. This Committee also approves any annual pay award offered to managerial staff employed on local pay and conditions.
- The Chief Officer salary bands are published on the County Council's website, along with the salary scales for all other staff groups.
- The County Council uses job evaluation to determine the grade of its posts and has adopted two schemes: the HAY scheme for managerial posts and the NJC (local government) Single Status scheme for staff below management level.

1. Background to the pay policy statement

1.1. The Localism Act 2011 requires local authorities to prepare a pay policy statement for each financial year. This statement has to be approved by the full County Council, annually.

1.2. The statement must set out the authority's policies for the financial year relating to the remuneration of its Chief Officers, the remuneration of its lowest paid employees and the relationship between the remuneration of its Chief Officers and the remuneration of its employees who are not Chief Officers.

2. Definitions

2.1. **Chief Officers:** Statutory and non-statutory Chief Officers of the County Council, all of whom report to the Chief Executive as the Head of the Authority's paid service. This definition is based on the interpretation provided in the Localism Act with reference to the Local Government and Housing Act 1989.

2.2. The Localism Act specifies that the **Monitoring Officer** is also included. This Officer is paid at Assistant Director level. (See paragraph 2.3, below).

2.3. **Deputy Chief Officers**: All posts reporting directly to a Chief Officer, whether paid on Deputy Chief Officer pay bands or Assistant Directors paid on Local Managerial Grades. This definition is based on the interpretation provided in the Localism Act with reference to the Local Government and Housing Act 1989.

2.4. **Lowest paid employees**: all staff paid on the lowest salary point of the local single status pay spine; currently £22,366 per annum (April 2023) for full time staff. All non-managerial employees are paid on a pay spine which commences at this level, hence the selection of this point as the lowest salary point.

2.5. The Localism Act defines **remuneration** as including; salary under a contract of employment or payments made under a contract for services, bonuses, charges, fees or allowances, any benefits in kind, any enhancement to pension entitlement and any amounts payable on the Chief Officer ceasing to hold office.

2.6. The publication of the **'pay multiple'** as a determinant of the relationship between the pay of Chief Officers and that of the rest of the workforce was recommended by the Hutton report on Fair pay. This is a calculation in the form of a ratio between the median average earnings across the organisation and the highest paid employee. In addition, in 2021, revised guidance on the publication of fair pay disclosures was issued, requiring the publication of additional data; the top to median, lower quartile and upper quartile staff pay multiples (ratios).

2.7. The fair pay disclosures (pay multiples) will be published on the County Council website and monitored annually.

3. Remuneration of Chief Officers

3.1. The Chief Executive, Directors and Deputy Directors of the County Council are paid on local pay bands for Chief Officers and Deputy Chief Officers. These posts are evaluated using the Hay job evaluation scheme and are paid on the relevant band according to the size of their job as determined on the job evaluation scheme.

3.2. Assistant Directors are defined as 'Deputy Chief Officers' for the purposes of the Localism Act as they report directly to Chief Officers. These posts are also evaluated using the HAY job evaluation scheme and paid on the County Council's Local Managerial Grades (LMG). All the County Council's managers are paid on these scales and have a common scheme of terms and conditions of service.

3.3. The County Council's salary scales are published on the County Council website https://www.eastsussex.gov.uk/jobs/benefits/pay/

3.4. In accordance with standard council policy, new employees are normally appointed to the minimum point of the pay scale unless there is a good reason for appointment at a higher point on the scale. This would be approved at a senior level and, in the case of Chief Officer appointments, by the Chief Executive in consultation with the Lead Member.

3.5. Incremental progression within a salary band would normally take place on 1 April each year until the maximum point of the scale is reached and is subject to the achievement of agreed operational targets. This is standard policy for all managers across the County Council.

3.6. Annual pay awards for Chief Officers and Deputy Chief Officers are subject to local pay determination by the Governance Committee. Annual pay awards for managers paid on Local Managerial Grades, including Assistant Directors, are negotiated with UNISON annually and approved by the Governance Committee. These pay awards are determined with reference to economic indicators including the rate of inflation (CPI), turnover rates, level of other public sector pay awards and market position. The local pay awards for these staff groups in 2023/24 mirrored the national NJC pay award.

4. Remuneration of employees who are not Chief Officers

4.1. The remuneration of employees below management level is subject to the 'National Agreement on Pay and Conditions of Service of the National Joint Council for Local Government Services' commonly known as the 'Green Book'.

4.2. The 'Green Book' contains a national basic framework for conditions of service but also allows for local variation on certain specified conditions of service, including the pay structure. The County Council and the local trade unions have been working closely together over a number of years to implement these local variations via Local Collective Agreements. In broad terms, these have provided for a range of changes to terms and conditions of employment, including the following:

- the adoption of the National Joint Council Job Evaluation Scheme for determining the grade of posts on the local single status pay spine;
- the implementation of local East Sussex Single Status pay scales containing 13 non-overlapping grades with consistent incremental steps. A copy of the current set of pay scales is published on the County Council's website.
- a harmonised arrangement of paying up to two additional increments for work undertaken at weekends within the normal working week.

4.3. The locally negotiated pay awards, which mirror the nationally negotiated pay awards, have been applied to the local single status pay scales since their introduction in 2003.

4.4. Staff, who are not Chief Officers, working in Education Advisory roles or as Educational Psychologists are paid according to the national salary framework for Soulbury staff with associated terms and conditions.

4.5. Staff, who are not Chief Officers, working in youth and community roles are paid according to the national salary framework for JNC Youth and Community Workers with associated terms and conditions.

5. Other elements of remuneration

5.1. The County Council does not operate a formal performance-related pay system and therefore there are no bonus payments, earn back systems or other regular payments paid to Chief Officers beyond the annual increments referred to in paragraph 3.5 above.

5.2. The County Council's honorarium scheme applies to all staff, including Chief Officers, and rewards the performance of additional duties and responsibilities over and above an employee's normal workload for a temporary period. It includes reward for an exceptional contribution to a project or piece of work and for high standards of personal achievement and quality of work. There are three levels of payment against specified criteria and a payment of 2.5%, 5.0% and 7.5% of salary may be awarded for the period during which the additional duties/responsibilities were undertaken. The decision to award an honorarium payment to a Chief Officer would be taken by the Chief Executive and in the case of the Chief Executive, the Leader of the Council.

5.3. The County Council does not award additional fees to Chief Officers for undertaking local election duties.

5.4. The County Council's special merit payment scheme, which allows a flat rate payment of up to £1000 in recognition of a particular "one-off" contribution or a substantially increased workload, applies to all staff, including Chief Officers. The decision to award a merit payment to a Chief Officer would be taken by the Chief Executive and in the case of the Chief Executive, the Leader of the Council.

5.5. Out of pocket expenses incurred during the course of employment will be met by the County Council provided that the expenses are directly related to employment and are approved as reasonable. This is in line with standard County Council policy.

5.6. The standard County Council mileage payments are also paid to Chief Officers for mileage travelled on Council business. These are 45p per mile for contracted car users, 25p per mile for optional car users, 20p for travel in connection with training and 12p per mile for leased car users.

5.7. The County Council operates a car leasing scheme which is open to all employees but only attracts an employer contribution for staff who are expected to travel at least 4000 business miles per annum and leased car users are then reimbursed the 'fuel' element of their business travel. The employer contribution is £1600 per annum and the higher contribution for travel in excess of 7500 miles per annum is £2675.

5.8. The County Council has a Recruitment and Retention Incentives policy that provides options for additional payment/s by way of recruitment incentives, retention incentives and/or market supplements to aid the recruitment and retention of staff that work in areas where there is evidence of a skills shortage. These are rarely applied and have to be approved by the Corporate Management Team.

6. Relationship between the remuneration of Chief Officers and that of the wider workforce

6.1. Apart from the differences in pay scales as described in paragraph 3 above, there are minimal differences in entitlement to remuneration between Chief Officers, Deputy Chief Officers and the rest of the workforce as the County Council is working towards harmonisation of terms and conditions of service between staff groups. The main differences between the remuneration of employees below managerial level and the local managerial grades are:

i) Managers employed on local terms and conditions are not entitled to payment of any additional allowances beyond the basic rate of pay whereas employees below management level are able to claim for regular working outside standard working hours, for example, overtime or weekend working increments.

ii) Managers employed on local terms and conditions have their annual pay award approved locally by the Governance Committee, as described in paragraph 3.6, whereas employees below management level usually receive an award in line with the national pay award.

6.2. The fair pay disclosures ('pay multiples') will be calculated each year and published on the County Council's website with other pay information suggested in the code of recommended practice on data transparency. Historical information will be retained in order to monitor this over time.

7. Tax Avoidance

7.1. The Council is committed to tackling all forms of tax avoidance and therefore encourages the direct employment of staff paid via the payroll system. In a few circumstances where it is more appropriate to engage people on a self-employed basis, the Council offers a contract for services and follows guidelines to ensure that the correct employment status is identified. When a need arises for an 'interim' appointment, recruitment is normally secured using the Council's agency contract arrangement.

8. Appointment or Re-engagement of Chief Officers

8.1. Posts with proposed salary packages greater than £100,000 will be approved by the Governance Committee prior to appointment, provided the salary package being considered is in line with existing pay scales that also apply to other Chief Officers and Deputy Chief Officers undertaking similar duties and responsibilities. Chief Officers and Deputy Chief Officers will be appointed on one of the established grade bands appropriate to the post. Any proposed exceptions to this would require the approval of the full County Council.

8.2. The policy for appointing or re-engaging any member of staff who has previously been made redundant by this authority, and is, as a result of this, in receipt of a local government pension, is that there should be a presumption against re-employment of employees for a period of 12 months following the end of their employment. However, in exceptional circumstances employees may be re-employed by the Council.

8.3. In approving a re-employment of a Chief Officer, Members will need to be satisfied that:

- the employee is not being re-employed in a role or capacity which is broadly similar to the role from which they were made redundant;
- the rate of pay applied to the work undertaken by the re-engaged employee should be appropriate to the work to be done and not the grading which applied to the employee prior to the end of their current contract;
- the employment should be for a fixed term, not exceeding one year, unless there are exceptional circumstances, and the arrangement must provide financial / operational advantage to the Council.

9. Termination of Employment of Chief Officers

9.1. Any compensation payments made to Chief Officers and Deputy Chief Officers on ceasing to hold office or to be employed by the authority will be made on the same basis as any other employee in line with the County Council's 'managing change' policies.

9.2. The Local Government Early Termination of Employment (Discretionary Compensation) England and Wales Regulations 2006 require local authorities to formulate and publish their policy on making discretionary payments on early termination of employment within the parameter of up to 104 weeks' pay. In the event of an employee being made redundant or applying for voluntary severance, the County Council's managing change policy contains details of the circumstances in which a redundancy payment is payable. The payment is calculated on the basis of the statutory redundancy payment multiplied by 1.75. This equates to a maximum of 52.5 weeks' pay. For the purposes of calculating the enhanced (non-statutory) proportion of this payment, the employee's gross weekly salary will not be considered to include pension contributions made by the employer, or any other payments that are not normally made direct to the employee.

9.3. The Local Government Pension Scheme regulations provide for access to pension benefits without reduction from the age of 55 in the event of an employee being made redundant.

9.4. Where a severance package for an individual employee exceeds £30,000 it must be approved by the Chief Executive. A severance package that exceeds £100,000 must be approved by the Governance Committee with the components of the package listed separately.

9.5. Special Severance Payments are payments made to employees, workers, or others outside of statutory, contractual or other requirements when leaving employment in public service.

9.6. Where a 'special severance payment' is included as part of a severance package and where the total payment exceeds £20,000, it must be approved by the Chief Executive and Leader of Council. Payments of £100K and above must be approved by a vote of full council.

This page is intentionally left blank

eastsussex.gov.uk

East Sussex County Council

Scrutiny Review of School Exclusions

Report by the Review Board:

Councillor Sam Adeniji (Chair)
Councillor Kathryn Field
Councillor Johanna Howell
Councillor Wendy Maples
John Hayling, Parent Governor Representative

People Scrutiny Committee – 13 November 2023
Cabinet – 12 December 2023
Full Council – 06 February 2024

The report of the Scrutiny Review of School Exclusions

Contents

Recommendations **3**

Introduction **5**

Background **7**

Local and National Context **7**

National guidance 7

National statistics and research on school exclusions 7

Context in East Sussex ..... **Error! Bookmark not defined.**

Review Board Findings **11**

1. Prevention **11**

i) Preventative strategies and whole school approaches 11

ii) Targeted support and intervention 18

2. Appropriate responses to children at risk of permanent exclusion **23**

i) Youth voice 23

ii) Engagement with parents and carers and family support 25

iii) Effective use of alternative provision 26

iv) Role of governors 28

v) The use of part-time timetables 29

3. Council messaging and support **30**

Conclusions **31**

Appendix **33**

Scope and terms of reference of the review 33

Board Membership and project support 34

Review Board meeting dates 34

Witnesses providing evidence 34

Evidence papers 36

Recommendations

Recommendation		Page
1	**The Department should utilise area-based teams to identify and support schools and trusts to provide a graduated response to behaviour.**	14
2	**The Department should continue to encourage schools and trusts to attend training on whole school relational approaches and develop trauma informed practices so pupils feel safe at school and develop positive relationships. This training should include how to communicate key aspects of these approaches with parents and carers to ensure continuity and support at home.**	15
3	**The Department should work with schools and trusts to review and make use of available data to:** **a) identify pupils who are at risk of permanent exclusion and identify available support at Inclusion Partnership meetings; and** **b) monitor pupils identified by the Attendance Support Team who are absent from mainstream education, either through part-time timetables or internal exclusions, and assess what alternative support could be put in place.**	16
4	**The Department should develop training for schools and trusts to share best practice on how adaptive teaching can deliver the curriculum to support needs of all pupils, including SEND pupils and pupils facing additional external challenges. This should include developing guidance on assessment to ensure the use of Additional Needs Plans and Personal Education Plans support and address the needs that have been identified.**	18
5	**The Department should work with schools and trusts to promote the benefits of extracurricular activities, including:** **a) where provided through Early Help, the Holiday and Food Activity Programme, Family Hubs, and Youth Centres, activities which engage pupils throughout the year and incorporate support for families; and** **b) summer programmes which support transition.**	18
6	**The Department should work with schools and trusts to support pupils transitioning into Early Years in primary and Key Stage 3 in secondary by:** **a) working with pre-school settings and primary schools to identify pupils who may need additional support when transitioning to primary/secondary school and referring them to appropriate support and programmes; and** **b) communicating successful approaches and support at the point of transition at all phases to ensure continuity of provision.**	23

7	**The Department should encourage schools and trusts to increase the use of youth voice in preventive strategies and responses to children at risk of permanent exclusion by providing training and guidance for schools and governors on how to embed youth voice into all areas of school policy.**	24
8	**The Department should work with schools and trusts to further develop and embed parental engagement to ensure all stakeholders understand how and why a child is at risk of permanent exclusion, including the parent/carer and the child, and include parents and carers with decisions around alternative provision, including all available options.**	26
9	**The Department should embed its multi-agency response, including the use of the new level 2 keywork team in Early Help focused on supporting attendance to:** **a) promote targeted support, including wider family-based issues, to pupils and families who have been identified as at risk of permanent exclusion and multiple suspensions due to a lack of engagement with the school as a result of persistent absence; and** **b) promote to schools and families parenting programmes that support interventions and preventative measures in schools.**	26
10	**To accompany the Alternative Provision Directory, which is to be shared with schools and trusts, the Department should develop guidance on:** **a) how to make best use of alternative provision, including good communication and ways to provide consistent support once a child reintegrates; and** **b) how alternative provision, including onsite alternative provision, can be used to prevent permanent exclusion and support pupils with additional needs, including those facing additional external challenges.**	28
11	**The Department should continue to provide ongoing support and training for governors including whole school training on SEND needs, mental health issues and inclusive behaviour policies, and produce guidance on how to conduct inclusive Governor Disciplinary Committee meetings that prioritise youth voice.**	29
12	**The Department should develop clear and consistent guidance to share with schools and trusts on the benefits of reducing school exclusions, and the support available, including:** **a) key findings from the RSA 'Rethinking Exclusions' and ISOS projects;** **b) using Primary and Secondary Boards to communicate to schools and trusts the benefits of inclusive policies and share best practice for reducing exclusions and agree to a shared responsibility to reducing exclusions; and** **c) on the appropriate use of part time timetables to ensure these are not being used to manage behaviour. Part-time timetables that are in place must be for the shortest time necessary and reviewed regularly with the pupil and their parents.**	31

Introduction

1. In 2019 the People Scrutiny Committee examined the key issues relating to school exclusions in East Sussex, including that East Sussex was an outlier in terms of the proportion of pupils who were excluded from school and that reducing the number of permanent exclusions was a key target for the County Council. A Scoping Board concluded that there was scope to develop effective recommendations to help reduce school exclusions in East Sussex, however delivery of the review was subsequently paused due to the coronavirus pandemic and the limitations this placed on the capacity of the Children's Services Department, schools, and school leaders to engage with the Review.

