



CABINET

TUESDAY, 12 DECEMBER 2023

10.00 AM COUNCIL CHAMBER, COUNTY HALL, LEWES

MEMBERSHIP - Councillor Keith Glazier (Chair)
Councillors Nick Bennett (Vice Chair), Bob Bowdler, Claire Dowling,
Carl Maynard and Vacancy

A G E N D A

1. Minutes of the meeting held on 7 November 2023 *(Pages 3 - 4)*
2. Apologies for absence
3. Disclosures of interests
Disclosures by all members present of personal interests in matters on the agenda, the nature of any interest and whether the member regards the interest as prejudicial under the terms of the Code of Conduct.
4. Urgent items
Notification of items which the Chair considers to be urgent and proposes to take at the appropriate part of the agenda. Any members who wish to raise urgent items are asked, wherever possible, to notify the Chair before the start of the meeting. In so doing, they must state the special circumstances which they consider justify the matter being considered urgent.
5. Council Monitoring: Quarter 2 2023/2024 *(Pages 5 - 76)*
Report by the Chief Executive.
- 6.1 Scrutiny Review of School Exclusions - Report of the People Scrutiny Committee
(Pages 77 - 114)
Report by the Assistant Chief Executive.
- 6.2 Scrutiny Review of School Exclusions - Observations on the People Scrutiny Committee's report *(Pages 115 - 124)*
Report by the Director of Children's Services.
7. The Looked After Children Annual Report 2022 - 2023 *(Pages 125 - 170)*
Report by the Director of Children's Services.
8. Treasury Management Annual Report & Mid-Year Report *(Pages 171 - 192)*
Report by the Chief Operating Officer.
9. Any other items considered urgent by the Chair
10. To agree which items are to be reported to the County Council

PHILIP BAKER
Assistant Chief Executive
County Hall, St Anne's Crescent
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4 December 2023

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NOTE: *As part of the County Council's drive to increase accessibility to its public meetings, this meeting will be broadcast live on its website and the record archived. The live broadcast is accessible at: www.eastsussex.gov.uk/yourcouncil/webcasts/default.htm*

CABINET

MINUTES of a meeting of the Cabinet held at Council Chamber, County Hall, Lewes on 7 November 2023.

PRESENT Councillors Keith Glazier (Chair), Nick Bennett (Vice Chair), Bob Bowdler, Claire Dowling, Carl Maynard and Bob Standley

Members spoke on the items indicated

Councillor Bennett	- Item 5 (minute 26)
Councillor Daniel	- Item 5 (minute 26)
Councillor Denis	- Item 5 (minute 26)
Councillor Field	- Item 5 (minute 26)
Councillor Maples	- Item 5 (minute 26)
Councillor Scott	- Item 5 (minute 26)
Councillor Stephen Shing	- Item 5 (minute 26)
Councillor Swansborough	- Item 5 (minute 26)
Councillor Tutt	- Item 5 (minute 26)
Councillor Wright	- Item 5 (minute 26)

24. MINUTES OF THE MEETING HELD ON 28 SEPTEMBER 2023

24.1 The minutes of the Cabinet meeting held on 28 September 2023 were agreed as a correct record.

25. REPORTS

25.1 Copies of the reports referred to below are included in the minute book.

26. RPPR UPDATE - 2024/25 NEXT STEPS AND MEDIUM TERM FINANCIAL PLAN

26.1 The Cabinet considered a report by the Chief Executive.

26.2 The Cabinet RESOLVED to:

- 1) note the updated policy context as set out in paragraph 2 of the report;
- 2) note the updated Medium Term Financial Plan as set out in paragraph 3 and appendix 1 of the report;
- 3) note the reserves summary set out in paragraph 3 of the report;
- 4) note the capital programme update as set out in paragraph 4 and appendix 2 of the report; and
- 5) agree to continue lobbying for sustainable funding to meet the needs of the residents of East Sussex.

Reason

26.3 In June Cabinet considered the State of the County report, a key milestone in the Council's Reconciling Policy, Performance and Resources (RPPR) process, our integrated business and financial planning cycle. The report set out the updated demographic, economic and service evidence base; the national and local policy context; and updates on our medium term financial planning position and capital programme. It set out our latest understanding of how we would need to continue to respond to the broad and evolving range of policy,

demographic and financial drivers which influence the outlook for the Council, both in the short and longer-term.

26.4 This report highlights the importance of the services the Council provides for the county, the positive achievements we have to build upon, and the strength of our robust planning processes. It also outlines the increased level of uncertainty within which planning for 2024/25 is taking place and the growing pressure on services. Much is to be determined around national spending allocations and priorities for 2024/25 onwards, the impact of national reforms, and the medium to longer term impact of the increases in demand and cost seen already this year.

27. TO AGREE WHICH ITEMS ARE TO BE REPORTED TO THE COUNTY COUNCIL

27.1 There were no items to report to the County Council.

Title: Council Monitoring Report – Q2 2023/24
Report to: Cabinet
Date: 12 December 2023
Report by: Chief Executive
Purpose: To report Council monitoring for Q2 2023/24

RECOMMENDATIONS

Cabinet is recommended to:

- 1) note the latest monitoring position for the Council;
 - 2) approve a further and final annual extension of the Additional Measures Scheme for specialist money advice services through 2024/25, funded from the Contain Outbreak Management Fund (COMF) with a total value of £363,000, as set out in Appendix 9; and
 - 3) approve the use of the unused carried forward Contain Outbreak Management Fund (COMF) underspend in 2023/24 to fund any residual pressures in Children's Services arising from the COVID-19 pandemic, as set out in the Funding of Children's Services Pressures table at 3.1.
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1. Introduction

1.1 This report sets out the Council's position and year-end projections for the Council Plan targets, Revenue Budget, Capital Programme, and Savings Plan, together with Risks at the end of September 2023.

1.2 Broad progress against the Council's four strategic priority outcomes is summarised in paragraph 4 and an overview of finance and performance data is provided in the Corporate Summary at Appendix 1. Strategic risks are reported at Appendix 8.

2. Council Plan 2023/24 amendments and variations

2.1 The Council Plan 2023/24 and the Portfolio Plans 2023/24 – 2025/26 have been updated with available 2022/23 outturns and final performance measure targets. All plans are published on the Council's website. The Corporate Summary (Appendix 1) contains a forecast of performance against targets.

2.2 The Strategic Risk Register, Appendix 8, was reviewed and updated to reflect the Council's risk profile. Risk 1 (Roads), Risk 4 (Health), Risk 6 (Local Economic Growth), Risk 9 (Workforce), Risk 12 (Cyber Attack), Risk 15 (Climate), Risk 18 (Data Breach) and Risk 20 (Placements for Children and Young People in Our Care) have updated risk controls.

3 Budget Outturn

3.1 The details of revenue over and underspends in each department are set out in the relevant appendices, and show a total forecast overspend of £24.8m. This is an increase of £8.0m from quarter 1. The main headlines are:

- Children's Services (CSD) is forecast to be overspent by £23.0m (£15.2m at quarter 1). The main area of projected overspend is in Early Help and Social Care (EH&SC) of £23.3m, an increase from quarter 1 of £6.9m. The largest area of overspend within EH&SC is Looked After Children (LAC) at £21.1m, with the main LAC pressures being External Residential costs of £17.7m, due to growth in demand during quarter 1, plus a £2.5m pressure around additional staffing costs in our children's homes. Also, within EH&SC, the Localities budget is forecast to overspend by £2.5m, with £1.5m of this being on staffing including agency and additional social workers.

