East Sussex County Council

Full Council – Tuesday 10 February 2026

Documents being circulated with the County Council agenda

Document	**Report in County Council agenda to which it is related**
Draft Council Plan 2026/27 (Appendix 1 of the Cabinet report) (page 3)	Cabinet report, paragraph 1
Council Plan Equality Considerations (Appendix 1a of the Cabinet report) (page 51)	Cabinet report, paragraph 1
Medium Term Financial Plan update (Appendix 2 of the Cabinet report) (page 59)	Cabinet report, paragraph 1
Budget Summary 2026/27 (Appendix 3 of the Cabinet report) (page 67)	Cabinet report, paragraph 1
Savings Proposals 2026/27 – 2028/29 (Appendix 4a of the Cabinet report) (page 103)	Cabinet report, paragraph 1
Equalities Implications (Appendix 4b of the Cabinet report) (page 109)	Cabinet report, paragraph 1
Council Tax precepts 2026/27 (Appendix 5 of the Cabinet report) (page 113)	Cabinet report, paragraph 1
Reserves and budget robustness statement (Appendix 6 of the Cabinet report) (page 115)	Cabinet report, paragraph 1
Engagement Feedback (Appendix 7 of the Cabinet report) (page 129)	Cabinet report, paragraph 1
Capital Programme Update (Appendix 8a of the Cabinet report) (page 141)	Cabinet report, paragraph 1
Equality Impact Assessment for Capital Programme 2026/27 to 2035/36 (Appendix 8b of the Cabinet report) (page 149)	Cabinet report, paragraph 1
Capital Strategy 2026/27 to 2046/47 (Appendix 8c of the Cabinet report) (page 161)	Cabinet report, paragraph 1
Fees and Charges (Appendix 9 of the Cabinet report) (page 179)	Cabinet report, paragraph 1
Letter to all East Sussex MPs (Appendix 10 of the Cabinet report) (page 181)	Cabinet report, paragraph 1
Council Monitoring - Corporate Summary - Q2 2025/26 (Appendix 11 of the Cabinet report) (page 183)	Cabinet report, paragraph 2
Council Monitoring - Treasury Management Prudential Indicators - Q2 2025/26 (Appendix 12 of the Cabinet report) (Page 191)	Cabinet report, paragraph 2
Council Monitoring - Adult Social Care and Health – Q2 2025/26 (Appendix 13 of the Cabinet report) (Page 193)	Cabinet report, paragraph 2
Council Monitoring – Business Services – Q2 2025/26 (Appendix 14 of the Cabinet report) (Page 201)	Cabinet report, paragraph 2
Council Monitoring – Children's Services – Q2 2025/26 (Appendix 15 of the Cabinet report) (Page 211)	Cabinet report, paragraph 2
Council Monitoring – Communities, Economy and Transport – Q2 2025/26 (Appendix 16 of the Cabinet report) (Page 223)	Cabinet report, paragraph 2

Council Monitoring – Governance Services – Q2 2025/26 (Appendix 17 of the Cabinet report) (Page 231)	Cabinet report, paragraph 2
Council Monitoring – Strategic Risk Register – Q2 2025/26 (Appendix 18 of the Cabinet report) (page 239)	Cabinet report, paragraph 2
Looked After Children's Annual Progress Report – 2024/25 (Appendix 19 of the Cabinet report) (page 249)	Cabinet report, paragraph 3
Treasury Management Strategy Statement 2026/27 (Appendix 20 of the Cabinet report) (page 293)	Cabinet report, paragraph 4
Conservators of Ashdown Forest finances to 31 March 2026 (Appendix 21 of the Cabinet report) (page 325)	Cabinet report, paragraph 5
Conservators of Ashdown Forest Medium Term Financial Plan (Appendix 22 of the Cabinet report) (page 327)	Cabinet report, paragraph 5
Pay Policy Statement (Appendix 1 of the Governance Committee report) (page 329)	Governance Committee report, paragraph 1

PHILIP BAKER
Deputy Chief Executive

Council Plan 2026/27

Introduction

This Council Plan sets out our ambitions and what we plan to achieve by 2029 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, businesses and communities in East Sussex, including providing care and support for children, families and adults, 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. These services are vital in helping to keep people safe and in helping them to help themselves.

Ongoing cost of living challenges and the legacy of COVID-19 have had a significant impact on the lives of many people in East Sussex. As a result of national factors beyond local control, the Council has seen a significant increase in the demand for, and cost of providing, vital services for our residents, particularly for the most vulnerable. Current and forecast economic conditions, combined with the increased demand for services contribute to a very challenging period for the Council over the coming years. The Council is facing the most difficult financial outlook in its history.

The cost of providing services for the most vulnerable children and adults in the county makes up around three quarters of our budget. The Council provides good value for money but without significant additional funding the current demand for services and ongoing projections presents an increasingly difficult financial position in the short and medium term, which may impact on our ability to provide certain services. Since 2010 we have identified substantial savings of £156m, and there are few remaining options to further reduce our spending. We will continue to focus our stretched resources on helping those most in need and where we can make the most impact.

We are planning for and responding to national reforms in major, demand-led service areas, such as adults' and children's early help and social care and special educational needs and disability.

We do not work in isolation. 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. We lobby hard to protect and promote the interests of East Sussex. The Government's devolution plans offer the opportunity for greater decision making at a local level. Subject to Government decisions, we will work with West Sussex County Council, Brighton & Hove City Council, local stakeholders and the Government to support the formation of a new Mayoral Combined County Authority for Sussex.

We will also take advantage of the chance to shape, with local district and borough councils, the future model of unitary local government for our area. We will work together to develop a new unitary authority for East Sussex that will build upon successes of all current councils and provide efficient and effective services, helping to improve outcomes for local people.

We remain committed to addressing and adapting to the impact of climate change on our county. With that in mind, we will consider the impact of the choices we make about using resources across all that we do. The Council has updated its corporate Climate Emergency Plan. As a member of the Environment Board for East Sussex the Council will input to the proposals on the environment and climate change that will continue to be developed during 2026/27 as part of the work for devolution and local government reorganisation.

We work closely with partners through Team East Sussex, our strategic economic growth board, to identify and promote the conditions needed to grow our economy in a sustainable way, helping businesses thrive, improving access to quality jobs, goods and services for our communities. We will continue to make the case for investment working with our strategic partners including the Mayoral Combined County Authority to deliver on our shared priorities for the Sussex region.

We will build on our long-established partnerships with health and care organisations to help deliver joined-up care. This will 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. By working together we can ensure that our residents get help to access the different types of support they need to live an independent life.

We consider equality, diversity and inclusion impacts throughout all aspects of our business planning processes. This ensures that we understand local needs and diversity when planning our priorities. We work to 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 good evidence and 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 support is 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 support provided
- 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
- We work to reduce health inequalities and maximise opportunities for our residents to live healthier lives

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 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

The new Mayoral Combined County Authority (MCCA) will be established in April 2026. Whilst the structure of the MCCA has not yet been finalised, we expect that many functions will be strengthened and evolved as part of its establishment, including economic growth. We will continue to work with partners locally focusing on the actions contained in East Sussex Prosperity, the economic growth strategy for the county. This will create a more productive economy which will mean increased wealth for our businesses, residents and communities. We will work to ensure that the economic needs of East Sussex are clearly articulated and understood by the MCCA. We will also work to build on the success of the East Sussex Growth Hub, which delivers support to businesses across the county and which is a network partner for the Government's new Business Growth Service.

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 advise businesses on legislative requirements, particularly for businesses importing or exporting goods and services to other European countries. We also work with Newhaven Port to develop and support inspection regimes which 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 launch a new loans programme to support businesses to grow sustainably and contribute to job creation across the county.

We will continue to deliver the Experience Sussex tourism service in 2026/27, promoting the How to Sell Sussex to Visitors toolkit, supporting businesses to attract high spending visitors and enabling environmentally sustainable practices.

We will also continue to work with the district and borough councils in East Sussex to implement the schemes and projects funded by the Government through the Local Regeneration Fund, which is a single pot that consolidates existing capital funding streams to provide greater flexibility, including Town Deals, the Levelling Up Fund, Levelling Up Partnerships and the Plan for Neighbourhoods.

Following the Government re-organisation Local Enterprise Partnerships (LEP), the South East LEP closed in 2024/25. The Council has established an East Sussex Local Growth Assurance Framework to manage the functions of the LEP that have transitioned to the Council. These functions include oversight of the legacy SELEP funded projects/programmes and the Growth Hub, as well as any potential new Government funded programmes. We have also taken on the former LEP functions of strategic economic planning and business representation and will ensure that these carry on as both the MCCA and Local Government Reorganisation take shape.

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 highway maintenance contract with Balfour Beatty Living Places includes strong quality requirements, carbon reduction targets and social value benefits, including providing apprenticeships and training and community benefits. We are continuing to put resources into our highways to maintain safe road conditions. This includes a programme of resurfacing and patching work along with a programme of surface dressing, which helps prolong the life of a road.

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 2026/27, including improvements to Terminus Road in Eastbourne, walking and cycling improvements in Eastbourne and Bexhill, the Hastings Green Connections project and progressing the project to replace Exceat Bridge. Following the adoption of the Local Transport Plan 4 in October 2024, we will update both the Local Cycling and Walking Infrastructure Plan with the public consultation undertaken in early 2026 and our Bus Service Improvement Plan. Following public consultation on an updated Rail Strategy and a new Freight Strategy in spring 2025, both strategies were adopted in December 2025.

Transport for the South East (TfSE) is a sub-national transport body representing 16 Local Transport Authorities. TfSE's Transport Strategy, first published in 2020, sets out how transport improvements can grow the economy of the South East. This was followed up by a 30-year strategic investment plan detailing the evidence-based interventions to meet the ambitions of the Transport Strategy. TfSE is refreshing the strategic investment plan to help provide a blueprint for investment for local authorities and the proposed new mayoral strategic authorities.

The Council will continue to deliver its Bus Service Improvement Plan in 2026/27. The plan was developed following the launch of the National Bus Strategy 'Bus Back Better'. The East Sussex Bus Service Improvement Plan has begun to deliver the highest possible quality bus services to East Sussex residents and visitors 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 to March 2026, the third highest for shire/rural authorities, and the highest per head of population amongst these authorities. This is alongside securing a further Bus Service Improvement Plan allocation of over £10m in 2025/26. Changes to services that have been rolled out, or will be rolled out in 2026/27, include improvements to existing services, delivering flexible services, fare reductions, improvements to bus stop infrastructure, bus priority measures in Eastbourne and Newhaven, and a significant contribution to the cost of replacing the Exceat bridge.

Business in the 21st century needs modern digital infrastructure. We will continue to work with Government through its agency Building Digital UK (BDUK) to find ways to continue improving access to higher broadband speeds for residents and businesses and ensuring that East Sussex receives as much investment as possible.

Over 99% of the county now has access to superfast speeds of over 30mbps and 78% having access to gigabit-capable speeds. We will also ensure that the Government’s contract with Cityfibre to rollout gigabit capable infrastructure generates as much social value benefit as possible for our businesses and residents

The Council is part of the Environment Board for East Sussex, hosts the Sussex Nature Partnership and is also a member of the Sussex Air Partnership. The Council will work with partners to implement our Local Nature Recovery Strategy for East Sussex and Brighton and Hove in 2026/27, which is a requirement of the Environment Act. The Act also outlined a number of changes to waste and recycling services. We are working with our partners to implement these changes by 31 March 2026.

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 and Employment East Sussex (SEES) 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 the 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, T-Levels and Skills Bootcamps, alongside delivering the Connect to Work programme supporting unemployed residents back into employment. We will also support those who are furthest from the workplace through careers, pre-employment and digital inclusion initiatives.

With our partners in West Sussex and Brighton and Hove, we will deliver the Get Sussex Working Plan, to support residents into work in priority sectors. The ten-year plan will aim to ensure that 80% of working age residents in Sussex are economically active by 2035.

We will work alongside the Sussex Chamber of Commerce and other authorities in Sussex to create a new Local Skills Improvement Plan for Sussex 2026-2029. The plan is scheduled to be considered by the new Mayoral Combined County Authority (MCCA) in 2026/27, and the authority will then oversee its delivery in partnership with the Chamber of Commerce.

We will work to support the development of a Strategic Skills Plan in 2026. The MCCA will have the responsibility of preparing and delivering the skills plan, which will determine how funds received by the authority will be used to support skills priorities. The first draft of the plan will need to be completed by September 2026, with the final plan due to be considered by December 2026.

We are a major employer in East Sussex and are committed to supporting the ongoing 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. Following the plans announced by the Government in 2024, the Apprenticeship Levy transitioned into the Growth and Skills Levy in April 2025. Some of the key changes will mean that we will be able to use levy funds for a wider range of training programmes, including shorter courses and upskilling initiatives. We will also continue to address identified areas of skills and employment shortages within the county by transferring 50% of our levy to fund apprenticeships in local small and medium businesses. From 2024/25 we have been able to pass on up to 50% of our annual levy spend in this way, compared to 25% previously. Given the new higher amount we are working to maximise this opportunity.

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. The Council is also dedicated to its responsibilities on mitigating modern slavery in supply chains. Our updated Supplier Code of Conduct provides suppliers and officers with a practical approach to delivering positive activities and behaviours related to ethical and sustainable outcomes and aligns with our social value, net zero and modern slavery priorities.

We have revised our approach to achieving social value through procurement, and are implementing a new outcomes-based model based on the national social value methodology. The new Social Value Model is linked to our priority outcomes and provides greater flexibility in the ways in which contractors can deliver social value, which will help to maximise the social value which is delivered.

In response to the current recruitment and retention challenges within certain occupational groups, the Council is seeking to maximise the use of apprenticeships, traineeships, intern arrangements and more flexible working arrangements in these areas as a way of attracting new talent. To support this, we will attend events such as careers fairs to maximise our presence with job seekers. We are also reviewing our new recruitment website ‘East Sussex County Council Careers’ to ensure the content is engaging and interesting and attracts individuals to apply for our jobs, as well as delivering inclusive recruitment training to our managers and providing guidance on making reasonable adjustments for disabled candidates.

The adult social care sector in East Sussex provides employment for around 20,500 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 vision, as set out in our Excellence for All Vision 2024-2030, is for all children and young people in East Sussex to be part of an excellent, inclusive, and equitable education system. This system fosters a meaningful sense of belonging from early years through school and into post-16 education, training, and employment. Our inclusive system will be driven by outstanding leadership and supported by good governance. Young people and their families will feel confident, cared for and ready to reach their full potential. Excellence for All is a shared, long-term vision for our education system in East Sussex. It underpins the strategic work of our partnerships, the Council, and our education providers as we drive towards an ambitious set of goals for 2030.

Our partnership infrastructure remains the key local mechanism for delivering our shared vision. This will be further supported as we work collaboratively to build capacity across the system for school-led improvement. It will also strengthen our multi-agency partnership across education, health, care, and economy. This is particularly important to fulfil our set of responsibilities relating to vulnerable children and young people. This includes those with special educational needs and disabilities (SEND).

To deliver this vision we will focus on improving outcomes for all pupils including those with SEND. We will work with educational settings, including nurseries, schools and colleges, to provide advice, support and training to enable them to deliver inclusive high-quality education to all children. We will continue to develop and commission a range of alternative provision for pupils who have been excluded or are at risk of exclusion.

The transfer of our alternative provision to the Academy Trust (London South East Academies Trust) was completed in the 2025 autumn term, and we have expanded our alternative provision directory to offer a broader range of options for pupils. The Academy Trust continues to provide outreach support to all East Sussex schools, building on the work commissioned by the local authority since spring 2025. Working with partners, we have developed and published the School Readiness Strategy. This strategy focuses on ensuring children are prepared for school and lifelong learning, with early support where needed. Across all our work, we remain committed to building leadership capacity at every level of the education system and improving transitions between phases of education. We achieve this through targeted services for vulnerable pupils at key transition points and by strengthening coordination of support across our partners.

Educational attainment is negatively affected by poor rates of attendance. We will maintain our focus on supporting schools. We will work closely with providers to secure good attendance. We aim to reduce the level of suspensions and exclusions for all groups of children and young people. We have set out how we will do this in our Attendance Delivery Plan. 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. This includes support for vulnerable groups, and young people with SEND. We will ensure that we prepare young people for work. We will do this 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. We will implement robust tracking and data analysis. This will help inform interventions that will improve transition and progression to post-16 education, training, and employment.

We anticipate further national policy reforms and will reflect these in our future plans to deliver shared priorities for children and young people with SEND.

1.7 Planned work

Examples of planned work during 2026/27

- We will develop and deliver further improvement schemes in Eastbourne and Hastings town centres
- We will deliver at least 60% of the Council's circa £400m procurement spend through local companies
- We will launch a new loans programme to support businesses to grow and create jobs
- We will aim to increase international tourism to Sussex, through marketing, destination development, sector training and facilitating partnership activity and collaboration
- We will make full use of the newly implemented Procurement Act 2023 and National Procurement Policy Statement to drive additional benefit from procurement
- 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 VCSE 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 support is 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.

We are investing in transformation programmes across the children's system, responding to national change to help drive improvements in outcomes and reduce costs. We will be responding to the national policy changes in guidance alongside our statutory agency partners to help drive improvements in outcomes and ensure that families receive the right help at the right time.

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 preventative agenda, we continue to work with partners to promote a whole system, whole family approach to early intervention. We take evidence based approaches and monitor the impact of our work to ensure it improves outcomes for children, young people and their families.

The Council has set five priorities for our Adult Social Care and Health services. These are prevention, waiting times, safeguarding, quality, and value for money. 'Prevention' refers to our work to ensure that people can stay healthy and independent for as long as possible. 'Quality' refers to how we define, measure and continually improve the quality of our services and those we pay others to provide for us. These priorities will help drive a range of improvements to help us deliver our statutory duties and achieve the Council's vision for Adult Social Care and Health, where we want everyone in East Sussex to 'live in the place we call home, with the people and things we love, in communities where we look out for one another, doing the things that matter to us'. They align to our residents' priorities in our adult social care strategy and will help us to deliver positive outcomes for residents.

The Council will work to ensure both adults and their carers can receive timely Care Act assessments and reviews through our Adult Social Care and Health teams and partners to support them to live as independently as possible. Where people are required to wait, we will ensure we prioritise their wellbeing and safety and strive for excellent communication.

We will 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 wellbeing and oversee Safeguarding Adults work county-wide. We will also build on our safeguarding practice and outcomes to ensure there are better checks and reporting systems in place through our safeguarding improvement plan.

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. A Health and Social Care Connect transformation programme will run during 2026/27 to develop the service for the future, provide a high standard of service for our residents and manage demand within our resources.

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. This is 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. To support Integrated Care Board (ICB) reforms, NHS England has agreed that NHS Sussex ICB and NHS Surrey ICB will formally merge from 1 April 2026.

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 collaborate with colleagues across Sussex to progress the recommendations of the Sussex Suicide Prevention Strategy (2024-27). This is delivered through a local programme of activity, including work to reduce gambling harm and continuation of our efforts 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. We will continue to facilitate the East Sussex Migration Partnership to make sure we fulfil our duties and coordinate our activities with partners, including ensuring our communications about and with migrant communities are positive and inclusive, implementing strategic priorities and associated actions with partners.

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 continue to deliver this through an integrated service with health visitors as part of the 0-19 Early Help service alongside the continued 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 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 includes 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 an investment in our Early Help level 2 keywork team. The team works in collaboration with education colleagues to ensure a joined-up approach to improving attendance, working with schools, young people and their families.

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, raising awareness of domestic abuse across the county, and delivering our White Ribbon action plan. Through our partnership work we also continue to support East Sussex residents to address drug and alcohol misuse, sustain their recovery and to reduce the number of deaths of people receiving drug and alcohol treatment.

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 continue to embed the family safeguarding approach 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 support provided

While we aim to help people stay safe and independent, this is not always possible. For children, we will intervene early, for the minimum time necessary. Where children do need to be cared for, we will work with their wider family network. Where this is not possible, we will identify the right placement for the children's needs for the right amount of time, focusing on quality and best value. We are committed to enabling children to be reunified with their families where this is possible and safe to do.

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. Services we provide include homecare, respite care, and technology enabled care services such as sensors, detectors, lifeline alarms, key safes, medicine reminders, and wellbeing checks. The equipment is monitored 24 hours a day to help people stay safe and live independently at home.

2.5 Health

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

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 5-year ambition for a healthier future for everyone in Sussex. 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 (SDP) has been developed. As part of the Shared Delivery Plan we are working to strengthen the vision and leadership role of the Health and Wellbeing Board, which will support the development of our Neighbourhood Health Plan in East Sussex. This will be built on the work to develop Integrated Community Teams (ICTs) and will include our wider plans for joint commissioning and delivery, and greater integration and collaboration in our local neighbourhoods.

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 people discharged from hospital with their recovery, helping them to maintain their independence and reduce their need for ongoing care.

2.6 Planned work

Examples of planned work during 2026/27

- We will continue to ensure adults can receive timely Care Act assessments and reviews to support them to live as independently as possible, and stay informed and safe while they wait
- We will continue to deliver the Safeguarding Adults Board strategic plan and safeguarding improvement plan to keep adults safe from abuse and neglect
- We will deliver a Health and Social Care Connect transformation programme to develop the service, manage demand and ensure residents receive a high standard of service
- We will work with partners to continue to implement Integrated Community Teams, establishing multi-disciplinary neighbourhood teams to provide proactive care for those with complex needs
- We will further develop our early help offer, working in partnership with schools, health and VCSE sector to deliver even earlier support to children, young people and families and reduce demand on statutory services
- We will continue to implement the Connected Families service to enable more children and young people to live safely within their families
- We will work with the South East Regional Commissioning Co-operative to improve our ability to access the right homes for our looked after children, and develop integrated commissioning with health partners for children with more complex needs
- We will support people who have been a victim of sexual violence and domestic abuse through the specialist domestic abuse and sexual violence 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

Priority - Helping people help themselves

Priority Overview

Whilst we must keep vulnerable people safe, people also 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 support, in the right place, at the right time. This may mean they access support and use services differently. We aim to empower them with the knowledge of how to best to live well, use available health and social care services, and 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 use resources such as secure online costing tools that support the Council to have open and transparent negotiations with providers, ensuring the best use of resources to provide adults with the right level of support to meet their needs. We will continue to work with health partners to support hospital discharge. We have worked with partners in the NHS and the VCSE, and with carers and carers’ organisations, to develop and launch a new strategic Carers Partnership Plan to help support the needs of carers. This includes increased identification of carers who may not access services as early as others, access to respite or carers breaks and other types of support, training or use of technology that can support carers.

We provide online access to information, for children and young people with special educational needs and disabilities (SEND) 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 SEND, 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, and health to improve access to provision and support for children and families. We will carry out statutory assessments of children with SEND where there are significant barriers to learning and we will work with educational settings to secure the right education provision and support for them.

We are committed to ongoing co-production and participation activities to ensure the voice of children and young people, adults, families and carers 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 continue to develop and improve our community equipment and Technology Enabled Care Services to ensure they are flexible in meeting increasing demand in efficient and cost-effective ways to keep adults and their carers safe. The Council's Occupational Therapy service will continue to offer preventative clinics around the county where adults and carers can access advice and information on maintaining their independence.

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. Working with partners to deliver the East Sussex SEND Strategy, we will provide opportunities for schools and settings to develop communities which promote good mental health and wellbeing.

We anticipate further national policy reforms and will reflect these in our future plans to deliver shared priorities for children and young people with SEND.

Mental Health Support Teams (MHSTs) now operate in 105 targeted schools, covering approximately 55% of our schools. The teams deliver high quality interventions to support children and young people with mild to moderate difficulties who are referred to the service. 30% of referred children are identified by schools as having SEND and all staff are trained in adapting materials for neurodivergent children. Since summer 2023, the team has expanded to offer support for all other schools in East Sussex to support the development of a whole-school approach to mental health and emotional wellbeing, as well as providing direct support for parents and carers.

Packages of training for school staff have now been developed, including support for Senior Mental Health Leads and training on understanding trauma and anxiety. Our priorities for the forthcoming year include improving schools' understanding of self-harm and suicide prevention, as well as working with Child and Adolescent Mental Health Services (CAMHS) to ensure schools are making appropriate referrals to services and consulting with MHSTs where children and young people have higher level needs to ensure children have their needs met. In addition, we have broadened our offer to all special schools, including support for parents and carers.

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 both public and voluntary, community and social enterprise (VCSE) 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, VCSE 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 wellbeing and take action to prevent disease and ill health.

The Council will continue to support the VCSE sector through an ongoing commitment to the East Sussex VCSE Alliance, investment in VCSE infrastructure services, and responding to the VCSE State of the Sector research. This will include a follow-up strategic level Commissioning Excellence Programme focusing on sector resilience and long-term sustainability.

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 sector organisations and the VCSE sector. Amongst its priorities is to maximise income by administering Government funds to alleviate hardship and targeted communications to help residents access benefits, in particular people who are seldom heard or at risk of poor outcomes.

Collisions on our roads can have a terrible human cost. We will complete 24 infrastructure schemes at high-risk sites in 2026/27 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 350 Wheels for All sessions in 2026/27.

3.4 Living Healthier Lives

Delivery outcome: We work to reduce health inequalities and maximise opportunities for our residents to live healthier lives

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.

Our Public Health service 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 take steps to reduce smoking prevalence, understand and reduce alcohol-related harm, and create healthy and green spaces – particularly for those living with highest levels of deprivation. This includes using behaviour change approaches to help entrenched smokers and supporting earlier diagnosis and smoother transitions of care to reduce alcohol-related harm. During 2026/27, we will work with our integrated health and wellbeing service to increase the proportion of service users who achieve clinically significant weight loss through face-to-face and digital weight management programmes.

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 residents' priorities for adult social care that complement and align to the strategic plans set locally in [Healthy lives, healthy people: East Sussex Health and Wellbeing Board strategy] and the [Improving Lives Together strategy - Sussex Health and Care]. The strategy will support delivery of the Council's vision for Adult Social Care and Health, where we want everyone in East Sussex to 'live in the place we call home, with the people and things we love, in communities where we look out for one another, doing the things that matter to us.'

In addition to What Matters to You, we have also developed a prevention strategy for Adult Social Care. These strategies describe how we will support and enable people to grow and maintain their wellbeing and independence for as long as possible. The joint action plan to deliver these strategies for 2026/27-2028/29 will improve ways we can act early to help people maintain and improve their physical wellbeing; increase people's knowledge, skills, and connections and improve how we all build capacity within our local communities, to maintain wellbeing and independence.

3.5 Planned work

Examples of planned work during 2026/27

- We will continue to communicate our enhanced mental health and emotional wellbeing (MHEW) information, advice and guidance offer, working in partnership with the wider Sussex MHEW system to ensure consistency in signposting young people, families and professionals for MHEW support
- We will continue to work with partners to identify carers in the community and help them access the support they need, through our Carers Partnership Plan
- We will help people to maintain their independence by providing rehabilitation support services and intermediate care
- We will implement our joint action plan to deliver our Adult Social Care and Prevention Strategies including a systematic approach to prevention, maintaining independence and improving people's physical wellbeing
- We will help people to quit smoking through our One You service, reach entrenched smokers, and close smoking-related health inequalities

- 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 community and social enterprise (VCSE) 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 implement our updated corporate Climate Emergency Plan for 2025-30. One of the actions is to continue reducing the carbon emissions from our buildings. Between 2009 and 2024 we invested £14.8m into over 260 projects. These have generated total estimated savings on energy bills of over £1m per year.

We aim to improve the environmental and financial sustainability of our assets. We work to make our premises more efficient, to reduce running costs and carbon emissions. To support this, during 2026/27, we will seek new opportunities for appropriate grant funding, as well as further areas to implement our buildings maintenance programme. We will also deliver energy efficiency training and support behavioural change to help deliver these outcomes. Alongside this we will also continue to encourage sustainable transport options for business travel and commuting.

We will continue to reduce carbon emissions from our supply chain, by asking more suppliers to report on, and reduce, their carbon emissions. We will begin to adapt key services to the unavoidable effects of climate change.

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. We will focus on delivering services close to local people in the most cost-effective way possible.

We will continue to work to use our assets as effectively as possible, exploiting technology as an enabler for providing efficient services, and ensuring that we use our property assets as efficiently as possible by aligning them to our needs.

We will continue to review our office estate as part of this work, ensuring that it is the right size for our future needs. Continued hybrid working practices will drive efficiency, as well as significantly reducing carbon emissions through a reduced requirement for staff travel and a reduced office footprint.

We continue to identify new opportunities to harness technology, including automation and Artificial Intelligence (AI), to support new ways of working, connect with partners and support the delivery of resident and community outcomes. We put people at the centre of our approach to implementing new technologies, helping services to work confidently and efficiently whilst ensuring that these support our focus on reducing costs and enhancing productivity.

The Oracle programme will continue the work to implement a new Oracle Fusion system to replace the Council's core Finance and Human Resources systems. Finance, Recruitment and Procurement have moved to the new system, with HR and Payroll scheduled to be the next elements implemented.

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, VCSE, and private sectors to ensure that all appropriate available resources are used to deliver maximum benefits to local people. As part of our commitment to devolution we will work with West Sussex County Council, Brighton & Hove City Council, local stakeholders and the Government to support the formation of the Mayoral Combined County Authority (MCCA) for Sussex, subject to Government decisions. We will ensure the new MCCA has the information needed on local issues to shape the priorities for the new authority. The MCCA will have a range of powers and responsibilities relating to transport and local infrastructure, skills and employment support, housing and strategic planning, economic development and regeneration, environment and climate change, health and wellbeing and public service reform, and public safety. Together with the other councils across Sussex we will consider what changes may need to be made to facilitate joined up working across these themes.

We will work with East Sussex district and borough councils to prepare for a new unitary authority for East Sussex. This will seek to build on the existing strengths of the six councils, while taking advantage of opportunities to improve how we deliver services. We want to preserve and protect local identities, championing our local communities and ensuring that the support provided recognises the different strengths and challenges in different parts of the county. Building on the jointly agreed interim plan submitted to Government, we submitted our proposal in September 2025. If this is accepted by Government, we will jointly develop programmes of work to plan for and manage the transition to the new unitary authority in April 2028.

Over the next three years we will continue to 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.

Orbis, our partnership with Surrey County Council and Brighton & 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. We will continue to evolve the Orbis Partnership to ensure that those back-office services remain fit for purpose.

The Strategic Property Asset Collaboration in East Sussex (SPACES) is a partnership programme made up of the County Council, district and borough councils, NHS Trusts, Emergency Services, NHS Sussex, Further Education, the VCSE sector and other Government bodies from within East Sussex. The partnership aims to make best use of public sector assets, working together collaboratively where possible to deliver benefits in asset utilisation and in other property-based areas such as Carbon Net Zero, Regeneration and Housing, and Health and Social Care. During 2026/27 SPACES will continue to deliver One Public Estate (OPE) and Brownfield Land Release Fund projects ranging from medical centre investments to town centre regeneration and provision of housing. SPACES will continue to work in partnership to find new opportunities for improving efficiency within all the contributors' property portfolios, including securing external funding from One Public Estate to deliver new housing in different parts of the county.

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, greater utilisation, or capital receipts from our non-core properties.

Work continues to ensure our office spaces are suitable for Council staff and services. We will continue to look for opportunities to rationalise our property estate, ensuring that the property portfolio is an appropriate size and fit for purpose. Any reduction will add to the strategic decisions we have made to reduce our occupied footprint and maintain suitable service standards. A reduction in occupied office space will also support the Council's commitment to reduce carbon emissions.

We continue to identify opportunities to use digital and data capabilities across the Council, in particular Generative Artificial Intelligence and process automation, to enhance productivity, improve user experience and service quality, and help free up staff capacity for key corporate 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 the most difficult financial outlook ever facing the Council. There is a substantial and growing gap between the costs of delivering essential services and the incoming resources to support East Sussex residents, communities and businesses with the core services they need 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 current People Strategy, which covers the period 2024-2027, helps support our managers and staff to respond to the changing and challenging environment in which the Council is operating, most notably future savings requirements and recruitment and retention challenges. The Strategy is built around the four pillars of: i) Employee Health and Wellbeing, ii) Employee Engagement and Inclusion, iii) Performance and Development, and iv) Leadership and Management.

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 2026/27

- We will continue on the pathway towards our ultimate carbon reductions goals, seeking to reduce carbon emissions and make our buildings more energy efficient
- We will maintain or reduce the number of working days lost to sickness absence
- We will continue to harness technology, including automation and AI, to support new ways of working, connect with partners and support the delivery of resident and community outcomes
- 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
- We will continue to implement Phase 3 (Core HR and Payroll) of the Oracle Fusion programme

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 2026/27:

- 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 2026-27.

Revenue budget: gross and net

The charts below show how we will spend your revenue budget money in 2026/27, 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.

Please note, Totals may differ from sum of components due to rounding.

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

The diagrams below are a visual representation of our gross revenue budget for 2026/27. They also show East Sussex County Council spend inclusive of partnership working, where we are the lead authority. More information on our revenue budget can be found in our financial budget summary.

Please note that totals may differ from the sum of components due to rounding.

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 and Transport

Chart to be added when available

Governance Services

Chart to be added when available

Revenue Data

Table added online

Capital programme

Capital programme: projects in the year ahead 2026/27

The planned capital programme supports the Council's Capital Strategy to 2046/47. It comprises targeted basic need investment that supports services in the delivery of priority outcomes and is supported by a planned programme to 2035/36. It includes providing for essential school places, maintaining roads and transport infrastructure, supporting the Council's aim of reaching carbon neutrality, maintaining the life of existing assets and ensuring they are fit for purpose and managing investment to a sustainable level. Details of the full current capital programme are in our financial budget summary and updated as part of our State of the County report. Below are examples of key projects (to be added) that will be undertaken in 2026/27 at a cost of £(to be added) million.

Chart to be added when available

Economic Growth and Strategic Infrastructure

- Example work to be added

Community and Social Care Facilities

- Example work to be added

Highways and Structural Maintenance

- Example work to be added

Integrated Transport Schemes

- Example work to be added

Schools

- Example work to be added

Building Maintenance and Efficiency

- Example work to be added

Capital Resourcing 2025/26 to 2027/28

Because capital projects may take several years to deliver, we need to know how we will fund the full £229.4m million programme to 2027/28. 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 2026/27

Date of assessment: 26/11/2025

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.
As a result of national factors beyond local control the Council has seen a significant increase in the demand for, and cost of providing, vital services for our residents, particularly for the most vulnerable.	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. As above, decisions will continue to be assessed for their impact on equality and inclusion.
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 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.
The legacy impact of COVID19 has impacted some people and communities sharing protected characteristics worse.	We continue to work to address the inequalities that were exacerbated by the COVID-19 pandemic. This includes continuing to review services and available support with statutory and VCSE partners for those affected, within available resources. 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 2026.

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	2025/26 Outturn (Target)	2026/27 Target	2027/28 Target	2028/29 Target	2026 – 2029 Outcome Summary
Deliver East Sussex Skills priorities	(a) Deliver six interventions that meet the Skills East Sussex priorities b) Eight Level 3 sector related Skills Bootcamp courses delivered)	(a) Deliver six interventions that meet the Skills & Employment East Sussex priorities b) Eight Level 3 sector related Skills Bootcamp courses delivered	To be set 2026/27 (subject to funding)	To be set 2027/28 (subject to funding)	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 215 Industry Champions support schools and colleges in the county)	220 Industry Champions support schools in the county (subject to funding)	To be set 2026/27 (subject to funding)	To be set 2027/28 (subject to funding)	Our young people and adults are helped to become aware of careers opportunities available to them, supporting sustainable economic development
Deliver new economic strategy	(Investment Plan developed)	To be set February 2026	To be set 2026/27	To be set 2027/28	Support the creation of the conditions needed to sustainably grow the East Sussex economy
Design and deliver a tourism digital marketing plan	(Deliver a marketing plan including 2 thematic headline campaigns)	Deliver a marketing plan including 2 thematic headline campaigns	To be set 2026/27	To be set 2027/28	The visitor economy is grown by raising the visibility of Sussex, enhancing perceptions, increasing the number of visitors to the coast, increasing length of stay and spend

Performance measure	2025/26 Outturn (Target)	2026/27 Target	2027/28 Target	2028/29 Target	2026 – 2029 Outcome Summary
Number of businesses engaged through business support programmes	(125 businesses supported)	150 businesses supported	To be set 2026/27 (subject to funding)	To be set 2027/28 (subject to funding)	The East Sussex economy grows, and more businesses supported to grow and create jobs through targeted business support interventions.
Percentage of Principal roads requiring maintenance	(7%)	7%	To be set 2026/27	To be set 2026/27	A satisfactory standard of road condition across all road types is achieved and maintained
Percentage of Non-Principal roads requiring maintenance	(8%)	8%	To be set 2026/27	To be set 2026/27	A satisfactory standard of road condition across all road types is achieved and maintained
Percentage of Unclassified roads requiring maintenance	(25%)	25%	To be set 2026/27	To be set 2026/27	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)	(1,100 enrolments across Family Learning programmes)	1,100 enrolments across Family Learning programmes	To be set 2026/27	To be set 2027/28	Families, particularly those from areas of deprivation, have intergenerational learning opportunities and develop positive attitudes to learning

Performance measure	2025/26 Outturn (Target)	2026/27 Target	2027/28 Target	2028/29 Target	2026 – 2029 Outcome Summary
Provide volunteer supported IT for You sessions in libraries	(1,750 people attend sessions)	1,750 session attendances	1,750 session attendances	1,750 session attendances	People have support to go online, improve their digital skills, increase their employment chances and have better access to health information and services
The number of businesses receiving advice and support through training and bespoke advice provided by Trading Standards	(350)	350	350	350	Businesses in East Sussex are equipped to thrive, comply with the law, and are supported to "get it right first time"
The Council's Growth and Skills 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)	Ensure training that can be funded from the levy is available and taken up, subject to the needs of the business, which addresses skills shortages in the Council and in the wider Sussex economy	Ensure training that can be funded from the levy is available and taken up, subject to the needs of the business, which addresses skills shortages in the Council and in the wider Sussex economy	Ensure training that can be funded from the levy is available and taken up, subject to the needs of the business, which addresses skills shortages in the Council and in the wider Sussex economy	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

Performance measure	2025/26 Outturn (Target)	2026/27 Target	2027/28 Target	2028/29 Target	2026 – 2029 Outcome Summary
The percentage of in-scope Council procurements which include economic, social and environmental award criteria of 10% or greater	Not applicable, new measure 2026/27	60%	60%	60%	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 3 and 4 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
The percentage of pupils achieving a "good level of development" at the Early Years Foundation Stage	(Ac Year 2024/25 Equal to or above the national average)	Ac Year 2025/26 Equal to or above the national average	Ac Year 26/27 Equal to or above the national average	Ac Year 27/28 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 2024/25 44.0)	Ac Year 2025/26 43.0	Ac Year 2026/27 43.0	Ac Year 2027/28 43.0%	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 2024/25 40.5%)	Ac Year 2025/26 41.0%	Ac Year 2026/27 41.5%	Ac Year 2027/28 42.0%	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

Performance measure	2025/26 Outturn (Target)	2026/27 Target	2027/28 Target	2028/29 Target	2026 – 2029 Outcome Summary
The average Attainment 8 score for disadvantaged pupils	(Ac Year 2024/25 30.5)	Ac Year 2025/26 30.3	Ac Year 2026/27 30.3	Ac Year 2027/28 30.3	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, including unknowns	(Equal to or below 5.0%)	Equal to or less than 5%	Equal to or less than 5%	Equal to or less than 5%	Young people 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 young people who are in Not in Education, Employment or Training (NEET) at academic age 17, including unknowns	(Equal to or below 7.0%)	Equal to or less than 7%	Equal to or less than 7%	Equal to or less than 7%	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 2024/25 16.5)	Ac Year 2025/26 16.5	Ac Year 2026/27 16.5	Ac Year 2027/28 16.5	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

Performance measure	2025/26 Outturn (Target)	2026/27 Target	2027/28 Target	2028/29 Target	2026 – 2029 Outcome Summary
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	2025/26 Outturn (Target)	2026/27 Target	2027/28 Target	2028/29 Target	2026 – 2029 Outcome Summary
Median waiting time for Adult Care Act assessments	(≤21 days)	≤21 days	≤21 days	≤21 days	Care Act assessments are provided in a timely manner to identify what needs the person may have and what outcomes they are looking to achieve to maintain or improve their wellbeing

Performance measure	2025/26 Outturn (Target)	2026/27 Target	2027/28 Target	2028/29 Target	2026 – 2029 Outcome Summary
Median waiting time for Carers' Care Act assessments	(≤7 days)	≤7 days	≤7 days	≤7 days	Carers' Care Act assessments are provided in a timely manner to identify what needs the carer may have and what outcomes they are looking to achieve to maintain or improve their wellbeing
Median time from proposed start date to actual start for adult reviews	(≤6 days)	≤6 days	≤6 days	≤6 days	Adult reviews are provided in a timely manner to ensure the person's care and support plan remains relevant to their needs and aspirations
Median time from proposed start date to actual start date for carer reviews	(≤6 days)	≤6 days	≤6 days	≤6 days	Carer reviews are provided in a timely manner to ensure the person's care and support plan remains relevant to their needs and aspirations
Number of people with a Deprivation of Liberty Safeguards (DoLS) episode awaiting allocation of a Best Interest Assessor	(≤650 people)	≤650 people	≤650 people	≤650 people	People with a Deprivation of Liberty Safeguards (DoLS) episode are allocated a Best Interest Assessor (residential and nursing) in a timely way to assess whether the person needs to be deprived of liberty in their own best interests
Percentage of potential safeguarding concerns initially reviewed within 3 days	(≥99%)	≥99%	≥99%	≥99%	Potential safeguarding concerns are reviewed in a timely manner to protect the person's right to live in safety, free from abuse and neglect

Performance measure	2025/26 Outturn (Target)	2026/27 Target	2027/28 Target	2028/29 Target	2026 – 2029 Outcome Summary
Percentage of Health and Social Care Connect referrals triaged and progressed to required services within 24 hours	(95%)	95%	95%	To be set 2026/27	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%	To be set 2026/27	Contacts from health professionals are appropriate and effective
The percentage 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 percentage of those affected by rape, sexual violence and abuse who have improved coping strategies	(88%)	90%	90%	90%	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
Deaths in drug and alcohol treatment as a proportion of all in drug and alcohol treatment	(≤1.2% rolling 12-month figure)	≤1.2% rolling 12-month figure	≤1.2% rolling 12-month figure	≤1.2% rolling 12-month figure	The number of drug and alcohol related deaths amongst people in treatment is reduced
Rate of children with a Child Protection Plan (per 10,000 children)	(51.6 (535 children))	To be set June 2026	To be set June 2026	To be set June 2026	Children at risk from significant harm are kept safe

Performance measure	2025/26 Outturn (Target)	2026/27 Target	2027/28 Target	2028/29 Target	2026 – 2029 Outcome Summary
Rate (of 0-17 population) of referrals to children's social care services (per 10,000 children)	(≤556)	≤556	≤556	To be set 2027/28	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	To be set 2027/28	Children at risk from significant harm are kept safe
Rate of Looked After Children (per 10,000 children)	(64.7 (670 children))	To be set June 2026	To be set June 2026	To be set June 2026	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	200	200	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	2025/26 Outturn (Target)	2026/27 Target	2027/28 Target	2028/29 Target	2026 – 2029 Outcome Summary
Road Safety: Deliver targeted cycle training activities to vulnerable road users	(Deliver Bikeability Training to 4,000 individuals and 350 Wheels for All sessions)	Deliver Bikeability Training to 4,000 individuals and 350 Wheels for All sessions	To be set 2026/27	To be set 2027/28	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	2025/26 Outturn (Target)	2026/27 Target	2027/28 Target	2028/29 Target	2026 – 2029 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	Implement 24 safety schemes	Implement 24 safety schemes	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	(≥25.2%)	≥25.2%	≥25.2%	≥25.2%	Adults who require support are able to live as independently as possible
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
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

Performance measure	2025/26 Outturn (Target)	2026/27 Target	2027/28 Target	2028/29 Target	2026 – 2029 Outcome Summary
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) 35% (b) 37%	(a) 45% (b) 47%	(a) 50% (b) 60%	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 (parents, carers, children and young people) to feedback surveys who are satisfied with their experience of Early Help	Not applicable, new measure 2026/27	80%	80%	80%	The services provided are making a difference to the lives of service users
The number of smokers that achieve a four-week quit of the smokers that have set a quit date	(≥50% four-week quits achieved)	≥60% four-week quits achieved	≥60% four-week quits achieved	≥65% four-week quits achieved	There is an increase in the number of people who quit cigarette smoking and lead healthier lives
The percentage of people who achieve 5% weight loss as part of a One You East Sussex intervention	(≥25%)	≥28%	≥30%	≥30%	There is an increase in the number of people who achieve clinically significant weight loss and lead healthier lives

Targets – Making best use of resources

Performance measure	2025/26 Outturn (Target)	2026/27 Target	2027/28 Target	2028/29 Target	2026 – 2029 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	9.10	The use of resources is maximised and staff and customer wellbeing improved
Deliver the Property Asset Investment Strategy	(8 business cases completed)	8 business cases to be completed	To be set 2026/27	To be set 2027/28	Income generation from property and capital receipts are optimised and our strategy helps promote economic growth across the county
Review use of corporate buildings	(Implement reduction of office footprint at County Hall identified in 2024/25)	To review office utilisation at three office hubs in Eastbourne, Lewes and Hastings and provide report on County Hall options	To consider future office needs pending LGR and Devolution decisions	To be set 2027/28	Our corporate buildings better utilise space and enable new ways of working, leading to reduced cost of occupancy in our core corporate buildings
Reduce the amount of CO_2 arising from County Council operations	(57% reduction on baseline year (2019/20) emissions (emissions not to exceed 5,403 tonnes CO_2e))	To be set 2025/26	To be set 2026/27	To be set 2027/28	A reduction in the amount of CO_2 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	(10 carbon reduction schemes implemented)	10 carbon reduction schemes implemented	To be set 2026/27	To be set 2027/28	The Council's carbon footprint is reduced and our operations support a more sustainable approach going forward

Performance measure	2025/26 Outturn (Target)	2026/27 Target	2027/28 Target	2028/29 Target	2026 – 2029 Outcome Summary
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	Deliver the key actions within the action plan	Deliver the key actions within the action plan	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

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 2023/24. Where possible official national statistics are used for comparison with the England average.

Driving sustainable economic growth

2023/24

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)	£35,298 (2024 prov)	£37,617 (2024 prov)
Percentage of working age population (16-64) in employment	72.6% (July 2024 – June 2025)	75.5% (July 2024 – June 2025)
People claiming unemployment benefits (JSA and Universal Credit) percentage of population 16-64 year olds at March	3.7% (2025)	4.2% (2025)
New business registration rate per 10,000 people over 16	37.6 (2024)	48.2 (2024)
New houses built, total completed at market rate / total affordable completed	1,420 / 659 (2023/24)	-
Average Attainment 8 score per pupil state funded secondary schools	43.0 (2024)	46.1 (2024)

2023/24

Measure	East Sussex	England
Average Progress 8 score for state funded secondary schools	-0.19 (2024)	-0.03 (2024)
Percentage of pupils who achieved a 9-5 pass in English and maths GCSEs	42.5% (2024)	46.2% (2024)
Average point score (APS) per entry for level A levels (age 16-18)	32.46 (2023)	34.16 (2023)
Attainment of A level students (age 16-18) average point score (APS) per entry, best 3	31.27 (2023)	34.68 (2023)
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	9.18% (2023)	15.8% (2023)

Keeping vulnerable people safe

2023/24

Measure	East Sussex	England
Rate per 10,000 (aged 0 –17 population) of Looked After Children	66.0 (2025)	67.0 (2025)
Rate per 10,000 (aged 0-17 population) of children with a Child Protection Plan	66.1 (2024)	41.6 (2024)
Percentage of children who ceased to be looked after adopted during the year ending 31 March	8% (2025)	9% (2025)
Percentage of people (65 and over) who were still at home 91 days after discharge from hospital	90.4% (2023/24)	83.8% (2023/24)
Suicide rate per 100,000 of population three-year average	12.6 (2022 - 2024)	10.9 (2022 - 2024)

2023/24

Measure	East Sussex	England
Hospital admissions caused by unintentional and deliberate injuries in children aged 0-14 years, rate per 10,000 resident population	108.9 (2023/24)	72.7 (2023/24)

Helping people help themselves

2023/24

Measure	East Sussex	England
Percentage of children aged 4-5 years with excess weight (overweight or obese), by postcode of child	22.8% (2024/25)	23.5% (2024/25)
Percentage of children aged 10-11 years with excess weight (overweight or obese) by postcode of child	32.4% (2024/25)	36.2% (2024/25)
Percentage of adults (aged 18+) classified as overweight or obese	63.1% (2023/24)	64.5% (2023/24)
Percentage of children aged 4-5 years who are underweight	0.8% (2024/25)	1.1% (2024/25)
Percentage of children aged 10-11 years who are underweight	1.4% (2024/25)	1.6% (2024/25)
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	17.7 (2023/24)	15.2 (2023/24)
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	462.5 (2023/24)	566.0 (2023/24)
Proportion of older people aged 65 and over who received reablement services following discharge from hospital	1.5% (2023/24)	3.0% (2023/24)

2023/24

Measure	East Sussex	England
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	95.9% (2023/24)	79.4% (2023/24)
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	404 (calendar year 2024)	-

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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.

Title of Project/Service/Policy	Council Plan 2026/27-2028/29
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 ambitions and what we plan to achieve by 2029 for 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 2026/27. 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). We consider equality, diversity and inclusion impacts throughout all aspects of our business planning processes. This ensures that we understand local needs and diversity when planning our priorities. We work to 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. 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. We consider as part of our business planning processes the collective impact of any proposed work.

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Assessment of overall impacts and any further recommendations
For clarity all potential 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 are implementing a new outcomes-based model to achieving social value through procurement, based on the national social value methodology. The new model is linked to our priority outcomes and provides greater flexibility in the ways in which contractors can deliver social value, which will help to maximise the social value which is delivered. • To attract new and diverse talent, the council is delivering inclusive recruitment training to our managers and providing guidance on making reasonable adjustments for disabled candidates. • We will work with our partners to promote and secure participation in post-16 education and training. This includes support for vulnerable groups, and young people with special educational needs and disabilities. • We will continue to provide targeted 1-to-1 support for vulnerable groups via the Youth Employability Service. We will implement robust tracking and data analysis. • 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 • We are 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.

- We will continue to ensure adults can receive timely Care Act assessments and reviews to support them to live as independently as possible, and stay informed and safe while they wait.
- We will continue to deliver the Safeguarding Adults Board strategic plan and safeguarding Improvement Plan to keep adults safe from abuse and neglect.
- We will work with partners to continue to implement Integrated Community Teams, establishing multi-disciplinary neighbourhood teams to provide proactive care for those with complex needs.
- 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 continue to work in a cross-county partnership to ensure all migrants and the communities they settle in can achieve independence and wellbeing.
- We will further develop our early help offer, working in partnership with schools, health and VCSE sector to deliver even earlier support to children, young people and families and reduce demand on statutory services.
- We will continue to implement the Connected Families service to enable more children and young people to live safely within their families.
- We will work with the South East Regional Commissioning Co-operative to improve our ability to access the right homes for our looked after children, and develop integrated commissioning with health partners for children with more complex needs.
- We work in partnership to reduce crime, anti-social behaviour and domestic abuse and help victims to stay safe from harm.
- 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 communicate our enhanced mental health and emotional wellbeing (MHEW) information, advice and guidance offer, working in partnership with the wider Sussex MHEW system to ensure consistency in signposting young people, families and professionals for MHEW support
- We will continue to work with partners to identify carers in the community and help them access the support they need, through our Carers Partnership Plan.
- We will help people to maintain their independence by providing rehabilitation support services and intermediate care.
- We will deliver road safety training for the most vulnerable road users in the county through Bikeability training and Wheels for All sessions.

- The council has also set a specific equality objective to define our focus for 2026-27:

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○ 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.

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.
• As a result of national factors beyond local control the Council has seen a significant increase in the demand for, and cost of providing, vital services for our residents, particularly for the most vulnerable.	• 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. As above, decisions will continue to be assessed for their impact on equality and inclusion.

• 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 and the wider community, that support inclusion and belonging.
• The legacy impact of COVID19 has impacted some people and communities sharing protected characteristics worse.	• We continue to work to address the inequalities that were exacerbated by the COVID-19 pandemic. This includes continuing to review services and available support with statutory and VCSE partners for those affected, within available resources. 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.

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Actions planned
Our Council Plan priorities and delivery outcomes are designed to help address identified inequalities in outcomes for different groups in the county and to incorporate our equality objectives. The planned work set out in the Council Plan will be taken forward through specific programmes of activity within individual departments. 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 2026.

East Sussex County Council

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:** 21/11/2025

Directorate Management Team rep or Head of Service:
Victoria Beard, Head of Performance Research and Intelligence **Date:** 26/11/2025

Equality lead:
Sarah Tighe-Ford, Corporate Equalities Manager **Date:** 21/11/2025

Appendix 2

Medium Term Financial Plan (MTFP) Update

	Ref	Estimate (£m)			
		2026/27	2027/28	2028/29 (LGR)	Total
		Annual	Annual	Annual	Cumulative
Council 11 February 2025 DEFICIT		**25.916**	**18.731**	**0.000**	**44.647**
CARRY FORWARD OF 2025/26 DEFICIT		11.449			11.449
Total After Carry Forward		**37.365**	**18.731**	**0.000**	**56.096**
Normal Updates:					
Council Tax	A	(14.231)	(14.322)	(29.436)	(57.989)
Removal of previous Business Rates estimates	B	103.709	2.195		105.904
NEW Baseline Funding from 2026/27 - Business Rates top up and retained rates	B	(87.614)	(2.009)	(1.808)	(91.431)
CSD Home to School Transport - grant rolled into Revenue Support Grant (RSG) 2025/26	C	0.992			0.992
Removal of previous estimates for RSG and other consolidated grants	C	76.961	0.089		77.050
NEW RSG and consolidated grants from 2026/27	C	(96.987)	8.175	8.312	(80.500)
Inflation	D	0.786	(1.591)	18.570	17.765
General Contingency	E	1.010	0.160	0.600	1.770
Pay Awards and National Insurance	F	6.470	0.050	5.745	12.265
Local Government Pension Scheme: revaluation impact	G	(5.957)			(5.957)
Levies and grants	H	0.012	0.021	0.037	0.070
Treasury Management	I	0.594	1.630	3.424	5.648
Pressures added to / (removed from) the MTFP:					
ASC Growth and Demography	J	14.217	3.106	22.479	39.802
CSD Growth and Demography	K	18.146	1.539	6.693	26.378
Orbis Review	L	1.700			1.700
CET Waste Housing Growth	M	(0.225)	0.077	0.405	0.257
CET Waste additional income	N	0.500	(0.500)	0.300	0.300
CET Waste PFI Credits	O		0.125	2.871	2.996
GCS Elections	P		1.500	(1.125)	0.375
Pressures bids approved by CMT	Q	1.234	0.030	(0.166)	1.098
Savings	R	(3.051)	(0.464)	(0.008)	(3.523)
DEFICIT AFTER UPDATES		**55.631**	**18.542**	**36.893**	**111.066**

Updates:

A Council Tax

The Government has provided local authorities in England additional flexibility in setting Council Tax by increasing the referendum limit for increases in Council Tax to 3% and the ability to increase the Adult Social Care Precept by up to 2%. Council Tax inflation is therefore assumed at 4.99% for all years.

Council Tax base growth is being estimated at 1.5% for all years. The impact of additional collection fund deficit/surpluses will be managed through the collection fund reserve.

B Business Rates

Business Rates estimates have now been replaced by new Baseline Funding, allocations of which were announced at the Local Government Provisional Settlement (LGPS) for 2026/27 to 2028/29.

C Revenue Support Grant (RSG) and Consolidated Grants
A number of grants were rolled into RSG for 2025/26 including: Election Integrity Programme New Burdens, Extended Rights for Home to School Transport, Island Funding, Tenant Satisfaction Measures and Transparency Code.

More grants have been rolled in from 2026/27. The previous estimates have now been replaced by the; allocations of which were announced at the Local Government Provisional Settlement (LGPS) for 2026/27 to 2028/29. More detail is set out in Annex 2.

D Inflation
The inflation model as per the approved pressures protocol allows for contracts to be uplifted annually per the contract conditions but does not provide inflation for utilities and other running costs e.g. building maintenance, communications and software. Contractual negotiations, e.g. Foster Care and Concessionary Bus Fares are considered for inclusion within the MTFP by CMT.

The OBR published its updated forecast inflation rates as part of its latest outlook for the economy and public finances in November 2025. It is usual practice to use this forecast to update inflation; however, given the current high inflation rates it is considered prudent to use the rates at July 2025 for the 2026/27 financial year, and OBR forecast rates thereafter.

The table below shows the changes in OBR inflation estimates from its previous publication plus the actual rates for July 2025:

	OBR Forecast March 2025*			OBR Forecast November 2025*			Actual Rates July 2025
	2026/27	2027/28	2028/29	2026/27	2027/28	2028/29	
CPI	1.81%	2.00%	2.00%	2.29%	2.02%	2.09%	3.80%
RPI	2.99%	3.03%	2.82%	3.51%	3.11%	2.88%	6.50%

**Inflation estimates are as of September of each calendar year to provide the best mid-point within each financial year.*

The inflation estimates also includes updates from the Highways and Waste Models based on industry-specific inflation rates.

E General Contingency
This is calculated at 1% of net budget less treasury management, rounded to the nearest £0.1m. The figures reflect the addition of 2028/29 and impacts of other changes.

F Pay Award and National Insurance
Provision has been made for the addition of 2028/29 and award of 2.5% in all years of the MTFP. Adjustment has also been made to reflect the late pay award for 2024/25, the 3.2% pay award agreed for 2025/26, plus allocation of the National Insurance Grant.

G Local Government Pension Scheme: valuation impact
The triannual review of the local government pension scheme for 2026 to 2029 has been undertaken, resulting in a reduction in Employers pension contribution from 19.7% to 15.4%.

H Levies Increase
The figures are reflective of the latest estimates of the Flood & Coastal Protection Levy and Sussex Inshore Fisheries Levy.

I Treasury Management (TM)

The TM Model has been updated for latest estimates, a breakdown of the key movements is shown below.

TM Updates (£m)	**2026/27**	**2027/28**	**2028/29**	**TOTAL**
Capital Programme Borrowing	2.159	1.767	0.625	**4.550**
SEND Deficits	0.968	0.788	1.203	**2.960**
MTFP Deficit		1.170	1.570	**2.740**
Other technical updates and debt restructuring	(0.465)	(0.028)	0.027	**(0.466)**
Total Updates	**2.662**	**3.698**	**3.424**	**9.784**
Already included in MTFP Feb 2025	(2.068)	(2.068)		(4.136)
Total Movement	**0.594**	**1.630**	**3.434**	**5.648**

J ASC: Growth and Demography

Figures for ASC Growth and Demography have been updated following the overspend projected at Q1. Whole year equivalent clients have been increasing by around 5.5% per year since 22/23. ESCC now supports 1,000 clients more than the client base prior to the COVID pandemic of around 7,000. Growth projections have been based at the annual trend from 23/24 to 25/26. Note that this increase excludes inflation on provider fees, which is included in E.

K CSD: Growth and Demography

Figures for CSD Growth and Demography have been updated following the overspend projected at Q1. For Looked After Children (LAC), numbers are projected to remain stable, but there will be a 15.56% increase in high-cost agency children's homes placements. Home to School Transport figures have increased to reflect current demand plus an additional calculated increase in numbers of SEND clients.

L Orbis Review

Potential impact of the review of IT&D, Procurement and Internal Audit and future service delivery models.

M CET: Waste Housing Growth

The forecast pressure for 2028/29 has been added to the current plan and estimates have been updated for the latest available housing numbers.

N CET: Waste Additional Income

The forecast risk has been reprofiled across 2026/27 and 2027/28 (nets nil), and a forecast added for 2028/29.

O CET: Waste PFI Credits

The Waste Disposal budget includes income of £2.996m per annum for Waste PFI Credit payments from DEFRA which are due to end in 2028.

P GCS: Elections

Provision to enable the establishment of budget for future elections, noting that the decision around 2026/27 elections is awaited.

Q Pressures Protocol

A number of pressures bids have been approved in principle by CMT as follows:

Description	**2026/27 (£m)**	**2027/28 (£m)**	**2028/29 (£m)**	**Total (£m)**
CET: Highways Streetlighting	0.313			0.313
GOV: Coroners - mortuary services	0.053			0.053
BSD: Payroll - loss of traded Services to Schools (S2S) income due to maintained schools converting to academies	0.070			0.070
BSD: HR - loss of traded S2S income due to maintained schools converting to academies	0.035			0.035
BSD: St Mary's House lease	0.027	0.054		0.081
BSD: Cavendish House Rent and Service Charge	0.056			0.056
BSD: St Mary's House Rates Revaluation	0.058			0.058
BSD: Postal Hub	0.172			0.172
AI-related bids:				
BSD: Power BI Fabric	0.169	(0.022)	(0.088)	0.059
ASC: Formflow	0.140	0.064	(0.078)	0.126
CSD: Magic Notes	0.141	(0.066)		0.075
Subtotal AI-related bids	**0.450**	**(0.024)**	**(0.166)**	**0.260**
Total Pressures Bids	**1.234**	**0.030**	**(0.166)**	**1.098**

R Additional Savings

Further savings have been identified by services, totalling £3.5m. A detailed breakdown is shown at Appendix 4a.

Department	**2026/27 £m**	**2027/28 £m**	**2028/29 £m**	**Total £m**
Adult Social Care and Health	1.454	0.183		**1.637**
Business Services	0.355	0.132		**0.487**
Children's Services	0.526	0.024	0.008	**0.558**
Communities, Economy and Transport	0.636	0.125		**0.761**
Governance Services	0.080			**0.080**
Total	**3.051**	**0.464**	**0.008**	**3.523**

Medium Term Financial Plan	**2025/26** **Approved Budget** **£million**	***2026/27*** ***Estimate*** ***£million***	***2027/28*** ***Estimate*** ***£million***	***2028/29*** ***Estimate (LGR)*** ***£million***
TAXATION & GOVERNMENT FUNDING		*(579.615)*	*(637.602)*	*(659.059)*
Council Tax	*(370.172)*	*(13.551)*	*(19.089)*	*(20.342)*
Adult Social Care Precept	*(29.050)*	*(7.991)*	*(8.534)*	*(9.094)*
Business Rates	*(102.987)*	*102.987*		
Social Care Grant	*(59.640)*	*59.640*		
ASC Market Sustainability and Improvement Grant	*(11.312)*	*11.312*		
Children's Social Care Prevention Grant	*(1.485)*	*1.485*		
National Insurance Grant		*0.000*		
Revenue Support Grant	*(4.452)*	*4.452*		
New Homes Bonus	*(0.517)*	*0.517*		
Revenue Support Grant - new		*(94.314)*	*(18.691)*	*7.341*
Baseline Funding - Business Rates top up and retained rates		*(87.614)*	*(2.009)*	*(1.808)*
Consolidated grants rolled into Core Spending Power		*(34.910)*	*26.866*	*0.971*
TOTAL TAXATION & GOVERNMENT FUNDING	***(579.615)***	***(637.602)***	***(659.059)***	***(681.991)***
SERVICE PLAN				
Service Expenditure	*515.467*	*548.095*	*649.881*	*680.218*
Inflation				
Non-pay Inflation	*17.011*	*19.488*	*17.738*	*18.547*
Allocation of pay award and NI increase to services	*1.948*	*16.953*		
Local Government Pension Scheme: revaluation impact		*(5.957)*		
Adult Social Care & Health				
Better Care Fund - Discharge Funding	*5.088*			
Discharge Funding - New Burdens	*(5.088)*			
Growth & Demography	*3.917*	*18.134*	*7.023*	*22.479*
Transfer Public Health savings grant to Centrally Held Budgets	*1.444*			
Pressures approved via protocol in previous years	*10.350*	*0.580*		
Pressures approved via protocol 2026/27: Formflow		*0.140*	*0.064*	*(0.078)*
Consolidated grants rolled into Core Spending Power		*28.846*		
Children's Services				
Looked After Children Growth & Demography	*0.808*	*18.111*	*1.309*	*3.449*
Home to School Transport Growth & Demography	*5.908*	*2.769*	*2.896*	*3.244*
Looked After Children Placements Covid-related	*(0.519)*			
Covid Grant Funding for Looked After Children Placements	*0.519*			
Family Safeguarding	*(2.075)*	*(3.533)*		
Net Operational Pressures incl. Careleavers and Locality	*0.475*	*2.929*		
Pressures approved via protocol in previous years	*5.444*	*1.940*	*0.680*	
Reprofile of Public Health Investment	*0.459*	*(0.586)*		

Medium Term Financial Plan	**2025/26** **Approved Budget** **£million**	***2026/27*** ***Estimate*** ***£million***	***2027/28*** ***Estimate*** ***£million***	***2028/29*** ***Estimate (LGR)*** ***£million***
Home to School Transport - grant rolled into RSG 2025/26		*0.992*		
Pressures approved via protocol 2026/27: Magic Notes		*0.141*	*(0.066)*	
Consolidated grants rolled into Core Spending Power		*3.364*		
Communities, Environment & Transport				
Waste Housing Growth	*0.307*	*0.189*	*0.419*	*0.405*
Waste PFI Additional Income	*1.450*	*0.400*	*0.300*	*0.300*
Waste PFI Credits			*0.125*	*2.871*
Pressures approved via protocol in previous years	*0.445*	*0.745*		
Pressures approved via protocol 2026/27: Streetlighting		*0.313*		
Consolidated grants rolled into Core Spending Power		*0.027*		
Business Services				
Pressures approved via protocol in previous years	*0.779*	*(0.064)*		
Oracle system support		*1.146*		
Pressures approved via protocol 26/27: Power BI Fabric		*0.169*	*(0.022)*	*(0.088)*
Pressures approved via protocol 26/27: Payroll S2S income		*0.070*		
Pressures approved via protocol 26/27: HR S2S income		*0.035*		
Pressures approved via protocol 26/27: St Marys House lease		*0.027*	*0.054*	
Pressures approved via protocol 26/27: St Marys House rates		*0.058*		
Pressures approved via protocol 26/27: Cavendish House		*0.056*		
Pressures approved via protocol 26/27: Postal hub		*0.172*		
Governance Services				
Pressures approved via protocol in previous years	*0.148*			
Elections		*0.409*	*1.500*	*(1.125)*
Pressures approved via protocol 2026/27: Coroners		*0.053*		
Savings				
Savings 2024/25	*(2.685)*			
Savings 2025/26-2027/28 - approved Feb 2025	*(13.505)*	*(3.279)*	*(1.219)*	
Savings 2025/26-2027/28 - additional		*(3.051)*	*(0.464)*	*(0.008)*
NET SERVICE EXPENDITURE	***548.095***	***649.881***	***680.218***	***730.214***
Corporate Expenditure		*42.969*	*43.352*	*53.014*
Treasury Management	*14.780*	*2.662*	*3.698*	*3.424*
General Contingency	*5.650*	*1.050*	*0.300*	*0.600*
Contingency for Potential Pay Award, Recruitment and Retention	*12.353*	*(5.064)*	*5.605*	*5.745*
Orbis Review		*1.700*		
Inflation Risk Provision	*6.242*	*(1.098)*	*0.024*	*0.023*
Pensions	*4.874*			
Apprenticeship Levy	*0.600*			

Medium Term Financial Plan	**2025/26 Approved Budget £million**	***2026/27 Estimate £million***	***2027/28 Estimate £million***	***2028/29 Estimate (LGR) £million***
Movement in Reserves	*(1.107)*	*1.107*		
Levies & Grants	*1.021*	*0.026*	*0.035*	*0.037*
Transfer Public Health savings grant to Centrally Held Budgets	*(1.444)*			
TOTAL CORPORATE EXPENDITURE	***42.969***	***43.352***	***53.014***	***62.843***
TOTAL PLANNED EXPENDITURE	***591.064***	***693.233***	***733.232***	***793.057***
CUMULATIVE DEFICIT/(SURPLUS)	***11.449***	***55.631***	***74.173***	***111.066***
ANNUAL DEFICIT/(SURPLUS)	***(2.895)***	***44.182***	***18.542***	***36.893***
One-off use of Financial Management Reserve	*14.344*			
One-off use of Waste Reserve	*(9.449)*	*9.449*		
One-off use of Insurance Reserve	*(2.000)*	*2.000*		
ANNUAL DEFICIT/(SURPLUS) AFTER USE OF RESERVES	***(0.000)***	***55.631***	***18.542***	***36.893***

Annex 2: Consolidated Grants

<table>
<tr><th>Non-Council Tax Core Spending Power 2025/26</th><th>2025/26 (£m)</th><th>Non-Council Tax Core Spending Power 2026/27</th><th>2026/27 (£m)</th></tr>
<tr><td>2025/26 Revenue Support Grant</td><td>5.434</td><td rowspan="21">Revenue Support Grant</td><td rowspan="21">94.314</td></tr>
<tr><td>Compensation for under-indexing the business rates multiplier</td><td>17.219</td></tr>
<tr><td>Social Care Grant</td><td>59.640</td></tr>
<tr><td>Market Sustainability and Improvement Fund</td><td>11.312</td></tr>
<tr><td>Employer National Insurance Contributions Grant</td><td>4.470</td></tr>
<tr><td>New Homes Bonus</td><td>0.517</td></tr>
<tr><td>Green Plant and Machinery grant</td><td>0.019</td></tr>
<tr><td>Other Legacy Business Rates</td><td>3.204</td></tr>
<tr><td>Virtual School Heads for children with a social worker and children in kinship care</td><td>0.149</td></tr>
<tr><td>Biodiversity Net Gain Planning Requirement</td><td>0.027</td></tr>
<tr><td>Local Reform and Community Voices: Deprivation of Liberty Safeguards Funding</td><td>0.055</td></tr>
<tr><td>LGF Data Review</td><td>0.001</td></tr>
<tr><td>Enforcement of Location and Volume Price Promotions Restrictions</td><td>0.001</td></tr>
<tr><td>Enforcement of OOH Calorie Labelling Regulations</td><td>0.001</td></tr>
<tr><td>War Pensions Disregard grant</td><td>0.113</td></tr>
<tr><td>Social Care in Prisons grant</td><td>0.108</td></tr>
<tr><td>Supported Accommodation Reforms new burdens</td><td>0.744</td></tr>
<tr><td>Staying Put (part of the Children and Families Grant in 2025-26)</td><td>0.270</td></tr>
<tr><td>Leaving Care Allowance uplift (part of the Children and Families Grant in 2025-26)</td><td>0.089</td></tr>
<tr><td>Personal Advisors Extended Duty (part of the Children and Families Grant in 2025-26)</td><td>0.081</td></tr>
<tr><td>Virtual School Heads (VSH)_Extension of the VSH role to previously looked after children</td><td>0.067</td></tr>
<tr><td>Business Rates Retention</td><td>13.562</td><td rowspan="2">Baseline Funding</td><td rowspan="2">87.614</td></tr>
<tr><td>Tariff (-) / Top-up (+)</td><td>67.881</td></tr>
<tr><td>Better Care Fund</td><td>26.865</td><td>Better Care Fund</td><td>26.865</td></tr>
<tr><td>Sub-Total Fair Funding Assessment</td><td>211.829</td><td></td><td>208.793</td></tr>
<tr><td>Children's Social Care Prevention Grant</td><td>1.608</td><td rowspan="2">Families First Partnership (within Children, Families and Youth Grant)</td><td rowspan="2">6.655</td></tr>
<tr><td>Supporting Families (part of the Children and Families Grant in 2025-26)</td><td>1.929</td></tr>
<tr><td>Domestic Abuse Accommodation Support</td><td>1.389</td><td>Homelessness, Rough Sleeping and Domestic Abuse Grant</td><td>1.389</td></tr>
<tr><td>Total non-Council Tax Core Spending Power</td><td>216.755</td><td></td><td>216.836</td></tr>
</table>

Budget Summary 2026/27
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Revenue Budget 2026/27

Medium Term Financial Plan 2026/27 to 2028/29

Capital Programme to 2035/36

East Sussex County Council

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

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Lewes
East Sussex BN7 1UE
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Chief Finance Officer's Foreword

Introduction

This budget summary provides detail on the 2026/27 revenue budget and the Capital Programme to 2035/36. 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 2026/27 Approved Budget

In 2026/27 the Council (including schools) will spend £693.2m to deliver services to the people of East Sussex, with a further £101.5m of investment in infrastructure and assets through its capital programme. The Council’s stated priority 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

The provisional Local Government Finance Settlement published on 17 December 2025 has confirmed the assumptions in our initial modelling of the Fair Funding Review 2.0 (FFR 2.0). As anticipated, the changes to formulae have significantly reduced the Council’s share of settlement funding, now known as the Fair Funding Assessment (FFA). Whilst the change in grant funding from 2025/26 to 2026/27 is cash neutral, with inflation currently between 3% to 4%, this represents a significant reduction in real terms.