2. A further Scoping Board was held in in January 2023 to consider the latest position on school exclusions in East Sussex. Data showed that whilst there had been an improvement in county-level data for permanent exclusions, with a reduction in the rate of permanent exclusions for all schools combined (primary, secondary, and special) to below the national average, suspension rates (previously called fixed term exclusions) for all schools combined remained above the national average.

3. The Board concluded that whilst they were encouraged by the work underway, there were current concerns, including that vulnerable pupils, including those with special educational needs and disabilities (SEND) and those eligible for Free School Meals, remained more likely to be suspended than their peers; and that there had been an increasing number of decisions to exclude very young children at primary phase; and these issues could benefit from closer examination by scrutiny through a review.

4. The Board agreed to focus on the following lines of enquiry:

   a) Could the Council do more to develop levels of understanding amongst school leaders of preventative strategies, such as Therapeutic Thinking, to help reduce the likelihood of exclusion?

   b) Could the Council do more to join up early help and education services as a preventative approach to support reduction in school exclusions?

   c) Could the Council do more to help develop a better understanding amongst schools of what constitutes an appropriate response to a child who is at risk of exclusion? This line of enquiry to include consideration of:

      - the role and status of the Special Educational Needs Coordinator (SENCO) and their involvement in developing appropriate responses to a child who is at risk of exclusion
      - appropriate responses to very young pupils at risk of exclusion in primary school

- appropriate responses to vulnerable pupils at risk of exclusion at secondary phase

d) Could the Council develop its training and advice for governors around, for example, providing effective challenge in the circumstance where a headteacher has taken a decision to exclude, and the Governing Board are required to consider reinstatement. This line of enquiry could also explore the role of Governors in helping to develop best practice at the school.

e) Within consideration of each of the above lines of enquiry, is the Council's messaging clear on the need to reduce, and benefits of reducing, school exclusions?

5. The Board carefully considered a number of limiting factors, including that the decision to exclude is a school one and that academies are wholly outside of the remit of the local authority. However, the local authority retains important responsibilities, including a duty to ensure a child is provided full-time education from the sixth day after a permanent exclusion; ensuring that children with SEN are identified in a timely manner and have their needs met appropriately, especially if they have Education, Health and Care Plans (EHCPs); and more generally, as a provider of advice and guidance and a facilitator of partnership working with and between schools.

6. The Review looked at a range of evidence including information provided by the Department, internal data, external reports, school visits and case studies, and heard from a range of witnesses. The Board was keen to include youth voice as part of the Review and spoke to two young people (and received written responses from one other) who had been, or were going through the process of being, permanently excluded.

7. In exploring the third line of enquiry in relation to the role and status of the SENCO, the Board focussed on the wider support offered to SEND pupils in schools, as well as examples of whole school policies and practices that incorporated the needs of SEND pupils.

8. The Review identified, through national research and local examples, areas of best practice in reducing exclusions and the report addresses these through three key themes: prevention, appropriate responses to children at risk of permanent exclusion, and council messaging and support.

9. The Review looked at data and approaches in local maintained schools and academies and recommendations put forward in this report are recommended to be shared with all schools in East Sussex to encourage a county wide approach.

Background

Local and National Context

National guidance

10. The Department for Education (DfE) *Suspension and Permanent Exclusion from maintained schools, academies and pupil referral units in England, including pupil movement September 2022* provides national statutory guidance to schools in England on permanently and temporarily excluding pupils, including the responsibility of headteachers, governors, independent review panels and local authorities. This accompanies the *Behaviour in Schools* guidance which provides advice to schools on implementing a behaviour policy to create a school culture with high expectations of behaviour. The guidance stresses that permanent exclusion should be a last resort and only used when other approaches towards behaviour management have been exhausted. However, the guidance does recognise that school exclusion is sometimes necessary to safeguard pupils and staff and establish high standards of behaviour in schools.

Duties under the Equality Act 2010

11. Under the *Equality Act 2010 (the Equality Act)* and the *Equality Act 2010: advice for schools*, schools must not discriminate against, harass, or victimise pupils because of: sex; race; disability; religion or belief; sexual orientation; pregnancy/maternity; or gender reassignment. For disabled children, this includes a duty to make reasonable adjustments to any provision, criterion or practice which puts them at a substantial disadvantage.

12. These duties need to be complied with when deciding whether to exclude a pupil and schools must ensure that any provision, criterion, or practice does not discriminate against pupils by unfairly increasing their risk of exclusion.

Other relevant DfE guidance:

- Alternative Provision: Statutory guidance for local authorities, headteachers and governing bodies
- Education for children with health needs who cannot attend school

National statistics and research on school exclusions

13. Nationally there were 6,500 permanent exclusions in the 2021/22 academic year. This was the equivalent of 8 permanent exclusions for every 10,000 pupils. The most common reason across all permanent exclusions was persistent disruptive behaviour, recorded 3,050 times (against 47% of permanent exclusions).

14. The *Timpson Review of School Exclusion* was commissioned by the Secretary of State for Education and presented to Parliament in 2019. It identified areas of best practice in schools and made recommendations to government to ensure that 'exclusion is used consistently and appropriately, and that enable our schools system to create the best possible conditions for *every* child to thrive and progress'. Recommendations included statutory national guidance that is accessible, clear and consistent; local authorities playing a key role in advocating for vulnerable children and facilitating local forums to share best practice and identify appropriate support; training for staff and governors on a range of issues including equality and diversity, behaviour management, and SEND; development of alternative provision; strong governance; and using data to identify local trends and patterns.

15. The Royal Society of Arts (RSA) report *Pinball Kids – preventing school exclusions – 2020* claims that school exclusions are a social justice issue with a disproportionate number of pupils with SEND, who have grown up in poverty, who have a social worker, and from certain ethnic minority groups being permanently excluded compared with their peers. The report focussed on wider societal issues contributing to increasing exclusion rates including poverty, the rise of mental health and special educational needs, and the consequences of policy decisions, including curriculum and exam changes.

16. The report identified five conditions necessary for change including children having a strong relationship with a trusted adult; parent/carer engagement; schools having an inclusive ethos; assessment and support for additional needs; and robust data collection.

17. Data from the Department for Education (DfE) and Ministry of Justice in *Education, children's social care and offending* found that children who had been cautioned or sentenced for an offence were more likely to have been both suspended and permanently excluded than the all-pupil cohort. The data also showed that the majority of children who had been cautioned or sentenced for a serious violence offence, who had received a suspension or permanent exclusion, received their first suspension or permanent exclusion before the offence.

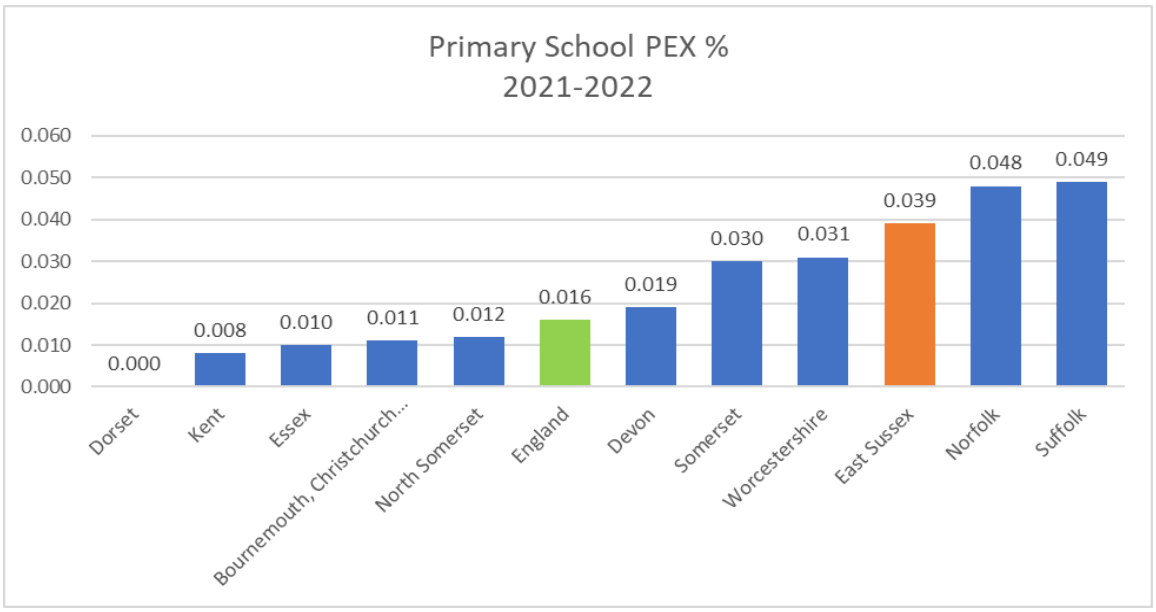
18. The Children's Society *Youth Voice on School Exclusions* interviewed young people across England on their experiences of exclusion and concluded that:

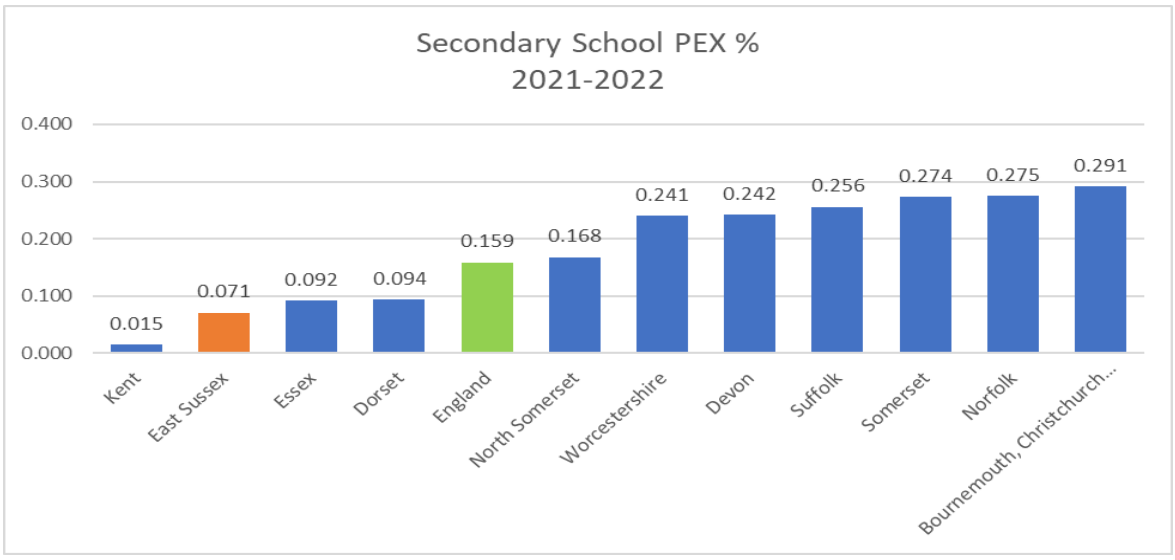
> *"The impact of school exclusions has a profound effect on young people's sense of identity, both in the present and their hopes for the future and its reach goes beyond what happens in school itself and into the wider contexts of their lives."*

Context in East Sussex

19. East Sussex County Council (ESCC) supports 189 schools including 135 schools in the primary phase, 23 secondary schools, and 13 special schools. Of these, there are 79 academy schools.

20. In recent years East Sussex experienced a rise in the number of suspensions and permanent exclusions across primary and secondary schools. Most recent data showed East Sussex was above the national average for the number of suspensions and although 2021-22 data showed it fell below the national average for permanent exclusions for secondary schools, East Sussex remained high in permanent exclusions for primary schools compared with statistical neighbours.





21. Exploring this comparative data further, the Board heard that there were multiple approaches being used by other local authorities to manage behaviour which would impact on comparisons, including processes such as school to school moves. The Department had explored some of these approaches and concluded that short term placements at other schools made reintegration to a pupil's original school difficult. Without a fuller understanding of strategies and approaches taken in other local authorities, and in recognition of the national challenges facing most areas, the Review focussed on what could be achieved locally to prevent school exclusions.

22. Data from the DfE for suspensions and permanent exclusions for special schools, secondary and primary schools in East Sussex identified several groups of children at increased risk of permanent exclusion, including pupils who were:

- in receipt of Free School Meals in the last 6 years (FSM6);
- on an Education, Health and Care Plan (EHCP);
- from Gypsy, Roma and Traveller communities;
- in Years 8, 9 and 10, with a higher risk for females in Year 8;
- on the SEND register of the school and not in receipt of an EHCP.

23. Data also showed an increase in the number of pupils in Early Years being permanently excluded.

24. These findings align with national evidence that SEND pupils are disproportionately affected by permanent exclusion[1].

25. The key challenges identified locally by the Department included reducing exclusions for children in receipt on an EHCP, increasing opportunities for schools to access multi agency support, and making sure that there was appropriate alternative provision for children to receive bespoke support. Staffing and recruitment issues across all schools were also highlighted.

26. At the time of the review, the Department was involved in in two projects to support work in reducing exclusions:

- *RSA Reducing Exclusions Project,* focused on reducing exclusions in primary schools (at the time of the review the project was going into its third year and the implementation stage).
- *ISOS Rethinking Exclusions Project,* focused on reducing exclusions in secondary schools through Inclusion Partnership meetings (at the time of this Review the project was transitioning from the implementation phase into the embedding phase).

[1] HM Government, SEND Review: Right support, right place, right time, 2022

Review Board Findings

1. Prevention

27. In order to understand how schools could reduce the number of permanent exclusions and suspensions, the Board sought to understand how preventative strategies could be implemented and developed. The Board found that a combination of whole school approaches, as well as targeted support and intervention was key to keeping pupils engaged in learning and at school.

i) Preventative strategies and whole school approaches

28. Through the Department's work with the RSA and ISOS projects, a range of interventions and strategies were being developed to prevent pupil behaviour escalating to a permanent exclusion. The ISOS Rethinking Exclusions project promoted a model which identified the first step for addressing challenging behaviour as 'mainstream level of support' which reinforced consistent expectations, quality first teaching, and in class support as tools to prevent many pupils needing more targeted support.