The increase in projected overspend at quarter 2 compared to quarter 1 is mainly in looked after children's care costs, in particular in external residential costs and wrap around support for children with the most complex needs. June saw the numbers of children and young people

requiring residential placements, which includes supported accommodation and secure accommodation, peak at 150 (excluding Unaccompanied Asylum-Seeking Children (UASC)). The number of children and young people in these types of placements has plateaued in quarter 2, with September data showing a slight reduction to 144. However, the average cost of residential care packages has increased by 13% since quarter 1. The complex care needs of a relatively small number of children mean that there are further pressures on this budget area. Over the course of the year to date there have been 29 looked after children who have had at some time care packages between £10,000 - £20,000 per week; at the end of quarter 2 there were 12 children whose care costs fell in this bracket.

CSD is reviewing closely all expenditure plans to identify possible reductions of the projected overspend. Work with the consultancy Impower to identify ways of meeting the needs of looked after children better, more locally and at reduced cost continues. At present no formal service reductions/savings are being explored but all possible economies are being pursued including delayed recruitment to vacancies where manageable.

The CSD overspend will be funded Corporately for 2023/24 as follows:

Funding of CSD Pressures	£m
Forecast overspend	(23.0)
Funded by:	
General Contingency	4.9
Covid-19 General Funding (balance held Corporately)	5.6
Use of provision for budgetary risks	3.5
Part of Treasury Management underspend	5.7
Balance of Contain Outbreak Management Fund	1.6
Use of Financial Management Reserve	1.7
Total	23.0

- The projected outturn for Adult Social Care (ASC) is an overspend of £1.7m (£1.0m at quarter 1). This comprises an overspend of £2.4m in the Independent Sector, due to a combination of factors. These include increasing complexity of need, plus pressures arising from demand and demographic growth returning to pre-pandemic levels of modelling. This is offset by an underspend of £0.7m in Directly Provided Services, mainly being due to staffing vacancies which reflects difficulties in recruitment.
- Communities, Economy and Transport (CET) is forecast to underspend by £0.2m (£0.3m overspend at quarter 1). The largest underspend is in Transport and Operations where current market prices mean that electricity and recycling income is exceeding expectations in the Waste Service.
- The forecast overspend of £0.4m in Governance Services (GS) is mainly due to an increase in mortuary, pathology, histology, and toxicology costs, plus an increase in post mortem fees in-line with local market rates.

3.2 Within Treasury Management (TM), centrally held budgets (CHB) and corporate funding there is an underspend of £15.7m (including the general contingency):

- In CHB there is a forecast underspend of £0.5m for Pensions because of the actuarial revaluation. This is offset by an accounting adjustment estimated at £0.7m to reflect the potential risk that increasing outstanding debt levels will not be settled. The General Contingency of £4.9m will be required in full to offset part of the service overspend.
- There is currently an estimated £7.1m underspend on TM, based on a continued improvement in the current forecasts for our market investment returns and increased cash balances. The anticipated average investment return for the year has increased to 5.49% from the 4.45%

assumed when the budget was set, based on the latest forecasts from our external treasury management advisors. In addition, slippage on the capital programme and an increase in our cash balances has reduced the need to borrow externally in 2023/24.

- There is a planned £3.5m use of the in-year provision made for budgetary risks to cover part of the remaining overspend on service budgets.

3.3 The Council is still experiencing residual COVID-19 related costs and income losses which are being mitigated from general and specific COVID-19 grant funding. The balance of COVID-19 General Funding will be used to meet CSD cost pressures. The following table shows the use of this funding in 2023/24:

COVID-19 Grants 2023/24 (£m)	Carried forward	Estimated use in-year (including payback*)	Balance to offset CSD overspend	Specific set-aside for LAC in future years	Estimated balance remaining
COVID-19 General Funding	9.1	(1.7)	(5.6)	(1.8)	-
COVID-19 Specific Funding	4.3	(4.3)	-	-	-
Total funding	13.4	(6.0)	(5.6)	(1.8)	-

*To date the Council has repaid £2.1m of unused grant

3.4 The Contain Outbreak Management Fund (COMF) grant, via Public Health, has also been available through the pandemic to fund the impact of COVID-19. Services continue to feel the impact of the pandemic, particularly in CSD. With the grant funding ending, it is recommended that the remaining COMF grant be used to fund any residual pressures arising from COVID-19 in CSD, any decisions for its use will be taken in accordance with existing delegations or following consideration by members.

3.5 For the last three year the council has made 'Additional Measures' (AM) payments to Voluntary Community and Social Enterprise (VCSE) organisations towards activities that provide specialist advice and information that support residents' financial wellbeing during the current cost of living challenges. In 2023/24 year the AM3 scheme of £450,000 is funded from the COMF and is used to commission 11 organisations who are monitored against a number of performance and activity measures on a quarterly basis. In the first two quarters of 2023/24 AM3 direct delivery partners have collectively worked on 2,350 active cases and achieved a combined total income maximisation and debt write-off figure of £1,077,800, which has had a significant positive impact on residents' financial wellbeing. The monitoring returns also include case study examples which demonstrate the qualitative impact including the wider health and wellbeing benefits of financial wellbeing and stability.

3.6 VCSE partners continue to experience increased numbers of people presenting with money problems of significant complexity, since COVID-19 and due to ongoing cost-of-living pressures. The Additional Measures scheme supports the sector to meet this elevated demand for money advice and related support and, as such, needs to be extended for one further financial year (AM4) at a reduced level of £363,000. Cabinet is recommended to extend the Additional Measures scheme for another twelve months from 1st April 2024 to 31st March 2025, funded from existing COMF balances. Details of how the reduced level of AM4 funding would be allocated, together with the approach to demand mitigation and management are contained at Appendix 9

3.7 Capital Programme expenditure for the year is projected to be £82.6m against a budget of £110.3m, a net variation of £27.7m. The main headlines are:

- Total slippage of £28.8m across a number of projects as the programme continues to experience extended lead-in times on some materials, and where inflation and material cost increases has resulted in the pause and reassessment of a number of projects to ensure delivery within budgets, as well as other project specific factors. The largest areas of slippage include the delivery of additional Special Educational Needs school places at Grove Park (£5.3m), Hastings and Bexhill Movement and Access Programme (£4.3m), Eastbourne Town

Centre phases A and B (combined £3.6m) and the Street Lighting Replacement Programme (£2.7m).

- A net overspend of £0.7m, mainly relating to the Bexhill and Hastings Link Road where project costs remain for post excavation archaeology, landscaping, and compensation.
- Minor spend in advance totalling £0.4m.

Whilst the implications of slippage in the capital programme are being managed in this financial year, work has commenced to reprofile the capital programme for 2024/25 onwards, as part of the Reconciling Policy, Performance and Resources process.

3.8 The Chartered Institute of Public Finance and Accountancy published the revised Treasury and Prudential codes in 2021. These require 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 on 7 February 2023, are provided at Appendix 2.

4 Progress against Council Priorities

Driving sustainable economic growth

4.1 The Council has spent £309m with 876 local suppliers over the past 12 months. This is 65% of our total spend and exceeds our target of 60%. We continued throughout quarter 2 to work with suppliers to maximise the social value delivered by our contracts. In quarter 2 we achieved benefits that were equal to 37% of the contract value, against a target of 10% (Appendix 4).

4.2 Work on our highways continued in quarter 2 using the additional funding approved by Council in recognition of the deterioration of the network following the last prolonged, wet and cold winter. 36 patch works have been completed so far in 2023/24. A further 269 sites have been identified for patch works which should be completed by the end of 2023/24. Around 100 road signs are programmed to be replaced in 2023/24, with a further 600 signs which require replacement identified. These 600 signs will be scheduled into the work programme in the upcoming months. 100 minor drainage schemes have been completed so far in 2023/24, including replacing jammed gully covers and clearing significant blockages. The annual road surface dressing programme was completed in quarter 2. 17 sites were completed, extending the life of almost 30km of roads by up to 10 years. 32 road improvement schemes were completed in quarter 2, and 7,217 potholes were repaired (Appendix 6).