Allocations of most grants were confirmed and factored into the Medium Term Financial Plan (MTFP) and £6.3m of savings have been identified, leaving a deficit position of £55.6m in 2026/27 which, subject to approval, will be funded from borrowing via Exceptional Financial Support (EFS).

It should be noted that EFS is not “free money.” Borrowing for revenue creates future liabilities and interest costs, increasing pressure on the MTFP. While EFS provides short-term relief, it fundamentally undermines long-term sustainability. Consequently, there is a forecast deficit on the MTFP of £111.1m by 2028/29. There remain significant uncertainties which may have an impact:

- Service performance and transformation, for example, within Children’s Social Care;
- SEND reform and impact on rising funding deficits;
- The future funding of social care;
- Adult Social Care fair pay agreement consultation;
- Impact of structural changes in local government through Local Government Reorganisation and Devolution;
- Environmental targets, including the impact of Climate Emergency; and
- Geopolitical uncertainty leading to international trade issues, inflation and higher borrowing costs.

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Chief Finance Officer's Foreword

Capital Programme

The planned programme aligned to the Capital Strategy to 2045/46 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.

This Capital Strategy has been prepared in the context of significant structural changes within local government. There is an anticipated, but as yet undefined, impact on the capital programme and strategy arising from:

- Local Government Reorganisation (LGR): Potential integration of district and borough council capital programmes into a consolidated framework, which may require realignment of priorities and resources.
- Combined County Authorities (CCA): The establishment of CCAs is expected to influence certain funding streams and governance arrangements, introducing new opportunities and constraints that will need to be reflected in future iterations of this strategy.

Given the evolving nature of these changes, the capital programme will remain under review to ensure flexibility and responsiveness as further details emerge.

The programme to 2035/36 is £845.4m gross. The projected income to fund the programme is £582.5m, leaving a potential borrowing requirement of £262.9m.

Ian Gutsell
Chief Finance Officer
January 2026

Medium Term Financial Planning

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£'m	2025/26 Budget	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate
TAXATION & GOVERNMENT FUNDING		(579.615)	(637.602)	(659.059)
Council Tax	(370.172)	(13.551)	(19.089)	(20.342)
Adult Social Care Precept	(29.050)	(7.991)	(8.534)	(9.094)
Business Rates (inclusive of Pooling)	(102.987)	102.987		
Social Care Grant	(59.640)	59.640		
ASC Market Sustainability and Improvement Grant	(11.312)	11.312		
Children's Social Care Prevention Grant	(1.485)	1.485		
Revenue Support Grant	(4.452)	4.452		
New Homes Bonus	(0.517)	0.517		
Revenue Support Grant - new		(94.314)	(18.691)	7.341
Baseline Funding - Business Rates top up and retained rates		(87.614)	(2.009)	(1.808)
Consolidated grants rolled into Core Spending Power		(34.910)	26.866	0.971
TOTAL TAXATION & GOVERNMENT FUNDING	**(579.615)**	**(637.602)**	**(659.059)**	**(681.991)**
SERVICE PLAN				
Service Expenditure	515.467	548.095	649.881	680.218
Inflation				
Non-pay Inflation	17.011	19.488	17.738	18.547
Pay Awards, NI and Pensions	1.948	10.996		
Adult Social Care				
Better Care Fund - Discharge Funding	5.088			
Discharge Funding - New Burdens	(5.088)			
Growth & Demography	3.917	18.134	7.023	22.479
Transfer PH savings grant to CHB	1.444			
Pressures approved via protocol in previous years	10.350	0.580		
Pressures approved via protocol 2026/27		0.140	0.064	(0.078)
Consolidated grants rolled into Core Spending Power		28.846		
Children's Services				
Looked After Children Growth & Demography	0.808	18.111	1.309	3.449
Home to School Transport Growth & Demography	5.908	2.769	2.896	3.244
Looked After Children Placements Covid-related	(0.519)			
Covid Grant Funding for Looked After Children Placements	0.519			
Family Safeguarding	(2.075)	(3.533)		
Net Operational Pressures incl. Careleavers and Locality	0.475	2.929		
Pressures approved via protocol in previous years	5.444	1.940	0.680	
Public Health Savings - transfer to CSD	0.459	(0.586)		
Home to School Transport - grant rolled into RSG 2025/26		0.992		
Pressures approved via protocol 2026/27		0.141	(0.066)	
Consolidated grants rolled into Core Spending Power		3.364		
Communities, Environment & Transport				
Waste Housing Growth	0.307	0.189	0.419	0.405
Waste PFI Additional Income	1.450	0.400	0.300	0.300

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Medium Term Financial Planning

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£'m	2025/26 Budget	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate
Waste PFI Credits			0.125	2.871
Pressures approved via protocol in previous years	0.445	0.745		
Pressures approved via protocol 2026/27		0.313		
Consolidated grants rolled into Core Spending Power		0.027		
Business Services				
Pressures approved via protocol in previous years	0.779	(0.064)		
Pressures approved via protocol 2026/27		0.587	0.032	(0.088)
Oracle system support		1.146		
Governance Services				
Pressures approved via protocol in previous years	0.148			
Elections		0.409	1.500	(1.125)
Pressures approved via protocol 2026/27		0.053		
Savings				
Savings 2024/25	(2.685)			
Savings 2025/26-2027/28 - approved Feb 2025	(13.505)	(3.279)	(1.219)	
Savings 2025/26-2027/28 - additional		(3.051)	(0.464)	(0.008)
Net Service Expenditure	**548.095**	**649.881**	**680.218**	**730.214**
Corporate Expenditure		42.969	43.352	53.014
Treasury Management	14.780	2.662	3.698	3.424
General Contingency	5.650	1.050	0.300	0.600
Contingency for Potential Pay, Recruitment and Retention	12.353	(5.064)	5.605	5.745
Orbis Review		1.700		
Inflation risk provision	6.242	(1.098)	0.024	0.023
Pensions	4.874			
Apprenticeship Levy	0.600			
Movement in Reserves	(1.107)	1.107		
Levies & Grants	1.021	0.026	0.035	0.037
Transfer PH savings grant to CHB	(1.444)			
TOTAL CORPORATE EXPENDITURE	**42.969**	**43.352**	**53.014**	**62.843**
TOTAL PLANNED EXPENDITURE	**591.064**	**693.233**	**733.232**	**793.057**
CUMULATIVE DEFICIT/(SURPLUS)	**11.449**	**55.631**	**74.173**	**111.066**
ANNUAL DEFICIT/(SURPLUS)	**(2.895)**	**44.182**	**18.542**	**36.893**
One-off use of Financial Management Reserve	14.344			
One-off use of Waste Reserve	(9.449)	9.449		
One-off use of Insurance Reserve	(2.000)	2.000		
ANNUAL DEFICIT/(SURPLUS) after use of reserves	**0.000**	**55.631**	**18.542**	**36.893**

Fair Funding Allocation (FFA) 2026/27

The FFA represents the general funding level provided by Government to local authorities. For the first time since 2013/14 Government has implemented a new funding formula. At the same time there has been a business rates reset and a business rates revaluation. As a result of these changes a number for funding streams have been rolled into Revenue Support Grant (RSG). The Government has also decided to include the Local Authority Better Care Grant within the FFA for the first time.

Fair Funding Allocation (FFA):

Funding	2025/26 £'000	2026/27 £'000	1 year change £'000	1 year change %
Business Rates Retention	13,562	18,545	4,983	36.7%
Business Rates Top-up	67,881	69,069	1,188	1.8%
Legacy Business Rates, Rolled In Funding[1]	20,373		(20,373)	-100.0%
Total Baseline Funding Level (Business Rates)	101,816	87,614	(14,202)	-13.9%
2025/26 Revenue Support Grant	5,434		(5,434)	
Additional Funding Distributed via Adult Social Care Relative Needs Formula		1,557	1,557	
Additional Funding for Local Services		525	525	
Social Care in Prisons grant (rolled in grant)		108	108	
War Pensions Disregard grant (rolled in grant)		113	113	
Legacy Grant Funding, Other Rolled In Grants[2]	76,009	92,011	16,002	
Revenue Support Grant	**81,443**	**94,314**	**12,871**	**15.8%**
Local Authority Better Care Grant	**26,865**	**26,865**	**0**	**0.0%**
Total - ESCC	**210,124**	**208,793**	**(1,331)**	**-0.6%**

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

[1]This includes Funding streams that were within Core Spending Power in 2025/26, including: Social Care Grant; Market Sustainability and Improvement Fund; Employer National Insurance Contributions; and New Homes Bonus.
For 2026/27 this funding has become part of RSG.

[2] This includes business rates compensation for under-indexation of tax rates; Green Plant and Machinery exemptions; and Small Business Rates Relief lost supplementary income.
For 2026/27 this funding has become part of RSG.

Government funding to local authority services has decreased. For 2026/27, the decrease in FFA is £1.331m or -0.6%. The change from 2025/26 includes inflationary increases and new elements of additional funding for Adult Social Care and Local Services. However even with these increases the overall change is still a decrease. This is due to the new Relative Needs Formula which has resulted in the Council receiving a reduced share of national funding.

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 Council's Spending Power for 2024/25 to 2028/29; reflecting a new three-year settlement (2026/27 to 2028/29). The comparison to 2024/25 is unusual whereas 2025/26 is the final year of the old funding formula and would be what a new settlement is normally compared with.

Core Spending Power	2024/25	2025/26	2026/27	2027/28	2028/29	Change from 2024/25		Change from 2025/26	
	£'000	£'000	£'000	£'000	£'000	£'000	%	£'000	%
Baseline Funding	*100,125*	*101,816*	*87,614*	*89,624*	*91,432*	*(8,693)*	*-8.7%*	*(10,384)*	*-10.2%*
Revenue Support Grant (RSG)	*74,714*	*81,443*	*94,314*	*113,005*	*105,664*	*30,950*	*41.4%*	*24,221*	*29.7%*
Local Authority Better Care Grant [3]	*21,776*	*26,865*	*26,865*			*(21,776)*	*-100.0%*	*(26,865)*	*-100.0%*
Fair Funding Allocation	**196,615**	**210,124**	**208,793**	**202,629**	**197,096**	**481**	**0.2%**	***(13,028)***	**-6.2%**
Council Tax Requirement	371,000	394,475	419,399	445,900	474,078	103,078	27.8%	79,603	20.2%
Homelessness, Rough Sleeping and Domestic Abuse	1,114	1,389	1,389	1,389	1,389	275	24.7%	0	0.0%
Families First Partnership[4]	1,928	3,537	6,655	6,655	5,684	3,756	194.8%	2,147	60.7%
Total Transitional Protections						0		0	
Grants Rolled in to Revenue Support Grant[5]	1,702	1,706				(1,702)	-100.0%	(1,706)	-100.0%
Recovery Grant						0		0	
Recovery Grant Guarantee						0		0	
Mayoral Capacity Funding						0		0	
ESCC Core Spending Power	**572,359**	**611,231**	**636,236**	**656,573**	**678,247**	**105,888**	**18.5%**	**67,016**	**11.0%**

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

[3] For 2027/28 this funding will become part of RSG.

[4] This is part of the new Children, Families and Youth Grant and is allocated using the latest Children and Young People Relative Needs Formula

[5] These Grants are all new to Core Spending Power and have rolled in to RSG for 2026/27.

For the Council, Core Spending Power suggests an increase in funding of £67.0m or 11.0% when compared to 2025/26. The increase includes Government's assumption that the Council will take up the maximum allowance to increase Council Tax by 4.99% in each year of the 3 year settlement (2026/27 to 2028/29). The increase also includes an increases to the Families First Partnership. The main part of the Governments funding to the Council or FFA is decreasing by £13.0m or -6.2%. Again this is mainly due to the new Relative Needs Formula, funding loss protection means the full effect of the Formula change will not be seen until 2028/29, the final year of the settlement. For 2027/28 the Local Authority Better Care Grant rolls into RSG.

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

Direct impact on County Council Services

	Rebased Budget 2025/26 £'000	Estimate 2026/27 £'000	Change £'000
Adult Social Care/Public Health			
Public Health Grant	32,679	33,261	582
Tobacco Control	711	711	0
Housing Support	596	596	0
Substance Misuse	2,028	2,028	0
Rough Sleepers	400	400	0
* Improved Better Care Fund (IBCF)	21,777	0	(21,777)
* Local Reform and Community Voices Grant - War Pensions scheme disregard	219	0	(219)
Local Reform and Community Voices Grant	361	54	(307)
DWP Resource Management	5	5	0
	58,776	**37,055**	**(21,721)**
Children's Services			
* Troubled Families Grant	1,817	0	(1,817)
Unaccompanied Asylum Seeking Children (UASC)	2,920	2,920	0
Family Hubs	1,686	2,092	406
Holiday Activity & Food Programme	1,655	1,673	18
* Extended Rights to Free Transportation	982	0	(982)
* Staying Put	270	0	(270)
Youth Offending Team Grant - Core	530	545	15
Youth Offending Team Grant - Secure Remand	53	53	0
Hastings Priority Improvement Area	74	74	0
* 18+ Care Leavers Service	116	0	(116)
KS2 moderation and phonics	18	18	0
Multiply Adult Numeracy	880	0	(880)
Autism in Schools	0	145	145
SEND Data grant	160	113	(47)
Virtual School Heads	321	105	(216)
	11,482	**7,738**	**(3,744)**
Communities Economy and Transport			
Extended Producer Responsibility for Packaging (pEPR)	4,829	4,506	(323)
PFI Grant - Waste	2,996	2,996	0
Transport of the South East	2,065	1,033	(1,032)
Bus Service Improvement Plan	4,800	5,077	277
Bus Service Operators Grant	443	443	0
Area of Outstanding Natural Beauty High Weald	2,065	414	(1,651)
Bikeability Grant for Local Highway Authorities	217	217	0
National Trail grant	45	48	3
	17,460	**14,734**	**(2,726)**
Business Services			
PFI Grant - Peacehaven Schools	1,759	586	(1,173)
	1,759	**586**	**(1,173)**
Centrally Held items			
Inshore Fisheries Conservation Authorities Grant	58	58	0
MHCLG New Burdens grant	12	12	0
	70	**70**	**0**
Total Direct Impact	**89,547**	**60,183**	**(29,364)**

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

	Rebased Budget 2025/26 £'000	Estimate 2026/27 £'000
Children's Services		
Dedicated Schools Grant	300,222	299,416
Pupil Premium Grant	9,485	9,485
Higher Education Funding Council grant	602	602
Teachers Pension Grant	110	110
Universal Infant Free School Meals	3,119	3,119
PE and Sport Grant	1,836	1,836
Teachers Pay Grant	2,015	2,015
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
	323,656	**322,850**
Communities Economy and Transport		
Community Learning	202	202
Total Indirect Impact	**323,858**	**323,052**

Grant Funding Summary

Government Specific and Special Grants		
Total Direct Impact	89,547	60,183
Total Indirect Impact	323,858	323,052
Total	**413,405**	**383,235**

Summary by department		
Adult Social Care/Public Health	58,776	37,055
Children's Services	335,138	330,588
Communities Economy and Transport	17,662	14,936
Governance Services	0	0
Business Services	1,759	586
	413,335	**383,165**
Corporate items	70	70
Total	**413,405**	**383,235**

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

* From 2026/27 grant rolled into Revenue Support Grant (RSG) and/or Core Spending Power (CSP)

Revenue Budget Summary 2026/27

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ESCC Budget	2025/26 Approved Budget £000	2026/27 Budget £000	Change £000	%
Gross Expenditure	**1,138,234**	**1,269,952**	**131,718**	**11.57%**
Less:				
Fees, Charges & Receipts	(90,304)	(103,390)	(13,086)	
Specific Government Grants	(382,742)	(383,235)	(493)	
Financing and Planned use of reserves	(16,942)	(9,408)	7,534	
Other grants and contributions	(68,631)	(80,686)	(12,055)	
Net Expenditure	**579,615**	**693,233**	**113,618**	**19.60%**
Made up of:-				
Net Service Expenditure	**548,095**	**649,880**	**101,785**	**18.57%**
Treasury Management	14,780	17,442		
General Contingency	5,650	6,700		
Contingency for Potential Pay, Recruitment and Retention	12,353	7,290		
Orbis Review		1,700		
Inflation Risk Provision	6,242	5,144		
Pensions	4,874	4,874		
Apprenticeship Levy	600	600		
Movement in Reserves	(1,107)	0		
Levies and Grants	1,021	1,047		
Transfer PH savings grant to CHB	(1,444)	(1,444)		
One-off use of Waste and Insurance Reserves	(11,449)			
Net corporate expenditure	**31,520**	**43,353**	**11,833**	**37.54%**
Net Budget	**579,615**	**693,233**	**113,618**	**19.60%**

Revenue Budget Summary 2026/27

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ESCC Budget	2025/26 Approved Budget £000	2026/27 Budget £000	Change £000	%
Funded by:-				
Business Rates	(102,987)	(87,614)		
Revenue Support Grant	(4,452)	(94,314)		
Social Care Grants	(70,952)			
Children's Social Care Prevention Grant	(1,485)			
New Homes Bonus	(517)			
Local Authority Better Care Grant		(26,865)		
Children, Families and Youth Grant		(6,656)		
Homelessness, Rough Sleeping and Domestic Abuse Grant		(1,389)		
Collection Fund Adjustment	123	(3,942)		
Collection Fund Council Tax (Surplus)/Deficit	(4,870)	3,942		
Exceptional Financial Support		(55,631)		
Funding Other Than Council Tax	**(185,140)**	**(272,469)**	**(87,329)**	**47.17%**
Council Tax Requirement	**394,475**	**420,764**		
Taxbase: Number of "Band D" equivalent dwellings	211,282.4	214,643.8		
Band D Council Tax	**£1,867.05**	**£1,960.29**	**£93.24**	**4.99%**

Revenue Budget Summary 2026/27 - gross budget to net budget

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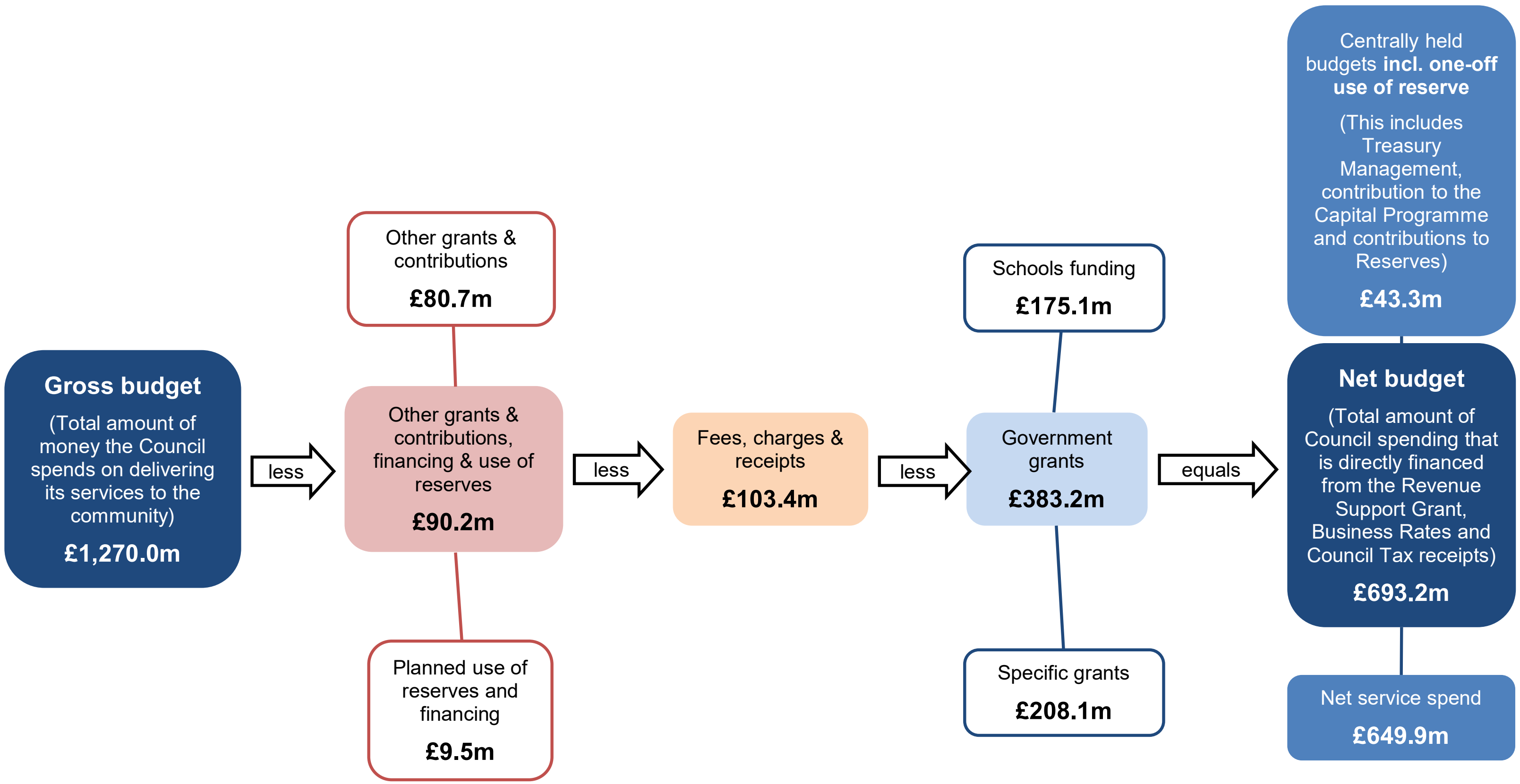

Revenue Budget Summary 2026/27 - net revenue budget

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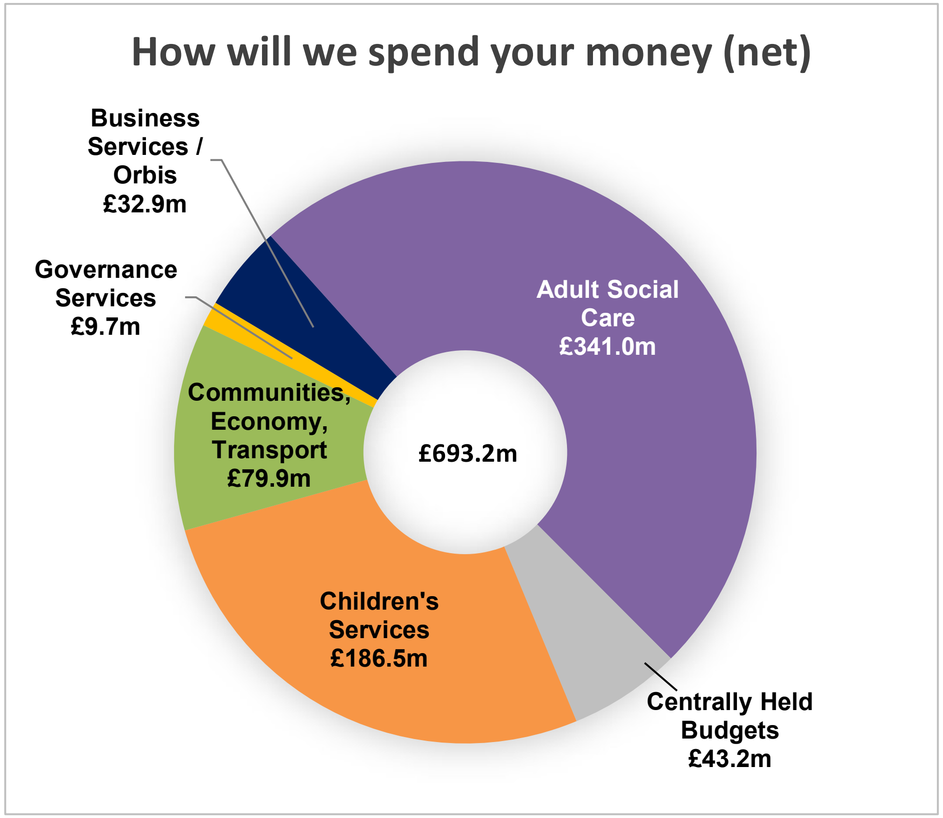

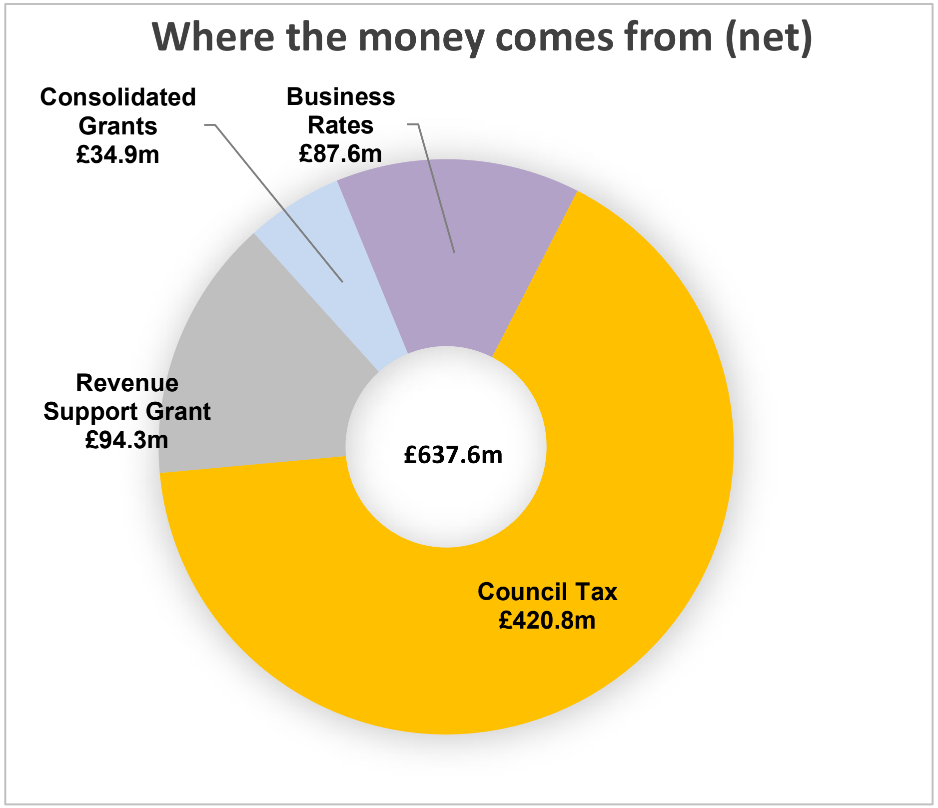

NB: the difference between spend and funding is £55.6m, which respresents the forecast deficit for 2026/27 that will (subject to approval) be funded by Exceptional Financial Sup

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Revenue Budget Summary 2026/27 - subjective analysis

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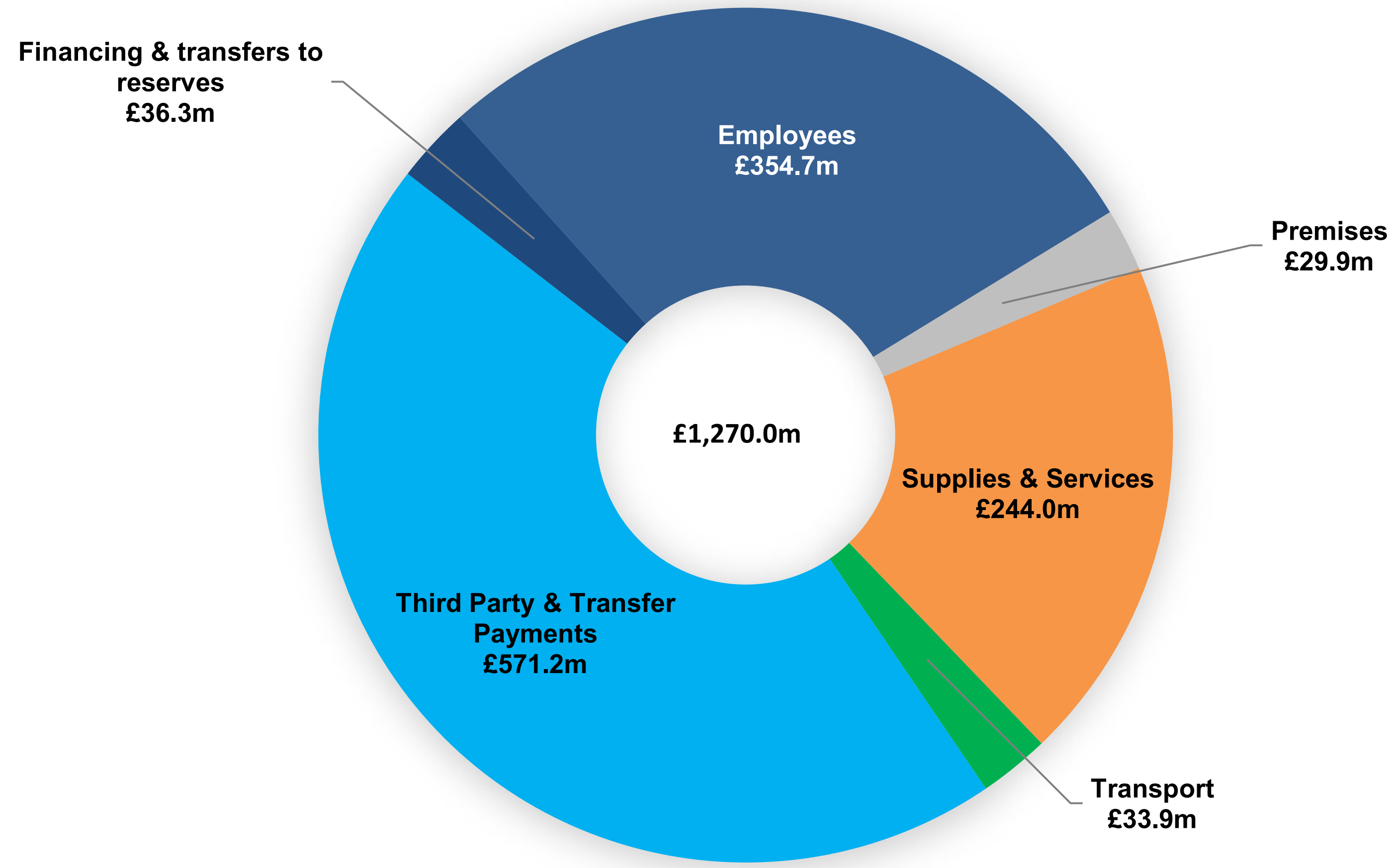

Revenue Budget Summary 2026/27 - gross revenue budget

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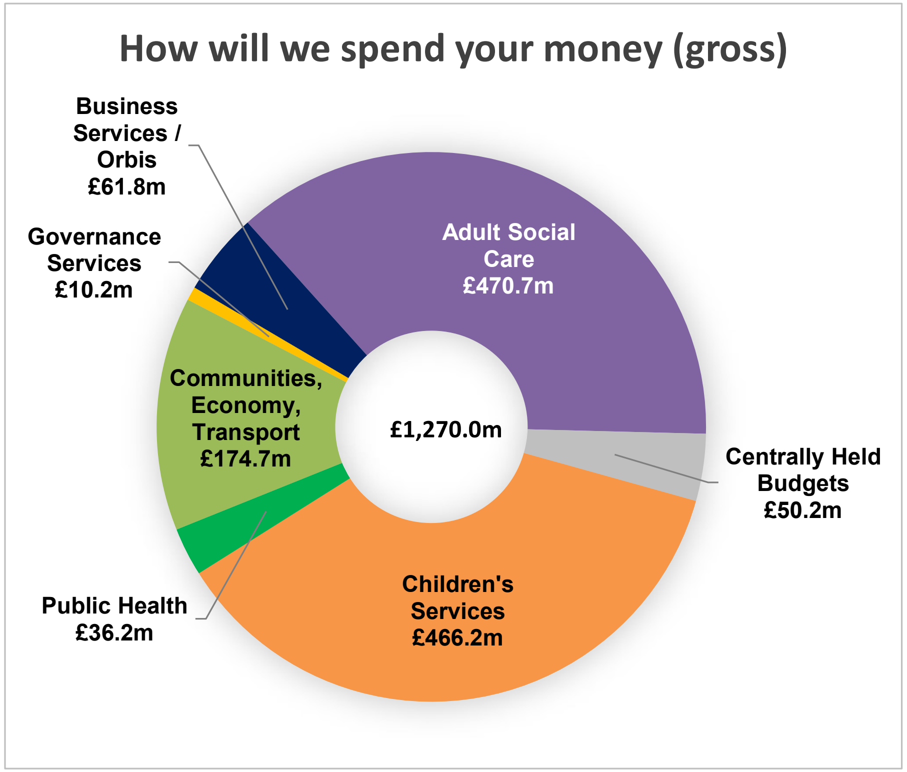

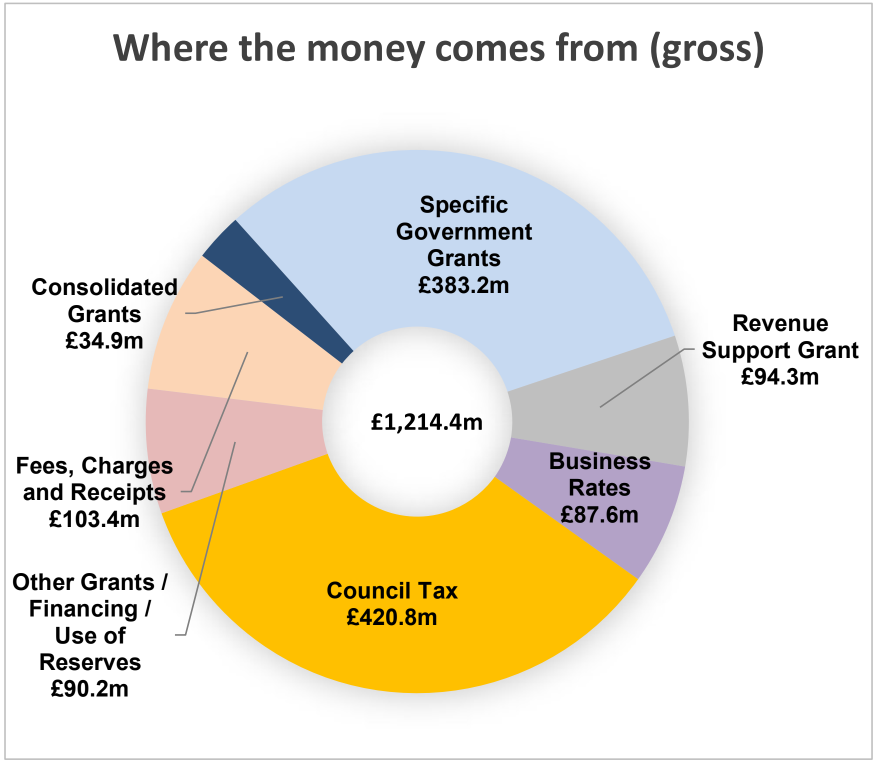

NB: the difference between spend and funding is £55.6m, which respresents the forecast deficit for 2026/27 that will (subject to approval) be funded by Exceptional Financial Support.

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Revenue Budget Summary 2026/27 - budget changes 2025/26 to 2026/27

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	2025/26 Rebased Net Budget	Additions	Reductions	2026/27 Net Budget	Change	
	£'000	£'000	£'000	£'000	£'000	%
Adult Social Care	286,157	58,818	(3,995)	340,980	54,823	19.16%
Public Health	-	-	-	-	-	0.00%
Business Services / Orbis	32,160	1,942	(1,230)	32,872	712	2.21%
Children's Services (inc. schools)	160,474	26,602	(610)	186,466	25,992	16.20%
Communities, Economy & Transport	76,835	4,911	(1,834)	79,912	3,077	4.00%
Governance Services	9,502	490	(342)	9,650	148	1.56%
Total Departments	**565,128**	**92,763**	**(8,011)**	**649,880**	**84,752**	**15.00%**
Centrally held budgets	25,938	18,561	(1,146)	43,353	17,415	67.14%
One-off Use of Reserve	(11,449)	11,449	-	-	11,449	-100.00%
Total	**579,617**	**122,773**	**(9,157)**	**693,233**	**113,616**	**19.60%**

Revenue Budget Summary 2026/27 - subjective analysis

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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	70,231	851	649	8,922	388,678	1,389	**470,720**	(59)	(68,365)	(61,788)	-	**(130,212)**	472	**340,980**
Public Health	3,374	-	13	118	28,893	3,761	**36,159**	(36,996)	(231)	-	(289)	**(37,516)**	1,357	**-**
Business Services / Orbis	24,666	13,271	132	20,195	3,557	1	**61,822**	(1,032)	(6,125)	(10,488)	(2,247)	**(19,892)**	(9,058)	**32,872**
Children's Services	215,145	10,736	1,887	89,965	148,187	280	**466,200**	(330,089)	17,707	(6,937)	(15)	**(319,334)**	39,600	**186,466**
Communities Economy & Transport	20,270	4,627	31,136	111,506	447	6,729	**174,715**	(14,936)	(23,543)	(23,850)	(104)	**(62,433)**	(32,370)	**79,912**
Governance Services	7,095	435	43	2,223	417	-	**10,213**	(53)	(129)	(327)	(53)	**(562)**	(1)	**9,650**
Services	**340,781**	**29,920**	**33,860**	**232,929**	**570,179**	**12,160**	**1,219,829**	**(383,165)**	**(80,686)**	**(103,390)**	**(2,708)**	**(569,949)**	**-**	**649,880**
Centrally held budgets	13,964	-	-	11,010	1,007	12,693	**38,674**	(70)	-	-	(6,700)	**(6,770)**	-	**31,904**
Reverse prior year use of reserves						11,449	**11,449**					**-**	-	**11,449**
Total	**354,745**	**29,920**	**33,860**	**243,939**	**571,186**	**36,302**	**1,269,952**	**(383,235)**	**(80,686)**	**(103,390)**	**(9,408)**	**(576,719)**	**-**	**693,233**

Revenue Budgets - Adult Social Care

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2025/26 Rebased Net Budget £'000		2026/27 Employees £'000	Premises £'000	Transport £'000	Supplies and Services £'000	Third Party & Transfer Payments £'000	Financing and Transfer to Reserves £'000	**Total Expenditure** £'000	Government Grants £'000	Other Grants and Contributions £'000	Fees, Charges & Receipts £'000	Financing and Planned Use of Reserves £'000	**Total Income** £'000	Internal Recharges (exp & inc) £'000	**Net Service Expenditure** £'000
	Independent Sector - Physical, Sensory and Memory & Cognition Support														
79,319	Residential & Nursing	-	-	-	-	129,686	-	**129,686**	-	-	(33,369)	-	**(33,369)**	-	**96,317**
13,848	Supported & Other Accommodation	-	-	-	-	13,892	-	**13,892**	-	-	-	-	**-**	-	**13,892**
40,447	Home Care	-	-	-	-	40,447	-	**40,447**	-	-	-	-	**-**	-	**40,447**
1,658	Day Care	-	-	-	-	1,658	-	**1,658**	-	-	-	-	**-**	-	**1,658**
21,781	Direct Payments	-	-	-	-	21,781	-	**21,781**	-	-	-	-	**-**	-	**21,781**
(49,751)	Other Services	-	-	-	422	2,909	-	**3,331**	-	(20,302)	-	-	**(20,302)**	159	**(16,812)**
(16,899)	Fairer Charging *	-	-	-	-	-	-	**-**	-	-	(21,101)	-	**(21,101)**	-	**(21,101)**
-	Meals in the Community	-	-	-	-	-	-	**-**	-	-	-	-	**-**	-	**-**
90,403	**Subtotal**	**-**	**-**	**-**	**422**	**210,373**	**-**	**210,795**	**-**	**(20,302)**	**(54,470)**	**-**	**(74,772)**	**159**	**136,182**
	Independent Sector - Learning Disability Support														
54,994	Residential & Nursing	-	-	-	-	64,587	-	**64,587**	-	-	(3,536)	-	**(3,536)**	-	**61,051**
32,820	Supported & Other Accommodation	-	-	-	-	32,386	-	**32,386**	-	-	-	-	**-**	-	**32,386**
6,638	Home Care	-	-	-	-	6,638	-	**6,638**	-	-	-	-	**-**	-	**6,638**
3,282	Day Care	-	-	-	-	3,282	-	**3,282**	-	-	-	-	**-**	-	**3,282**
8,723	Direct Payments	-	-	-	-	8,723	-	**8,723**	-	-	-	-	**-**	-	**8,723**
(12,261)	Other Services	770	-	1	57	1,480	-	**2,308**	-	(9,483)	-	-	**(9,483)**	-	**(7,175)**
(2,262)	Fairer Charging *	-	-	-	-	-	-	**-**	-	-	(624)	-	**(624)**	-	**(624)**
91,934	**Subtotal**	**770**	**-**	**1**	**57**	**117,096**	**-**	**117,924**	**-**	**(9,483)**	**(4,160)**	**-**	**(13,643)**	**-**	**104,281**
	Independent Sector - Mental Health Support														
22,241	Residential & Nursing	-	-	-	-	22,488	-	**22,488**	-	-	(511)	-	**(511)**	-	**21,977**
16,593	Supported & Other Accommodation	-	-	-	-	16,593	-	**16,593**	-	-	-	-	**-**	-	**16,593**
2,624	Home Care	-	-	-	-	2,624	-	**2,624**	-	-	-	-	**-**	-	**2,624**
119	Day Care	-	-	-	-	119	-	**119**	-	-	-	-	**-**	-	**119**
3,154	Direct Payments	-	-	-	-	3,154	-	**3,154**	-	-	-	-	**-**	-	**3,154**
(17,720)	Other Services	-	-	-	-	343	-	**343**	-	(18,930)	-	-	**(18,930)**	-	**(18,587)**
(996)	Fairer Charging *	-	-	-	-	-	-	**-**	-	-	(675)	-	**(675)**	-	**(675)**
26,015	**Subtotal**	**-**	**-**	**-**	**-**	**45,321**	**-**	**45,321**	**-**	**(18,930)**	**(1,186)**	**-**	**(20,116)**	**-**	**25,205**
	Adult Operations														
33,224	Assessment & Care Management	32,813	156	156	666	818	-	**34,609**	(54)	(2,714)	(145)	-	**(2,913)**	153	**31,849**
12,201	Directly Provided Services - Older People	13,835	216	325	610	1,768	-	**16,754**	-	(4,846)	(346)	-	**(5,192)**	150	**11,712**
8,908	Directly Provided Services - Learning Disability	8,914	240	67	101	-	-	**9,322**	-	(12)	(530)	-	**(542)**	342	**9,122**
54,333	**Subtotal**	**55,562**	**612**	**548**	**1,377**	**2,586**	**-**	**60,685**	**(54)**	**(7,572)**	**(1,021)**	**-**	**(8,647)**	**645**	**52,683**

Revenue Budgets - Adult Social Care

2025/26 Rebased Net Budget £'000		2026/27 Employees £'000	Premises £'000	Transport £'000	Supplies and Services £'000	Third Party & Transfer Payments £'000	Financing and Transfer to Reserves £'000	**Total Expenditure** £'000	Government Grants £'000	Other Grants and Contributions £'000	Fees, Charges & Receipts £'000	Financing and Planned Use of Reserves £'000	**Total Income** £'000	Internal Recharges (exp & inc) £'000	**Net Service Expenditure** £'000
	Strategy, Commissioning and Supply Management														
6,547	Commissioners, Comissioned Services and Supply Managemen	5,550	237	17	323	4,109	-	**10,236**	-	(4,129)	-	-	**(4,129)**	-	**6,107**
4,252	Supporting People	-	2	-	-	2,007	-	**2,009**	-	-	-	-	**-**	-	**2,009**
4,430	Equipment & Assistive Technology	303	-	-	5,044	3,562	-	**8,909**	-	(3,637)	(850)	-	**(4,487)**	-	**4,422**
694	Carers	1,383	-	50	12	2,172	-	**3,617**	-	(2,923)	-	-	**(2,923)**	-	**694**
15,923	**Subtotal**	**7,236**	**239**	**67**	**5,379**	**11,850**	**-**	**24,771**	**-**	**(10,689)**	**(850)**	**-**	**(11,539)**	**-**	**13,232**
5,074	**Planning, Performance and Engagement**	5,562	-	15	789	-	-	**6,366**	(5)	(719)	(101)	-	**(825)**	-	**5,541**
1,323	**Service Strategy (including Director & support)**	473	-	1	888	77	-	**1,439**	-	(160)	-	-	**(160)**	-	**1,279**
1,152	**Safer Communities**	628	-	17	10	1,375	1,389	**3,419**	-	(510)	-	-	**(510)**	(332)	**2,577**
286,157	**Total**	**70,231**	**851**	**649**	**8,922**	**388,678**	**1,389**	**470,720**	**(59)**	**(68,365)**	**(61,788)**	**-**	**(130,212)**	**472**	**340,980**

* 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 2025/26	**286,157**
Growth / Pressures	18,854
Inflation	13,068
Savings	(3,979)
Tfrs between depts	(16)
Other	26,896
Departmental Estimate 2026/27	**340,980**

Revenue Budgets - Public Health

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2025/26 Rebased Net Budget £'000		2026/27 Employees £'000	Premises £'000	Transport £'000	Supplies & Services £'000	Transfers & Third Party Payments £'000	Financing & Transfers to Reserves £'000	**Total Expenditure** £'000	Government Grants £'000	Other Grants & Contributions £'000	Fees, Charges & Receipts £'000	Financing & Planned Use of Reserves £'000	**Total Income** £'000	Internal Recharges (exp & inc) £'000	**Net Service Expenditure** £'000
11,833	Mental Health and Best Start	-	-	-	-	11,838	-	**11,838**	-	-	-	-	**-**	-	**11,838**
10,102	Risky Behaviours and Threats to Health	43	-	-	15	13,331	-	**13,389**	(3,735)	(168)	-	-	**(3,903)**	472	**9,958**
2,994	Health Systems	-	-	-	69	2,811	-	**2,880**	-	-	-	-	**-**	-	**2,880**
774	Communities	-	-	-	-	844	-	**844**	-	-	-	-	**-**	-	**844**
(25,703)	Central Support	3,331	-	13	34	69	3,761	**7,208**	(33,261)	(63)	-	(289)	**(33,613)**	885	**(25,520)**
-	**Total**	**3,374**	**-**	**13**	**118**	**28,893**	**3,761**	**36,159**	**(36,996)**	**(231)**	**-**	**(289)**	**(37,516)**	**1,357**	**-**

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Main changes between years	**£'000**
Rebased Net Budget 2025/26	**-**
Growth / Pressures	-
Inflation	-
Savings	-
Tfrs between depts	-
Other	-
Departmental Estimate 2026/27	**-**

Revenue Budgets - Business Services / Orbis

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2025/26		2026/27													
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**
6,363	Finance	10,424	618	52	4,929	17	-	**16,040**	(241)	(3,527)	(597)	(2,188)	**(6,553)**	(2,055)	**7,432**
9,894	IT & Digital	7,490	126	38	5,782	-	-	**13,436**	(121)	(749)	(1,461)	(58)	**(2,389)**	(1,630)	**9,417**
2,559	HR & Organisational Development	3,052	-	2	410	-	1	**3,465**	(61)	-	(602)	(1)	**(664)**	(371)	**2,430**
-	Procurement	-	-	-	-	-	-	**-**	-	-	-	-	**-**	-	**-**
9,398	Property	3,700	12,527	40	5,284	3,540	-	**25,091**	(609)	(1,849)	(7,828)	-	**(10,286)**	(5,002)	**9,803**
3,946	Contribution to Orbis Partnership	-	-	-	3,790	-	-	**3,790**	-	-	-	-	**-**	-	**3,790**
32,160	**Total**	**24,666**	**13,271**	**132**	**20,195**	**3,557**	**1**	**61,822**	**(1,032)**	**(6,125)**	**(10,488)**	**(2,247)**	**(19,892)**	**(9,058)**	**32,872**

Main changes between years	**£000**
Rebased Net Budget 2025/26	**32,160**
Growth / Pressures	523
Inflation	309
Savings	(355)
Tfrs between depts	1,110
Other	(875)
Departmental Estimate 2026/27	**32,872**

Revenue Budgets - Children's Services

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2025/26 Rebased Net Budget		2026/27 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														
5,803	Early Help Keywork and Children's Centres	6,198	277	147	206	19	-	**6,847**	(2,092)	(297)	(26)	-	**(2,415)**	40	**4,472**
24,375	Locality Social Work & Family Assessment	16,955	-	288	488	7,937	-	**25,668**	-	(437)	-	-	**(437)**	(20)	**25,211**
8,295	Looked After Children	7,265	87	583	1,134	1,950	-	**11,019**	(1,421)	-	-	-	**(1,421)**	203	**9,801**
404	Other Children & Families	984	-	1	4	-	-	**989**	-	-	-	-	**-**	-	**989**
625	Separated Children	-	-	-	-	2,920	-	**2,920**	(2,920)	-	-	-	**(2,920)**	-	**-**
4,513	Specialist Services	5,502	71	113	239	2,562	-	**8,487**	(598)	(810)	-	-	**(1,408)**	(599)	**6,480**
44,015	**Subtotal**	**36,904**	**435**	**1,132**	**2,071**	**15,388**	**-**	**55,930**	**(7,031)**	**(1,544)**	**(26)**	**-**	**(8,601)**	**(376)**	**46,953**
	Education														
2,723	Inclusion & Partnerships	4,922	-	72	1,034	-	-	**6,028**	(3,431)	-	(426)	-	**(3,857)**	492	**2,663**
3,351	Participation & Planning	5,538	-	46	65,643	1,857	-	**73,084**	(69,167)	(2,025)	(160)	-	**(71,352)**	1,655	**3,387**
4,418	SEND & Safeguarding	19,311	57	223	3,170	56,475	-	**79,236**	(71,387)	(2,068)	(1,006)	-	**(74,461)**	(79)	**4,696**
10,492	**Subtotal**	**29,771**	**57**	**341**	**69,847**	**58,332**	**-**	**158,348**	**(143,985)**	**(4,093)**	**(1,592)**	**-**	**(149,670)**	**2,068**	**10,746**
	Commissioning & Transformation														
865	Commissioned Services	-	-	-	29	393	-	**422**	-	(30)	-	-	**(30)**	206	**598**
2,865	Localities Placements	-	-	-	-	3,769	-	**3,769**	(800)	-	-	-	**(800)**	-	**2,969**
64,831	Looked After Children Placements	16,061	413	168	642	68,299	280	**85,863**	(110)	(244)	(4,475)	-	**(4,829)**	105	**81,139**
653	Social Work & Education	829	-	5	-	-	-	**834**	-	(129)	(81)	-	**(210)**	-	**624**
1,290	Transformation	1,217	-	5	4	90	-	**1,316**	-	-	-	-	**-**	-	**1,316**
70,504	**Subtotal**	**18,107**	**413**	**178**	**675**	**72,551**	**280**	**92,204**	**(910)**	**(403)**	**(4,556)**	**-**	**(5,869)**	**311**	**86,646**
1,476	**Adoption South East**	1,570	-	37	255	-	-	**1,862**	-	(228)	-	-	**(228)**	-	**1,634**
-	**Schools**	117,999	9,796	153	14,028	1,911	-	**143,887**	(175,083)	24,756	-	-	**(150,327)**	6,440	**-**
	Management & Support														
614	Central Resources	1,950	-	5	253	-	-	**2,208**	(1,191)	-	-	(15)	**(1,206)**	(410)	**592**
5,200	Communications, Planning & Performance	8,626	35	41	2,749	5	-	**11,456**	(1,889)	(781)	(763)	-	**(3,433)**	(125)	**7,898**
28,173	Home to School Transport	218	-	-	87	-	-	**305**	-	-	-	-	**-**	31,692	**31,997**
33,987	**Subtotal**	**10,794**	**35**	**46**	**3,089**	**5**	**-**	**13,969**	**(3,080)**	**(781)**	**(763)**	**(15)**	**(4,639)**	**31,157**	**40,487**
160,474	**Total**	**215,145**	**10,736**	**1,887**	**89,965**	**148,187**	**280**	**466,200**	**(330,089)**	**17,707**	**(6,937)**	**(15)**	**(319,334)**	**39,600**	**186,466**

Main changes between years	£'000
Rebased Net Budget 2025/26	**160,474**
Growth / Pressures	23,349
Inflation	2,819
Savings	(596)
Tfrs between depts	(14)
Other	434
Departmental Estimate 2026/27	**186,466**

Revenue Budgets - Communities, Economy & Transport

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2025/26 Rebased Net Budget		2026/27 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														
705	Archives	444	656	-	730	-	-	**1,830**	-	(1,078)	(166)	-	**(1,244)**	32	**618**
972	Road Safety	1,047	9	30	197	-	-	**1,283**	(217)	(96)	(89)	-	**(402)**	4	**885**
991	Trading Standards	946	-	9	91	-	-	**1,046**	-	-	(42)	(44)	**(86)**	2	**962**
125	Travellers Sites	235	110	4	14	-	-	**363**	-	(111)	(139)	-	**(250)**	6	**119**
284	Emergency Planning	381	-	3	90	-	-	**474**	-	(202)	-	-	**(202)**	-	**272**
3,077	**Subtotal**	**3,053**	**775**	**46**	**1,122**	**-**	**-**	**4,996**	**(217)**	**(1,487)**	**(436)**	**(44)**	**(2,184)**	**44**	**2,856**
	Customer, Library & Registration Services														
4,367	Libraries	3,109	806	32	951	-	-	**4,898**	(202)	(120)	(248)	-	**(570)**	(57)	**4,271**
369	Records	163	198	-	18	-	-	**379**	-	-	(17)	-	**(17)**	3	**365**
401	Customer Care	387	-	-	1	-	-	**388**	-	-	-	-	**-**	-	**388**
(142)	Registration	1,519	48	19	67	-	-	**1,653**	-	(5)	(1,952)	-	**(1,957)**	14	**(290)**
4,995	**Subtotal**	**5,178**	**1,052**	**51**	**1,037**	**-**	**-**	**7,318**	**(202)**	**(125)**	**(2,217)**	**-**	**(2,544)**	**(40)**	**4,734**
	Transport & Operational Services														
8,060	Passenger Services	306	-	-	17,638	-	-	**17,944**	(5,516)	(401)	(78)	-	**(5,995)**	(2,320)	**9,629**
2	Home to School and ASC Transport	128	-	30,290	1,521	-	-	**31,939**	(4)	(81)	(75)	-	**(160)**	(31,778)	**1**
(265)	Parking	851	-	1	3,921	-	-	**4,773**	-	(298)	(7,526)	-	**(7,824)**	2,786	**(265)**
35,590	Waste Disposal	449	504	7	62,198	274	4,506	**67,938**	(7,502)	(17,616)	(5,184)	-	**(30,302)**	2	**37,638**
837	Rights of Way/Countryside Management	873	48	24	167	3	-	**1,115**	(48)	(80)	(195)	-	**(323)**	10	**802**
793	Other Transport & Operational Services	1,188	50	671	162	-	35	**2,106**	-	-	(160)	-	**(160)**	(1,027)	**919**
45,017	**Subtotal**	**3,795**	**602**	**30,993**	**85,607**	**277**	**4,541**	**125,815**	**(13,070)**	**(18,476)**	**(13,218)**	**-**	**(44,764)**	**(32,327)**	**48,724**
	Highways														
1,258	Contract Management	1,181	6	11	1,337	-	709	**3,244**	-	-	(1,944)	-	**(1,944)**	21	**1,321**
15,252	Contract Costs (fixed and reactive)	-	2,094	-	18,684	-	-	**20,778**	-	(250)	(4,330)	-	**(4,580)**	-	**16,198**
651	Non Contract Works	-	1	-	428	135	-	**564**	-	(30)	(7)	-	**(37)**	-	**527**
17,161	**Subtotal**	**1,181**	**2,101**	**11**	**20,449**	**135**	**709**	**24,586**	**-**	**(280)**	**(6,281)**	**-**	**(6,561)**	**21**	**18,046**

Revenue Budgets - Communities, Economy & Transport

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2025/26 Rebased Net Budget		2026/27 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**
	Planning & Environment														
434	Environment	438	70	2	429	4	-	**943**	-	(271)	(356)	-	**(627)**	3	**319**
1,033	Planning	1,850	-	15	331	-	-	**2,196**	-	(20)	(1,292)	(60)	**(1,372)**	25	**849**
5	High Weald	730	27	4	351	-	-	**1,112**	(414)	(734)	-	-	**(1,148)**	36	**-**
1,472	**Subtotal**	**3,018**	**97**	**21**	**1,111**	**4**	**-**	**4,251**	**(414)**	**(1,025)**	**(1,648)**	**(60)**	**(3,147)**	**64**	**1,168**
1,991	**Economic Development Skills and Growth**	1,365	-	8	532	-	-	**1,905**	-	(358)	(50)	-	**(408)**	(98)	**1,399**
3,122	**Management & Support**	2,680	-	6	1,648	31	1,479	**5,844**	(1,033)	(1,792)	-	-	**(2,825)**	(34)	**2,985**
76,835	**Total**	**20,270**	**4,627**	**31,136**	**111,506**	**447**	**6,729**	**174,715**	**(14,936)**	**(23,543)**	**(23,850)**	**(104)**	**(62,433)**	**(32,370)**	**79,912**

Main changes between years	£'000
Rebased Net Budget 2025/26	**76,835**
Growth / Pressures	1,647
Inflation	3,264
Savings	(1,257)
Tfrs between depts	(11)
Other	(566)
Departmental Estimate 2026/27	**79,912**

Revenue Budgets - Governance Services

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2025/26 Rebased Net Budget		2026/27 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
2,839	**Corporate Governance**	1,667	2	19	1,207	417	-	**3,312**	-	(79)	(45)	-	**(124)**	1	**3,189**
	Corporate Support														
1,269	Communications	1,252	-	1	-	-	-	**1,253**	(53)	(50)	(1)	-	**(104)**	(2)	**1,147**
2,433	Legal	2,523	-	10	107	-	-	**2,640**	-	-	(281)	-	**(281)**	-	**2,359**
3,702	**Subtotal**	**3,775**	**-**	**11**	**107**	**-**	**-**	**3,893**	**(53)**	**(50)**	**(282)**	**-**	**(385)**	**(2)**	**3,506**
2,038	**Coroners**	1,026	433	10	583	-	-	**2,052**	-	-	-	-	**-**	-	**2,052**
923	**Senior Management & Organisational Development**	627	-	3	326	-	-	**956**	-	-	-	(53)	**(53)**	-	**903**
9,502	**Total**	**7,095**	**435**	**43**	**2,223**	**417**	**-**	**10,213**	**(53)**	**(129)**	**(327)**	**(53)**	**(562)**	**(1)**	**9,650**

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Main changes between years	**£'000**
Rebased Net Budget 2025/26	**9,502**
Growth / Pressures	462
Inflation	28
Savings	(143)
Tfrs between depts	(1)
Other	(198)
Departmental Estimate 2026/27	**9,650**

Capital programme to 2035/36

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Introduction

The planned capital programme supports the Council's Capital Strategy to 2045/46. It comprises targeted basic need investment that supports services in the delivery of priority outcomes and is supported by a planned programme to 2035/36. 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:

- Investment in the 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.

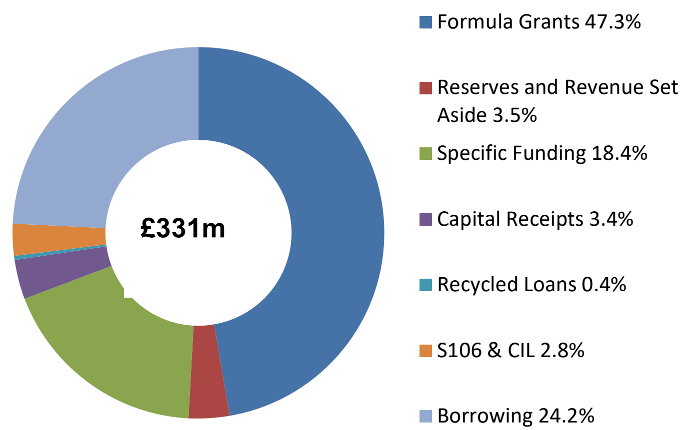
- Providing necessary school places and school access initiatives, safeguarding and temporary accommodation.

- Investment for important additional school places for pupils with Special Educational Needs and Disabilities (SEND).

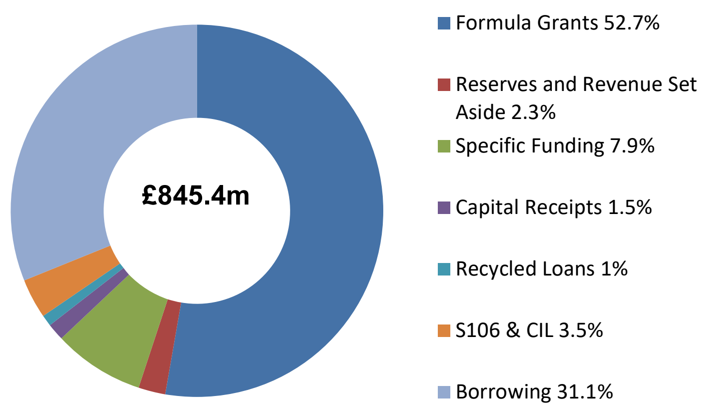
- Capital Building Improvements and energy saving measures;
- Essential Libraries work to keep libraries in their current condition
- Support of Economic Growth and Strategic Infrastructure investment.
- Supported accommodation and improvements

Total 10 year Programme of £845.4m comprising:

MTFP Programme to 2028/29



Programme 2025/26 to 2035/36



An estimated 53**%** (£445.7m) will be funded from Government grants, with 11% (£96.1m) funded from scheme-specific income, requiring the remaining 36% (£303.6m) funded locally through borrowing, capital receipts, recycled loans and use of reserves set aside for a specific purpose.