29. The Board heard from the ISEND Engagement and Participation Officer who acknowledged the pressure schools were under to deliver bespoke, complex provision, but advocated whole school relational approaches which would benefit all pupils and could reduce the number of pupils being permanently excluded.

30. The Board agreed that intervention and support at the earliest opportunity would not only benefit pupils and schools but could save costly interventions at a later stage and explored several strategies and approaches including the use of programmes, policies, and data.

Preventative programmes

31. Officers presented information to the Board on 'Therapeutic Thinking', an agreed approach in East Sussex to support behaviour, which focuses on supporting children and responding to need. Schools in East Sussex had been offered free training for their senior leadership team, with the intention they would embed this ethos throughout the school. Additional training and support, including network meetings, was also provided.

32. There had been very positive feedback from schools which had adopted this approach, with many reporting increased staff wellbeing and happiness amongst pupils, and reduced levels of suspensions and permanent exclusion. However, the Board heard that not all schools had engaged with this due to various pressures, including Ofsted and staff capacity. In response the Department was continuing to adapt its offer through bespoke support and training to ensure Therapeutic Thinking was accessible to all schools.

33. The Vice Principal at The St Leonard's Academy outlined to the Board a number interventions the school had implemented in order to reduce exclusions, including the use of mental health support and short term intervention programmes such as 'Believe in You' and 'Nurture' (support for social, emotional and behavioural difficulties) which had supported over 700 students. The Vice Principal stated that 84% of those who had taken part had shown an improvement in their behaviour and, although these programmes were costly, they should be prioritised to help prevent exclusions.

34. Good mental health support was also identified as a key factor in supporting all pupils in schools and crucial to reducing exclusions. The Strategic Lead for Safeguarding and Emotional Wellbeing told the Board that increasing mental health needs since the pandemic were having a significant impact on the capacity of schools and external mental health providers to meet this need. Increased mental health issues, including anxiety, were also having a direct impact on school attendance and in some cases resulting in pupils being permanently excluded. Increased mental health needs amongst school staff were also cited as detrimental to staff and pupil relationships, as well an additional challenge to staff retention.

35. The Board heard that the Department was providing Mental Health Support Teams and Mental Health and Wellbeing Advisers to work in schools to directly support students as well as develop whole school approaches to meet this need.

Inclusive behaviour policies

36. Behaviour policies and procedures that focused on being inclusive were noted as key preventative strategies by witnesses and evidence considered by the Board. *Youth Voice on School Exclusions*, a report by The Children's Society, highlighted the negative impact school exclusions had on young people and their mental health. In their interviews with young people, rigid behaviour policies and approaches were often cited, and there was frustration at what young people saw as an inflexible education system which many did not feel met their needs.

37. Inclusive policies respond to and support all children's needs and strive to provide a sense of belonging; inclusive policies are cited in national research as being key to improving behaviour across schools and reducing permanent exclusions. Examples of inclusive behaviour policies reviewed by the Board included a focus on recognising behaviour as communicating underlying need and encouraged staff to identify and respond to these needs rather than focusing on the presenting behaviour.

> "A child who is fully 'included' – given a sense of belonging and opportunities for success – is far less likely to behave in a way that would lead to an official exclusion from school"
>
> RSA Pinball Kids

38. The Board visited Ore Village Primary Academy to gain insights into how they had reduced the number of permanent exclusions. The school faced a number of local challenges, including having one of the highest numbers of pupils receiving Pupil Premium in the county, and some pupils attending school with additional external challenges at home. A new behaviour policy was developed to be more inclusive. The focus shifted from public rewards and sanctions to having clear expectations of how everyone should behave and pupils being self-motived to behave positively. The Headteacher reported that hearing that a member of staff was proud of them had a huge impact on pupils' self-esteem and behaviour. The school had worked to embed a cultural change around behaviour and the Headteacher reported having a very supportive and dedicated team of staff who were committed to this, with greatly improved behaviour as a result.

39. The St Leonard's Academy had also created a new behaviour policy which focused on inclusion and positive relationships between pupils and staff. Although there were clear consequences for poor behaviour, the policy outlined the need to identify additional needs when presented with challenging behaviour.

40. The ESCC Senior Educational Psychologist and the SEND CYP Participation Lead, who carried out a number of interviews with young people on their experiences of being permanently excluded, or who were at risk of permanent exclusion, told the Board that many young people cited a sense of belonging as a significant factor in their engagement with education. However, many young people expressed frustration at inconsistent school sanctions with some pupils appearing to be treated differently to others. The Participation Team was supporting inclusion advisers with managing behaviour and working with schools to develop whole school approaches which were needed to ensure good relationships for all pupils.

41. Peacehaven Community School, which from 2018 to 2023 had seen a 100% reduction in permanent exclusions and a significant decrease in suspensions, told the Board it had adopted a more inclusive behaviour policy, moving away from sanctions, such as isolation and suspensions, and towards restorative conversations about behaviour. The Assistant Headteacher noted that suspensions were not only viewed as lost learning, but a potential safeguarding risk for pupils, so a more holistic approach to identifying and supporting needs had been adopted.

42. The Head of Virtual School also advocated the development of inclusive practice and behaviour policies which were trauma informed and supported all pupils, and commented that these policies, as well as programmes such as Therapeutic Thinking, offered alternative responses to pupils at risk of multiple suspensions and permanent exclusion.

43. The Board concluded that behaviour policies which support inclusive practices across the school were effective in supporting all pupils in schools and could reduce behaviour escalating to the point of multiple suspensions or permanent exclusion.

Recommendation 1

The Department should utilise area-based teams to identify and support schools and trusts to provide a graduated response to behaviour.

Building and nurturing positive relationships

44. Many whole school approaches explored by the Board emphasised the importance of building positive relationships between staff and pupils. A key recommendation from the *RSA Pinball Kids Report* was that 'every child has a strong relationship with a trusted adult in school' and the report argues that strong relationships are shown to have a positive impact on classroom behaviour.

45. Interviews with young people highlighted the impact of these positive relationships; all of the young people interviewed were able to cite one member of staff they had had a good relationship with and spoke about the positive impact this had on them. However, they also noted the difficulty in using these relationships for ongoing support due to staff capacity. Kara told the Board that schools should make the most of these positive relationships when a pupil is at risk of exclusion, with the trusted member of staff supporting 'the student to talk to the member of staff who may have been involved and see if they can come to a resolution'. The Board reflected that these relationships had been key to providing a positive and supportive influence in the young people's lives.

46. This was reiterated by the Senior Educational Psychologist and SEND CYP Participation Lead who informed the Board about the work they were doing to support schools with whole school relational approaches to increase a sense of belonging amongst all pupils. They argued that when pupils were listened to and had positive relationships with adults there is increased motivation and self-efficacy.

47. The St Leonard's Academy reported seeing an improvement in teacher/student relationships with the adoption of their new behaviour policy and stressed the importance of staff communicating with pupils in a positive way. Staff were trained and carried cards to help with de-escalation, especially for children with SEND, and learnt how their body language could increase their approachability to students. The new behaviour policy encouraged strong relationships between staff and pupils, based on respect, kindness, honesty, resilience and self-discipline. The policy includes guidance for staff to provide pupils with the opportunity for a fresh start at every lesson to enable 'students [to] reflect on their actions and meet with the staff before the next lesson where practical, to repair relationships'.

48. Ore Village Primary Academy also told that Board that they were prioritising these relationships, ensuring that every child was greeted at the gates each morning.

49. During a visit to Peacehaven Community School the Board heard about the school's strong ethos of belonging and community, with a focus on pupils building

positive relationships at school and in their local area; the Assistant Headteacher reported this was key to increasing positive behaviour in the school.

Recommendation 2

The Department should continue to encourage schools and trusts to attend training on whole school relational approaches and develop trauma informed practices so pupils feel safe at school and develop positive relationships. This training should include how to communicate key aspects of these approaches with parents and carers to ensure continuity and support at home.

Using data to identify pupils who need support

50. National research highlighted the vital importance of using data to identify pupils needing additional support, as well as the risk of pupils regularly missing education if schools did not monitor pupils who were placed in isolation.

51. The Director of ISOS advocated the use of Inclusion Partnership meetings to analyse data and identify pupils who were most at risk of permanent exclusion, as well as monitoring wider trends to identify key vulnerable groups (for example, certain year groups, and children with very low attendance) so that targeted interventions could be put in place.

52. The Board found that the Department was regularly looking at data to identify pupils who were at risk, including national data from the DfE and local schools' data, comparing this with data from geographical areas and statistical neighbours to identify trends and patterns.

53. The Attendance Lead Manager informed the Board that from September 2023 all schools in East Sussex had signed up to provide daily attendance data. This would enable the Department to look at a full data set which could be used to spot patterns, help to safeguard children, and increase attendance.

54. There were also plans for the Mental Health and Emotional Wellbeing Team to offer an audit tool and strategic visit to all schools with improved data and information sharing about children being excluded with social, emotional and mental health (SEMH) needs, with an aim to provide focused work with those pupils.

55. The Board explored how data could be used further within schools; Peacehaven Community School had analysed student data to identify students needing additional support, including those whose attendance was low, pupils on Pupil Premium and Free School Meals and those at risk of permanent exclusion, to raise achievement. The school had looked at barriers facing those pupils and focused on ensuring equity and equality in the school; information on identified pupils was shared with all staff and intensive bespoke support, including for literacy, attendance, and wider family support was provided, with detailed records of successful strategies and approaches for each child.

56. The Board concluded that effective use of data was key to identifying vulnerable groups and students and relevant information should be reviewed regularly at Primary and Secondary Boards and Inclusion Partnership meetings. The Board was concerned about the number of pupils potentially missing education, either through isolation or through inappropriate use of part-time timetables (addressed more in the second half of the report) and data on this should be monitored to identify where alternative support could be put in place.

Recommendation 3

The Department should work with schools and trusts to review and make use of available data to:

a) identify pupils who are at risk of permanent exclusion and identify available support at Inclusion Partnership meetings; and

b) monitor pupils identified by the Attendance Support Team who are absent from mainstream education, either through part-time timetables or internal exclusions and assess what alternative support could be put in place.

Adaptive teaching to deliver the curriculum and extracurricular activities

57. The RSA *Pinball Kids Report* highlighted that young people studying vocational courses were less likely to be excluded from school, but noted there were now fewer opportunities to study vocational qualifications. It also reported the findings of the Education Select Committee's review of exclusions[2] which 'suggested that curriculum narrowing may be contributing to rising school exclusions'. The RSA report also suggested that a 'rigorous' curriculum introduced in 2010 had resulted in pupils becoming disengaged with education and promoted the use of extracurricular opportunities to engage pupils.

58. The Board concluded that although the current curriculum worked for most pupils, there were a significant number of children who were not able to engage with learning in this way. Although schools were limited with the content of the curriculum, appropriate alternative curriculum activities could help pupils to access this learning in different ways.

59. The Senior Manager, Lewes, Coastal and Wealden ISEND told the Board that schools needed to be creative with engaging children with the curriculum and should consider challenging traditional ways of teaching. Therapeutic Thinking, for example, enabled teachers to develop different group dynamics and challenge conventional larger teaching group sizes by delivering focussed work with smaller groups. The Board heard that, for Therapeutic Thinking to work well, it needed to be embedded

[2] House of Commons (2018) *Forgotten children: alternative provision and the scandal of ever increasing exclusions*. Report of the Education Select Committee. Available at: Forgotten children: alternative provision and the scandal of ever increasing exclusions (parliament.uk)

into the school culture and influence how staff communicated with young people; when this worked well, staff were better equipped to deliver the curriculum.

60. Interviews with young people also highlighted the challenge larger class sizes presented to some pupils; one young person told Members they did not want to return to mainstream education because the classes were too big and there was too much noise.

61. The Head of Virtual School told the Board about pupils who had thrived in alternative provision where they were able to access vocational courses, and this had had a positive impact on their behaviour. However, due to the costs of external alternative provision, it was important for schools to consider a range of provisions in their own settings.

62. The Board explored this further through visits to Ore Village Primary Academy and Peacehaven Community School which had both adapted how they delivered the curriculum to meet the needs of pupils and improve behaviour in the school. The Headteacher at Ore Village Primary explained how they had done this to suit the needs of the pupils locally, recognising that their cultural, language, and memory needs were unique - for example, many of the children's cultural experiences were only offered through school. The school prioritised activities, including school trips, to enhance cultural experiences. To support very young pupils in their learning and development, the school focused heavily on speech and language, recognising that this was a development need for many of their pupils, and prioritised embedding this throughout school. Funding was also used to bring in specialist teachers, including for PE, dance and music, and sensory circuits were used to support children with additional needs, including those with ADHD and anxiety.

63. Peacehaven Community School told the Board they had adapted their teaching of the curriculum by rearranging the school timetable to offer elected subjects at Key Stage 4 on days when they were seeing higher rates of absence. The school also advocated the use of community enrichment activities outside of the school day to further pupil and family engagement with learning.

64. The Board reflected on the broad range of needs of pupils in schools, including those with SEND, as well as pupils with a lack of stimulating experiences, often due to poverty and other external challenges, and how these could impact on their ability to access the curriculum. The Board recognised the needs of very young pupils who may be starting school with additional needs, including language and memory processing needs. The Board noted the benefits of appropriate alternative activities to support all pupils to access the curriculum, including those who were not engaged with more structured learning, and were impressed with the results of local schools who had achieved this.

Recommendation 4

The Department should develop training for schools and trusts and share best practice on how adaptive teaching can deliver the curriculum to support needs of all pupils, including SEND pupils and pupils facing additional external challenges. This should include developing guidance on assessment to ensure the use of Additional Needs Plans and Personal Education Plans support and address the needs that have been identified.

65. The Board explored how extracurricular activities could also engage pupils with learning and heard that the Department provided a range of extracurricular activities and support which could benefit pupils and families, including through the Early Help Team, the Holiday and Food Activity Programme, Family Hubs and through Youth Centres, and that successfully promoting these to schools and families could encourage greater engagement with education. The Board agreed that these activities could increase engagement and provide vital support for pupils and families, however there was concern about the ongoing sustainability of funding of these activities.

Recommendation 5

The Department should work with schools and trusts to promote the benefits of extracurricular activities, including:

a) where provided through Early Help, the Holiday and Food Activity Programme, Family Hubs, and Youth Centres, activities which engage pupils throughout the year and incorporate support for families; and

b) summer programmes which support transition.

66. The Board concluded that whilst preventive measures could be expensive, they were a necessary strategy to improve behaviour in schools and reduce permanent exclusions. Moreover, early investment could prevent more costly intervention later on.

ii) Targeted support and intervention

67. When a child is identified as at risk of permanent exclusion the Board heard it was important for targeted and timely support and intervention to be provided. Moreover, the *Timpson Review* identified local authorities as playing a key role in advocating for children with additional needs and those at risk of exclusion. The Board learned that this support included timely assessment and support for additional needs, including SEND and SEMH, as well as identifying external issues and circumstances which may be affecting the child at school. Support should involve,

where necessary, cross-team working between different professionals to support the pupil and the family. Responses to poor behaviour should also be graduated and appropriate.

68. The Senior Manager for Targeted Support Services informed the Board that the RSA Reducing Exclusions Project was focussed on enabling early identification of needs and support through regular joint working between multiagency partners.

69. The Board also heard that the ISOS Rethinking Exclusions Project identified a model of graduated and appropriate response to all pupils, including those who are vulnerable to multiple suspensions and permanent exclusion, including in-class support, additional in-school support, targeted support, and alternative provision. The model focused on understanding behaviour and identifying the needs of the child.