4.3 £10.5m of bus service improvements began in quarter 2 as part of the Council's Bus Service Improvement Plan. These improvements will result in more frequent services, including running later in the day, and improvements to some weekend services. Work has continued to improve bus stops around the county. Around 75% of all bus stops now have QR plates, which enable people to scan the plate and receive information about the next bus due at that stop (Appendix 6).

4.4 East Sussex Invest provides loans and grants to local businesses to help create local jobs and support businesses to become environmentally responsible. Applications for funding have been temporarily suspended while a full independent review of the fund used for these activities is completed. This review will help us to understand how we can best maximise the use of the fund whilst carefully balancing risk. This review has been commissioned and we expect to receive findings in quarter 3. We anticipate the fund will open again in quarter 4, which means it is unlikely that we will be able to support enough businesses to create jobs in 2023/24 to meet the target for this measure (Appendix 6).

4.5 Our restructured education division, Education East Sussex, was launched in quarter 2. The new division will help the Council to deliver its core roles more effectively in leading the local education system and championing vulnerable children including children with Special Educational Needs and Disabilities (Appendix 5).

4.6 7,198 children took part in the Summer Reading Challenge during quarter 2, the highest total since 2018. The challenge aims to encourage primary school children to read books during the

summer holidays. 110 promotional assemblies were delivered to promote the challenge and advertisements ran throughout the summer on social media. 4,258 participants completed the challenge, a 23% increase compared to 2022 (Appendix 6).

Keeping vulnerable people safe

4.7 The demand for Children's Social Care services and the complexity of cases has continued to increase in quarter 2. The rate of children with a Child Protection plan increased from 62.1 per 10,000 at the end of quarter 1 to 63.0 at the end of quarter 2. The rate of Looked after Children has also increased from 63.5 per 10,000 children at the end of quarter 1 to 64.4 at the end of quarter 2. Child Protection plans remain under close scrutiny with a range of reviews and audits taking place to identify where it is possible to reduce the number of plans safely. Although the rate of Looked after Children has increased, the number of children in high-cost residential placements has remained stable and there have been higher numbers of children placed within their own family networks (Appendix 5).

4.8 We have published our new Adult Social Care strategy 'What Matters to You'. This was produced following engagement activities and reflects what our residents who need care and support, their carers, and their families told us was important to them in order to live well (Appendix 3).

4.9 The Council has continued to increase our collaborative working with our voluntary, community and social enterprise (VCSE) sector partners in quarter 2. This included work on financial inclusion, supporting Community Networks and supporting volunteering. The Community Network programme held a series of Strategic and Local partner group workshops in quarter 2, to identify potential areas of support the programme could develop based on the needs of the VCSE sector and public sector partners. The Tribe Project also launched during quarter 2. Tribe is an app and website that makes it easier to volunteer across the county. We've continued to work with partners to help them advertise opportunities on the platform, and to plan for the next phase of the project which will focus on Social Prescribing (Appendix 3).

Helping people help themselves

4.10 The Council's Family Hubs offer has continued to develop in quarter 2. We have launched the 'How Can I Help you?' service to provide direct face to face support to families and encourage them to become familiar with the Family Hubs provision. New parenting groups are also now available to support the transition to parenthood and help for parents with children who are neurodiverse (Appendix 5).

4.11 Three road safety infrastructure schemes were completed by Balfour Beatty Living Places in quarters 1 and 2. However, Balfour Beatty Living Places have provided assurances that the target of 24 high risk schemes will be completed by the end of 2023/24. We delivered 95 'Bikeability' courses to 712 individuals at participating schools and the Cycle Centre at Eastbourne Sports Park in quarter 2. We also delivered 74 'Wheels for All' sessions to 1,097 attendees at the Sports Park (Appendix 6).

4.12 A public consultation was launched on the future of the Support with Confidence scheme on 27 September which will run until 5 December 2023. As a result of the review we are not currently accepting new applications or progressing any renewals (Appendix 3).

4.13 The number of carers provided with a short-term crisis intervention in quarter 2 decreased slightly. This was due to a reduction in overall referrals for carer support. We are working with the provider to promote the service to other carer organisations (Appendix 3).

4.14 During quarter 1 (reported a quarter in arrears) 496 NHS Health Checks were delivered to those living in the most deprived areas of the county. This was slightly lower than expected as Hastings and St Leonards Primary Care Network had a slight pause on activity due to capacity in quarter 1. However, the Primary Care Network and Public Health have worked together to train vaccination staff to deliver Health Checks, with a particular focus on those living in the most deprived areas, to boost capacity (Appendix 3).

Making best use of resources now and for the future

4.15 The financial outlook for the Council continues to remain unclear. We are expecting a further one-year financial settlement for 2024/25, and it continues to be unlikely that there will be any significant national reform to local government funding before the next general election, which is expected in 2024. We continue to take action wherever we can to maximise our resilience as an organisation, to work effectively with our partners and to best manage the growing demand for our services. At the end of quarter 2 Cabinet considered the report of the Local Government Association Corporate Peer Challenge which underlined the Council's strong record of delivery, the value of our partnership working and our good foundations to plan for the longer-term future. Cabinet also agreed the Council's response to the recommendations, which lays out the actions we will take to respond to the suggested areas for development identified during the Peer Challenge (Appendix 7).

4.16 As part of our corporate lobbying work during quarter 2 the Leader took the opportunity to meet with local MPs and continued to raise the issues and priorities of the county with them. This included a specific update on the State of the County report and an update on the additional investment in highways agreed by the Council. The Leader highlighted the very challenging medium term financial outlook for the Council and sought MPs' support in lobbying for certainty of future funding for local government, that reflects local need, and to ensure that service reforms are sustainable and properly funded (Appendix 7).

4.17 Seven energy efficiency projects have been completed in quarter 1 and quarter 2, including two LED lighting projects and two Solar PV schemes. Triple glazing has been installed at one school and several building moves have also reduced emissions. A number of other schemes began in quarter 2. Ongoing supply chain and site issues have impacted performance and may affect our ability to deliver the target number of schemes for the year. The data on carbon emissions from Council buildings is available a quarter in arrears. Total energy consumption in quarter 1 (reported a quarter in arrears) was down 8% when compared with the same period last year and down 26% on the baseline year 2019/20. There is not yet enough data to accurately estimate the end of year outturn for 2023/24, however if consumption for the remainder of 2023/24 is the same as 2022/23 carbon emissions would increase by 1% this year. The main contributing factor to the increase in emissions projected for 2023/24 is the increase in the electricity emissions factor (the carbon intensity of the national grid) has risen 7% year on year. This is due to an increase in using natural gas for electricity generation and a decrease in renewable energy generation, which is out of the Council's control (Appendix 4).

4.18 The Council has continued to work with a range of partners to develop and deliver carbon reduction and climate change adaptation work in quarter 2. We submitted a £500k bid to the next round of the Government's Public Sector Decarbonisation Scheme. If successful, this will pay for part of the cost of decarbonising two schools. We also secured funding from the South East Net Zero Hub for a detailed feasibility study of ground-mounted solar PV at Pebsham landfill site (Appendix 6).

4.19 In September the Pensions Fund Team won the Governance Award at the Local Authority Pension Fund Investment Awards 2023 (Appendix 4).

Becky Shaw, Chief Executive

How to read this report

This report integrates monitoring for finance, performance and risk. Contents are as follows:

- Cover report (includes how to read this report)
- Appendix 1 Corporate Summary
- Appendix 2 Treasury Management Prudential Indicators
- Appendix 3 Adult Social Care and Health – (ASCH)
- Appendix 4 Business Services (Department) – (BSD)
- Appendix 5 Children's Services (Department) – (CSD)
- Appendix 6 Communities, Economy and Transport – (CET)
- Appendix 7 Governance Services – (GS)
- Appendix 8 Strategic Risk Register
- Appendix 9 Supporting Information on Contain Outbreak Management Fund (COMF)

Cover report, Appendix 1 and Appendix 2

The cover report, Appendix 1 and Appendix 2 provide a concise corporate summary of progress against all our Council Plan Targets (full year outturns at quarter 4), Revenue Budget, Savings Targets, Capital Programme and Treasury Management Prudential Indicators.