Capital programme - current programme and resources

Capital Programme	2025/26 Current Yr £'000	2026/27 MTFP Period £'000	2027/28 £'000	2028/29 £'000	2028/29 Programme Total £'000	2029/30 £'000	2030/31 £'000	2031/32 £'000	2032/33 £'000	2033/34 £'000	2034/35 £'000	2035/36 £'000	Remaining Budget Total £'000
Adult Social Care	1,868	183			**2,051**								**2,051**
Business Services	35,790	37,267	15,221	13,373	**101,651**	21,776	20,641	41,535	39,010	39,781	22,208	17,154	**303,756**
Children's Services	2,789	2,451	1,924		**7,164**								**7,164**
Communities, Economy & Transport	58,310	82,265	48,757	44,433	**233,765**	49,592	41,007	40,285	44,474	40,465	41,960	40,858	**532,406**
Gross Expenditure by Department	**98,757**	**122,166**	**65,902**	**57,806**	**344,631**	**71,368**	**61,648**	**81,820**	**83,484**	**80,246**	**64,168**	**58,012**	**845,377**
Corporate Slippage Risk Factor - Expenditure	*(2,176)*	*(20,633)*	*6,536*	*2,684*	**(13,589)**	*1,941*	*1,941*	*1,941*	*1,942*	*1,942*	*1,941*	*1,941*	**0**
Revised Gross Expenditure	**96,581**	**101,533**	**72,438**	**60,490**	**331,042**	**73,309**	**63,589**	**83,761**	**85,426**	**82,188**	**66,109**	**59,953**	**845,377**
Corporate Slippage Risk Factor - Income	*1,129*	*10,706*	*(3,391)*	*(1,392)*	**7,052**	*(1,007)*	*(1,007)*	*(1,007)*	*(1,008)*	*(1,008)*	*(1,007)*	*(1,008)*	**0**
Section 106 and CIL	(5,124)	(3,812)	(602)	(25)	**(9,563)**	(1,097)	(927)	(25)					**(11,612)**
Grants from non-departmental public bodies													
Other Specific Funding	(24,683)	(33,025)	(8,641)	(553)	**(66,902)**								**(66,902)**
Net Expenditure	**67,903**	**75,402**	**59,804**	**58,520**	**261,629**	**71,205**	**61,655**	**82,729**	**84,418**	**81,180**	**65,102**	**58,945**	**766,863**

Current Funding Assumptions	2025/26 £'000	2026/27 MTFP Period £'000	2027/28 £'000	2028/29 £'000	2025-30 Programme Total £'000	2031-35 Programme Total £'000	Total Resource £'000
Capital Receipts	1,288	4,449	2,102	3,461	**11,300**	1,293	**12,593**
Formula Grants	30,714	38,059	40,881	46,930	**156,584**	289,119	**445,703**
Section 106 and CIL Target	671				**671**	16,930	**17,601**
Recycled Loans	274	300	300	300	**1,174**	7,040	**8,214**
Reserves and revenue set aside	5,680	2,586	1,409	2,056	**11,731**	8,099	**19,830**
Borrowing	29,276	30,008	15,112	5,773	**80,169**	182,753	**262,922**
	67,903	**75,402**	**59,804**	**58,520**	**261,629**	**505,234**	**766,863**

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Adult Social Care	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	Budget Total
	MTFP Period											
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Specific Projects:												
Greenacres		140										140
Learning Disability Supported Living Scheme	1,868	43										1,911
Gross Expenditure	**1,868**	**183**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**2,051**
S106 & CIL												
Grants from non-departmental public bodies												
Other Specific Funding	(1,868)	(183)										(2,051)
Net Expenditure	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Capital programme - Business Services

Business Services	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	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)	664	400	400	400	4,617	4,092	23,765	23,241	23,503	3,725	787	85,594
Special Educational Needs (delivered on behalf of CSD)	2,659	4,078	1,000	500	500	500	500	500	500	500	500	11,737
Special Educational Needs – Additional Places (delivered on behalf of CSD)	6,621	9,181	250									16,052
Capital Building Improvements (Schools)	4,800	7,121	5,012	5,012	5,012	5,012	5,012	5,012	5,012	5,012	5,012	57,029
Capital Building Improvements (Corporate)	4,400	4,250	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	44,650
IT & Digital Strategy Implementation	4,144	4,099	2,102	3,461	7,647	7,037	8,258	6,257	6,766	8,971	6,855	65,597
IT & Digital Strategy implementation - Oracle Implementation	7,710	8,037	2,457									18,204
Specific Projects:												
Disability Children's Homes (delivered on behalf of CSD)	14											14
Westfield Lane (delivered on behalf of CSD)	17											17
Youth Investment Fund (delivered on behalf of CSD)	1,745											1,745
Hollington Youth Centre (delivered on behalf of CSD)	2,992	101										3,093
IT & Digital Strategy implementation (utilising automation)	24											24
Gross Expenditure	**35,790**	**37,267**	**15,221**	**13,373**	**21,776**	**20,641**	**41,535**	**39,010**	**39,781**	**22,208**	**17,154**	**303,756**
S106 & CIL		(1,169)			(1,072)	(902)						(3,143)
Grants from non-departmental public bodies												
Other Specific Funding	(4,737)	(101)										(4,838)
Net Expenditure	**31,053**	**35,997**	**15,221**	**13,373**	**20,704**	**19,739**	**41,535**	**39,010**	**39,781**	**22,208**	**17,154**	**295,775**

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Children's Services	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	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									3,450
Specific Projects:												
House Adaptations for Disabled Children's Carers Homes	430	109										539
Hastings and Rother Skills Capital	93											93
Youth Service Mobile Resource Bus	53											53
Children's Services Essential System Developments	1,063	1,192	774									3,029
Gross Expenditure	**2,789**	**2,451**	**1,924**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**7,164**
S106 & CIL												
Grants from non-departmental public bodies												
Other Specific Funding	(1,726)	(1,259)	(1,150)									(4,135)
Net Expenditure	**1,063**	**1,192**	**774**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**3,029**

Capital programme - Communities, Economy & Transport

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Communities, Economy & Transport	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	Budget Total
	MTFP Period											
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Target led basic need:												
Highways Structural Maintenance	18,375	20,948	25,094	28,531	32,452	32,452	32,452	32,452	32,452	32,452	32,452	320,112
Bridge Assessment Strengthening	3,480	7,758	1,830	1,885	1,942	2,000	2,060	2,122	2,186	2,252	2,320	29,835
Rights of Way Surface Repairs and Bridge Replacement Programme	810	662	702	744	789	836	886	939	995	1,055	1,118	9,536
Street Lighting and Traffic Signals (life expired)	2,396	2,450	3,565	1,095	1,135	1,192	1,250	1,310	1,372	1,436	1,508	18,709
Specific Projects:												
Broadband	338	500	500	500								1,838
Climate Emergency Works	242											242
Flood & Coastal Resilience Innovation Programme	910	613										1,523
Flood Management and SuDS in Schools	445											445
Urban Tree Challenge	15	15	15									45
Bexhill & Hastings Link Road Complementary Measures	132											132
Community Match Fund	451											451
Economic Growth & Strategic Infrastructure Programme												
Economic Intervention Fund - Loans		300	300	300	300	300	177					1,677
Growing Places Fund Loan Scheme	650					767		4,191		1,305		6,913
Other Integrated Transport Schemes	2,737	5,653	4,720	5,355	8,003	2,941	2,941	2,941	2,941	2,941	2,941	44,114
Integrated Transport Schemes - A22 Corridor Package	6,092											6,092
A22 North of Hailsham	272											272
Safer Roads	28	836										864
Visually Better Roads	248											248

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Capital programme - Communities, Economy & Transport

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Communities, Economy & Transport	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	Budget Total
	MTFP Period											
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Local Electric Vehicle Infrastructure		2,320	2,221									4,541
Gypsy and Traveller Site Refurbishment	137	70	70	70	70	70	70	70	70	70	70	837
The Keep	212	85	152	628								1,077
Library Refurbishment	442	456	449	449	449	449	449	449	449	449	449	4,939
14A Alders Close Heating	188											188
Community Road Safety Interventions	131	291										422
Newhaven Port Access Road	28											28
Real Time Passenger Information	199	68										267
Passenger Services Software	5											5
Bus Service Improvement Plan - Bus Prioritisation	1,231	9,812	1,190	1,213	1,236							14,682
Bus Service Improvement Plan - Passenger Transport	804	3,034	3,094	3,156	3,216							13,304
Queensway Depot Development (Formerly Eastern)	1											1
Queensway Gateway Road	5,316											5,316
Exceat Bridge	2,587	9,243	4,855	507								17,192
Waste Transfer Stations Fire Suppression		1,215										1,215
Emergency Active Travel Fund - Tranche 2	403											403
Area-wide Traffic Management Scheme - Schools Streets	154											154
Schools Streets (Countywide Plan)	61	100										161
Area-wide Traffic Management Scheme - Eastbourne Liveable Town Centre	80	202										282

Capital programme - Communities, Economy & Transport

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Communities, Economy & Transport	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	Budget Total
	MTFP Period											
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Hastings Town Centre Public Realm and Green Connections	1,024	8,681										9,705
Local Enterprise Funded Schemes												
Eastbourne Town Centre Phase 2a	2,290	1,933										4,223
Eastbourne Town Centre Phase 2b	4,328											4,328
Eastbourne/South Wealden Walking & Cycling Package	183	1,720										1,903
Hailsham/Polegate/Eastbourne Movement & Access Corridor	150	160										310
Hastings & Bexhill Movement & Access Package	735	3,140										3,875
Gross Expenditure	**58,310**	**82,265**	**48,757**	**44,433**	**49,592**	**41,007**	**40,285**	**44,474**	**40,465**	**41,960**	**40,858**	**532,406**
S106 & CIL	(5,124)	(2,643)	(602)	(25)	(25)	(25)	(25)					(8,469)
Grants from non-departmental public bodies												
Other Specific Funding	(16,352)	(31,482)	(7,491)	(553)								(55,878)
Net Expenditure	**36,834**	**48,140**	**40,664**	**43,855**	**49,567**	**40,982**	**40,260**	**44,474**	**40,465**	**41,960**	**40,858**	**468,059**

Reserve Balances

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	Anticipated Balance 31st Mar 2026 £'000	Net planned Movements 2026/27 £'000	Anticipated Balance 31st Mar 2027 £'000	Estimated Balance 31st Mar 2030 £'000
Held on behalf of others or statutorily ringfenced				
Balances held by Schools	16,043	0	16,043	16,043
Extended Schools	1,533	0	1,533	1,533
Schools Supply Teacher Insurance	162	0	162	0
Schools	**17,738**	**0**	**17,738**	**17,576**
Public Health	1,107	(289)	818	634
High Weald	252	0	252	252
Car Parking	1,031	0	1,031	600
Lewes Athletics Track	19	0	19	19
The Keep - Archive Service	552	0	552	357
Sussex Air Quality Partnership	12	0	12	0
EU Exit Funding	427	0	427	427
IT&D Partnerships	90	(39)	51	0
Subtotal held on behalf of others or statutorily ringfenced	**21,228**	**(328)**	**20,900**	**19,865**
Service-Specific Reserves:				
Corporate Waste	14,735	4,506	19,241	7,409
Capital Programme	0	0	0	0
Insurance Risk	3,678	0	3,678	3,497
Total Named Service Reserves	**18,413**	**4,506**	**22,919**	**10,906**
Strategic Reserves:				
Priority Outcomes and Transformation reserve: to fund transformation programmes to change, protect and improve Council services	4,401	(650)	3,751	1,874
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	6,050	(1,225)	4,825	3,306
Total Strategic Reserves	**10,451**	**(1,875)**	**8,576**	**5,180**
General Fund	**10,000**	**0**	**10,000**	**10,000**
Total Reserves	**60,092**	**2,303**	**62,395**	**45,951**

This table provides a summary of planned movements in and out of the individual reserves over the financial year 2026/27, plus estimated balances by March 2030.

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.

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Savings Proposals 2026/27 to 2028/29

Department	Savings already identified £'000								New savings £'000				Total savings £'000			
	Legacy FYE of decisions/actions taken in 2025/26				To be agreed and actioned for 2026/27 onwards											
	2026/27	*2027/28*	*n/a*	*Total*	2026/27	2027/28	n/a	Total	2026/27	2027/28	2028/29	Total	2026/27	2027/28	2028/29	Total
Adult Social Care and Health	*2,525*			***2,525***				**0**	1,454	183		**1,637**	3,979	183		**4,162**
Business Services				***0***		825		**825**	355	132		**487**	355	957		**1,312**
Children's Services	*70*	*20*		***90***				**0**	526	24	8	**558**	596	44	8	**648**
Communities, Economy and Transport	*546*	*187*		***733***	75	187		**262**	636	125		**761**	1,257	499		**1,756**
Governance Services	*63*			***63***				**0**	80			**80**	143			**143**
Total	***3,204***	***207***	***0***	***3,411***	**75**	**1,012**	**0**	**1,087**	**3,051**	**464**	**8**	**3,523**	**6,330**	**1,683**	**8**	**8,021**

Adult Social Care & Health - Proposed New Savings			Net budget £'000	Savings £'000				Specific or disproportionate impacts relating to protected characteristics										
Service Area	**Proposed Action**	**Likely Impact**	**2025/26**	**2026/27**	**2027/28**	**2028/29**	**Total**	**Age**	**Disability**	**Sex**	**Gender Reassignment**	**Ethnicity**	**Marriage / Civil Partnership**	**Pregnancy /Maternity**	**Religion / Belief**	**Sexual Orientation**	**No impacts identified**	**Further Information**
Planning, Performance and Engagement (PPE)	Restructure of PPE division	Reduction in project support, training and development capacity. Going forward significant new projects will require recruitment of a project manager to be costed in (and included in timescales).	1,647	320	91		**411**										Y	
Strategy, Commissioning & Supply Management (SCSM)	Adult Social Care (ASC) Strategy - 'What Matters To You?'	Reduction in transformation budget to deliver the priorities from the ASC 'What Matters To You' strategy.	330	130			**130**										Y	
SCSM	Restructure of policy and strategic development functions	Realignment of resources to deliver the prevention strategy.		150			**150**										Y	
Operations	Integrated Night Service	Current contract ends 31/08/2026. The impact of withdrawing funding would be minimal for ESCC but greater for the NHS.	276	184	92		**276**										Y	
Operations	Administrative Restructure	Restructure of operational support services (excluding directly provided services, financial services, and health and social care connect).	2,502	250			**250**										Y	
Operations	Restructure of Quality and Safeguarding functions	The Safeguarding Development Team would merge with the Principal Social Work Team, resulting in a reduction of senior social work management posts.	88	88			**88**										Y	
Operations	Contract Management	Renegotiation of contract overheads for services commissioned from the NHS.		82			**82**										Y	
Public Health	Public Health	Ensuring alignment of public health growth and development to further support council plan priorities, in line with public health grant conditions.	0	250			**250**										Y	
TOTAL - Adult Social Care & Health - Proposed New Savings				**1,454**	**183**	**0**	**1,637**											

Business Services - Proposed New Savings			Net budget £'000	Savings £'000				Specific or disproportionate impacts relating to protected characteristics										
Service Area	**Proposed Action**	**Likely Impact**	**2025/26**	**2026/27**	**2027/28**	**2028/29**	**Total**	**Age**	**Disability**	**Sex**	**Gender Reassignment**	**Ethnicity**	**Marriage / Civil Partnership**	**Pregnancy /Maternity**	**Religion / Belief**	**Sexual Orientation**	**No impacts identified**	**Further Information**
Finance, Procurement & Human Resources (HR)	To explore the potential opportunities for reducing the Business As Usual (BAU) costs of Oracle (phase 2) having now successfully gone live.	The successful go-live and exiting of hypercare for phase 2 may present opportunities to reduce costs and/or operate more efficiently, though this would need to be considered against the need to ensure that the system continues to run effectively.		271			**271**										Y	
Finance & HR	GoodShape contract - centralise budgets from 2026/27	Corporate Management Team have agreed, in principle, to ending the GoodShape contract and to use Oracle for sickness absence reporting. It is expected that the contract will cease December 2026, dependent on completion of Oracle Phase 3 (HR & Payroll).	176	44	132		**176**										Y	
All Depts	Mobile Phone rationalisation	Following roll out of the permissions for staff to use their own phones where appropriate, reduce mobile phone allocations and data usage by approximately 10%.	399	40			**40**										Y	
TOTAL Business Services - Proposed New Savings				**355**	**132**	**0**	**487**											

Business Services - Previously Identified Savings - to be agreed and actioned for 2026/27 onwards			*Net budget £'000*	*Savings £'000*				*Specific or disproportionate impacts relating to protected characteristics*										
Service Area	***Proposed Action***	***Likely Impact***	***2024/25***	***2026/27***	***2027/28***	***n/a***	***Total***	***Age***	***Disability***	***Sex***	***Gender Reassignment***	***Ethnicity***	***Marriage / Civil Partnership***	***Pregnancy /Maternity***	***Religion / Belief***	***Sexual Orientation***	***No impacts identified***	***Further Information***
Property (Joint Use)	*Review of Joint Use Agreements*	*As joint use agreements are renewed and placed on longer term or alternative footings, less property resource would be required to support them*	*300*		*100*		***100***											*Currently unknown - is dependent on the arrangements put in place*
Business Services Department (BSD)	*Review of support services across the department*	*Service reviews will be undertaken to ensure capacity within support services is aligned to changed organisational needs and resources. In the medium term this is likely to result in reductions in capacity/staffing in a number of services. In the short term It is necessary for BSD to retain the capacity to support the delivery of wider savings. For example, it is not possible to undertake robust staff consultations without Human Resources (HR) support or to make changes to the uses of certain assets without Property support.*	*26,105*		*725*		***725***										*Y*	
TOTAL Business Services - Previously Identified Savings - to be agreed and actioned for 2026/27 onwards				***0***	***825***	***0***	***825***											

Children's Services - Proposed New Savings			Net budget £'000	Savings £'000				Specific or disproportionate impacts relating to protected characteristics										
Service Area	**Proposed Action**	**Likely Impact**	**2025/26**	**2026/27**	**2027/28**	**2028/29**	**Total**	**Age**	**Disability**	**Sex**	**Gender Reassignment**	**Ethnicity**	**Marriage / Civil Partnership**	**Pregnancy /Maternity**	**Religion / Belief**	**Sexual Orientation**	**No impacts identified**	**Further Information**
Early Help & Social Care	Stopping the payment of term-time accommodation for university students who are Care leavers	Care leavers who are currently at university and eligible for support will continue to receive the same level of funding as currently in place until the end of their course. Care leavers applying for university for 2026-27 academic year onwards will be impacted. All will be eligible for a revised package of support, supported to apply for loans in line with all students, and in addition supported to apply for university bursaries. There is a potential impact on number of care leavers who will apply, attend and complete university courses, although the rebased offer is in line with a range of other Local Authorities who have similar levels of care leavers attending university.	900	18	24	8	**50**		Y			Y						Additional equality characteristic: care experience
Commissioning & Transformation - NHS commissioned services	Notice given on some funding contributions to the NHS.	No direct impact on ESCC delivered services. The potential impacts of the reduced funding on NHS commissioned and delivered services will be considered by the relevant NHS organisations.	568	267			**267**										Y	
Education	Staffing review across the division to seek general efficiencies where available	Efficiencies will be sought across the Education Division in order to minimise the impact on services.	Multiple	100			**100**										Y	
Early Help & Social Care	Adoption South East Regional Adoption Agency - through management of change, there is a 10% saving on all partners' contributions from 2026-27	No direct impact on ESCC delivered services.	1,410	141			**141**										Y	
TOTAL - Children's Services				**526**	**24**	**8**	**558**											

Communities Economy and Transport - Proposed New Savings			**Net budget £'000**	**Savings £'000**				**Specific or disproportionate impacts relating to protected characteristics**										
Service Area	**Proposed Action**	**Likely Impact**	**2025/26**	**2026/27**	**2027/28**	**2028/29**	**Total**	**Age**	**Disability**	**Sex**	**Gender Reassignment**	**Ethnicity**	**Marriage / Civil Partnership**	**Pregnancy /Maternity**	**Religion / Belief**	**Sexual Orientation**	**No impacts identified**	**Further Information**
Transport Development Planning	Increase in developer contribution income reflecting likely increased activity.	Income particularly dependent upon market conditions. Should there be an unexpected downturn in the market and/or local matters that stall the delivery of development, then this will impact upon the ability to achieve this additional income.	267	50	50		**100**										Y	
Environment	Review of Climate Change activities and resources.	Will inhibit the County Council's ability to deliver the objectives of the Climate Change Action Plan.	227	75			**75**										Y	
Highways	Review and optimise the winter gritting routes, including benchmarking our current winter maintenance approach with other highway authorities.	Place Scrutiny will be asked to consider any revised policy, risks and mitigations associated with this saving.	1,100	275			**275**	Y	Y									
Highways	Resource reduction reflecting cessation of community match programme.	The Community Match initiative has now been removed and the remaining functions will be managed within the existing staffing resources.	44	44			**44**										Y	
Highways	Removal of the wooden Finger Post match funding budget to Parish Councils.	This may have reputational impacts resulting in Parish dissatisfaction.	0	20			**20**										Y	
Waste	Further efficiences as a result of Simpler Recycling following the introduction of food waste collections.	Limited impact.	33,317	57	25		**82**										Y	Introduction of food waste collection across all areas will reduce Veolia's compensation as waste is coming into contract and being tipped at Woodlands in ESCC's facility.
Registration	Relocation of Hastings Registration office to Hastings Library.	Relocating Hastings Registration Office offers value for money, would deliver an improved and enhanced library and Registration Office, and will make the best use of library buildings.		50	50		**100**	Y	Y									A full EqIA has been undertaken
Road Safety	Review of road safety training and engagement.	The changes would require driver training booking to be decentralised and administered by individual teams. There would be a greater use of standard responses and reduced face to face engagement to accommodate the additional responsibilities absorbed within the team. Parish Council engagement would change to reflect resource reallocation.		40			**40**										Y	
Directors Executive Support	Restructure of resource.	In the medium term this is likely to result in reductions in capacity/staffing in a number of services. The review has been aligned to the departments support needs.		25			**25**										Y	
Economic Development	Impact of Mayoral Combined County Authority (MCCA)	tbc		tbc	tbc	tbc	tbc											
TOTAL Communities, Economy & Transport				**636**	**125**	**0**	**761**											

Communities Economy and Transport - Previously Identified Savings - to be agreed and actioned for 2026/27 onwards			***Net budget £'000***	***Savings £'000***				**Specific or disproportionate impacts relating to protected characteristics**										
Service Area	***Proposed Action***	***Likely Impact***	***2024/25***	***2026/27***	***2027/28***	***n/a***	***Total***	**Age**	**Disability**	**Sex**	**Gender Reassignment**	**Ethnicity**	**Marriage / Civil Partnership**	**Pregnancy /Maternity**	**Religion / Belief**	**Sexual Orientation**	**No impacts identified**	**Further Information**
Archives	*Review of the Archive service offer*	*Potential changes to the current service offer.*	*664*	*75*			***75***										Y	
Library and Information Service	*Further reduce the operating costs of the Library and Information Service by improving the cost efficiency of provision and reviewing stock usage*	*Potential change to back office provision and reduced choice in our stock offer.*	*4,198*		*187*		***187***										Y	
TOTAL Communities, Economy & Transport - Previously Identified Savings - to be agreed and actioned for 2026/27 onwards				***75***	***187***	***0***	***262***											

Governance Services - Proposed New Savings			Net budget £'000	Savings £'000				Specific or disproportionate impacts relating to protected characteristics										
Service Area	Proposed Action	Likely Impact	2025/26	2026/27	2027/28	2028/29	Total	Age	Disability	Sex	Gender Reassignment	Ethnicity	Marriage / Civil Partnership	Pregnancy /Maternity	Religion / Belief	Sexual Orientation	No impacts identified	Further Information
Policy	Reduction in staffing capacity	This proposal would involve a reduction in staffing within the Policy Team. This would have a potential impact on supporting the transition to the new Unitary Authority including preparing the induction of new Members (particularly in relation to RPPR and scrutiny), support for scrutiny engagement in the transition, and support for budget setting processes.	578	20			**20**										Y	
Performance, Research and Intelligence (PRI)	Reduction in data and insight budget	The consultancy budget in PRI was set up to support the provision of external expertise to assist with data and insight projects. Removal of this budget will mean that any future work required will not be possible without use of reserves.	440	20			**20**										Y	
Communications	Reduction in staffing budget	This proposal would result in a further reduction in staffing (in addition to current planned savings). The effect would be to further reduce the time spent on campaigns and projects for service departments. This includes work on marketing and advertising, design and video, promotion, publicity, social media, content creation and media.	1,163	20			**20**										Y	
Coroner Services	Property costs reduction due to moving coroner courts from rented accommodation to Westfield House, County Hall.	This saving is generated through efficiencies and better use of the Councils estate. However it needs to be viewed in the context of significant budget pressures relating to other areas such as mortuary provision, professional fees.	2,020	20			**20**										Y	
TOTAL - Governance Services				**80**	**0**	**0**	**80**											

Equalities implications

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, care experience and being a carer, where relevant.

Prior to making a decision on the budget, Members must have due regard to the Equality Duty contained in Section 149 of the EA. Assessing the impact of proposed changes to policies, procedures and practices is not just something the law requires, it is a positive opportunity for ESCC to ensure it makes good decisions based on robust evidence.

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 with the relevant 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. Even though the Council is not making decisions about specific saving proposals, in setting the Budget it is necessary for the Council to begin to understand the potential impacts.

This means that in setting the Budget, the three equality aims set out above must be considered as a relevant factor alongside financial constraints and all other relevant considerations. Members must consider the potential equalities impacts, as identified, of savings proposals (including any proposed amendments). Despite maximising efficiency and exploiting new ways of working, the business planning process for 2026/27 and beyond requires difficult choices to be made both within and between portfolios and services.

It is open to the Council to formulate its budget proposals (having regard to the likely impact on protected characteristics, as set out in the table), and then, at the time of developing the policies, to consider in greater detail the specific impact of the proposed policies that might be implemented within the budgetary framework.

The EA does not require the use of a specific template for an equality impact assessment (EqIA); however, cases considering the public sector equality duty have held that a documented impact assessment is the best way to demonstrate that the equalities impacts have been identified and considered. As such, an assessment of the likely impacts of proposals or policies on those with protected characteristics must be carried out at a formative stage, and before implementation. In this way, the EqIA will form an integral part of the Council's policy setting. Proposals will only be implemented after due regard has been paid to the need to achieve the three aims set out in Section 149 of the EA.

A high level assessment of the equality impacts of the proposed savings is set out within the table attached. Specific executive decisions as to how achieve savings within the agreed budget limit will be taken by the relevant portfolio holders and Directors, and shall be made based on a clear understanding of what the potential equality impacts of doing one thing rather than another will be. 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 or, where necessary to go back to County Council and invite it to reconsider the allocation to different service areas.

Members must read the equality impact assessments and take their findings into consideration when determining these proposals.

Findings on possible impact from an overall review of savings proposals
The tables attached show the potential impact of the initial, suggested reductions in budgets for each department and highlights that the budget reductions are mostly identified as having no disproportionate impacts on people sharing specific legally protected characteristics. Where potential negative impacts have been identified an equality impact assessment has been or will be completed to describe those impacts, identify mitigating actions and how far those actions will reduce, remove or avoid those negative impacts.

Members will need to ensure that the impacts on those sharing protected characteristics are considered when either revising or removing current services, or where services transfer to partner organisations. Additional work will be required to identify the impacts on those sharing protected characteristics, which will take place as policies are developed, following the setting of the revenue budget.

The public sector equality duty set out in the EA is a continuing one, and it will therefore be necessary to monitor the effects of decisions and policies, not only during their formulation, but also after implementation.

In preparing the budget and considering individual savings proposals, Members have, in addition to the Section 149 Public Sector Equality Duty, to consider whether the budget as a whole and the individual savings proposals identified will indirectly discriminate against persons with any of the protected characteristics. Indirect discrimination occurs where a practice, policy or rule of the County Council which otherwise seems neutral (i.e. it applies to everyone affected in the same way) nevertheless places people with one or more of the protected characteristics at a particular disadvantage.

Even where a particular disadvantage has occurred, the proposal will not amount to indirect discrimination if it can be demonstrated that there is an objective justification for the proposal; i.e. that the proposal is a proportionate means of achieving a legitimate aim. Where it can be demonstrated that a particular savings proposal is a proportionate means of achieving a legitimate aim, that proposal will not be indirectly discriminatory. However, if there is no legitimate aim, or if the means of achieving the aim are not proportionate, for a savings proposal which creates a particular disadvantage, that savings proposal would amount to indirect discrimination and would be unlawful under the Equality Act 2010.

The consideration of indirect discrimination has included an analysis of (a) whether there is any particular disadvantage as a result of each relevant proposal, (b) whether there is a legitimate aim and (c) whether the means of achieving the aim is proportionate. The legitimate aims that relate to the savings proposals are:

- the County Council must achieve savings to its budget;
- across the Council’s budgets, all areas are facing a reduction in funding (and therefore, looking at the budget more broadly, all protected characteristics will be impacted by reductions in service); and
- the County Council must deliver its statutory services and therefore a significant proportion of the available funding must be used for those statutory services.

Where it has been identified that a proposal may have a particular disadvantage, consideration has to be given as to whether there may be a more proportionate means of achieving these aims. It is considered that both the overall budget, and the specific savings proposals identified are a proportionate means to achieve the Council's legitimate aims set out above.

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East Sussex County Council
Council Tax Precepts for 2026/27 (DRAFT)

	£	£	£
Gross Expenditure		***1,269,952,000***	
Income		***576,719,000***	
Net Budget			693,233,000
Business Rates	18,545,000		
Business Rates Top Up	69,069,000		
Revenue Support Grant	94,314,000		
Local Authority Better Care Grant	26,865,000		
Children, Families and Youth Grant	6,656,000		
Homelessness, Rough Sleeping and Domestic Abuse Grant	1,389,000		
Exceptional Financial Support	55,631,000		
Previous year's surpluses/(deficits)			
Collection Fund Adjustment	- 3,942,303		
Council Tax Collection Fund	3,942,208		
		272,468,905	
			272,468,905
Council Tax Requirement			420,764,095
Tax base (total equivalent Band D properties)			214,643.8
Basic council tax			1,960.29

Therefore Council Tax per Category of Dwelling:-

	Proportion of Basic Council Tax	£
Band A	6/9	1,306.86
Band B	7/9	1,524.67
Band C	8/9	1,742.48
Band D	9/9	1,960.29
Band E	11/9	2,395.91
Band F	13/9	2,831.53
Band G	15/9	3,267.15
Band H	18/9	3,920.58

Precept to Each Billing Authority	*No of band D equivalent dwellings*	£
Eastbourne	36,685.2	71,913,631
Hastings	28,058.0	55,001,817
Lewes	39,173.0	76,790,440
Rother	40,045.3	78,500,401
Wealden	70,682.3	138,557,806
Total	214,643.8	420,764,095

Schedule of Instalments for payment from Districts & Boroughs

10 April 2026
19 May 2026
25 June 2026
31 July 2026
08 September 2026
14 October 2026
19 November 2026
29 December 2026
04 February 2027
12 March 2027

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Appendix 6

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 Statement of the Chief Finance Officer

3.1 The Council faces a **financial gap of £55.6m for 2026/27**. In previous years, balanced budgets were achieved through significant planned draws from reserves: £14.3m in 2024/25, and £11.4m in 2025/26 alongside the delivery of savings of

£13.5m and efficiency measures. Combined with significant in-year overspends, this approach has now exhausted strategic reserves to a level that leaves minimal flexibility to manage unforeseen pressures.

3.2 The remaining reserves are now at a level I consider to be an absolute minimum level required to safeguard the Council against unforeseen risks and volatility. Any further draw on reserves to support the revenue budget would compromise my statutory responsibility as set out in 1.2 of this statement and leave the Council exposed to an unacceptable level of financial risk. Consequently, no additional use of reserves can be recommended to bridge the budget gap for 2026/27.

3.3 The **Fair Funding Review 2.0** (FFR2.0) introduces a redistribution of grant funding based on deprivation and council tax capacity, which benefits some authorities but leaves others, particularly counties and rural councils, highly dependent on local taxation. The outcome of **FFR2.0** was not favourable for this authority. The introduction of council tax equalisation, changes to the formula for distributing funding for adult social care, and the use of national indicators for labour costs that do not correlate with the wages required to recruit and retain social care staff, all combined to significantly reduce the levels of grant funding over the settlement period.

3.4 The provisional **Local Government Finance Settlement** published on 17 December 2025 confirmed the assumptions in our initial modelling of FFR2.0. As anticipated, the changes to formulae have significantly reduced the Council's share of settlement funding, now known as the Fair Funding Assessment (FFA), which will reduce by £12.6m over the settlement period. As a result, the Council's non-Council Tax Core Spending Power will reduce by 5.8% by 2028/29. The change in grant funding from 2025/26 to 2026/27 is cash neutral, but with inflation currently between 3% to 4%, represents a significant reduction in real terms.

3.5 The Council is now in a position where **reserves are no longer sufficient** to close the financial gap and set a balanced budget for 2026/27 and beyond. Previous years relied heavily on planned draws from reserves to balance the budget and mitigate in year overspends, but this approach is no longer viable. Strategic reserves have been depleted to levels that provide minimal flexibility to manage unforeseen pressures, and the Council cannot continue to rely on one-off solutions.

3.6 In presenting the 2026/27 budget, it has been necessary to assume that **Exceptional Financial Support (EFS)** will be granted by the Ministry for Housing, Communities and Local Government (MHCLG). EFS would enable the Council to borrow to fund revenue expenditure, allowing a legally balanced budget to be set. This will take the form of a capitalisation directive enabling the council to capitalise the deficit, funded via borrowing. If MHCLG do not grant the capitalisation request the Council will not be able to balance the 2026/27 budget and I will have no option but to use my statutory powers and issue a section 114 notice in the absence of further measures.

3.7 EFS is not "free money." Borrowing for revenue creates future liabilities and interest costs, increasing pressure on the Medium-Term Financial Plan (MTFP). While EFS provides short-term relief, it fundamentally undermines long-term sustainability. Borrowing for revenue does not address the structural gap between recurring income and expenditure, meaning the underlying deficit persists and the amount of accrued debt grows each year. In addition, continued reliance on EFS risks breaching prudential borrowing limits and could trigger external intervention. Without systemic reform or additional funding, this approach will lead to escalating debt and reduced financial resilience.

3.8 In line with CIPFA guidance and the Prudential Code, the Council will present (as part of the treasury and capital strategies) updated prudential indicators that:

- assess the incremental impact on the revenue budget of any capitalisation-related borrowing, including both interest and the Minimum Revenue Position (MRP) showing affordability over the life of the MTFP;
- ensure that all decisions remain governed by the Prudential Code and capital and borrowing plans are affordable, prudent and sustainable; and
- continue to monitor the Council's capacity to borrow at different levels interest rates, inflation, and timing of capital expenditure.

3.9 The key assumptions underpinning the 2026/27 budget include:

- A **4.99% increase in Council Tax**, in line with Spending Review expectations and referendum limits.
- Robust and up to date modelling of cost pressures (particularly in social care).
- Delivery of **further savings** on top of those achieved in previous years, despite the cumulative challenge of over a decade of reductions.
- Continued implementation of **spending control measures** across all services to help manage within departmental limits.

Despite these measures, the scale of the deficit means local action alone cannot restore sustainability.

3.10 The budget has been set using the best available estimates of demand pressures, inflation, and risk. It has been subject to review by Chief Officers, other Officers, Members, Cabinet, and Scrutiny Committees to ensure alignment with statutory obligations and corporate priorities.

3.11 In summary, while the proposed budget for 2026/27 is legally balanced, it is neither robust nor sustainable in the medium term. It depends on exceptional measures that cannot be repeated indefinitely. The Council will continue to engage with government directly and via our networks to seek clarity on future funding arrangements and advocate for reforms that address the structural challenges facing local authorities.

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 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 The current reserves position is summarised in the table below and shows the estimated balance at 31 March 2030 is now £46.0m. Of this £5.2m relates to available strategic reserves.

Reserves Balance (£m)	**Balance at 1 Apr 2025 £m**	**Estimated balance at 1 Apr 2026 £m**	**Estimated balance at 1 Apr 2030 £m**
Earmarked Reserves:			
Held on behalf of others or statutorily ringfenced	**25.5**	**21.2**	**19.9**
Named Service Reserves			
Waste Reserve	19.8	14.7	7.4
Capital Programme Reserve	9.1	-	-
Insurance Reserve	7.7	3.7	3.5
Subtotal named service reserves	**36.6**	**18.4**	**10.9**
Strategic Reserves			
Priority Outcomes and Transformation	5.2	4.4	1.9
Financial Management	11.3	6.1	3.3
Subtotal strategic reserves	**16.5**	**10.5**	**5.2**
Total Earmarked Reserves	**78.6**	**50.1**	**36.0**
General Fund Balance	*10.0*	*10.0*	*10.0*
TOTAL RESERVES	**88.6**	**60.1**	**46.0**

4.5 ESCC General Fund Balance and Earmarked Reserves are projected to total £60.1m as of 1 April 2026: a decrease of £28.5m against the actual reserves at 1 April 2025 totalling £88.6m. The table below sets out the estimated movements of earmarked reserves in-year:

Earmarked Reserves	Estimated Movements 2025/26 £m	Key Movements
Held on behalf of others or statutorily ringfenced	(4.3)	(£2.9m) public health
		(£1.0m) car parking
		(£0.4m) various movements not exceeding £0.5m individually (net)
Waste Reserve	(5.1)	Planned draw to balance budget during budget setting
Capital Programme Reserve	(9.1)	(£4.6m) planned capital projects and reducing borrowing costs
		(£4.5m) unplanned draw to balance forecast at Q2
Insurance Reserve	(4.0)	(£2.0m) planned draw to balance budget during budget setting
		(£2.0m) unplanned draw to balance forecast at Q2
Priority Outcomes and Transformation	(0.8)	Various movements not exceeding £0.5m individually (net)
Financial Management	(5.2)	(£4.2m) transfer to Local Government Reorganisation service reserve; then used to balance budget at Q2
		(£0.7m) balance of 2023/24 pay award provision, used for 2024/25 pay award
		(£0.3m) various other movements (net)
Total Estimated Movements	**(28.5)**	

4.6 Total service and strategic reserves are projected to reduce to £16.1m by 2030. As a result of ongoing demand and inflationary pressures, and a lack of additional government funding, the cumulative deficit is projected to grow to £111.1m by 2028/29, which would significantly exceed the level of reserves available to balance the budget.

4.7 At 1 April 2026 the estimated Earmarked Reserves are as follows:

4.8 **Held on behalf of others or statutorily ringfenced** amount to £21.2m – most significantly this comprises £16.0m schools' balances which cannot legally be spent on ESCC activities, and ringfenced Public Health Reserve of £1.1m.

4.9 **Named Service Reserves** that are set aside to manage a specific financial risk, amount to £18.4m 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. Noting that the estimated balance at 1 April 2026 will be zero.

- Insurance Reserve – this is to fund insurance liabilities that have arisen over previous years, based on the liability estimated by the Actuary and other local knowledge and represents estimates that may become payable in 2025/26 and beyond.

4.10 **Strategic reserves** are as follows:

- The Priority Outcomes and Transformation reserve – to fund transformation programmes to change, protect and improve Council services and 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 robustness statement, including the risk of the pay award being over that planned within the Medium Term Financial Plan. 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 reforms 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 since 2023/24, and the absence of a long-term funding settlement has made this approach increasingly difficult.

4.12 As in previous years, any changes to Business Rates and Collection Fund, as a result of movements in District and Borough estimates provided, will be managed through reserves in the form of a collection fund adjustment on the precept notice. Details of the reserves summarised above can be found in the Budget Summary at Appendix 3.

4.13 **SEND Statutory Override**

The Council holds a growing Dedicated Schools Grant (DSG) – High Needs deficit relating to SEND, which is currently kept off the Council's general fund balance sheet by a statutory accounting override. The government has extended this override to the end of 2027/28, which mitigates immediate technical risk of insolvency but does not resolve the underlying deficit or funding pressures.

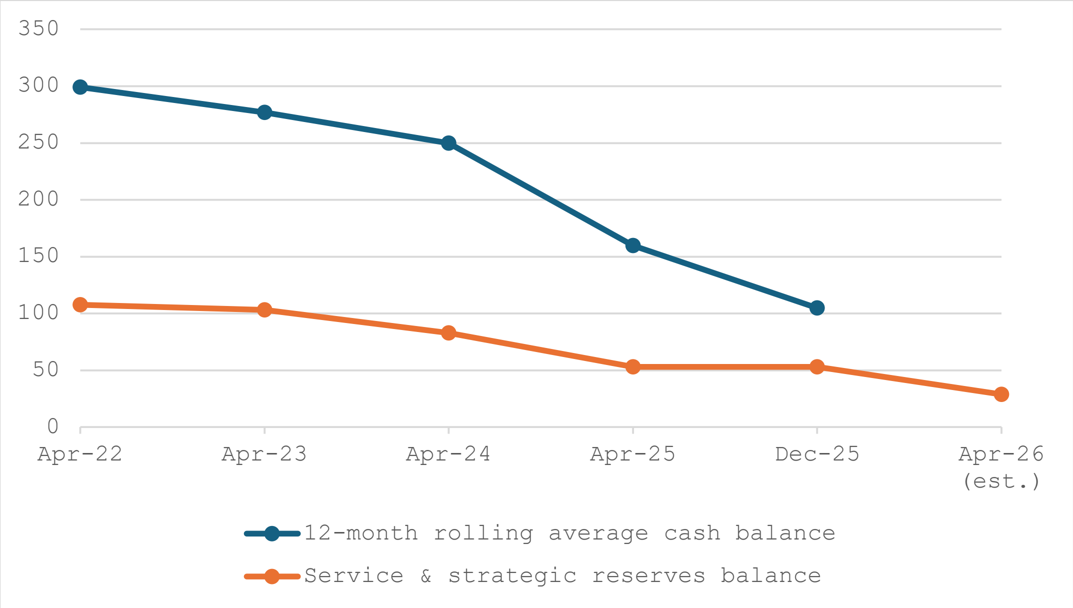
4.14 The SEND deficit is forecast to be £20.1m on 1 April 2026, rising to £76.5m by 31 March 2028, when the statutory override is due to end. At that point, the Council will be required to recognise the full deficit on its balance sheet. This will have serious implications for the Council's financial position and borrowing requirement, as the deficit will need to be funded alongside existing pressures. Given the current level of reserves, if the statutory override were not in place during 2026/27, the council would have to increase any EFS request accordingly.

4.15 In forming my view on minimum balances, I have taken explicit account of the extended DSG statutory override to 2027/28 and the continuing national uncertainty around a permanent solution for historic SEND deficits.

5.0 Benchmarking and Performance Data

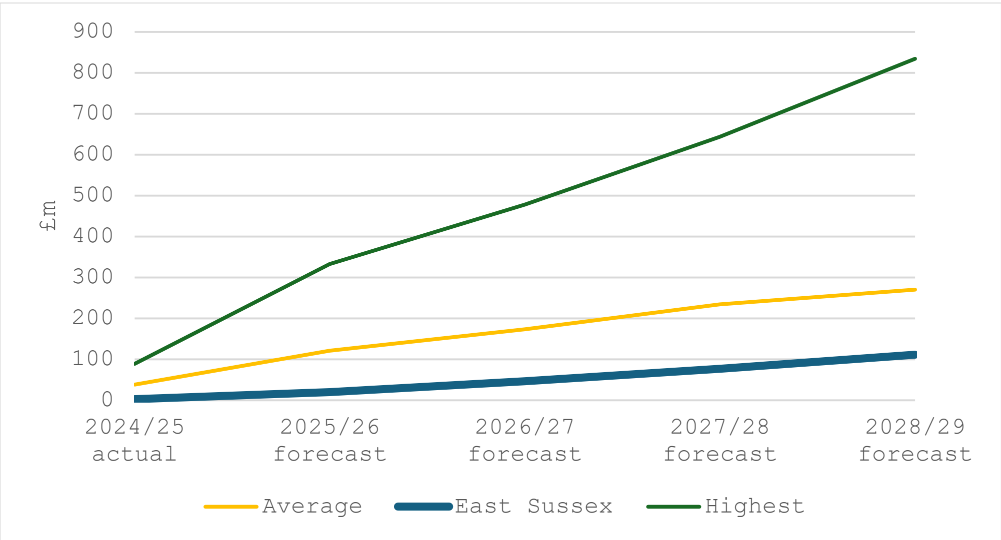
5.1 Recent years have seen a sharp reduction in the council's reserve and cash and short term investment balances. The graph below sets out the 12-month rolling average cash balances and total service and strategic reserves since April 2022.

Graph 1 – ESCC Reserves and Cash Balances 2022-26



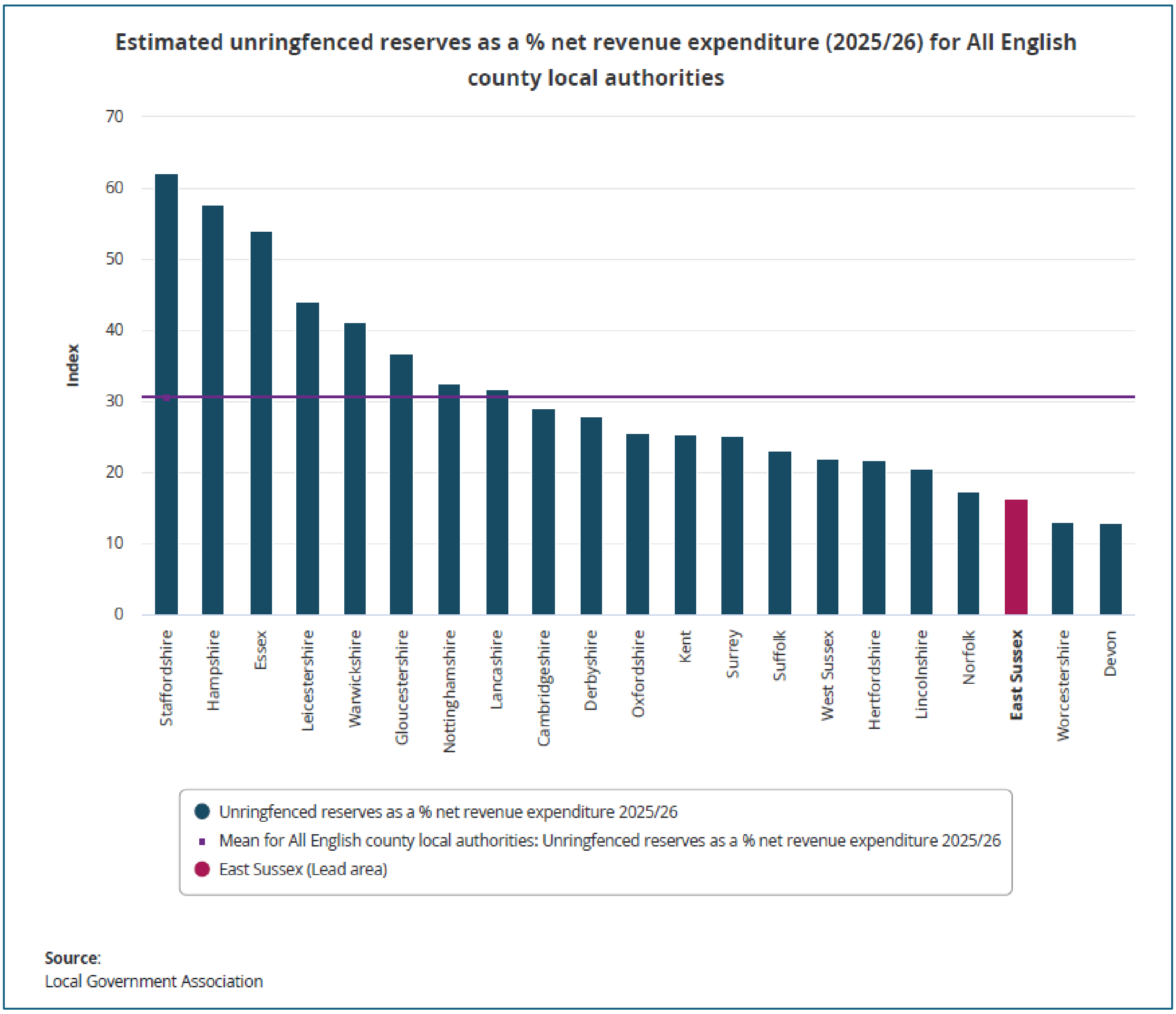
5.2 As stated at 4.13, the Council holds a growing Dedicated Schools Grant (DSG) – High Needs (HNB) deficit relating to SEND, which is currently kept off the Council's general fund balance sheet by a statutory accounting override. Graph 2 below shows the Council's position compared to (anonymised) data from an informal group of 11 other Local Authorities with whom ESCC share information about Children's Services and Education. It has been announced that there will be no increase in the HNB allocation for 2026/27 which will place additional pressure on the overall deficit.

Graph 2 – DSG Forecast Deficits to 2028/29



5.3 Graph 3 below shows the LGA's analysis of un-ringfenced reserves as a % of net revenue expenditure in 2025/26. The Council is placed 19th (16th in 2024/25) out of the 21 counties with available data, with reserves at 16% (26% in 2024/25) of net revenue expenditure.

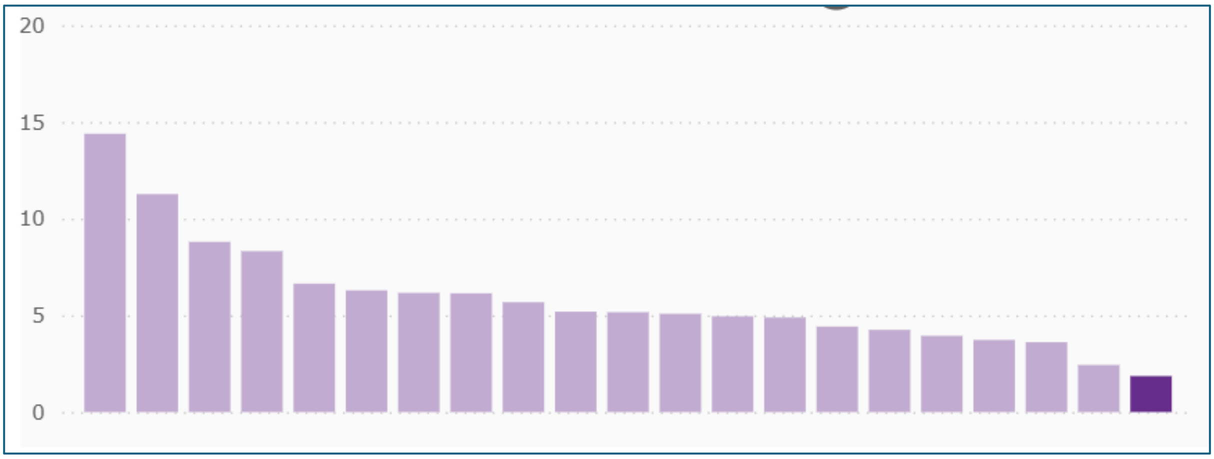
Graph 3: Un-ringfenced Reserves as a % of Net Revenue Expenditure 2024/25



5.4 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.

5.5 The CIPFA Resilience Index provides a number of indicators of the robustness and reasonableness of levels of reserves; one indictor looks at the current level of unallocated reserve (General Fund) as a percentage of net revenue expenditure (NRE), using RO data from 2024/25. East Sussex is the lowest at 1.86%, the next lowest being 2.43% and the highest being 14.39%.

Graph 4: Unallocated Reserve as a % of Net Revenue Budget 2024/25



5.6 Despite holding the lowest percentage of General Fund compared to other county councils at 1.86%, 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.

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

Estimated Budget (£m)	**2026/27**	**2027/28**	**2028/29**
General Fund (GF)	10.000	10.000	10.000
General Contingency (GC)	6.700	7.000	7.600
Total GF + GC	**16.700**	**17.000**	**17.600**
Net Revenue Expenditure (NRE)	**693.233**	**733.232**	**793.057**
GF + GC as a % of NRE	**2.41%**	**2.32%**	**2.22%**

5.7 The table below shows the financial assessment of risks for 2026/27:

Risk	**Potential magnitude**	**Estimate of potential impact**	**Magnitude**
Growing demand for services in ASC Independent Sector.	ASC IS 2026/27 net budget £265.7m	5% increased demand over that already invested	£13.3m
Growing demand for services, particularly CSD LAC and Home to School Transport.	CSD LAC & HTST net budgets for 2026/27 £113.1m	10% increased demand over that already invested	£11.3m
Trajectory of growing SEND deficit is under-estimated	Borrowing Costs	Borrowing costs to fund SEND deficit 50% higher than budgeted	£0.5m
Inflation on pay is more than the contingency of 2.5%	Each 0.5% increase is approx. £1.1m	0.5% additional increase	£1.1m

due to pressure from unions and political commitment.			
Inflation and interest rates higher than forecast, suppliers passing on cost of NIC and NLW increases	Inflation provided in MTFP for 2026/27 is £19.5m	5% increase in current provision.	£1.0m
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 2026/27 is £103.6m.	Underachievement of 5%	£5.2m
Enduring impact of the rise in the cost of living on Council Tax collection rates.	Reduction in anticipated revenue from Council Tax.	Rates collected reduces by 1%	£4.2m
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 balance estimated at 1 April 2026	£0.1m £0.04m
Challenge to achieve current savings targets given that the Council had already delivered £156m savings since 2010	Savings target (new and brought forward) for 2026/27 is £6.3m	Underachievement of 10%	£0.6m

5.8 There is also financial risk around the implementation of Local Government Reorganisation (LGR), which is currently unquantifiable. Whilst it is expected that LGR will deliver efficiencies over time, there is no additional funding identified, or reserves available, to meet up-front implementation costs within the MTFP set out this report.

5.9 Taking all relevant factors into account, including the scale and volatility of the risks identified in the table above, the depletion of strategic and earmarked reserves, the management of the projected growth in the cumulative budget deficit, and the Council's comparatively low level of unallocated reserves relative to other county councils, I consider that maintaining a General Fund Balance of £10.0m plus the

General Contingency budget of £6.7m represents the *absolute minimum* level required to support the safe and lawful operation of the Council in 2026/27.

5.10 The MTFP provides an estimated position for the next three years, summary shown below:

Medium Term Financial Plan	**2026/27 £m**	**2027/28 £m**	**2028/29* £m**
Council 11 February 2025 DEFICIT	**25.916**	**18.731**	**0.000**
Carry Forward of 2025/26 Deficit	11.449	-	-
Annual Budget Deficit after Carry Forward	**37.365**	**18.731**	**0.000**
Annual Budget Deficit after updates	**55.631**	**18.542**	**36.893**
Cumulative Budget Deficit after updates	**55.631**	**74.173**	**111.066**

*Notional due to LGR

5.11 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:

- Service performance and transformation, for example, within Children’s Social Care;
- SEND reform and impact on rising funding deficits;
- The future funding of social care;
- Adult Social Care fair pay agreement consultation;
- Impact of structural changes in local government through Local Government Reorganisation and Devolution;
- Environmental targets, including the impact of Climate Emergency; and
- Geopolitical uncertainty leading to international trade issues, inflation and higher borrowing costs.

5.12 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.

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 and insurance risk.
- 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.

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Appendix 7

Feedback from Engagement Exercises

1. People Scrutiny Committee

People Scrutiny RPPR Board

Present: Councillors Johanna Howell (Chair), Colin Belsey, Kathryn Field, Nuala Geary, Stephen Shing, Colin Swansborough and John Ungar, and Maria Cowler (Roman Catholic Diocese Representative) and John Hayling (Parent Governor Representative)

1.1 The People Scrutiny RPPR Board met on the 11 December 2025 and agreed comments to be put to Cabinet, on behalf of the parent Committee, for its consideration in January 2026. The information supplied to the Board to support its discussions comprised of:

- December RPPR Update report to Cabinet
- CIPFA local authority efficiency toolkit; and
- the draft portfolio plans for the Adult Social Care and Health (ASCH) and Children's Services Departments (CSD)

1.2. The Board met before the provisional local government finance settlement 2026-2027 was published and therefore the Board was not able to comment in detail on the Council's budgetary position.

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 position of the Council, although acknowledged the significant pressures facing local government and commented that there was insufficient funding for the sector to meet increasing demand for services and increasing complexity of need.

1.5 The Board discussed the outcome of the Government's Fair Funding Review 2.0 consultation and although it was acknowledged that detailed allocations would be set out in the awaited provisional local government finance settlement, the Board expressed concern about the impact new funding formulae were expected to have on ESCC.

1.6 The Board discussed the announcement in the Autumn Budget Statement that SEND will in future (from 2028/29) be funded through central Government and raised concerns that this would not address SEND deficits up to this point and that this funding would be at the detriment of other funding streams.

1.7 The Board expressed confidence that the Council had taken significant steps to address its financial deficit, including lobbying for additional funding, generating income, and implementing savings and efficiencies, and that the Council's self-assessment against the CIPFA local authority efficiency toolkit provided a robust evidence base that efficiencies identified by other local authorities had also been explored.

1.8 The Board recognised the limited options remaining to set a balanced budget for 2026/27, including identifying further savings and preparing to seek Exceptional Financial Support (EFS), however expressed significant concerns about the impacts of these. The Board acknowledged the considerable number of savings previously made and, although accepted that the Council was still able to deliver its statutory duties, was very concerned about its ability to do so in the future if further savings were identified and the significant impact this would then have on residents, staff and partners. The Board commented that with increasing need and demand for services, further savings increased risk to vulnerable adults and children.

1.9 The Board discussed the proposed CSD saving to stop the payment of term-time accommodation for university students who are care leavers and expressed that whilst the need for this saving was understood, in light of the financial context, it was regrettable that this support for care leavers would not continue.

1.10 The Board discussed the potential outcomes of applying for EFS and expressed concern about the prospect of raising Council Tax above the referendum limit, acknowledging that East Sussex residents already paid a relatively high rate, and wished to highlight that although permission to raise Council Tax significantly was unlikely, an increase of 18% would be necessary to fully address the deficit and set a balanced budget. In discussing the potential impact of receiving EFS in the form of permission for additional borrowing, the Board expressed concern about the increasing debt this would generate for the Council, and the subsequent impact this would have on East Sussex residents.

1.11 The Board discussed public awareness about the challenging financial context local government was operating in, noting some misconceptions, and highlighted the need for stronger messaging on increased demand, the impact on council services and ongoing sector challenges.

Children's Services draft portfolio plan

1.12 The Board received an overview from the Director of CSD of the draft CSD portfolio plan and the key developments and challenges facing the Department for 2026/2027.

1.13 The Board welcomed the priorities and developments contained within the plan and recognised the ambitious work to transform and provide services within a challenging context, including significant national reforms.

1.14 The Board welcomed the department's approach to addressing high demand and costs in Home to School Transport, however acknowledged that national reforms and legislative changes were needed to fully address ongoing challenges in SEND support.

Adult Social Care and Health draft portfolio plan

1.15 The Board received an overview from the Director of ASCH of the draft ASCH portfolio plan and the key developments and challenges facing the Department for 2026/2027.

1.16 The Board acknowledged the challenging context the department was operating in, with increased demand for services, and praised staff for their ongoing work to deliver statutory services.

1.17 The Board discussed wider financial challenges in the health sector, noting NHS funding pressures, and expressed the need to closely monitor the impacts of reductions and changes to Integrated Care Boards.

2. Place Scrutiny Committee

Place Scrutiny RPPR Board

Present: Councillors Matthew Beaver (Chair), Chris Collier, Ian Hollidge, Philip Lunn, Steve Murphy, Paul Redstone, Stephen Shing, David Tutt and Brett Wright.

2.1 The Place Scrutiny RPPR Board met on the 16 December 2025 and agreed comments to be put to Cabinet, on behalf of the parent Committee, for its consideration in January 2026. The information supplied to the Board to support its discussions comprised of:

- December RPPR Update report to Cabinet
- CIPFA local authority efficiency toolkit; and
- the draft portfolio plans for the Business Services (BSD), Communities, Economy and Transport (CET) and Governance Services (GS) departments

2.2 The Board met before the provisional local government finance settlement 2026-2027 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:

Approach to savings

2.4 The Board explored the approach taken to identifying savings for 2026/27 and acknowledged the difficulty in identifying new savings given the amount the Council has made historically. The Board recognised that the savings proposals for 2026/27 would not be enough to close the deficit, and therefore it understood the need for the Council to explore the possibility of applying for Exceptional Financial Support from government.

2.5 The Board received assurance on a number of areas of spend to ensure that the Council has explored savings in all possible areas. This included considering whether the Council was able to exit contracts early where possible, avoiding the use of consultants wherever capability to deliver work may exist in-house, and reducing street lighting levels where safe to do so.

2.6 The Board received assurance that the proposed winter gritting saving would not see the percentage of the county's network treated become out of line with similar shire county areas, and there would still be gritting on key routes.

Income maximisation

2.7 The Board discussed the importance of the Council seeking to maximise its income to reduce the deficit, including through raising fees and charges for services where possible. The Board acknowledged there are issues related to increasing parking charges, in that if they rise too much it can result in a fall in revenue, as well as the statutory limitations on the generation and use of parking surpluses.

2.8 The Board received assurance that Trading Standards services would be able to continue to generate income through the Proceeds of Crime Act.

2.9 The Board noted that Active Travel England (ATE) had rated ESCC's active travel grade as Level 1 due to its perception of challenges with delivering schemes in East Sussex. The Board felt this was disappointing and noted the importance of the Council seeking to improve its ATE rating as it would help leverage greater amounts of national funding into the county for active travel schemes.

Working with others

2.10 The Board discussed the possibility of town and parish councils taking on responsibility for services where the Council was no longer able to fund them, noting that there is no cap on their ability to precept. The Board suggested that the Council should explore where town and parish councils could take on responsibility for services where the community wishes to see services to continue, but ESCC is unable to continue to deliver them.

2.11 The Board discussed local government reorganisation and suggested that, presuming the One East Sussex proposal is taken forward, conversations begin as early as possible between ESCC and district and borough councils on opportunities for collaboration and joint working between teams to deliver cost savings prior to vesting day of the new unitary in 2028.

Portfolio Plans

2.12 The Board reviewed draft departmental Portfolio Plans and noted the key challenges and developments services would be responding to in the coming year.

2.13 The Board discussed the approach to reducing carbon emissions from the Council's own operations and what it was possible to fund given the financial position. The Board welcomed that the Council would explore where it could reduce emissions through business as usual work, but recognised the context in which the Council was operating. In this context, the Board understood the reasoning why more could not be done given financial constraints, but felt that this was regrettable.

3. Business Representatives

3.1 The Chief Executive met with business representatives from Team East Sussex (TES) on 8 December 2025 to deliver a presentation on the Council's business planning, consulting the Board on the steps being taken to balance the budget for 2026/27. This included an overview of the savings proposals under consideration and the Council's ongoing work with Government in seeking Exceptional Financial Support and lobbying for sustainable funding, as well as of the economic opportunities presented by devolution and local government reorganisation as key aspects of the current planning context. The TES Board fed back that this was a comprehensive presentation which provided assurance that all necessary steps towards a balanced budget were being taken.

4. East Sussex Wider Strategic Partners

4.1 The Leader and Chief Officers held a virtual meeting with representatives of the Council's wider strategic partners on 12 January 2026. 33 partner organisations were represented in the meeting, including public, voluntary and private sector organisations and service user groups.

4.2 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.

4.3 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 2026/27; the national policy context and public service reforms planned for the year ahead, including national funding reforms; the anticipated financial position for 2026/27 onwards and steps being taken to address the deficit; and updates to the Capital Programme. The presentation explained that the Council was facing the most difficult financial outlook in its history and recognised that many partner organisations had similarly difficult financial positions. Although local authorities had received additional funding through the provisional Local Government Finance Settlement, the Fair Funding Review 2.0 had resulted in a net loss of funding for ESCC, and ESCC will not receive the support needed to address nationally escalating pressures. The high levels of demand and deprivation in East Sussex compared with neighbouring authorities had not been reflected in funding allocations, leaving the Council in an unsustainable position.

4.4 In this context, ESCC had been forced to identify a further £3.5m in savings, as it seeks to reduce a large financial deficit in 2026/27. Planned savings would have an impact on residents, staff and partners and were not proposals ESCC wished to make. As these proposals would not deliver sufficient savings to close the financial deficit, there would also be a need to seek £70m in Exceptional Financial Support (EFS) from the Government. ESCC would continue to lobby as strongly as possible for additional funding to recognise the significant needs and limited resources in East Sussex.

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

Exceptional Financial Support

4.6 Partners recognised the need for ESCC to apply for EFS but noted that it was only a temporary solution and asked if there would be stipulations about how EFS could be spent if it was granted. Partners asked if EFS could be used to invest in projects to fuel long-term economic growth, or if it could only be used in the short-term for urgent priorities. The Chief Finance Officer responded that EFS would be used to fund the everyday revenue budget for 2026/27 and will be granted on a one-year funding basis; initially ESCC asked the Government about the possibility of three-year EFS aligned to the multi-year settlement but was advised that only one-year loans were possible under the framework. EFS could not be used to fund the Capital Programme due to Government accounting requirements surrounding its use. However, part of the deficit in the revenue budget arises from investment that ESCC was already budgeting for. This included investments in technology and artificial intelligence to streamline working practices for future years.

4.7 Partners noted the urgent need for EFS. Partners enquired about ESCC's position in the priority list and whether ESCC was unique amongst local authorities in applying for EFS. The Chief Finance Officer responded that ESCC was by no means the only authority seeking EFS. In 2025-26, 30 local authorities applied nationally, and the number of applications was expected to approximately double for the 2026-27 financial year. He emphasised that ESCC was not seeking EFS due to poor financial management, a position supported by the outcome of the CIFPA assurance review and prior conversations with MHCLG, therefore ESCC's application was in a good position to receive support. EFS was being sought due to the finance settlement being insufficient to meet demand in the county, and this was expected to be exacerbated, as ESCC's core spending power was set to decline over the three years of the multi-year funding settlement. EFS would be a long-term loan to support the budget for one year, the repayment of which would have significant impacts on East Sussex and its residents and was not being pursued lightly. The Leader of the Council commented that ESCC had done the right thing for many years to maintain good services for residents, including by applying nationally allowed council tax increases to sustain services. The Council was proud of the work done by Adult Social Care and Children's Services to support residents, but unfortunately the financial position meant that the allocated funding no longer met the costs of service delivery, and the outcome of the Fair Funding Review 2.0 failed to resolve this. He affirmed that ESCC would continue to lobby the Government to receive more funding and ensure ESCC's financial position was communicated.

Savings Proposals

4.8 Partners commented that they valued the transparency from the Council regarding the financial outlook and ESCC's commitment to partnership working, especially continued investment in the Voluntary, Community and Social Enterprise (VCSE) sector. However, they raised concerns that the VCSE sector would likely see the impacts of savings in preventative services, due to the displacement of demand into the VCSE sector. Partners raised that out of the £156m of savings that had already been implemented, a balance between efficiencies and reductions in discretionary services had been found and asked what potential further savings in discretionary services remained. The Leader of the Council responded that there were very few options left for making savings. Those identified in the 2026/27 budget would reduce important work in the county, like gritting roads, and residents were likely to feel the impact of these. The Leader confirmed that he had written to Government over a number of years to emphasise that the savings ESCC was being forced to make were not for residents' benefit. He stated that over £1bn would be spent by ESCC in 2026/27, so in that context £3.5m in savings was a small proportion and was insufficient to bridge ESCC's substantial deficit.

Devolution

4.9 Partners recognised that, given the circumstances, ESCC was doing everything it could for residents. They noted that the Sussex and Brighton Mayoral Combined County Authority (MCCA) was soon to be established and asked what changes ESCC expected to see as a result of this, as well as what areas would see the most significant difference. The Chief Executive responded that the combined authority would enable strategic working across the region. The MCCA would have new powers relating to skills, adult education, intervention in terms of economic growth, the development of Spatial Development Strategies and housing coordination. It was expected this would enable closer working with the NHS, strategic and partnership working, and enable coordination for regional planning. In the long-term, it was hoped that this would improve spending at a local level, reduce poverty, improve service provision and improve health, which in turn would help manage demand for services in the county. However, investment would need to be appropriate at local levels, as different areas of Sussex have varying demographics and need. The benefits of devolution would likely not become apparent in the short term, and the impact on demand would not likely be seen for another 5-10 years, so local authorities' actions to support their residents in the short-term would be crucial.

Partner Funding Allocations

4.10 The representative from Care for the Carers raised concerns that a large proportion of its funding comes from ESCC and the NHS. He asked when a decision would be made about their funding allocations for 2026/27, whether funding would be available on a three-year basis, and when that would be communicated to the organisation. The Director of Adult Social Care and Health responded that support for paid carers was being prioritised for the third year in a row, therefore ESCC was not proposing any reductions in that funding. If agreed, unless there were contractual obligations to be fulfilled, funding would be made available for one year only given the financial uncertainty. Budget recommendations would go through Cabinet on 27 January, and decisions would be made by Full Council on 10 February. ESCC was therefore expecting to confirm funding with partners in early February. The Leader of the Council added that ESCC was also waiting for confirmation of grant funding at this stage and funding allocations to partners would be dependent on grants being allocated as expected.

4.11 Partners were thanked for their engagement, 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.

5. Youth Voice Group Representatives

5.1 The Lead Member for Children and Families, the Lead Member for Education and Inclusion, Special Educational Needs and Disability (ISEND), the Chair of the People Scrutiny Committee, the Chief Executive, and the Director of Children's Services met with the East Sussex Youth Cabinet, Children in Care Council (CICC), Care Leavers Council, and Young Special Educational Needs and Disability (SEND) Ambassadors on 17 January 2026 to discuss the County Council's budget setting process and young people's priorities for the year ahead.

5.2 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 that the Council considers in setting its budget each year, and the financial position and priority areas of work in the Council Plan for 2026/27.

5.3 Topic discussions were then held in small groups with Lead Members, Officers and young people. The following areas were covered:

Devolution and Local Government Reorganisation (LGR)

5.4 One of the groups discussed the opportunities for young people of the incoming Mayoral Combined County Authority (MCCA) for Sussex, including working on a broader footprint across Brighton & Hove and West Sussex. Young people commented that while some of them sometimes attended youth hubs outside of East Sussex, this was a matter of personal choice. They asked whether cross-Sussex offers would become more standard when the MCCA was established. They heard that services such as youth hubs would continue to be run by individual councils rather than by the MCCA. However, working on a pan-Sussex basis could provide the platform needed to make a more effective case to Government about young people's needs and priorities, as the MCCA would represent almost 2 million people.

5.5 Young people enquired about areas where devolution could make a practical difference to their lives. They heard the example that many roads in East Sussex are small, rural lanes, and the ability to strengthen our transport system would be an opportunity for visible change. Similarly, devolution would provide the chance to redesign bus services to better fit local needs.

5.6 The group also discussed upcoming changes to local government through LGR. The importance of consulting young people throughout the process of developing and implementing LGR plans was noted. It was commented that LGR was a unique opportunity to redesign services to better meet the specific needs of local communities.

5.7 Young people heard that LGR would provide the opportunity to reset how youth engagement works, as all services would become the shared responsibility of each unitary council, removing the need for young people to navigate a complex system to advocate for themselves by providing a clearer line of accountability.

Community cohesion

5.8 One of the groups discussed issues around community cohesion as well as what gave young people a sense of belonging in their area or school.

5.9 Young people commented that the availability of accessible, creative, physical and social activities was important to their sense of belonging, both inside and outside of school. These included music events, art clubs, individual and team sports activities, and groups such as Cubs and Scouts. Such activities provided opportunities for social connection, as did political organising and spending time with family.

5.10 Young people also felt that employment would improve their sense of belonging, but shared that securing jobs had been very challenging.

5.11 In terms of supporting community cohesion, young people fed back that schools could provide opportunities for this, and suggested making free extracurricular clubs mandatory; increasing advertising of external community youth clubs and other local creative and physical activities through schools; offering more interest-led after school clubs; and allocating more time in the school day to social activities. Young people felt that it was important to have a consistent approach across schools to maximise effectiveness.

5.12 Young people noted the need for more volunteers in the county to support activities, as well as improving communication from voluntary organisations around what is available to them.

5.13 Young people also cited Peacehaven Youth Hub as a positive example of an offer which supported community cohesion, as well as churches in Seaford that ran activities for the community.

5.14 Young people cited the importance of friendships based on similar hobbies and interests as a key reason to expand activity-based groups. However, they noted that sports clubs were often less accessible, requiring money and facilities, and noted the barriers some young people may face that could prevent them from taking part.

Youth voice in decision-making

5.15 One of the groups discussed how young people's ideas can be accounted for by decision-makers in the Council and how they can inform and support the Council's lobbying efforts.