70. The Head of Virtual School provided insights into her work with Looked After Children to ensure that pupils from this cohort were rarely excluded from school. When a Looked After Child was at risk of exclusion, the Virtual School worked with education settings to provide additional support, including with the East Sussex Behaviour and Support Service (ESBAS), Communication Learning and Autism Support Service (CLASS), and the Educational Psychology Service (EPS) to provide early and targeted support. The Head of Virtual School commented that Personal Education Plans for Looked After Children enabled school staff and social workers to focus and tailor support to the child's needs. She advocated the need to bring in support services at the earliest opportunity, however also acknowledged the limited capacity of these services.

71. 2023 data from the DfE showed an increase of 87,000 pupils nationally with SEN from 2022[3].The HM Government, *SEND Review: Right support, right place, right time* concluded that outcomes for children and young people with SEN or in alternative provision were poor and that seeking support was difficult for children and their families, often due to late intervention and insufficient resources.

72. The Board heard from interviews, written responses and a discussion with the Special Educational Needs and Disabilities Information Advice and Support Services (SENDIASS) Manager that some parents and carers felt a permanent exclusion could have been avoided if additional needs were identified and supported in school, including through Additional Needs Plans and Personal Education Plans. However, he also noted that there was a wide range of specialist services available to schools and when these had been brought in, parents and carers commented on the positive outcomes they had achieved.

73. The Senior Educational Psychologist reiterated that SEND needs were often not understood, which could lead to an exclusion, and it was crucial for schools to involve supporting services earlier to provide positive intervention and avoid permanent

[3] National Statistics Academic year 2022/23 Special educational needs in England

exclusions. Discussions with school governors also suggested that a lack of resources to support SEND needs was a contributing factor to some pupils being permanently excluded.

74. The Department agreed that schools were running on tight staffing, but schools which were achieving good outcomes and low exclusion rates were adopting inclusive practices and investing in pastoral support staff to meet needs. This was demonstrated, for example, by Peacehaven Community School which had recruited a strong pastoral team and effective SEND support across all school years.

75. The Board concluded that although the Review was not able to explore SEND assessment and support in detail, evidence considered did show that ensuring SEND needs were assessed and identified early, and putting appropriate support in place, could reduce the number of suspensions and permanent exclusions for SEND pupils; moreover, schools that were prioritising support for SEND needs were achieving good outcomes for those pupils. This is further addressed in recommendation 4.

Pupils facing additional external challenges

76. The Board heard that it was not only important to identify and address needs in school, but external issues and circumstances should also be taken into consideration when responding to behaviour issues. In the Board's interview with young people, they heard from Sonny who explained that at the time of his permanent exclusion he was dealing with a family death and had lost motivation at school; Sonny said he felt unsupported in this and believed this contributed to escalating poor behaviour. Moreover, Sonny felt this was not taken into consideration when deciding to permanently exclude or in subsequent appeals. National research also noted challenges outside of school, including relationships and emotional health, which can contribute towards exclusion.

77. The Board reflected that supporting pupils' increasing complexity of needs with limited resources was an increasing challenge facing schools, however schools who had invested in this were seeing positive outcomes in their suspension and permanent exclusion rates, for example noting that Ore Village Primary had taken significant steps to address local challenges and were seeing increased engagement as a result.

Work with key partners

78. The Board heard that appropriate and effective support for pupils at risk of exclusion often required working with key partners and professionals.

79. The Director of ISOS Partnership explained to the Board that a key component of the Rethinking Exclusion Project was the creation of Inclusion Partnerships where 'school and service leaders meet and work together to take a holistic approach to supporting young people, fostering inclusion, building capacity for improvement, driving innovation and, ultimately, ensuring the best education for all children and young people'. This multi-agency approach included ESBAS, Early Help, Connected

Families, the Virtual School, and CLASS and allowed schools to identify and access the right support for pupils at risk of permanent exclusion.

80. The Board heard about similar work with the use of collaborative partnerships through the RSA Preventing School Exclusions Project. This project used support networks, representatives, and referrals to share knowledge and support for pupils at risk of permanent exclusion and included a focus on supporting pupils to transition from primary to secondary school. The Department also made use of Primary and Secondary Boards to identify pupils who may need additional support. The project interim report highlighted the success of this work:

> *"The project is making really good progress and has already created strong links across local authority teams, schools and external agencies. Our local headteachers are working closely together to learn from each other about the best ways to support positive relationships and behaviour. At the recent conference for primary school leaders, headteachers gave an inspiring account of their work to date and the positive difference that the project is starting to make for children in their schools".*
>
> (Assistant Director, Education, ESCC)

81. The Board heard that the Virtual School successfully worked with a range of partners to develop an understanding of the needs of Looked After Children and put in place the right support such as programmes, key worker provision, resources, and toolkits provided by the local authority and specialist teams. The Virtual School also sat within the Inclusion Partnership to look at alternatives to permanent exclusion and welcomed the effective partnership work across the services.

82. The success of partnership working was demonstrated by Ore Village Primary School; the Headteacher had facilitated a Behaviour Support Network with other primary schools in Hastings to identify children at risk of permanent exclusion. The meeting included a round table discussion and schools were given strategies to support these pupils. This was very positive, and feedback showed this had an impact very quickly, however the Headteacher noted she had little capacity to support these meetings on a regular basis and would support a co-ordinated approach to facilitate professionals working together to improve behaviour in schools.

83. The Board were impressed by the development of support networks for schools, including through Inclusion Partnerships and Primary and Secondary Boards and concluded that through these, key guidance and support could be shared with schools across the county.

Transition from primary to secondary school

84. National research noted that transition from primary to secondary school could increase a pupil's risk of exclusion, especially if there were unmet needs, or if successful strategies put in place in primary school were not continued when a pupil moved onto secondary school.

85. The Senior Manager, Lewes, Coastal and Wealden ISEND and the Director of ISOS informed the Board that post pandemic many pupils were not ready for secondary school in year 7 and Inclusion Partnership meetings had identified a pattern of poor behaviour in year 8 which has been triggered by pupils' experiences in year 7. Issues identified in primary school needed to be supported when a pupil transitions between phases.

86. The Headteacher at Ore Village Primary Academy told the Board she was concerned that the positive impact on behaviour from preventative strategies and targeted support could be lost when pupils moved to secondary school and noted that more work was needed with local secondary schools to ensure continuity of support. The school did have strong links and good communication however with local pre-school settings and had successfully supported young pupils transitioning into Reception. Peacehaven Community School told the Board that although they worked with local primary schools to support transition, including with issues on attendance, there was not currently a consistent behaviour policy between the local primary schools and Peacehaven Community School; instead, expectations would be communicated to pupils before they joined the school and that they would aim to continue provisions established in primary school such as Lego Therapy and Time to Talk.

87. The Board discussed that this was a wider issue within East Sussex and reflected that with children attending different secondary schools to some of their peers, their experience was often dependent on the school's policy, and it appeared there was not enough learning from schools about the strategies put in place by their feeder school. The Board concluded that it was important for secondary schools to see what preventative strategies primary schools were putting in place, including using case studies at Inclusion Partnership meetings, and explore opportunities to continue these. Support from the local authority, including through summer programmes and one to one SEND support, was identified as playing a vital role in supporting pupils to transition, however the Board concluded that a consistent approach to transition across schools would be beneficial.

88. The Board noted the ongoing work of the Department in this area, including the focus in the RSA Preventing School Exclusions Project which was exploring investment in transitions. The interim report noted that across all three localities, including East Sussex, they had found 'primary and secondary schools working individually to support pupils with transition rather than working together'. In the project's Group 3 pilot, a working group of representatives from primary, secondary, and special schools, the local authority and the Parent Carer Forum had been formed to address suspensions and permanent exclusions in years 7 and 8 and create a consistent transition offer.

89. It was agreed that findings of the project should shape this offer in the county. The Board also concluded that successful transition from pre-school settings, with

consistent support and strategies in place to support need, could prevent the risk of exclusion in very young pupils.

Recommendation 6

The Department should work with schools and trusts to support pupils transitioning into Early Years in primary and Key Stage 3 in secondary by:

a) working with pre-school settings and primary schools to identify pupils who may need additional support when transitioning to primary/secondary school and referring them to appropriate support and programmes; and

b) communicating successful approaches and support at the point of transition at all phases to ensure continuity of provision.

2. Appropriate responses to children at risk of permanent exclusion

90. Having explored broader preventative strategies, the Board went on to consider appropriate responses to a child who had been identified as at specific risk of permanent exclusion. Research and witnesses identified key factors to consider when responding to pupils at risk, including the use of youth voice, engagement with families and the effective use of alternative provision.

i) Youth voice

91. The national statutory guidance on exclusions states that:

> *'Headteachers should…take the pupil's views into account, considering these in light of their age and understanding, before deciding to exclude, unless it would not be appropriate to do so. They should inform the pupil about how their views have been factored into any decision made.'*

92. Witnesses and evidence suggested that listening to the voice of young people, including when making decisions about their education, produced better outcomes for them. The Board heard directly from young people about the need to feel listened to and given the opportunity to advocate for themselves.

> "Ever since I've been excluded my anger has got worse. I would like to be listened to more"
>
> Young person interview with Ella

93. However, young people interviewed all reported not feeling listened to, or given the appropriate opportunity to advocate for themselves or be involved in decisions around their education. Two of the young people spoke of multiple challenges they were facing outside of school, including bereavement and

mental health issues, but did not feel these were supported or considered in the decision to permanently exclude them. All the young people did, however, comment on the good support they had received from ESBAS and spoke positively of relationships with staff at alternative provision sites. The Board reflected that the young people they had spoken to had been forthcoming and genuine, with recognition and understanding of how their behaviour had led to a permanent exclusion, but the process had not been fully explained to them.

94. The Board heard about wider engagement work with young people who had been, or were at risk of being, excluded from the Educational Psychologist and ISEND Engagement Participation Officer who had spoken to 40 young people in six different settings across East Sussex, including alternative provisions, about their experiences. The interviews demonstrated the importance of positive relationships between pupils and staff, as well as the need for young people to feel listened to and part of conversations about decisions. The Educational Psychologist shared with the Board that giving young people the opportunity to have an equal weight given to their voice led to improved outcomes including effort and motivation and a reduction in power imbalances.

95. The Assistant Headteacher at Peacehaven Community School explained how youth voice had been successful in developing a number of strategies and policies in the school, including the new behaviour policy, profiles on students identified as needing additional support, SEND support, and safeguarding concerns. The school had invested in training for staff to encourage positive communication between staff and pupils and, in a recent survey, 91% of students reported feeling listened to when speaking to a teacher.

96. The Board acknowledged that, whilst young people should feel listened to in school, teachers were under increasing pressures and capacity was often a barrier to this. However, it was clear that youth voice should be incorporated into school policy where possible, including in meetings about the decision to exclude.

97. It was also noted that youth voice was a key component in the ISOS Rethinking Exclusions Project and would inform the commissioning of targeted provision in schools and of external alternative provision.

Recommendation 7

The Department should encourage schools and trusts to increase the use of youth voice in preventive strategies and responses to children at risk of permanent exclusion by providing training and guidance for schools and governors on how to embed youth voice into all areas of school policy.

ii) Engagement with parents and carers and family support

98. The Board found that parental engagement was key to preventing pupils from being permanently excluded, but that this was a challenge for many schools, especially with their most vulnerable pupils. However, evidence from parent interviews also showed that many parents and carers did not feel communicated with about decisions to permanently exclude their child.

99. The Board looked at national research which considered the support provided to parents and carers and recommended that engagement from parents and carers with their child's education was a key contributor to preventing exclusion. The *Timpson Review of School Exclusions* recommended that 'local authorities should include information about support services for parents and carers of children who have been, or are at risk of, exclusion, or have been placed in Alternative Provision'.

100. The Board explored what support was available to parents and carers and heard from the Parenting Coordinator from the Early Help Service about a variety of parenting programmes available to parents and carers in East Sussex, including for support with child development, behavioural issues, SEND needs and mental health needs. Although these courses were well attended and gained very positive feedback, there was still work to do to reach the most vulnerable families in need of support and to de-stigmatise parenting support.

101. Although a wide range of support was available to parents and carers across East Sussex, the Board heard of the importance of schools communicating regularly and openly with parents and carers, in an accessible way. The Board explored this through interviews with parents and carers, written responses through the East Sussex Parent Carer Forum (ESPCF) and with the SENDIASS Manager who spoke of the experiences of parents and carers who have accessed the SENDIASS support line. The SENDIASS Manager told the Board one of the most common reasons for calls from parents and carers was not feeling listened to, with poor communication from the school and many reporting that they felt issues could have been addressed at an earlier stage if there had been communication. The Board also heard that when communication was received, it was often not in an accessible or clear format, so parents and carers found it difficult to understand. One parent told the ESPCF 'I had had to make my own way through the appeal process and secure my own support'. Other parents and carers reported having little communication from key staff and if communication was offered, there was little flexibility to adapt to parent/carer needs, including work commitments.

102. The Headteacher at Ore Village Primary Academy noted that despite a focus on supporting families, a lack of parental engagement was one of the biggest challenges to reducing exclusions, and the school was investing significant staff time to build positive relationships and sustained communication, particularly around attendance. This was also noted by Peacehaven Community School who used clear, accessible and regular communication, community events, and enrichment evenings to increase

parental engagement. Both schools acknowledged that key barriers to parents and carers engaging were personal negative experiences with education and school, as well as the need for wider support, including with cost of living and mental health issues. The Headteacher at Ore Village Primary, for example, noted her concern about increasing parental anxiety which was affecting transition for some pupils.

103. The Board concluded that it was important for parents and carers to be able to seek support and advocate for their child when there were issues with behaviour and especially when there were conversations around decisions to permanently exclude. They also noted that for this to work well, there needed to be positive communication and engagement with parents and carers at all stages of education.

Recommendation 8

The Department should work with schools and trusts to further develop and embed parental engagement to ensure all stakeholders understand how and why a child is at risk of permanent exclusion, including the parent/carer and the child, and include parents and carers with decisions around alternative provision, including all available options.

104. The Board also reflected on the concerning increase of parental anxiety and how this was impacting on children's behaviour and engagement with learning. Although there was good support available across the county for parents and carers, there was a need to further develop clear signposting and targeted promotions to ensure schools and parents and carers were aware of this support.

Recommendation 9

The Department should embed its multi-agency response, including the use of the new level 2 keywork team in Early Help focused on supporting attendance to:

a) **promote targeted support, including wider family-based issues, to pupils and families who have been identified as at risk of permanent exclusion and multiple suspensions due to a lack of engagement with the school as a result of persistent absence; and**
b) **promote to schools and families parenting programmes that support interventions and preventative measures in schools.**

iii) Effective use of alternative provision

105. Alternative provision offers alternative education to children and young people who are not able to be in mainstream education, either due to a suspension or permanent exclusion, or due to identified additional needs. The Board explored how alternative provision was being used locally to respond to pupils who have been

permanently excluded, to prevent exclusion, and/or support children and young people to successfully reintegrate into mainstream education.

106. The Board heard that the Virtual School worked closely with alternative provision providers to support pupil's health and wellbeing, based on the interests of the child, with a focus on returning to mainstream school. The Head of Virtual School told the Board that when children engaged in activities they enjoyed, even for a short time, this had a significant impact. Moreover, positive engagement with alternative provision improved outcomes, including educational and relationships with family members, which in turn, put less pressure on other services and had wider positive impacts on the community and at home. However, there was not sufficient funding to access this long term.

107. The Head also noted that alternative provision worked best when a child could see the school was arranging it and when there were good links and communication between the provider and school, both of which improved the relationship between the child and their school. The Virtual School worked with providers to capture positive experiences and created passports which went back into schools to demonstrate what the children had been doing and successful strategies. This message had been shared by the Educational Psychology Service (EPS) who gave a presentation to the Inclusion Partnerships Conference on the importance of schools maintaining strong relationships with alternative provision providers.