The cover report highlights a selection of key topics from the departmental appendices, for the four Council priorities:

- driving sustainable economic growth;
- keeping vulnerable people safe;
- helping people help themselves; and
- making best use of resources now and for the future.

More information on each of these topics is provided in the relevant departmental appendix referenced in brackets, e.g. (Appendix 3). More detailed performance and finance data is also available in the departmental appendices.

Departmental Appendices 3-7

The departmental appendices provide a single commentary covering issues and progress against key topics for the department (including all those mentioned in the cover report). This is followed by data tables showing progress against Council Plan Targets, Savings Targets, Revenue Budget, and Capital Programme for the department.

For each topic, the commentary references supporting data in the tables at the end of the appendix, e.g. **(ref i)**. The tables include this reference in the 'note ref' column on the right hand side. Where the commentary refers to the Revenue Budget or Capital Programme, it may refer to all or part of the amount that is referenced in the table, or it may refer to several amounts added together. Performance exceptions follow these rules:

Quarter 1	All targets not expected to be achieved at year end i.e. not RAG rated Green, and any proposed amendments or deletions. Changes to targets early in Q1 should be made under delegated authority for the Council Plan refresh in June.
Quarter 2	Targets that have changed RAG rating since Q1 including changes to Green (except where target was amended at Q1), plus proposed amendments or deletions.
Quarter 3	Targets that have changed RAG rating since Q2 including changes to Green (except where target was amended at Q2), plus proposed amendments or deletions.
Quarter 4	Targets that have changed RAG rating since Q3 to Red or Green (except where target was amended at Q3). Outturns that are not available are reported as Carry Overs. All target outturns for the full year are reported in the year end summary at Appendix 1.

Strategic Risk Register Appendix 8

Appendix 8 contains commentary explaining mitigating actions for all Strategic Risks.

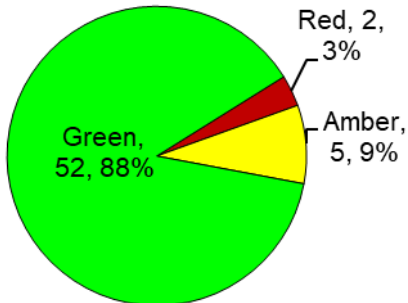
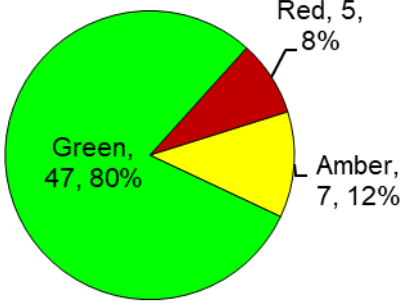
Supporting Information regarding proposal for use of COMF funding Appendix 9

Information in support of the recommendation to approve a further and final annual extension of the Additional Measures Scheme for specialist money advice services through 2024/25, funded from the Contain Outbreak Management Fund (COMF).

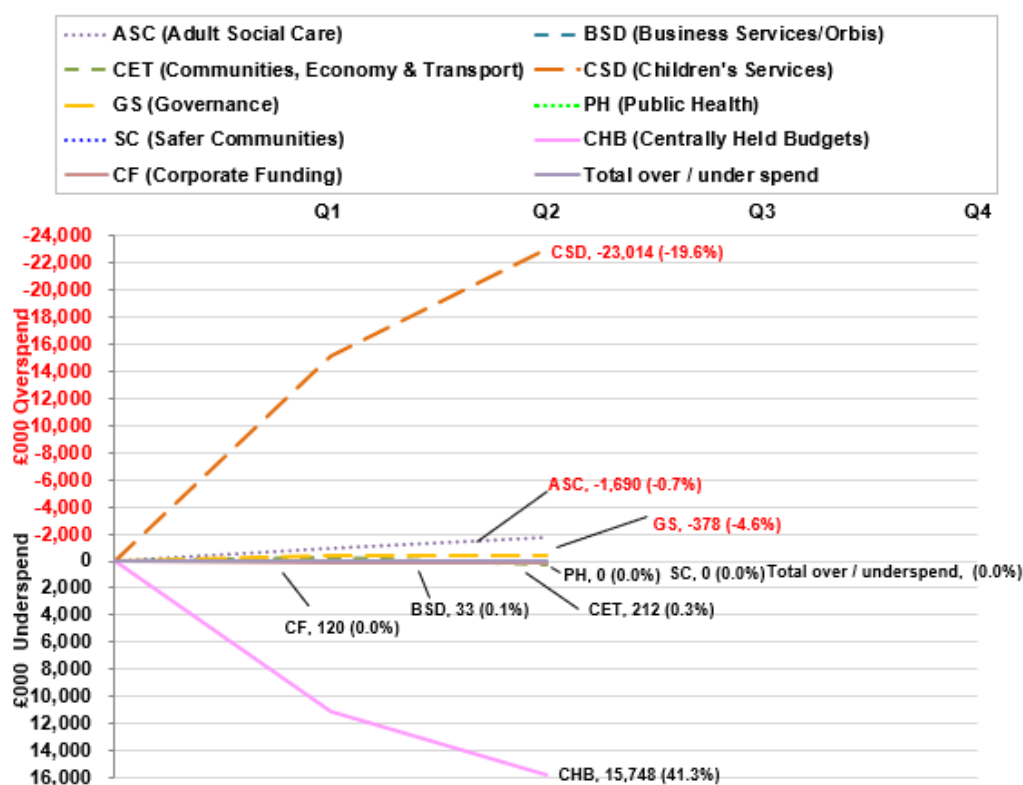
Council Monitoring Corporate Summary – Q2 2023/24

Council Plan performance targets

Priority	Red	Amber	Green
Driving sustainable economic growth	1	3	21
Keeping vulnerable people safe	2	0	10
Helping people help themselves	1	3	11
Making best use of resources now and for the future	1	1	5
Total	5	7	47

Performance overview Q1 2023/24	Performance overview Q2 2023/24	Measures off target by department
 <p>Green, 52, 88% Amber, 5, 9% Red, 2, 3%</p>	 <p>Green, 47, 80% Amber, 7, 12% Red, 5, 8%</p>	<p>There are 59 measures in the Council Plan. In Q2, 4 departments had measures that were off target.</p> <p>ASCH – 1 Red measure, 3 Amber measures</p> <p>BSD – 1 Red measure, 1 Amber measure</p> <p>CET – 1 Red measure</p> <p>CSD – 2 Red measures, 3 Amber measures</p>

Revenue budget outturn (net £000)



Revenue budget summary (£000) 2023/24**Services:**

Divisions	Planned Gross	Planned Income	Planned Net	Projected Gross	Projected Income	Projected Net	(Over)/ under spend Gross	(Over)/ under spend Income	(Over)/ under spend Net
Adult Social Care	338,484	(105,448)	233,036	371,757	(137,031)	234,726	(33,273)	31,583	(1,690)
Safer Communities	2,030	(909)	1,121	2,236	(1,115)	1,121	(206)	206	-
Public Health	33,777	(33,777)	-	32,950	(32,950)	-	827	(827)	-
Business Services / Orbis	54,595	(26,729)	27,866	55,903	(28,070)	27,833	(1,308)	1,341	33
Children's Services	401,587	(284,187)	117,400	429,376	(288,962)	140,414	(27,789)	4,775	(23,014)
Communities, Economy & Transport	160,804	(88,403)	72,401	162,280	(90,091)	72,189	(1,476)	1,688	212
Governance Services	8,911	(738)	8,173	9,308	(757)	8,551	(397)	19	(378)
Total Services	1,000,188	(540,191)	459,997	1,063,810	(578,976)	484,834	(63,622)	38,785	(24,837)