5.16 Young people noted the importance of having strong relationships with council staff and Members, ensuring a comfortable environment for them to share their priorities. They noted that the new Youth Voice group would provide an opportunity to work closely with a wider range of people in the Council. In particular, young people felt that it would be valuable to have regular opportunities to talk directly to leaders, including Members. They suggested that the Council could help its adults to develop the skills to communicate effectively with young people and foster an environment where young people feel comfortable asking questions when they do not understand a topic.

5.17 Young people felt that they were often consulted too late in the Council's decision-making and suggested that LGR could help address this. They recommended that the Council present a few realistic options for feedback rather than a single proposal.

5.18 Young people felt that engagement by the Council should be varied and stimulating, using a range of different approaches. They commented that there should be more time allocated at events to allow for co-production with young people.

5.19 Young people also commented that there needed to be a clearer feedback loop in which they had a stronger understanding of how the Council had taken their views into account.

Open discussion

5.20 Young people, Members and officers also took part in an open discussion, with questions and discussions on several topics. Comments from young people during the discussion included support for lowering the voting age to 16, and the need for increased teaching on media literacy and critical thinking in schools to support young people to be politically engaged; the need to develop Youth Voice in the Council to ensure young people's views were considered when making decisions; opportunities in devolution to work with bus providers to improve services and public transport experiences; and the possibility of the Council developing an apprenticeship pathway specifically for care leavers.

5.21 Groups additionally considered potential areas of focus for the new Youth Voice Group and the importance of designing a system of engagement around the needs of neurodivergent people in particular.

5.22 Young people were very positive overall about the event's discussions and welcomed the opportunity to hear from Members and officers and voice their concerns and experiences.

6. Trade Unions

6.1 A meeting was held with trade union representatives on 21 January 2026 to consult them on the Council's draft Council Plan and budget proposals for 2026/27.

6.2 The Leader of the Council opened the meeting and thanked the trade union representatives and the staff they represent for their work this year. He acknowledged that this meeting would be Amanda Park's (UNISON representative) final RPPR engagement meeting and extended gratitude, on behalf of the Council, for Amanda's dedicated service in her Unison role, particularly her involvement in the budget setting process.

6.3 The Leader noted that, as the report to Cabinet sets out, 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. The Leader noted as detailed in the Cabinet papers, this was the most challenging financial position the Council had seen.

6.4 The Chief Executive and Chief Finance Officer then delivered a presentation which provided an overview of ESCC's Reconciling Policy, Performance and Resources (RPPR) planning for 2026/27; the national policy context; recent local government funding announcements, and the anticipated financial position for 2026/27 in light of these; steps being taken to address the budget deficit, including further savings and seeking Exceptional Financial Support; updates to the Capital Programme; and ongoing lobbying efforts in light for this position.

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

Steps to address the budget deficit

6.6 Representatives acknowledged ESCC's effective resource management and service delivery, as demonstrated by positive external assessments, and commented that it was regrettable that the Council was facing the financial position it was in. They also noted staff confidence in the Council and its leadership to address these difficulties.

6.7 The Leader thanked representatives for their comments and agreed it was a difficult position to be in which did not reflect the Council's record of good management and service delivery.

Savings

6.8 Representatives sought clarification on the roles that would be impacted by the savings set out in the budget report. The Chief Executive noted that the majority of posts impacted were in Adult Social Care and Health (ASCH). The Director of ASCH explained that savings proposals would affect around 140 posts, resulting in 16 job losses, including 8 occupied roles (two posts were vacant, one an interim post, and seven would be realised through normal turnover). Most affected roles were within Planning, Performance, and Engagement and included temporary contracts. The Director reflected that last year's savings included 11 proposals and impacted over 100 staff, but compulsory redundancies were minimal, with most staff being successfully redeployed or accessing voluntary redundancy and a similar approach was anticipated this year.

6.9 Representatives expressed concerns about savings proposals in the Business Services Department (BSD) and commented that these were crucial services to support staff, including HR services which ensured compliance with our policies and statutory regulations and provided support to managers and staff. The Assistant Director, HR&OD thanked representatives for recognising the work of the HR team and agreed that there were strong policies and procedures in place to support staff, including an effective policy framework to help staff and managers mange change, and confirmed that there were no planned savings for HR for 2026/27 and that BSD savings were predominately focussed on Oracle implementation efficiencies.

6.10 The Chief Finance Officer also recognised the key role of BSD services in supporting change and reiterated that savings in BSD were focussed on ceasing the Good Shape contract, data packages for mobile phones, and reviewing the provision of Oracle systems, including the cost of licenses. It was noted however that as the Council began planning for 2027/28 and beyond, BSD services would be subject to further review.

6.11 Representatives asked if there were further savings proposals. The Chief Executive clarified that all the current savings proposals were set out in the report, although noted that the Council would continue to adapt services and seek efficiencies in light of the current budget position. However, options for savings were limited due to previous savings and the need to meet statutory duties.

<u>BSD functions</u>

6.12 Representatives asked about the implementation of Oracle and if this was on track to be in place by the end of the year.

6.13 The Assistant Director, HR&OD assured representatives that teams were working hard to implement Oracle Phase 3 on time and ahead of the Good Shape contract coming to an end. Oracle would replicate Good Shape tools and functions and there were mitigations in place in the event that implementation was delayed.

6.14 Representatives enquired about ASCH finance officers and their role within the wider finance team. The Director of ASCH clarified that the ASCH finance and benefits team conducts financial assessments and collects client contributions. Operating within the division that supports vulnerable individuals, they coordinate with the BSD Accounts Receivable Team to maintain clear processes. The Director commented that current system functions effectively due to strong collaboration between practitioners and finance staff.

<u>Exceptional Financial Support</u>

6.15 Representatives expressed concern regarding the necessity to pursue Exceptional Financial Support (EFS) and asked about the sustainability of increased borrowing and its long term implications. However, they also recognised that this action was necessary given the Council's financial position.

6.16 The Leader acknowledged that the current situation was not sustainable, emphasising that it is not possible to meet statutory obligations without adequate funding.

6.17 The Chief Executive expressed concern that the outcome of the Fair Funding 2.0 had resulted in less funding for ESCC and cited the unique position of the Council applying for EFS despite proven management. However, without opportunities to sell assets and insufficient reserves, borrowing through EFS, although not a sensible financial strategy, was the only option.

6.18 Representatives asked if a rise in Council Tax had been considered in applying for EFS. The Chief Finance Officer noted that there were two options in seeking EFS, applying to raise Council Tax above the referendum threshold, or borrowing. The Ministry of Housing, Communities and Local Government (MHCLG) informed ESCC early on in the process that a Council Tax rise would not be supported due to higher than average Council Tax rates in East Sussex.

Lobbying

6.19 Unison representatives commented on their recent lobbying with local MPs on local government funding and to raise awareness of local issues and deprivation and committed to further work on this, including work with Council leaders and officers to communicate these messages.

6.20 The Leader thanked representatives for their lobbying work and confirmed that the Council would persist in advocating for greater awareness of the financial challenges facing local services, especially social care. He noted that whilst reforms in ASC and CSD were still awaited, current funding was insufficient to meet the needs of both adults and children, and lobbying would continue to focus on securing the necessary funds to deliver these services. The Leader welcomed ongoing cooperation with Trade Unions on this issue.

Use of digital and AI

6.21 Representatives commented on the use of Artificial Intelligence (AI) and digital to improve efficiency and asked if there were plans to utilise these to mitigate job losses. The Director of ASCH responded that for ASCH, seven of the posts that have been identified as potential savings were within the operations admin team, as practitioners had become less reliant on admin staff in recent years. The department was piloting the programme Form Flow, which uses AI to complete assessments for practitioners after conversations with clients, and commented that there was potential for greater efficiency. A similar programme, Magic Notes, was also being piloted in CSD, with both initiatives aiming to boost practitioner capacity. The Director commented that as demand continues to rise, practitioners would remain essential.

6.22 The Chief Executive commented on the wider adoption of AI within the Council, emphasising that the budget was set using evidence of AI usage and its potential impact. Although it was recognised that AI had the potential to play a significant role in managing growth and demand, decisions would continue to be made based on experience rather than assumptions. The Council was taking a cautious approach to AI, based on learning (the pilot programs in ASC and CSD had already been thoroughly tested elsewhere), however, the Council would continue to set ambitious goals.

Local elections

6.23 Representatives enquired about the likelihood of 2026 council elections taking place and if there was a contingency in place if so to meet the associated costs. The Chief Executive clarified that ESCC had requested a deferral of these elections as part of the local government reorganisation process and that this request was now being considered by Government. The cost of running elections was predominantly with district and borough councils and conversations with local councils had confirmed spending could be postponed until the end of January. The Chief Executive added that the Reform Party had initiated a judicial review regarding postponing elections, with the case scheduled for February, and confirmed that the ESCC would continue to work with district and borough councils to safeguard election arrangements.

6.24 The Chief Finance Officer clarified that the Medium Term Financial Plan (MTFP) is building up an election budget, however, if elections did go ahead in 2026, there would be an additional pressure which the Council would need to meet as the current budget would not be sufficient to cover costs.

SEND demand

6.25 A representative from the National Association of Headteachers expressed concern at the ongoing rise in demand for Education Health and Care Plans (EHCPS) and special educational needs and disability (SEND) support, commenting that there was a lot of unidentified early need that would likely result in additional pressures. She noted that schools were working in a similar climate of limited options to seek savings and efficiencies and commented that it was becoming increasingly challenging for schools to deliver statutory duties.

6.26 The Lead Member for Education, Inclusion and SEND commented on the increase in EHCP applications and expressed frustration that reforms to SEND had been delayed. He commented that unless the definition or funding were reviewed, SEND pressures would continue.

6.27 The Leader recognised that these challenges were being felt by a number of partners, including health professionals and reiterated the need for continued partnership working.

6.28 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.

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 within the grants and programme budgets in an appropriate and cost-efficient way.

1.2 At Full Council in February 2025 *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 2025 to reflect the 2024/25 outturn, project and programme reprofiles and approved variations, revising the gross programme to £724.1m to 2034/35. 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 capital programme is funded from a number of sources and can be split into the elements that are funded from identified specific sources (such as grants, developer contributions and earmarked specific reserves), and elements considered to be Core Council Funded. Core Council Funded relates to those projects funded from council resources that ultimately increases the Council's need to borrow.

1.4 The financial outlook for local authorities is increasingly challenging, with uncertain funding allocations, inflationary pressure on contracts and wages, increasing service demands and the impact of national reforms leaving much uncertainty about the Council's future financial position, with a large financial deficit being forecast as part of the RPPR planning process. 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.

2 Capital Programme Update

2.1 Table 1 below summarises the gross movements to the approved capital programme since State of the County in July 2025. The updates provide a revised capital programme of £845.4m, of which £331.0m is planned for delivery in the MTFP period from 2025/26 to 2028/29 (three years plus one). It is these three years plus one of the programme that are to be presented for approval, whilst the remaining years to 2035/36 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**.

Table 1 - Capital Programme Gross Expenditure Updates	Ref:	Current Year 2025/26 (£m)	MTFP Period			2029/30 to 2035/36 (£m)	Total (£m)
			2026/27 (£m)	2027/28 (£m)	2028/29 (£m)		
Approved Capital Programme **(State of the County 2025)**		**102.981**	**91.542**	**57.291**	**48.854**	**336.354**	**637.022**
Approved Variations	A	6.402	2.383	1.657	3.359	6.367	**20.168**
Capital Programme Reprofiles	B	(16.714)	15.832	0.613	-	0.269	**0.000**
Schools Basic Need / SEND	C	-	3.244	(1.240)	(5.738)	29.219	**25.485**
IT&D Programme	D	-	(0.772)	(0.891)	(0.131)	1.794	**0.000**
Capital Programme Extension	E	-	-	-	-	42.127	**42.127**
Capital Programme Updates	F	6.088	12.777	5.948	11.462	84.616	**120.891**
Capital Programme Risk Review	G	-	(2.840)	2.524	-	-	**(0.316)**
Total Updates		**(4.224)**	**30.624**	**8.611**	**8.952**	**164.392**	**208.355**
Revised Capital Programme		**98.757**	**122.166**	**65.902**	**57.806**	**500.746**	**845.377**
Capital Slippage Risk Factor	H	(2.176)	(20.633)	6.536	2.684	13.589	**0.000**
Approved Capital Programme **(after Capital Slippage Risk Factor)**		**96.581**	**101.533**	**72.438**	**60.490**	**514.335**	**845.377**

Normal Capital Strategy Updates

A Approved Variations

There is a gross increase to the programme of £21.2m relating to fully funded schemes having a net nil impact on the capital programme borrowing, as detailed in Table 2 below:

Table 2 – Approved Variations since State of the County 2025	Gross Variation (£m)
Approved Variation: A22 North of Hailsham	0.030
Approved Variation: Alders Close Heating	0.188
Approved Variation: Community Match Funding	0.054
Approved Variation: ITM Scheme S106 - Other Integrated Transport	0.088
Approved Variation: Hastings Town Centre Public Realm and Green Connections	0.052
Approved Variation: Rights of Way Surface Repairs and Bridge Replacement Programme	0.168
Approved Variation: Burfield - Hailsham new academy	0.006
Approved Variation: A22 Corridor	3.880
Approved Variation: MBOS Oracle (costs to revenue)	(1.090)
Approved Variation: Active Travel Fund 5 Capital (Eastbourne Liveable £100k, Schools streets £61k)	0.161
Approved Variation: Growing Places loan - Hastings Common + reuse	1.955
Approved Variation: Other Integrated Transport Schemes	10.312
Approved Variation: House Adaptations for Disabled Children's Carers Homes	0.539
Approved Variation: Bus Service Improvement Plan - Passenger Transport	0.066
Approved Variation: Flood Management and SuDS in Schools	0.445
Approved Variation: Other Integrated Transport Schemes	0.005
Approved Variation: Children's Services Essential System Developments	0.018
Approved Variation: Learning Disability Supported Living Scheme	0.039
Approved variation - Schools Streets (Countywide Plan)	0.100
Approved variation - ATF Eastbourne Liveable Town Centre	0.065
Approved variation - Eastbourne Town Centre Phase 2a	0.772
Approved Variation - Integrated Transport Schemes - A22 Corridor Package	1.100
Approved Variation - Waste Transfer Stations Fire Suppression	1.215
Total Net Nil Approved Variations	**20.168**

B Capital Programme Reprofiles
Current approved programme profiles have been reviewed across years to reflect current best knowledge and to be consistent with the Quarter 2 2025/26 monitoring position. This includes

C Schools Basic Need
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 Schools Basic Need and SEND programmes have therefore been updated to reflect latest assumptions.

D IT&D Programme Update
The IT&D programme has also been subject to separate review.

E Capital Programme Extension
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 formula grants by one year into 2035/36.

F Capital Programme Updates
Key updates to the programme in line with the strategy include:

- Additional expenditure on The Queensway Gateway Road construction, which has cost more to complete than originally planned. It has required significant redesign to meet updated National Highways standards, and faced challenges, some unexpected, such as utility diversions, ground conditions and extended traffic management. These issues lengthened the construction period and, combined with a decade of substantial construction sector inflation since the scheme was first costed in 2014, resulted in significantly higher prices for materials, labour and specialist services.

- Spend in advance within the Highways programme as several roads scheduled for inclusion in the 2026/27 resurfacing programme are already showing early signs of deterioration and may require intervention before the end of the current financial year.

- The inclusion of updated funding allocations, most notably in Highways Maintenance, which has been issued in within allocations for the new Combined County Authority (CCA); and

- Ongoing investment in the implementation of the Council's Oracle system.

G Capital Programme Risk Review
The Capital Strategic Asset Board (CSAB) conducted a capital programme risk review in 2024-25, starting from an assumed base position of removing all core funded projects and providing the capital programme at funded levels only, to provide the maximum level of potential MTFP savings. This exercise has been revisited during 2025/26, with a further small reduction in borrowing identified.

H Capital Slippage Risk Factor
In line with previous years, a capital slippage risk factor has been applied to the capital programme from 2026/27 to reflect likely slippage based on a risk assessment of historic levels of actual expenditure and slippage at a project/programme level and has been updated to reflect the latest capital proposals. The risk factor is 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 Capital Programme Funding Update

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	Ref:	Current Year 2025/26 (£m)	MTFP Period			2029/30 to 2035/36 (£m)	Total (£m)
			2026/27 (£m)	2027/28 (£m)	2028/29 (£m)		
Gross Expenditure		**96.581**	**101.533**	**72.438**	**60.490**	**514.335**	**845.377**
Specific Funding	I	(23.715)	(23.868)	(11.542)	(1.744)	(6.033)	**(66.902)**
Specific Developer Contributions	J	(4.963)	(2.263)	(1.092)	(0.226)	(3.068)	**(11.612)**
Net Expenditure		**67.903**	**75.402**	**59.804**	**58.520**	**505.234**	**766.863**
Formula Grants	K	(30.714)	(38.059)	(40.881)	(46.930)	(289.119)	**(445.703)**
Capital Receipts	L	(1.288)	(4.449)	(2.102)	(3.461)	(1.293)	**(12.593)**
Recycled Loans		(0.274)	(0.300)	(0.300)	(0.300)	(7.040)	**(8.214)**
Reserves and Revenue Set Aside	M	(1.402)	(0.831)	(1.409)	(2.056)	(8.099)	**(13.797)**
Capital Reserve	N	(4.278)	(1.755)	-	-	-	**(6.033)**
Developer Contribution Target	J	(0.671)	-	-	-	(16.930)	**(17.601)**
Capital Programme Borrowing	**O**	**29.276**	**30.008**	**15.112**	**5.773**	**182.753**	**262.922**

I Specific Funding

The approved programme is supported by £66.9m of scheme specific grants and external funding which is sourced and managed by services at a project level, in the main comprising of 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 & BSIP grant towards Exceat Bridge replacement; and Devolved Formula Capital grant toward schools delegated capital works.

J Developer Contributions

Developer contributions is a collective term used to refer to the Community Infrastructure Levy (CIL) and Section 106 planning obligations, being funding secured in support of the provision of infrastructure and to mitigate the impact of development, largely in respect of school places provision, transport and rights of way improvements, and libraries provision. The Council seeks to maximise the use of Developer Contributions to fund basic need requirements and unfunded infrastructure schemes (via net nil variation). For future planning purposes, capital programme includes a reasonable funding target for future years. An assessment of the current developer contribution position is in progress and may identify additional that can be utilised towards the current capital programme to fund basic need programmes and reduce the future years funding target.

K Formula Grants Update

The capital programme is supported by £445.7m of non-specific government formula grant towards capital expenditure. 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.

In particular, the formation of Combined County Authorities (CCAs) introduces uncertainty around the future allocation of certain formula grant streams, most notably Trasport and Highways, as funding methodologies may be revised to reflect new governance structures. This programme has does not reflect any assumptions around how the formation of CCAs will impact those funding streams in future.

The level of assumed formula grants will continue to be reviewed to ensure that they represent prudent estimates and updated 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. In accordance with Capital Strategy principles, formula grants are used to fund the approved Basic Need capital programme and reduce the Council's need to borrow.

L Capital Receipts

Property Services hold a schedule of capital receipts available to support the capital programme, which is reviewed regularly with estimates being based on Property Officers' professional judgment on a site-by-site basis. In accordance with Capital Strategy principles, the profile of capital receipt funding has been updated to prioritise funding towards 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 on the revenue budget. The approach to capital receipts will continue even though the Council is applying for Exceptional Financial Support (EFS). This is a result of the Council's limited opportunity to raise finance through the sale of assets, and the approach ensures that all available resources are maximised to minimise the impact on the revenue budget and maintain financial sustainability.

M 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, an approved business case or approved variation. This includes specific reserves, payback from invest to save schemes and revenue contributions.

N Capital Programme Reserve

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. In accordance with Capital Strategy principles, the profile of capital reserve funding has been updated to prioritise funding towards 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 on the revenue budget.

O Capital Programme Borrowing

The updated capital programme has a total borrowing requirement of £262.9m, of which £80.2m is anticipated over the period to 2028/29.

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 position, whereby the cost of funding and Minimum Revenue Provision needs to be included within the MTFP. The proposed capital programme has been prepared to seek reductions in the Council's borrowing requirement to support the revenue budget position, whilst considering the level of risk associated to removing/reducing investment.

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 value and 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 2024 the current planned programme borrowing requirement will need Treasury Management budget increases outside the current MTFP period.

5 Risk Provision Update

5.1 A £7.5m ongoing risk provision was approved in February 2024 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 2028/29 and beyond which have necessitated holding a risk provision. These risks previously reported include:

- 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 developer contribution targets.

6 Capital Strategy

6.1 The CIPFA (Chartered Institute of Public Finance and Accountancy) Prudential Code was includes the requirement for Local Authorities to produce a Capital Strategy. The Council's current Capital Strategy covers the period 2026/27 to 2046/47 and was approved as part of RPPR 2026/27. The Capital Strategy has been reviewed to ensure it continues to reflect emerging risks, principles and corporate priorities, and informed by decisions made as part of the RPPR process.

Detailed Capital Programme (Gross Expenditure)	Current Year 2025/26 (£m)	MTFP Period			2029/30 to 2035/36 (£m)	Total (£m)
		2026/27 (£m)	2027/28 (£m)	2028/29 (£m)		
Adult Social Care						
Learning Disability Support Living Scheme	1.868	0.043	-	-	-	**1.911**
Greenacres	-	0.140	-	-	-	**0.140**
Adult Social Care Total	**1.868**	**0.183**	**-**	**-**	**-**	**2.051**
Business Services						
Youth Investment Fund	1.745	-	-	-	-	**1.745**
Hollington Youth Centre	2.992	0.101	-	-	-	**3.093**
Disability Children’s Home	0.014	-	-	-	-	**0.014**
Westfield Land	0.017	-	-	-	-	**0.017**
Special Educational Needs Provision	2.659	4.078	1.000	0.500	3.500	**11.737**
Special Educational Needs Provision - now Acre Wood (Grove Park)	6.621	9.181	0.250	-	-	**16.052**
Schools Basic Need Provision	0.664	0.400	0.400	0.400	83.730	**85.594**
Capital Building Improvement (Schools)	4.800	7.121	5.012	5.012	35.084	**57.029**
Capital Building Improvement (Corporate)	4.400	4.250	4.000	4.000	28.000	**44.650**
IT&Digital Strategy Implementation	4.144	4.099	2.102	3.461	51.791	**65.597**
IT & Digital Strategy Implementation – Oracle Implementation	7.710	8.037	2.457	-	-	**18.204**
IT&D – Utilising Automation	0.024	-	-	-	-	**0.024**
Business Services Total	**35.790**	**37.267**	**15.221**	**13.373**	**202.105**	**303.756**
Children’s Services						
Childrens House Adaptations	0.430	0.109	-	-	-	**0.539**
Hastings and Rother Skills Capital	0.093	-	-	-	-	**0.093**
Youth Service Mobile Resource Bus	0.053	-	-	-	-	**0.053**
Schools Delegated Capital	1.150	1.150	1.150	-	-	**3.450**
Children’s Services Essential System Developments	1.063	1.192	0.774	-	-	**3.029**
Children’s Services Total	**2.789**	**2.451**	**1.924**	**-**	**-**	**7.164**
Communities, Economy and Transport						
Broadband	0.338	0.500	0.500	0.500	-	**1.838**
Bexhill and Hastings Link Road Complementary Measures	0.132	-	-	-	-	**0.132**
Economic Intervention Fund – Loans	-	0.300	0.300	0.300	0.777	**1.677**
Growing Places Fund Loan Scheme	0.650	-	-	-	6.263	**6.913**
Community Match Fund	0.451	-	-	-	-	**0.451**
Community Road Safety Interventions	0.131	0.291	-	-	-	**0.422**
Newhaven Port Access Road	0.028	-	-	-	-	**0.028**
Real Time Passenger Information	0.199	0.068	-	-	-	**0.267**
Passenger Services Software	0.005	-	-	-	-	**0.005**
Bus Service Improvement Plan - Bus Prioritisation	1.231	9.812	1.190	1.213	1.236	**14.682**
Bus Service Improvement Plan - Passenger Transport	0.804	3.034	3.094	3.156	3.216	**13.304**
Queensway Depot Development	0.001	-	-	-	-	**0.001**
Queensway Gateway Road (excluding part 1 claims)	5.316	-	-	-	-	**5.316**
The Keep	0.212	0.085	0.152	0.628	-	**1.077**

Other Integrated Transport Schemes	2.737	5.653	4.720	5.355	25.649	**44.114**
A22 Corridor Package	6.092	-	-	-	-	**6.092**
A22 North of Hailsham	0.272	-	-	-	-	**0.272**
Exceat Bridge Replacement	2.587	9.243	4.855	0.507	-	**17.192**
Waste Transfer Stations Fire Suppression	-	1.215	-	-	-	**1.215**
Emergency Active Travel Fund - Tranche 2	0.403	-	-	-	-	**0.403**
Area-wide Traffic Management Scheme - Schools Streets	0.154	-	-	-	-	**0.154**
Schools Streets	0.061	0.100	-	-	-	**0.161**
Eastbourne Liveable Town Centre	0.080	0.202	-	-	-	**0.282**
Hastings Town Centre Public Realm and Green Connections	1.024	8.681	-	-	-	**9.705**
Libraries Basic Need	0.442	0.456	0.449	0.449	3.143	**4.939**
14A Alders Close Heating	0.188	-	-	-	-	**0.188**
Highways Structural Maintenance	18.375	20.948	25.094	28.531	227.164	**320.112**
Safer Roads Fund	0.028	0.836	-	-	-	**0.864**
Bridge Assessment and Strengthening	3.480	7.758	1.830	1.885	14.882	**29.835**
Street Lighting Replacement Programme	2.396	2.450	3.565	1.095	9.203	**18.709**
Rights of Way Programme	0.810	0.662	0.702	0.744	6.618	**9.536**
Gypsy and Traveller Site Refurbishment	0.137	0.070	0.070	0.070	0.490	**0.837**
Visibly Better Roads	0.248	-	-	-	-	**0.248**
Local Electric Vehicle Infrastructure	-	2.320	2.221	-	-	**4.541**
Flood & Coastal Resilience Innovation Programme	0.910	0.613	-	-	-	**1.523**
Flood Management and SuDS in Schools	0.445	-	-	-	-	**0.445**
Urban Tree Challenge	0.015	0.015	0.015	-	-	**0.045**
Climate Emergency Works	0.242	-	-	-	-	**0.242**
Eastbourne Town Centre Phase 2a	2.290	1.933	-	-	-	**4.223**
Eastbourne Town Centre Phase 2b	4.328	-	-	-	-	**4.328**
Eastbourne / South Wealden Walking & Cycling Package	0.183	1.720	-	-	-	**1.903**
Hailsham / Polegate / Eastbourne Movement & Access Corridor	0.150	0.160	-	-	-	**0.310**
Hastings / Bexhill Movement and Access Package	0.735	3.140	-	-	-	**3.875**
Communities, Economy and Transport Total	**58.310**	**82.265**	**48.757**	**44.433**	**298.641**	**532.406**
Capital Programme Total	**98.757**	**122.166**	**65.902**	**57.806**	**500.746**	**845.377**
Capital Slippage Risk Factor	(2.176)	(20.633)	6.536	2.684	13.589	**0.000**
Approved Capital Programme **(after Capital Slippage Risk Factor)**	**96.581**	**101.533**	**72.438**	**60.490**	**514.335**	**845.377**

Equality Impact Assessment for CAPITAL PROGRAMME 2026-27 to 2035-36

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, care experience 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.

Summary of equality assessment of Capital Programme proposals

(also see attached Equality Impact Assessments (EqIA) as listed below)

Proposal	Equality assessment
Adult Social Care	
Learning Disability Support Living Scheme	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 was in progress, including ensuring continuity in staff support and familiarity with the temporary building. There were some unavoidable delays to the project and to minimise impacts, clients, parents and carers were kept updated, and clients' well-being and behaviour was evaluated on an ongoing basis. Clients' individual needs were continually monitored and assessed, and no specific equality impacts were identified. Phase 1 of the Supported Living project is now successfully complete, and clients have returned to their refurbished home providing a much-improved physical environment, offering security of tenure, embracing the ethos of supported living and providing access to and maximising community benefits that they are unable to access in a residential care setting. We have been advised of some positive personal outcomes for the people supported at Beckley Close and some favourable feedback from families/carers. Lessons learned from the Beckley Close project have been applied to Phase 2 of the project for Jasmine Lodge whereby clients were supported to make the move to their temporary new homes in September 2024. Again, fostering and maintaining positive partnership working continues to ensure a considered and planned transition. It is anticipated that mobilisation of Jasmine Lodge will commence in January 2026 with clients moving back to their newly refurbished home utilising a phased approach to meet individual's needs. An EqIA has been completed for this proposal. **A - Learning Disability Supported Living' (updated Nov 2025).**
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	
Hollington Youth Centre	The update to Hollington Youth Hub will improve facilities for local young people, providing a building with flexibility to offer more activities and support for more young people, with increased opening times. No negative impacts on people sharing protected characteristics are identified. An EqIA has been completed for this proposal. **B - Grant funding for Hollington Youth Hub (reviewed Nov 2025).**
Special Educational Needs Provision	The EqIA for the schools' basic need capital programme includes information about the need for more SEND places. Information is taken from the School Organisation Plan 2024 to 2028 which sets out our SEND place planning strategy in further detail. **C - Schools Basic Need Capital Programme (reviewed Jan 2025).**
Special Educational Needs Provision Acre Wood Academy (Grove Park)	An EqIA for the proposed reorganisation and expansion of Grove Park School (now Acre Wood Academy) was completed in March 2025 as part of the statutory process to make a significant change to the school: **D - Grove Park School (completed March 2025)**
Schools Basic Need Provision	An EqIA has been completed for this proposal. **C - Schools Basic Need Capital Programme (reviewed Jan 2025).**
Capital Building Improvement (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.
Capital Building Improvement (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.
IT & Digital Strategy Implementation	The IT & Digital Core Capital Programme provides the basic technology capabilities that support the underpinning functioning of the organisation. This programme funds activity that is described as Core Need. This means providing technology that enables staff to connect, collaborate and work efficiently from wherever they need to be whilst operating highly available, secure and reliable services to support the continuous working of everything else. An EqIA has been completed for this proposal. **E - IT&D Core Programme EqIA (reviewed Nov 2025).**

IT & Digital Strategy implementation - Oracle Implementation	Finance, Recruitment, Procurement, Payroll and HR will all be adopting Oracle, a modern system that will provide the Council with a reliable platform for the administration of core Finance and HR processes. Via employee self-service (ESS), equalities data will be visible to the employee and enable them to update their data in real time, which means that equalities data is more likely to be up to date and accurate. At this stage no negative equality implications have been identified, but an ongoing review process means that any disproportionate impacts will be identified and further equality consideration will take place if needed. No further equality impact assessment is required at this time.
Children's Services	
Children's House Adaptations	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 aim is to improve the adaptability of homes so that disabled children have accessible living spaces that enable them to fully participate in family life. 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 local authority for maintained schools and then delegated to each school via a formula to be used for small capital works. Where pupils need physical school adaptations a careful assessment is made, case by case, involving discussion with the school and parents/carers, exploration of options, and a feasibility study, where appropriate. No further equality impact assessment is required.
Children's Services 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 and 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) which have now concluded. Equality impacts were also assessed prior to becoming a "top up" funder to the Department for Culture, Media and Sport's Gigabit Voucher Scheme in 2020, and this is the current model of infrastructure delivery although the Voucher Scheme is currently on hold. No disproportionate impacts were identified, as eligibility is based on technical criteria relating to properties not occupiers. No further equality impact assessment is required.
Economic Intervention Fund – Loans	No disproportionate equality impacts are identified. The ESI Loan fund is currently aimed at supporting existing businesses to grow or create employment. Loans are made to qualifying business entities not to individuals. No further equality impact assessment is required.
Community Road Safety Interventions	No disproportionate equality impacts are identified. Community focused road safety interventions are based on a 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 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. An EqIA has been completed for this proposal. **F - Bus Service Improvement Plan EqIA (reviewed Nov 2024).**
Bus Service Improvement Plan (BSIP) – Bus Prioritisation	The improvements made by the BSIP aim to improve accessibility for all. There is an ongoing engagement mechanism, including with disabled users, through bus user groups and the Enhanced Partnership Forum. No disproportionate negative equality impacts are identified from the delivery of the BSIP and its associated schemes. An EqIA has been completed for this proposal. **G - Bus Prioritisation Eastbourne Station (completed Jun 2025)**

The Keep	No equality impacts are identified. There are three proposals: 1. Building Maintenance System (BMS): No equality impacts are identified as the BMS regulates only temperature and humidity of building. No further assessment required. 2. Changes to order production software: No equality impacts are identified. Changes are to back-office systems only, not to customer ordering system. No further equality assessment is required. 3. Potential additional concession (income) contract making documents available online via an online genealogy provider. Positive impact on equality as it will make documents accessible to a larger audience. No further equality assessment is required.
Other Integrated Transport Schemes	EqIAs are completed for each project in this programme. Identified impacts may vary according to the scale/scope of the project and where the project is at in its development and delivery cycle. Impacts and actions are identified in the specific EqIA for each project and Members can request these.
Exceat Bridge Replacement	Work on this project is ongoing and impacts identified in the EqIA remain accurate. Two EqIAs have been completed for this proposal. **H - Exceat Bridge EqIA (reviewed Oct 2025),** and also **I - Exceat Orders EqIA (on the side roads orders and compulsory purchase orders, completed in June 2023).**
Waste Transfer Stations Fire Suppression	The proposal to install fire suppression systems is supported by the East Sussex Fire Service, the Environment Agency and insurers, and is considered industry good practice. There are no equality impacts identified in relation to this proposal. No further equality impact assessment is needed.
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. **J - Eastbourne Town Centre MAP P2b (reviewed Dec 2025).**
Hastings Town Centre Public Realm and Green Connections	As part of the Hastings Town Deal, the Hastings Town Centre Public Realm and Green Connections project looks to improve connectivity within the town centre, prioritise active travel and increase greening and biodiversity. An EqIA has been completed on designs for this proposal and continues to be reviewed and updated as the design progresses. An EqIA has been completed for this proposal.

	K - Hastings Town Centre Public Realm and Green Connections EqIA (reviewed Nov 2025)
Libraries Basic Need	An EqIA and access audit will be completed for each of the two planned refurbishments once initial scoping has been completed. Opportunities to improve access to the buildings, review stock, and to increase accessibility will all be assessed and built into the developments, where feasible. As part of our customer-led design we aim to minimise disruption and impact to customers (as well as to our teams) as much as possible. We aim to positively impact the customer experience after a capital project to ensure that the library building, furniture and fittings are safe and in a good state of repair so that they are appropriate to provide the services they need to deliver. EqIA to align with the scoping and detailed plans.
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.
Safer Roads Fund	The schemes are nationally grant funded and will benefit road users through engineering interventions that improve safety. This scheme is expected to lower speeds, improve pedestrian facilities and to encourage active travel along the length of the A2101 that is covered by a 30mph speed limit. No disproportionate negative equality impacts are identified. No further equality impact assessment is required.
Bridge Assessment and 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 ensures the Council is investing in its assets to maintain a basic level of condition; allowing the Council to deliver its Priority Outcomes as well as meeting any security and health and safety requirements. All potential projects are assessed against agreed criteria. No further equality impact assessment is required.
Street Lighting Replacement Programme	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 ensures the Council is investing in its assets to maintain a basic level of condition; allowing the Council to deliver its Priority Outcomes as well as meeting any security and health and safety requirements. All potential projects are assessed against agreed criteria. No further equality impact assessment is required.
Rights of Way 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 ensures the Council is investing in its assets to maintain a basic level of condition; allowing the Council to deliver its Priority Outcomes as well as 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 owns and manages 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 Electric Vehicle (EV) Infrastructure	The procurement exercise to identify an operator to support the delivery of EV charge-points across the County has almost concluded. The proposal aligns with the guidance published by the Department for Transport, which has consulted with specialists in this sector, and is expected to have a positive equality impact by improving access to EV charging, especially in areas with limited provision, and support residents without private parking to use electric vehicles more easily. The operator promotes a strong focus on accessibility and follows the principles of PAS 1899, which guides how public charging should meet the needs of disabled people. This helps ensure sites are safe, easy to reach, and simple to use for people with different mobility or access needs, as well as older users and those new to EVs. The operator also proposes a range of easy-to-use payment options, such as contactless bank card payment and a straightforward app, helping ensure people are not excluded by complex digital processes. Any temporary disruption from installation will be managed by the operator through clear communication and careful planning.

	No further equality impact assessment is required.
Flood & Coastal Resilience Innovation Programme	The project monitors 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. An EqIA has been completed on the engagement and communications approach for this project. **L - Blue Heart Flood Resilience EqIA (completed Jan 2025).**
Urban Tree Challenge	No equality impact assessment required: the original project ensured that trees planted on verges do not create accessibility barriers or affect sightlines. Ongoing funding is for ongoing maintenance of planted trees. No further equality assessment is required.
Eastbourne Town Centre Phase 2a	This project is specifically focused on a key Eastbourne town centre corridor between the junction of Cornfield Road and Terminus Road (known locally as 'Bankers Corner'), extending along Terminus Road to Langney Road and Bolton Road. The scheme consists of a complementary package of improvements, building on the already completed Phase 1 improvements. The development of the scheme aims to support and increase access to the town centre for all service users, by balancing the needs of local businesses, disabled users, cyclists and delivering a scheme within the funding available and to the highways design standards such transport and public realm schemes are required to meet. An EqIA has been completed on designs for this proposal and continues to be reviewed and updated as the design progresses. **M - Eastbourne Town Centre Phase 2a EqIA (updated November 2025).**
Eastbourne / South Wealden Walking & Cycling Package	The package primarily focuses on improving traffic congestion to support sustainable economic growth; supporting the growing demand for improved walking and cycling infrastructure in this area; increasing levels of cycling; and tackling health and wellbeing issues resulting from physical inactivity. This project builds on 5 previous schemes across Eastbourne and South Wealden. An initial EqIA was completed on the original overarching scheme in 2019. New, updated EqIAs for each of the revised and reprofiled projects will be developed alongside the detailed design task proposals to inform them and the construction phases.

Hailsham / Polegate / Eastbourne Movement & Access Corridor	The Hailsham/Eastbourne/Polegate Movement and Access Corridor package comprises two elements. The first involves an improvement to the A2270/Polegate High Street/Wannock Road junction in Polegate. This includes walking, wheeling and cycling improvements which will support accessibility for vulnerable road users around the junction as well as upgrades to the existing lighting. The second element comprises the introduction of bus lanes on Eastbourne Road between Broad Road and Huggetts Lane in south Polegate/north Willingdon as well as the introduction of an off-road walking and cycling route that will improve access, signage, lighting, crossing / tactile paving for the benefit of all users. Both elements of the package will have a positive impact on key characteristic groups including disabled and older people, and women with supportive measures to ensure their access and use of the facility. The scheme is currently at detailed design and a full Equality Impact Assessment will be undertaken as the detailed design is being completed in 2026, with the EqIA outcomes reflected in the final design. The EqIA will be informed by the outcomes of previous public consultation engagement/feedback undertaken on the scheme.
Hastings / Bexhill Movement and Access Package	EqIAs are developed for each scheme to identify specific impacts. The schemes all form part of the Local Growth Fund funding Hastings and Bexhill Movement and Access Package. • Station Approach: The project is a junction improvement and pedestrian access scheme at Station Approach, Hastings. The purpose of the scheme is to make the crossings more desirable for pedestrians to increase usage and improve the safety of the junction for pedestrians and vehicles and to create easy movement between the train station and town centre. **See: N - HBMAP – Station Approach EqIA (reviewed October 2025).** • Bexhill Cycle Route A: The project is a cycling and walking improvement scheme from the seafront by Collington Train Station to the North Bexhill development area (Worsham). The purpose of the scheme is to improve the active travel provision in Bexhill, improve safety for pedestrians and cyclists and encourage active travel by connecting the existing NCN2 and existing facilities at the Bexhill Enterprise Park with key locations throughout the town. **See: O - HBMAP - Bexhill Cycle Route EqIA (reviewed November 2025).**

Capital Strategy 2026/27 to 2046/47

Document summary

With a scope of 20 years, the Capital Strategy 2026/27 to 2046/47 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

1.1 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 Council Plan and Portfolio Plans 2026/27, which set out our priority and delivery outcomes for the coming year and our plans for delivering them, have been published online. The plans and budget reflect the increasingly challenging financial position facing the Council. This is due to the growth in need for statutory, demand-led, services for vulnerable children and adults, an escalation of costs, and national support and funding not meeting the new costs facing the authority.

1.4 The Capital Strategy prioritises investment in assets (see 2.4) 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. The strategy recognises that digital transformation and AI-enabled solutions are integral to achieving efficiency, resilience and improved outcomes.

1.5 In order to reduce the cost of borrowing the Reconciling Policy, Performance and Resources (RPPR) report update on planning for 2025/26, reported to Cabinet in November 2024, proposed changes to the capital programme outside of normal Capital Strategy updates. The purpose was to reduce the level of investment in core council funded programmes and reduce the impact of borrowing on the Council's revenue budget. The recommendations made throughout the report were based on an assessment of risks and likely implications made by services of removing or reducing core funded programmes based on set criteria. The programme has been subject to further review for 2026/27.

1.6 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.

1.7 This Capital Strategy has been prepared in the context of significant structural changes within local government. There is an anticipated, but as yet undefined, impact on the capital programme and strategy arising from:

- **Local Government Reorganisation (LGR):** Potential integration of district and borough council capital programmes into a consolidated framework, which may require realignment of priorities and resources.
- **Combined County Authorities (CCA):** The establishment of CCAs is expected to influence certain funding streams and governance arrangements, introducing new opportunities and constraints that will need to be reflected in future iterations of this strategy.

Given the evolving nature of these changes, the capital programme will remain under review to ensure flexibility and responsiveness as further details emerge.

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:

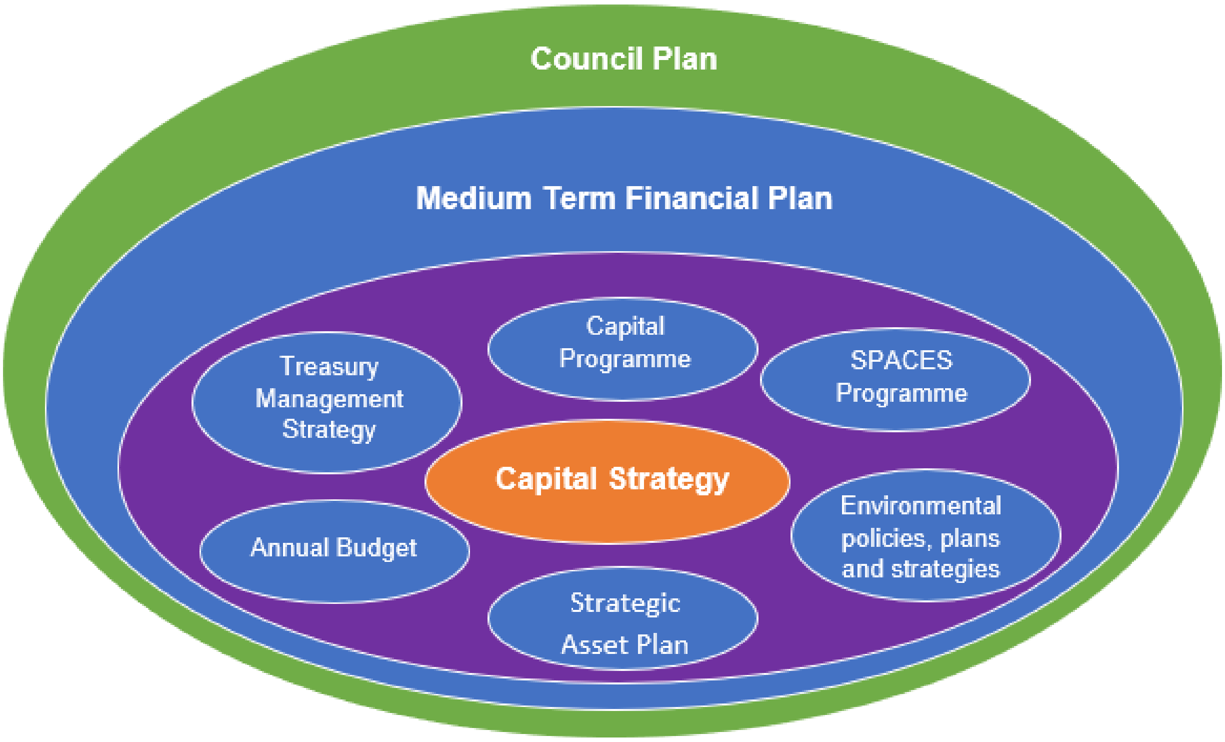
- Applies a long-term approach.
- Explores external influence on Capital Strategy e.g. Local Enterprise Partnership (LEP).
- Examines Commercial activity/ambition.
- Determines implications of Treasury Management Strategy.
- Ensures Council Plan priorities drive capital investment.
- Examines available 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.

2.4 An asset is a resource with economic value that the Council owns or controls with the expectation that it will provide a future economic benefit and which has a life of greater than one year. It includes lands, buildings, roads/infrastructure, heritage, plant, machinery and intangibles (e.g. computer software). It also includes grant and advances to be used for capital purposes, such as Disabled Facility Grants.

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 and carbon efficiently as far as possible and optimising an ongoing net income stream to the council. A new interim Asset Management Plan will

	be in place for 2026-2028 ahead of the outcome of local government re-organisation in Spring 2028.
SPACES Programme (Strategic Property Asset Collaboration in East Sussex)	'SPACES' is the *Strategic Property Asset Collaboration in East Sussex*. SPACES are a partnership programme made up of the County, District and Borough Councils, NHS Trusts, Emergency Services, NHS Sussex, Further Education, VCSE sector and other Government Department bodies representatives all within East Sussex. Whilst the Partnership current aims to make best use of public sector assets and working together collaboratively where possible to deliver benefits in asset utilisation as well as other areas involving property, such as Net Zero, Regeneration and Housing, and Health and Social Care. The SPACES partnership continues to seek external funding from Open Public Estate to provide funding for sites to be developed for housing delivery.
Environmental policies, plans and strategies	The County Council agreed its current Climate Emergency Action Plan in 2022 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 uses 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, embedding AI and digital transformation as part of basic need.
- **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 and within the resources available.

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 2024/25 to 2034/35 is set out at Appendix A, noting that the expenditure over the planned MTFP period to 2027/28 is presented for approval, whilst the remaining years to 2034/35 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.
- Work on assets to reduce the Council's carbon emissions as part of the planned maintenance programme and from grant funding available.
- Investment in AI-enabled systems to increase productivity, automate administrative tasks, and improve service delivery efficiency.

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. The Exceptional Finance Support framework permits local authorities to use capital receipts to fund revenue expenditure on request, subject to agreement from government. Due to a limited asset base and significant levels of borrowing in the programme, the Council will continue to prioritise capital receipts to offset borrowing within the programme.

- **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 continutes to undertake work on climate change as part of business as usual capital expenditure such as through the planned maintenance programme or work on asset rationalisation.

7.3 To ensure that the costs and benefits of any potential work 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 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 the delivery of energy efficiency improvements linked to its planned capital maintenance programmes for its assets including estate, infrastructure, vehicles and other assets. This will be achieved within available grant funding.

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.

Investment will include AI-driven tools for process automation, personal productivity, and enhanced digital platforms to support planning and collaboration. These technologies will support efficiency, resilience and improved decision-making across all service areas.

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?

Fees and Charges increases over 4.0% for those identified at Q3 2025/26 as part of RPPR

Dept	Service	Description	Current (£)	Proposed (£)	Movt (£)	Movt (%)
CET	Road Safety. The primary focus of the road Safety is behavioural change at that behind the wheel, walking down the street, or on the back of a motorbike and on a bike.	Holiday courses:				
		whizz and family fun	6.00	7.00	1.00	16.7%
		Beginners	21.00	22.00	1.00	4.8%
		Level 1	12.00	13.00	1.00	8.3%
		Level 2	22.00	23.00	1.00	4.5%
		Level 3	30.00	32.00	2.00	6.7%
		Adult beginners	32.00	35.00	3.00	9.4%
		Adult confidence (individual)	32.00	35.00	3.00	9.4%
		Adult Level 3 (2 hours)	32.00	50.00	18.00	56.3%
		Bike maintenance	30.00	35.00	5.00	16.7%
		Courses throughout the year:				
		Mountain bike rides (Adult)	30.00	35.00	5.00	16.7%
		Mountain bike rides (child)	25.00	35.00	10.00	40.0%
		Junior Fix sessions	20.00	25.00	5.00	25.0%
		Level 1 plus	18.00	20.00	2.00	11.1%
CET	Traveller Sites in Hailsham, Maresfield, Polegate, Robertsbridge and Bridies Tan.	Service Charges Bridie's Tan	10.00	12.00	2.00	20.0%
		Rental Bridie's Tan	78.00	83.00	5.00	6.4%
CET	The Keep provides an Archive Service that is utilised by many 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.	Reprographics:				
		Digital image A4	15.00	16.00	1.00	6.7%
		Digital image A3	15.00	16.00	1.00	6.7%
		Digital image over A3	20.00	21.00	1.00	5.0%
		Printed image A4	17.00	18.00	1.00	5.9%
		Printed image A3	20.00	21.00	1.00	5.0%
		Printed certificates:				
		Baptism - short	18.00	19.00	1.00	5.6%
		Certified Copies:				
		Certified copy of original record	20.00	21.00	1.00	5.0%
		Tithe maps				
		Digital Map area via email	20.00	21.00	1.00	5.0%
		Apportionment (on a plot)	7.50	8.00	0.50	6.7%
		Wills				
		Digital	15.00	16.00	1.00	6.7%
		Printed	20.00	21.00	1.00	5.0%
		Publication fees per image (ESBHRO only)				
		In books with print run 1-1000	7.50	8.00	0.50	6.7%
		In books with print run 1001-3000	15.00	16.00	1.00	6.7%
		Publications for local media	7.50	8.00	0.50	6.7%
CET	Libraries and Learning Services	Inter Library Loans British Library/ Universities	15.00	22.35	7.35	49.0%
		Printing and photocopying A3 B&W	0.40	0.42	0.02	5.0%
		Printing and photocopying A3 colour	1.20	1.25	0.05	4.2%
		Meeting room business	22.00	23.00	1.00	4.5%
		Meeting room commercial	44.00	46.00	2.00	4.5%
CET	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	100.00	105.00	5.00	5.0%
		Primary Authority (External Consultancy)	2,000.00	2,100.00	100.00	5.0%
CET	Registration Service	Document Certification up to 10 pages	10.00	20.00	10.00	100.0%
CSD	Data, Research, and Information Management: External Services to Schools – The services provided by DRIM are as follows: DS01 – Comprehensive Key Stage Data Package, DS02 – School Performance Data Training Visit, DS03 – School Performance Data Audit Visit and DS04 COLLECT Pupil and Workforce	Draft planning figures for the 2026-27 financial year:				
		DS01 - combination of NoR x multiplier plus Addition:				
		Secondary Multiplier	0.21	0.22	0.01	4.8%
		Secondary Addition	310.00	325.00	15.00	4.8%
		DS04 Primary & Special Academies	170.00	180.00	10.00	5.9%
		DS04 Secondary Academies	340.00	355.00	15.00	4.4%
CSD	Rent for former Rye Scout Hut	New 5 year lease commenced wef 01.04.2025	1,800.00	2,500.00	700.00	38.9%
CSD	Governors & Clerking	GS01 (up to 100 pupils)	852.00	895.00	43.00	5.0%
		GS02 (up to 100 pupils)	535.00	562.00	27.00	5.0%
		GS01 (100+ pupils)	1,342.00	1,409.00	67.00	5.0%
		GS02 (100+ pupils)	891.00	936.00	45.00	5.1%
		GS01 - Secondary and Special	1,949.00	2,046.00	97.00	5.0%
		GS02 - Secondary and Special	1,281.00	1,345.00	64.00	5.0%
		GS01 - Primary and Special Academies	1,374.00	1,443.00	69.00	5.0%
		GS01- Mixed, Special and Secondary Academies	1,996.00	2,096.00	100.00	5.0%
		Academies adding additional boards	266.00	279.00	13.00	4.9%
		Training Courses	80.00	84.00	4.00	5.0%

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Appendix 10

<u>Letter to all East Sussex MPs – 7 January 2026</u>

Dear [x] MP,

We are nearing the moment of setting an annual budget for East Sussex County Council but with a clear and inescapable fact in front of us: that we do not have the resources to meet the priority needs of the people who live here.

Because of this, we expect to ask the Government to approve up to an extra £70m of borrowing (known as Exceptional Financial Support) so that we can continue to invest in essential services and prevention where this will reduce the escalation of need and costs.

This is a critical situation for any local authority, but especially for one which independent assessments have agreed is already lean and well-run.

Our position shows that financial prudence, innovation and a continuous track record of making savings are simply not enough when national funding formulas do not account for the genuine need in East Sussex, particularly our high elderly population.

Our draft budget in February will include plans for a net spend of about £690m on our priorities next year. Our investment in adult social care and children's services has increased by 40 per cent and 54 per cent respectively in the last three years, reflecting the growing demand for, and cost of, many of the most vital services including community care, special educational need and disability services and looking after children in care.

Yet available resources are not keeping pace; they are falling back. We expect a loss of almost £13m over the medium-term as a result of changes confirmed in recent funding announcements. Our core spending power, excluding council tax, reduces by almost six per cent by 2028/29.

We understand the financial pressures on the public purse and we welcome the government's willingness to review and reform how local government is funded.

Yet as the current effect of those reforms is to leave the people we serve in East Sussex worse off, while their needs increase, we cannot see how this could be described as 'fair funding.'

To be clear, most of our services are statutory (not optional). We've made deep cuts of £156m since 2010 and are continuing to make savings. We have reduced reserves to the minimum. And people in East Sussex already pay a high level of council tax. *(It would require an annual increase in council tax of 19 per cent to close our financial gap).*

Seeking Exceptional Financial Support is therefore our only remaining option to set a balanced budget in February.

However this also comes at a cost, with annual repayments adding to the pressure on our revenue budget from next year onward.

There are two ways in which your support and intervention, if you felt it appropriate, would be most helpful at this point.

The first would be to impress on Ministers and officials that, despite high levels of need, ESCC will lose a further £13m as a result of recent funding changes and announcements, including the effects of the government's Fair Funding Review. It is hard to see how this tallies with the Government's ambition for fair and sustainable funding in local government.

The second would be to urgently request an increase in the provisional financial settlement for East Sussex in 2026-27 to better meet some of the real and urgent need of your constituents. This would have the added benefit of reducing the repayment costs of Exceptional Financial Support in years to come. Government is consulting on the provisional allocations and before January 14 there is still time to press for additional funding to be included in the final settlement to be announced in February.

If you would like more information or details about our resource and budget position, please let me know.

We are grateful for your continued support, but regret that it is now needed more than ever.

It is certain that many more local authorities will now be seeking exceptional financial support from the government and this illustrates the general pressure on the sector.

But all the evidence shows that East Sussex is being particularly hard hit. This is why, despite years of effective and careful management, we have arrived at this critical moment.

Yours sincerely,

Becky Shaw

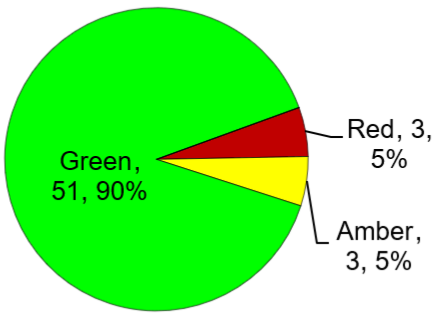
Chief Executive

APPENDIX 11

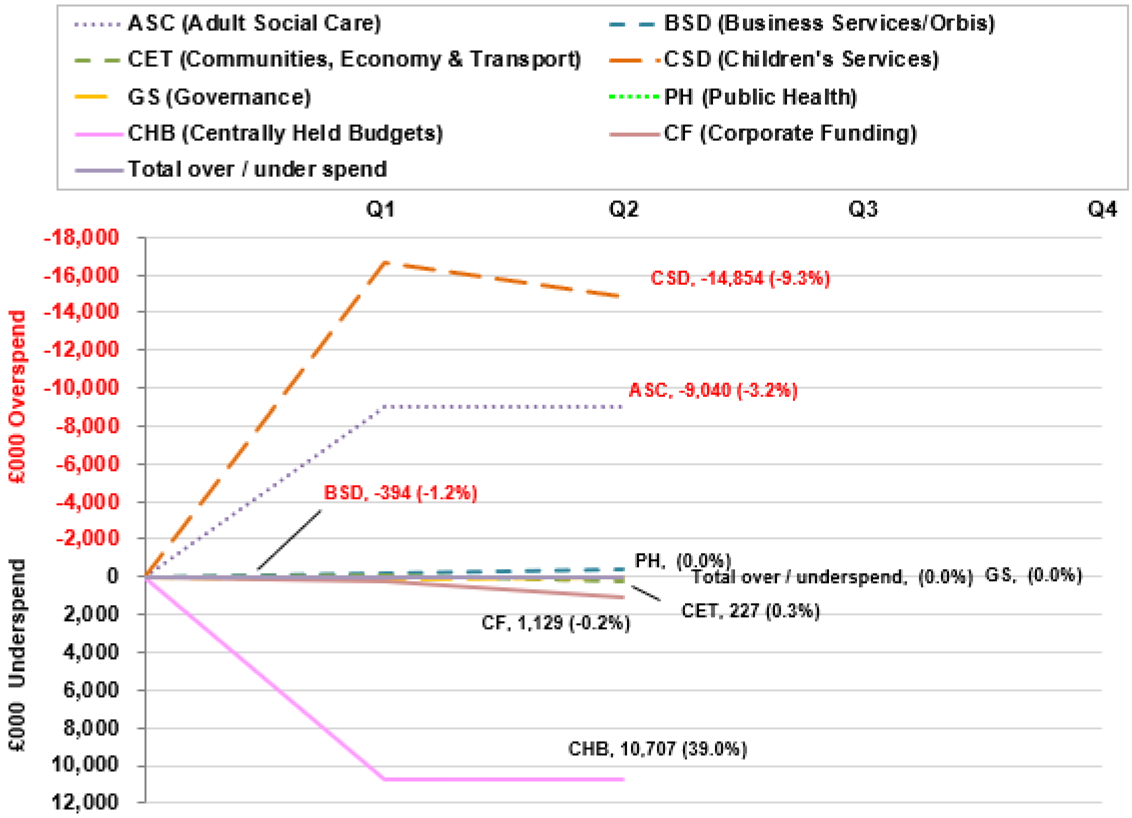
Council Monitoring Corporate Summary – Q2 2025/26

Council Plan performance targets

Priority	Red	Amber	Green
Driving sustainable economic growth	0	3	21
Keeping vulnerable people safe	1	0	15
Helping people help themselves	1	0	9
Making best use of resources now and for the future	1	0	6
Total	**3**	**3**	**51**

Performance overview Q2 2025/26	Measures off target by department
	There are 57 measures in the Council Plan. In Q2, 3 departments had measures that were off target. BSD – 1 red measure CET – 1 amber measure CSD – 2 red measures and 2 amber measures

Revenue budget outturn (net £000)



Revenue budget summary (£000) 2025/26

Services:

Divisions	Planned Gross	Planned Income	Planned Net	2025/26 Gross	2025/26 Income	2025/26 Net	(Over)/ under spend Gross	(Over)/ under spend Income	(Over)/ under spend Net
Adult Social Care	451,033	(165,286)	285,747	456,528	(161,741)	294,787	(5,495)	(3,545)	(9,040)
Public Health	38,295	(38,295)	-	38,279	(38,279)	-	16	(16)	-
Business Services / Orbis	65,286	(33,403)	31,883	66,594	(34,317)	32,277	(1,308)	914	(394)
Children's Services	635,284	(475,311)	159,973	662,612	(487,785)	174,827	(27,328)	12,474	(14,854)
Communities, Economy & Transport	174,685	(98,052)	76,633	177,196	(100,790)	76,406	(2,511)	2,738	227
Governance Services	10,012	(635)	9,377	10,002	(625)	9,377	10	(10)	-
Total Services	**1,374,595**	**(810,982)**	**563,613**	**1,411,211**	**(823,537)**	**587,674**	**(36,616)**	**12,555**	**(24,061)**

APPENDIX 11

Centrally Held Budgets (CHB):

Divisions	Planned Gross	Planned Income	Planned Net	2025/26 Gross	2025/26 Income	2025/26 Net	(Over)/ under spend Gross	(Over)/ under spend Income	(Over)/ under spend Net
Treasury Management	21,680	(6,900)	14,780	24,342	(10,562)	13,780	(2,662)	3,662	1,000
Capital Programme	1,450	-	1,450	-	-	-	1,450	-	1,450
Pensions	4,702	-	4,702	4,763	-	4,763	(61)	-	(61)
General Contingency	5,650	-	5,650	-	-	-	5,650	-	5,650
Provision for Budgetary Risks	6,093	-	6,093	2,776	-	2,776	3,317	-	3,317
Reserves Movements	414	(6,523)	(6,109)	414	(6,523)	(6,109)	-	-	-
Apprenticeship Levy	772	-	772	859	-	859	(87)	-	(87)
Levies, Grants and Other	124	(11)	113	189	(223)	(34)	(65)	212	147
Debt Impairment	-	-	-	709	-	709	(709)	-	(709)
Total Centrally Held Budgets (CHB)	**40,885**	**(13,434)**	**27,451**	**34,052**	**(17,308)**	**16,744**	**6,833**	**3,874**	**10,707**

Corporate Funding (CF):

Divisions	Planned Gross	Planned Income	Planned Net	2025/26 Gross	2025/26 Income	2025/26 Net	(Over)/ under spend Gross	(Over)/ under spend Income	(Over)/ under spend Net
Business Rates	-	(102,987)	(102,987)	-	(104,402)	(104,402)	-	1,415	1,415
Revenue Support Grant	-	(4,452)	(4,452)	-	(4,452)	(4,452)	-	0	0
Service Grant	-	-	-	-	-	-	-	-	-
Council Tax	-	(399,222)	(399,222)	-	(398,742)	(398,742)	-	(480)	(480)
Social Care Grant	-	(72,437)	(72,437)	-	(72,561)	(72,561)	-	124	124
New Homes Bonus	-	(517)	(517)	-	(587)	(587)	-	70	70
Total Corporate Funding (CF)	**-**	**(579,615)**	**(579,615)**	**-**	**(580,744)**	**(580,744)**	**-**	**1,129**	**1,129**

Divisions	Planned Gross	Planned Income	Planned Net	2025/26 Gross	2025/26 Income	2025/26 Net	(Over)/ under spend Gross	(Over)/ under spend Income	(Over)/ under spend Net
TOTAL SERVICES, CHB & CF	**1,415,480**	**(1,404,031)**	**11,449**	**1,445,263**	**(1,421,589)**	**23,674**	**(29,783)**	**17,558**	**(12,225)**
Planned one-off Use of Reserves 2025/26	-	(11,449)	(11,449)	-	(11,449)	(11,449)	-	-	-
Use of LGR Reserve to cover operational overspend	-	-	-	-	(4,200)	(4,200)	-	4,200	4,200
Use of Capital Reserve to cover operational overspend	-	-	-	-	(4,525)	(4,525)	-	4,525	4,525
Additional use of Insurance Reserve	-	-	-	-	(2,000)	(2,000)	-	2,000	2,000
Use of Collection Fund surplus	-	-	-	-	(1,500)	(1,500)	-	1,500	1,500
FINAL TOTAL	**1,415,480**	**(1,415,480)**	**0**	**1,445,263**	**(1,445,263)**	**0**	**(29,783)**	**29,783**	**0**

Revenue Savings Summary 2025/26 (£'000)

Service description	Original Target for 2025/26	Target including items c/f from previous year(s)	Achieved in-year	Will be achieved, but in future years	Cannot be achieved
ASCH	7,420	7,420	7,208	157	55
BSD/Orbis	1,060	1,060	980	-	80
CS	3,239	3,239	2,598	539	102
CET	1,553	2,298	1,111	1,187	-
GS	233	233	233	-	-
Total Savings	**13,505**	**14,250**	**12,130**	**1,883**	**237**
ASCH			55	-	(55)
BSD / Orbis			-	80	(80)
CS			102	-	(102)
CET			-	-	-
GS			-	-	-
Subtotal Permanent Changes [1]			**157**	**80**	**(237)**
Total Savings & Permanent Changes	**13,505**	**14,250**	**12,287**	**1,963**	**0**

Memo: treatment of savings not achieved in the year (£'000)	**Temporary Funding [2]**	**Part of reported variance [3]**	**Total**
ASCH	157	-	**157**
BSD / Orbis	-	80	**80**
CS	-	539	**539**
CET	-	1,187	**1,187**
GS	-	-	**0**
Total	**157**	**1,806**	**1,963**

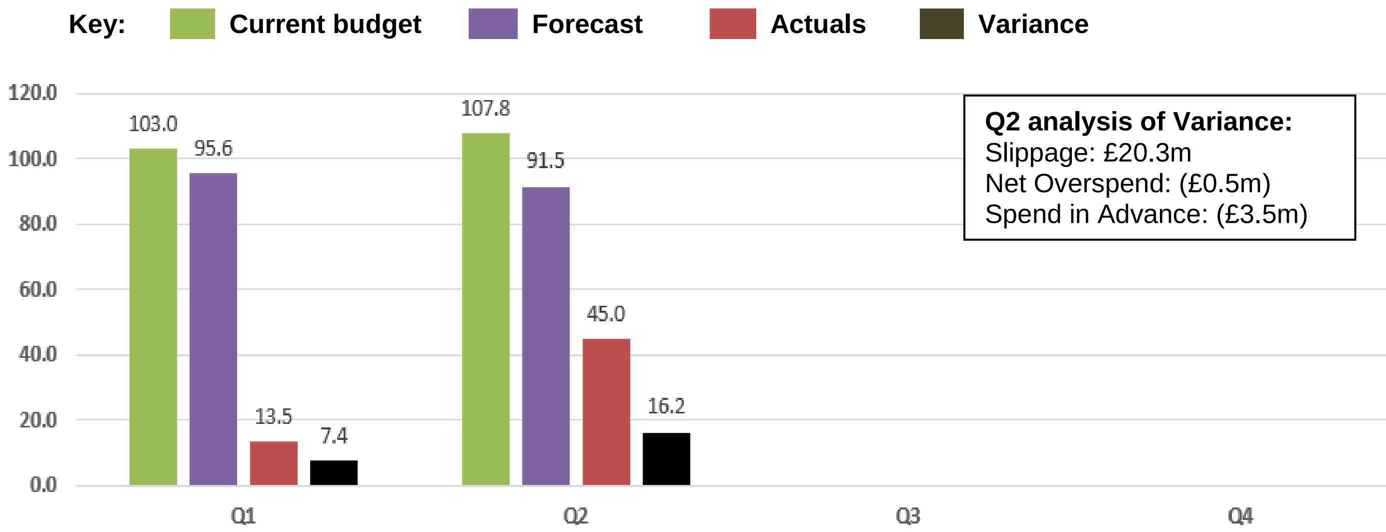
[1] Where agreed savings are reasonably unable to be achieved other permanent savings are required to be identified and approved via quarterly monitoring.

[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 11

Capital Programme (gross £ millions) – approved projects



Capital Programme Summary 2025/26 (£'000)

	Budget 2025/26	Forecast 2025/26	Variation (Over) / under 2025/26 budget	Variation analysis: (Over) / under spend	Variation analysis: Slippage to future year	Variation analysis: Spend in advance
Adult Social Care	1,969	1,829	140	-	140	-
Business Services	37,220	35,795	1,425	(5)	4,701	(3,271)
Children's Services	3,005	2,771	234	-	234	-
Communities, Economy & Transport	65,582	51,153	14,429	(481)	15,180	(270)
Gross Expenditure (Planned Programme)	**107,776**	**91,548**	**16,228**	**(486)**	**20,255**	**(3,541)**
Corporate Slippage Risk Factor	*(18,890)*	*(2,176)*	*(16,714)*	-	-	-
Net Expenditure	**88,886**	**89,372**	**(486)**	**0**	**0**	**0**
Developer Contributions	2,171	2,171	-	-	-	-
Other Specific Funding	25,648	25,648	-	-	-	-
Capital Receipts	1,288	1,288	-	-	-	-
Formula Grants	36,641	36,641	-	-	-	-
Recycled Loans	296	296	-	-	-	-
Reserves and Revenue Set Aside	8,680	1,493	***7,187***	-	-	-
Borrowing	14,162	21,835	***(7,673)***	-	-	-
Total Funding	**88,886**	**89,372**	**(486)**	**0**	**0**	**0**

Treasury Management

The Treasury Management Strategy, 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. Cash investment balances as at 30 September 2025 have fallen by 57% in 1 year, from £166.9m at Q2 2024/25 to £71.8m at Q2 2025/26.