108. In interviews with young people, the Board heard about the positive experiences they had had with alternative provision, including feeling more included, treated as adults and able to explore a range of activities.

109. The Board reflected on the positive impact alternative provision had had on many young people and considered that many children might have benefitted from an early option of alternative provision as a preventive measure, supporting them before they reached the stage of exclusion.

110. The use of alternative provision as a preventative strategy was being developed in several schools. The Board heard from The St Leonard's Academy which had created an alternative provision 'Reboot' on site to support pupils who were struggling to engage in mainstream education. The site was staffed and equipped to support up to 20 students at a time and offered bespoke intervention programmes including sensory circuits, self-regulation, Lego therapy, Therapeutic Thinking, and cooking. The Vice and Assistant Principal told the Board that allowing these students to step out of classrooms and providing them with bespoke support and ongoing strategies, including using passports identifying their triggers and ways to manage feelings and behaviour, enabled them to return to and engage with mainstream education and ultimately prevent permanent exclusion.

111. The Board also visited the onsite alternative provision at Ore Village Primary School. Pupils were supported for varying portions of the school day by a range of staff with their wellbeing, SEND needs and academic learning, with all pupils having

their needs assessed and, when necessary, referrals made to supporting professionals. The focus was on transitioning pupils back into mainstream classrooms and parents and carers were kept informed about their child's attendance at this provision. The Director of the Academy Trust informed the Board that 'appropriate provision' to support children who were at risk of permanent exclusion could prevent more costly intervention later on and help pupils to gain the tools they needed to reintegrate into and engage with mainstream education.

112. This aligns with the national *SEND Review: Right support, right place, right time*, which sets out plans to develop the alternative provision offer to support the needs of SEND pupils. The proposed new model focuses on using alternative provision to tackle barriers to learning, with the aim of reintegrating pupils into mainstream education. It claims, 'over time, this new system will reduce the number of preventable exclusions and expensive long-term placements, as needs will be identified and supported early'. Locally the Department has responded to this by creating an Alternative Provision Directory to enable schools to commission high quality provision.

113. The Board concluded that alternative provision could significantly reduce the risk for some pupils of being permanently excluded and that guidance on options, as well as how to make best use of alternative provision, could support pupils and schools with increased engagement in learning and provide pupils with tools to succeed in mainstream education.

Recommendation 10

To accompany the Alternative Provision Directory, which is to be shared with schools and trusts, the Department should develop guidance on:

a) how to make best use of alternative provision, including good communication and ways to provide consistent support once a child reintegrates; and

b) how alternative provision, including onsite alternative provision, can be used to prevent permanent exclusion and support pupils with additional needs, including those facing additional external challenges.

iv) Role of governors

114. The Board explored the role governors play in both supporting schools to adopt whole school approaches and preventative strategies to reduce the number of suspensions and permanent exclusions, and in their response to children who are at risk of exclusion, including decisions to permanently exclude.

115. Once a headteacher has decided to permanently exclude a pupil, Governor Disciplinary Committee (GDC) meetings are held to further investigate reasons for exclusion and governors consider any evidence presented to them. Parents/carers and children can attend these meetings and if the governors disagree with the headteacher's decision, the exclusion does not go ahead.

116. The Board heard from five school governors (representing primary and secondary schools) that a key part of their role was relationship building with pupils, school staff, and parents and carers. All governors were keen to identify alternative support rather than permanently excluding a child, however one governor reported that relationships between governors and the school could be damaged if governors disagreed with the headteacher's decision to exclude.

117. Interviews with young people suggested that GDC meetings were intimidating, and often young people were unable to advocate for themselves. In the discussion with governors, this was acknowledged, with one governor noting that sometimes it would not be suitable to have a young person at the formal meeting because they would be unable to cope with the situation. Moreover, there was concern that there was not always enough of the child's voice when deciding to permanently exclude and although this was covered in governor training, this could be explored further.

118. The Board heard that governors would like to play more of a role in the prevention of exclusion by meeting with the headteacher at an earlier stage to explore alternative options and support. However, as governors on GDC need to remain independent of cases, this was difficult, especially for smaller primary schools.

119. The Board were impressed by the commitment shown from the governors they spoke to and agreed that governors not only play a crucial role in decisions to permanently exclude, but also had an opportunity to influence wider school policy, including supporting schools to become more inclusive and advocating for the needs of pupils, it was therefore vital they could access quality training and guidance to fulfil their role.

Recommendation 11

The Department should continue to provide ongoing support and training for governors including whole school training on SEND needs, mental health issues and inclusive behaviour policies, and produce guidance on how to conduct inclusive Governor Disciplinary Committee meetings that prioritise youth voice.

v) The use of part-time timetables

120. A part-time or reduced timetable means that, by agreement with the pupil, parent/carer, and school, the number of hours spent in education are reduced. National and local guidance states that this should only be for a time limited period of no more than six weeks and should only be in exceptional circumstances such as for medical reasons, reintegration into school following a trauma, or a family bereavement.

121. The Board were concerned about the reported use of part-time tables in some schools to unofficially exclude pupils for poor behaviour. Officers informed the Board that there were very clear guidelines from the DfE and local guidance from ESCC which stated that part-time timetables should not be used to manage behaviour and should only be used in consultation with parents and carers to support pupils who were unable to attend school full time.

122. This approach was being used effectively by Ore Village Primary Academy; the Inclusion Lead told the Board that pupils who struggled to attend school full time, often due to mental health issues, were supported through the use of alternative provision and part-time timetables to gradually transition into full time education. He reiterated that this had to be in agreement with the parents/carers and it was kept under constant review.

123. However, the Board heard from the SENDIASS Manager that they often received reports from parents and carers with children with SEND needs that schools were placing children on part-time timetables in response to behaviour issues as the school was unable to cope with their needs.

124. The Attendance Lead Manager informed the Board that the use of part-time timetables should be closely monitored, with wider support for the pupils considered, especially in the case of vulnerable pupils, including talking to supporting teams and services. Although schools did not currently report their use of part-time timetables, they were included in wider reporting on unauthorised absences. The Board heard that from September 2023, the Department would be able to monitor this more closely and planned to analyse data which would highlight schools showing a high number of pupils on part-time timetables.

125. The Board concluded that, although guidance from the DfE and ESCC was clear on the appropriate use of part-time timetables, it was not consistently being followed at a local level, with some schools using these inappropriately. There would therefore be benefit in more support, guidance, and monitoring as proposed in recommendations 3b and 12c.

3. *Council messaging and support*

126. All witnesses the Board spoke to reported that the Council's messaging around the need to reduce exclusions was clear and that schools were working hard to achieve this. However, there was evidence that schools needed support to achieve this.

127. The Board reflected that although overall intention was clear, the decision to exclude remained with the school, and messaging also needed to focus on what support was available to schools, successful approaches to reducing permanent exclusions through case studies and shared learning, and the benefits to schools of adopting inclusive behaviour policies and support. The Board agreed that consistency in language, for example advocating gradated responses to pupil behaviour, would

encourage more schools to adopt consistent and collaborative approaches to behaviour.

128. The Board also concluded that clear and consistent messaging on appropriate responses to pupils at risk of permanent exclusion could also reduce the use of inappropriate part-time timetables which the Board were concerned were being used to manage behaviour in some cases.

Recommendation 12

The Department should develop clear and consistent guidance to share with schools and trusts on the benefits of reducing school exclusions, and the support available, including:

a) key findings from the RSA 'Rethinking Exclusions' and ISOS projects;

b) using Primary and Secondary Boards to communicate to schools and trusts the benefits of inclusive policies and share best practice for reducing exclusions and agree to a shared responsibility to reducing exclusions; and

c) on the appropriate use of part-time timetables to ensure these are not being used to manage behaviour. Part-time timetables that are in place must be for the shortest time necessary and reviewed regularly with the pupil and their parents/carers.

Conclusions

129. The Review Board has considered a broad range of evidence, including listening to the views of young people which has been vital to gaining key insights and forming recommendations. Members concluded that there was a strong commitment from the Department and most schools in East Sussex to reduce the number of permanent exclusions. The Department continues to prioritise this in its work which is reflected in the recent restructure of the Education division.

130. The Board scrutinised a number of ongoing projects and initiatives to address this issue and recognised that some of this work was still at early stages. The impacts of these projects, as well as the emerging complexity of needs of children and their families post pandemic, needed to be measured regularly to identify successful approaches and areas of focus.

131. The Board recognised the limitations of this Review; recommendations focus on how the Council can work with schools and, although they will be shared with schools across the county, the decision to exclude is a school one and academies are wholly outside of the remit of the local authority. However, this Review aims to support schools in East Sussex by making recommendations to help the ongoing development of a consistent, evidence-based approach to reducing permanent exclusion and improving outcomes for all pupils.

132. The Board heard that a range of preventative measures, including inclusive policies, could benefit *all* pupils, including those who are very young and those that are vulnerable, including SEND pupils and those facing additional external challenges. When children are identified as at specific risk of permanent exclusion, appropriate timely support and interventions could offer alternative options.

133. The Board learned that pupils who are persistently absent are at higher risk of permanent exclusion than their peers. The Board concluded that findings from this Review should be considered in the Committee's upcoming scrutiny review of School Attendance.

Appendix

Scope and terms of reference of the review

Terms of Reference

On the recommendation of the Scoping Board, the People Scrutiny Committee agreed that this review should explore what can be done to help reduce the levels of school exclusion in East Sussex and will have particular regard to vulnerable children and young people (as this group are disproportionately at risk of exclusion).

Members agreed that this would be explored through the following **key lines of enquiry**:

1) Could the Council do more to develop levels of understanding amongst school leaders of **preventative** strategies, such as therapeutic thinking, to help reduce the likelihood of exclusion?

2) Could the Council do more to join up **early help** and education services as a preventative approach to support reduction in school exclusions?

3) Could the Council do more to help develop a better understanding amongst schools of what constitutes an appropriate **response** to a child who is at risk of exclusion? This line of enquiry to include consideration of:

    - the role and status of the SENCO and their involvement in developing appropriate responses to a child who is at risk of exclusion;
    - appropriate responses to very young pupils at risk of exclusion in primary school; and
    - appropriate responses to vulnerable pupils at risk of exclusion at secondary phase.

4) Could the Council develop its training and advice for governors around, for example, providing effective **challenge** in the circumstance where a Head teacher has taken a decision to exclude and the Governing Board are required to consider reinstatement. This line of enquiry could also explore the role of Governors in helping to develop best practice at the school.

5) Within consideration of each of the above lines of enquiry, is the Council's **messaging** clear on the need to reduce, and benefits of reducing, school exclusions?

Board Membership and project support

Review Board Members: Councillors Sam Adeniji (Chair), Kathryn Field, Johanna Howell, Wendy Maples and John Hayling (Parent Governor Representative).

The Project Manager was Rachel Sweeney, Senior Policy and Scrutiny Adviser with additional support provided by Rachel Joseph, Strategic Lead: Inclusion and AP, Katie Ridgway, Head of Education: Inclusion and Partnerships and Lucy Owen, Policy Development Intern.

Review Board meeting dates

Scoping Board meeting – 12 January 2023

First Review Board meeting – 12 May 2023

Second Review Board meeting – 09 June 2023

Third Review Board meeting – 20 July 2023

Fourth Review Board meeting – 21 September 2023

Final Review Board meeting – 16 October 2023

Witnesses providing evidence

The Board would like to thank all the witnesses who provided evidence:

ESCC officers *****

Clare Cornford, Project Co-ordinator: Governor Services

Catherine Dooley, Strategic Lead, Safeguarding and Emotional Wellbeing, Education East Sussex

Liz Eyre, Parenting Co-Ordinator, Early Help Service

Dr Sam Kelly, Senior Educational Psychologist

Mandy Lewis, Head of Virtual School

Vidyulatha Narayan, Area Manager, Education East Sussex

Sallie Thompsett, Practice Manager, Early Help Service

Alice Tigwell, SEND CYP Participation Lead

Vicky Wells, Senior Manager, Lewes, Coastal and Wealden ISEND

Iona Wooderson, Senior Manager Targeted Support Services

External witnesses

Ella, young person

Kara, young person

Sonny, young person

Ben Bryant, Director, ISOS Partnership

Drew Greenall, Vice Principal, the St Leonard's Academy

Nick Hart, Assistant Principal and Designated Safeguarding Lead, the St Leonard's Academy

Liam Ryan, AMAZE

Nicola Smith, Parent

Michael Smith, Parent

Site visits

Ore Village Primary Academy

Peacehaven Community School

*****At the start of the Review, the Standards and Learning Effectiveness Service (SLES), within the Children's Services Department, provided support to staff and governors of East Sussex Schools, including guidance, training and support to help schools reduce the number of suspensions and permanent exclusions. This work included governor training and supporting schools with DfE guidance on suspensions and permanent exclusions.

During the Review, the Department launched a re-structured education division, 'Education East Sussex'. The rebranded service combined the teams of the former SLES and Inclusion, Special Educational Needs and Disabilities (ISEND) with a focus on:

- supporting schools with low rates of attendance and high levels of exclusion
- working to help underperforming areas of the county and specific groups
- meeting the challenge of increased pressure on places to meet special educational needs and demand for statutory assessments.

The East Sussex Behaviour and Attendance Support Service (ESBAS) ceased to exist from September 2023; the work of this team was included in the new Education Outcomes and Inclusion and Alternative Provision teams.

Job titles and teams listed in this report are correct at the time of interviews.

Evidence papers

Item	Date considered
Local data on East Sussex suspensions and permanent exclusions rates	12 May 2023
DfE, *Suspension and Permanent Exclusion from maintained schools, academies and pupil referral units in England, including pupils movement*, 2022	12 May 2023
DfE, *Behaviour in Schools, Advice for headteachers and school staff*, 2022	12 May 2023
Bonner CE Primary School & Nursery, *Behaviour Policy*, 2022	12 May 2023
RSA, *Pinball Kids Preventing school exclusions*, 2020	20 July 2023
RSA, *Preventing school exclusions: collaboration for change, Interim report*, 2023	20 July 2023
The Children's Society, *Youth Voice on School Exclusions*, 2021	20 July 2023
ESCC, *ISEND Reduced timetable guidance for schools, academies and settings in East Sussex*, 2021	20 July 2023
Timpson Review of School Exclusions	20 July 2023
Minutes from interview with young people	20 July 2023
The St Leonard's Academy, *Behaviour Policy*,	21 September 2023
DfE, *SEND Review, Right support, right place, right time*, 2022	21 September 2023
DfE, *Special Educational Needs and Disabilities (SEND) and Alternative Provision (AP) Improvement Plan*, 2023	21 September 2023
East Sussex Parent Carer Forum, *East Sussex Parent Carer Feedback on Exclusions 2020-2023*	21 September 2023

Contact officer: Rachel Sweeney, Senior Policy and Scrutiny Adviser
E-mail: rachel.sweeney@eastsussex.gov.uk

eastsussex.gov.uk

East Sussex County Council

Appendix 1

Scrutiny Review of Pothole Management

Report by the Review Board:

Councillor Matthew Beaver
Councillor Julia Hilton
Councillor Ian Hollidge (Chair)
Councillor Eleanor Kirby-Green
Councillor Philip Lunn

November 2023

Place Scrutiny Committee – 23 November 2023
Cabinet – 23 January 2024
Full Council – 6 February 2024

The report of the Scrutiny Review of Pothole Management

Contents.