Centrally Held Budgets (CHB):

Divisions	Planned Gross	Planned Income	Planned Net	Projected Gross	Projected Income	Projected Net	(Over)/ under spend Gross	(Over)/ under spend Income	(Over)/ under spend Net
Treasury Management	21,630	(7,700)	13,930	19,031	(12,230)	6,801	2,599	4,530	7,129
Capital Programme	-	-	-	-	-	-	-	-	-
Unfunded Pensions	5,202	-	5,202	4,653	-	4,653	549	-	549
General Contingency	4,880	-	4,880	-	-	-	4,880	-	4,880
Provision for Budgetary Risks	4,272	-	4,272	740	-	740	3,532	-	3,532
Apprenticeship Levy	772	-	772	741	-	741	31	-	31
Levies, Grants & Other	14,845	(5,779)	9,066	14,700	(5,917)	8,783	145	138	283
Debt Impairment	-	-	-	656	-	656	(656)	-	(656)
Total Centrally Held Budgets	51,601	(13,479)	38,122	40,521	(18,147)	22,374	11,080	4,668	15,748

Corporate Funding:

Divisions	Planned Gross	Planned Income	Planned Net	Projected Gross	Projected Income	Projected Net	(Over)/ under spend Gross	(Over)/ under spend Income	(Over)/ under spend Net
Business Rates	-	(94,336)	(94,336)	-	(94,336)	(94,336)	-	-	-
Revenue Support Grant	-	(4,076)	(4,076)	-	(4,076)	(4,076)	-	-	-
Service Grant	-	(2,916)	(2,916)	-	(3,036)	(3,036)	-	120	120
Council Tax	-	(351,828)	(351,828)	-	(351,828)	(351,828)	-	-	-
Social Care Grant	-	(44,612)	(44,612)	-	(44,612)	(44,612)	-	-	-
New Homes Bonus	-	(351)	(351)	-	(351)	(351)	-	-	-
Total Corporate Funding	-	(498,119)	(498,119)	-	(498,239)	(498,239)	-	120	120

Divisions	Planned Gross	Planned Income	Planned Net	Projected Gross	Projected Income	Projected Net	(Over)/ under spend Gross	(Over)/ under spend Income	(Over)/ under spend Net
TOTAL	1,051,789	(1,051,789)	0	1,104,331	(1,095,362)	8,969	(52,542)	43,573	(8,969)
Use of Covid funding	-	-	-	-	(5,666)	(5,666)	-	5,666	5,666
Use of COMF	-	-	-	-	(1,596)	(1,596)	-	1,596	1,596
Use of Financial Management Reserve	-	-	-	-	(1,707)	(1,707)	-	1,707	1,707
FINAL TOTAL	1,051,789	(1,051,789)	0	1,104,331	(1,104,331)	0	(52,542)	52,542	0

Revenue Savings Summary 2023/24 (£'000)

Service description	Original Target for 2023/24	Target including items c/f from previous year(s)	Achieved in-year	Will be achieved, but in future years	Cannot be achieved
ASC	-	-	-	-	-
BSD / Orbis	869	869	659	210	-
CS	-	-	-	-	-
CET	105	910	105	745	60
GS	-	-	-	-	-
Total Savings	974	1,779	764	955	60
ASC			-	-	-
BSD / Orbis			-	-	-
CS			-	-	-
CET			-	-	-
GS			-	-	-
Subtotal Permanent Changes ¹			0	0	0
Total Savings & Permanent Changes	974	1,779	764	955	60

Memo: treatment of savings not achieved in the year (£'000)	Temporary Funding ²	Part of reported variance ³	Total
ASC	-	-	0
BSD / Orbis	210	-	210
CS	-	-	0
CET	745	60	805
GS	-	-	0
Total	955	60	1,015

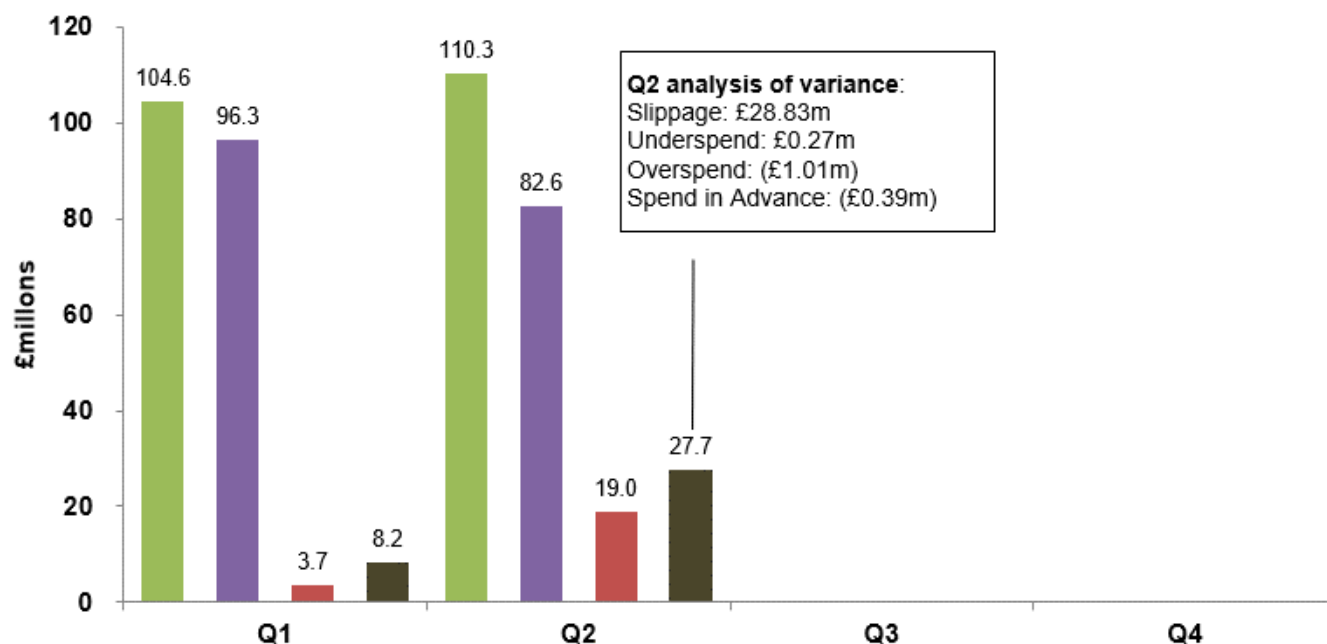
¹ Where agreed savings are reasonably unable to be achieved other permanent savings are required to be identified and approved via quarterly monitoring.

² Temporary funding will only replace a slipped or unachieved saving for one year. The saving will still need to be made in future years (or be replaced with something else).

³ The slipped or unachieved saving will form part of the department's overall variance. It will either increase an overspend or decrease an underspend. The saving will still need to be made in future years (or be replaced with something else).