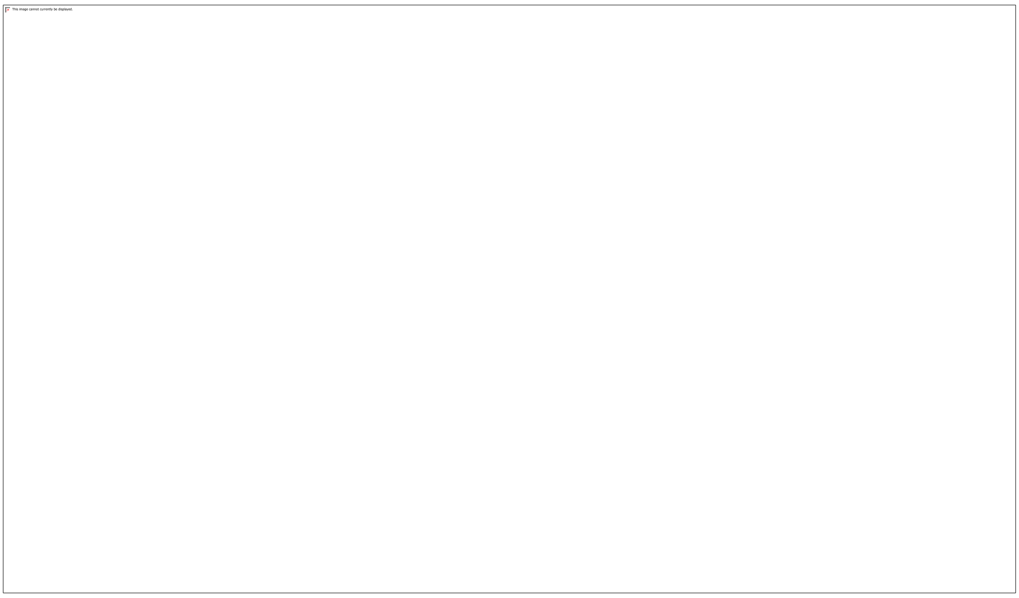
The average level of Council funds available for investment purposes during Q2 was £117.9m. The total amount received in short term interest for Q2 was £1.339m at an average rate of 4.50%, compared to £1.798m at an average rate of 4.74% for Q1 2025/26.

The Bank of England Base Rate was cut by 0.25% on the 7 August 2025, the rate at 30 September 2025 was 4.00%. The prospect for interest rates is for one further reduction in 2025/26 to a 3.75% level by 31 March 2026. Where possible a limited number of fixed term deposits with local authorities and banks were placed for periods up to 1 year in Q2, this will help secure investment returns into 2025/26.

The investment strategy approach in previous quarters to 'ladder' deposits has created a steady maturity profile, this will ensure the Council's cashflow and liquidity requirements are covered for 2025/26.

Cashflow is monitored on a rolling 18 month forecast and no short-term borrowing was required in Q2.

The Council's external debt, totalling £200.1m at Q2, is held as long-term loans and now fully with the Public Works Loan Board. No long-term borrowing was undertaken in Q2. The graph below shows that East Sussex's borrowing remains lower than the average per population for Shire counties.



The Treasury Management budget is currently forecast to underspend by £1.0m. This is based on the position outlined above with regard to balances held and investment returns. A reduced in-year capital borrowing requirement alongside an ongoing strategy to delay borrowing in a falling interest rate environment has meant that the council has delayed new external borrowing; and returns on investments in year were greater than anticipated as the Base Rate did not fall as fast as originally anticipated.

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 11 February 2025, are set out at Appendix 12.

Reserves and Balances 2025/26 (£000)

Reserve / Balance	Balance at 1 Apr 2025	Forecast net use at Q1	Forecast Net use at Q2 *	Movement	Balance at 31 Mar 2026
Statutorily ringfenced or held on behalf of others:					
Balances held by schools	16,043	-	-	-	16,043
Public Health	3,998	(2,891)	(2,891)	-	1,107
Other	5,491	(1,414)	(1,414)	-	4,077
Subtotal	**25,532**	**(4,305)**	**(4,305)**	**-**	**21,227**
Service Reserves:					
Corporate Waste	19,844	(5,109)	(5,109)	-	14,735
Capital Programme	9,060	(9,060)	(9,060)	-	-
Insurance	7,678	(2,000)	(4,000)	(2,000)	3,678
Local Government Re-organisation	-	4,200	-	(4,200)	-
Subtotal	**36,582**	**(11,969)**	**(18,169)**	**(6,200)**	**18,413**
Strategic Reserves:					
Priority / Transformation	5,187	(592)	(786)	(194)	4,401
Financial Management	11,276	(5,670)	(5,226)	444	6,050
Subtotal	**16,463**	**(6,262)**	**(6,012)**	**250**	**10,451**
Total Reserves	**78,577**	**(22,536)**	**(28,486)**	**(5,950)**	**50,091**
General Fund	10,000	-	-	-	10,000
Total Reserves and Balances	**88,577**	**(22,536)**	**(28,486)**	**(5,950)**	**60,091**

* Currently excludes any changes between Q1 and Q2 variances, so does not reflect the reduction in overspend at Q2.

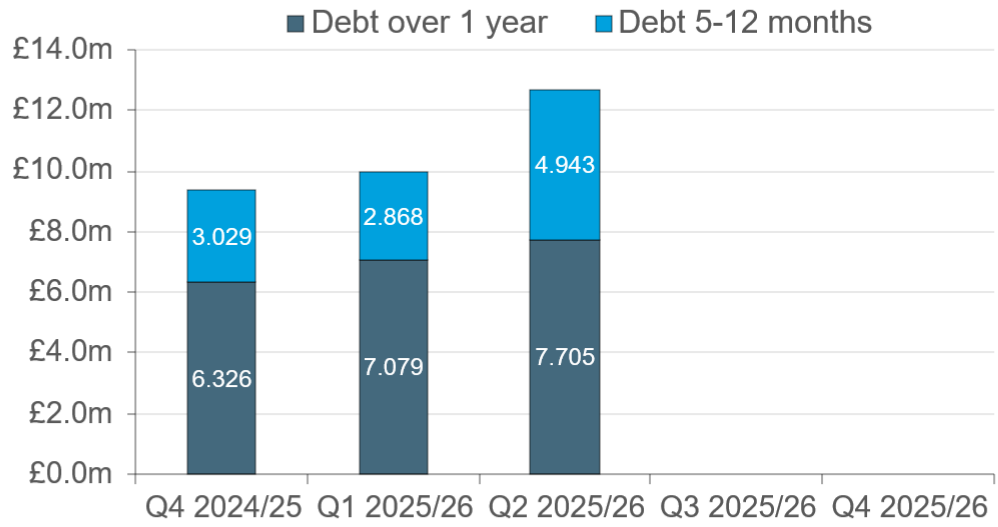
Changes to Fees & Charges

Buzz Active provides outdoor activities out of three locations in East Sussex, Bushy Wood, Eastbourne and Cuckmere. They run nationally accredited courses, taught by qualified instructors, for individuals, groups and families, for children from six onwards, for schools, and groups with special needs.

During Q2 the service has a number of approved increases to its fees, see below for the details of those above 4%.

Activity	Current £	New £	Movt £	Movt %
Licence to Cuckmere Valley Canoe Club for the boat house at Exceat	1,628.00	1,700.00	72.00	4.42%
Overseas student and school groups - Activity session 2 hour 6-12	32.50	34.00	1.50	4.62%
Overseas student and school groups - Activity session 1.5 hours 12+	24.00	25.00	1.00	4.17%
School and group - Activity session 1.5 hours 6-11	23.00	24.00	1.00	4.35%
School and group - Activity session 1.5 hours 12+	21.00	22.00	1.00	4.76%
School and group - Activity day 4.5 hour 6-12	47.00	49.00	2.00	4.26%
School and group - Activity day 4.5 hour 12 +	47.00	49.00	2.00	4.26%
Eastbourne scout and guide - Catapult (3 hour)	24.00	25.00	1.00	4.17%
Eastbourne scout and guide - Bushcraft (3 Hour)	24.00	25.00	1.00	4.17%
Scout and guide standard - Nav Skills (3 Hour)	16.00	17.00	1.00	6.25%
School and youth group onsite - Nav Skills (3 Hour)	18.00	19.00	1.00	5.56%

Outstanding debt analysis (£ millions)



The value of debt aged over 5 months at Quarter 2 has increased by £3.293m, to £12.648m, compared to the 2024/25 outturn position of £9.355m.

The majority, £11.987m (94.77%), of all debt over 5 months old relates to Adult Social Care and Health (ASCH), which has increased by £3.051m compared with the 2024/25 outturn position of £8.936m. A significant factor contributing to this increase is over £2 million of income due where Discretionary or Non-Discretionary Funding was being provided and has ended during the current financial year. While the local authority was providing funding, this could not be recovered due to the absence of a legally authorised individual to settle the charges. Following the appointment of a deputy or attorney, or after the individual has sadly passed away, recovery is now being pursued. Often the amounts due are high value as they relate to charges for residential or nursing care. Additionally, £0.577m of the increase relates to income due from the NHS or another local authority.

The debt over 5 months related to income due to other departments has increased by £0.242m to £0.661m, compared with the 2024/25 outturn position of £0.419m.

Adult Social Care client contribution income accounts for the majority of the Council's debt collection activity, which can be prolonged due to the sensitive and complex nature of individual cases. Addressing the rising debt is a key priority for 2025/26. A strategic review is underway to improve income collection and recovery processes, aiming to reduce existing debt and prevent future accrual. Quarter 2 saw the introduction of formal recommendations focused on prevention and recovery, supported by digital innovation, early intervention, and clear client communication.

Two pilot projects have already been identified that are being taken forward in Quarter 3:

- Non Payment Cases - looking at ways to prioritise adults with debt who have not made an arrangement to pay. The pilot is planned to run for 6 weeks, starting in Quarter 3, and will be delivered by existing staff in the ASC Revenue team. They will focus on contacting different categories of adults at different stages during the pilot, i.e. most recent debt, cases with safeguarding flags, adults with highest debt balances etc, to identify where the investment of staff time can have the greatest impact in terms of debt recovery.
- SMS pilot – a three-stage text message pilot is being developed which intends to use simple, supportive text reminders aligned to the invoicing cycle to ensure people are clear on how and when to pay.

Treasury Management Prudential Indicators – Q2 2025/26

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 11 February 2025, are set out below.

Investments

Cash investment balances as at 30 September 2025 have fallen by 57% in one year, from £166.9m at Q2 2024/25 to £71.8m. The average investment return over Q2 was 4.50% performing above the benchmark rate by 43 basis points (or 0.43 percentage points). Performance has improved as a result of reinvesting maturing investments in a duration matched to a peak in the forecast Bank of England (BoE) bank interest rate.

	Average Investment Balance	Average Investment Return	Average Benchmark Rate*	Difference
Quarter 1 2025/26	151.972	4.74%	4.32%	+0.42%
Quarter 2 2025/26	117.976	4.50%	4.07%	+0.43%

**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.*

During Q2 we have monitored the security of the Council's investments, to assess 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 0.007% 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 2025. No further debt maturities took place in Q2.

	Balance as at 30 September 2025 £m	Average Rate
PWLB	200.142	4.38%
Market Loans	-	-
Total Borrowing	**200.142**	**4.38%**

The table below shows the Q2 forecast of the Capital Financing Requirement (CFR) compared to the estimate within the 2025/26 strategy approved in February 2025. The CFR is expected to give rise to new borrowing required of £105.737m by the end of the year, compared to the original estimate of £70.000m following an increased capital programme borrowing need in 2024/25 carried forward. The strategy currently forecasts that the level of reserves and balances in the medium term allows for internal borrowing (using internal resources such as useable reserves or temporary working capital) of at least £75.000m in 2025/26. It is therefore expected that new borrowing of £30.737 may be required to support the capital programme during

2025/26, although the timing of borrowing will be considered in the context of the wider treasury management position and economic environment.

Capital Financing Requirement (CFR) (Underlying Borrowing Need)*	**Original Estimate 2025/26 £m**	**Revised forecast as at 30 September 2025 £m**
Opening CFR	268.971	292.380
Borrowing Requirement	15.812	21.835
Minimum Revenue Provision	(8.111)	(8.336)
Closing CFR	**276.672**	**305.879**
External Borrowing as at 30 September 2025	**-**	**200.142**
Forecast Underborrowing (if no action taken)	**-**	**105.737**

**The CFR underlying borrowing need excludes PFI and lease arrangements.*

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 any unforeseen borrowing need arising from the year's capital programme.

Borrowing Limits for external debt	**Operational Boundary £m**	**Authorised Borrowing Limit £m**
Limit set for 2025/26	362.000	382.000
Less: PFI & Leases	(76.000)	(76.000)
Limit for Underlying Borrowing	286.000	306.000
Actual External Borrowing at 30 September	**200.142**	**200.142**
Headroom*	**85.858**	**105.858**

**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 2025**
Under 12 months	0%	25%	1%
12 months to 2 years	0%	40%	4%
2 years to 5 years	0%	60%	5%
5 years to 10 years	0%	70%	23%
Over 10 years	0%	90%	67%

Adult Social Care and Health – Q2 2025/26
Summary of progress on Council Priorities, issues arising, and achievements

Adult Social Care (ASC)

Care Quality Commission inspection

The Care Quality Commission (CQC) inspected the Council earlier in 2025 and have now given a positive assessment of our adult social care services, recognising our commitment to providing the best possible support for residents. Giving the Council a rating of 'good', the CQC highlighted the collaboration with those using the service as a 'real strength'. Their report was based on an inspection and feedback from residents and partners. It found our workforce to be knowledgeable and passionate, supported by a strong leadership team. The CQC recognised the efforts of staff to provide care and support that was person-centred through services that were easy to access. They found that effective systems, processes and practices are in place to ensure people are protected from abuse and neglect, strengthened by the ethos that safeguarding was "everyone's business" which inspectors found to be embedded across the local authority.

The CQC's chief inspector of adult social care and integrated care, said: "What really stood out was how people felt listened to and treated with dignity. The staff at East Sussex should be really pleased with their good rating and the services they're providing to people in the county."

Demand for care and support services

In accordance with the Care Act 2014, ASC commission and provide a range of services to support adults and older people across East Sussex. There is an increasing complexity of need amongst people accessing support, with demand for services exceeding pre-pandemic levels and continuing to increase. Some examples include:

- There has been an 7.1% increase in activity (Appearance of Need Tool, assessments, reviews, other statutory work, and safeguarding episodes) completed in 2025 (up to end of September) compared to the same period in 2024, and a 12.7% increase on the same period in 2023.
- There has been a 5.8% increase in contacts handled by Health and Social Care Connect (HSCC) Access and Assessment combined from 2024.
- There has been a 3.1% increase in the number of people receiving bedded care (residential and nursing care), Long Term Support in a community setting, Telecare or Equipment when compared to the same period in 2024.
- There has been a 5.5% increase in the number of assessments completed January to September 2025 compared to the same period in 2024 as well as increased levels of contacts at HSCC.

Health and Social Care integration

An informal Health and Wellbeing Board (HWB) session in September focused on reducing health inequalities and assessing collective impact, using measures set out in the East Sussex Shared Outcomes Framework. The briefing notes with the key messages from all of the development sessions can be found here.

Published in July 2025, the national 10-Year Health Plan involves moving to a 'Neighbourhood Health Service' that brings care into local communities, convenes professionals into patient-centred teams and ends fragmentation. Our implementation of Integrated Community Teams (ICTs) is our shared ambition that will support the delivery of Neighbourhood Health in Sussex. In East Sussex this is structured around our teams working together in common footprints aligned to our 5 borough and district boundaries.

In addition to establishing the formal joint leadership arrangements in each ICT footprint, collaborative work has now started to introduce multi-disciplinary neighbourhood teams for populations of 30,000–50,000. Closer working through a 'one-team' approach across our organisations aims to provide increased proactive and coordinated care for groups of people with complex health and care needs, to help reduce the need for unplanned admission to hospital over the winter.

East Sussex was also successful in applying to be part of the first wave of the National Neighbourhood Health Implementation Programme (NNHIP), to support the shift from hospital-based care to a community-focused 'Neighbourhood Health Service' aligned with the national 10-Year Health Plan. With an initial focus on Hastings and Rother, using existing local system resources, this national support will help us accelerate and build on our local plans for ICTs and proactive care.

NHS Sussex Integrated Care Board published draft Commissioning Intentions for 2026/27 in August which emphasised neighbourhood health and system sustainability. The Council actively engaged in the consultation to help shape these plans as a key partner, commissioner (including joint commissioner) and provider of key local social care and public health services in East Sussex.

Whole-system efforts have also continued to improve hospital discharge processes, helping reduce the number of patients remaining in hospital unnecessarily due to their complex onward care needs. As a result, the number of people classed as No Criteria to Reside (NCTR) has continued to show a sustained decrease in key parts of our system, as we move into winter.

Third Sector support

During Q2 the Community and Voluntary, Community and Social Enterprise Development Programme providers finalised delivery plans and began to strengthen their collaborative working across the different geographies of the county. In the east of the county, Rother and Hastings area providers are looking at joint activities and training to support communities, and in the west Eastbourne, Wealden and Lewes District, providers are focusing on connecting with communities. These connections will help to further drive provider collaborations going forward.

<u>Safer Communities</u>

Preventing Violent Extremism

The Safer East Sussex Team (SEST) submitted a successful bid for Home Office funding to improve the knowledge amongst professionals on violence-fascinated individuals, assisting them in safeguarding communities from harmful extremism. Over the summer, SEST delivered 4 Prevent awareness sessions which focussed on educational inputs for learners expressing hateful or extreme views and made visits to community groups and places of worship to provide support and reassurance in the background of anti-migrant protests taking places in other parts of the country. All of this activity aims to increase community trust and confidence in reporting harmful extremism.

Over the last 3 months SEST has collaborated with partners to develop their collective understanding of community sentiment and to develop a framework which will enable partners to proactively scan for risk, address community grievances, promote inclusivity, and disrupt extremist networks and narratives.

Serious Violence and Exploitation

SEST developed an East Sussex Preventing Serious Violence and Exploitation Strategy which will benefit the community by enabling early intervention and prevention, supporting victims, enabling behaviour change, and implementing place-based responses in areas of highest harm.

<u>Public Health</u>

Wellbeing at Work programme

162 employers and approximately 20,000 employees are now supported by the programme. Through up-to-date health and wellbeing guidance, tailored training, and organisational support,

the programme helps workplaces adopt practices that improve staff wellbeing, such as offering training sessions focusing specifically on men's and women's health, including overcoming overwhelm and the menopause respectively. This contributes to better health and wellbeing outcomes for employees, which also benefits their families and the wider East Sussex community.

Climate Change Health Impact Assessment

A public survey was carried out to better understand how climate-related events affect residents' lives. Over six weeks 600 responses were received. Many respondents noted an increase in high winds in recent years, linking them to climate change. While wind hasn't been a major focus in national reports, this local evidence has prompted us to include it in our project scope. By doing so, we're ensuring our work reflects what matters most to our communities to help us prepare more effectively for future challenges.

Embedding physical activity into adult social care and health

The stroke rehabilitation pilot at Bexhill's Irvine Unit has been shortlisted for the Community Hospitals Association Innovation and Best Practice Awards 2025. This six-month programme supported stroke survivors to rebuild strength, confidence and independence through supervised physical activity. Early results showed significant improvements in balance and mobility, with participants also reporting better wellbeing and social connection. The pilot was supported by strong collaboration between the Council, Active Rother, Active Sussex and East Sussex Healthcare Trust.

Baton of Hope

On Tuesday 23 September 2025 the Baton of Hope Tour came to Hastings. The Baton of Hope is a charity with a vision to inspire a society where suicide and suicide prevention are openly and widely discussed, with the tour visiting 20 locations across England to raise awareness of suicide and to offer hope through action. In Hastings, 43 people with lived experience of suicide carried the baton around Hastings and St Leonard's. The event was co-ordinated by Men's Room Hastings and St Leonard's Community Interest Company and Hastings Voluntary Action, supported by the Council.

Revenue Budget Summary

ASC and Safer Communities

The net ASC and Safer Communities budget of £285.747m for 2025/26 includes a 4% inflationary uplift of £10.724m to support the care market across the Independent Sector. This uplift is in addition to £9.626m to fund growth and demographic pressures and service demands, with the costs of the increases being partially funded by £7.515m raised through the 2% ASC Care Precept. The department has savings targets of £7.420m for 2025/26.

The net forecast ASC outturn for 2025/26 is £294.787m, which is an overspend of £9.040m. This largely relates to the Independent Sector, where the overspend is £8.862m.

This is due to an increase in demand compared to Q4 2024/25 and periods before, which informed the modelling for 2025/26 and therefore would not have captured the 7.4% growth in demand. More people are being supported but at a lower average cost compared to Q4 2024/25 (a decrease of 3.5%) because we are working closely with the market, being prudent with packages of support and reviewing more people.

There is an overspend in Directly Provided Services of £0.178m due to staffing cost pressures, increasing costs and demand for equipment services to support people in their homes. Legal costs have also increased due to an increased volume and complexity of cases and an increased need to instruct barristers to provide specialist legal advice and representation.

ASC has a savings target of £7.420m this year of which £7.365m will be achieved. The savings for Linden Court will partially be achieved following the decision to continue providing the service at a reduced level. The remaining saving will be achieved through projects currently underway that will increase operational income.

Public Health

The Public Health (PH) budget of £38.295m comprises the PH grant allocation of £32.679m, additional grants of £3.903m and a planned draw from reserves of £1.713m. The projected outturn is an underspend of £0.016m.

Public Health Reserves: at 30 September 2025 General PH Reserve of £2.171m is projected to reduce to £0.474m by the end of the financial year. The Health Visiting reserve of £1.827m is projected to reduce to £1.277m.

Homes for Ukraine

HFU Grant Funding	Funding b/fwd £'000	Expected Funding £'000	Total Funding £'000	Planned Usage £'000	Funding c/fwd £'000
Tariff Funding	4,767	196	4,963	2,579	2,385
Thank you Payments	-	739	739	739	-
Total	**4,767**	**935**	**5,702**	**3,318**	**2,385**

Capital Programme Summary

The ASC Capital programme budget for 2025/26 is £1.969m, with the Supported Living Project forecast on-line and £0.140m. There is a slippage at Greenacres as the NHS are in the process of securing alternative care settings.

Construction works on the Supported Living Project are complete and the buildings have been handed back to the Council, with work now focussed on some minor improvements and getting the buildings into operational usage during Q3 at Jasmine Lodge and in January 2026 at The Meads.

Performance exceptions (see How to read this report for definition)

Priority – Keeping vulnerable people safe

Performance measure	Outturn 24/25	Target 25/26	RAG Q1 25/26	RAG Q2 25/26	RAG Q3 25/26	RAG Q4 25/26	Q2 outturn	Note ref
None								

Savings exceptions 2025/26 (£'000)

Service description	Original Target For 2025/26	Target including items c/f from previous year(s)	Achieved in-year	Will be achieved, but in future years	Cannot be achieved	Note ref
Older People's Directly Provided Services	712	-	712	-	-	
Learning Disability Directly Provided Services	804	-	662	87	55	
Vulnerable Adults Supported Accommodation	129	-	129	-	-	
Adults with Mental Health needs Supported Accommodation	178	-	178	-	-	
Housing Related Floating Support	1,937	-	1,937	-	-	
Substance Misuse Contracts	641	-	641	-	-	
Learning Disability Commissioning	50	-	50	-	-	
Strategy	180	-	180	-	-	
Operations	770	-	700	70	-	
Community Development	500	-	500	-	-	
Planning, Performance and Engagement	425	-	425	-	-	
Public Health	1,094	-	1,094	-	-	
Total Savings	**7,420**	**0**	**7,208**	**157**	**55**	
			-	-	-	
Operations			55	-	(55)	
Subtotal Permanent Changes [1]			**55**	**0**	**(55)**	
Total Savings and Permanent Changes						

Memo: treatment of savings not achieved in the year (£'000)	Temporary Funding [2]	Part of reported variance [3]	Total	Note Ref
Learning Disability Directly Provided Services	87	-	87	
Operations	70	-	70	
	-	-	-	
Total	**157**	**0**	**157**	

[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 13

Revenue Budget 2025/26 (£'000)

Adult Social Care – Independent Sector:

Divisions	Planned Gross	Planned Income	Planned Net	2025/26 Gross	2025/26 Income	2025/26 Net	(Over)/ under spend Gross	(Over)/ under spend Income	(Over)/ under spend Net	Note ref
Physical, Sensory and Memory and Cognition Support	203,984	(112,849)	91,135	207,027	(105,149)	101,878	(3,043)	(7,700)	(10,743)	
Learning Disability Support	102,518	(10,584)	91,934	103,092	(12,012)	91,080	(574)	1,428	854	
Mental Health Support	44,285	(19,570)	24,715	42,968	(19,280)	23,688	1,317	(290)	1,027	
Subtotal	**350,787**	**(143,003)**	**207,784**	**353,087**	**(136,441)**	**216,646**	**(2,300)**	**(6,562)**	**(8,862)**	

Adult Social Care – Adult Operations

Divisions	Planned Gross	Planned Income	Planned Net	2025/26 Gross	2025/26 Income	2025/26 Net	(Over)/ under spend Gross	(Over)/ under spend Income	(Over)/ under spend Net	Note Ref
Assessment and Care Management	37,262	(2,913)	34,349	38,271	(3,403)	34,868	(1,009)	490	(519)	
Directly Provided Services - Older People	18,502	(6,323)	12,179	17,919	(6,451)	11,468	583	128	711	
Directly Provided Services - Learning Disability	9,501	(605)	8,896	9,103	(605)	8,498	398	-	398	
Subtotal	**65,265**	**(9,841)**	**55,424**	**65,293**	**(10,459)**	**54,834**	**(28)**	**618**	**590**	

Adult Social Care- Strategy, Commissioning and Supply Management

Divisions	Planned Gross	Planned Income	Planned Net	2025/26 Gross	2025/26 Income	2025/26 Net	(Over)/ under spend Gross	(Over)/ under spend Income	(Over)/ under spend Net	Note Ref
Commissioners, Commissioned Services and Supply Management	10,587	(4,129)	6,458	10,252	(4,144)	6,108	335	15	350	
Supporting People	4,252	-	4,252	4,252	-	4,252	-	-	-	
Equipment and Assistive Technology	8,913	(4,487)	4,426	9,574	(4,742)	4,832	(661)	255	(406)	
Carers	2,387	(1,693)	694	2,378	(1,653)	725	9	(40)	(31)	
Subtotal	**26,139**	**(10,309)**	**15,830**	**26,456**	**(10,539)**	**15,917**	**(317)**	**230**	**(87)**	

Adult Social Care- Planning, Performance and Engagement and Other:

Divisions	Planned Gross	Planned Income	Planned Net	2025/26 Gross	2025/26 Income	2025/26 Net	(Over)/ under spend Gross	(Over)/ under spend Income	(Over)/ under spend Net	Note Ref
Planning, Performance and Engagement	6,122	(1,131)	4,991	6,497	(1,386)	5,111	(375)	255	(120)	
Service Strategy	741	(160)	581	1,301	(160)	1,141	(560)	-	(560)	
Safer Communities	1,979	(842)	1,137	3,894	(2,756)	1,138	(1,915)	1,914	(1)	
Subtotal	**8,842**	**(2,133)**	**6,709**	**11,692**	**(4,302)**	**7,390**	**(2,850)**	**2,169**	**(681)**	

Divisions	Planned Gross	Planned Income	Planned Net	2025/26 Gross	2025/26 Income	2025/26 Net	(Over)/ under spend Gross	(Over)/ under spend Income	(Over)/ under spend Net	Note Ref
Total Adult Social Care	**451,033**	**(165,286)**	**285,747**	**456,528**	**(161,741)**	**294,787**	**(5,495)**	**(3,545)**	**(9,040)**	

Public Health – Core Services:

Divisions	Planned Gross	Planned Income	Planned Net	2025/26 Gross	2025/26 Income	2025/26 Net	(Over)/ under spend Gross	(Over)/ under spend Income	(Over)/ under spend Net	Note Ref
Mental Health & Best Start	3,608	-	3,608	3,614	-	3,614	(6)	-	(6)	
Health Visiting	8,556	-	8,556	8,556	-	8,556	-	-	-	
Risky Behaviours and Threats to Health	14,005	(3,903)	10,102	13,848	(3,903)	9,945	157	-	157	
Health Systems	2,994	-	2,994	2,994	-	2,994	-	-	-	
Communities	774	-	774	772	-	772	2	-	2	
Central Support and One-off funding	3,977	-	3,977	4,096	-	4,096	(119)	-	(119)	
Recovery & Renewal	12	-	12	12	-	12	-	-	-	
Funding/Savings to be released	3,055	-	3,055	3,235	-	3,235	(180)	-	(180)	
Projects - Reserve	1,314	-	1,314	1,152	-	1,152	162	-	162	
Public Health Grant Income	-	(32,679)	(32,679)	-	(32,679)	(32,679)	-	-	-	
Draw from General Reserves	-	(1,713)	(1,713)	-	(1,697)	(1,697)	-	(16)	(16)	
Total Public Health	**38,295**	**(38,295)**	**0**	**38,279**	**(38,279)**	**0**	**16**	**(16)**	**0**	

Capital programme 2025/26 (£'000)

Approved project	Budget: total project all years	Projected: total project all years	Budget 2025/26	Actual to date Q2	Projected 2025/26	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	6,421	6,421	1,829	1,586	1,829	-	-	-	-	
Greenacres	2,598	2,598	140	-	-	-	-	140	-	
Total ASCH	**9,019**	**9,019**	**1,969**	**1,586**	**1,829**	**0**	**0**	**140**	**0**	

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Business Services – Q2 2025/26
Summary of progress on Council Priorities, issues arising, and achievements

Key cross cutting programmes

Carbon

In line with the annual delivery plan in our current Climate Emergency Action Plan 2025-2030, a further 2 energy efficiency projects were completed in Q2, bringing the total for Q1 and Q2 to 7. The 2 projects completed in Q2 were:

- 2 Insulation (roofing with insulation): West Rise Pre-School and Claverham Nursery

The Council Plan target for 2025/26 is to complete 10 energy efficiency projects, which will be achieved through planned property capital and maintenance projects.

The Property team continues to provide support about energy efficiency best practice for building managers at sites with high or unusual energy use patterns, to identify savings. In addition, contact was made with 15 sites that have relatively high water use to offer advice and signpost free support from water companies, to help combat higher water prices and reduce wastage. Following the success of the workshops held in 2024/25, planning and promotion of a further 'Ask the Expert' energy saving workshop has begun. At the workshops, a mechanical engineer provides support free of charge, as part of a social value benefit from a framework consultant.

In Q2, benefits have been identified for 19 sites and client departments where climate change funding had been invested in rooftop solar panels. Since the first PV systems came online in February 2022 (up until 31 March 2025), £262,000 has been saved on electricity bills and there have been carbon savings of 114.5 tCO^2e. This is equivalent in the carbon emissions of an average car driving round the earth 23 times. The projects that were funded by the Public Sector Decarbonisation Scheme have cut energy use and carbon emissions in those areas by 50-60%.

The total Council carbon emissions (including Scope 1 'direct emissions' and 'Scope 2' indirect emissions from purchased utilities) outturn for Q1 2025/26 (reported a quarter in arrears) saw a 22% reduction compared to Q1 2024/25. This represents a 47% reduction when compared to Q1 of the baseline year (2019/20). At this stage it is not possible to accurately forecast the annual emissions for 2025/26, as it will largely depend on whether we have a cold winter compared with previous years and, consequently, how much gas is required for heating.

In Q1 2025/26, gas consumption fell by 24%, and oil consumption by 11% compared to Q1 2024/25. This was partly due to a warmer April this year, meaning there was reduced heating demand compared to April 2024. Electricity consumption fell by 9% for buildings and 6% for street lighting.

The UK grid carbon emission factor changes from year to year to reflect the change in fuel mix in UK power stations (i.e. between renewables, nuclear, natural gas, oil and coal) and as the proportion of imported electricity also changes. The carbon emission factors used for reporting in 2025/26 are based on the fuel mix used in 2023, this is due to the time it takes to collate and analyse the data (more information can be found on the gov.uk conversion factors 2023 website).

The carbon emission factor for electricity fell by 14% between 2024/25 and 2025/26, having increased in 2023/24 and remained at that level last year. The reduction in the electricity carbon emissions factor made a positive contribution to the Q1 year on year emissions reduction.

The Council's annual spend on electricity has reduced by 26% since 2019/20, saving £1,942,641 when comparing 2024/25 directly to 2019/20. This significant reduction reflects estate changes, investments made in renewable energy (e.g. solar PV), and energy efficiency measures.

Year	Spend
2019/20	£7,442,838
2024/25	£5,500,197

Note: The spend figures above have been estimated using the consumption figures from 2019/20 and 2024/25, and price-corrected against the average unit rates from 2024/25. The spend figures are based on consumption only (i.e. not including standing charges or any other non-commodity costs).

While we continue to make progress on reducing our emissions, carbon and cost reduction work is now focused on business-as-usual activity such as the planned building maintenance programme, following the reprofiling of the capital budget in 2024/25. We have consistently stated that we require Government funding to deliver the improvements needed to get to net zero, given that modelling we commissioned in 2022 showed it would cost about £200m to get to net zero by 2050 for scope 1 and 2 emissions alone. However, Government funded programmes for corporate carbon reduction have been closed, which means we are only able to deliver improvements using our own, limited resources.

Analysis has been undertaken over the summer, based on the latest available data on our emissions for 2024/25, which suggests that the current target (to reduce the amount of CO_2 arising from County Council operations by 57% compared to 2019/20) is not achievable with the limited resources available. Our current target is more challenging than that recommended by the Science Based Target Initiative, which is the most widely recognised framework for corporate target setting, for an average annual carbon reduction target of about 4.2% (see: Ambitious corporate climate action - Science Based Targets Initiative). We are aware that there are a growing number of local authorities who are also recognising that their carbon reduction targets are not achievable with available funding and that these may need to be amended.

Given the difficult financial position we face, it is important that we have a realistic estimate as to what the cost of achieving our ambitions would be. This way consideration can be given to whether or not the resource necessary to achieve the target should be prioritised over other Council services, or the target be amended to reflect what is achievable. It is also important to factor in the potential impact of local government reorganisation and that any new unitary will have a greater range of functions than the County Council currently has, which will impact on carbon emissions. It may also be advantageous to understand the potential impact of the establishment of the Mayoral Combined County Authority, which will have a specific duty in relation to climate change. To enable these to be properly and openly considered it is recommended that Scrutiny consider the target in light of these issues and the changing context **(ref i)**.

Our focus on reducing emissions and energy costs will continue. It is important to note that the corporate work is one part of the wider activities undertaken by the Council to support a reduction in county-wide emissions. We also work on reducing fuel poverty, increasing access to walking, cycling and public transport, and enhancing local biodiversity, which all deliver a range of co-benefits, such as an improvement to health.

Oracle Implementation

Following the successful go-live of Phase 2 of the Oracle Implementation (covering Finance with dependent HR processes, Procurement and Recruitment) on 17 April 2025, these modules in the system have now transitioned into business as usual, with low volumes of support tickets being reported (approximately 50 a week).

Therefore, the focus of the programme is now on Phase 3 (HR and Payroll). The functional and technical requirements for this phase have been scoped and designed, and during Q2, the programme moved through a data migration cycle and into its early stages of testing. As the programme gains confidence in the quality of the system build through testing, a testing exit time frame, and consequentially a target go-live date will be established for this phase.

Human Resources and Organisational Development (HROD)

As part of our ongoing commitment to employee health and wellbeing, a Musculoskeletal (MSK) Toolkit has recently been developed and has been piloted in Q2. The toolkit includes interactive tools, anatomy visuals, manager checklists and tailored content for high-risk groups.

We have successfully negotiated an extension to the GoodShape contract with a fixed term price reduction, achieving a saving of 3% of the value of the contract.

During Q2 we also successfully delivered the ‘Mastering Difficult Conversations’ course which had been extensively updated and revised based on feedback from previous attendees. The updated course has been well received with lots of positive feedback.

Attendance Management and Wellbeing

The 2025/26 Q1 and 2 sickness absence figure for the whole authority (excluding schools) is 4.30 days lost per Full Time Equivalent (FTE) role, a decrease of 4.1% since the same period last year. The year end estimate for 2025/26 (based on six month’s data) is 8.83 days/FTE, so the target of 9.10 days/FTE is predicted to be met.

Compared to Q1 and 2 2024/25, overall sickness absence has decreased. Key reductions include:

- Stress decreased by 499 days (there were more spells, but shorter durations)
- Surgery decreased by 682 days
- Depression decreased by 425 days

Key increases in absence include:

- Mental health-related issues increased by 1,163 days
- Flu-like symptoms increased by 751 days

Actions underway:

- HR Review: Continued prioritisation of stress and mental health-related absences to identify root causes and support early resolution.
- Manager Guidance Access: Streamlining access to essential guidance for managers to support staff consistently and effectively.

Wellbeing Programme Enhancements:

- Targeted workshops
- Evaluation-informed proposals (e.g. Time to Talk feedback)
- Expansion of the Mental Health First Aiders network
- Ongoing Menopause Cafés

Procurement

Procurement, contract and supplier management activities

The Council has spent £411m with local suppliers over the past 12 months. This equates to 61% of our total procurement spend, which meets our target of 60%. 1,152 local suppliers were used. 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 5 contracts commenced, of which 3 were out of scope of the Social Value Measurement Charter, which quantifies the economic, social and environmental benefits of the procurement as they accessed existing pre-approved list of suppliers (Frameworks) with predefined contractual terms. The 2 in-scope contracts had a total contract value of £5.58m and secured £1.07m in Social Value commitment, which equates to an outturn of 19% against a target of 10%.

The Social Value commitments for Q2 included:

- employability support offered to local priority groups
- career awareness programmes offered to local schools and colleges
- professional development opportunities offered to staff and volunteers
- internship and volunteering opportunities
- supporting initiatives to engage people in physical and mental health interventions
- developing environmental initiatives which reduce carbon footprint and promote sustainability

Procurement policy

The Procurement Policy Team has been focussed on the following activities during Q2:

- Finalised the annual Scope 3 greenhouse gas emissions report (emissions which come from our procurement of goods, services and works). This shows a 32% reduction in emissions from our supply chain in 2024/25 since the baseline year (2022/23). Over 45% of our emissions were reported directly by suppliers to the Council, rather than estimated against emission factors, which is an improvement compared to 32.5% the previous year.
- The Council's Modern Slavery Statement for 2024/25 has been published on Council's website and uploaded to the Central Government Modern Slavery Statement Registry.
- Development of a Social Value Model to align more closely with the Council’s established priorities and with the national approach to securing and delivering social value.
- Developing Equality, Diversity and Inclusion (EDI) in Commissioning & Procurement training jointly with the Council’s EDI lead.
- Finalising the requirements and process with Finance and Legal colleagues on the payment and contract performance transparency requirements under the Procurement Act.
- Incorporating carbon reduction and social value requirements into several significant Council contracts, including Exceat Bridge, School Meals, and Translation and Interpreting Framework.

Contract and Commercial Advisory

Much of the Contract and Commercial Advisory’s focus in Q2 was on supporting the design of new Oracle processes to improve the requisition process and reduce the volume of non-compliant requisitions. These new processes are now in place and already the number of requisitions requiring remedial action have significantly reduced. The team has also been engaging with colleagues in Legal to design and agree processes to ensure the Council is compliant with the Contract Management obligations as prescribed in the Procurement Act 2023, specifically with regard to the publishing Contract Details Notices.

<u>Internal Audit</u>

Through the delivery of sufficient audit coverage in Q2, 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 and were able to complete 56.9% of the plan to draft report stage by the end of Q2, against a Q2 target of 45% (90% target for the year).

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. As at the end of Q2, it was confirmed that 8/8 (100%) of the high-risk actions due to be implemented on a 12-month rolling basis had been actioned (against a target of 97%).

Property

In Q2, Property completed the marketing of two properties for sale – Sandbanks, in Hailsham and the former Rangers' Workshop, in Rye. Both these assets are under offer with sales progressing. Furthermore, Lead Member approval was secured for the letting out of the Phoenix Centre, Lewes and to market Tilling Green playing fields for sale.

Following a review of the Council's operational and non-operational assets completed in Q1, additional work has been undertaken to increase the occupancy of some key assets in Q2, resulting in new lettings at The Keep as well as Pacific House, Eastbourne.

Both The Joff and Heathfield Youth Hubs were officially opened in September 2025 following successful building projects funded by the central government Youth Investment Fund.

During Q2, the Schools Maintenance team completed over 35 capital and revenue projects over the school summer period. The Capital Projects team also completed a number of Special Educational Needs and school access projects by the end of the school summer holiday. Lead Member approval was secured in September 2025 to award a building contract in relation to the Council's largest capital Special Educational Needs project at Acre Wood, Crowborough. The school construction has commenced with completion due in Q3 2026/27.

Energy Accounts continued to work on supporting all clients including schools, validating around 5,800 energy invoices for errors and saving £96k in avoided or refunded charges. This also included identifying increased consumption changes, exporting corporate energy payments to Oracle for payment, managing energy suppliers and ensuring best value and efficiencies from current contracts, whilst working on reprocuring Energy contracts nearing end dates and liaising with new potential Energy clients.

IT and Digital

The Microsoft Copilot M365 discovery work concluded in Q2, assessing safe and responsible AI use to boost productivity and efficiency. Experiences from the strategic pilot, involving 127 staff and 33 use cases were consolidated into a business case that will be fed into the Reconciling, Policy, Performance and Resources process. The structured pilot explored a range of use cases, from document drafting and redaction to meeting summarisation, content generation, data analysis, and accessibility enhancements. The focus was on assessing productivity gains, output quality, and user experience. Copilot was found to consistently deliver measurable time savings, clearer outputs, and reduce mental workload. The outcome of the business case will be reported in Q3.

The Windows 11 device refresh project continued at pace during Q2. With the end of support for Windows 10 approaching in October, the project has now refreshed 99% of devices with staff experiencing the benefits of a faster device and upgraded operating system. In order to extend the use of, and get better value from devices, we will now refresh them every 5 years (this was previously every 4 years). The scale at which this is done (across 3 councils through the Orbis Partnership) has many benefits and in this case, a saving of 18% per device has been achieved through this joint procurement. Video conferencing devices were also updated in corporate meeting rooms during this period.

Schools ICT secured approved supplier status on the Crescent Purchasing Consortium Outsourced ICT Framework, endorsed by the Department for Education. This milestone strengthens our position as a trusted provider of innovative, education-focused IT services and opens opportunities to support schools and multi-academy trusts nationwide. The framework enables compliant, cost-effective procurement of ICT solutions, including managed services, consultancy and infrastructure planning. Inclusion ensures clients benefit from streamlined procurement, strategic advice, and sustainable, future-ready IT support.

Revenue Budget Summary

The 2025/26 Business Services net revenue budget is £31.883m. There are £1.060m planned savings in BSD this financial year **(ref ii)**, of which £0.080m relating to the planned reduction in the cost of the Digital Postal Hub is not expected to be realised in this financial year, but the shortfall is planned to be covered within the directorate. The current outturn forecast is a £0.393m overspend **(ref vi)** and this position assumes that all other savings will be achieved. The £0.195m overspend forecast within Finance and Business Admin **(ref iii)** relates to loss of traded service income following academy conversions and the cost of supporting a Procurement project supporting East Sussex. IT&D are reporting an underspend of £0.061m **(ref iv)** comprising several small underspends across the service, including on the cost of Microsoft Licences. In Property there is a forecast overspend of £0.259m **(ref v)**. This is attributed to the loss of income from a courier service contract to East Sussex Fire and Rescue Service which has now ended, increased service charges and additional stamp duty costs in various properties.

Capital Programme Summary

The 2025/26 capital budget is £37.220m. At Q2 there is a net £1.425m underspend **(ref xiii)** comprising the following variances: Core Programme - IT & Digital Strategy Implementation underspend £0.950m **(ref vii).** The movement is attributed to an alternative way of upgrading the PN software has been confirmed which enables us to delay the refresh and further exploit the assets whilst remaining safe and secure and the Mobile Phone supplier has confirmed that they will provide security patches on our existing devices until 2027, meaning the refresh can be delayed. Capital Building Improvements (Corporate) forecasts slippage of £0.566m **(ref viii)** on projects relating to Bellbrook Centre and St Mary's House. Capital Building Improvements (Schools Basic Need) - £2.109m slippage **(ref ix)** The Schools summer programme suffered delays in progressing projects to site in a timely manner. These projects rely on a specific window to arrange projects for the summer period – following these delays a number of larger projects have been placed on hold and will be progressed in the 2026-27 period. Special Educational Needs & Disabilities Provision is forecasting slippage of £1.014m **(ref x).** There are a number of SEN projects now progressing, but it is unlikely that all of the budget will be utilised in 2025/26, thereby slipping to 2026/27. Special Educational Needs & Disabilities Provision - Grove Park forecasts £3.271m spend in advance **(ref xi)** After lengthy delays with mitigating environmental impacts on site and budgetary concerns, the Acre Wood Board gave the go-ahead and contract signed with a main contractor. Works on site are now expected to accelerate and so the spend for 2025/26 will be higher than the current budget profile. Finally, there is a small element of slippage on the Hollington Youth Centre **(ref xii)**.

<u>Performance exceptions Q2:</u>

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

Performance measure	Outturn 24/25	Target 25/26	RAG Q1 25/26	RAG Q2 25/26	RAG Q3 25/26	RAG Q4 25/26	Q2 2025/26 outturn	Note ref
Reduce the amount of CO_2 arising from County Council operations	36%	57% reduction on baseline year (2019/20) emissions (emissions not to exceed 5,403 tonnes CO_2e)	R	R			Emissions are reported a quarter in arrears Q1: 47% reduction on Q1 of baseline year (2019/20)	i

Savings exceptions 2025/26 (£'000)

Service description	Original Target For 2025/26	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 Property	254	-	174	-	80	
Planned savings – BSD IT&D	26	-	26	-	-	
Planned savings – Finance	142	-	142	-	-	
Planned savings – BSD	638	-	638	-	-	
Total Savings	**1,060**	**0**	**980**	**0**	**80**	
			-	-	-	
In-year underspends to offset for 2025/26 while a permanent solution is sought for 2026/27			-	80	(80)	
Subtotal Permanent Changes [1]			-	-	-	
Total Savings and Permanent Changes	**1,060**	**0**	**980**	**80**	**0**	**ii**

Memo: treatment of savings not achieved in the year (£'000)	Temporary Funding [2]	Part of reported variance [3]	Total	Note Ref
Postal Hub	-	80	80	
	-	-	-	
	-	-	-	
Total	**0**	**80**	**80**	

[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 2025/26 (£'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 and Bus Admin	14,127	(7,850)	6,277	14,971	(8,499)	6,472	(844)	649	(195)	iii
HR & OD	3,633	(1,108)	2,525	3,633	(1,108)	2,525	-	-	-	
IT & Digital	14,016	(4,155)	9,861	14,015	(4,214)	9,801	1	60	61	iv
Procurement	-	-	-	-	-	-	-	-	-	
Property	29,648	(20,290)	9,358	30,113	(20,496)	9,617	(465)	206	(259)	v
Contribution to Orbis	3,862	-	3,862	3,862	-	3,862	-	-	-	
TOTAL BSD	**65,286**	**(33,403)**	**31,883**	**66,594**	**(34,317)**	**32,277**	**(1,308)**	**915**	**(393)**	**vi**

Capital programme 2025/26 (£'000)

Approved project	Budget: total project all years	Projected: total project all years	Budget 2025/26	Actual to date Q2	Projected 2025/26	Variation (Over) / under 2025/26 budget	Variation analysis: (Over) / under spend	Variation analysis: Slippage to future year	Variation analysis: Spend in advance	Note ref
IT&D Strategy Implementation	71,234	71,234	5,094	2,372	4,144	950	-	950	-	**vii**
IT&D Strategy Implementation (ORACLE)	26,513	26,513	7,710	2,656	7,710	-	-	-	-	
Capital Building Improvements (Corporate)	45,482	45,482	4,966	950	4,400	566	-	566	-	**viii**
Capital Building Improvements (Schools)	40,401	40,401	6,909	2,001	4,800	2,109	-	2,109	-	**ix**
Disabled Children's Accommodation	24	24	14	19	19	(5)	(5)	-	-	
Schools Basic Need	61,874	61,874	664	452	664	-	-	-	-	
Special Educational Needs & Disabilities Provision	3,673	3,673	3,673	121	2,659	1,014	-	1,014	-	**x**
Special Educational Needs & Disabilities Provision - Grove Park	17,120	17,120	3,350	933	6,621	(3,271)	-	-	(3,271)	**xi**
Westfield Lane	17	17	17	-	17	-	-	-	-	
Youth Investment Fund	7,003	7,003	1,745	2,222	1,745	-	-	-	-	
Hollington Youth Centre	3,037	3,037	3,054	866	2,992	62	-	62	-	**xii**
IT & Digital - Utilising Automation	24	24	24	-	24	-	-	-	-	
Total BSD Gross	**276,402**	**276,402**	**37,220**	**12,592**	**35,795**	**1,425**	**(5)**	**4,701**	**(3,271)**	**xiii**

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APPENDIX 15

Children's Services – Q2 2025/26
Summary of progress on Council Priorities, issues arising, and achievements

Early Help and Social Care

Ofsted Focused Visit

Ofsted undertook a Focused Visit Inspection of East Sussex Children's Services at the end of July. The purpose of this inspection is to evaluate an aspect of the service, a theme or the experiences of a cohort of children. For this inspection visit, the theme was children in need or subject to a protection plan.

This inspection does not provide an outcome grading but instead sets out key findings within the area of focus, and any associated recommendations. The response letter highlighted the following key findings:

- Children in need in East Sussex, and those who are the subject of a Child Protection Plan, are receiving services that make a positive difference for them and whose effectiveness is being continually developed.
- The senior leadership team, with strong corporate support, continues to invest in services for vulnerable children. Leaders have continuously developed and refined services to ensure they have a positive impact on children's lives.
- There is a strong focus on providing integrated, multidisciplinary support to children and families. This approach ensures that children and families benefit from consistent, high-quality practice that supports their progress and improves their lives.
- There is relentless focus on supporting a stable and committed workforce, enabling staff to develop their skills and feel valued within the council. Leaders are actively creating the right conditions to strengthen social work practice and improve the quality of services for children and families.

One recommendation for improvement was received, relating to the timeliness with which child protection strategy meetings are held. Whilst it was recognised that urgent cases are prioritised, a small number of children experienced delays in convening strategy meetings. Ofsted noted that: 'Once held, child protection strategy meetings are attended by the relevant professionals, who appropriately consider the level of risk and the impact on the children involved. There is timely progression to child protection conferences when required'.

Ofsted recognised the improvements made following the last Inspection of East Sussex Local Authority Children's Services (ILACS) in 2023, in relation to the Public Law Outline, private fostering arrangements and neglect. They also saw excellent examples of the work to support many children to remain at home, through our Connected Families approach. The letter highlighted the 'life changing' and 'transformative' work undertaken with children and families in East Sussex.

Both the visit and subsequent response letter were resoundingly positive. The report recognised the real positive differences being made to the children and families of East Sussex.

Family and Youth Hubs

The new Heathfield Youth Hub opened in August 2025, with a formal opening event in September attended by local MP Nus Ghani and the Council's Lead Member for Children and Families Bob Bowdler.

The JOFF Youth Hub also opened after a formal launch in mid-September with support from the Council's Lead Member for Children and Families and local Town Councillors.

Both Hubs are now open with sessions attracting high numbers of young people enjoying the new facilities in both centres. Response from parents and community members has been very positive.

Hollington Youth Hub is currently closed for a major refurbishment and extension. The planned works should be completed by the end of March 2026. Youth Work continues to be delivered from Hollington Primary School and through the Teams new Mobile Resource Van funded by the Government’s Levelling Up Fund.

Child in Need (CIN) cases and Child Protection (CP) Plans

One of the key priorities for Social Care Locality Teams is to safely reduce the volume of children subject to Child Protection (CP) Plans and Child in Need (CIN) plans over time, through ensuring effective earlier intervention, high quality assessments and plans and effective multi-agency working.

CP Plans have reduced from 579 at the end of Q1 to 532 (51.3 per 10,000 children) at the end of Q2.

At the end of Q2 the number of children with Child in Need plans was 1,124, compared to 1,023 at the end of Q1. This increase reflects continued high demand and the number of families that we are successfully stepping down from child protection.

Connected Families, SWIFT and Foundations services are major contributors to delivering specialist support for parents and enabling children to stay safely within their families and step down from statutory services.

Connected Practice Leads

Q2 marked the launch of our Practice Lead programmes in Motivational Interviewing and Heading Home (Reunification), with Attachment and Trauma to follow shortly. These initiatives strengthen our Connected Practice Model by cultivating specialist knowledge, enhancing practitioner development, and fostering a culture of peer learning. By embedding expertise across these four core areas, we are creating a sustainable and collaborative environment for continuous improvement in practice.

Residential Homes – Ofsted inspections

Lansdowne Secure Children’s Home received an Assurance Inspection by Ofsted on 3 September 2025 where it maintained a judgement of Good. Inspectors noted that children had positive relationships with staff and observed a ‘warm, lively atmosphere’. They also noted that ‘The Registered Manager continues to demonstrate a clear understanding of the home’s strengths and the areas that need further improvement and development’. There are plans in place to address these areas for improvement including monitoring has been strengthened, physical restraint is used proportionately, and multi-disciplinary working has been enhanced. The inspection recommended action to address consistency of supervision, use of ‘language that cares’ and taking action to improve the ‘homeliness’ of the environment – work is in progress to address these areas for development.

Silver Birches Children’s Home was inspected by Ofsted on 4 and 5 August 2025 and maintained an outcome of Good. Inspectors noted that children receive good quality care, staff are child centred, and external professionals and family report positive relationships with the home. Children feel safe living in this home. Managers work well together as a team and are ambitious for children. Staff receive regular, good quality supervision, meaningful induction and have opportunities to have their voices heard. The Inspectors noted: ‘Leaders and Managers actively promote equality, diversity and inclusion. Children can be themselves here.’

Looked After Children

The rate of Looked After Children (LAC) has seen a slight decline at Q2 to 66.5 (689 children) which is below the outturn at Q1 2025/26 of 67.1 (695 children). This rate remains below the national average rate for England of 68.6 and the IDACI (expected rates based on levels of deprivation) rate of 70.0. The rate is above our statistical neighbours (63.2, Q1 2025-26).

40 children entered care in Q2, compared with 56 in Q1.

14 children across 10 families were provided with Looked After Child status following or alongside the initiation of a pre-proceedings process that led (or is likely to lead) to the Council issuing care proceedings to safeguard the children. This pre-proceedings process is used when we believe that the risks to a child are so great that it might be necessary to ask the court to decide where the child will live and who they should live with through a court order. These children were placed with either their wider family or in foster care. Two further children entered care prior to pre-proceedings work being completed as a result of a significant escalation of concerns and issuing of proceedings.

15 separated migrant children were transferred to East Sussex via the National Transfer Scheme (NTS).

Five children entered care via an unplanned crisis led pathway, either via Police Protection or an unplanned Section 20 Children Act arrangement.

The demand for care admission for adolescents with complex needs across mental health, special educational needs and social care continues to be the most challenging area of demand, both from a practice and cost perspective.

Education

Improving Alternative Provision in East Sussex

On 1 September the transfer of Alternative Provision to the London South East Academies Trust (LSEAT) was completed. The new provision is known as the East Sussex Academy and is operating from three sites in Hailsham, Newhaven and Hastings. This is a significant step on our journey of transforming Alternative Provision. In 2025/26 the Council is commissioning 220 places at the East Sussex Academy. This is a 96% increase on the number of places we commissioned in 2024/25. The new academic year started well in September at all three sites with good pupil engagement and attendance.

During the summer terms LSEAT continued to provide an outreach offer to schools, providing flexible and bespoke support to meet the emerging needs of pupils with a focus on keeping children in mainstream schools. The Outreach team had involvement with 98 children (34 primary, 64 secondary) across 44 schools (23 primary, 21 secondary) and delivered training to 727 staff across primary and secondary schools. LSEAT continued to deliver the Alternative Provision Taskforce as part of the Change Programme. Multi-agency teams of specialists including Educational Psychologists, Speech and Language Therapists, Early Help Social Workers and Youth Workers work with individual children at mainstream secondary schools. From 1 September the Taskforce team has been co-located in East Sussex Academy, with regular meetings held across the sites.

Expanding Places for Wraparound Childcare

We are continuing to work with primary schools and early years providers to increase the number of Wraparound Childcare places, as part of the Government’s ambition of supporting all families of primary aged children. The team have worked with providers to help upskill the workforce delivering training and support. 31 practitioners have been funded to complete a Level 3 qualification in Playwork. Our childminder recruitment campaign has resulted in approval for 3 new childminders supporting families in areas with little or no provision, the childminders will also be able to support families whose children attend a special school.

We launched a marketing campaign in June 2025 to promote wraparound provision and working families tax credits, aiming to fill places and support provider sustainability. This activity commenced in September 2025 and will continue until the end of the academic year. By the end of September funding has been agreed to create 1,362 new wraparound childcare places, with a further 23 places awaiting panel approval.

Special Educational Needs and Disabilities

Improving performance on the proportion of all new Education, Health and Care (EHC) Plans issued within 20 weeks continues to be a focus. During Q2, 30.5% of new EHC Plans (50 out of 164) including exceptions and 32.7% (49 out of 150) of new EHC Plans excluding exceptions were issued within statutory timescales. Cumulatively this year (Q1 and Q2 2025/26) of all new EHC Plans issued, 35.5% (102 out of 287) including exceptions and 37.7% (101 out of 271) excluding exceptions were issued within statutory timescales. For comparison, in Q1 and Q2 2024/25 the outturn was 72.2% including exceptions and 74.1% excluding exceptions.

There has been an ongoing steady decline in timescale performance due to late statutory advice from partners since Q3 2024/25. We are unable to finalise an EHC plan without health and social care advice. Where this is returned late it is not possible to finalise the 20-week process in timescales. The challenges seen in timescales is a national issue and, until this year, we had been performing well-above national and statistical neighbour averages for completion rates within 20-weeks. The level of demand for EHC Needs Assessments has increased significantly (up 63% in East Sussex in 3 years) which has placed significant pressure on statutory Special, Educational Needs and Disabilities (SEND) services and statutory partners.

As a direct consequence of the increase in referrals, the Educational Psychology Service (EPS) is under considerable pressure and are now unable to allocate new Education Health and Care Needs Assessments (EHCNA) the same week the decision is made. In some situations, there is a 2–3-week delay in being able to allocate cases and therefore EPS advice is not being returned within the usual timeframes and is causing an additional pressure on the meeting of statutory timelines.

There has been significant focus within social care to return to previous timeliness, supported by the Designated Social Care Officer. This includes the recruitment of additional posts to undertake the social care element of assessments, and we are starting to see an improvement in the timeliness of advice being received and it remains an area of focus. Advice from the Children's Integrated Therapy and Equipment Service (CITES) is not required for every EHCNA, however there has been a continued low and decreasing percentage of statutory advice from CITES being returned on time, which will continue to impact the Council’s timeliness. The backlog of cases with CITES has reduced and we are starting to see earlier assessment dates being offered to new cases which should in turn lead to earlier advice being provided.

Due to the ‘lag’ in the system (as the statutory process is 20-weeks), it is unlikely that the mitigations we have put in place will be seen until the 2026/27 financial year. However, there is ongoing risk to this measure due to the demands and capacity pressures for statutory partners who are also seeing increases in demand for provision (e.g. direct therapies) as well as to undertake assessments.

Looked after children participating in education, training or employment

Final outcomes are expected at Q3 for both participation measures, which capture participation at academic age 16 (Year 12) and academic age 17 (Year 13). Due to the small cohort, which can mean that outturns are changeable and less predictable, these measures are highlighted as exceptions at Q2 **(ref i and ref ii)**. We continue to work closely with individuals who are not currently in education, training or employment (NEET), in partnership with the Youth Employability Service (YES) to secure appropriate provision.

<u>Revenue Budget Summary</u>

Based on current financial modelling, the Q2 predicted outturn for the end of 2025/26 is £174.827m. This is a forecast year-end overspend of £14.854m **(ref xvi)**. It is a £1.816m improvement since Q1.

In 2025/26 CSD has a net budget of £159.973m. There has been £13.301m additional budget given for growth and inflation, however £3.239m has been removed for permanent savings **(ref x)**.

This equates to a net increase of £10.062m. This year, all £3.239m of savings have been achieved.

The main financial pressure continues to come from the statutory demand-driven areas of LAC, CP, and Home to School Transport.

Not included in the figures reported above is the position of the Dedicated Schools Grant (DSG), which, in accordance with the Schools and Early Years Finance (England) Regulations 2020, is required by local authorities to be shown on their balance sheets. As of 31 March 2025, East Sussex has a cumulative surplus of £2.837m, which is very unusual, as most local authorities have significant deficits. However, there is an in-year forecast deficit of £20.062m on the DSG, which will result in an overall deficit by the end of 2025/26. £19.280m of the deficit is related to costs of provision for children with Education & Health Care Plans. The statutory override has been extended until March 2028, at which point the deficit will then be offset against any remaining useable council reserves. Recent long-term financial modelling indicates a £247.709m cumulative DSG deficit by the end of March 2032, which is unsustainable for the council. Consequently, the council is disappointed to hear that the promised SEND reforms will be postponed until 2026.

Commissioning and Transformation overspend of £11.610m (ref xiii)

Commissioning and Transformation is a new division in which all LAC placement expenditure sits. It has a budget of £69.988m and forecast expenditure of £81.598m at the end of 2025/26, based on current financial modelling.

£1.593m savings have been approved to come from the division this year and it is set to achieve them **(ref iii)**. This is down to the early intervention workstreams Valuing Care and Connected Coaches. Both programmes have aimed to step down looked after children from high-cost placements into placements which meets their needs at a lower cost, or where possible, to reunify children with their families.

<u>LAC placements</u>

For 2025/26 a budget of £64.133m has been set for LAC placements. £1.000m of this budget is being transferred to pay for the Connected Families teams in Specialist Services, which are focused on prevention activity to support children to remain living with their families. A further £0.100m budget will be contributed to the South-East Regional Care Co-operative (RCC), which has been established to enhance regional commissioning, improve market shaping, and ensure there are sufficient placements to meet the needs of children in care.

LAC placements remain the largest financial pressure within Children’s Services, with a Q2 forecast overspend of £11.525m for 2025/26. This is a decrease in the overspend of £0.584m since Q1.

A £15.581m overspend is forecast on agency residential and secure placements, with £0.194m underspend forecast on agency foster carers, a £2.741m underspend on agency semi-independent living, and a £0.615m underspend forecast on in-house East Sussex foster carers.

The financial picture nationally continues to be very challenging, and East Sussex is experiencing significant cost increases in agency residential placements in common with other local authorities. This has been highlighted in recent reports published by the National Audit Office and the Local Government Association. The National Audit Office report (published September 2025) outlined that spending on residential care for looked after children nearly doubled in five years, reaching £3.1bn in 2023–24 and averaging £0.318m per placement, while the number of children in residential care only increased by 10% in this same period. It concluded that a shortage of places for some looked after children, particularly those with more complex needs, has driven cost increases. The National Audit Office report also noted that 84% of children’s homes are run by private providers, with profit margins averaging 22.6% in the 15 largest private providers.

The service continues to experience challenges in relation to placements for children with a high complexity of need and this includes:

- Increase in the number of children in residential provision. In Q2 2024/25, 122 children were placed in residential children's homes (20% of all LAC), in Q2 2025/26 this has increased to 130 children (21% of all LAC). This relates to the needs of the children but also the lack of sufficiency in foster carers meaning that children who are suitable for foster care are in some cases having to be placed in residential provision
- Increase in cost and complexity of the top 20 highest-cost placements in the past 12 months. These placements are for adolescents with a high complexity of need across social care, health and education. Many children have emotional/mental health concerns, increasing numbers have a neurodiverse profile, and behaviours that challenge. A number require deprivation of liberty orders to ensure appropriate levels of safeguarding. The service has a small number of children currently placed in Care Quality Commission (CQC) registered settings due to the level of need, with no Ofsted registered provision being able to meet needs. The children in the top 20 highest cost placements are forecast to cost £12.9m this year, meaning that they make up 3% of the total looked after children numbers (excluding Separated Children), but will make up 17% of the total LAC placement spend in 2025/26 (£75.548m).
- Increase in the average price of all placements. This is particularly significant in relation to placements costing over £10,000 per week. In Q1 2024/25, 15 children were in placements over £10,000 per week and this had increased to 21 in Q1 2025/26. There were 22 children in placements costing over £10,000 per week in Q2. This is a national trend as recently highlighted in a report by the Local Government Association.

The rationale for the projected decrease in the forecast during Q2 is provided below:

- There was an increase in the cost of 62 agency placements totalling £4.859m. These increases were primarily related to a small number of children that were either new entrants to care and required high-cost placements to meet their complex needs, or where children moved to higher cost placements to better meet their needs, or where a child required additional support within their current placement.
- These cost increases were offset by a decrease in costs of £2.856m related to 43 agency placements. The bulk of these reductions were related to a small number of children living in high-cost placements where they either moved home or to lower cost placements including some significant reductions in costs.
- The in-house fostering forecast was recalculated based on spend to date which reduced it by £0.328m.
- The growth and churn figure was recalculated as at Q2 and reduced by £1.840m.
- There were additional health contributions of £0.469m agreed.
- The forecast costs at Lansdowne Secure Children's Home were reduced by £0.280m due to staff vacancies.
- The forecast costs in Children's Homes increased by £0.453m due to additional agency staffing required.
- Other small mitigations totalled a reduction in the LAC placement forecast of £0.105m.

In addition to the activity described in the sections above to try to reduce demand for statutory social care services, the following action is being undertaken to mitigate costs and reduce pressure within the looked after children budget.

- Connected Coaches – In 2025/26, Connected Coaches [edge of care] has delivered cost avoidance of £1.649m. The LAC placement forecast would be worse off over the course of a year by this figure, if these children had not been supported to remain living with their families through the work of the service.

- Maintained delivery of successful Foundations programme (aimed at avoiding repeat care proceedings for parents/carers who have had children previously removed from their care), Family Group Conferencing and support for Kinship carers.
- Further embedding Valuing Care approach. This has achieved £3.718m of savings to date through step downs and reunifications. Further workforce development and integration into care planning and fostering assessment is underway. Valuing Care panels focus on plans for children and multi-disciplinary working to remove barriers to transition of placements.
- New ‘Heading Home’ strategy developed to support reunification planning and monitoring.
- A commissioning and placements service was established in 2024/25, with increased capacity. The service is focused on improved market management, challenging provider costs and working at a regional level with the Regional Care Cooperative to improve placement sufficiency and management across the South East. It is engaged in local frameworks which are being strengthened through the Regional Care Cooperative. Development work is underway with Integrated Care Boards regarding integrated commissioning models to establish consistency.
- Income from NHS Sussex has been included in the forecast to jointly fund placements that support the health needs of a small number of looked after children. Based on current joint funding agreements in place with the ICB, the service is currently forecasting receiving health contributions of £1.154m in 2025/26 towards placement costs for complex young people and is working hard to continue to increase this amount. This compares to £0.355m received from health to support placement spend in 2024/25.

The Commissioned Services budget is forecast to underspend by £0.068m this year due to a reduction in local authority contributions of £0.240m to the NHS required to meet increasing spend on therapeutic provision for cared for children. The CAMHS (Children and Adolescent Mental Health Services) adoption service will also be delivered in-house and funded from this budget at a cost of £0.100m (a reduction from £0.112m when provided externally).

Children’s Disability Service (CDS) Placements will overspend by £0.154m, which is an improvement of £0.091m since Q1. This is due to several high-cost children having turned 18 and no longer receiving support from this service.

Early Help and Social Care overspend of £1.943m (ref xii)

Early Help and Social Care has a budget of £46.274m and forecast expenditure of £48.217m at the end of 2025/26.

£0.100m savings were approved to come from the division this year and it is set to achieve them **(ref viii)**.

The Early Help service is reporting a £0.161m overspend due to Keyworker staffing. A recruitment freeze is in place in order to alleviate the pressure, which has resulted in an improvement of £0.135m since Q1.

The Locality Social Work and Family Assessment service is forecasting a £0.913m overspend. This is a reduction in spend of £0.823m since Q1. There have been increased pressures of £0.123m relating to accommodation within the No Recourse to Public Funds budget line and S17 Intentionally Homeless services, however these are mitigated by £0.964m within the following areas.

- Youth Homelessness has improved by £0.120m as the current number of cases is relatively small, through effective preventative work and mediation delivered to families.
- An increase in the Household Support Fund has created a £0.105m mitigation within the East and West Family and Youth Support Teams.
- There has been a net decrease in Special Guardianship Order allowances (through children reaching adulthood), resulting in a £0.515m reduction in spend.

- Several children, with additional needs and high costs support packages (through s17 funding) have had changes in support packages (based on needs assessments) or transitioned to adults' services having turned 18, resulting in a £0.113m reduction in spend.
- Finally, staffing control measures such as holding vacancies, and reducing the intake of newly qualified social workers in 2025/6 have reduced the staffing overspend by £0.070m in Q2. The overspend in this area is the cost of meeting demand within the statutory area of social care. Of the forecast salary spend, only £0.012m is related to agency social workers, with the rest being permanent. The Council has one of the lowest levels of agency social workers in the country.
- There were some other small movements contributing to the remaining £0.041m forecast reduction.