Recommendations **3**

Introduction **5**

Background **7**

Review Board Findings **8**

Factors Leading to Potholes Forming and Poor Road Condition **8**

Water and Drainage 8

Utility Company Excavations 9

'Sink Holes' and Voids under the Road Surface 10

Highway Maintenance Policies and Procedures **11**

Pothole Intervention Criteria 11

Highway Steward Risk Assessments 12

Defect Reporting 13

Asset Management Approach and Performance Targets **14**

Asset Management Approach 14

Road Condition Performance Targets 15

Pothole Repair Methods **16**

Quality Assurance and Monitoring **17**

Clusters of Potholes and the use of 'advisories' and 'observations' 18

Repair Gang Flexibility 19

Finance and Investment **20**

Revenue and Capital Budgets 20

Budget Allocation and Investment Modelling 22

Budget Allocation 22

Investment modelling 23

Communication with stakeholders **24**

Footway Maintenance **25**

Conclusions **25**

Appendix: **26**

Scope and terms of reference of the review 26

Board Membership and project support 26

Review Board meeting dates 26

Witnesses providing evidence 27

Evidence papers 28

Recommendations

Recommendation		Page
1	**The Board recommends that officers develop a strategy for highway drainage, in order to target highways drainage investment requirements more accurately and to help prevent water damage to road surfaces.**	9
2	**The Board recommends the Council lobbies Government to make changes to the way utility companies operate and are regulated under the New Roads and Street Works Act and in particular to:** • **Lower the time allowed for permanent reinstatements from 6 months to 3 months;** • **Extend the reinstatement works guarantee period from 2 years to 5 years;** • **Raise the level of financial penalties for failing to comply with the requirements of the Act;** • **Introduce timescales for utility companies to repair defective apparatus once it has been reported to them, with penalties for non-compliance; and** • **Increase the number of utility company inspections that can be recharged from 30%.**	11
3	**The Board recommends officers explore the feasibility of increasing the amount and type of inspections of utility company reinstatement work to drive up quality and lobby Government for funding to do so.**	11
4	**The Board recommends that Guide to Highways is amended to include a reference to the current practice of risk assessing reported road defects which ensures the risks posed to different types of road user are appropriately met through repairs.**	13
5	**The Board supports the Cabinet report recommendation that a greater proportion of capital funding is allocated from the highways structural maintenance budget to patching and surface dressing in future years, and reviews are undertaken on a periodic basis.**	15
6	**The Board recommends that it is made clear in reporting information that the road condition performance targets refer to the percentage of road length, and that all roads are likely to have a mixture of green, amber and red condition sections of road.**	16

7	**The Review Board recommends that annual performance monitoring reports are presented to the Place Scrutiny Committee to maximise transparency and scrutiny of pothole repairs, contract key performance indicators (KPIs), and planned highway maintenance work, with the first report scheduled for July 2024.**	17
8	**The Board recommends that officers continue to allocate specific, defined levels of investment within the existing highways infrastructure maintenance capital budget, to tackle clusters of potholes and address public concerns about this issue, for example by undertaking patching repairs and surface dressing.**	19
9	**The Board recommends that the Guide to Highways on the East Sussex Highways web site is amended to reflect that repairs gangs, BBLP and the Council exercise a degree of flexibility in their approach to repairing safety intervention level defects and will repair other safety intervention level defects they find whilst on site.**	19
10	**The Board recommends that the Council continues to lobby Government for better long-term funding arrangements for pothole repairs, and highways maintenance, so that it can plan effectively, does not have to expend resources bidding for funding and can address local road conditions.**	22
11	**The Board recommends that if funding pressures ease or additional funding becomes available, the Council considers making additional investment in highway drainage.**	23
12	**The Board recommends that the Department continues to maintain an active approach to modelling highway investment levels needed to achieve the Council's road condition targets and feed the outcomes into the Reconciling Policy, Performance Resources (RPPR) budget setting process.**	24
13	**The Board recommends that officers review the visibility and usability of website information on planned maintenance work on potholes to make it easier to find and use online, including via the East Sussex County Council website and the upcoming app, and in particular information for patching, resurfacing and revenue funded advisories.**	25

Introduction

1. The Place Scrutiny Committee and its predecessor the Economy, Transport and Environment Scrutiny Committee have previously carried out scrutiny reviews on Road Repairs and Highway Drainage. However, residents and businesses continue to be concerned about the number of defects and potholes in the county's roads and the impact on them as they travel around the County. Potholes are the number one issue residents contact their local councillor about, and there are concerns about damage to vehicles and road safety, as drivers try to avoid driving over damaged road surfacing.
2. In particular, the repair of clusters of potholes in the same section of road is of concern to people, especially when only the potholes that meet the Council's intervention criteria are repaired and other potholes or defects developing nearby appear not to be tackled. Although repeated visits to the same location do not cost the Council any more money under the lump sum pricing arrangements of the highway maintenance contract, residents see this as inefficient and do not consider this approach represents the best value for money.
3. Councillors have also highlighted their view that the Council's current intervention policies and defect reporting system might not sufficiently take into account other vulnerable road users such as those who walk, wheel, cycle or motorcycle, who may be at risk from defects that would not meet the current intervention criteria.
4. During 2022 the Place Scrutiny Committee discussed these issues and agreed to establish a Scoping Board to examine this subject in more detail. The Scoping Board met on 6 February 2023 and recommended that the Committee proceed with a scrutiny review focussed on pothole repairs, as this was considered to be the most important issue for residents. The Place Scrutiny Committee agreed to proceed with a Scrutiny Review of Pothole Management at the meeting held on 28 March 2023.
5. The scope of the review included:
    - Pothole repair techniques and costs;
    - Quality of pothole repair works;
    - Alternative pothole intervention levels and costs;
    - Consideration of current policies to take into account vulnerable road users (e.g. those who walk, wheel, cycle, and motorcycle etc.)
    - Consideration of budgets for pothole repairs and safety defects; and
    - Consideration of the effectiveness of the Council's patching programme.
6. There are a number of factors that cause road surfaces to deteriorate and defects such as potholes to develop. The factors affecting road condition are:
    - Weather conditions – sunlight, rainwater and freezing which cause the surfacing to degrade;
    - Wear and tear caused by traffic, which increases with traffic volumes and vehicle weight;
    - Utility company excavations; and

- The construction of the road – historically many roads in East Sussex, particularly in rural areas, have not been constructed with a sub-base that would meet modern standards.

7. This review has sought to focus on the factors that the Council can influence, and improvements in our own internal policies and procedures for pothole management, in order to make a difference to the number of potholes and road condition. It has sought to identify areas for improvement that are affordable, cost effective, and represent value for money, bearing in mind the financial constraints and cost pressures the Council faces. Based on the evidence examined, the Review Board has made a number of recommendations for improvements which are explained in more detail in this report.
8. During the course of the review the Cabinet and Council agreed additional capital investment in highways maintenance for 2023/24, in order to help tackle the problem of potholes and deteriorating road condition. As the review progressed it became evident that the situation is changing and that the Council, together with its highway maintenance contractor, are taking action to address the issue of potholes through a proactive, 'right first time' approach within the financial constraints that exist for the Council.

Background

9. The Highways Act requires the Council to keep roads in a safe and usable condition. The Council does this through two types of maintenance programme:

    - Reactive maintenance, where reported safety defects such as potholes are repaired in line with the Council's maintenance policies to keep roads safe to use. This is funded from the Council's revenue budget and includes the work to repair potholes that meet the Council's policies contained in the East Sussex Highways Inspection Manual.
    - Planned maintenance, funded from the capital programme, where a programme of planned works such as patching, surface dressing, resurfacing and road reconstruction is undertaken to maintain road condition against the Council's performance targets (see paragraph 41 below).

10. The Council uses intervention policies and an asset management approach to ensure safety defects are repaired and available resources are used in the most effective way to maintain road conditions and prolong the life of road surfaces. The Council's Asset Management Strategy and Asset Management Policy are published on the Council's website. The use of an asset management approach is also a requirement of the Department for Transport (DfT) in order for the Council to secure the maximum road maintenance grant funding from central Government.

11. Highways maintenance work is undertaken on behalf of the Council by a contractor, Balfour Beatty Living Places (BBLP), operating under the name of East Sussex Highways. The Council also has a Client Team of officers employed by East Sussex County Council (ESCC) who manage and supervise the highway maintenance services contract. The highways contractor has recently changed, and Balfour Beatty Living Places took over the operation of the highway maintenance services contract in May 2023.

12. The terms potholes and defects are used throughout this report. Potholes refers to holes in the road surface that have developed and are big enough to cause a safety problem. Defects includes other faults in the road surface such as cracks, joints (in concrete roads) crazing, channels, depressions, utility exaction scars, larger areas where a thin layer of asphalt has come loose or worn away, missing surfacing around drains and damaged utility inspection covers etc. The Highways Inspection Manual – Appendix 1 East Sussex Highways Investigatory Levels on the Councils website contains examples of the types of defects that occur on the highway and the various intervention criteria and repair categories that the Council uses to prioritise repairs.

Review Board Findings

Factors Leading to Potholes Forming and Poor Road Condition

13. As set out in the introduction of the report, there are a number of factors that cause road surfaces to deteriorate and potholes to form. These are mainly things which cause wear and the surfacing material to break down. Some of these factors are outside of the control of the Council such as weather conditions and the weight and volume of traffic using the county's roads. Trends such as increased home deliveries and increases in the weight of electric and freight vehicles are something that the Council takes into account when looking at deterioration rates but cannot influence directly. There are however two factors which the Board examined in more detail below, where the Council may be able to have some influence.

Water and Drainage

14. The Board heard that keeping water off the road surface, including through effective drainage, is a key issue. Once water penetrates the road surface it can cause the surfacing to deteriorate and break up through the hydrostatic pressure exerted by vehicles passing over the road surface and freeze/thaw action in cold weather conditions. The presence of water on the road surface can therefore accelerate the formation of potholes and exacerbate any weaknesses in the road structure.

15. An additional £3.1 million one-off capital investment for drainage works has been agreed for the financial year 2023/24. This figure was based on the number of work requests and BBLP's estimate of the amount of drainage work backlog that needs to be carried out to optimise the resilience of the road network. Works include repairs to broken pipes, collapsed drains, blocked outfalls etc. It is also estimated that 20%-30% of the drainage network could be under capacity and this is something that will need to be addressed in the future to protect the condition of roads and stop potholes forming.

16. The Board heard that developing an investment strategy for highway drainage would provide a better understanding of the future investment levels needed. This is something that officers have started work on and would mean that the Council would have a more accurate picture of the type and quantity of investment needed to support and protect the road network infrastructure in the future. Information from the drainage strategy could then be fed into the Council's budget setting process for consideration alongside other spending priorities, or if new funding sources become available.

17. The Board heard that changes have been made to routine drainage maintenance in the new contract, so that ditches are maintained on a two-year cycle (instead of a 4 year cycle as previously) and all grips (the channels that connect the edge of the road with the ditch) are maintained every year. The prioritisation of drainage works has also been adjusted to more adequately reflect the impact on road users, so there is better targeting of works for drainage activities. The previous prioritisation system gave more weight to the number of properties affected by highways flooding issues, rather considering the impact on the road network and road users.

18. Based on the evidence considered, the Board concluded that developing an investment strategy for drainage would be desirable, so the Council can more accurately forecast how much ongoing investment in highway drainage is needed. This would support the effective targeting of resources available for drainage works, in order to help protect and prolong the investment in road surfacing, prevent road surfaces deteriorating and stop potholes developing.

Recommendation 1

The Board recommends that officers develop a strategy for highway drainage, in order to target highways drainage investment requirements more accurately and to help prevent water damage to road surfaces.

Utility Company Excavations

19. The Board heard that after highway drainage, the second most important factor in maintaining good road condition is the quality of utility companies' reinstatement works following their excavations in the highway. This is because, once the road is dug up, if it is not re-instated properly it creates a weakness in the road which can lead to potholes and depressions in the road surface forming more quickly. The Asphalt Industry Alliance in their annual reports have highlighted the impact of utility company excavations on the integrity of road structures, thereby reducing the life of the road. The Board has also seen at first hand the impact of utility company excavations on roads surfaces. Evidence from officers also suggests that poor quality reinstatement works are a contributory factor to potholes forming, and tighter controls may be necessary.
20. Utility companies have up to six months to permanently repair an excavation in the road after either planned or emergency utility repair work. Utility companies are then responsible for the quality of reinstatement works for the next two years, during which time they have to rectify any defects. The BBLP Network Management Team carries out a coring programme to sample 10% of the utility company reinstatement work to test the quality by taking samples of between 150mm – 300mm deep, which covers the topmost bound layers of road surface. This is to ensure that sub-base of the road has been reinstated correctly with the right materials and levels of compaction, which cannot be checked through visual inspections alone. If the sub-base is not reinstated properly, the road surface is liable to subside or break up. Dealing with historic or legacy defects after the two-year guarantee period can be difficult.
21. The Council cannot stop utility companies undertaking works necessary to maintain their infrastructure, and the Board is aware that members of the public are unlikely to have an understanding of the rules the Council is constrained by when dealing with utility companies to tackle poor quality reinstatement work. Members of the public may also think that it is the Council's contractor carrying out road works if adequate signage is not provided by the utility companies who are carrying out the work.

22. The rules regarding the reinstatement of utility company works are set out in the New Roads and Street Works Act and the permit scheme. The current rules give utility companies up to six months to carry out permanent repairs and in the Board's view this is too long and leads to unsatisfactory temporary repairs. The guarantee period of two years for works is also too short and does not provide an incentive for utility companies to provide a long-lasting reinstatement. This is evident by the number of historic reinstatements that are failing after the two-year period, which then become the responsibility of the Council to repair. In addition, the current fines of £120 for breaching permit conditions (reduced to £80 for swift payment) does not incentivise utility companies to meet permit conditions.

23. Other councils have started to lobby central Government for changes in the way utility companies are regulated and operate when they carry out works on the highway, with the aim of improving the quality of reinstatement works. The Board has considered the type of changes being requested and agrees that it is important to hold utility companies to account through the type of changes being proposed. This is in order to ensure reinstatement works are done properly and changes to regulations are necessary to enforce this. Such changes are also supported by officers. The Council and BBLP may also need to increase their quality checks and other measures where they are able, to ensure the adequate quality of utility company reinstatement work.

'Sink Holes' and Voids under the Road Surface

24. The Board heard that there are procedures in place for dealing with 'sink holes' or voids under the carriageway (which are different from depressions in road surfaces and subsidence). The Council is initially responsible for investigating the cause, which is usually where material has been washed out either by a highway drain or leaks from a public sewer or water supply pipe. Where the cause is not a highway drain, it can be difficult and take time to gain agreement from the water utility companies that it is their responsibility and for them to undertake a repair.

25. The Council has the power to fix sink holes (but not work on the utility companies' pipes or infrastructure) and recoup the cost from utility companies, but better engagement from the utility companies would be beneficial. The Board considered that it would be useful for there to be greater awareness of who is responsible for the repair once the initial investigations have been completed. If the local councillor was informed, they could let their residents know and could lobby the utility company directly for action to fix the sink hole. It would also be helpful if timescales could be introduced for utilities to repair defective apparatus once it is reported to them with appropriate penalties for non-compliance.

Recommendation 2

The Board recommends the Council lobbies Government to make changes to the way utility companies operate and are regulated under the New Roads and Street Works Act and in particular to:

- **Lower the time allowed for permanent reinstatements from 6 months to 3 months;**
- **Extend the reinstatement works guarantee period from 2 years to 5 years;**
- **Raise the level of financial penalties for failing to comply with the requirements of the Act;**
- **Introduce timescales for utility companies to repair defective apparatus once it has been reported to them, with penalties for non-compliance; and**
- **Increase the number of utility company inspections that can be recharged from 30%.**

Recommendation 3

The Board recommends officers explore the feasibility of increasing the amount and type of inspections of utility company reinstatement work to drive up quality and lobby Government for funding to do so.