Capital Programme (gross £ millions) – approved projects

Key: ■ Current budget ■ Forecast ■ Actuals ■ Variance

**Capital Programme Summary 2023/24 (£'000)**

	Budget Q2	Actual to date Q2	Projected 2023/24	Variation (Over) / under Q2 budget	Variation analysis: (Over) / under spend	Variation analysis: Slippage to future year	Variation analysis: Spend in advance
Adult Social Care	2,367	257	1,259	1,108	-	1,108	-
Business Services	30,175	7,541	21,380	8,795	269	8,773	(247)
Children's Services	1,215	336	1,447	(232)	(232)	-	-
Communities, Economy & Transport	76,505	10,915	58,484	18,021	(781)	18,949	(147)
Gross Expenditure (Planned Programme)	110,262	19,049	82,570	27,692	(744)	28,830	(394)
Section 106 and CIL	2,548	-	-	-	-	-	-
Other Specific Funding	16,257	-	-	-	-	-	-
Capital Receipts	817	-	-	-	-	-	-
Formula Grants	31,966	-	-	-	-	-	-
Reserves and Revenue Set Aside	20,369	-	-	-	-	-	-
Borrowing	38,305	-	-	-	-	-	-
Total Funding	110,262	-	-	-	-	-	-

Treasury Management

The Treasury Management Strategy (TMS), which provides the framework for managing the Council's cash balances and borrowing requirement, continues to reflect a policy of ensuring minimum risk, whilst aiming to deliver secure realistic investment income on the Council's cash balances.

The average level of Council funds available for investment purposes during Q2 was £293.169m. The total amount received in short term interest for Q2 was £3.540m at an average rate of 4.79%, compared to £3.058m at an average rate of 4.19% for Q1 2023/24. The anticipated average investment return for the year is currently 5.37%, from the 4.45% assumed at budget setting, based on the latest forecasts from our external treasury management advisors.

The Bank of England Base Rate was increased once in Q2 on the 3 August 2023 to 5.25%. The investment return outlook has improved however, the potential for increased interest rates into the future has reduced. 5.25% is expected to be the peak and the latest forecasts suggest marginal decreases in the bank rate from September 2024. Where possible a number of fixed term deposits with banks were placed for periods up to 1 year in Q2 at improved rates. These investments have been 'laddered' and will mature at different intervals in the next 12 months. This will take advantage of securing investment returns in future quarters.

In seeking investment opportunities, as defined by the TMS, opportunities have been taken to reinvest in maturing bank deposits that aligns to the United Nations' Sustainable Development Goals (SDGs). In Q2, a total of £18m was reinvested for a duration of six months, maintaining the £30m placed for investment in SDG deposits. We will look to place deals maturing with other local authorities in Q3 if the rates are favourable compared to traditional bank deposits.

No short-term borrowing was required in Q2. The majority of the Council's external debt, totalling £216.6m at Q2, is held as long-term loans. No long-term borrowing was undertaken in Q2, and no further cost-effective opportunities have arisen during Q2 to restructure the existing Public Works Loan Board (PWLB) or wider debt portfolio.

The Treasury Management budget is currently forecasting to underspend by £7.1m. This is based on the position outlined above with regard to balances held and investment returns and slippage on the capital programme reducing the need to borrow externally in 2023/24.

The performance of the Council's treasury management activity, against benchmarks and the key indicators set in the Treasury Management Strategy, as approved by Full Council on 7 February 2023, are set out at Appendix 2.

Reserves and Balances 2023/24 (£000)

Reserve / Balance	Balance at 1 Apr 2023	Forecast net use at Q1	Forecast net use at Q2	Movement	Estimated balance at 31 Mar 2024
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Statutorily ringfenced or held on behalf of others:

Balances held by schools	20,082	-	-	-	20,082
Public Health	7,812	(1,704)	(1,704)	-	6,108
Other	6,983	(821)	(882)	(61)	6,101
Subtotal	34,877	(2,525)	(2,586)	(61)	32,291

Service Reserves:

Corporate Waste	19,883	(470)	(470)	-	19,413
Capital Programme	13,425	(4,062)	(4,062)	-	9,363
Insurance	7,363	133	133	-	7,496
Adult Social Care	3,099	-	-	-	3,099
Subtotal	43,770	(4,399)	(4,399)	-	39,371

Strategic Reserves:

Priority / Transformation	17,398	(5,894)	(11,469)	(5,575)	5,929
Financial Management	41,880	(9,583)	(8,397) ¹	1,186	33,483
Subtotal	59,278	(15,477)	(19,866)	(4,389)	39,412
Total Reserves	137,925	(22,401)	(26,851)	(4,450)	111,074
General Fund	10,000	-	-	-	10,000
Total Reserves and Balances	147,925	(22,401)	(26,851)	(4,450)	121,074

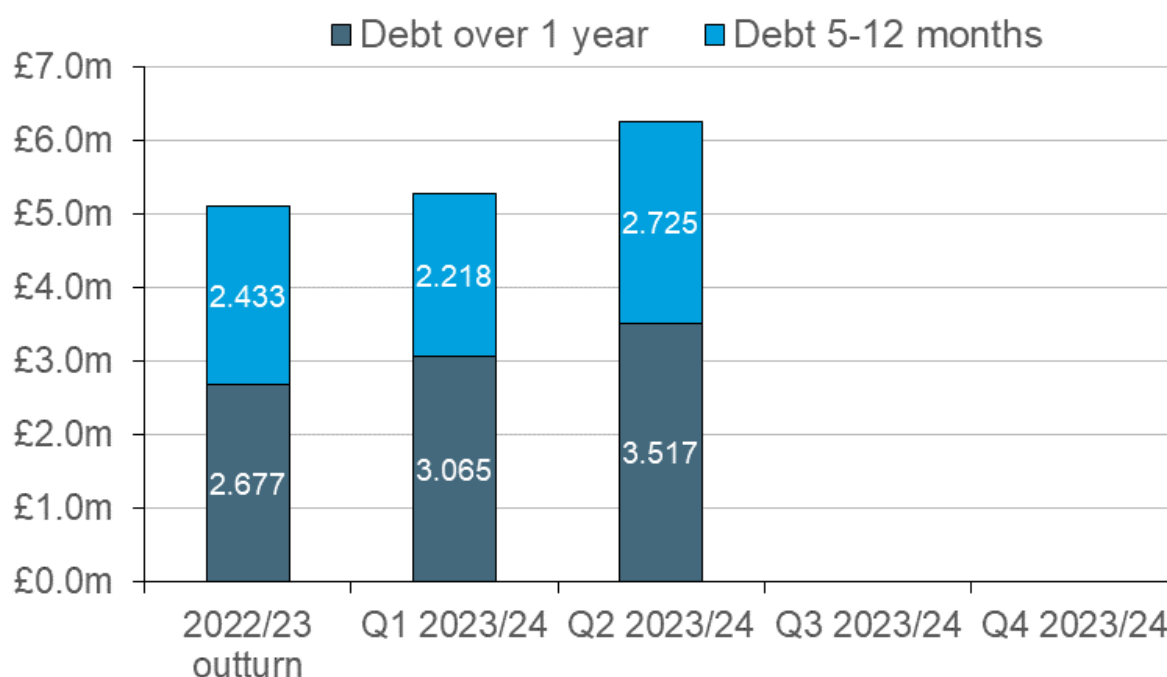
¹ Currently excludes any transfers relating to Q2 variances

Changes to Fees & Charges

Bikeability provides cycle safety training. During the quarter there was an approved change to the fee structure to schools, resulting in an increase of over 4% for two courses:

Course	Current Price	Proposed Price	Equivalent proposed price per person (£) *	Equivalent movement per person (£)	Movement (%)
Bike balance	£7.50 per child	£100 per class of 10 (4x30min)	£10.00	£2.50	33.3%
Beginners Group (Learn to Ride)	£12 pp (1h)	£75 per class of 6 (1h)	£12.50	£0.50	4.2%

*This is the minimum charge per person; if the class is below the maximum people allowed then the charge per person increases.

Outstanding debt analysis (£ millions)

The value of debt aged over 5 months at Quarter 2 has increased by £1.132m to £6.242m, compared to the 2022/23 outturn position of £5.110m.

£5.836m (93.48%) relates to Adult Social Care (ASC), which has increased by £1.621m compared to the 2022/23 outturn position of £4.215m. £0.473m of this increase relates to income due from the NHS Integrated Care Board (ICB).