The Connected Families Intervention Practitioners (CFIP) team works within Localities to safely reduce the number of children subject to CP and CIN plans. This has reduced the number of children who require care. CFIP has delivered cost avoidance of £1.018m in 2025/26 through their interventions with families. The Localities forecast spend for a year would be worse off by this figure if the service hadn't prevented these cases from escalating or being readmitted to the service.

There is a £0.703m pressure within Specialist Services. This is an increase in forecast spend of £0.253m since Q1. £0.083m of this movement is within Youth Justice with 2 new children being remanded. The Council will receive grant funding from the Ministry of Justice towards these remands 2 years in arrears. The remaining £0.170m movement is linked to the ending of project specific grants, and inflationary pay awards, which are not met by existing income sources. This service is considered essential in delivering cost avoidance and savings through preventive interventions and supporting reunification. It is also key to the Government's social care reforms through the Families First Programme.

There is £2.929m set aside within the Medium-Term Financial Plan for the Localities/Specialist Services pressures in 2026/27. If available next year, this will help towards the known pressures within the area. In the meantime, there is a plan in place to reduce staffing overspends through natural wastage and staff turnover and some reshaping.

A portion of the Looked After Children budget relating to staffing sits within Early Help & Social Care. This is currently forecast to be £0.252m overspent, which is an improvement of £0.112m since Q1.

The Separated Children forecast has reduced by £0.089m meaning there is now a £0.117m underspend. This is because of changes in staffing, plus a recalculation of the placement income forecast following feedback from the Home Office after the year's first data return.

Communication, Planning and Performance (including Home to School Transport) overspend of £1.355m (ref xv)

Communication, Planning and Performance has a budget of £33.528m and forecast expenditure of £34.883m at the end of 2025/26.

£0.957m savings were approved to come from the division this year and it is currently set to achieve £0.468m in 2025/26 and £0.489m in future years. An array of cost reduction measures is taking place within Home to School Transport (see below), which will increase the achieved savings figure throughout the year.

Outdoor Education is forecast to overspend by £0.020m. As part of the proposed transfer of Buzz Active to Bedes the saving **(ref v)** was deducted from the budget at the beginning of the year. Buzz Active will now be retained by the Council. In year mitigations are being sought including staffing structures and management of activity equipment in relation to both sales and purchasing. There has also been some additional income agreed over winter, which has led to a £0.059m reduction in the overspend since Q1.

There were forecast reductions in spend of £0.063m in Planning and Performance, Organisational Development, and E Business. These were offset by forecast increases in spend of £0.010m within Safeguarding and Equalities and Participation.

Home to School Transport has a forecast overspend of £1.436m. This is an increase in spend of £0.002m since Q1, due to the service renewing their Independent Travel Training contract. This is an invest to save initiative which equips children and young people with the skills and freedom to use public transport, rather than the council paying to transport them privately.

The Home to School Transport forecast is calculated based on an extrapolated model of current and previous clients, with a growth figure added for recent applications, and an assumption made about unrecoverable income owed by other Local Authorities. The forecast will be refreshed in November when all the invoices relating to the cohort of children in this new academic year have been processed.

Due to conflicting Government legislation, Local Authorities can take different stances on who pays for looked after children who are placed in and have transport provided by other Authorities. The Council aligns with the Education Belongings Regulations 1996 but has now adopted a reciprocal position with the authorities it interacts with.

Of the forecast £29.607m spend, 62% relates to clients with SEND. Spend on these clients is set to increase by 10% from 2024/25. This is linked both to EHC Plan numbers and unit costs increasing. The increases have slowed since 2023/24, when there was a 19% increase in pupil numbers and 15% increase in unit costs. However, the numbers are set to increase again by 13% this year and the unit costs by 5%. The increase in unit costs is dictated by general inflation as well as the higher National Insurance contributions paid for drivers this year.

Significant work has gone into implementing cost reduction measures within the Home to School Transport service. Plans to optimise routes for the new academic year are underway, with 450 out of 663 taxi and minibus routes having been reviewed. The focus has been on the 25 schools where 75% of SEND pupils are being transported. As a result of this work, there will be 50 fewer routes across 16 optimised schools and 8 fewer taxis. The savings on taxis have been calculated at £0.200m per year **(ref vi)**, and work is ongoing to quantify the results of the rest of the work which is why we anticipate increasing the amount of savings.

Solo routes have been reviewed and there was a reduction of 56 solo routes in July. Most of this is down to leavers, with some down to the optimisation work. There are 211 remaining solo routes, with SEND pupils accounting for 143 of these. There are also 23 Further Education students on solo routes and 23 Alternative Provision students.

A new Personal Transport Budget strategy has been rolled out and 184 families have been contacted with the enhanced offer. To date, a small number of families have accepted and been transferred from a solo taxi contract, resulting in £0.218m annual saving (also included in **ref viii)**. This is combined with the £0.200m saving mentioned above to produce the total reported saving of £0.418m.

Education overspend of £0.123m (ref xiv)

Education has a budget of £154.299m and forecast outturn expenditure of £154.422m at the end of 2025/26.

£0.360m savings were approved to come from the division this year and it is set to achieve them **(ref iv)**. This has been achieved through a review of staffing and resources across several education teams, along with a reduction in spend on external consultants.

Participation and Planning is showing an overspend of £0.094m as a result of both staffing costs and feasibility studies related to works in schools which do not go ahead and cannot then be capitalised. This has reduced by £0.032m since Q1 with a review of Dedicated Schools Grant funding.

Inclusion and Partnerships is showing an underspend of £0.176m. This increased by £0.150m since Q1 with a delay in recruiting to 4 Attendance posts.

Central Resources underspend of £0.177m (ref xi)

Central Resources has a budget of £1.385m and forecast expenditure of £1.208m at the end of 2025/26. The underspend has reduced by £0.058m in Q2, due to an expensive legal case relating to a Separated Child.

Whilst savings of £0.229m were approved as part of budget-setting **(ref vii)**, the division has been able to identify savings of £0.107m this year and £0.122m in future years. £0.102m of this year's savings are down to planned underspends in the new attendance function **(ref ix)**. An additional saving related to the consolidation of back-office functions is taking place but the restructures required won't occur until after 2025/26.

Within this area, £0.177m academisation reserve funding and £0.040m Supported Families funding is being drawn down on in year.

Capital Programme Summary

The total capital budget for 2025/26 is £3.005m and the forecast spend is £2.771m, an underspend of £0.234m **(ref xviii)**.

The underspend is within the Essential System Developments project **(ref xvii)**. As the project started later than planned, there will be a slippage of staff and licensing costs into later years. The project is due to finish in August 2029 now, instead of 2028.

All other projects are forecast to budget.

Performance exceptions

Performance measure	Outturn 24/25	Target 25/26	RAG Q1 25/26	RAG Q2 25/26	RAG Q3 25/26	RAG Q4 25/26	Q2 outturn	Note ref
The percentage of LAC participating in education, training or employment at academic age 16 (Year 12)	85.25%	80%	G	A			Final outturn reported at Q3	i
The percentage of LAC participating in education, training or employment at academic age 17 (Year 13)	78%	70%	G	A			Final outturn reported at Q3	ii

Savings exceptions 2025/26 (£'000)

Service description	Original Target For 2025/26	Target including items c/f from previous year(s)	Achieved in-year	Will be achieved, but in future years	Cannot be achieved	Note ref
Looked After Children	1,593	1,593	1,593	-	-	iii
Education	360	360	360	-	-	iv
Buzz Active	107	107	-	107	-	v

Home to School Transport	728	728	418	310	-	vi
All divisions	229	229	5	122	102	vii
Supporting Families programme	100	100	100	-	-	viii
Communication, Planning and Performance	122	122	122	-	-	
Total Savings	**3,239**	**3,239**	**2,598**	**539**	**102**	
Attendance			102	-	(102)	ix
All divisions			-	-	-	
Subtotal Permanent Changes [1]			**102**	**0**	**(102)**	
Total Savings and Permanent Changes	**3,239**	**3,239**	**2,700**	**539**	**0**	**x**

Memo: treatment of savings not achieved in the year (£'000)	Temporary Funding [2]	Part of reported variance [3]	Total	Note Ref
Savings underachieved in-year		539	539	
Total	**0**	**539**	**539**	

[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 2025/26 (£'000)

Divisions	Planned Gross	Planned Income	Planned Net	2025/26 Gross	2025/26 Income	2025/26 Net	(Over)/ under spend Gross	(Over)/ under spend Income	(Over)/ under spend Net	Note ref
Central Resources	3,544	(2,159)	1,385	3,449	(2,241)	1,208	95	82	177	xi
Early Help and Social Care	58,621	(12,347)	46,274	64,077	(15,860)	48,217	(5,456)	3,513	(1,943)	xii
Commissioning and Transformation	75,811	(5,823)	69,988	90,963	(9,365)	81,598	(15,152)	3,542	(11,610)	xiii
Education	305,308	(151,009)	154,299	309,978	(155,556)	154,422	(4,670)	4,547	(123)	xiv
Communication, Planning and Performance	37,777	(4,249)	33,528	39,922	(5,039)	34,883	(2,145)	790	(1,355)	xv
Schools	154,223	(154,223)	-	154,223	(154,223)	-	-	-	-	
DSG Non Schools	-	(145,501)	(145,501)	-	(145,501)	(145,501)	-	-	-	
Total CSD	**635,284**	**(475,311)**	**159,973**	**662,612**	**(487,785)**	**174,827**	**(27,328)**	**12,474**	**(14,854)**	**xvi**

Capital programme 2025/26 (£'000)

Approved project	Budget: total project all years	Projected: total project all years	Budget 2025/26	Actual to date Q2	Projected 2025/26	Variation (Over) / under Q2 budget	Variation analysis: (Over) / under spend	Variation analysis: Slippage to future year	Variation analysis: Spend in advance	Note ref
Housing Adaptations for Disabled Children's Carers' Homes	1,637	1,637	430	145	430	-	-	-	-	

APPENDIX 15

Approved project	Budget: total project all years	Projected: total project all years	Budget 2025/26	Actual to date Q2	Projected 2025/26	Variation (Over) / under Q2 budget	Variation analysis: (Over) / under spend	Variation analysis: Slippage to future year	Variation analysis: Spend in advance	Note ref
Schools Delegated Capital	32,255	32,255	1,150	377	1,150	-	-	-	-	
Hastings & Rother Skills LUP	342	342	-	-	-	-	-	-	-	
Conquest Centre redevelopment	193	193	-	-	-	-	-	-	-	
Youth Investment Fund	1,000	1,000	93	84	93	-	-	-	-	
Youth Service Resource Bus LUP	53	53	53	-	53	-	-	-	-	
Children's Services Essential System Developments	1,507	1,507	1,279	313	1,045	234	-	-	234	**xvii**
Total CSD	**36,987**	**36,987**	**3,005**	**919**	**2,771**	**234**	**0**	**0**	234	**xviii**

APPENDIX 16

Communities, Economy & Transport – Q2 2025/26
Summary of progress on Council Priorities, issues arising, and achievements

Economy and environment

Employability and Skills

The Visitor Economy Task Group worked with the East Sussex College Group to embed the UK Hospitality Skills Passport in their Hospitality Bootcamp courses in Q2. This led to the college group becoming an approved centre for the passport. Two Bootcamp courses were delivered in Q2, to help people improve their digital and marketing skills, 134 people started these courses.

227 Industry Champions were supporting schools and colleges with activities such as career talks and Open Doors workplace visits, at the end of Q2. The Careers Hub hosted Apprenticeship Roadshows in Hastings and Eastbourne in Q2, with over 900 young people, parents and adult job seekers in attendance, alongside 40 employers, apprenticeship training providers and support organisations. CXK / the Youth Employability Service, who were commissioned by the Careers Hub, have provided workshops to 1,008 Year 11 pupils who are at risk of becoming Not in Education, Employment, or Training.

The Department for Work and Pensions (DWP) has tasked the Council, alongside our partners West Sussex County Council and Brighton & Hove City Council, with creating a Get Sussex Working Plan 2025-2035. The plan will aim to ensure that 80% of working age residents are economically active by 2035. Research and stakeholder consultation has taken place and a Partnership Group, including the Integrated Care Board, the DWP, Sussex Chamber of Commerce and the 3 authorities, is overseeing the development of the plan. The draft plan was submitted to the Minister for Employment at the end of September, and is due to be considered by Members from the 3 authorities and launched in Q3.

The Council is also working alongside the Sussex Chamber of Commerce to create a new Local Skills Improvement Plan for Sussex 2026 – 2029. The plan is scheduled to be approved by the new Mayoral Combined County Authority which will oversee its delivery in partnership with the Chamber of Commerce.

We have also begun work to gather data to support the development of a Strategic Skills Plan. The Mayoral Combined County Authority will have the responsibility of preparing and delivering the skills plan, which will determine how funds received by the authority will be used to support skills priorities. The first draft of the plan will need to be completed by September 2026, with the final plan signed off by December 2026.

Apprenticeships

We have continued to maintain current numbers and spend during Q2 with 42 new apprentices enrolled and over £100K being spent on apprenticeship training each month. The bulk of apprenticeships continue to be within Children's Services, with all new frontline staff enrolled onto an apprenticeship. The curtailing of level 7 apprenticeships at the end of the year has resulted in an upsurge of applicants now, who will take up the training in Q3. Given the ceasing of the level 7 apprenticeships, we are focussing on new apprenticeships that can benefit as much of the workforce as possible. This includes Community Engagement apprenticeships which are suitable for staff across a wide range of teams within Adult Social Care. Since launching in the summer, we have seen a significant level of interest. Following the transition of the Apprenticeship Levy into the Growth and Skills Levy, a range of changes have been made, including shorter foundation apprenticeships for 18-24 year olds in areas such as Adult Care. This is designed to encourage employers to take on younger members of staff on an apprenticeship which is shorter in length (approximately 8 months) than other apprenticeships. We are currently engaging with local providers of these apprenticeships to be clear about the offer.

Cultural investment and recovery

As part of the Experience Sussex tourism digital marketing plan, campaigns in Q2 included English Wine Week which generated 2,600 clicks on links to the wineries and 1,736 people signing up to the newsletter. What's On summer, and Coastal Cultural Train campaigns were also held during Q2.

Business Support

128 businesses in East Sussex were supported through business support programmes in Q2. 109 of these were supported through the Growth Hub and 19 through Rural Business Grants.

Environment and climate change

We continue to work both across the organisation and with partners across a range of environment and climate change areas. During Q2 this included:

- finalising the corporate climate emergency progress report for 2024/25
- identifying corporate sites where it would be possible to install electric vehicle charge points
- entering into discussions with UK Power Networks about what scale of solar farm could be accommodated on the closed landfill at Pebsham, in light of constraints on the national grid
- continuing to represent East Sussex interests on the Greater South East Net Zero Hub board
- providing environmental advice to local planning authorities in East Sussex on over 700 planning applications
- continuing to host the Sussex Nature Partnership and the Sussex Air Quality Partnership
- assessing the tenders for the next Sussex Air quality data management contract, covering 2026 - 2028
- completing the mapping, and consultation with local authorities, required as part of developing the local nature recovery strategy for East Sussex and Brighton & Hove.

Planning

100% of County Matter applications were determined within the statutory determination period during Q2. 100% of County Council development applications were determined within 8 weeks or within an agreed extension of time during Q2.

Highways, transport and waste

Highways improvements and road condition

5,274 potholes were repaired in Q2, with 3,532 of these being carriageway potholes; the remainder were primarily footway potholes. We also completed 33 road improvement schemes to improve the condition of the roads.

Road safety

6 road safety infrastructure schemes were delivered during Q2. The Council runs courses aimed at giving children and adults the skills they need for riding their bikes on the road. We delivered 92 Bikeability courses to 640 individuals in Q2 and 137 'Wheels for All' sessions to 1,932 attendees.

Transport and parking

£18.5m of capital funds were allocated to bus priority measures in East Sussex as part of the Government's Bus Service Improvement Plan (BSIP). 5 bus priority schemes across Eastbourne, Newhaven and Peacehaven were identified, and a public consultation on all schemes took place in summer 2023. Construction of the Seaside and St Anthony's Avenue schemes will follow in 2026/27, and the Eastbourne Station Area scheme will be considered again by Planning Committee in Q3 to allow for further engagement with stakeholders on the proposed options. In Q4 2024/25, a Project Adjustment Request was approved by the Department for Transport (DfT) to transfer funds from the remaining 2 bus priority measures to the Exceat bridge project. Approval to reallocate these funds was given by Cabinet in Q1 2025/26. The Council has allocated the 2025/26 BSIP capital funding to the Newhaven bus priority scheme. To meet DfT programme targets the scheme has been split into 2 phases, the Drove phase and the Denton Corner phase. The Denton Corner phase has progressed into the detailed design phase with construction scheduled to follow in 2026/27. The Drove phase is still to be scheduled. We aim to deliver the Telscombe Cliffs to Peacehaven bus priority scheme at the earliest opportunity if future BSIP funding is available.

Following approval by the DfT and the Office for Zero Emission Vehicles, the Council has received the full £4.441 million allocation from the Government's Local Electric Vehicle Infrastructure (LEVI) Fund, which will support the delivery of on-street electric vehicle charge points across the county. The Council now published and evaluated the tenders for a ChargePoint Operator in Q2 and selected a winning bid. The proposal has been submitted to the LEVI Support Body and DfT for final approval. If approval is granted the contract is expected to be awarded in Q3.

Waste

The Q1 outturn (reported a quarter in arrears) for the amount of waste re-used, recycled or composted or used beneficially was 55%. Despite total household waste being higher than forecast, recycling levels are also higher than expected, resulting in performance remaining on target. Food waste collections will be in place across the county by April 2026. East Sussex waste facilities are being adapted to accommodate the change. A wider range of recycling materials will also be accepted from April 2026. East Sussex and third party material sorting facilities are being adapted in order to cater for the new materials.

Rights of Way (RoW) and Countryside Sites

We completed 91% of high priority maintenance work on schedule in Q2. Planned and proactive vegetation clearance has been ongoing during the summer; however recent stormy weather has increased the number of fallen trees which has increased the amount of unplanned reactive work needed.

<u>Communities</u>

Trading Standards

Trading Standards made 37 interventions to protect vulnerable people who had been the target of rogue trading or financial abuse in Q2. The team dealt with a wide range of fraud and scam interventions which involved nearly £330,000 of financial risk to the vulnerable people involved. Alongside this the team continued to provide advice and support to businesses, with 151 businesses benefitting from this service in Q2.

Libraries

6,779 children took part in The Summer Reading Challenge in Q2. The Summer Reading Challenge encourages children to read during the summer holidays and inspires them to tap into a world of imagination through reading. 114 promotional assemblies were held in schools, and 81 volunteers supported the challenge in libraries. Celebratory certificates for children who completed the challenge will be sent to schools to present to the children in Q3.

589 It for You sessions were attended in Q2. The Library service continues to recruit volunteers to support the areas where need is highest. The were 216 enrolments on Family Learning Programmes to help people develop their English, maths and language skills.

Revenue Budget Summary

The CET revenue budget is £76.633m and is forecast to underspend by £227k. The largest overspend is in Highways where the cost of electricity for streetlighting and depots is much higher than budgeted **(ref iv)**. The underspend in Planning and Environment is in Transport Development Planning where there are staff vacancies and additional s278/s38 income contributions **(ref v)**. The underspending in Communities **(ref iii)**, and Customer, Library and Registration **(ref ii)** is mostly due to staff vacancies. It is likely that £1.187m of the planned 2025/26 savings will not be achieved this year mostly due to a shortfall in car parking income **(ref i)**.

Capital Programme Summary

The CET capital programme has a gross budget of £65.582m and there is slippage of £15.180m, overspend of £481k and spend in advance of £270k. The largest slippage is the Bus Service Improvement Plan scheme where staff sickness has resulted in delays in the delivery of critical tasks. Action has been taken to try and accelerate spend on the project **(ref vii)**. The Eastbourne and South Wealden Walking and Cycling scheme has slipped mostly due to legal issues on the Wilmington Square project **(ref x)**. There are significant contractor and planning delays in the Hastings and Bexhill Movement and Access Package **(ref ix).** Forecast spend on a number of Other Integrated Transport projects has been reduced due to Balfour Beatty Living Places and Council resourcing issues **(ref xi)**. The contractor has been unable to appoint a project manager for the Safer Roads A2101 Scheme and so work will not start until the new year **(ref vi)**. The overspend is mostly due to increased cost from the contractor on the BSIP Passenger Transport project **(ref viii)**. The main spend in advance is due to construction cost increases and compensation events on the Hastings Town Centre Public Realm scheme **(xii)**.

APPENDIX 16

Performance exceptions (See How to read this report for definition)

Priority – Driving sustainable economic growth

Performance measure	Outturn 24/25	Target 25/26	RAG Q1 25/26	RAG Q2 25/26	RAG Q3 25/26	RAG Q4 25/26	Q2 outturn	Note ref
None								

Savings exceptions 2025/26 (£'000)

Service description	Original Target For 2025/26	Target including items c/f from previous year(s)	Achieved in-year	Will be achieved, but in future years	Cannot be achieved	Note ref
Trading Standards	94	94	94	-	-	
Road Safety	18	18	18	-	-	
Registration Service	119	119	119	-	-	
Library – Adult learning	92	92	92	-	-	
Library - Stock	100	100	100	-	-	
Parking – on Street	110	855	106	749	-	
Parking - Other	410	410	-	410	-	
Parking - Rother DC	28	28	-	28	-	
Waste – Booking system	50	50	50	-	-	
Waste	65	65	65	-	-	
Rights of Way and Countryside Sites	48	48	48	-	-	
Highways	50	50	50	-	-	
Economy Division (Service-Wide)	369	369	314	-	-	
Total Savings	**1,553**	**2,298**	**1,111**	**1,187**		**i**
Subtotal Permanent Changes [1]						
Total Savings and Permanent Changes						

Memo: treatment of savings not achieved in the year (£'000)	Temporary Funding [2]	Part of reported variance [3]	Total	Note Ref
Parking – on Street		749	749	
Parking - Other		410	410	
Parking Rother DC	-	28	28	
Total		**1,187**	**1,187**	

[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 2025/26 (£'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	6,136	(3,186)	2,950	6,106	(3,175)	2,931	30	(11)	19	
Customer and Library Services	9,828	(4,115)	5,713	9,679	(4,119)	5,560	149	4	153	ii
Communities	3,316	(940)	2,376	3,344	(1,113)	2,231	(28)	173	145	iii
Transport & Operational Services	124,814	(79,780)	45,034	124,817	(79,864)	44,953	(3)	84	81	
Highways	22,129	(4,993)	17,136	24,073	(6,366)	17,707	(1,944)	1,373	(571)	iv
Economy	2,517	(550)	1,967	3,327	(1,416)	1,911	(810)	866	56	
Planning and Environment	5,945	(4,488)	1,457	5,850	(4,737)	1,113	95	249	344	v
Total CET	174,685	(98,052)	76,633	177,196	(100,790)	76,406	(2,511)	2,738	227	

Capital programme 2025/26 (£'000)

Approved project	Budget: total project all years	Projected: total project all years	Budget 2025/26	Actual to date Q2	Projected 2025/26	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	212	-	212	-	-	-	-	
Gypsy and Traveller Site Refurbishment	700	700	137	85	137	-	-	-	-	
Peacehaven Library	-	-	-	-	-	-	-	-	-	
Alder Close Heating	188	188	188	24	188	-	-	-	-	
Libraries	5,139	5,139	489	19	442	47	-	47	-	
Broadband	33,800	33,800	338	31	338	-	-	-	-	
Bexhill and Hastings Link Road	126,247	128,347	-	35	137	(137)	(137)	-	-	
BHLR Complementary Measures	1,800	1,800	132	3	132	-	-	-	-	
Economic Intervention Fund	8,884	8,884	-	-	-	-	-	-	-	
Economic Intervention Fund - Loans	3,000	3,000	22	-	-	22	-	22	-	
Growing Places Fund	6,913	6,913	650	-	650	-	-	-	-	
Community Focused Road Safety Interventions	750	750	422	53	131	291	-	291	-	
Safer Roads Fund A2101	840	840	864	-	28	836	-	836	-	vi
Climate Emergency Works	6,154	6,195	242	80	283	(41)	(41)	-	-	
Flood and Coastal Resilience Innovation	4,891	4,891	840	(28)	910	(70)	-	-	(70)	
Flood Management SuDS	890	890	-	(52)	-	-	-	-	-	
Solar Panels	-	-	-	3	-	-	-	-	-	
Newhaven Port Access Road	23,271	23,271	28	6	28	-	-	-	-	
Local Electric Vehicle Infrastructure	4,541	4,541	500	-	-	500	-	500	-	
Real Time Passenger Information	3,181	3,181	267	(18)	199	68	-	68	-	
Bus Service Improvement Plan	11,372	11,372	9,877	315	1,231	8,646	-	8,646	-	vii
BSIP Passenger Transport	4,370	4,673	804	988	1,107	(303)	(303)	-	-	viii

APPENDIX 16

Approved project	Budget: total project all years	Projected: total project all years	Budget 2025/26	Actual to date Q2	Projected 2025/26	Variation (Over) / under Q2 budget	Variation analysis: (Over) / under spend	Variation analysis: Slippage to future year	Variation analysis: Spend in advance	Note ref
PAX Software System	37	37	5	3	5	-	-	-	-	
Queensway Gateway Road	3,313	3,313	470	1,945	470	-	-	-	-	
Hastings and Bexhill Movement & Access Package	9,583	9,583	2,346	623	735	1,611	-	1,611	-	ix
Eastbourne/South Wealden Walking & Cycling Package	6,936	6,936	1,903	69	183	1,720	-	1,720	-	x
Hailsham/Polegate/Eastbourne Movement & Access Corridor	2,251	2,251	310	30	150	160	-	160	-	
Eastbourne Town Centre Movement & Access Package A	6,936	6,936	2,290	152	2,290	-	-	-	-	
Eastbourne Town Centre Movement & Access Package B	5,454	5,454	4,328	2,729	4,328	-	-	-	-	
Other Integrated Transport Schemes	66,646	66,646	4,140	1,023	2,998	1,142	-	1,142	-	xi
A22 Corridor Package	4,992	4,992	4,992	2,386	4,992	-	-	-	-	
A22 North of Hailsham	118	118	272	130	272	-	-	-	-	
Community Match Fund	780	780	451	44	451	-	-	-	-	
Emergency Active Travel - Tranche 2	438	438	403	28	403	-	-	-	-	
Area-wide traffic management scheme – Schools Streets	200	200	154	-	154	-	-	-	-	
ATF 5 School Streets	61	61	61	-	61	-	-	-	-	
ATF Eastbourne Liveable Town Centre	274	274	217	59	80	137	-	137	-	
Hastings Town Centre Public Realm and Green Connections	9,689	9,689	824	532	1,024	(200)	-	-	(200)	xii
Exceat Bridge	21,719	21,719	2,587	283	2,587	-	-	-	-	
Queensway Depot Development	1,956	1,956	1	2	1	-	-	-	-	
Urban Tree Challenge	262	262	15	6	15	-	-	-	-	
Core - Highways Structural Maintenance	499,175	499,175	16,667	15,267	16,667	-	-	-	-	
Visibly Better Roads	5,800	5,800	248	151	248	-	-	-	-	
Core Programme - Bridge Assessment Strengthening	38,785	38,785	3,480	1,519	3,480	-	-	-	-	
Core Programme - Street Lighting - Life Expired Equipment	39,248	39,248	2,596	1,050	2,596	-	-	-	-	
Core - Street Lighting - SALIX scheme	2,961	2,961	-	-	-	-	-	-	-	
Core Programme - Rights of Way Surface Repairs and Bridge Replacement	10,417	10,417	810	406	810	-	-	-	-	
Total CET Gross (Planned Programme)	**986,058**	**988,502**	**65,582**	**29,981**	**51,153**	**14,429**	**(481)**	**15,180**	**(270)**	

Governance Services – Q2 2025/26
Summary of progress on Council Priorities, issues arising, and achievements

Reconciling Policy, Performance and Resources (RPPR)

The Council is currently facing the most difficult financial outlook in its history. Despite our efficient and effective services and partnerships, there remains a fundamental mismatch between the needs of our residents, the cost of delivering services and the funding we currently expect to have. The projected deficit for 2025/26 will require a further draw on our already depleted reserves making it more difficult to set a balanced budget in February without additional funding to meet the needs of the population of East Sussex. We have begun work to identify further savings in 2026/27 as part of efforts to bridge the funding gap. Additional savings will have further significant impacts on local people, staff and partners and may increase the need for and cost of services in future years. With very limited options remaining we are faced with hard, short-term choices which do not reflect how we would want to approach evidence-based, longer term planning. In anticipation of a potential need to seek Exceptional Financial Support from Government, we invited CIPFA to undertake a financial governance and assurance review during Q2 to provide an independent check on the actions the Council is taking in response to the financial outlook. Cabinet considered CIPFA's report as part of RPPR planning in November and agreed with the implementation of an action plan developed to address the report's recommendations.

Devolution and Local Government Reorganisation

Alongside our partners in West Sussex County Council and Brighton & Hove City Council, we continued work in Q2 on the proposed establishment of a Mayoral Combined County Authority for Sussex as part of the national devolution priority programme. We continue to work towards securing the opportunities from devolution.

Along with our district and borough council partners, we submitted our One East Sussex proposal for Local Government Reorganisation (LGR) in East Sussex in Q2. One East Sussex shows that a single unitary council would be simpler for residents, would save money, and would avoid the extra complexity of splitting up existing services. Pending Government decisions, a public consultation on One East Sussex will follow with a decision from Government expected in March 2026.

Corporate Lobbying

Throughout Q2 the Leader and Chief Executive continued to raise issues and priorities for the county with our local MPs, including highlighting the stark financial position the Council faces in individual meetings with MPs and ministers. During Q2, the Government consulted on its proposed approach to local authority funding reform through the Fair Funding Review 2.0. The Council provided a robust response which in particular emphasised the need for updated relative needs formulae to better take account of the county's older population, the need for a more sophisticated approach to calculating local labour costs, and the negative impact on the Council of a proposed 100% Council Tax equalisation. We also wrote to our local MPs to request their support for the Council's position and received support in raising the Council's concerns with ministers directly. Further lobbying work included the Council taking the opportunity to provide a briefing to local MPs in advance of a parliamentary debate on Special Educational Needs and Disabilities provision in the South East, on the key issues for East Sussex.

We continue to draw on broader partnerships and networks at the local, regional and national level to lobby on current priorities, including through the Local Government Association, County Councils Network and South East 7. Chief Officers also continue to influence service specific national policy developments through national professional associations and networks and responses to specific Government consultations within their service areas.

Supporting democracy

During Q2 we supported 33 meetings including: 2 County Council meetings; 2 Cabinet meetings; 6 Lead Member meetings; 8 Scrutiny Committees and Review Boards and 15 other committees and panels. We also despatched agendas for a further 6 meetings and supported 1 Whole Council Forum. The webcasts of meetings were viewed 2,296 times in Q2. The most viewed meeting was the Full Council meeting on 8 July 2025, which received 210 views, either live or as a recording.

In Q2, the Member Training and Development programme continued to deliver a range of courses and briefings in support of Members and the roles they hold. Courses delivered included sessions on East Sussex Housing Partnership Strategy, Road Safety, Archaeology, Funding Reform, Adult Social Care Prevention Strategy: Wellbeing approach, Overview of Education, Food Waste, and NHS 10 Year Plan. Most training sessions continue to be delivered remotely with resources, such as slides and a recording from training sessions, being saved to the Councillors' area of the intranet for future reference.

We supported 12 Scrutiny Committee and Reference Group meetings during Q2. The Council's scrutiny committees have continued to make use of varied approaches to ensure timely scrutiny input on a range of issues. A joint Place and People Scrutiny Committee reference group on devolution and LGR met twice to consider and comment on the latest position with both programmes. Scrutiny comments on the LGR proposal for East Sussex were considered by Cabinet as part of its decision making in September. The Place Scrutiny Committee met twice in Q2 and scrutinised issues including the end of year 2 performance of the highways maintenance contract. The Committee also received a briefing on the request assessment process, a supporting document to the Local Transport Plan 4, the development of which the Committee contributed to during 2023/24. The People Scrutiny Committee met twice in Q2 and considered reports on Healthy Ageing, Special Educational Needs and Disabilities (SEND), the annual report of the Safeguarding Adults Board and the annual review of Safer Communities. The Committee also received a briefing on the East Sussex Housing Partnership ahead of considering a report on the Housing Partnership Strategy at its July meeting. Both People and Place Committees also considered the State of the County and 2024/25 year end monitoring reports in July as part of ongoing scrutiny engagement in the RPPR process. The Health Overview and Scrutiny Committee met in Q2 where it considered and commented on reports on improving access to primary care services and children's mental health services in the county.

The Health and Wellbeing Board met twice in Q2 and considered reports on the Better Care Fund, work conducted by Healthwatch, NHS reforms, the annual Director of Public Health report, the Autism Action Plan and the Pharmaceutical Needs Assessment. Health and Wellbeing Board members also attended a strategy session on reducing health inequalities as part of the Board's series of 'deep dives' on specific issues which are held 2-3 weeks before each formal meeting to inform the future Health and Wellbeing Strategy.

Q2 also saw significant work undertaken by the East Sussex School Appeals Service. 60 appeals were received during Q2 with a further 37 appeals, which had been received in Q1, also being worked on. In total 54 appeals were heard, of which 9 were successful and 45 were dismissed by an Independent Appeal Panel. This resulted in appeals being heard across 10 days. Of the remaining 43 appeals, 17 are due to be heard during Q3 and 26 were either withdrawn by the families or were not needed because a place became available at a preferred school before the hearing. 2 school exclusion review requests were also received during Q2. Of these, 1 review request was heard by an Independent Review Panel in Q2 and 1 will be heard in Q3.

Legal Services

During Q2, Legal Services assisted Trading Standards in the successful prosecution of a rogue trader who had significantly overcharged elderly homeowners for below standard work. Sentencing is due to take place in Q3. Confiscation proceedings will be commenced to recover monies owed to the victims. In Q2 the Service also assisted Income Recovery in securing the recovery and repayment of debts totalling £292,206 compared to £12,621 in Q2 2024/25.

During Q2 the Service advised in relation to 67 Court of Protection cases compared to 58 in Q2 2024/25 and 86 Community Deprivation of Liberty Safeguards applications compared to 71 in Q2 2024/25. The Service also advised on matters relating to safeguarding vulnerable adults and continuing health care, and inquest hearings. In addition, the Service gave legal advice on 51 adult social care matters compared to 46 in Q2 2024/2025.

The Service continues 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. At the end of Q2 2025/26, there were 36 ongoing pre-proceedings, this is 6 more than at the end of Q2 2024/25. At the end of Q2 2025/26, there were a total of 48 ongoing care proceedings for 82 children compared to 66 for 122 children at the end of Q2 2024/25. In Q2 2025/26 concluded proceedings took on average 43 weeks to conclude per child compared to an average of 47 weeks in Q2 2024/25.

During Q2, the Service completed agreements to secure financial contributions to the Council of over £1m, together with the delivery of additions and improvements to the highway network across the county. The Service also advised on 50 new property matters compared to 57 in Q2 2024/25. In addition, the Service has completed two academy conversions in Q2. The Service also completed a complex surrender of part of a long lease, which will facilitate the release of significant central government funding for schools. During Q2 2025/26, the Service also advised on 54 new contract and procurement matters compared to 62 in Q2 2024/25.

Coroner Services

The Council provides staff and accommodation to the East Sussex Coroner in undertaking the judicial role of investigating violent, un-natural or sudden deaths of unknown cause and deaths in custody. Accommodation includes the provision of mortuary, pathology, histology, toxicology and body removal services, as well as court and office accommodation and relevant hardware, software and information technology support. In Q2, current assistant coroner, Laura Bradford, was appointed by the consent of the Chief Coroner and the Lord Chancellor as the new Senior Coroner. With the new Coroner's Office and courtrooms all under one roof at Westfield House at County Hall, the new Senior Coroner will have the opportunity to build on a service which provides key information and support to families, often at a time of significant vulnerability.

As an independent judicial officer holding office under the Crown, the Coroner operates entirely independently to the Council in making decisions about post mortems and inquests.

During Q2 2025/26, 336 deaths were reported to the Coroner compared with 524 in Q2 2024/25. Of those deaths, 59% (197) went on to have a post mortem compared to 47% (244) in Q2 2024/25. 95 Inquests were opened during Q2 compared to 105 inquests that were opened during Q2 2024/25. 72 Inquests were closed in Q2 2024/25 compared to 89 closed in Q2 2024/25. In Q2 2025/26, 1 inquest with a jury was held compared to none being held in Q2 2024/25. In Q2, 4 Inquests in writing were held, which do not require court bookings, compared to 20 in Q2 2024/25. There are currently 268 open inquests compared to 269 at the end of Q2 2024/25. At the end of Q2 64 Inquests were over 12 months old compared to 47 at the end of Q2 2024/25.

Regulation of Investigatory Powers Act (RIPA)

There were no Authorisations under RIPA during Q2.

Local Government Ombudsman complaints

The Ombudsman issued 15 decisions in Q2. 4 of these cases related to Adult Social Care (ASC) and 11 related to Children's Services (CS). 9 cases were closed before a full investigation for a variety of reasons. This included insufficient evidence of fault, complaints being out of the Ombudsman's jurisdiction, because the complaint had not been through our internal complaint process or because the Ombudsman had sufficient information to uphold the complaint.

All 6 cases that were fully investigated related to CS and were closed with the complaint partly or fully upheld as follows:

CS - The parent complained about the Council's handling of issues she had accessing her son's education, school transport, and how we communicated with her. The Ombudsman found the Council at fault for failing to ensure her son received an education and that there was school transport he could access during a six-month period and found some fault in how it communicated with the parent. The Council has agreed to apologise to the parent and pay £3,300 to acknowledge the distress and uncertainty she and her son experienced as a result of the Council's faults and to acknowledge the loss of education her son experienced from May to December 2024.

CS - The parent complained that the Council failed to secure the special educational provision set out in her daughter's Education Health and Care Plan (EHCP). She said that her daughter did not receive Cognitive behavioural therapy-informed emotional support or social skills provision during 2023 and 2024, despite this being clearly specified in Section F of the EHCP. The Ombudsman found the Council at fault for failing to deliver the emotional support provision specified in the EHCP for a prolonged period. The Council has agreed to reimburse the parent £750 for the cost of privately arranged autism support sessions delivered between November 2023 and May 2024. It has also agreed to pay the parent £1,500 in recognition of the missed provision, the impact this had on her child and for her time and trouble in pursuing the complaint.

CS - The parent complained that the Council delayed reviewing and updating his daughter's EHCP when she was struggling to attend her mainstream school and also failed to secure a suitable education for his daughter when she was out of education. The Ombudsman found the Council at fault as there was delay in the Council finding his daughter a new school place and a delay issuing a new EHCP. The Council also failed to ensure she received a suitable education while she was out of school. The Council has agreed to apologise to the parent and make a payment of £3,500 in recognition that his daughter did not receive a suitable education between February 2024 and September 2025 and the distress this caused.

CS - The parent complained that the Council failed to provide suitable alternative provision for her son, or the provision specified in Section F of his EHCP since September 2023 when his school placement broke down. She also complained about delays in the annual review process and in issuing a final EHCP. The Ombudsman found the Council was at fault for delays in the annual review process. The Council was also at fault for the failure to provide appropriate alternative provision and to ensure her son received the provision in his EHCP. The Council has agreed to apologise to the parent and pay her £3,550 in recognition of the missed education and SEN provision and the frustration, distress and uncertainty the Council's actions have caused her.

CS - The parent complained that the Council failed to provide alternative provision while her daughter was unable to attend school. She also complained that the Council failed to arrange transport when a place at a special school was agreed. The Ombudsman found the Council at fault for failing to provide alternative provision for approximately two and half terms. The Council has agreed to pay the parent £5,250 in recognition of the missed education between October 2023 and June 2024 and the frustration, distress and uncertainty the Council's actions have caused her.

CS - The parent complained that the Council delayed in providing alternative education to her daughter and that, when it was provided, it was unsuitable. The Ombudsman found that there was fault by the Council on the first complaint and a lost opportunity on the second but with limited injustice. The Council has agreed to make payments totalling £3,150 for the avoidable distress, the loss of education and opportunity. The Council has already amended its alternative education policy for pupils medically unfit to attend school and has agreed to consider further service improvements.

Web activity

There were almost 1.8 million page views of the main Council website in Q2, from just over 840,000 visits.

A searchable record of inquests has been developed and added to the coroner's section of the website. This allows families and other organisations to get information about inquests directly without needing to make an enquiry. As well as being more efficient for users, this frees up an estimated 12 hours of officers' time each month.

A new section of the website for ceremonies was completed and launched in Q2, replacing an externally-hosted site and reducing annual costs by around £5,000.

Media and information work

There were 387 media stories about the Council in Q2, including 46 on TV or radio. The press office dealt with 141 media enquiries and issued 33 press releases which generated 96 stories.

There was significant coverage of the Queensway Gateway Road project, the delays to completion and the opening of the road. There were a number of enquiries about flags being attached to lampposts and painted on roundabouts in Q2. LGR also continues to attract coverage.

Effective publicity and campaigns

A targeted campaign in July to raise awareness of alcohol support services saw referrals to One You East Sussex increase by 73%.

The annual summer reading challenge, encouraging children to read over the summer holidays, saw almost 6,800 children sign up. Our advertising increased the number of clicks on digital ads by 172% when compared to 2024/25.

There was an increase of 55% in new sign ups to the Flexibus service following our summer campaign (compared to the 10 weeks before the campaign). Investment in Google and YouTube adverts were particularly effective in increasing growth in the service.

A new approach to promoting the Life Transitions programme saw more people sign up than any previous recruitment efforts, with 11 new applicants during the initial campaign. Adverts directed people to an online feature which explained more about the service, which helps people preserve their wellbeing and mental health through significant life changes.

South East 7 (SE7)

SE7 Leaders met in Q2 and discussed opportunities and priorities for collective lobbying. The Board reflected on the Government's Fair Funding Review 2.0 consultation, noting the particular importance for SE7 councils of the approach to Council Tax equalisation, deprivation, and the pace of transition. As the proposals raised different issues and priorities for each council, Leaders agreed to lobby individually on the Review, but also to continue to identify issues of collective interest. These included ongoing reforms in the NHS, on which Leaders continued to advocate for a strong local government voice and the protection of Adult Social Care. The Board additionally shared updates on the development of LGR proposals ahead of their submission to Government. SE7 Chief Executives also continue to meet regularly, and in Q2 discussed the progress of devolution and key challenges in budget planning.

Revenue Budget Summary

Governance Services' has a net budget of £9.377m and at Q2 is forecast to be on budget. There is an overspend In Legal Services, mostly due to the cost of locum cover for maternity leave. This is offset by staff vacancies across other services.

Performance exceptions (See How to read this report for definition)

Performance measure	Outturn 24/25	Target 25/26	RAG Q1 25/26	RAG Q2 25/26	RAG Q3 25/26	RAG Q4 25/26	Q2 outturn	Note ref
None								

Savings exceptions 2025/26 (£'000)

Service description	Original Target For 2025/26	Target including items c/f from previous year(s)	Achieved in-year	Will be achieved, but in future years	Cannot be achieved	Note ref
Member Services	32	32	32			
Performance, Research and Intelligence	99	99	99			
Communications	62	62	62			
Coroners Offices	40	40	40			
Total Savings	**233**	**233**	**233**	**0**	**0**	
Subtotal Permanent Changes [1]						
Total Savings and Permanent Changes	**233**	**233**	**233**	**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 17

Revenue Budget 2025/26 (£'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	5,985	(248)	5,737	5,848	(253)	5,595	137	5	142	
Corporate Support	4,027	(387)	3,640	4,154	(372)	3,782	(127)	(15)	(142)	
Total Governance	**10,012**	**(635)**	**9,377**	**10,002**	**(625)**	**9,377**	**10**	**(10)**	**0**	

Capital programme 2025/26 (£'000)

Approved project	Budget: total project all years	Projected: total project all years	Budget 2025/26	Actual to date Q2	Projected 2025/26	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)	-	-	-	-	-	-	-	-	-	

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Strategic Risk Register – Q2 2025/26

Ref	Strategic Risks	Risk Control / Response and Post Mitigation RAG score	RAG
5	**RECONCILING POLICY, PERFORMANCE & RESOURCE (RPPR)** There is ongoing uncertainty in relation to future funding allocations and the impact of national reforms, particularly across Children's Services and Adult Social Care. Ongoing high inflation/cost of living is leading to higher demand for Council services and has increased the direct cost of providing services. Together with increased need related to demographic changes these factors create a risk of insufficient resources being available to sustain service delivery to meet the changing needs of the local community. Our revenue budget for 2025/26 includes a draw from reserves to provide a balanced budget alongside implementing savings. Total strategic reserves are projected to be £4.5m by 2029, which excludes any additional draws required to balance budgets in 2025/26 or beyond. This compares with a cumulative deficit of £70.8m by 2028/29. We are reliant on the multi-year settlement in 2026/27, fair funding review and business rates review delivering sufficient funding to meet the needs of our residents. Additionally, 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 and set a balanced budget. Funding uncertainty (including capital grants, receipts and developer contributions), inflation, supply chain issues and high interest rates could all constrain our ability to implement our Capital Strategy and increase the pressure on the revenue budget via increased borrowing costs.	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. The Council reviews and updates its 20-year Capital Strategy annually as part of the 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. 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 persistent legacy of Covid, the increased cost of living and other national and international factors. We will continue to use the latest information available on these challenges to inform our business planning. On 10 June 2025, the Lead member for Resources and Climate Change approved the commissioning of CIPFA to undertake a resilience and governance review in relation to the financial challenge faced by the Council. Officers will consider the recommendations in the report and take forward actions accordingly. We will also continually review our performance targets, priorities, service offers and financial plans, and will update these as required. As part of this we will continue to take action wherever we can to mitigate financial and service delivery pressures – making best use of new technology, investing in our workforce, seeking efficiencies, and checking that our services are effective and provide value for money. 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. If the funding reforms do not lead to an increase in funding for our services, we will need to consider further options, including seeking Exceptional Financial Support.	Red

Ref	Strategic Risks	Risk Control / Response and Post Mitigation RAG score	RAG
12	**CYBER ATTACK** The National Cyber Security Centre (NCSC) has highlighted the enduring and significant threat to UK infrastructure. From ransomware attacks to AI-enabled intrusion, malicious actors are looking to maximise their disruptive and destructive efforts in an increasingly connected world. Cyber-attacks are growing more frequent, sophisticated, and damaging when they succeed. Ransomware remains the most significant cyberthreat to the UK, primarily driven by financially motivated organised crime groups. The UK's Strategic Defence Review acknowledges daily cyber-attacks as a persistent threat and emphasises a shift towards digital warfare capabilities. Amid a rise of state aligned groups, whilst the UK is not disproportionately targeted, there is an increase in aggressive cyber activity and ongoing geopolitical challenges. There is an accelerated need to keep pace with the dynamic threat landscape. Furthermore, while AI presents huge opportunities, it is also transforming the threat landscape. Cyber criminals are adapting their business models to embrace this rapidly developing technology - using AI to increase the volume and impact of cyber attacks against citizens and organisations. Meanwhile the proliferation of advanced cyber intrusion tools is lowering the barrier for entry to criminals and states alike.	Most attacks leverage software flaws, gaps in boundary defences or social engineering-based insertion methods (such as legitimate looking emails which trigger viral payloads or impersonation of Service Desk support). These are becoming harder to identify and filter and rely on user security vigilance in tandem with technical controls. 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. Services hosted in ISO 27001 accredited Orbis Data Centres. As well as mitigations against attack, the following measures are currently in place to minimise the impact should there be a successful attack: • Behavioural analysis systems defend against hostile activity • Resilient systems enhanced with immutable backups enable quick recovery • Robust protocols for response escalation and communication	Red
22	**DELIVERY OF ORACLE IMPLEMENTATION** There is a risk that the overall implementation of Oracle (across phases 1 to 3) may not achieve the outcomes planned which results in: • higher delivery costs • longer timescales	Phases 1 and 2 of the implementation, covering Enterprise Performance Management, Finance, Procurement, Oracle Helpdesk and Recruitment, are now live and have successfully exited the period of 'hypercare' (effectively the warranty period for the build quality of the system). These areas of Oracle functionality are now in BAU and the operational risks are therefore being managed on a day to day basis through the functional areas and through the Oracle system support team, with the support from the Oracle programme where required. This includes keeping documentation and training materials up to date, managing the Oracle quarterly updates and resolving any queries or issues that may arise, as for any other BAU type activity.	Red

Ref	Strategic Risks	Risk Control / Response and Post Mitigation RAG score	RAG
	• a reduced quality of back-office services from a substandard technical implementation • risk of not meeting statutory or contractual requirements such as payments of Pay as You Earn (PAYE) / National Insurance (NI), pensions, suppliers and employees • general organisational issues • an inadequate control environment • lack of user buy-in and adoption due to a lack of organisational readiness impacting on core business processes • additional pressure on business as usual (BAU) capacity from high resource demands during delivery • risk to employee wellbeing from high workloads and delivery timescale Failure to implement would result in the use of an unsupported and unlicenced system (or subject to ransom charges on some level of support) as the SAP system passes its expiry date and would miss out on efficiencies that can be gained through the new system.	Phase 3 (payroll, and employee and manager self-service) is currently in its testing and planning stage. An earliest realistically achievable go-live date for this phase is currently being considered, the delivery of which will include appropriate governance (including risk identification and mitigation, as well as audit), technical implementation, organisational readiness and plans for post go-live support. To complete the phase 3 implementation, it is necessary to ensure that sufficient programme resource is in place, and this is therefore kept under constant review. In addition, a positive ongoing working relationship with our implementation partner, Infosys, needs to be in place. The project lead and other key stakeholders therefore have regular conversations with Infosys senior staff and escalate issues where necessary. It is also necessary for the organisation to prioritise programme activity at key points in time and this is also therefore kept under constant review.	
15	**CLIMATE** Mitigation: the Council needs to play its part in meeting both the international agreement to keep the average global temperature increase under 1.5°C above pre-industrialisation levels, as well as the legally binding national target to reach ‘net zero’ by 2050. Adaptation: the Council needs to adapt relevant services to the predicted impacts of climate change in East Sussex, including more frequent and intense flooding, drought, episodes of extreme heat, and accelerated coastal erosion. If services are not sufficiently adapted to climate change this will lead to an increase in heat related deaths (particularly amongst the elderly), damage to essential	**Climate change mitigation:** the Council has a science-based target to reduce scope 1 and 2 carbon emissions. The focus is on buildings, as they contributed 79% of carbon emissions in 2020/21. Currently, there is not sufficient funding available for the Council to be able to keep pace with the science-based target. The target for 2025/26 is for the delivery of a further 10 capital schemes, as part of business-as-usual asset management work. In Q1 a total of 5 schemes were completed. A pipeline of additional projects is being developed. The estimated outturn is for 10 capital schemes to be completed this year. **Climate change adaptation:** the Council is working to ensure that all relevant Council service areas will integrate adaptation into their service planning by 2030 (within the constraint of the resources available). In addition, the Council has some direct responsibilities for county-wide climate change adaptation, for example as the Lead Local Flood Authority. The target for 2025/26 is to develop service-based guidance and tools on integrating climate adaptation and trial these with 3 services. The 3 service areas are currently being identified.	Red

Ref	Strategic Risks	Risk Control / Response and Post Mitigation RAG score	RAG
	infrastructure, property damage from flooding, and disruption to supply chains.	The corporate Climate Emergency Board oversees progress for both mitigation and adaptation. Ultimately there is not sufficient funding available for the Council to be able to keep pace with the science-based target to halve emissions every five years. Although grant funding will be sought to mitigate against this, it is unlikely to be sufficient. The Council will continue to work on what it can to reduce emissions with the funding it has available, including working with its supply chain on Scope 3 emissions.	
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 and poorer outcomes for children/young people. The risk of the failure of one or more key providers in the independent sector is an increasing concern, set against necessary regulatory tightening of profit which might further impact the market.	A number of strategies have been put in place to manage demand. Work being undertaken includes: • Delivery of the Family Hub programme - providing earlier support and intervention, Information, Advice and Guidance, Start for Life • Comprehensive Early Help offer in place - helping to manage demand at Level 3, reducing escalation. • Robust caseload management • Focus on reduction in Child Protection Plans, through delivery of Connected Coaches/Connected Families Intervention Practitioners (CFIP) interventions • Transformation - increasing partnership engagement in delivering Level 2 earlier support, Implementation of ‘Families First’ national reforms 2025/26, ‘Family Help’ teams, Multi-agency Child Protection Teams, Family Network and Kinship support. Careful consideration of transfer of Care Proceedings to Looked After Children Service after initial hearing. • Further embedding valuing care approach to ensure the right children receiving right care, maximising opportunities for step down/reunification. • Enhancing Family Network approach - Family Group Conference offered to all families pre proceedings, full exploration of kinship carers opportunities/Special Guardianship Orders. • Placement and Commissioning team - holding providers to account, utilise frameworks, scrutiny, and challenge re of all provider process. • Participation in South East Regional Commission Cooperative - aims to improve quality/efficiency for children in care through increasing collaboration, enhancing regional commissioning, improved market shaping-building in some protections re market failure. • Strengthening marketing of foster care, increase in rates for East Sussex foster carers, partnership with Brighton & Hove and West Sussex County Council. Delivery of Mockingbird programme - improving retention of carers. • Focus on securing health contributions to Looked After Children placements - challenging ‘continuing care’ (CC) outcomes where appropriate and development of frameworks for integrated commissioning beyond CC.	**Red**

Ref	Strategic Risks	Risk Control / Response and Post Mitigation RAG score	RAG
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.	A number of strategies have been put in place to mitigate this risk. Work being undertaken includes: • 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
1	**ROADS** Extreme weather events over recent years, including the last winter, 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 changing climate is now influencing the rate of road deterioration, with more extreme events such as warmer wetter winters; and drier summers punctuated by unseasonal heavy downpours (drying and shrinking the substructure of roads). Additional funding over the last few years has helped maintain road condition, however, the latest condition and funding modelling showed the potential for continued deterioration over the next 10 years. The highway's maintenance budget for 2025/26 only includes government grant. In previous years we have increased spend through borrowing. We no longer have the flexibility to borrow because of the broader revenue pressure on Council services. This means the level of funding available is below the £25 million needed each year to keep our roads in a steady condition. This funding shortfall, alongside rising costs, presents a considerable challenge in maintaining current standards across the whole network. As a result, we are now taking a more targeted approach to managing network condition - prioritising routes of highest importance to ensure we maintain a safe and resilient core network. This means making difficult decisions about where limited resources can have the greatest impact. In East Sussex, we are focusing on A and B roads and key non-principal routes that form part of our resilient network, because they are vital for emergency services, public transport, and the local economy. Mitigations include encouraging road users to report potholes so we can intervene as soon as possible in accordance with our policies; closely managing the operational performance of the highway contractor; and lobbying Government for additional investment as, without it, it will be increasingly difficult to manage the risks of further decline. New technologies and materials are being trialled to improve efficiency and resilience. Our new Asset Management System, introduced in September 2025, is enhancing how we plan and prioritise maintenance, using better data to model funding needs and target investment for greatest impact. It also strengthens transparency and accountability in decision-making. We are also future-	Red

Ref	Strategic Risks	Risk Control / Response and Post Mitigation RAG score	RAG
		proofing assets, such as street lighting, to adapt to changing technologies and deliver long-term value.	
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, as well as shared Integrated Care System objectives for jointly managing patient flow through our System. An increase in activity and complexity in the presentation of patients through our acute hospital sites, has resulted in an increase in the NCTR (No Criteria to Reside) numbers and presents a system risk in respect of adequate patient flow. Integrated Care Board (ICB) operating costs and programme funding will need to reduce by 50% by Q3 2025/26 as per a national mandate. For NHS Sussex this means a reduction of 53% which presents a risk to the way ESCC works with the NHS to jointly commission services locally and get the best value out of the collective resources available for our population, including potential transfers of current Continuing Healthcare, SEND and safeguarding functions, all of which would need primary legislation to enact (and would therefore be post cost reductions). It could also have implications for the Sussex Integrated Care System (ICS) which would impact on alignment with the Mayoral County Combined Authority Devolution plans.	The system is working collaboratively to improve hospital discharge and reduce delayed stays for patients with complex care needs. Funded until Quarter 2 of 2025/26 (with reduced funding after March 2025), initiatives include keeping patients active in hospital, creating care coordination hubs, deploying two Social Work Teams for 'discharge to recover and assess' beds, and commissioning a scheme to support self-funded care. These efforts have led to a sustained decrease in the number of patients with no clinical need to remain in hospital (NCTR), though continued success depends on adequate community bed capacity and suitable post-hospital support for increasingly complex needs. The Additional Discharge Funding is now fully integrated into the Better Care Fund pooled budget (no longer ring-fenced). It covers Home First pathways and Discharge to Assess beds, with capacity balanced through a multi-agency approach. A small portion of the fund is reserved to maintain flexibility and support patient flow, especially over winter. Collaborative work is underway to create multi-disciplinary neighbourhood teams serving populations of 30,000–50,000, building on joint leadership in each Integrated Community Team (ICT) area. These 'one-team' approaches aim to deliver more proactive, coordinated care for people with complex needs and reduce unplanned hospital admissions, especially over winter. Participation in the National Neighbourhood Health Implementation Programme (NNHIP) — starting in Hastings and Rother — will accelerate local ICT and proactive care plans, supporting the shift from hospital-based to community-focused care and more sustainable use of existing resources overall. NHS England has now agreed that NHS Sussex will merge with NHS Surrey to form a single Integrated Care Board (ICB) from 1 April 2026, reducing operational costs by 50% in line with national NHS reforms. The new ICB will serve 3 million people (including 1.7 million in Sussex). To prepare, the two ICBs will begin formally clustering on 1 October 2025, sharing a Chair and Chief Executive from 15 October, with a single Board to be appointed later. The four upper tier Local Authorities across Surrey and Sussex have agreed to be represented collectively on the new single clustered ICB Board through four senior roles (Chief Executive, DASC, DCS, and DPH). ESCC also continues to work with ICB and local NHS partners to adapt joint planning and commissioning, aiming to preserve collaboration and integration despite changes and capacity pressures in the NHS system, and to deliver the best outcomes within available resources. In a further reform the Government's 10-Year Health Plan (July 2025) announced proposals to abolish Integrated Care Partnerships (ICPs) required under the current Health and Care Act 2022 - in Sussex this is the Sussex Health and Care Assembly. To maintain local focus amid a move to a larger Surrey and Sussex planning area, the four LAs have proposed keeping the Sussex Assembly on an informal, non-statutory basis to support population health and align with the future Sussex CMA footprint.	Red

Ref	Strategic Risks	Risk Control / Response and Post Mitigation RAG score	RAG
23	**LOCAL GOVERNMENT REORGANISATION AND DEVOLUTION** Both the proposed creation of a new Mayoral County Combined Authority for Sussex and the proposed transition from a two tier local authority arrangement to a unitary government model for East Sussex will have a significant effect on our workforce. These are likely to lead to additional workloads for staff over the next few years. The timescales for implementation are challenging and will place considerable additional pressures on teams. This could have result in resources being diverted from the ongoing delivery of services and a consequential deterioration in service delivery.	Through our RPPR process we will continue to review the resources required to support Devolution and Local Government Reorganisation and will lobby Government for additional funding to help support the significant additional workload this will place on the Council. We will also continue our work on supporting staff through change and will ensure all staff are aware of the full range of support available to them. Additional mitigations will be implemented as the potential impact on both the Council and our local area becomes clearer.	Amber
9	**WORKFORCE** An inability to attract and retain the high calibre staff needed in key services and roles 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.	A number of strategies have been put in place to support our recruitment and retention aims. Work being undertaken includes: • ongoing use of apprenticeships, traineeships, intern arrangements and more flexible work arrangements etc as a way of bringing in new talent to the Council. • working with Children's residential and community services to support their use of apprenticeships to gain the Ofsted required qualification • ongoing review of our new recruitment website 'East Sussex County Council Careers' to ensure the content remains engaging and interesting and attracts individuals to apply for our jobs. • continued delivery of mentoring to young people in care by Adecco (the Councils Agency supplier) as part of their social value offer. • engagement with employees at ESCC who are under 25 to get feedback on what attracted them to the Council as an employer; and to begin establishing a forum for young people to highlight any issues, and to attract candidates from a younger demographic to the Council. • continued delivery of inclusive recruitment training to managers • ongoing promotion of guidance to managers on making reasonable adjustments for disabled candidates. • guidance on the use of volunteers as a route into the workplace is being developed. The intention is for such opportunities to support people who are out of work to come back into the workplace through gaining confidence and experience of work • a review of the current leadership development offer following the delivery of our two leadership development programmes: 'Ladder to Leadership' and 'Head of Service Masterclasses'.	Amber

Ref	Strategic Risks	Risk Control / Response and Post Mitigation RAG score	RAG
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. While AI presents huge opportunities, if used inappropriately the risk of data breach is heightened. 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
6	**LOCAL ECONOMIC GROWTH** The devolution of powers, responsibilities, functions and funding through a Mayoral Combined County Authority (MCCA) for Sussex will lead to significant changes, impacts and opportunities for East Sussex County Council (ESCC) in enabling and supporting the local economic growth for our residents, businesses and visitors. Possible consequences if the devolution is not managed successfully include: • Ineffective structures and mechanisms to position and make the case for local economic growth in East Sussex • The county unable to access future investment opportunities if East Sussex does not influence strategy development and adoption to determine strategic priorities at MCCA level • Lack of development of a credible pipeline of investments that will seek to maximise the levels of funding • Lack of funding secured from MCCA for major programmes, which then limits our ability to raise GVA and productivity in the area • Loss of an effective 'business voice' through the current local economic growth board (Team East Sussex) and its various subgroups able to provide intelligence and set the strategic direction for the county.	In July 2025 the Government approved the Sussex and Brighton MCCA, to cover East Sussex, West Sussex and Brighton and Hove, to be established in 2026. At this stage the details are unclear as to how the devolved functions will operate between the new MCCA and existing upper tier authorities (and then subsequently the unitary authorities, as a result of Local Government Reorganisation from May 2027). Our risk control/response will be adjusted as information becomes available to consider the wider impact / opportunity this will have on the local economy through the development at a Sussex wide level of jointly agreed strategies and the resulting funded and commissioned programmes. As part of our initial response to mitigate these risks we are undertaking the following: • New Local Transport Plan 4 to 2050 is in place and we are developing a series of accompanying transport modal strategies, alongside investment plans to support the implementation of the devolved MCCA transport powers. • We and strategic partners are developing an investment plan in 2025 to accompany the 'East Sussex Prosperity to 2050' economic growth strategy to articulate our investment propositions and asks to the new devolved MCCA and Government, whilst also addressing the Governments emerging Industrial Strategy and Sector Plans. • We run the East Sussex Growth Hub services and Government have confirmed funding 2025/26 and in future years will provide a multi-year funding settlement for 2026-28. • We ensure the business voice continues to be heard through Team East Sussex, our local strategic advisory economic growth board for the county, which continues to meet on a quarterly basis. The Council is in a good position to mitigate risks on employment support and skills as it will be contributing to the development of the Get Sussex Working Plan by September 2025 and the Local Skills Improvement Plan by March 2026, alongside delivering major Government funded programmes for Connect to Work, Skills Bootcamps and Careers hub to name a few.	Amber
21	**Annual Care Act reviews and Deprivation of Liberty Safeguarding (DoLS) assessments** Demand exceeding capacity for annual Care Act reviews and Deprivation of Liberty Safeguarding (DoLS) assessments	These are known issues for virtually all local authorities with social care responsibilities as this activity falls within our duties under the Care Act 2014 and Mental Capacity Act 2005. As of Q2 2025/26: We are meeting our target for adult reviews (outturn is 5 days against a target of 6 or fewer days) and carer reviews (outturn is -1 day against a target of 6 or fewer days, meaning reviews started on average one day before their proposed start date). We are also meeting our target for the number	Amber

Ref	Strategic Risks	Risk Control / Response and Post Mitigation RAG score	RAG
		of people with a Deprivation of Liberty Safeguards (DoLS) episode awaiting allocation of a Best Interest Assessor (outturn is 200 people against a target for 650 or fewer people). **Mitigations and actions:** We are continuing to increase the number of reviews completed year-on-year to help meet increasing demand, and to prioritise reviews according to people's needs. As of July 2025, 69/7% of adult Care Act reviews were completed against a target of 66.6%. We have oversight of performance at all levels of the Council to ensure visibility, accountability and grip. Weekly and monthly reporting is sent to Operational Managers at all levels, and then scrutinised by the Waiting Times Steering Group and the Improvement and Assurance Board on a regular basis. Since October, we have piloted the delegation portal with our strategic partner Care for the Carers, making it easier and quicker for them to process carer reviews. This pilot is now BAU and will be monitored by commissioners and operational services. Young carers reviews are undertaken by Imago Community, ensuring a timely assessment and review for this cohort.	

Looked After Children's Annual Report 2024-25

Fiona Lewis

Head of Service for the Fostering Service, Placements & Commissioning Service, Residential and Provider Services

Sally Carnie

Head of Service for the Looked After Children Service, Through Care Service, Virtual School and Adoption South East Service

2024/2025

APPENDIX 19



Contents

Hi there,

We at the **East Sussex Care Leavers Council (CLC)** wanted to share a few opening remarks and reflections for the 2025 Annual Report you are about to read through. Members of the CLC were given the opportunity ahead of this finished report to consult on sections to include and feedback on the information shared where possible. We were very grateful for this opportunity of consultation within the report as we strongly believe this to be foundational for accurate and empathetic impact reporting by including the views and experiences of children in care and those leaving it within the report.

In the report, we were interested to see that out of the 688 individuals currently being looked after by East Sussex, there were a higher amount of boys entering care than girls. Additionally, for the Key Performance Indicators for the current year we were interested to see how the performance improved in varying areas such as the % of former relevant young people aged 19-21 in education, employment or training but in other areas for that same age bracket of former relevant young people in suitable accommodation, performance has decreased.

As for the priorities for East Sussex for 2025/26, the CLC welcomes many of the priorities mentioned and would be interested to see their implementation in the coming year. While the priorities were welcomed, members of the CLC expressed concerns for the feasibility of some priorities such as the new Permanence Lead Practitioner role so we would be curious to hear more details about this when possible.

Thank you for taking the time to read through our foreword and I hope you find the Annual Report an interesting read!

Written by DW with contributions and reflections from members of the East Sussex Care Leaver Council

Summary

This report provides an overview of services for the children in our care.

It provides a profile of the children we care for, how their needs are met and their journey through care. The report includes information about our Separated Migrant Children.

The report outlines the services we provide and considers how the experience of children in East Sussex compares to the wider national picture.

Finally, the report outlines key developments over the past 12 months and our future priorities

The report should be read alongside the individual service reports appended to the end of this document.

Statutory responsibilities within Looked After Children's Services

A child is 'looked after' by the local authority if they have been provided with accommodation for more than 24 hours, or if they have been made subject to a Care or Placement Order

The Local Authority has statutory duties to safeguard and promote the welfare of children in care; to provide suitable accommodation and support and to ensure that their health and education needs are met. These are Corporate Parenting Responsibilities

Other agencies, including police, education and health services also have statutory responsibilities towards children in care

Children in care must have a Care Plan which is reviewed regularly by an Independent Reviewing Officer

The Local Authority must consider the wishes and feelings of the child, their parents and other relevant people when making decisions

Looked After Children's Services in East Sussex

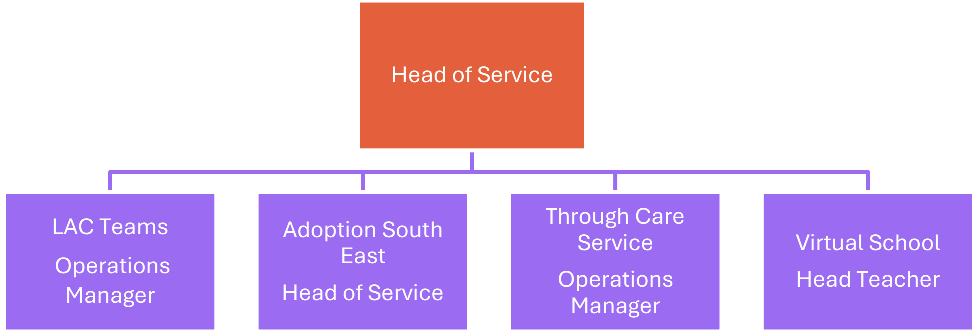
East Sussex Children's Services has 3 Looked After Children (LAC) Teams and 2 Through Care Teams with 8 social workers / senior social workers in each team. The Through Care Service also has 19 Personal Advisors (PAs) who support Care Leavers. The average caseload for a Looked After Children's Social Worker in East Sussex is 17 children.

The Head of Adoption South East and the Virtual School are embedded in our Management Team, ensuring a holistic approach to children's journeys.