Highway Maintenance Policies and Procedures

Pothole Intervention Criteria

26. The Board explored whether changes to ESCC's pothole intervention criteria would improve the way the Council deals with potholes, and the potential impact of any such changes. The Council uses a risk-based approach to repair potholes. At present, the minimum intervention criteria for a pothole to be repaired is that it has to be at least 40mm deep and 300mm wide in every direction. Potholes meeting these criteria will be repaired within 28 days (repair category 3). There are other pothole repair categories based on the level of hazard to road users – category 1 repair within 2 hours; category 2 repair within 5 days (for full details please see the East Sussex Highway Inspection Manual and Appendix 1 East Sussex Highways Investigatory Levels, on the Council's website).

27. The Council's investigatory levels have been developed over time and are based on experience and local conditions. Officers review the criteria in the investigatory levels at least once every two years. The review includes comparison with other local authorities (particularly neighbouring ones), complaints and claims, and feedback from Highway Stewards (also known as Community Stewards in the new contract). The Board saw evidence that other councils have slightly different intervention criteria, but most use the 40mm depth criterion and mixture of different dimensions for the extent of the pothole (e.g. 300mm wide or less in one direction).

28. The Board heard that if the depth criterion was changed to 30mm, it would roughly double the cost of reactive pothole repairs from £2.5 million to £5 million per year. Similarly, if the width criterion were to be changed it may double costs thereby taking money away from other methods of repairing potholes, such as patching and resurfacing, that represent better value for money.

29. Further research and evaluation of the impact of changing the intervention criteria would need to be carried out over a period of time to assess whether this would be feasible, and whether it would improve pothole repairs more effectively than increasing the patching and resurfacing programmes. The value for money of changing the intervention criteria would also have to be established compared with other repair methods.

30. The June 2023 Cabinet report on highway investment states that long term programmes of planned maintenance provide the most efficient way of working and provide best value for money. This is supported by evidence seen in the Metis Consultants report, the Association of Directors of Environment, Economy Planning and Transport (ADEPT) Guide to Pothole repairs and the Well Managed Highway Infrastructure Code of Practice. In addition, the Board heard that in the officers' view, the best way to achieve visibly better roads with fewer potholes is to spend any additional funding on patching and surface dressing, and not spend more money reactively fixing individual potholes. Consequently, the Board is not recommending changes to the intervention criteria at this point in time.

Highway Steward Risk Assessments

31. The Board heard evidence that Highway Stewards have some discretion to change the intervention category of a defect based on the specific location of the pothole or other relevant context. Stewards carry out risk assessments of defects when they undertake inspections which includes taking into account the likely risk to road users. For example, if the position or shape of the defect would pose a hazard to particular road users such as those who walk, wheel, cycle, motorcycle etc. Around 7%-8% of reported defects have the repair category changed as a result of the Steward's risk assessment. Most are changed to a higher repair category. This flexibility means that safety defects that may not precisely meet the intervention criteria are being addressed where there are specific additional factors. It was also clarified that the intervention criterion applied to defects in the road surface of designated crossing points is the same as for footways.

32. The Board considered that there would be a benefit to demonstrating that the Council and Balfour Beatty Living Places (BBLP) use a risk-based approach to repairs where there is a risk to non-car users (i.e. those who walk, wheel, cycle, motorcycle etc.), as this is not widely understood by members of the public.

Recommendation 4

The Board recommends that Guide to Highways is amended to include a reference to the current practice of risk assessing reported road defects which ensures the risks posed to different types of road user are appropriately met through repairs.

Defect Reporting

33. The Board heard that since the start of the contract in May 2023 there have been upgrades to defect and drainage reporting on the East Sussex Highways website to include additional detail and defect types that members of the public can report. People can also now notify any potential risk factors such as their mode of transportation and position of the defect in the road when reporting a defect. However, the facility to see whether a specific defect had already been reported on a map was not yet available (at the time of the review) and this was something that BBLP were working on. BBLP also plans to introduce a mobile phone app to allow members of the public to report defects.

34. The Board heard that changes to the defect reporting system were made in response to feedback from members of the public where they wanted to be able to provide more information about the location of the defect and the likely risk to road users. The Board has also seen feedback from a survey of ESCC councillors who would like the ability to see all reported defects on a map (and not just the ones they have reported). The Board understands that a general enquiry form has also been added to the website for those issues which do not neatly fit into one category following feedback from councillors.

35. The Board concluded that by enabling a wider range of defects to be reported online it would provide better visibility to the public that the Council was aware of and gave consideration to all highway issues. It is also important that members of the public and councillors can see which defects or potholes have already been reported, as was possible with the previous contractor's system, as this would allow them to see those potholes and other defects that had already been reported and that repairs were in hand. The Board understands that the change in IT systems used by the different contractors has temporarily meant this facility is not available.

Asset Management Approach and Performance Targets

Asset Management Approach

36. The Board heard that under the Council's asset management approach, the assessment of road condition across the road network is based on annual surveys, steward observations and inspections, and public reports of road conditions, which produces a red, amber or green (RAG) rating. The rating is given for 10 metre sections of road, meaning that every road will generally have a mixture of red, amber and green sections of road condition. To determine the condition of each 10 metre road section, all the information available about the current condition of a road is inputted into the UK Pavement Management System which is the standard system for assessing a road network's condition.

37. The asset management approach determines the most appropriate interventions to be made for the condition of the road, taking into account the whole life cost. The maintenance options, based on the condition of the road, are:

    - Preventative measures (such as surface dressing) aiming to stop conditions deteriorating further on roads with a high number of amber sections as well as some red ones.
    - Intervention works (such as overlay resurfacing) which are usually done on roads with a higher number of red sections than amber sections and are therefore assessed to be near the end of their life cycle.
    - Structural works (such as road recycling and reconstruction) are necessary when a road had completely failed and needs to effectively be rebuilt.

38. The Board heard that in terms of cost, preventative works are the least expensive, then interventional resurfacing works, with structural works being the most expensive. While resurfacing roads is the most cost-effective intervention taking into account whole life costs, there is insufficient funding available for it to be done in every circumstance.

39. The Board has seen evidence in the ADEPT Guide to Pothole repairs and the Well Managed Highway Infrastructure code of practice that preventing potholes from forming is preferable to reactive repairs. The DfT also advocates an asset management approach that takes into account the whole life cost of road repairs. The Board heard that under the asset management approach this translates into focussing more work in preventing amber sections of road becoming red by surface dressing and patching. As these interventions are less costly than road resurfacing and extend the life of the road surface, it would allow more of the road network (including amber and green sections of road) to be covered than just resurfacing red sections.

40. Evidence from officers and BBLP also supports this approach as the most cost effective way to address the number of potholes in the County's roads, with works funded from the capital programme. This will enable more roads to be treated and will seal them against water penetration, making them more resilient to adverse weather conditions, than if the focus was on resurfacing and reconstruction alone. Resurfacing works and other interventions will still continue to be used where appropriate, but more money should be spent on patching and surface dressing.

Recommendation 5

The Board supports the Cabinet report recommendation that a greater proportion of capital funding is allocated from the highways structural maintenance budget to patching and surface dressing in future years, and reviews are undertaken on a periodic basis.

Road Condition Performance Targets

41. The current performance targets and actual position for road condition are:

Road category	Target	Actual
Principal roads	4% requiring maintenance	5%
Non-principal roads	4% requiring maintenance	6%
Unclassified roads	14% requiring maintenance	13%

42. The percentage of roads 'requiring maintenance' refers to the 10 metre sections of roads that are in red condition. Consequently, the target refers to the overall length of road (in 10 metre sections) that is in red condition, rather than the number of roads. The definition of these targets is set nationally by the DfT and allows comparisons to be made with other councils. Comments from members of the public and councillors indicated to the Board that many people do not understand this and believe the figures refer to the number of roads requiring repair. Members agreed this is something that should be addressed when the Council reports its performance on road condition.

43. The asset management approach is used to prioritise the available funding to achieve the targets set by the Council for the different categories of road. For comparison, the Board reviewed evidence on other councils' road network performance targets from LG Inform and DfT statistical data. ESCC's road network targets, and performance in terms of roads requiring repair, are similar to other neighbouring local authorities and Chartered Institute of Public Finance and Accountancy (CIPFA) statistical neighbours. Other authorities are experiencing similar issues with potholes and road maintenance backlogs. Consequently, the Board finds that despite some members of the public having a perception that the roads in East Sussex are in a worse condition than those in neighbouring authorities, this is not supported by the evidence from the latest available published road condition performance data.

Recommendation 6

The Board recommends that it is made clear in reporting information that the road condition performance targets refer to the percentage of road length, and that all roads are likely to have a mixture of green, amber and red condition sections of road.

Pothole Repair Methods

44. The Review Board examined the various pothole repair methods to ensure that ESCC was taking the best approach possible to repairing potholes, so repairs are effective and long lasting. This included case studies and best practice examples contained in the Pothole Repair Guide produced by the Engineering Board of the ADEPT in conjunction with the DfT. The Board also considered the Well Managed Highway Infrastructure Code of Practice and heard evidence from BBLP on the best repair techniques as they operate a number of highway maintenance contracts across the country and are specialists in this field. New techniques and innovations in materials were also considered, such as the JCB mounted repair system which BBLP had trialled on their West Sussex contract. The Board heard that where pothole repairs need to be undertaken a range of techniques can be used, depending on the road conditions.

45. The Review Board heard from Balfour Beatty Living Places (BBLP), that they are using a different specification to repair potholes, compared to the previous contract. The specification as required in the new contact is to cut out the area up to 250mm around the pothole to ensure the repair is made into sound surrounding surfacing material and then fill it with hot tarmac. This specification is based on what is regarded as industry best practice and removes the damaged material around a pothole, making the formation of a new pothole immediately adjacent to the repair less likely. The result is a square or rectangular patch of new material. High quality cold lay tarmac material may be used where traffic management or weather conditions make it necessary to do so. Any temporary repairs will be marked with a 'T' so the public know they are not permanent (information on temporary repairs is provided in the Guide to Highways).

46. BBLP is also using three velocity or jet patching machines under the new contract, with two of them being used to proactively 'find and fix' potholes and defects (30mm or deeper) in unclassified roads. This innovation is based on a tried and tested approach and will reduce the number of defects prior to the next routine inspection by Highway Stewards. This repair technique is also used in urban areas. It bonds well to existing surfacing and has good results in terms of the longevity of the repairs. The Board strongly supports the proactive use of jet patching machines to find and fix defects and would like to see this approach expanded if possible.

47. The Board's considers that this proactive approach to pothole repairs and the changes in specification and repair methods being used will to lead to better quality and quicker repairs. Although we are in the early stages of the operation of the new contract, residents and councillors have started to notice the difference in approach.

Quality Assurance and Monitoring

48. BBLP are responsible for self-monitoring the quality of all their work and reporting the results to the Client Team. For reactive pothole and defect repair work, 90% of pothole repair works are inspected by BBLP at present, to ensure they have been undertaken to agreed standards, although this may reduce to 50% - 60% of works as the contract matures and settles in. In addition, audits are carried out by BBLP's senior management team and managers across the organisation. Monthly joint inspections are carried out with client officers and all planned works schemes are quality inspected by client officers. The Council also has dedicated staff in the Client Team monitoring reactive repairs, and under the new contract arrangements 20-30% of pothole repairs are being quality checked by this team.

49. The Board heard that before and after photographs are taken of all pothole repairs and as a result of the quality assurance processes that are in place there are very few, if any, pothole repairs that require follow up work to be undertaken. This is in line with the 'right first time' approach taken by the contractor and there are further quality checks by the Client Team, so there is independent verification of the quality of the work being undertaken. This approach avoids the duplication of effort involved with client officers checking all works and provides an appropriate level of oversight.

50. Based on the evidence heard by the Board it found that the quality assurance arrangements for pothole repairs are effective. However, it would be beneficial for the Place Scrutiny Committee to maintain an overview of the contractor's performance, especially after the first year of the new contract, once the contractor has become established.

Recommendation 7

The Review Board recommends that annual performance monitoring reports are presented to the Place Scrutiny Committee to maximise transparency and scrutiny of pothole repairs, contract key performance indicators (KPIs), and planned highway maintenance work, with the first report scheduled for July 2024.

Clusters of Potholes and the use of 'advisories' and 'observations'

51. When Highway Stewards inspect reported potholes or carry out routine inspections, they can raise a works request called an 'advisory' if they think a larger area of resurfacing needs to be undertaken to deal with clusters of potholes and other defects near to safety intervention level potholes, which don't in themselves meet intervention level criteria. This approach is generally taken when Stewards consider that the road surface is likely to deteriorate and develop more safety intervention level potholes. Once checked against any planned resurfacing schemes, an advisory work request can be approved in two to three days. This is then added to a scheduled list of works which can be found on the East Sussex Highways web site.

52. An 'observation' is used by a Highway Steward to report areas of surfacing likely to deteriorate and develop intervention level defects in the near future (e.g. areas of cracking, crazing, subsidence or showing signs of breaking up). These are then checked against planned resurfacing work programmes and works added to the most appropriate work programme (e.g. surface dressing, patching or re-surfacing).

53. The Board heard that the best way of dealing with clusters of potholes and defects at or near safety intervention levels, is through the use of 'advisories' which would lead to patching repairs being carried out. Patching repairs are where small areas of road (usually under 10 square metres in size) are resurfaced rather than repairing individual potholes. Carrying out patching and resurfacing works is a more cost-effective way to repair clusters of potholes and defects in comparison to individual reactive pothole repairs in a relatively small area (repairing potholes individually costs around £200 per square metre compared with £30 per square meter for resurfacing). Individual potholes which meet the Council's safety intervention criteria may still be repaired to keep road users safe whilst awaiting larger patching or resurfacing repairs.

54. The Council allocated additional capital funding for patching repairs during the last financial year (2022/23) and the current financial year (2023/24) to deal with a backlog of advisory works. Good progress was made in 2022/23 but this has been masked by the accelerated deterioration of road surfaces and more potholes forming due to weather conditions, particularly during the winter of 2022/23.

55. As part of the evidence gathering for the review, the Board examined the highway investment modelling carried out on behalf of the Council by independent consultants, Metis Consultants. This indicated that the Council should spend proportionately more on patching and surface dressing to improve the resilience and longevity of road surfaces. The Board also heard that West Sussex County Council had been spending more on surface dressing and this may account for the lower maintenance backlog they have.

56. The Board also sought the views of BBLP and officers on what they consider to be the best approach is to tackling clusters of potholes based on their engineering experience. In an ideal world it would be preferable to resurface the road, but the Council does not have sufficient resources to resurface all the roads. In these circumstances, both officers and BBLP considered that patching, preferably followed up with surface dressing, is the best approach particularly on sections of road assessed as being in 'amber' condition. This is in terms of effectiveness, value for money, and increasing the life of the road surface.

57. The Board considers that increasing spending on patching and subsequent surface dressing is the best way to tackle clusters of potholes and prevent them from developing, bearing in mind the constraints on the Council's finances and that it might not be possible to resurface all the roads we would like to. This demonstrates that the Council is doing all it can to reduce the number of potholes within available resources and addresses the perception that the Council's approach to pothole repairs is inefficient.