The debt over 5 months related to income due to other departments has decreased by £0.489m to £0.406m at Q2, compared with the 2022/23 outturn position of £0.895m.

Recovery of debt continues to be a high priority focus. A debt working group has been set up to review the overall debt position and identify any mitigating actions that can be taken forward. A monthly ASC debt panel is also being introduced that will review complex and ongoing cases and ensure the most appropriate steps are taken to recover debt.

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Treasury Management Prudential Indicators – Q2 2023/24

The Chartered Institute of Public Finance and Accountancy published the revised Treasury and Prudential codes in 2021, which now requires quarterly reporting of performance against forward looking prudential indicators. The performance of the Council's treasury management activity, against benchmarks and the key indicators in the Council's Treasury Management Strategy, as approved by Full Council at its meeting of 7 February 2023, are set out below.

Investments

The average investment return over Q2 was 4.82% under-performing the benchmark rate by 27 basis points (or 0.27 percentage points). This is typical in a rising interest rate environment as a result of the time lag between changes in base rate and investments maturing and being able to re-invest at more favourable rates.

Quarter	Average Investment Balance £m	Average Investment return	Average Benchmark Rate*	Difference
Q1	295.687	4.19%	4.34%	(0.15%)
Q2	293.169	4.82%	5.09%	(0.27%)

**the Benchmark rate used is the Standard Overnight Index Average (SONIA); a rate administered by the Bank of England based on actual transactions of overnight borrowing by financial institutions.*

The timing of Bank of England (BoE) bank interest rate movements in the quarters explains the widening gap between Q1 & Q2 average benchmark rate, SONIA and the average interest earned. The gap will reduce going forward as the base rate has not increased since August.

During Q2 we have monitored the security of the Council's investment, to 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 0.003% and 0.008%, reflecting the high proportion of investments held in highly secure and/or very liquid investments.

Investment Risk benchmark	0.050%
Maximum investment risk experienced Q2	0.008%

Borrowing

The table below shows the Council's total external borrowing and average rate as at 30 September 2023:

	Balance as at 30 September 2023 £m	Average Rate
PWLB	210.142	4.53%
Market Loans	6.450	4.25%
Total borrowing	216.592	4.52%

The table below shows the Q2 forecast of the Capital Financing Requirement (CFR) compared to the estimate within the 2023/24 strategy approved in February 2023. The CFR is expected to give rise to new borrowing required of £68.334m by the end of the year, compared to the original estimate of £83.932m. The strategy currently forecasts that the level of reserves and balances in the medium term allows internal borrowing of up to £50.000m, and therefore it is currently expected that external borrowing of £18.334m may be required to support the capital programme.

Capital Financing Requirement (CFR) (Underlying Borrowing Need)	Original Estimate 2023/24 £m	Revised forecast as at 30 September 2023 £m
Opening CFR	274.367	272.225
Borrowing Need	34.904	20.105
Minimum Revenue Provision	(7.429)	(7.404)
Closing CFR	301.842	284.926
External Borrowing as at 30 September 2023		216.592
Forecast Underborrowing (if no action taken)		68.334

The table below shows that the Council is operating within the Operational Boundary and Authorised Borrowing Limits set within the Treasury Management strategy and has sufficient headroom to cover the borrowing need arising from the year's capital programme.

Borrowing Limits	Operational Boundary £m	Authorised Borrowing Limit £m
Limit set for 2023/24	376.000	396.000
Less: PFI & Leases	65.000	65.000
Limit for Underlying Borrowing	311.000	331.000
Actual External Borrowing at 30 September	216.592	216.592
Headroom*	94.408	114.408

*Authorised Borrowing headroom cannot be less than zero

The maturity profile of the Authority's borrowing is within the limits set within the strategy.

Maturity Structure of borrowing	Lower Limit set	Upper Limit set	Actual as at 30 September 2023
Under 12 Months	0%	25%	2%
12 months to 2 years	0%	40%	2%
2 years to 5 years	0%	60%	7%
5 years to 10 years	0%	70%	16%
Over 10 years	0%	90%	72%

Adult Social Care and Health – Q2 2023/24

Summary of progress on Council Priorities, issues arising, and achievements

Adult Social Care (ASC)

Health and Social Care integration

Early progress has been made during Q2 to establish the proposed footprints model for the Integrated Community Teams (ICTs) across Sussex. ICTs are made up of professionals working together across different organisations with local communities, individuals, and their carers. During Q2, we have revisited and updated previously successful integrated approaches for engagement and the deployment of collective resources. We have designed five footprints for ICTs, reflecting borough and district boundaries. This model provides a starting place to help us to test the different functional elements of ICTs - population health and wellbeing improvements, reducing health inequalities, and delivering integrated care for those who need it. During Q2, preparations continued for the October relaunch of the East Sussex Community Oversight Board. This is the programme board for leading ICT implementation in East Sussex. Programme scoping has been taking place within the emerging Sussex-wide framework and principles for developing ICTs, and the shared approach to communications and engagement that will support this.

Adult Social Care Strategy

During Q2, we published What Matters To You, our [Adult Social Care Strategy](#). This was produced over the course of a year after engagement with clients, carers and other stakeholders. It sets out what our residents who need care and support, their carers, and their families told us were important to them to live well. The strategy guides residents' understanding of what adult social care is, outlines our six key priorities, and explains how we will take those priorities forward in planning for the future of adult social care in East Sussex.

Adults are able to take control of the support they receive

The number of people in receipt of Direct Payments has increased from 1,520 as of 31 March 2023 to 1,565 as of 30 September 2023. However, the number of people receiving community based long term support in the same period has increased at a greater rate (4,792 to 5,057), resulting in a drop in the proportion of people receiving Direct Payments. Despite this drop, we are still performing well compared to national benchmarks (based on current national data, this performance would fall within the upper-middle quartile). It is important to note that this measure is a snapshot at the end of each reporting period so performance can fluctuate.

The Support With Confidence measure is not being reported against in Q2 (**ref iii**), as we are not currently accepting new applications to the Support with Confidence Scheme, or progressing any applications or renewals, while we consider a report published by the National Direct Payment Forum. [A public consultation](#) on the future of the Support with Confidence scheme was launched on 27 September and will close on 5 December 2023.

Reabling people to maximise their level of independence

Reablement services are provided to help people to regain mobility and daily living skills, especially after a hospital stay. A range of measures are used to look at how effective reablement services are. These include:

- During Q2, 95.5% of people who received short-term services did not request any further support.
- During Q2, 72% of Reablement service users discharged from the Joint Community Rehabilitation Service did not require ongoing care.
- During Q1 (reported a quarter in arrears) 93.7% of older people discharged from hospital to reablement / rehabilitation services were at home 91 days after their discharge from hospital. Based on current national data, this performance would fall within the upper quartile.

Number of carers supported through short-term crisis intervention

During Q2, the number of carers supported through short term crisis intervention (**ref i**) fell to 59 (from 87 in Q1). However, this is due to a reduction in overall referrals for carer support. We are therefore working with the provider to continue to promote their service to other carer organisations, to raise their profile and increase referrals.

Third Sector support

We increased our collaborative working with VCSE partners during Q2 on financial inclusion issues, on supporting Community Networks, and on supporting volunteering. Also during the quarter, the Community Network programme held a series of Strategic and Local partner group workshops with VCSE and public sector colleagues, to identify potential areas of support that the programme could develop based on the needs of VCSE and public sector partners. We also launched the Tribe Project, which is an app and website to make it easier to volunteer across the county. We continue to work with VCSE and public sector colleagues to help them advertise opportunities to the platform, and to scope out the next phase of the project which will look at Social Prescribing.