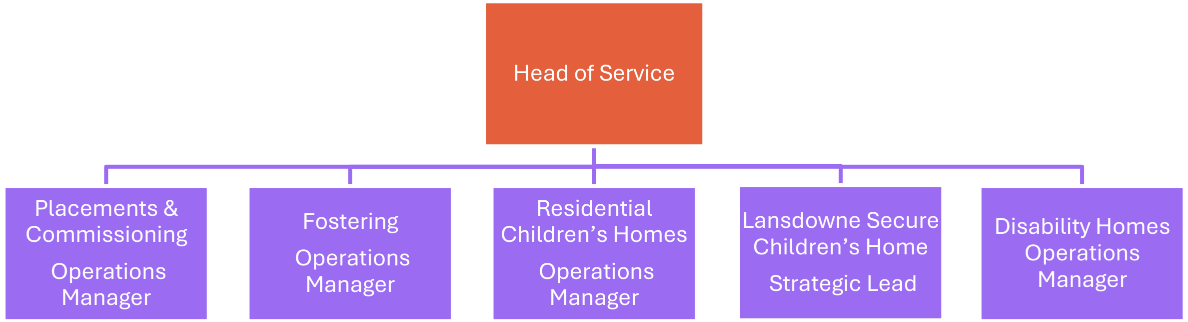
Commissioning and Provider Services work alongside the social work teams to ensure that the homes and services that we provide for children in our care are safe, local, and share our ambition for children to access opportunities and experiences which lay strong foundations for their future. This partnership approach to service delivery for looked after children drives positive outcomes and effective use of resources.

East Sussex has a robust in-house Fostering Service, 4 open Residential Children's Homes, 2 homes for Children with Disabilities and a Secure Children's Home.

Data for Looked After Children is complex and not all data was available at the time of writing. Our Digital Strategy is contributing to enhanced confidence and analysis of data as we move in to 2025-26.



LAC, Through Care, Adoption and Virtual School Teams



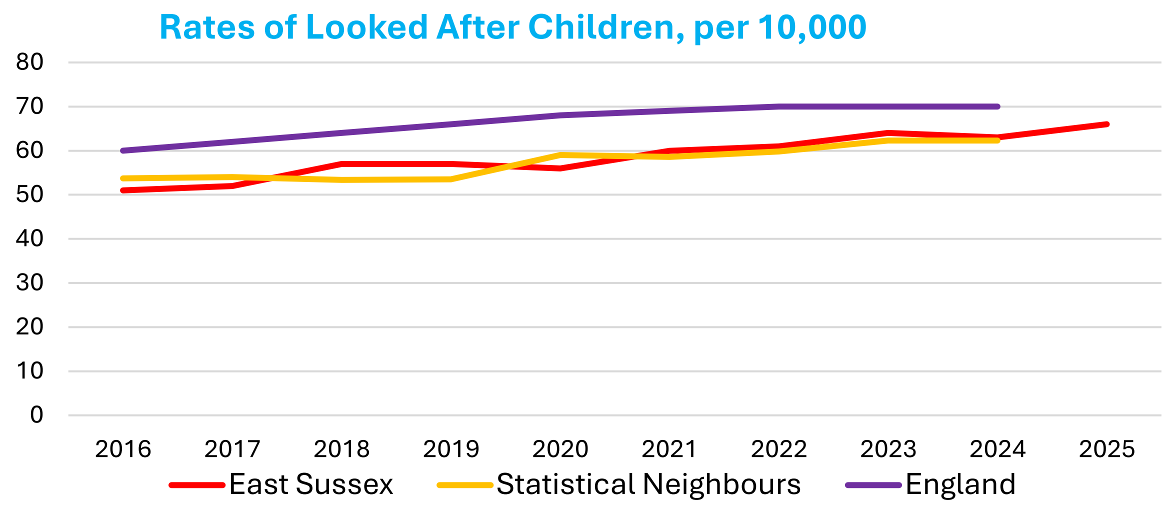
Placements, Commissioning Residential and Secure Services

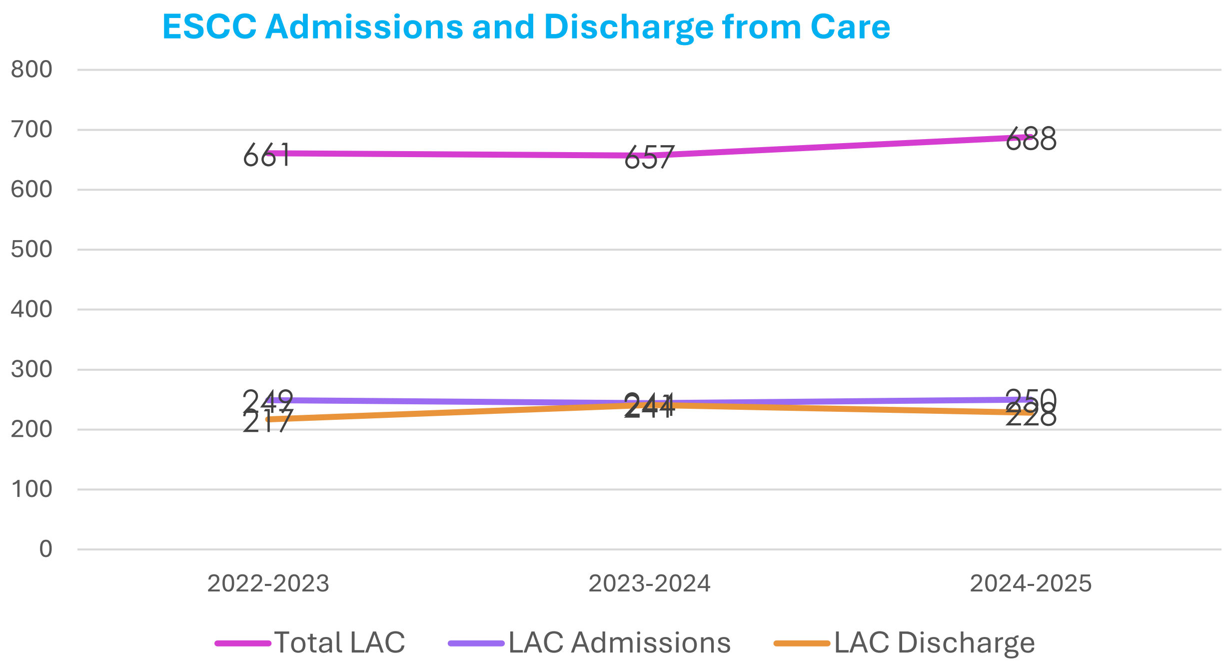
Rates of Looked After Children

The number of children in care in East Sussex has increased since last year but remains below IDACI. Whilst admissions to care increased only slightly, fewer children left care than in previous years

There were more children in care than for the previous 2 years

Indicative data for 2025 suggests that the rate of Looked After Children per 10,000 in East Sussex will remain in line with statistical neighbours and below the England rate





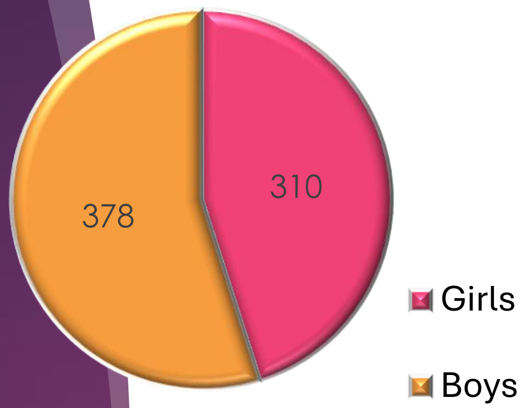
Data sources: DfE LAIT and East Sussex County Council 903 return (June 2025).

Profile of Looked After Children in East Sussex

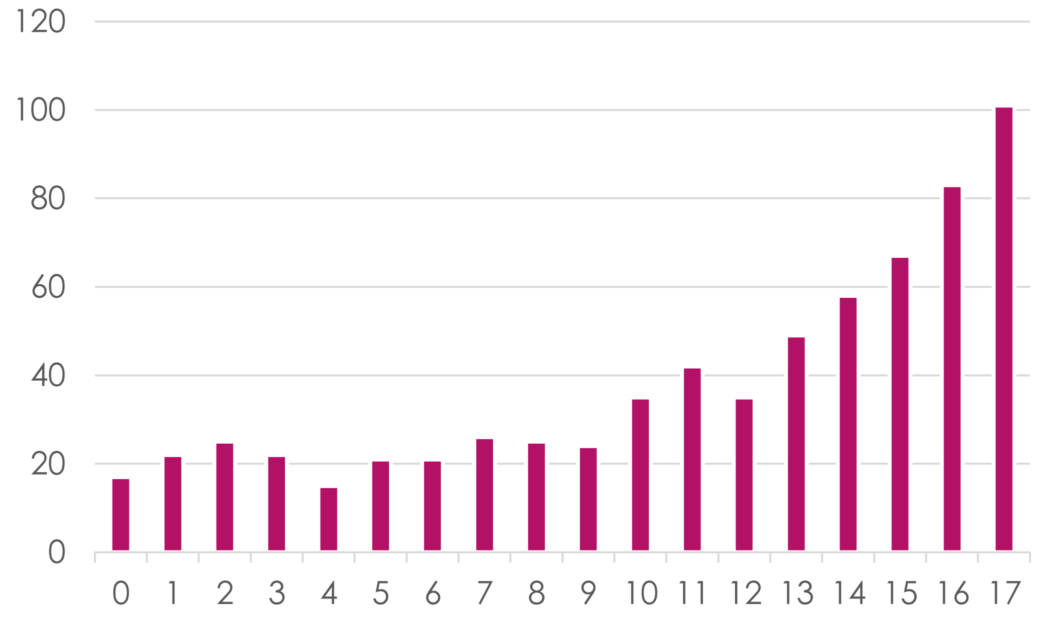
As in previous years we have more boys in our care than girls. There are more children aged 13+ who are looked after than the younger age group.

Most of the children in our care identify as White British, this reflects the general population across East Sussex.

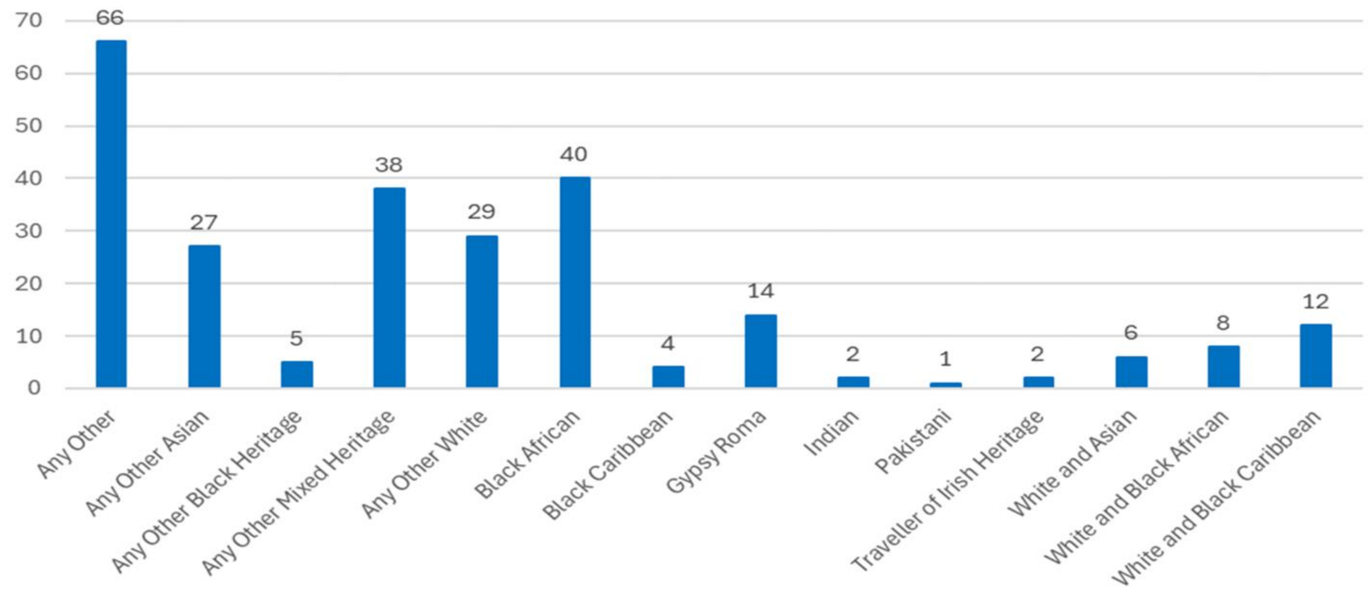
28% of our Looked After Children identified as being from an ethnic minority background. These children represent a diverse range of cultures and ethnicities.



Gender of Looked After Children in East Sussex



Age of Looked After Children in East Sussex



Ethnicity of Looked After Children who Identified as being of an ethnic minority background

*Data shows a snapshot as of 31st March 2025

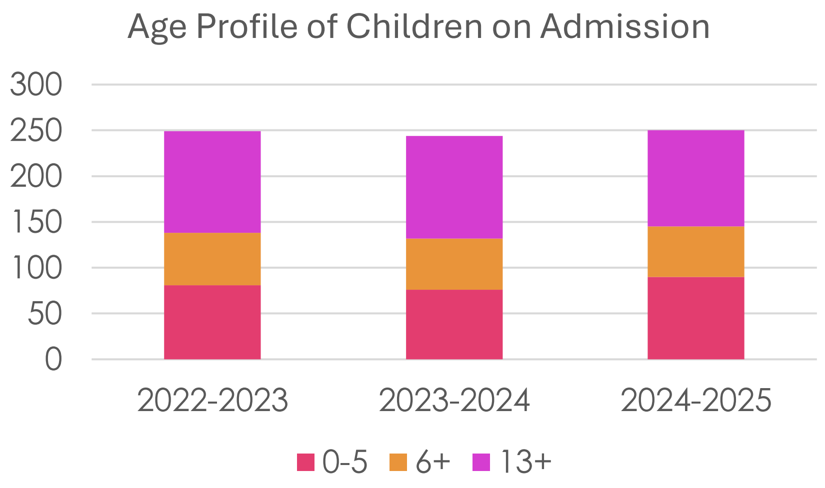
Becoming Looked After, Leaving Care and Legal Status

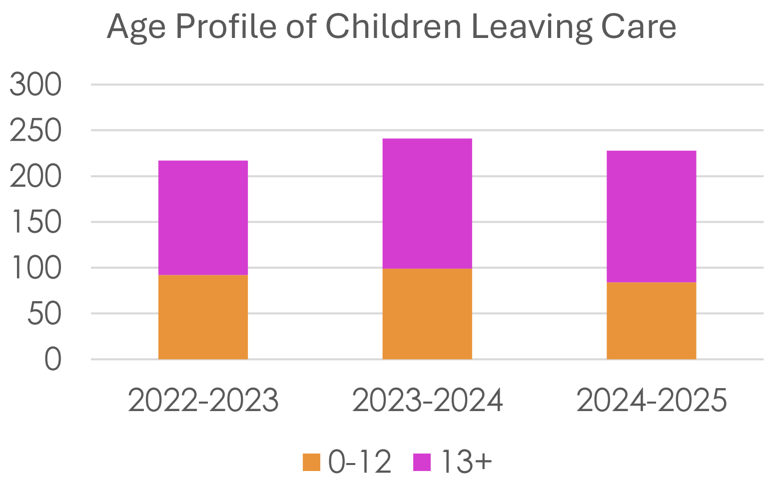
908 children came in and/or left our care during the year which was a net increase of 20 children compared with 2023-24. This reflected significantly higher activity levels across the service.

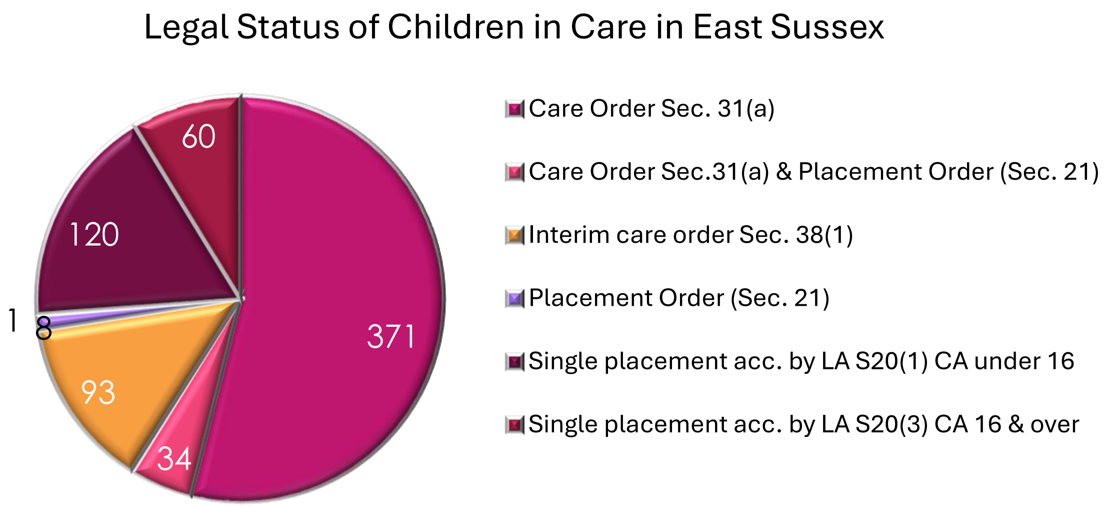
In contrast to previous years, more younger children were admitted to care than children aged 13+. Younger children were also more likely to remain in care than in previous years.

60% of children were looked after under a Care Order or Care and Placement Order compared to 26% of children cared for under Section 20.

14% of children were subject to an Interim Care Order.







Data sources: DfE LAIT and East Sussex County Council 903 return (June 2025)

Our Separated Migrant Children

(previously UASC)

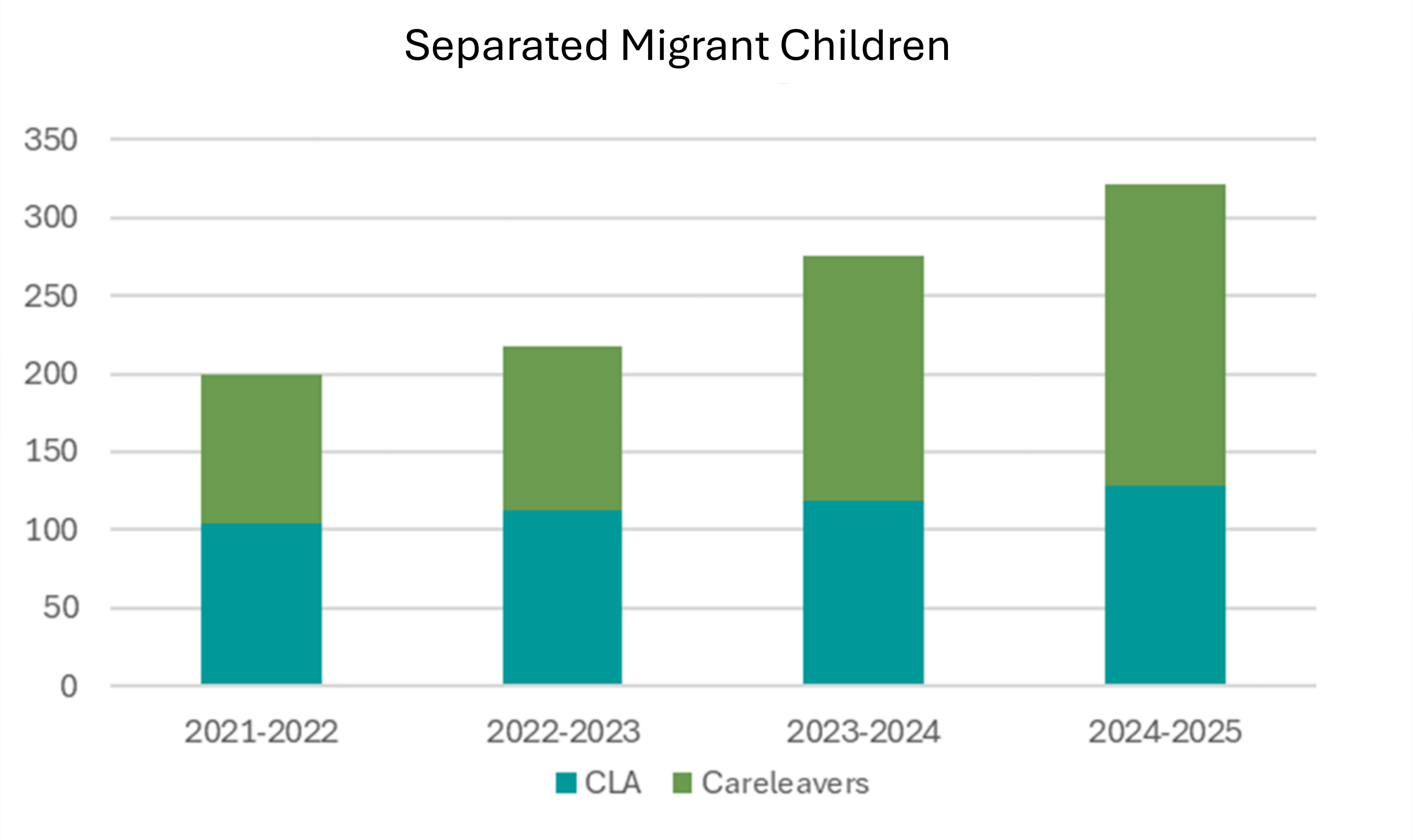
East Sussex County Council cared for 128 Separated Migrant Children under the age of 18 during 2024-25, this compared to 118 in 2023-24.

In addition, there were 193 Separated Migrant Care Leavers aged 18+ which is an increase of 36 from the previous year.

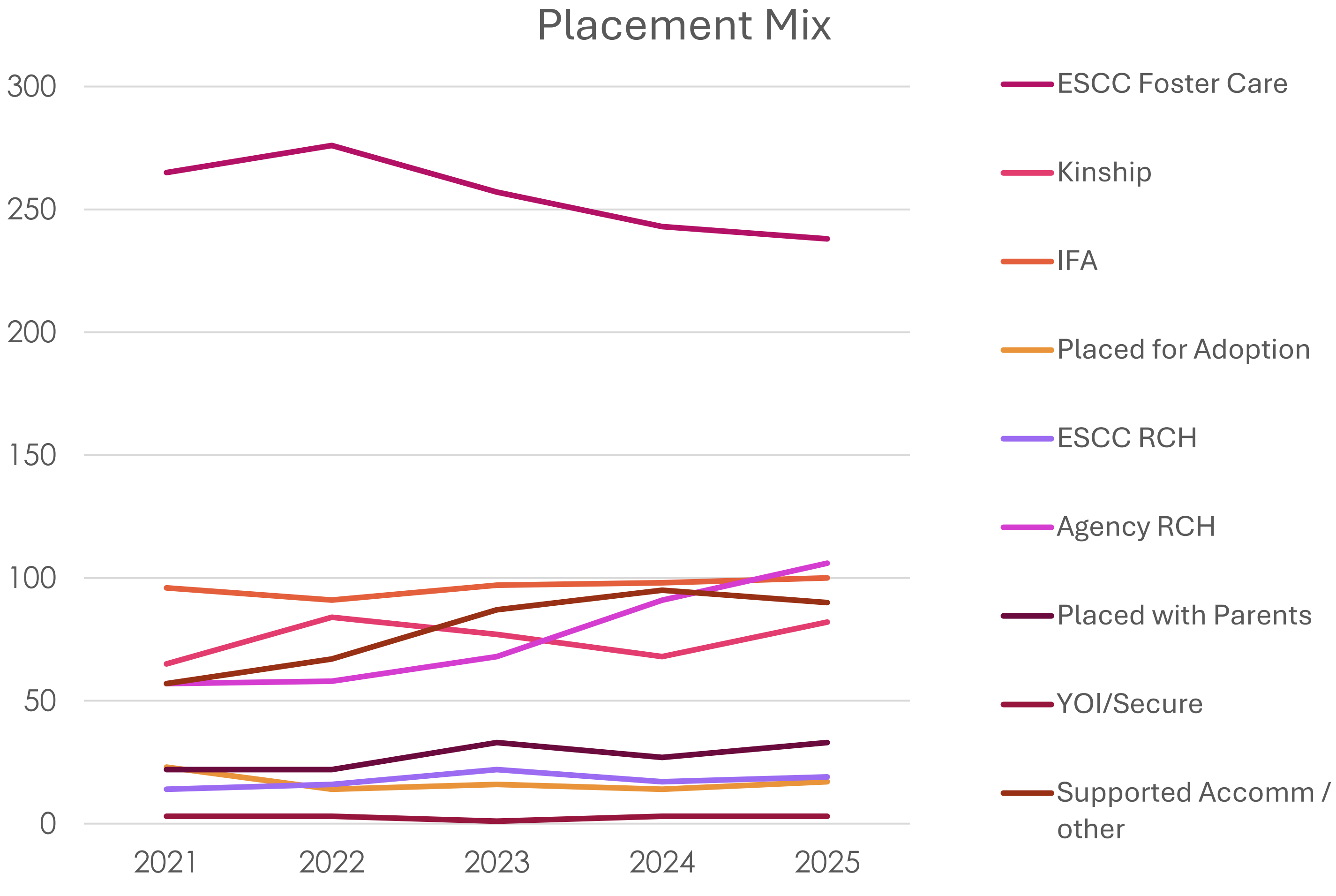
Our Separated Migrant Children were mainly male; 89% were aged 16 or over and the youngest was aged 14.

During 2024-2025 44 young people came to East Sussex 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 Sudan, closely followed by Syria, Afghanistan and Vietnam. There were also small numbers of children from Albania, Eritrea, Ethiopia, Iran, Libya, Palestine and Turkey.



Where our children are living



*Data shows a snapshot as of 31st March 2025

East Sussex foster carers continue to offer homes to more of our children than any other category of care (35%). We also support many Connected or Kinship Foster Carers which, alongside our positive relationships with Independent Fostering Agencies, means that 61% of the children in our care are living in family-based placements. Of all our children living with foster carers as at 31/3/25, 76% were placed in-house, significantly higher than the national average for 23/24 of 60% in-house utilisation.

We continue to see encouraging rates of foster carer recruitment including carers transferring or who bring professional skills and experience which allow them to manage increased complexity of need. This means that we are supporting children in fostering households who might otherwise require residential care, but also that some fostering households are caring for fewer children.

In line with regional and national trends we are seeing a steady increase in our use of Agency Residential Children's Homes. Whilst some of this increase is due to regulatory change for 16+ accommodation, the majority reflects a national shortage of fostering households. Residential Children's Homes can be right for some children, but they can also result in children's networks being disrupted and high costs to the local authority.

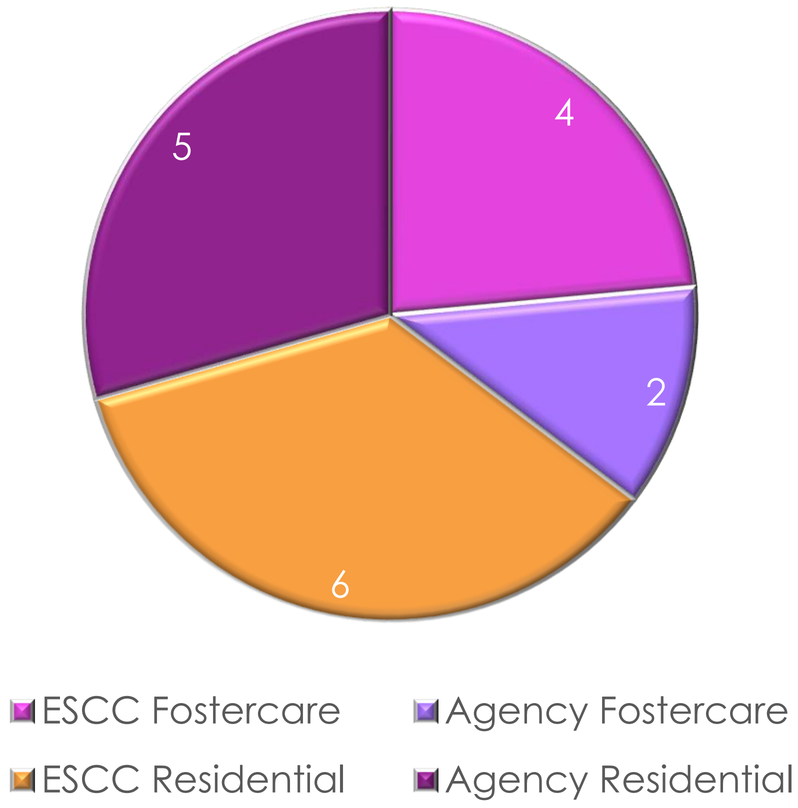
Children Looked After Through the Disability Service

Children who have severe and enduring cognitive delay, severe learning disability, low functional abilities and physical disabilities receive support through the East Sussex Children's Disability Service.

As of 31st March 2025, this service worked with 17 children in care; 14 children were aged 0-15 and 3 were aged 16-18. All were in receipt of full-time care. The service also provides extensive packages of support and respite to other children and their families in the community.

The Children's Disability Service social work teams ensure that letters from Independent Reviewing Officers (IROs) for their children are adapted using Communicate and Print.

We also have a Life Story Ambassador with a Children with Disabilities lens who is available for consultations within the service.



Key performance indicators 2024-25

Where ESCC performance improved on the previous year this is shown in green, performance which dipped is shown in red

Indicator	2022/23 ESCC Value	2022/23 England	2023/24 ESCC Value	2023/24 England	2024.25 ESCC Value
Rate of children looked after per 10,000 population aged under 18	64.3	70.5	63.9	69.7	66.4
Number of children looked after with 3 or more placements during the year	15%	10.3%	14.3%	10.4%	10.8%
Percentage of children looked after under 16 who have been looked after for 2.5 years or more and in the same placement for 2 years or placed for adoption	71.4%	68.7%	66.9%	68.1%	67.7%
Percentage of children looked after at 31st March placed outside local authority boundary and more than 20 miles from where they used to live	17.2%	16.8%	17.8%	17.4%	21.2%
Percentage of children who ceased to be looked after who were adopted	7.0%	9.3%	8.2%	8.9%	7.9%
Average time between local authority receiving court authority to place a child and deciding on a match with an adoptive family	318 days	197 days	241 days	205 days	170 days

Key performance indicators 2024-25

Where ESCC performance improved on the previous year this is shown in green, performance which dipped is shown in red

Indicator	2022/23 ESCC	2022/23 England	2023/24 ESCC	2023/24 England	2024/25 ESCC
Percentage of former relevant young people aged 17-18 who were in suitable accommodation	92.6%	90.6%	95.2%	90.5%	96.6%
Percentage of former relevant young people aged 19-21 who were in suitable accommodation	87.4%	88.1%	92.7%	87.6%	90.7%
Percentage of former relevant young people aged 17-18 who were in education, employment or training	77.1%	65.6%	75.0%	64.1%	64.1%
Percentage of former relevant young people aged 19-21 who were in education, employment or training	55.9%	55.9%	58.1%	53.8%	59.9%
Emotional & Behavioural Health of children in care – average Strengths and Difficulties Questionnaire (SDQ) Score*	16.3	14.4	15.8	14.7	16.1
Percentage of children looked after who had their teeth checked by a dentist	62.5%	75.5%	64.6%	78.9%	68.8%
Children looked after who received a Final Warning, reprimand or conviction	0.9%	2.0%	1.1%	2.2%	2.4%

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

*An SDQ score is required of all children aged 4-16 on the date of last assessment. A higher score indicates more emotional difficulties. 0-13 is considered normal, 14-16 is borderline cause for concern and 17-40 is cause for concern.

Family Finding and Adoption Support

Adoption South East (ASE) is a Regional Adoption Agency uniting the adoption services of Brighton and Hove City Council, East Sussex County Council, Surrey County Council and West Sussex County Council. We are working together to provide adoption services across our region, combining our years of experience and expertise and bringing a fresh approach to finding families for children and helping those families to thrive.

Key Indicators in 2024-25

- 82 children placed for Adoption (21 of these from East Sussex which was an increase of 6 children on the previous year)
- 64 adoption families approved across the region
- 95% ASE children placed with ASE approved families
- 24% of children were placed in Early Permanence arrangements
- Timescales for children under the age of 2½ improved to achieve the national average
- 2,000 adoptive families supported across the region
- £4m funding drawn down from the Adoption and Special Guardianship Support Fund (ASGSF) for therapy for 1,397 children across the region
- The national decline in adopter sufficiency is becoming reflected locally

Adoption South East

Key Performance Indicators – Health

NHS Core Plus 5 – Children in Care 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.

Every child in care is provided with an **Initial Health Assessment (IHA)** within 28 days of entering care. In East Sussex this is carried out at a clinic by the community paediatrician. The team ensure that high quality health assessments are offered to all children and young people who are looked after and make sure that any actions on the health care plan are completed throughout the year.

For the period 2024-2025, 211 IHAs were completed with 169 pertaining to children under the care of East Sussex County Council and a further 42 for other local authorities. These figures show an increase in the previous year.

Exception reporting of the data demonstrates mitigating factors not attributable to ESHT in compliance with the requirements that 85% of assessments are completed and distributed within time frames.

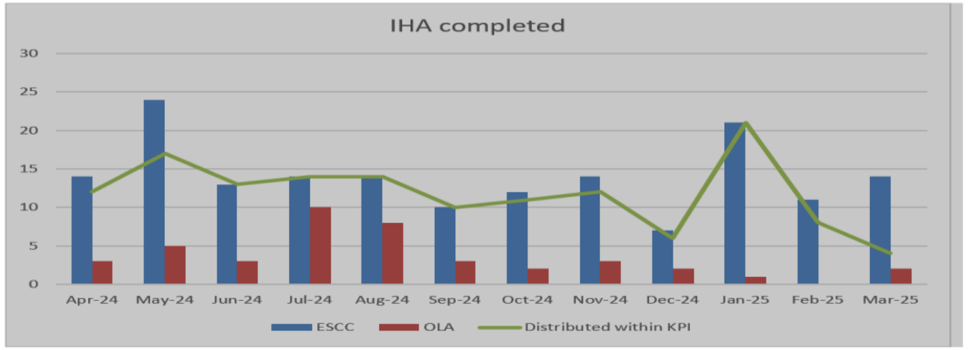
Review Health Assessments (RHA) are carried out by specialist nurses every six months for children aged under five and yearly for those aged five to 18.

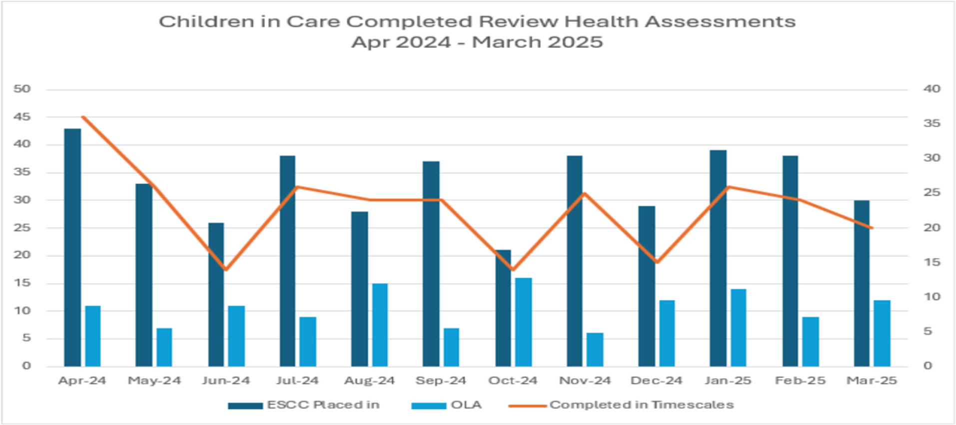
For the period 2024/2025 the Specialist Nurses completed a total of 529 RHAs, with 400 that pertained to children cared for by ESCC and a further 129 placed by other local authorities. 85% of assessments were completed and distributed within time frames. The competing demands of the caseload and OLA work has been contributed to performance, and as a result the review health assessments for the OLA cohort are now allocated to a waiting list, which has increased from three to six months.

120 ESCC children were placed out of the area and their assessments were commissioned and delivered by another provider (OOA).

The Specialist Nurses also compiled 115 **Leaving Care Health Summaries** for 16 to18-yearolds.

Immunisations for Looked After Children for 2024/25 sat at 81%.
The completion of Strength and Difficulty Questionnaires (SDQs) for children aged 5-16 for 2024/25 was at 55%, which is an improvement.





Results from the My Health My School Survey 2023-24*

*Results for 2024-25 not yet available

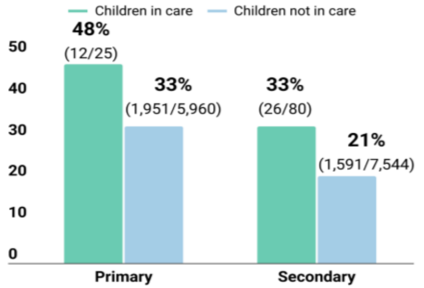
The 'My Health My School' survey is a student perception survey for children and young people in years 3-13. It is completed anonymously online and participation by schools, children and young people is voluntary. The survey asked 'age-tailored' questions across ten themes.

0.7% (121/16,412) of students who completed the survey were identified as children in care; these were those that responded, 'I live in a children's home' or 'I live with foster carer(s)'.

Of the 121 children and young people who identified as in care:

- 35 were primary, 80 were secondary and 6 were post-16 students
- 49 were boys, 49 were girls, 18 identified as another gender and 5 preferred not to say
- 56% (66/118) described their ethnicity within the high-level 'White' category
- 51% (40/78) described their sexual identity as heterosexual
- 39% (47/121) considered themselves to have a disability.

Eat 5 or more portions of fruit and vegetables on a school day



33% (26/80) of secondary students in care report eating no fruit and vegetables, compared to 9% (655/7,544) not in care.

Physically active for at least 60 minutes most days - all students

Children in care: 63% (70/111)

Children not in care: 79% (11,638/14,775)

Screen time more than 5 hours a day - secondary students

51% (41/80) children in care

34% (2,556/7,541) not in care

Secondary children in care are more likely to drink alcohol at least once a week

24% (19/80) children in care

5% (382/7,531) children not in care

Secondary students that have ever used or taken drugs

41% (33/80) children in care

11% (834/7,532) children not in care

Secondary students that vape at least once a week

45% (36/80) Children in care

9% (644/7,528) Children not in care

29% (23/80) of secondary students in care

2% (153/7,540) of secondary students not in care

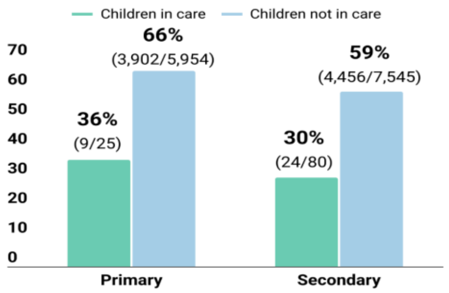
smoke at least one cigarette per week

Have ever had sexual contact involving penetration - Year 9 - 11 only

Children in care: 40% (22/55)

Children not in care: 11% (458/4,273)

'I agree, I enjoy my life'



46% (37/80) of secondary students in care

6% (462/7,540) of secondary students not in care

reported being bullied **'most days/every day'** in the last 12 months

Have *ever* hurt themselves on purpose - Yes

54% (43/80) of secondary students in care

28% (2,084/7,534) of secondary students not in care

Mental and Emotional Wellbeing annual data and update for LACAMHS 2024/2025

LACAMHS continues to work closely with our Fostering and Residential Services to ensure that the specific needs of the children in our care are understood and responded to in a timely manner

- Number of initial consultations completed: 43
- Number of Drop ins attended: 71
- Number of young people in the service ranged from 102 (Q1) to 79 (Q4)
- 2 Therapeutic Parenting Groups run over the year
- 1 pilot Non-Violent Resistance (NVR) group offered to foster carers (Sept 2024-Dec 2024)
- Fortnightly consultation at team meetings in children's residential homes
- Therapeutic Parenting Groups for residential staff built in to offer
- LACAMHS and LAC Management continue to work together to mitigate impact of clinical staffing issues across the region

Key Performance Indicators - Education

All current data is provisional, and progress and attainment 8 data is not yet available for Key Stage 4 (GCSEs).

Key Stage 2: Data remains provisional but suggests that outcomes are higher than last year in reading, writing, maths and GPS. They are in line with national and regional CLA results and slightly higher than both in maths. Cohorts vary from year to year, and all have their own stories. This year 37% had an EHCP and another 24% were on the SEND register.

Key Stage 4: Data remains provisional and there are no national or regional comparators. There were some good individual achievements. Students achieved level 9 in photography and Persian, and Distinctions in BTEC sport and business along with level 7 in Art, Computer Science, Science and DT, and level 6 in History, Drama and Theatre.

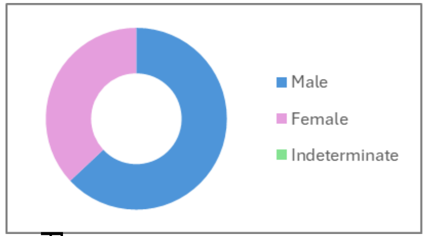
Post 16: We have also seen success within our post-16 cohort. Students achieved A levels or equivalent in Biology, Psychology, Criminology, IT, Gaming, Computer Science, Photography and Marketing, and 11 of our young people have gained a place at university. Others have worked hard to achieve their core GSCEs and a range of level 1 and 2 vocational courses.

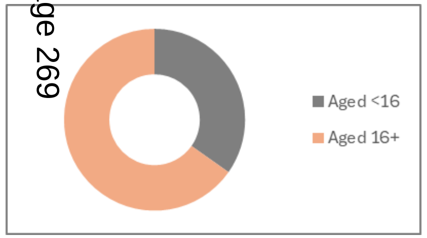
Intervention: The Virtual School agreed 468 funding requests for tuition last academic year. 216 children and young people received tuition. 21% of the requests were for primary, 68% secondary and 11% Post 16. This was an increase on last year. 60% of the young people who received tutoring achieved all three targets and 100% achieved at least one target and partially met the others. 99% of all children and young people said their confidence against their targets had increased.

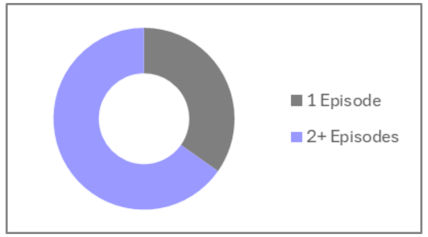
100% of Personal Education Plans (PEPs) have taken place. In July 2024, 94.32% were recorded, 0.41% were current and 5% are overdue.

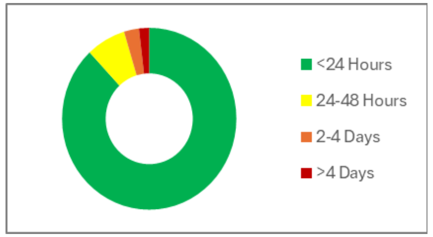
PEP quality audits over the last year rated 74% as good, 97% as satisfactory or above and 2.37% as ‘need for improvement’.

The Safety of our Looked After Children









Children who went missing

- **138 children who were Looked After went missing during 2024-25:**
  - 87 were male (63%) and 51 were female (37%).
  - 90 were aged 16 and over (65%), 48 were aged 15 and under (35%).
  - 90 went missing more than once (65%).
  - There were 1327 missing episodes throughout the year.
  - 1168 episodes where the child was missing for less than 24 hours (88%).
  - 97 episodes where the child was missing between 24 and 48 hours (7%).
  - 37 episodes where the child was missing between 2 and 4 days (3%).
  - 25 episodes where the child was missing for over 4 days (2%).

All 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.

Children involved with the Youth Justice Service or at risk of exploitation

- **The Youth Justice Service worked with 20 looked after children during 2024-25.**
- A further 2 children became looked after due to being securely remanded to our care.
- 5.4% of the YJS caseload in 2024-25 were looked after children.
- Looked After Children aged 10-17 are overrepresented within the YJS cohort.
- During 2024-25 65 children were subject to ESCC SAFER operational oversight and therefore categorised as being at high risk of exploitation.
- 12 of these children were looked after by East Sussex, 8 were female and 4 were male.
- 5 of these children were deemed to be at risk of sexual exploitation and 4 deemed to be at risk of criminal exploitation. 3 children were at risk of both criminal and sexual exploitation.

My Voice Matters

Permanence provides an underpinning framework for all social work with children and families from family support through to adoption. One of the key functions of the care plan is to ensure that each child has a plan for permanence by the time of the second review, as set out in the statutory guidance to the 2002 Act.

IRO Handbook

My Voice Matters is the East Sussex approach to children's statutory Looked After Review meetings. Children's voices sit at the heart of their reviews, and review documentation is prepared in a way that ensures each child can understand their plan

Independent Reviewing Officers have the confidence and knowledge to bring a critical perspective to plans for some of the most vulnerable children in our county. In 2024-25 Independent Reviewing Officers had a specific focus on quality assurance of permanence planning, Life Story Work and later life letters for children

1,563 individual My Voice Matters Meetings were held in 2024-25
89% of My Voice Matters Meetings were held early or on time
This was a slight decrease on the previous year but primarily reflected decisions made in children's best interests or to ensure continuity of the IRO relationship.

Children are increasingly using the Mind of My Own App to contribute their views in advance of the meeting.
92% of Children aged 4+ participated in some way in their review process during 2024/25, which was consistent with the previous year.

What the key performance indicators are telling us

Overall performance is encouraging, remaining consistent despite the demand pressures, and there has been improvement across several key indicators

Whilst the rate of children looked after per 10,000 has increased slightly, ESCC is consistently lower than the all-England rate and below rates expected for IDACI

Although the average SDQ score has declined slightly from last year, the number of assessments completed has vastly improved, which is the result of an action plan developed to address this

The adoption data shows an improvement in performance across most timeliness measures, although with a slight decrease in the total number of adoptions

LAC with 3 or more placement moves shows a significant improvement but the national sufficiency issues regarding placement availability remain

Percentage of dental checks completed has improved again but continues to be closely monitored by the strategic health team who are trying to improve dental capacity and availability for LAC locally

Performance across the Care Leaver indicators has remained relatively constant, although there has been a reduction in EET for 17/18-year-olds

School age children who identify as being looked after also report significantly poorer levels of healthy behaviours and emotional well being; this is an area in need of focus

Corporate Parenting Panel

The Corporate Parenting Panel met 4 times during 2024-25 to discuss regular agenda items including:

- Regulation 44 Quarterly Summary Reports and Ofsted Inspections for our Children's Homes
- Looked After Children Statistics Report

In addition to scrutinising reports and inspection data the Corporate Parenting Panel contributed to service development and improvement through focused sessions on:

- Lifelong Links & Family Group Conferences
- Family Time (Community Family Work Service)
- The Annual Report of East Sussex Fostering Service
- Children in Care Council (CiCC) Pledge presentation by CICC and Care Leavers Council
- Placement & Commissioning Team presentation
- 'My Things Matter' presentation by CICC and Care Leavers Council
- Recognising Care Experience Formally As An 'Additional Category' in Equality Considerations
- Independent Reviewing Officer (IRO) Annual Report

Our Elected Members regularly support events and visit services

How we Evaluate Practice

Audit Activity 2024-25

All services undertake monthly audit activity across children's files. In 2024-25 this has helped us to understand issues relating to children's mental health, participation in meetings, the role of the IRO, quality of life story work and the strength of multi-agency partnerships. We also identified areas for development relating to supervision and recording.

The Service undertook Thematic Audits focussed on Life Story Work and Pathway Plans and 2 Thematic Audits focussed on the quality and impact of Foster Carers' Supervision

Learning from Audits:

- Audits evidenced robust, child focussed practice including effective multi-agency working
- In most cases children had up to date health and dental assessments, reviews were timely, and care leavers were in suitable accommodation
- Timely competition of Placement Plans showed steady improvement
- Strong, professionally supportive relationships between foster carers and supervising social workers were clearly visible; however, areas for improvement were identified in relation to supervision records
- Foster carer supervision is now completed on an electronic form which supports better management oversight; a follow-up audit indicated improved but inconsistent practice
- Improved practice in relation to recording and review of Delegated Authority was needed, a focused audit is planned to review progress

Key Activity Across LAC Teams

Looked After Children's Teams provide services for children up to age 18 who are in the care of the local authority.

The service has strong retention which ensures that children experience long lasting relationships with workers who they know and trust.

This year has been about driving best practice across services and embedding innovation.

- Refining Valuing Care Panel and process
- Developing Heading Home – our approach to reunification
- Life story work – piloted student project and now embedding across teams
- Lifelong links, an expectation for all children in our care supported by a review of relationships at age 15
- Reviewed permanence policy and strategy with a view to establishing a permanence lead to drive this agenda across the child's journey
- Enhancing overall performance to ensure consistent good practice across all children's plans, records and experiences

Key Activity Through Care Services

The Through Care Service works with children and young people from age 14 to ensure a smooth journey towards independence. Young people move across to the service at a time that is right for them.

East Sussex County Council has adopted Care Experience as an Additional Characteristic and developments have continued to extend the wider corporate parenting role across all agencies in East Sussex.

The Local Offer has been reviewed and is shared with all young people ensuring they are aware of the support available to them.

East Sussex has strengthened support through a range of initiatives:

Housing & Accommodation:

- The Care Leavers Housing Protocol was reviewed to improve housing pathways.
- A Rent Guarantor pilot scheme has enabled access to better quality private rentals.

Relationships & Wellbeing:

- Lifelong Links promoted meaningful connections with family and significant adults.
- Health and Wellbeing Project gained national recognition.

Communication & Engagement:

- Facebook notice board and co-produced monthly newsletter keep young people connected.

Safeguarding & Risk Management:

- 18+ Risk Assessment Panel introduced to address ongoing safeguarding and exploitation risks.

Local Groupwork:

- Weekly sessions in Eastbourne and Hastings offer lunch, careers advice, and mental health support.

Transitions & Specialist Support:

- The Through Care Team (TCT) worked closely with Adult Social Care to support care leavers with mental health or trauma-related needs.

Digital Access:

- Laptops and Wi-Fi were provided to support education, employment, and family contact.

Employment & Skills:

- The Care 2 Work Strategic Group expanded training and work experience opportunities.
- The Skills Journal was launched to help track progress and development.

Separated migrant young people

- The government started processing asylum claims again in summer 2024, reviewing elements of the Illegal Migration Act 2023 which had prevented asylum seekers progressing their claims. This has resulted in more timely decision making for young people.
- The Home Office are refusing a high number of claims made by children seeking asylum; this is across the nationalities (excluding Sudanese and Eritrean) and is resulting in increasing numbers becoming All Rights Exhausted and the team undertaking Human Rights assessments.
- There is also a delay in the system for appeals which can mean young people are waiting up to two years, this results in a higher number of over 18's without rights to rent and gain employment. Those who turn 18 under appeal are completely reliant on ESCC for housing and living costs and had no access to the usual 'move on' housing routes. This puts considerable stress on the post 18 housing provision. The funding from the Home Office drops by 70% when a young person turns 18, this amount does not cover the costs of accommodation locally.
- The Preliminary Information Meeting (PIM) system is back in place for our Sudanese and Eritrean young people, this means they are receiving more timely decisions. Those over 18 with refugee status are increasingly turning to private rental house shares due to the lack of supported move on options available locally.
- The numbers of young people age disputed dropped this year, meaning fewer age assessments were required.
- Our Welcome to the UK day continues to be a success, a follow-up third day has been trialled to cover more topics such as substance use and relationships. The Refugee Council use our Welcome to the UK sessions as their example of best practice to other local authorities across the UK.

Separated migrant young people (continued)

- The service continued to explore a range of new education offers for Separated Migrant Children, including partnering with a local college to start a summer course for those who have struggled to access mainstream education or arrived too late to start the school term.
- The EALS (English as an additional language service) attend our lunch drops ins, providing our young people not in education or training with crucial English learning opportunities.
- Joint work has continued with health colleagues to improve the health offer to our young people. Young people are now able to access blood screening at their Initial Health Assessments, which supports prompt health interventions for those with potential blood borne diseases.
- The service worked closely with the local migrant support services for adults, information sharing and seeking community support for our care leaving cohort. We have 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 football activity days with Brighton and Hove Albion.
- Our young people continue to have access to My View, a Refugee Council therapy service specifically for refugee young people. The young people's feedback remains very positive about the impact this therapy had on their wellbeing.

Health Offer for Children in Care

LAC Operational Health Partnership

Health and Social Care Managers meet quarterly to share learning, address concerns and drive forward service developments relating to the health and wellbeing of children in care.

Key priorities for 2024-2025 have been:

- Working in partnership with Health Commissioners to develop a Pan-Sussex Health Strategy for Looked After Children and Care Leavers to better address physical and emotional health and wellbeing need.
- Dental checks and Immunisations
- Initial and Review Health Assessments
- SDQs
- Access to health care for separated migrant children
- Priority pathways and enhancing knowledge and skills to meet the needs of children with complex needs

NHS
East Sussex Healthcare
NHS Trust

The Children in Care (CIC) nursing team works in close partnership with children, young people, their carers, social workers and local authorities to ensure that children and young people's health needs are supported during their time in care and as they leave care.

The team work as health advocates and are involved with the assessment, planning and delivery of health services for looked after children and young people. All our nurses are registered nurses with additional experience and qualifications in areas such as health visiting, school nursing, sexual and mental health, and drug and alcohol support.

All ESHT children 0 -19 years have been allocated to individual specialist nurse caseloads so the children can form meaningful relationships with their specialist nurse throughout their time in care, and this model is now well embedded and favourably received from staff. There are currently 716 East Sussex Children, additionally the team undertake work for over 300 children placed by other local authorities (OLA). Work has continued around ensuring that statutory health assessments are a positive, person-centred and valuable experience, written in child centred and accessible language which is all helping to build positive relationships and improve the experience for the children we care for.

Work with colleagues across the system has embedded a one-stop clinic for unaccompanied asylum seekers

We aim to provide all young people aged 16-18 years old in care with a summary of their health since birth. The health summary is a small booklet which contains birth details, immunisation and health history (if available). The summary is unique to the child can be updated it at any time. The information in the health summary is confidential and is only shared with the child. The health summary also contains useful information about accessing health services and useful tips about staying healthy.

In addition to statutory health reviews, the nurses also offer health advice and information for children in care, their social worker and their carers, support for children in care to attend health appointments, information and support around a range of issues, including:

- stopping smoking
- healthy eating and weight
- relationships
- safe sex
- drug and alcohol awareness
- support for leaving care

Education & Development Support

'I just wanted to let you know, B received the highest Maths score in her class, and she is also moving up a set'

'Reports from his Maths teacher are that he is now on track to achieve a pass in Maths at the end of Year 11. A year ago, he was unable to attend Maths lessons'

The Virtual School's (VS) strategic role to promote the educational outcomes for children with a Social Worker has continued to develop and this year included children in Kinship care. The VS worked with social care and education teams across the authority on attendance, inclusion and special education needs. We provided advice and information to social workers, other support services, schools, parents of adopted children and kinship carers. We worked with the Designated Safeguarding Leads Network and SENCos in schools. We have continued to develop the Master Series in Education for Social Workers and Early Help workers and delivered training to new social workers.

The VS works in partnership with post 16 providers .This partnership involves schools and colleges, post 16 trainers, Universities, the Youth Employment Service and post 16 leads in education. Discussions within the partnership have included bursaries, Widening Participation opportunities and the use of the Vulnerable Learners Protocol to ensure that all staff in post 16 establishments are aware of the needs of our learners.

The Care to Work Group brought staff from across the LA together to ensure that our young people have access to existing employment and training opportunities and to develop opportunities. Work with Balfour Beatty and the John Lewis Partnership is ongoing. We are currently looking at how best to ensure that Care Leavers benefit from Connect to Work and other national schemes.

The VS training offer included Designated Teacher (DT) training, attachment training, Personal Education Planning training and an Education Master Series for Social Workers. 271 delegates attended training in addition to those trained as part of whole school training. The VS held Educational Psychologist advice sessions for schools, DT network meetings and a book club focused on an article of key interest e.g., FAS. We have also provided training for foster carers, residential care staff and alternative providers.

The Children in Care Council (CiCC) led a workshop activity on how care and education services can support them. They have worked with the VS to produce newsletter articles for Designated Teachers on their experiences and thoughts on effective support. The articles have been used as a basis for discussion in training .

Children In Care Achievement (CiC) Awards: Children were nominated in the categories of educational achievement, positive contribution, personal achievement and skills and talents. Awards ceremonies took place for younger and older age groups.

We also funded and supported 94 requests for Alternative Provision for 56 young people (43 last year). We worked with 21 different Alternative Providers covering a range of subjects and activities including working on a farm, martial arts, forest skills and music

Our Residential Children’s Homes

Residential Children’s Homes

Brodrick House – 3 Children

Ofsted grade: ‘Good’ (October 2024)

“Children say they feel safe and have established positive relationships with adults who they can trust. One child said, ‘My support worker is the best, and she tries to get stuff done when I have opened up to her about things, and she has supported me well.’ Children’s individual needs are considered regarding education and development. Various options are explored to ensure that children remain engaged. For example, one child loves animals and volunteers two days per week at a local zoo and has tutoring alongside this.’

Hazel Lodge – 4 Children

Ofsted grade: ‘Good’ (January 2025)

“Children enjoy quality time with the people who are important to them and speak positively about family time.

Staff worked tirelessly to reduce risks for the child and gathered key information to help them to accurately assess and reduce the risks. Staff say that the new manager supports them well. Professional’s praise the manager’s calm and nurturing approach to the children and their communication with professionals.”

Homefield Cottage – 4 Children

Ofsted grade: ‘Good’ (June 2025)

“Staff know the children well. This is because they take time to understand the children’s needs and behaviours. A positive culture of safeguarding is established in the home. Staff value multi-professional working to best support children. A professional from the Child and Adolescent Mental Health Service (CAMHS) attends team meetings regularly. Senior leaders and managers are supportive of staff and each other. This has created a positive work environment where staff can learn and develop.”

Silver Birches – 5 Children

Ofsted grade: ‘Good’ (August 2025)

“The staff team is diverse, and staff say that they feel well supported. Children are encouraged to make connections with their local community and are involved in clubs and sports, such as horse riding, martial arts and football. This provides children with opportunities to develop a sense of belonging. staff have effectively supported children to improve their behaviours and relationships with one another. Children say that they feel safe and can talk to adults about personal matters that are important to them. Leaders and managers have effective processes in place.”

Homes for Children with Disabilities

Acorns
Ofsted grade: ‘Good’ (May 2025)
“Children have strong relationships with staff. Children have teams of dedicated staff who provide consistent care for them.
Moves have been well managed. Managers have thoughtfully assessed the impact of these moves on the children.
Staff have helped the child to learn how to express their feelings and wishes safely
Staff are highly effective at working with health professionals. They work closely with specialist health professionals to monitor, assess and treat children’s complex health needs.”

Registered for up to 8 young people, who have a high level of complex needs and profound disabilities. In 2024-25 Acorns provided care for 2 young people whose needs required enhanced support.

The Bungalow
Ofsted grade: ‘Good’ (April 2025)
“The home is welcoming and homely, with the children’s photos displayed proudly in the communal areas. The children’s bedrooms are highly personalised, and children enjoy spending time in their bedrooms.
Staff are knowledgeable about the risks for the children. They are highly informed about the children’s vulnerabilities. A new deputy manager has been appointed, who is an experienced practitioner and has a wealth of understanding about the children’s complex needs.
Supervision sessions are of good quality and include feedback about practice, learning from incidents, and discussions about the children.”

Registered for 8 children aged 7-19 providing full time accommodation and quality care to children with complex needs and disabilities.

Lansdowne Secure Children's Home (LSCH)

Lansdowne provides secure care and education for up to 7 children accommodated under section 25 of the Children Act 1989. Children are placed by local authorities from across the country. The home reopened in February 2024 following temporary closure.

Ofsted rated 'Good' June 2025

"Children told inspectors that they feel safe and always have someone that they can talk to if they are worried about something.
Children's care plans are informed by children's views and aspirations.
Children meaningfully contribute to their plans and understand what support they will receive.
Children recognise their achievements and staff support them wholeheartedly. This assists children to grow in confidence and self-belief.
The work staff do helps children to change their thinking, attitudes and behaviours and to develop a positive outlook for their futures.
When children attend their lessons, they make considerable progress and rapidly develop new knowledge, skills and behaviours that will help them to be successful in their next steps."

We have accommodated a total of 8 children over the last 12 months from six different local authorities. The average length of stay for each young person is 6 months, with 1 young person being in placement for more than 12 months.

The Health Team has significantly changed over the last 12 months following a successful recruitment drive
We participated in the SAN Games (Secure Accommodation Network) and came 3rd overall, although weighting in respect of the size of the home, announced we came 1st for the 2nd year in a row.

We have successfully implemented a new electronic recording system called ClearCare which has improved both management oversight and reporting functionality across our multi agency teams.

We have implemented a SharePoint site to hold and share multi agency policies, procedures, training and guidance which has significantly improved shared understandings and effective communication for all.

The high-quality, creative in-house Education offer led by skilled teachers and support staff is now also looking at the 52 week a year, waking day curriculum in conjunction with the care team.

Steering Groups including DfE, SAN and NHS England remains in place.

Placements & Commissioning

This year we restructured the Fostering Duty Team to create a Placements and Commissioning Service which is better equipped to meet the challenges of the current children's care market. The team has already evidenced improved processes, challenge, oversight and market engagement

Close partnership working with social work teams and providers allows the service to anticipate and contingency plan for children who are in, or on the edge of care

As part of the restructure, our new Brokerage Team will drive best value discussions, lead on commissioning, frameworks and local sufficiency; allowing Children's Placement Officers to focus on needs-led discussions with providers and ensuring that the cost of care directly benefits children

We have worked with a local partner to enhance our approach to commissioning, in 2025-26 whole staff training is planned alongside specific upskilling of relevant roles.

We continue to see value from having a mixed management team with skills drawn from across social work and residential services, we are also benefitting from closer commissioning relationships with colleagues in SEND

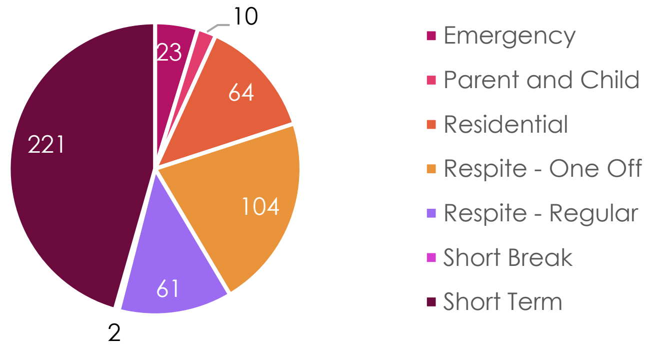
Working with providers is an essential part of our approach; we run Provider Forums and offer support with Regulatory compliance / preparing for inspection. These relationships support enhanced due diligence and quality assurance as well as ensuring that we understand regional sufficiency pressures and risks

Managers from across the Placements and Commissioning Service have been working closely with the South East Regional Care Cooperative (RCC) to inform the development of the Pathfinder program and benefit from shared learning and engagement opportunities. RCCs were introduced in response to the DfE 2023 paper 'Stable Homes, Built on Love and 2024 Keeping Children Safe, Helping Families Thrive. They aim to address escalating costs, placement shortages, fragmented commissioning and workforce challenges. The South East RCC vision is:

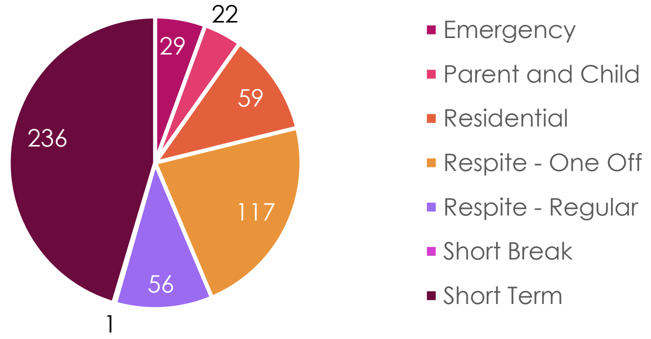
"We will provide the right care for you that is available locally and when needed. We will be loving, caring and consistent with high aspirations for you. We will listen to you, put your needs first and will not give up on you."

Placements & Commissioning (continued)

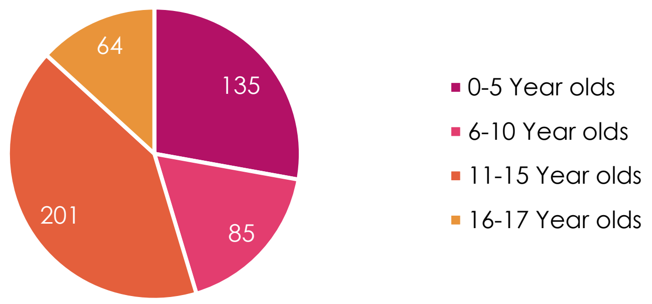
Duty referrals data 2024/2025



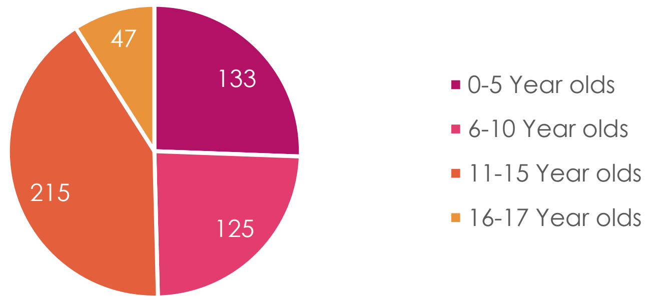
Duty referrals data 2023/2024



Referrals by age band 2024/2025



Referrals by age band 2023/2024



The Placements & Commissiong Team managed 485 Referrals in 2024/25, compared to 520 Referrals for the previous year .

Referrals relate to children who are new to care and those who need an alternative arrangement either long-term or temporarily. Not all children who move between placements will have a new referral, the team are typically working with high numbers of open searches.

Referral ‘type’ was broadly similar to the previous year, with most children being referred for short-term foster care. Around 30% of referrals are requests for ‘respite’.

Referrals for children aged 6-10 were significantly higher than in the previous year, whilst fewer 16-17 years olds were referred.

Fostering Recruitment and Retention

East Sussex Fostering Service supports 259 active fostering households.

2024-25 saw the highest number of enquiries in five years and a strong conversion rate of 33% from home visit to approval, this led to a net increase of 17 fostering households and 25 places.

New 2024/25 ESCC system of removing the Q&A call from the recruitment process to improve response to assessment speed when relevant. This is reflected in a Q&A call volume reduction and an increase in home visits.

In 2024-25 East Sussex was part of a Regional Fostering Hub pilot scheme – moving forwards we aim to build on existing relationships with neighbouring local authority fostering services, sharing best practice and combining resources for collaborative projects whilst maintaining our distinctive identities.

Recruitment	**2019/20**		**2020/21**		**2021/22**		**2022/23**		**2023/24**		**2024/25**	
Enquiries	260		228		200		274		237		276	
Q&A calls	106		95		69		79		70		23*	
Home visits (IV)	68		50		33		43		45		90*	
Approvals H/holds > places	22	39	20	30	14	21	24	40	26	38	30	47
Targets	30	44	30	44	30	44	25	44	26	44	36	50
Conversion												
Enquiry to IV	26%		21%		17%		16%		19%		33%*	
Enquiry to approval	8%		9%		7%		9%		11%		11%	
IV to approval	32%		42%		42%		56%		58%		33%*	

Foster Carers	2023/24	2024/25
Approved households/places	26/38	30/47
Deregistrations households/places	18/39	13/22
Net households/places	+8/-1	+17/+25

*New 2024/25 ESCC system of removing the Q&A call from the recruitment process to improve response to assessment speed when relevant. This is reflected in Q&A call volume reduction and increase in home visits.

Fostering Recruitment and Retention (continued)

Payments and allowances uplift April 2024 - Foster carer payments now in line with National Minimum Allowance (NMA), this is supporting recruitment and retention, improved focus on fostering and wellbeing, increased transfer enquiries

Training and development - Launched new digital foster carer handbook housing all updated policies, processes, information and guidance, a new resource bank and Learning Pool platform

Retention and placement stability - Continued development of Buddy scheme, GEM scheme (recognition awards) and Young People Who Foster council whose attendance doubled during the 2024 calendar year

Launched first ESCC Mockingbird Constellation – Year 1 funded by DfE in partnership with The Fostering Network the model creates a familiar network of six to ten fostering families around an experienced fostering household, known as a Hub Home

The Placement Support Service - continues to work with some of our most vulnerable cared for young people, helping to stabilise their placements and prevent them from breaking down

Children in Care Council

The Pledge The pledge was relaunched in September. CICC worked with designers at County Hall to rebrand it with their own vision. A section was added on LGBT+ and neurodiversity, the colour purple was used as this represents awareness for children in care.

My Things Matter The My Things Matter box was designed to be given to young people when they are moving to protect their belongings. This is a sustainable project with the boxes being returned and reused. We also provide free canvas holdalls which can be kept by the young person.