Recommendation 8

The Board recommends that officers continue to allocate specific, defined levels of investment within the existing highways infrastructure maintenance capital budget, to tackle clusters of potholes and address public concerns about this issue, for example by undertaking patching repairs and surface dressing.

Repair Gang Flexibility

58. The Board heard that at the present BBLP is operating nine to twelve repair gangs to fill intervention level potholes which are 40mm or deeper and are at least 300mm in each direction. Asking repair gangs to repair additional defects not at the agreed safety intervention level, would risk safety defects not being repaired within the specified timescales and leave safety hazards that may affect road users.

59. However, there is flexibility for repair gangs to repair other safety intervention level defects that they may find, whilst carrying out reported safety defect repairs. Repair gangs can send a photograph of any additional safety defects they find and contact the BBLP control centre to ask for authorisation to carry out the extra work immediately whilst on site.

60. The Board considered that it is important to emphasise to the public that repair gangs do have this flexibility and mechanisms exist to carry out additional work required for safety reasons whilst on site if necessary.

Recommendation 9

The Board recommends that the Guide to Highways on the East Sussex Highways web site is amended to reflect that repairs gangs, BBLP and the Council exercise a degree of flexibility in their approach to repairing safety intervention level defects and will repair other safety intervention level defects they find whilst on site.

Finance and Investment

Revenue and Capital Budgets

61. The Review Board heard from officers that over the last ten years the level of revenue funding for highway maintenance had generally reduced, whilst the amount capital funding has been increasing. The revenue funding for the 2023/24 financial year had been increased to take into account contract inflation for the new highway service maintenance contract and is around £12 million per year (up from £11 million).

62. Under CIPFA Accounting Code of Practice guidelines, pothole safety defect repairs are funded from revenue budgets as they are deemed not to add to the overall value of the asset/road. Other works such as surface dressing, patching, re-surfacing and reconstruction are funded from capital budgets as they are judged to extend the life of the asset. Currently around £2.5 million a year is spent from the overall revenue budget for highways maintenance on reactive pothole repairs.

63. The grant funding for highway maintenance that the Council receives from the Department for Transport (DfT) Structural Maintenance Grant (Needs & Incentive) and Pothole funding is around £13 million to £14 million per year, which is used to support the capital programme. Investment in highways from the Council's highways structural maintenance capital programme is substantially above this level with around £20 million allocated to road surfacing, £4 million on bridges and £5 million on street lighting this financial year, plus the additional £15.7 million agreed earlier in 2023.

64. The Board heard from the Chief Finance Officer that borrowing may need to be undertaken to fill the gap between the grant funding received from Government, and planned expenditure from the capital programme. Consequently, the Council may need to borrow around £23 million to support the planned additional capital expenditure on highways maintenance over the term of the three-year Medium Term Financial Plan (MTFP). Over the 10 years of the capital programme the borrowing requirement is estimated to be in the region of £213 million. For every £10 million borrowed there is a £750,000 ongoing annual charge to the revenue budget to cover the cost of borrowing (interest and other charges) and the Minimum Revenue Provision (MRP), which is required by local government accounting rules.

65. Any proposal to increase the capital programme would therefore need to take into account the cost of borrowing, and whether this is affordable and sustainable. The Board recognises that continually borrowing money to fund highway maintenance may not be sustainable in the longer term. Any additional borrowing would need to be considered through the Council's Reconciling Policy, Performance and Resources (RPPR) budget setting process, alongside other financial and cost pressure considerations the Council is facing, such as the significant cost pressures being experienced in Adult Social Care and Children's Services.

66. The Board understands that it is a widely held view by members of the public and by national motoring organisations that not enough is being spent on highways maintenance and additional spending would be welcomed. However, it would be difficult for the Council to invest further to improve road conditions, however much it would like to, given the financial constraints it operates within and the cost and sustainability of borrowing more. The Local Government Association nationally is saying that the Government should provide more funding for local highways maintenance, and it should be longer term in nature so local authorities can plan to maintain the local road network in an effective way. The Board heard that the current ESCC road maintenance backlog is around £300 million, which is the sum that would be needed to be invested to eliminate red sections of road across the road network.

67. East Sussex and other county authorities in the South East are all experiencing similar issues with a lack of resources to deal with maintenance backlogs. The latest estimates to deal with road maintenance backlogs in neighbouring counties are:

    - £650m in Kent
    - £300m in Surrey
    - £377m in Hampshire
    - £151m in West Sussex (on carriageways alone).

68. The Board has reviewed all sources of Council funding (e.g. income, borrowing, Government grants and council tax) and finds that there is no obvious source of additional funding to further improve road conditions over and above that which has already been committed.

69. The Board also heard that additional one-off funding from the national Pothole Repair Fund is welcome, but it is sometimes hard to plan to spend it effectively given its short term and sometimes short notice nature. It would be preferable for longer term funding to be allocated so that work can be planned more efficiently, effectively and carried out at the right time of year. There is currently approximately a £10 million per year gap between the Government grant funding the Council receives for highways maintenance and what the Council needs to spend on road surfacing alone.

70. The Government announced in early October 2023, that it would spend a further £8.3 billion on local road maintenance over the next ten years. This will be in addition to the existing DfT road maintenance grant funding. As part of this there will be a combined £2.8 billion pothole fund for the South East, South West and East of England, which will start to become available from April 2024. It is not clear at this stage how much will be allocated to East Sussex or whether the Council will have to bid for the additional funding, and whether it will come with any conditions.

71. The Board considers that long-term funding is important in being able to take a planned and the most cost-effective approach to reducing potholes and improving road condition. In relation to the newly announced funding it will be important for the Council to have certainty and clarity about the allocation, without needing to spend time and money bidding for funds, so that it can plan effectively for how to invest in the local road network.

Recommendation 10

The Board recommends that the Council continues to lobby Government for better long-term funding arrangements for pothole repairs, and highways maintenance, so that it can plan effectively, does not have to expend resources bidding for funding and can address local road conditions.

Budget Allocation and Investment Modelling

Budget Allocation

72. The highways structural maintenance capital budget expenditure is split across a number of areas. On average:

- 75% on carriageway repairs;
- 10% on footways;
- 11% on drainage; and
- 4% on other works such as signs and safety barrier repairs.

73. Of the 75% spent on carriageway repairs, on average 44% of that was spent on resurfacing schemes, and 31% was spent on other carriageway treatments, including surface dressing, crack and joint repairs and concrete rehabilitation.

74. The Board heard that in the officers' view additional funding should be directed towards footway maintenance and drainage if possible, in addition to that being planned for carriageways. The £3.1 million one-off funding agreed for drainage works in 2023/24 will be used for known issues that need repairing, but the highway drainage network would likely struggle to cope with the continued impacts of warmer, wetter weather conditions.

75. The Board concluded that investment in drainage is important to prevent water damaging road surfaces and prevent potholes forming. Whilst the Board would like to see the condition of the whole road network improved, the cost would be too great, and therefore the focus should be on improvements to the service that is currently being funded. It was suggested that if the Council could find additional funding for highways investment in the future, it should be spent on drainage.

Recommendation 11

The Board recommends that if funding pressures ease or additional funding becomes available, the Council considers making additional investment in highway drainage.

Investment modelling

76. The highway investment modelling undertaken by Metis Consultants presented a number of scenarios which modelled the impact on road condition of different levels of investment to achieve the Council's agreed road condition targets. The recommendation agreed by the Council's Cabinet is to increase the structural maintenance carriageway budget to £23.2 million a year but front-loaded so that £28 million is available for each of the first two years. The modelling suggests that this will keep the County's roads in a steady state condition, but with visible improvements early on and maintaining the target condition over the next ten years. Work will therefore be prioritised to get the roads in as good a condition as they can be, in a cost-effective way.

77. The Board supports the planned investment and increased spending on patching and surface dressing as the most cost effective way of maintaining road condition against the Council's agreed targets. The Board understands that the Medium Term Financial Plan (MTFP), which covers the next 3 years, has the revenue impact of proposed increases in the highway capital programme factored into it. However, the funding position for the remainder of the 10 year capital programme for highways will depend on the Council's financial circumstances at the time.

78. In addition, the Board heard that the standard deterioration rates used in modelling are based on previous years, and therefore the modelling is not able to account for changes in the weather conditions or increases in traffic volumes and vehicle weights which significantly contribute to the deterioration of road surfaces. The Board heard that investment modelling ideally needs to be reviewed on a two-to-three-year basis to take into account changes in deterioration rates.

79. The Board considers regular remodelling is the best approach to understand, as best as possible, the future investment requirements to keep the roads in East Sussex in a steady state condition. This should be included in reviews of the capital programme in the Council's budget setting process.

Recommendation 12

The Board recommends that the Department continues to maintain an active approach to modelling highway investment levels needed to achieve the Council's road condition targets and feed the outcomes into the Reconciling Policy, Performance Resources (RPPR) budget setting process.

Communication with stakeholders

80. The Board heard that, most of the time, the Council's priorities for carriageway repairs are aligned with those of local communities, and this is often reflected in the upcoming planned works shown in the publicly available Highway Schemes and planned work programmes section on the East Sussex Highways website. A link to the carriageway patching programme is also on East Sussex Highways website. However, it is apparent that members of the public are often either unaware of the planned programmes or find it difficult to find information about them.

81. The Board considered how communications could be improved so that the public had more awareness of what is in the capital programme and the extent of these planned repair works. It was noted that, while there is an East Sussex Highways website separate from the ESCC main website, most members of the public would likely not be aware of this fact, and that it could be made simpler to access the former from the latter. It was suggested by the Board that the link to get to the East Sussex Highways website should take one fewer click than it does at present and could be on the main ESCC website landing page. The Board also considered whether there could be better signposting to the East Sussex Highways website on Parish, District and Borough council websites.

82. The Board found that it can be difficult for members of the public to find specific information on planned repairs works. Information on dates for scheduled work could be clearer so that it is explained that "to be scheduled" means that work will take place this year and the list will be updated with a more precise timescale at a later stage. Better access to information on planned works may help convey the fact that the Council is taking proactive action on repairing potholes and sections of deteriorating road.

83. The Board has also considered the outcomes from the recent survey of ESCC councillors on highway maintenance issues. This has highlighted the need to have information available to councillors on all reported defects and works that are taking place in their Divisions. This can then be passed on to members of the public and Parish and Town councils. The Board has been advised that making all reported defects information available is being worked on by BBLP and will be available shortly for councillors and members of the public.

Recommendation 13

The Board recommends that officers review the visibility and usability of website information on planned maintenance work on potholes to make it easier to find and use online, including via the East Sussex County Council website and the upcoming app, and in particular information for patching, resurfacing and revenue funded advisories.

Footway Maintenance

84. Throughout the course of the review the Board also heard evidence about the maintenance and condition of footways (pavements). A similar approach to defects and repairs of footways is taken, with condition surveys, defect reporting, intervention criteria and an asset management approach which is used to guide investment in repairs. It is clear that members of the public are also concerned about defects in pavements and there are similar issues concerning the availability of funding and investment to address footway condition. The results of the last footway network condition survey categorised 18% of footways as in red condition, 25% as dark amber, 23% as light amber, and 34% as green.

85. As footways were outside the scope of this review, the Board considered that a further scrutiny review could be considered to explore these issues fully.

Conclusions

86. It was evident to the Board that, during the course of the review, the picture regarding pothole repairs was changing. The new highways contractor, with their proactive and 'right first time' approach, was starting to make a difference. The Council had agreed further capital investment and it will take time for the impact of that additional investment to become apparent, as the planned repair programmes start to be delivered. More time should be given to allow the new contractor to consolidate the improvements it is making and to deliver the capital investment programme before reviewing performance. The Place Scrutiny Committee can assist with this process and will review performance in July 2024.

87. The Board has made a number of recommendations which it believes will further develop the approach to pothole management and will help address residents' concerns about road conditions in East Sussex. Overall, the Board believes good progress and plans are being made to reduce the number of potholes within available resources and to address residents' concerns as far as possible.

Appendix:

Scope and terms of reference of the review

The Review was established to consider and make recommendations on the following:

- To improve the repair of potholes and tackle pothole clusters;
- To have a visibly better highway network; and
- To ensure the needs of vulnerable road users are taken into account in the defect reporting system and when carrying out repairs.

The scope of the review included:

- Alternative pothole intervention levels and costs;
- The quality of pothole repair works;
- Alternative pothole repair techniques and costs;
- Consideration of current policies and procedures to take into account vulnerable road users (cyclists, pedestrians, wheelchair users, and motorcyclists) and promotion of Active Travel and alternative methods of travel;
- Consideration of budgets and investment for pothole repairs and safety defects; and
- Consideration of the effectiveness of the Council's patching programme.

Board Membership and project support

Review Board Members: Councillors Ian Hollidge (Chair), Matthew Beaver, Julia Hilton, Eleanor Kirby-Green and Philip Lunn.

The Project Manager was Martin Jenks, Senior Scrutiny adviser with additional support provided by Patrick Major, Scrutiny and Policy Support Officer

Dale Poore and Stephanie Everest provided ongoing support to the Board throughout the review.

Review Board meeting dates

Scoping meeting – 06 February 2023

Board meetings

18 May 2023

01 August 2023

10 August 2023

17 August 2023

11 September 2023

20 September 2023

03 November 2023

Witnesses providing evidence

The Board would like to thank all the witnesses who provided evidence in person:

ESCC officers
Karl Taylor, Assistant Director Operations
Dale Poore, Contracts Manager, Highway Infrastructure Services
Pippa Mabey, Performance and Service Development Team Manager
Stephanie Everest, Project Manager – Highways Funding and Development
Ruby Brittle, Team Manager - Stakeholder & Engagement
Ian Gutsell, Chief Finance Officer

Balfour Beatty Living Partnerships (BBLP) representatives
Nicola Blake, Contract Director
Jack Beckley, Principal Operations Manager
Mark Robinson, Network Assurance Manager
Conteh Nixon, Performance and Hub Manager
James Kelly, Stewards and Assurance Manager
Nicola Carly, Construction Manager

Contact officer: Martin Jenks, Senior Scrutiny Adviser.

Telephone: 01273 481327
E-mail: martin.jenks@eastsussex.gov.uk

Evidence papers

Item	Date
Well Managed Highway Infrastructure: A Code of Practice. UK Roads Liaison Group.	March 2017
Potholes – A Repair Guide. Association of Directors of Environment, Economy, Planning & Transport (ADEPT) and the Department for Transport (DfT).	March 2019
ALARM Annual Local Authority Road Maintenance Survey Report. Asphalt Industry Alliance.	March 2023
Highway Asset Management Strategy 2022 – 2028. East Sussex County Council (ESCC).	December 2022
Highway Asset Management Policy. East Sussex County Council.	December 2022
Guide to Highways. East Sussex Highways.	June 2021
East Sussex Highway Inspection Manual. East Sussex County Council	May 2021
Highways Inspection Manual – Appendix 1 East Sussex Highways Investigatory Levels. ESCC.	March 2022
Highways Investment Planning. METIS Consultants.	June 2023
Pedestrian Slips, Trips and Falls: An Evaluation of Their Causes, Impact, Scale and Cost. Living Streets.	February 2023
Highway Services Contract Re-Procurement Reference Group - Second Report. ESCC.	May 2021
Scrutiny Review of Road Repairs. ESCC.	March 2019
Scrutiny Review of Highway Drainage. ESCC.	March 2016
LG Inform road condition statistics for East Sussex and East Sussex CIPFA nearest neighbours. LGA Research. Local Government Association.	November 2022
Road condition statistics: data tables (RDC). Department for Transport (DfT).	November 2022
Highways survey for Members of East Sussex County Council: Summary report. ESCC.	August 2023