National Participation - A National Voice (ANV) CICC have an ongoing working relationship with A National Voice. They have continued to support the 'Stable Homes, Built on Love' strategy this year sharing their thoughts and feelings based on the areas for improvement. Their top 3 were: mental health support, building and maintaining good relationships and having enough good foster carers. These will be forwarded to the new Children's Minister Janet Daby who will include their comments in her report to Government.

Junior Consultation The CICC ran a creative session with a group of junior children aged 7 -11. They discussed the key messages that junior children feel adults working with them should know. This included what makes a happy place to live, what things make the best social worker or carer and who do they talk to if they have any worries.

Youth Voice Sussex CICC members joined other East Sussex youth voice groups for a consultation event, designed to gather thoughts and ideas to help shape ESCC resources for young people's mental health as well as discussing the quality and content of PHSE lessons in secondary schools across Sussex. They also participated in the annual Reconciling Policy, Performance and Resources (RPPR) meeting attended by Becky Shaw – CEO and Carolyn Fair, to discuss priorities to inform planning within children's services.

Corporate Parents and Senior Management Team CICC attended the Corporate Parenting Panel twice this year, presenting the new pledge and My Things Matter. They met with Kathy Marriott and Cllr Bowdler on a separate occasion and hosted a large meeting with CPP and SMT which included an official signing of the Pledge

Recruitment CICC members continue to be involved in recruitment panels for new staff including panels for newly qualified social workers and also for the new assistant director.

Brighton University 3 CICC members facilitated their annual two-hour lecture at Brighton University for students on the social work degree course.

Virtual School CICC have worked with the Virtual school several times this past year, writing articles for their newsletters and co-hosting an event at Bedes school, for decision makers to hear the feedback from a recent survey by Coram Voice on issues previously highlighted by looked after children in East Sussex.

Funding CICC have secured an extra **£1,023** in extra funding this year from the HAF Government scheme. ESFCA have donated 60 plastic boxes for My Things Matter. Madlug have donated 600 canvas holdalls. Virtual school have funded First Aid training and Citizencard have agreed to provide these for free to any looked after child aged 16-18 in East Sussex and this will continue into 2025.

SUSS it (Speak up Sessions) Through different engagement opportunities with children and young people throughout the year, there have been **55** issues advocated for. These continue to be extremely successful giving **87** children and young people an opportunity to speak up about their own individual issues.

Care Leavers Council

- The Care Leavers Council meets monthly and continues to be involved in service development, this year they have reviewed the Local Offer and are working to develop a peer mentoring scheme.
- Young people took part in a variety of consultation events, such as the South East Youth Participation Collective and the Youth Cabinet,
- Young people regularly participated in ESCC Corporate Parenting Panel.
- Young people represented East Sussex at National Benchmarking events and one of our young people continues to attend and host national events as a Young Persons Legend.

LAC Service Budget

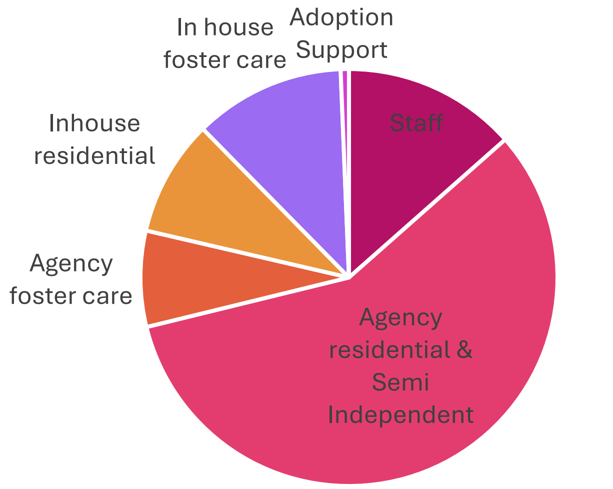
The LAC Service budget represents 35% of the overall Children's Services budget and 9% of the council's budget.

In 2024-5 the LAC Service budget was £68m.

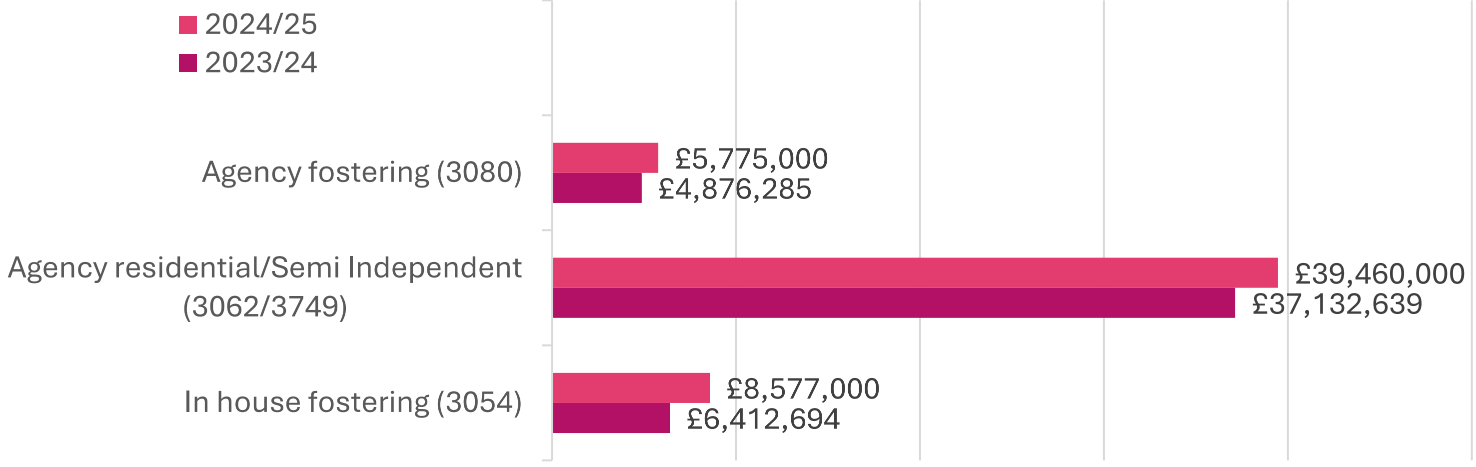
The net spend of the service exceeded the budget by £9m. A significant portion of this overspend was attributable to a small number of children with complex needs who required bespoke provision with high agency staff ratios

Agency Residential and Semi-Independent accommodation continue to represent the greatest pressure within the budget.

Use of Resources 2024/25



Outturns 2023/24 to 2024/25



Pressures

National Increase: England saw a 24% rise in looked after children from 2010 to 2020, with rates increasing from 57 to 67 per 10,000 children.

East Sussex Trends: 13% increase in looked after children from 2021 to 2025 (611 to 691). Rate rose from 59.7 to 66.7 per 10,000 — above statistical neighbours but below the IDACI expected rate of 70.0.

Complexity of Need: Post-COVID, children's needs have become more complex, prompting changes in placement types.

High-Cost Placements:

- Reflecting national trends, ESCC has seen a rise in placements costing £10,000+ per week.
- Average weekly cost of high-cost placements rose 8% to £16,063; placement duration in this category increased by 43%.
- Access to Tier 4 and Continuing Care framework remains challenging due to health service capacity.

Market Pressures:

- New Supported Accommodation Regulations have led to increased costs and risk transfer to local authorities.
- Providers' reduced risk appetite has driven up solo, high-cost placements, especially for children requiring DoLs (Deprivation of Liberty Orders) or intensive staffing.
- Local DoLs usage has increased, mirroring national trends and highlighting secure bed shortages.

Mitigation Measures and Impact

Family Support	**Connected Coaches**: £0.65m in savings through reunification, £6.02m in cost avoidance keeping children safely at home **CFIP:** £1.86m in cost avoidance by reducing: Child Protection and Child in Need plans, assessments, re-referrals, and pre proceedings meetings
Market Management	**New Placements & Commissioning Service:** Actively challenges provider price increases, strengthens accountability, expected to deliver further impact in 2025/26 Continued use of local frameworks with regional partners during RCC rollout and Regional Fostering Collaboration In-house Fostering and Residential occupancy scrutinised through a business lens to ensure efficient use of resources
Reunification Strategy	**Heading Home:** Local Framework developed using evidence-based best practice Training Programme refreshed with Webinars, operational guidance, practice-led drop-ins Valuing Care Panel removes barriers to reunification. Strategy integrates wrap around support Social Workers lead reunification plans with tracked timescales and reparative work
Integrated Commissioning & Care	**Ongoing work to increase health contributions to care packages** Working with Regional Care Cooperative (RCC) to address cost of increased complexity of need. Regional work through SESLIP on Continuing Care framework for children and young people
Strategic Context	**All actions aligned with wider change agenda: Children's Social Care reform, Devolution and Regionalisation**, Legislative change under the Children's Wellbeing and Schools Bill Placement spend mitigation continues as business as usual

Priorities for 2025 - 2026

Whole Service

Review and embed language that cares throughout all our documentation and when speaking to children, carers and professionals

Digital strategy – enhance overall data capture and analysis by contributing to the Data and Dashboard project / implementation of the Provider Portal / Digital Life Skills Solution / launch of ePEP and roll out of ClearCare

Continue to ensure child's needs-led discussions via a Valuing Care approach

Engage with ESCC Children's Services' Transformation Agenda, and the opportunities offered through the Regional Care Cooperative

Develop closer relationship with Public Health to better understand and respond to the mental and physical health needs of the children in our care as well as enhancing our approach to community safety, housing supply and the needs of Separated Migrant Children

Operational Services

Implement Heading Home strategy to increase the number of children successfully enabled to return to family networks

Review the Contact Service to better deliver Family Time

As part of Families First Transformation, transition care proceedings work across to LAC Services

Embed Care Experience as an additional protected characteristic

Assist key partners to understand Corporate Parenting responsibilities, how they can contribute to the local offer

Focus on ensuring opportunity and engagement in learning

Development of permanence strategy and action plan to improve conversations around permanence throughout the child's journey

Respond to the opportunities of LGR and Devolution particularly in relation to housing supply for children who are moving though care into independence

Provider Services

Strengthen market management of children's residential care to ensure services deliver value for money, while maintaining high standards of care and improving outcomes for children

Invest in closer partnership with neighbouring authorities to increase the number of foster carers across Sussex

Embed Mockingbird and deliver a second constellation,

Open Seaside Short Breaks Service for children with complex needs and learning disabilities.

Increase capacity at Lansdowne Secure Home

Continue to invest in a resilient, skilled residential workforce

Review the Placement Support Service to increase flexible support for children and their carers

Enhance quality and meaning of supervision

Children’s Services Annual Reports 2024/25

INDEPENDENT REVIEWING OFFICERS

ANNUAL REPORT 2024/2025

Sue McGlynn, Dawn Price and Magdalena Kaiser, Safeguarding Operations Managers

East Sussex County Council

East Sussex County Council

LADO SERVICE ANNUAL REPORT 2024-2025

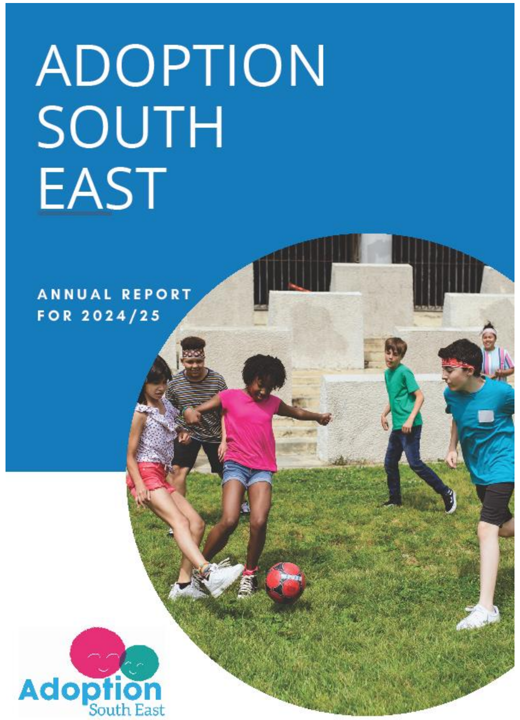
Donna Davis
Local Authority Designated Officer

Annual Report 2024/25

East Sussex County Council Fostering Service

East Sussex County Council

East Sussex Fostering



Treasury Management Strategy Statement 2026/27

Including Minimum Revenue Provision Policy Statement and Annual Investment Strategy

CONTENTS

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."

As set out in the RPPR Budget report to Cabinet on 27 January 2026, due to the Council's overall challenging financial position, the Council has applied to government for Exceptional Finance Support (EFS) for 2026/27 in the form of a capitalisation direction. If approved by Government, this would allow the Council to treat certain types of revenue expenditure as capital expenditure, allowing them to be funded by borrowing or capital receipts as opposed to from the revenue budget. The impact of this on the Council's borrowing strategy and treasury management activity has been reflected in this TMSS, with specific implications separately reported where possible to explicitly demonstrate financial implications.

Whilst any commercial initiatives or loans to third parties will impact on the treasury function, these activities are generally classed as non-treasury activities, (arising usually from capital expenditure), and are separate from the day-to-day treasury management activities.

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, quarterly treasury reporting is incorporated into the quarterly Council Monitoring process.

1.3 Treasury Management Strategy for 2026/27

The strategy for 2026/27 covers two main areas:

Capital issues
- the capital expenditure plans, including expenditure allowable under capitalisation direction, (section 2) and associated prudential indicators (Annex C);
- the minimum revenue provision (MRP) policy (Section 3).

Treasury management issues
- the current treasury portfolio position (section 1.5);
- the borrowing strategy (section 2);
- policy on borrowing in advance of need (section 2.4);
- debt rescheduling (section 2.5);
- the investment strategy (section 4);
- creditworthiness policy (section 4.4);
- the policy on use of external service provider (section 5.3).
- prospects for interest rates (Annex B); and
- treasury indicators which limit the treasury risk and activities of the Council (Annex C);

These elements cover the requirements of the Local Government Act 2003, MHCLG Investment Guidance, MHCLG MRP Guidance, the CIPFA Prudential Code and the CIPFA Treasury Management Code.

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 Portfolio Position

A summary of the Council's borrowing & investment portfolios as at 30 November 2025 and forecast at the end of the financial year is shown in **Table 1** below:

Table 1	Actual at 30 November 2025			Forecast to 31 March 2026		
	£'000	% of portfolio	Average Rate	£'000	% of portfolio	Average Rate
Investments						
Banks	11,000	15%	4.07%	10,000	20%	3.80%
Local Authorities	35,000	47%	4.35%	25,000	50%	4.25%
Money Market Funds	22,800	31%	4.05%	10,000	20%	3.75%
CCLA Pooled Property Fund*	5,000	7%	3.90%	5,000	10%	3.90%
Total Investments	**73,800**	**100%**	**4.20%**	**50,000**	**100%**	**4.03%**
Borrowing						
PWLB loans	200,142	100%	4.38%	200,142	100%	4.38%
Market loan	-	-	-	-	-	-
Total external Borrowing	**200,142**	**100%**	**4.38%**	**200,142**	**100%**	**4.38%**

*£4,358,632 capital valuation 30 November 2025

2. BORROWING STRATEGY

The capital expenditure plans of the Council are set out in the Capital Strategy Report being considered by Full Council on 10 February 2026. 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, or expenditure allowable under capitalisation direction, 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 MTFP period to 2028/29.

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 2026/27

The Council has been carrying an internal borrowing position since 2019/20, which means that the capital borrowing need has not been fully funded with external borrowing as cash supporting the Council's reserves, balances and cash flow has been used as a temporary measure. This policy 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, and has been considered prudent as medium and longer dated borrowing rates are expected to fall from their current levels.

Modelling of the movement of reserves and the Council's capital expenditure plans previously demonstrated that the Council's long-term reserves could support a level of at least £75m of internal borrowing, mitigating the need to undertake new external borrowing. The borrowing strategy for 2026/27 will initially focus on meeting this borrowing need from internal borrowing; however, due to an increasing borrowing requirement, reducing reserves, and the recommendation to apply for Exceptional Financial support in the form of capitalisation direction, it is likely that the council will need to enter into new borrowing at some point during 2026/27.

Against this background and the risks within the economic forecast, caution will be adopted with the 2026/27 treasury operations. Interest rates in financial markets will be monitored and a pragmatic approach adopting to changing circumstances when considering the timing of undertaking any new borrowing.

Table 2 below provides a summary of the Councils' current borrowing portfolio and projected for future balances based on known maturity of existing debt. During the 2025/26 financial year, the last remaining market loan (with Barclays) was repaid early at a discount to the initial loan value. Therefore, all current borrowing is held with the PWLB.

Table 2 – Current Borrowing Portfolio				
2025/26 Projected £m		**2026/27 Projected £m**	**2027/28 Projected £m**	**2028/29 Projected £m**
212	External Debt at 1 April	200	195	190
(12)	In-Year Maturity	(5)	(5)	(6)
200	**External Debt at 31 March**	**195**	**190**	**184**
	Total Borrowing by Type:			
200	PWLB	195	190	184
-	Market Loans	-	-	-
200	**Total Borrowing at 31 March**	**195**	**190**	**184**

Table 3 below provides the Council's capital expenditure plans for 2025/26 and over the MTFP period to 2028/29 and how these plans are being financed, with any shortfall in resources resulting in a borrowing requirement. The Council's Capital Programme 2026/27 to 2028/29 forecasts £234m of capital investment with £183m met from existing or new resources, therefore resulting in a borrowing need of £51m over the next three years. There is £29m expected to be funded via borrowing in the 2025/26 Capital Programme, which is expected to be funded temporarily through cash balances.

The table also presents the additional borrowing requirement as part of the application for Exceptional Financial Support (EFS) in the form of a capitalisation direction. This allows local authorities to treat certain types of revenue expenditure as capital expenditure, allowing them to be funded by borrowing or capital receipts as opposed to from the revenue budget. The council intends to treat up to £70m of revenue spend as additional capital expenditure 2026/27 as part of the capitalisation direction.

Table 3 – Capital Programme Borrowing Requirements				
2025/26 Projected £m		**2026/27 Projected £m**	**2027/28 Projected £m**	**2028/29 Projected £m**
97	Capital Expenditure	102	72	60
(68)	Capital Programme Funding	(72)	(57)	(54)
29	**Capital Programme Borrowing**	**30**	**15**	**6**
-	**EFS Capitalisation Direction Borrowing**	**70**	**0**	**0**
29	**Total Borrowing Requirement**	**100**	**15**	**6**

Table 4 below shows the impacts of the borrowing requirement identified above against the Capital Financing Requirement (CFR). The CFR represents the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. Any capital expenditure which has not immediately been paid for through an identified funding, will increase the CFR. The CFR is reduced over time in the form of a Minimum Revenue Provision (MRP) charge, being a statutory annual revenue charge which broadly reduces the indebtedness in line with each asset's life.

The table also presents the impact of the additional borrowing requirement in the form of a capitalisation direction. Where revenue costs may be treated as capital expenditure by virtue of a capitalisation direction and the costs are financed by debt (borrowing), this will increase the council's CFR and MRP will be due. The MRP guidance recommends that MRP in cases of capitalisation direction should be charged over a maximum of 20 years.

Table 4 – Capital Financing Requirement				
2025/26 Projected £m		2026/27 Projected £m	2027/28 Projected £m	2028/29 Projected £m
292	Opening Capital Programme CFR	313	334	339
29	Capital Programme Borrowing (table 3)	30	15	6
(8)	Minimum Revenue Provision	(9)	(10)	(11)
313	**Closing Capital Programme CFR**	**334**	**339**	**334**
-	Opening Capitalisation Direction CFR	-	70	67
-	Capitalisation Direction Borrowing (table 3)	70	-	-
-	Minimum Revenue Provision	-	(3)	(3)
-	**Closing Capitalisation Direction CFR**	**70**	**67**	**64**
313	**Total Capital Financing Requirement**	**404**	**406**	**398**

**CFR in Table 4 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 5 below compares the forecast CFR position against the current debt portfolio to demonstrate how this is expected to increase the Council's under-borrowed position if no further borrowing is undertaken.

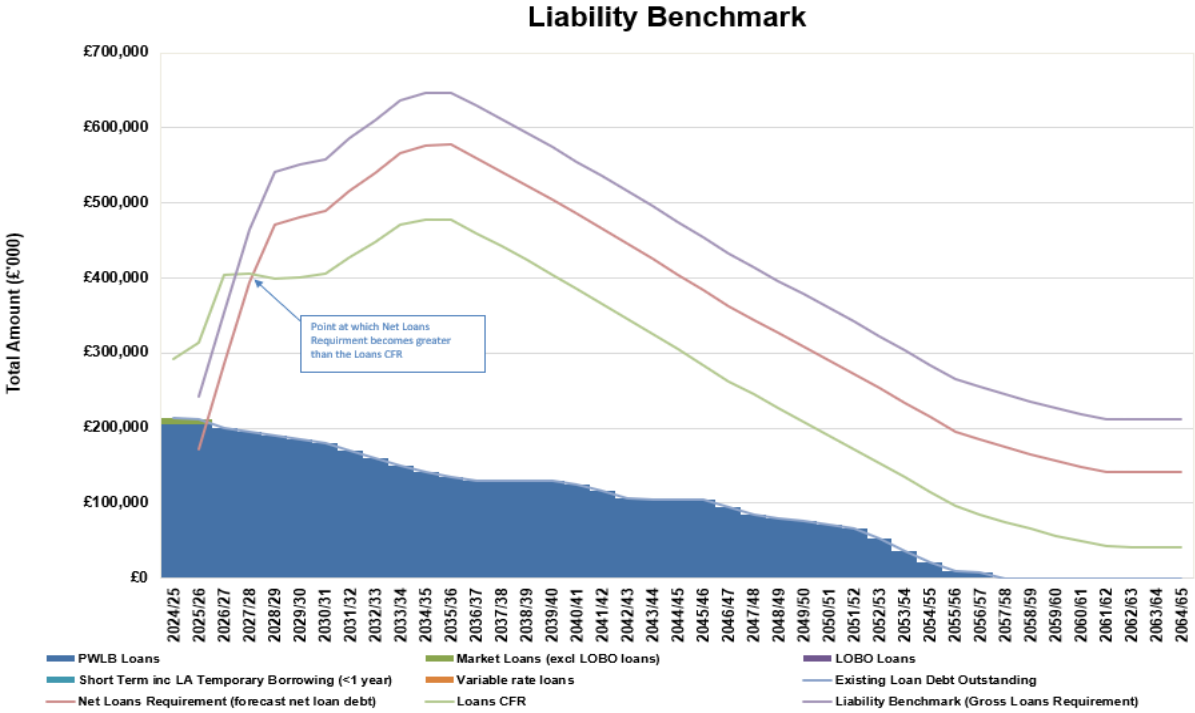
Table 5 – Level of Under Borrowing				
2025/26 Projected £m		2026/27 Projected £m	2027/28 Projected £m	2028/29 Projected £m
200	External Debt at 31 March (table 2)	195	190	184
313	Capital Financing Requirement (table 4)	404	406	398
(113)	**Level of Under Borrowing**	**(209)**	**(216)**	**(214)**

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 capitalisation direction, and is shown by the green line. The 2025/26 opening Loans CFR was £292m, and it is expected to peak at £478m in 2035/36. This only shows the Loans CFR projection based on the current capital programme of the Council, therefore if ongoing borrowing is required beyond 2035/36 then the CFR would rise further and for longer.*

3) ***Net Loans Requirement –*** *The expected net treasury position is shown by the red line. This shows a projection of the loans requirements measured by opening external debt for 2025/26 (£212m) less the opening external investments for 2025/26 (£115m). The projections are then based on the expected borrowing 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 debt than external investment as at 31/03/25, which is expected to continue into 2026/27 and beyond as reserves reduce and borrowing is required in the capital programme. The Net Loans Requirement also peaks in 2035/36 as a result of the end of current capital planning period.*

   The graph shows that the Net Loans Requirement will become greater than the Loans CRF value in 2028/29, suggesting that if the council's financial position continues as expenditure currently forecast, then the Council will need to borrow to finance its day-to-day expenditure in addition to its capital programme and applied capitalisation direction.

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 will need to externally borrow in 2026/27, and that the external borrowing requirement will peak at £647m in 2034/35, before falling.

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.

2.6 Interest Rate Risk & Continual Review

The total borrowing requirment in **Table 3,** as well as the debt at risk of maturity shown in **Table 6** below is the extent to which the Council is subject to interest rate risk. Note that the 2025/26 figure includes the early reapyment of the last remaining market loan (with Barclays) at a discount to the initial loan value.

Table 6 – Debt Maturity

2025/26 Projected £m		2026/27 Projected £m	2027/28 Projected £m	2028/29 Projected £m
12	Maturing Debt	5	5	6
0	Debt Subject to Early Repayments	0	0	0
12	**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 2026/27 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

Under Regulation 27 of the Local Authorities (Capital Finance and Accounting) (England) regulation 2023, where the Council has financed capital expenditure by borrowing, The Council it 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 2003 Regulations have been further amended with full effect from April 2025 to expressly provide that in determining a prudent provision local authorities cannot exclude any amount of CFR from its calculation, unless by an exception set out in statute.

The Ministry of Housing, Communities and Local Government (MHCLG) 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 Minimum Revenue Provision Policy Statement for 2025/26 forms part of the council's Treasury Management Strategy 2025/26 which was formally approved at Full Council on 11 February 2025. Under MHCLG guidance, when a local authority varies the methodology used to determine prudent provision, they should present a revised MRP statement to the next full Council or equivalent explaining the rationale for the change and the financial impact. Changes to policy or methodologies from the previously approved policy are:

- Clarity to the interest rate used for annuity calculations. It is recommended that annuity calculations use an interest rate based on the Council's average rate of all long-term external borrowing. This is a change from the previous methodology, which used a straight 2% interest rate on all charges, regardless of timing of expenditure and asset life. The revised methodology is considered to be a more prudent methodology for provision, as it better represents the Council's actual cost of borrowing and ensures that any decisions on further capital expenditure are based on the actual cost of borrowing. For histroical expenditure, the revised policy will be applied to the remaninng balance as at 31st March 2025 for each asset.
- Clarification on the policy for expenditure which is subject to a capitalisation direction.

It is recommended that this revised policy is applied for the 2025/26 financial year onwards, to ensure that prudent provision is made at the earliest opportunity.

The Council is recommended to approve the following MRP Statement for 2025/26 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.

- The interest rate to be used for annuity calculations will be the Council's prevailing average rate of all long-term borrowing as at the 31st March of the financial year in which the expenditure was incurred.

- Where the debt relates to expenditure which is subject to a capitalisation direction issued by the government, the council will set aside a sum equivalent to repaying the debt over a period consistent with the nature of the expenditure on an annuity basis for a maximum of period of 20 years in accordance with the Statutory Guidance.

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 that goes to write down the balance sheet liability.

Expenditure financed by borrowing will not be subject to an MRP charge until the financial year after the expenditure has been incurred, or in the case of assets under construction, MRP will be delayed until the relevant asset becomes operational.

There is the option to charge more than the prudent provision of MRP each year through a Voluntary Revenue Provision (VRP). The cumulative amount of any future VRP will be included in the MRP Policy Statement to enable the Authority to 'offset' this against future MRP charges. To date there has been no VRP made by the Authority.

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 MHCLG 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:

- MHCLG'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 2026/27

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 and the Councils' ongoing challenging financial position, it is considered appropriate to maintain a large degree of liquidity to cover cash flow needs, but to also consider "laddering" investments for periods up to 12 months with high credit rated financial institutions if cash balance allows.

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 not fall during the remainder of 2025/26, but with the prospect for Bank Rate to be cut further into 2026/27. MUFG Bank Rate forecasts for financial year ends (March) are:

Year	2025/26	2026/27	2027/28	2028/29
Bank Rate	3.75%	3.25%	3.25%	3.25%

The MUFG 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 2025/26 Strategy*

A number of changes are proposed from the 2025/26 the Annual Investment Strategy in response to reducing investment balances and to manage subsequent risks to security and liquidity.

- Maximum investment limits on counterparty types been reduced compared to the 2025/26 strategy to avoid over exposure to individual sectors due to reducing investment balances and subsequent risk to overexposure.
- Limits for investments in individual UK Local Authorities have been reduced from a maximum £60m to £20m per authority to avoid over exposure to individual counterparties, and to manage size of individual investments to manage ongoing liquidity,
- A reduction in maximum investment limit on some individual counterparties to avoid overexposure.
- Reduced limits of principal sums to be invested for longer than 365 days to ensure liquidity is maintained,

4.2 *Investment Policy – Management of risk*

The guidance from the MHCLG 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 2025/26 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.

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 Australia, Denmark, Germany, Netherlands, Norway, Singapore, Sweden, Switzerland
AA+ Canada, USA
AA Abu Dhabi (UAE), Finland,
AA- **United Kingdom**

4.4 Creditworthiness Policy

The Council applies the creditworthiness service provided by the MUFG Coroprate Markets. 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:

Y	***P***	***B***	***O***	***R***	***G***	***N/C***
Up to 5yrs	*Up to 2yrs*	*Up to 1yr*	*Up to 1yrs*	*Up to 6 months*	*Up to 100 days*	*Not to be used*

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 2026/27 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	£50m (previously unlimited)	6 Months (previously 12 months)
Government Treasury bills	UK	TDs	UK Sovereign Rating	£50m (previously unlimited	6 Months (previously 12 months)
UK Local Authorities*	UK	TDs	UK Sovereign Rating	£20m (previously £60m	12 Months
Banks – part nationalised	UK	▪ TDs ▪ Deposits on Notice ▪ Certificates of Deposit (CDs)	N/A	£20m (previously £60m	12 Months
Banks	UK	▪ TDs ▪ Deposits on Notice ▪ CDs	Blue	£20m (previously £60m	12 Months
			Orange		12 Months
			Red		6 Months
			Green		100 Days
Building Societies	UK	▪ TDs ▪ Deposits on Notice ▪ CDs	Blue	£20m (previously £60m	12 Months
			Orange		12 Months
			Red		6 Months
			Green		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	£20m (previously £60m	12 Months
			Orange		12 Months
			Red		6 Months
			Green		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 £20m 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	£20m (previously £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 £20m 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 2026/27 are appended at Annex A.

4.5 Investment Risk Benchmarking

The weighted average benchmark risk factor for 2026/27 is recommended to be 0.05%. This is unchanged from 2025/26. 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 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.

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 MUFG 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 has extended the IFRS 9 statutory override to apply to existing local authority investments in pooled investment funds that were made before 1st April 2024. The government has extended this specific override for these existing investments until 1st April 2029, to provide local authorities with additional time to manage their investment strategies.

However, any new investments in pooled investment funds made on or after 1st April 2024 are subject to the standard IFRS 9 accounting requirements, meaning fair value movements must be recognised directly in the general fund. The override prevents these "paper" fluctuations from immediately impacting the authority's revenue accounts and annual balanced budget requirement.

Additionally, 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. Where a lease (or part of a lease) is brought onto the balance sheet, having previously been accounted for off-balance sheet, the MRP requirement is regarded as having been met by the inclusion in the charge for the year in which the restatement occurs, of an amount equal to the write-down for that year plus retrospective writing down of the balance sheet liability that arises from the restatement;
  - The Council's Capital Financing Requirement authorised limit and operational boundary expectations for 2025/26 onwards have been increased to reflect the estimated effect of this change.

ANNEX A

COUNTERPARTY LIST 2026/27

Bank with duration colour	Country	Fitch Ratings				Moody's Ratings		S & P Ratings		ESCC Duration	MUFG 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	AA-	F1+	a+	WD	A1	P-1	A+	A-1	12	12	
Lloyds Bank Corporate Markets Plc (NRFB)	UK	AA-	F1+	-	WD	A1	P-1	A	A-1	12	12	20
Bank of Scotland PLC (RFB)	UK	AA-	F1+	a+	WD	A1	P-1	A+	A-1	12	12	
NatWest Bank (RFB)	UK	AA-	F1+	a+	WD	A1	P-1	A+	A-1	12	12	
NatWest Markets Plc (NRFB)	UK	AA-	F1+	WD	WD	A1	P-1	A	A-1	12	12	20
Royal Bank of Scotland (RFB)	UK	AA-	F1+	a+	WD	A1	P-1	A+	A-1	12	12	
HSBC UK Bank (RFB)	UK	AA-	F1+	a+	WD	Aa3	P-1	A+	A-1	12	12	20
HSBC Bank (NRFB)	UK	AA-	F1+	a	WD	A1	P-1	A+	A-1	12	12	
Barclays Bank UK (RFB)	UK	A+	F1	a	WD	A1	P-1	A+	A-1	6	6	20
Barclays Bank (NRFB)	UK	A+	F1	a	WD	A1	P-1	A+	A-1	6	6	
Santander UK	UK	A+	F1	a	WD	A1	P-1	A	A-1	6	6	20
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	6	6	20
Handelsbanken PLC	UK	AA	F1+	-	WD	-	-	AA-	A-1+	12	12	20
SMBC Bank International Plc	UK	A-	F1	-	WD	A1	P-1	A	A-1	6	6	20
Standard Chartered Bank	UK	A+	F1	a	WD	A1	P-1	A+	A-1	6	6	20
Clydesdale Bank PLC	UK	A	F1	a	WD	A1	P-1	A+	A-1	6	6	20
Nationwide Building Society	UK	A	F1	a	WD	A1	P-1	A+	A-1	6	6	20
Non UK Counterparties:												
Royal Bank of Canada	Canada	AA-	F1+	aa-	WD	Aa1	P-1	AA-	A-1+	12	12	20
Toronto-Dominion Bank	Canada	AA-	F1+	aa-	WD	Aa1	P-1	A+	A-1	12	12	20
Nordea Bank Abp	Finland	AA-	F1+	aa-	WD	Aa2	P-1	AA-	A-1+	12	12	20
NRW.BANK	Germany	AAA	F1+	-	WD	Aa1	P-1	AA	A-1+	12	24	20
Landwirtschaftliche Rentenbank	Germany	AAA	F1+	-	WD	Aaa	P-1	AAA	A-1+	12	24	20
BNG Bank N.V.	Netherlands	AAA	F1+	-	WD	Aaa	P-1	AAA	A-1+	12	24	20
DBS Bank Ltd.	Singapore	AA-	F1+	aa-	WD	Aa1	P-1	AA-	A-1+	12	12	20
Oversea-Chinese Banking Corp. Ltd.	Singapore	AA-	F1+	aa-	WD	Aa1	P-1	AA-	A-1+	12	12	20
United Overseas Bank Ltd.	Singapore	AA-	F1+	aa-	WD	Aa1	P-1	AA-	A-1+	12	12	20
Svenska Handelsbanken AB	Sweden	AA	F1+	aa	WD	Aa2	P-1	AA-	A-1+	12	12	20
First Abu Dhabi Bank PJSC	UAE	AA-	F1+	a-	WD	Aa3	P-1	AA-	A-1+	12	12	20
Bank of New York Mellon	USA	AA	F1+	aa-	WD	Aa1	P-1	AA-	A-1+	12	24	20

Non-Specified Investments:			
	Minimum Credit Criteria	**Maximum Investments**	**Period**
UK Local Authorities	Government Backed	£20m	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 – TO BE UPDATED FOR LATEST OVERVIEW

Provided by MUFG, December 2025

- The first half of 2025/26 saw:
  - A 0.3% pick up in GDP for the period April to June 2025. More recently, the economy flatlined in July, with higher taxes for businesses restraining growth, but picked up to 0.1% m/m in August before falling back by 0.1% m/m in September.
  - The 3m/yy rate of average earnings growth excluding bonuses has fallen from 5.5% to 4.6% in September.
  - CPI inflation has ebbed and flowed but finished September at 3.8%, whilst core inflation eased to 3.5%.
  - The Bank of England cut interest rates from 4.50% to 4.25% in May, and then to 4% in August (and subsequently to 3.75% in December).
  - The 10-year gilt yield fluctuated between 4.4% and 4.8%, ending the half year at 4.70% (before falling back to 4.43% in early November).
- From a GDP perspective, the financial year got off to a bumpy start with the 0.3% m/m fall in real GDP in April as front-running of US tariffs in Q1 (when GDP grew 0.7% on the quarter) weighed on activity. Despite the underlying reasons for the drop, it was still the first fall since October 2024 and the largest fall since October 2023. However, the economy surprised to the upside in May and June so that quarterly growth ended up 0.3% q/q (subsequently revised down to 0.2% q/q). Nonetheless, the 0.0% m/m change in real GDP in July, followed by a 0.1% m/m increase in August and a 0.1% decrease in September will have caused some concern. GDP growth for 2025 - 2028 is currently forecast by the Office for Budget Responsibility to be in the region of 1.5%.
- Sticking with future economic sentiment, the composite Purchasing Manager Index (PMI) for the UK increased to 52.2 in October. The manufacturing PMI output balance improved to just below 50 but it is the services sector (52.2) that continues to drive the economy forward. Nonetheless, the PMIs suggest tepid growth is the best that can be expected in the second half of 2025 and the start of 2026. Indeed, on 13 November we heard that GDP for July to September was only 0.1% q/q.
- Turning to retail sales volumes, and the 1.5% year-on-year rise in September, accelerating from a 0.7% increase in August, marked the highest gain since April. On a monthly basis, retail sales volumes rose 0.5%, defying forecasts of a 0.2% fall, following an upwardly revised 0.6% gain in August. Household spending remains surprisingly resilient, but headwinds are gathering.
- Prior to the November Budget, the public finances position looked weak. The £20.2 billion borrowed in September was slightly above the £20.1 billion forecast by the OBR. For the year to date, the £99.8 billion borrowed is the second highest for the April to September period since records began in 1993, surpassed only by borrowing during the COVID-19 pandemic. The main drivers of the increased borrowing were higher debt interest costs, rising government running costs, and increased inflation-linked benefit payments, which outweighed the rise in tax and National Insurance contributions.
- Following the 26 November Budget, the Office for Budget Responsibility (OBR) calculated the net tightening in fiscal policy as £11.7bn (0.3% of GDP) in 2029/30, smaller than the

consensus forecast of £25bn. It did downgrade productivity growth by 0.3%, from 1.3% to 1.0%, but a lot of that influence was offset by upgrades to its near-term wage and inflation forecasts. Accordingly, the OBR judged the Chancellor was going to achieve her objectives with £4.2bn to spare. The Chancellor then chose to expand that headroom to £21.7bn, up from £9.9bn previously.

- Moreover, the Chancellor also chose to raise spending by a net £11.3bn in 2029/30. To pay for that and the increase in her headroom, she raised taxes by £26.1bn in 2029/30. The biggest revenue-raisers were the freeze in income tax thresholds from 2028/29 (+£7.8bn) and the rise in NICs on salary-sacrifice pension contributions (+£4.8bn). The increase in council tax for properties worth more than £2.0m will generate £0.4bn.
- The weakening in the jobs market looked clear in the spring. May's 109,000 m/m fall in the PAYE measure of employment was the largest decline (barring the pandemic) since the data began and the seventh in as many months. The monthly change was revised lower in five of the previous seven months too, with April's 33,000 fall revised down to a 55,000 drop. More recently, however, the monthly change was revised higher in seven of the previous nine months by a total of 22,000. So instead of falling by 165,000 in total since October, payroll employment is now thought to have declined by a smaller 153,000. Even so, payroll employment has still fallen in nearly all the months since the Chancellor announced the rises in National Insurance Contributions (NICs) for employers and the minimum wage in the October 2024 Budget. The number of job vacancies in the three months to November 2025 stood at 729,000 (the peak was 1.3 million in spring 2022). All this suggests the labour market continues to loosen, albeit at a slow pace.
- A looser labour market is driving softer wage pressures. The 3m/yy rate of average earnings growth excluding bonuses has fallen from 5.5% in April to 4.6% in September (still at that level in November). The rate for the private sector has slipped just below 4% as the year end approaches.
- CPI inflation remained at 3.8% in September but dropped to 3.2% by November. Core inflation also fell to 3.2% by November while services inflation fell to 4.4%. Nonetheless, a further loosening in the labour market and weaker wage growth may be a requisite to UK inflation coming in below 2.0% by 2027.
- An ever-present issue throughout recent months has been the pressure being exerted on medium and longer dated gilt yields. The yield on the 10-year gilt moved sideways in the second quarter of 2025, rising from 4.4% in early April to 4.8% in mid-April following wider global bond market volatility stemming from the "Liberation Day" tariff announcement, and then easing back as trade tensions began to de-escalate. By the end of April, the 10-year gilt yield had returned to 4.4%. In May, concerns about stickier inflation and shifting expectations about the path for interest rates led to another rise, with the 10-year gilt yield fluctuating between 4.6% and 4.75% for most of May. Thereafter, as trade tensions continued to ease and markets increasingly began to price in looser monetary policy, the 10-year yield edged lower, and ended June at 4.50%.
- More recently, the yield on the 10-year gilt rose from 4.46% to 4.60% in early July as rolled-back spending cuts and uncertainty over Chancellor Reeves' future raised fiscal concerns. Although the spike proved short lived, it highlighted the UK's fragile fiscal position. In an era of high debt, high interest rates and low GDP growth, the markets are now more sensitive to fiscal risks than before the pandemic. During August, long-dated gilts underwent a particularly pronounced sell-off, climbing 22 basis points and reaching a 27-year high of 5.6% by the end of the month. While yields have since eased back, the market sell-off was driven

by investor concerns over growing supply-demand imbalances, stemming from unease over the lack of fiscal consolidation and reduced demand from traditional long-dated bond purchasers like pension funds. For 10-year gilts, by late September, sticky inflation, resilient activity data and a hawkish Bank of England kept yields elevated over 4.70% although by late December had fallen back again to a little over 4.50%.

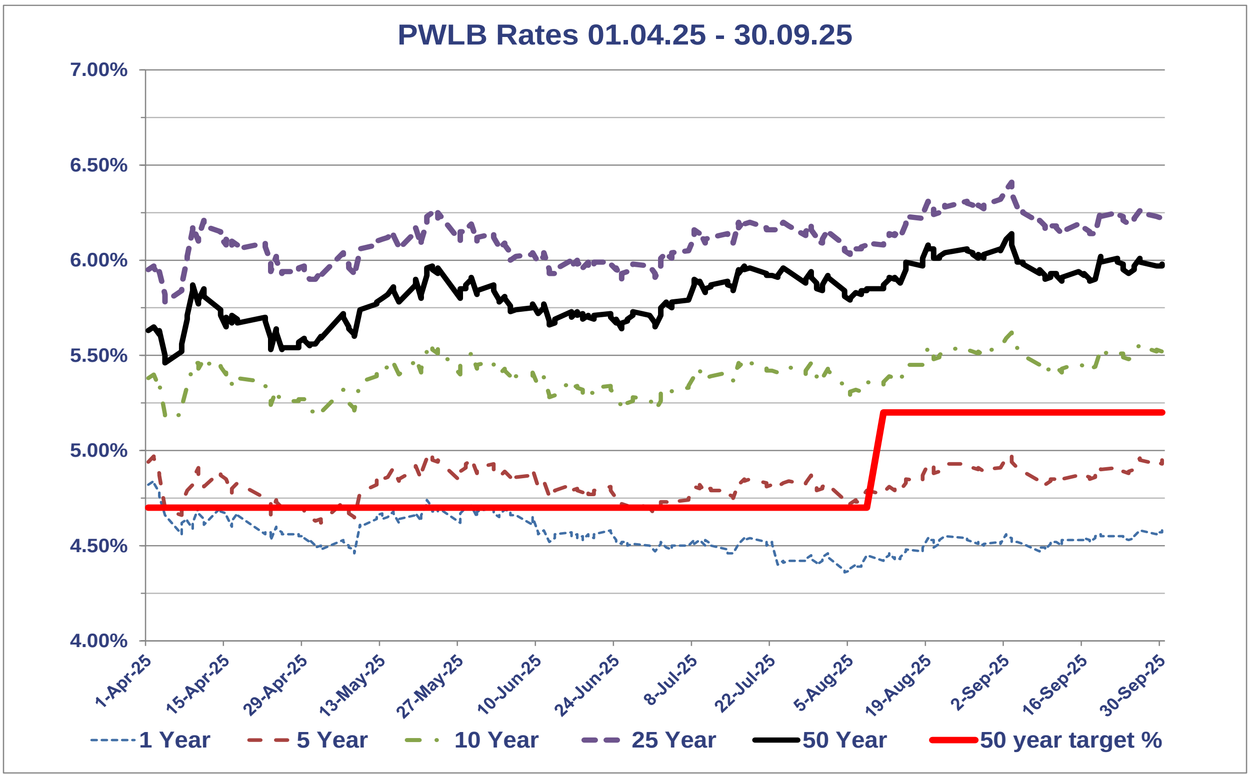
- The FTSE 100 fell sharply following the "Liberation Day" tariff announcement, dropping by more than 10% in the first week of April - from 8,634 on 1 April to 7,702 on 7 April. However, the de-escalation of the trade war coupled with strong corporate earnings led to a rapid rebound starting in late April. As a result, the FTSE 100 ended June at 8,761, around 2% higher than its value at the end of March and more than 7% above its level at the start of 2025. Since then, the FTSE 100 has enjoyed a further 4% rise in July, its strongest monthly gain since January and outperforming the S&P 500. Strong corporate earnings and progress in trade talks (US-EU, UK-India) lifted share prices and the index hit a record 9,321 in mid-August, driven by hopes of peace in Ukraine and dovish signals from Fed Chair Powell. September proved more volatile and the FTSE 100 closed September at 9,350, 7% higher than at the end of Q1 and 14% higher since the start of 2025. Future performance will likely be impacted by the extent to which investors' global risk appetite remains intact, Fed rate cuts, resilience in the US economy, and AI optimism. A weaker pound will also boost the index as it inflates overseas earnings. In early November, the FTSE100 climbed to a record high just above 9,900. By late December, the index had clung on to most of those gains standing at 9,870 on 23 December.

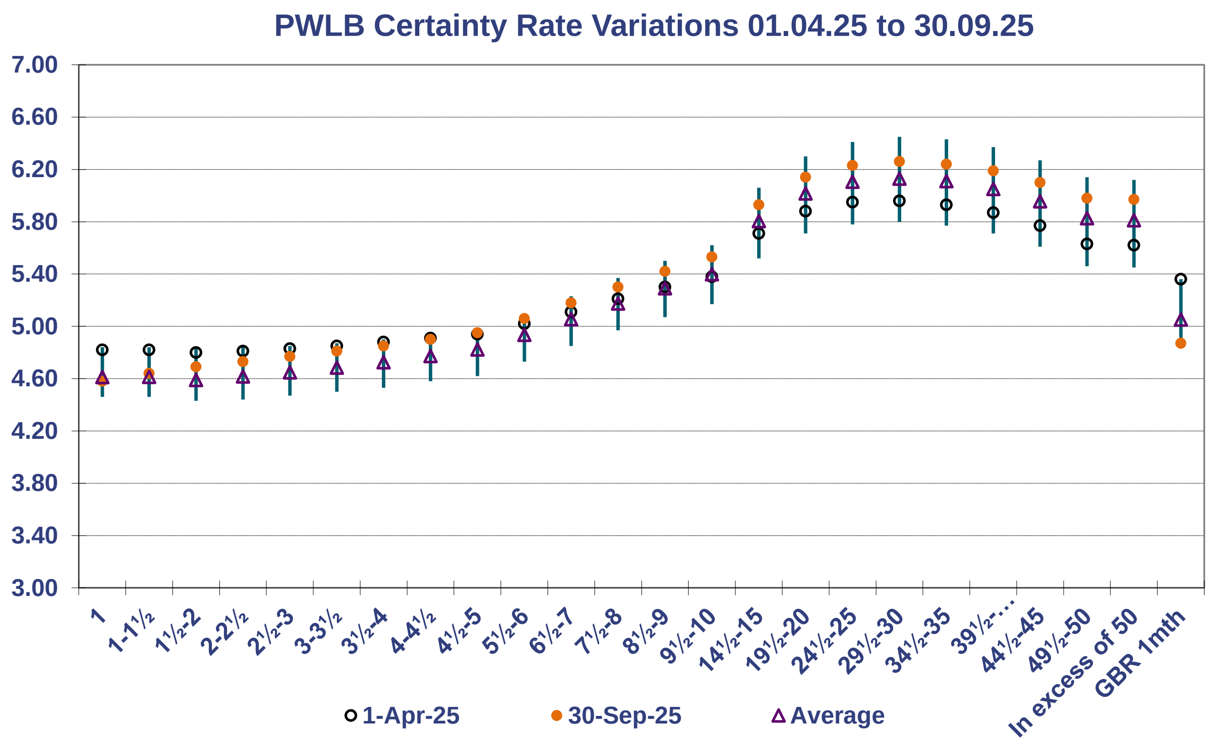
MPC meetings: 8 May, 19 June, 7 August, 18 September, 6 November, 18 December 2025

- There were six Monetary Policy Committee (MPC) meetings held between April and December. In May, the Committee cut Bank Rate from 4.50% to 4.25%, while in June policy was left unchanged. In June's vote, three MPC members (Dhingra, Ramsden and Taylor) voted for an immediate cut to 4.00%, citing loosening labour market conditions. The other six members were more cautious, as they highlighted the need to monitor for "signs of weak demand", "supply-side constraints" and higher "inflation expectations", mainly from rising food prices. By repeating the well-used phrase "gradual and careful", the MPC continued to suggest that rates would be reduced further.
- In August, a further rate cut was implemented. However, a 5-4 split vote for a rate cut to 4% laid bare the different views within the Monetary Policy Committee, with the accompanying commentary noting the decision was "finely balanced" and reiterating that future rate cuts would be undertaken "gradually and carefully". Ultimately, Governor Bailey was the casting vote for a rate cut but with the CPI measure of inflation expected to reach at least 4% later this year, the MPC was wary of making any further rate cuts until inflation begins its slow downwards trajectory back towards 2%.
- With wages still rising by just below 5%, it was no surprise that the September meeting saw the MPC vote 7-2 for keeping rates at 4% (Dhingra and Taylor voted for a further 25bps reduction). Moreover, the Bank also took the opportunity to announce that they would only shrink its balance sheet by £70bn over the next 12 months, rather than £100bn. The repetition of the phrase that "a gradual and careful" approach to rate cuts is appropriate suggested the Bank still thought interest rates will fall further.
- At the 6 November meeting, Governor Bailey was once again the deciding vote, keeping Bank Rate at 4% but hinting strongly that a further rate cut was imminent if data supported such a move. By 18 December, with November CPI inflation having fallen to 3.2%, and with Q2 GDP revised down from 0.3% q/q to only 0.2% q/q, and Q3 GDP stalling at 0.1%, the

MPC voted by 5-4 to cut rates further to 3.75%. However, Governor Bailey made it clear that any further reductions would require strong supporting data, and the pace of any further decreases would be slow compared to recent months. The markets expect Bank Rate to next be cut in April.

PWLB RATES 01.04.25 - 30.09.25





HIGH/LOW/AVERAGE PWLB RATES FOR 01.04.25 – 30.09.25

	1 Year	5 Year	10 Year	25 Year	50 Year
01/04/2025	4.82%	4.94%	5.38%	5.95%	5.63%
30/09/2025	4.58%	4.95%	5.53%	6.23%	5.98%
Low	4.36%	4.62%	5.17%	5.78%	5.46%
Low Date	04/08/2025	02/05/2025	02/05/2025	04/04/2025	04/04/2025
High	4.84%	4.99%	5.62%	6.41%	6.14%
High Date	02/04/2025	21/05/2025	03/09/2025	03/09/2025	03/09/2025
Average	4.55%	4.82%	5.40%	6.11%	5.83%
Spread	0.48%	0.37%	0.45%	0.63%	0.68%

Prospects for Interest Rates

The Authority has appointed MUFG Corporate Markets as its treasury advisor and part of their service is to assist the Authority to formulate a view on interest rates. MUFG Corporate Markets provided the following forecasts on 22 December 2025. These are forecasts for Bank Rate, average earnings and PWLB certainty rates, gilt yields plus 80 bps.

MUFG Interest Rate View 22.12.25													
	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27	Mar-28	Jun-28	Sep-28	Dec-28	Mar-29
BANK RATE	3.75	3.50	3.50	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25
3 month ave earnings	3.80	3.50	3.50	3.30	3.30	3.30	3.30	3.30	3.30	3.30	3.30	3.30	3.30
6 month ave earnings	3.80	3.50	3.50	3.40	3.30	3.30	3.30	3.40	3.40	3.40	3.40	3.40	3.40
12 month ave earnings	3.90	3.60	3.60	3.50	3.40	3.50	3.50	3.50	3.50	3.50	3.60	3.60	3.60
5 yr PWLB	4.60	4.50	4.30	4.20	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10
10 yr PWLB	5.20	5.00	4.90	4.80	4.80	4.70	4.70	4.70	4.70	4.60	4.60	4.60	4.70
25 yr PWLB	5.80	5.70	5.60	5.50	5.50	5.40	5.30	5.30	5.30	5.20	5.20	5.20	5.20
50 yr PWLB	5.60	5.50	5.40	5.30	5.30	5.20	5.10	5.10	5.10	5.00	5.10	5.00	5.00

- Our last interest rate forecast update was undertaken on 11 August. Since then, a combination of tepid growth (0.2% q/q GDP for Q2 and 0.1% q/q GDP for Q3), falling inflation (currently CPI is 3.2%), and a November Budget that will place more pressure on the majority of households' income, has provided an opportunity for the Bank of England's Monetary Policy Committee to further reduce Bank Rate from 4% to 3.75% on 18 December.
- Surprisingly, to most market commentators, the recent steep fall in CPI inflation in one month from 3.6% to 3.2% did not persuade most "dissenters" from the November vote (Lombardelli, Greene, Mann and Pill) to switch to the rate-cutting side of the Committee. Instead, it was left to Bank Governor, Andrew Bailey, to use his deciding vote to force a rate cut through by the slimmest of margins, 5-4.
- Given the wafer-thin majority for a rate cut it was not unexpected to hear that although rates would continue on a "gradual downward path", suggesting a further rate cut or cuts in the offing, MPC members want to assess incoming evidence on labour market activity and wage growth. Indeed, with annual wage growth still over 4.5%, the MPC reiterated that the case for further rate cuts would be "a closer call", and Governor Bailey observed there is "limited space as Bank Rate approaches a neutral level".
- Accordingly, the MUFG Corporate Markets forecast has been revised to price in a rate cut in Q2 2026 to 3.5%, likely to take place in the wake of a significant fall in the CPI inflation reading from 3% in March to 2% in April (as forecast by Capital Economics), followed by a

short lull through the summer whilst more data is garnered, and then a further rate cut to 3.25% in Q4.

- As in August, nonetheless, threats to that central scenario abound. What if wage increases remain stubbornly high? There are, after all, several sectors of the domestic economy, including social care provision and the building/construction industries, where staff shortages remain severe. Moreover, by May 2026, following the local elections, we will have a better handle on whether or not the Starmer/Reeves team is going to see out the current Parliament or whether they face a Leadership challenge from within their own party If so, how will gilt markets react to these variables…and will there be additional geo-political factors to also bake in, particularly the Fed's monetary policy decisions in 2026 and the ongoing battle to lower rates whilst inflation remains close to 3%.
- Accordingly, our updated central forecast is made with several hefty caveats. We are confident, as we have been for some time, that our forecast for Bank Rate and the 5-year PWLB Certainty Rate is robust, and we have marginally brought forward the timing of the next rate cut(s). But for the 10-, 25- and 50-years part of the curve, the level of gilt issuance, and the timing of its placement, will be integral to achieving a benign trading environment. That is not a "given", and additionally, the inflation outlook and political factors domestically and, crucially, in the US, are also likely to hold sway. Matters should be clearer by June in the UK, but the US mid-term elections are scheduled for November.
- Our revised PWLB rate forecasts are based on the Certainty Rate (the standard rate minus 20 bps) which has been accessible to most authorities since 1 November 2012. Please note, the lower Housing Revenue Account (HRA) PWLB rate started on 15 June 2023 for those authorities with an HRA (standard rate minus 60 bps) and is set to prevail until at least the end of March 2026. Hopefully, there will be a further extension to this discounted rate announced in January.
- Money market yield forecasts are based on expected average earnings by local authorities for 3 to 12 months.

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, but the risks to our forecasts are generally to the upsides. 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 22.12.25 p.m.	Target borrowing rate now (end of Q4 2027)	Target borrowing rate previous (end of Q4 2027)
5 years	4.81%	4.10%	4.20%
10 years	5.39%	4.70%	4.70%
25 years	6.01%	5.30%	5.30%
50 years	5.78%	5.10%	5.10%

Borrowing advice: Our long-term (beyond 10 years) forecast for the neutral level of Bank Rate remains at 3.5%. As all PWLB certainty rates are still 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 (<5 years PWLB maturity/<10 years PWLB EIP) and short-dated fixed LA to LA monies should also be considered. Temporary borrowing rates will, generally, fall in line with Bank Rate cuts.

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
2025/26 (residual)	3.80%	3.90%
2026/27	3.40%	3.60%
2027/28	3.30%	3.30%
2028/29	3.30%	3.50%
2029/30	3.50%	3.50%
Years 6 to 10	3.50%	3.50%
Years 10+	3.50%	3.50%

We will continue to monitor economic and market developments as they unfold. Typically, we formally review our forecasts following the quarterly release of the Bank of England's Monetary Policy Report but will consider our position on an ad hoc basis as required.

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 2026/27 to 2028/29

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 2026/27 to 2028/29 are set out in **Table A** below:

Table A – Capital Expenditure and Borrowing Plans	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate
Capital Expenditure £m (gross) Council's capital expenditure plans	£102m	£72m	£60m
Capital Financing Requirement for Capital Programme £m* Measures the underlying need to borrow for capital purposes (including PFI & Leases)	£410m	£406m	£392m
Capitalisation Direction £m (gross) Council's application to borrowing for revenue expenditure	£70m	£0m	£0m
Capital Financing Requirement for Capitalisation Direction £m* Measures the underlying need to borrow for capitalisation direction	£70m	£67m	£64m

**The CFR includes an estimate for leases that will be bought onto the balance sheet under a change in leasing accounting regulations. Where it may not be currently possible to be precise about such adjustment figures until detailed data gathering has been substantially completed at the end of the 2024/25 financial year, the impact on the Capital Financing Requirement includes initial estimates of the likely effect of this change, and these indicators may need to be amended mid-year once the detailed impact is known.*

Table B – Ration of Financing Cost to Net Revenue Stream	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate
Ratio of financing costs to net revenue stream (Capital Programme) ** Identifies the trend in the cost of capital programme (borrowing and other long term obligation costs) against net revenue stream	3.08%	3.38%	3.33%
Ratio of financing costs to net revenue stream (Capitalisation Direction) ** Identifies the cost of capitalisation direction (borrowing and other long term obligation costs) against net revenue stream	0.29%	1.00%	0.98%
Ratio of financing costs to net revenue stream (Total) ** Identifies the trend in the total cost of capital (borrowing and other long term obligation costs) against net revenue stream	3.37%	4.38%	4.31%

*** 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. 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 2026/27 to 2028/29 are set out in **Tables C & D** below. These have been calculated and determined by Officers in compliance with the Treasury Management Code of Practice.:

Table C	**2026/27 Estimate**	**2027/28 Estimate**	**2028/29 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.	£510m	£510m	£533m
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.	£490m	£490m	£513m
Principal Sums invested for longer than 365 days	£30m (previously £60m)	£30m (previously £60m)	£30m (previously £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%

**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 under IFRS16. Where it may not be currently possible to be precise about such adjustment figures until detailed data gathering has been substantially completed at the end of the 2024/25 financial year, the impact on the Authority Limit and Operational Boundary includes initial estimates of the likely effect of this change, and these indicators may need to be amended mid-year once the detailed impact is known.*

The Authorised Limit and Operational Boundary also include provision for applied capitalisation direction in 2026/27 and assumed additional borrowing in future years to fund the MTFP deficit position.

Table D – 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%	40% (previously 25%)
12 months to 2 years	0%	50% (previously 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

Since the Autumn Budget Statement on 26 November, which was accompanied by new national economic forecasts from The Office for Budget Responsibility (OBR), there have been further developments in the economic outlook. Latest figures from the Office for National Statistics showed that the economy shrank unexpectedly by 0.1% in October 2025,. Inflation, as measured by the Consumer Prices Index (CPI) fell further than expected to 3.2% in the year to November 2025, down from 3.6% in October. The Bank of England cut interest rates from 4% to 3.75% in December, the lowest level since February 2023, following the sharper than expected fall in inflation, but indicated that any further reductions were likely to be gradual.

The Government published the first multi-year Local Government Finance Settlement in a decade on 17 December 2025, consulting on provisional allocations for 2026/27 to 2028/29. Core Spending Power (CSP) is projected to rise nationally, underpinned by assumptions that councils take the maximum referendum-free Council Tax increases, which were confirmed as 5% (comprising of 3% core services and an additional 2% ASC precept).

The settlement implements the *Fair Funding Review 2.0* (FFR 2.0) reforms, moving to a Fair Funding Assessment (FFA) that simplifies grant funding, updates both needs assessments for each authority and the calculation of the council tax adjustment, and maintains existing council tax flexibility. The updates to formulae emphasise linking funding to deprivation and need, while transitional arrangements have been put in place to help councils who will see a loss of grant funding over the settlement period.

While the Government highlights a fairer, evidence-led system, that results in a closer relationship with, impacts are uneven across the sector, with cash-flat or real-terms reductions for some authorities once council tax is excluded.

For ESCC, CSP increases by 11% over the settlement period, compared with an average of all English councils of 15.1%. This increase assumes ESCC will increase council tax by the maximum of 5% in all years. Non-council tax CSP reduces by 5.8% by 2028/29, with the change in grant funding cash-neutral between 2025/26 and 2026/27 (a real-terms cut given current inflation).

This loss of funding is driven by several key factors in the new funding methodology: the impact of council tax equalisation, the absence of a metric that reflects the significant proportion of residents aged over 85; the limitations of using median wages as a proxy for the labour costs borne by the Council; and the government's decision, announced with the Policy Statement, that rurality was to be removed as a factor from all but the ASC needs formulae. This is compounded by the continuation of the Recovery Grant (which has been top-sliced form the overall quantum to be paid to qualifying authorities). These changes fail to capture the true cost pressures in delivering statutory services in a county with high social care demand and a dispersed population, with limited opportunities to raise income locally.

As a result, ESCC's 2026/27 budget is contingent on Exceptional Financial Support (EFS) via a £70m capitalisation direction to achieve legal budget balance. Capitalisation does not provide additional funding; it is a temporary measure to enable councils to meet statutory duties while implementing sustainable solutions and will result in increased future borrowing costs.

While we welcome the move to a multi-year settlement and the continuation of grant funding, the settlement does not address the structural gap created by rising demand for statutory services, particularly in social care. Without a significant increase in the overall quantum of funding or fundamental reforms to statutory services at a national level, the Council's financial position will remain extremely challenging.

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Appendix 21

Ashdown Forest Finances to 31 March 2026
Income and Expenditure Forecast and Budget Summary
Core Budget and Countryside Stewardship Budget Combined

	2025/26 Original Budget	2025/26 Current Budget	2025/26 Forecast
CORE INCOME	**£**	**£**	**£**
Licences & Forest Rate	209,147	209,147	203,131
Unrestricted funding (WDC, AFT, T/PCs)	561,544	561,544	1,044,302
Income generation and Donations	24,027	24,027	12,303
Forest Products incl. Meat and Deer Carcasses	26,118	26,118	20,502
Visitors	22,620	22,620	22,612
Financial	15,000	15,000	15,000
Recharges from Countryside Stewardship programme	163815	163815	109,198
Unrestricted Core Income	**1,022,271**	**1,022,271**	**1,427,048**
Other Restricted Core Funding/Grants (specific purpose)	**60,000**	**60,000**	**174,435**
TOTAL CORE INCOME	**1,082,271**	**1082,271**	**1,601,483**
COUNTRYSIDE STEWARDSHIP INCOME			
Grant funding for CS work programme	748,261	748,261	562,565
TOTAL CS INCOME	748,261	748,261	562,565
TOTAL CORE AND COUNTRYSIDE STEWARDSHIP INCOME	**1,830,532**	**1,830,532**	**2,164,048**

	2025/26 Original Budget	2025/26 Current Budget	2025/26 Forecast
CORE EXPENDITURE	**£**	**£**	**£**
Core Forest Staff Costs	470,509	470,509	555,706
Operational expenses	346453	346,453	306,765
Administration Overheads	131,543	131,543	157,312
Financial	32,856	32,856	23,305
Visitors	10,851	10,851	6,500
Expenditure from Ringfenced Funding (primarily education prog)	37,445	37,445	367,728
Core capital expenditure	41,866	41,866	8,100
Governance/Charity set-up	1,642	1,642	64
TOTAL CORE EXPENDITURE	**1,035,720**	**1,035,720**	**1,425,480**

COUNTRYSIDE STEWARDSHIP EXPENDITURE			
Countryside Stewardship Work Programme Project Expenditure	343,253	343,253	351,479
Staff Costs	429,734	429,734	269,674
Countryside Stewardship Staff Recharges	0	0	30,000
TOTAL COUNTRYSIDE STEWARDSHIP EXPENDITURE	772,987	772,987	**651,153**
TOTAL CORE AND COUNTRYSIDE STEWARDSHIP EXPENDITURE	**1,846,152**	**1,846,152**	**1,599,707**

SURPLUS OF INCOME OVER EXPENDITURE	**(15,620)**	**(15,620)**	**652,929**

Core Budget surplus/(deficit)	9,106	9,106	176,003
CS Budget surplus/(deficit)	(24,726)	(24,726)	(88,589)
Total Budget surplus/(deficit)	**(15,620)**	**(15,620)**	87,414

Appendix 22

Ashdown Forest Medium Term Financial Plan

	2025/26	2026/27	2027/28	2028/29
INCOME SUMMARY	**£**	**£**	**£**	**£**
Licences & Forest Rate	209,147	204,240	209,049	214,099
Unrestricted funding (WDC,T/PCs)	201,544	759,190	231,747	234,004
Car Parking	360,000	428,540	340,000	346,460
Income generation and Donations	24,027	12,303	12,351	12,400
Forest Products incl. Meat and Deer Carcasses	26,118	20,502	22,525	22,915
Visitors	22,621	27,412	22,805	23,734
Financial	15,000	12,000	5,000	4,000
CS Recharges	163,816	181,086	184,765	188,549
Other Restricted Funding	60,000	139,690	71,400	72,002
Total Core Income	1,082,273	1,784,963	1,099,642	1,118,163

Countryside Stewardship Funding from Natural England	748,261	791,563	791,563	791,563
Total Countryside Stewardship Income	748,261	791,563	791,563	791,563

TOTAL INCOME	1,830,534	2,576,526	1,891,205	1,909,726

	2025/26	2026/27	2027/28	2028/29
EXPENDITURE SUMMARY	**£**	**£**	**£**	**£**
Core Forest Staff Costs	470,509	547,467	561,464	589,715
Operational expenses	213,598	360,883	217,270	218,292
Administration Overheads	131,543	200,381	149,189	152,023
Financial	32,856	23,864	24,318	24,780
Visitors	10,851	10,547	7,748	7,895
Capital purchases -Core	41,866	95,614	35,336	36,007
Governance/charity set up	1,642	66	67	68
Car Parking	132,855	103,782	105,858	107,975
Expenditure from Ringfenced Funding	37,445	408,209	26,685	27,364
Total Core Expenditure	1,073,165	1,750,813	1,127,935	1,164,119

Staff Costs (Countryside Stewardship)	429,734	393,016	403,266	413,804
CS Work Programme Project Expenditure	343,253	401,566	388,491	394,974
Total CS Expenditure for Funded Projects	772,987	794,582	791,757	808,778
TOTAL EXPENDITURE	1,846,152	2,545,395	1,919,692	1,972,897

Core Budget Surplus/(Deficit)	9,108	34,150	(28,293)	(45,956)
CS Budget Surplus/(Deficit)	(24,726)	(3,019)	(194)	(17,215)
Total Budget Surplus/(Deficit)	(15,618)	31,131	(28,487)	(63,171)

Movement in Reserve Balances	**Core £**	**HLS* £**	**CS+ £**
Reserves at 01/04/2025	**471,232**	**223,304**	**566,009**
Forecast movement 2025/26	176,003	**-**	(88,589)
Forecast balance 31/3/2026	**647,235**	**223,304**	**477,420**
Forecast movement 2026/27	34,150	**-**	**(3,019)**
Forecast balance 31/3/2027	**681,385**	**223,304**	**474,401**

+CS Reserves figures to be confirmed.

*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.

East Sussex County Council

Pay Policy Statement

Date: February 2026

Approved by East Sussex County Council at its meeting on xxxxx.

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

- 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 Korn Ferry 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 must 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 Chief Officer level. (See paragraph 2.1, above).

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 £24,413 per annum (April 2025) for full time staff. This will increase to £24,796 per annum from 1 April 2026 pending the 2026/27 pay award. 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) are 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 (including owner occupier's housing costs - CPIH), turnover rates, level of other public sector pay awards and market position. The local pay awards for these staff groups in 2025/26 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. 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.

4.6. Staff, who are not Chief Officers, working as Qualified Teachers are paid according to the national Teachers’ Pay Scales with associated terms and conditions as set out in the School Teachers’ Pay and Conditions Document (STPCD).

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 the 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. These criteria apply to re-engagement of any staff member.

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.

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