Homes for Ukraine

As at 30 September 2023, 1,683 guests had arrived in East Sussex under the Homes for Ukraine scheme, sponsored and hosted by 766 sponsors. A significant number (477) have moved on from their hosts into private sector accommodation.

Safer Communities (Safer East Sussex Team (SEST), Substance Misuse and Recovery Services and Domestic Violence and Abuse, Sexual Violence and Abuse Services)

Modern Slavery and Human Trafficking (MSHT) and Exploitation

During Q2, the Safer East Sussex Team (SEST) have been working with partners to develop a profile of Modern Slavery in East Sussex, building on a recent University of Sussex research project. This involves working with partners, including Sussex Police and West Sussex County Council, to explore strategies and tools to improve future information sharing and reporting for early intervention and responses. Following this, the Sussex Police Exploitation team will be working with SEST to take forward options for better identification and recording of potential victims.

East Sussex Violence Reduction Partnership - Serious Violence Duty

During Q2, Sussex Police seconded a Partnership Data Lead into the Safer Communities Team, funded by the Home Office Serious Violence Duty Implementation Grant. This is a new and unique role which incorporates analysis, insights and community consultation to produce holistic profiles and develop local action plans of areas where communities are most affected by serious crime. The locations selected are based on the East Sussex Serious Violence Joint Strategic Needs Assessment and are: i) Devonshire (Eastbourne); ii) Baird (Bromsgrove); iii) Newhaven South (Valley); iv) Bexhill Sidley; and v) Hailsham.

Safer Streets Devonshire Project

In September, the Safer Communities Team co-ordinated a Partnership Day of Action in the Devonshire area of Eastbourne. This provided a visible multi-agency presence and engaged with residents, local businesses and services, while Community Payback participants cleared alleyways of litter. A repeat event is being co-ordinated with the support of the Eastbourne Joint Action Group.

Antisocial Behaviour

Interventions are being delivered through Safer Streets 4 funding including bespoke mediation support, a Planning for Real exercise was completed in Q2 and committed to putting up Crimestoppers Zone signs in the five streets with the highest volume of anti-social behaviour

(ASB), holistic outreach, new CCTV at ASB hotspots, and improved lighting to support accessibility of the newly launched Recovery Café for people affected by drug and alcohol misuse. We also continued to work closely with multi-agency partners to identify additional actions and programmes that can help to tackle anti-social behaviour, and the perceptions around anti-social behaviour in both Eastbourne and Hastings town centres.

Harm to Hope

During Q2, the East Sussex Harm to Hope Strategy and Action Plan was published and three sub-groups (Prevention, Enforcement and Treatment) have been established to drive through systems improvements and deliver on the National Combatting Drugs Strategy.

Preventing Violent Extremism

39 community safety awareness raising sessions were delivered to schools, colleges, students, staff, partners and the wider community during Q2. The Prevent Support Officer delivered 16 sessions to primary, secondary and Special Educational Needs schools. 11 training sessions were also delivered to teaching staff, designated safeguarding leads (DSLs) and other school-related staff. Positive feedback was received for all of these sessions.

In September, a joint work initiative commenced with the Rother Police Neighbourhood Youth Officers (PNYO) to target Year 7 pupils in secondary schools for discussion and inputs around online safety and responsibility, with a Prevent theme. In total, approximately 1,370 students and staff have received input in Q2.

Domestic Violence and Abuse, Sexual Violence and Abuse Services

During Q2, a commissioning plan with commitments on spending the additional new funding allocated to the Council by the Government, specifically for delivery of domestic abuse support was approved. The commissioning plan has been informed by a needs assessment refresh completed in Q4 2022/23 and engagement with key leads.

The Voice of Lived Experience Board (VOLEB) presented at a Sussex Police Domestic Abuse Champions Training day (attended by 80 Sussex Police staff). Two members of the Board spoke about their experience of interactions with the Police to demonstrate the importance of holding the victim-survivor experience in mind when responding to domestic abuse. Following positive feedback on the training, VOLEB have contributed extensively to the Continuous Professional Development programme for Sussex and Surrey Police staff (which will reach over 1,750 officers and staff when complete).

The Safer Communities team carried out a social media campaign to promote Honour Based Abuse Awareness Day on 14 July, sharing key messages and signposting to services in co-ordination with specialist organisations.

Public Health

NHS Health Checks

The NHS Health Checks target for 2023/24 of 10% coverage of IMD1 (the top 20% most deprived areas identified by the Index of Multiple Deprivation) equates to 2,300 NHS Health Checks to people living in the most deprived areas. At Q1 (reported a quarter in arrears) we have delivered 496 NHS Health Checks (**ref ii**).

NHS Health Checks are predominantly delivered by GP practices in East Sussex. To help reach the target, NHS Health Checks conducted for individuals living in areas that are particularly deprived attract an enhanced payment. Hastings & St Leonards Primary Care Network (PCN) had a slight pause on activity due to capacity. However, Hastings & St Leonards PCN and Public Health have worked together to train vaccination staff to deliver NHS Health Checks with a specific focus on those living in the most deprived areas to improve capacity.

Making It Happen

The 'Making it Happen' programme runs community-based projects and services aimed at addressing loneliness, social isolation and social cohesion. During Q2, 18 grants totalling £50,000 have been given to community groups. The activity funded included expanding sessions at the Men's Shed, so the shed is now open on set days for men's, women's and mixed sessions. Other activities funded ranged from development of a new community green space in Newhaven, an inclusive football group for self-identifying women, a new gaming club for young people in Hampden Park, several arts-based activities, and peer support groups for older people, including the establishment of an asset-based befriending and social connection project, Friends Altogether in Rother (FAiR). Making it Happen continues to encourage collaboration between groups or other community-based programmes, for example between FAiR and the Rye Jazz Festival, or a Parent Toddler Group at the Uckfield Family Hub and other community groups.

National Institute for Health and Care Research (NIHR)

In Q2, we have been successful in progressing to Phase 2 of our application for NIHR research funds. If successful the funds will allow us to evaluate the impact of our Theatre in Education (TIE) programme which focuses on improving attitudes, knowledge, self-efficacy and confidence in relation to illicit substance use in secondary schools. Uptake of TIE has been very good in the past, and so this an important contribution to addressing a key safeguarding concern for schools and the wider system.

Getting East Sussex Moving

#GettingEastSussexMoving is a new campaign to encourage people in East Sussex to be more active. The year-long campaign launched in September, with a different theme each month. Residents can find out more information on where to be active by visiting:

<https://www.eastsussex.gov.uk/social-care/health-advice/getting-east-sussex-moving>.

Revenue Budget Summary

ASC

The net ASC budget of £233.036m includes a 10% inflationary uplift of £25.797m to support the care market across the Independent Sector. This uplift is in addition to £4.546m to fund growth and demographic pressures and £2.707m to fund the costs of pay awards. The costs of the increases are partially funded by £6.635m raised through the 2% ASC Care Precept. In July 2023, the Department of Health and Social Care (DHSC) announced an additional £3.932m for the Market Sustainability and Improvement Fund. ASC expect to apply the funding to mitigate the overspend in the remainder of the financial year 2023/24.

The projected outturn is £234.726m which is a forecast overspend of £1.690m. This comprises an overspend of £2.436m on Independent Sector care provision, offset by an underspend of £0.746m in Directly Provided Services. The overspend on the Independent Sector is due to a combination of factors with the most material being increasing complexity of need; pressures arising from demand and demographic growth returning to pre-pandemic levels of modelling; and increasing levels of debt around client contributions which are likely linked to the cost of living crisis. The underspend in Directly Provided Services is due to staffing vacancies and reflects the difficulties in recruitment.

Safer Communities

The net budget of £1.121m is forecast to be fully spent in 2023/24.

Public Health

The Public Health (PH) budget of £33.777m comprises the PH grant allocation of £29.803m, the Supplemental Substance Misuse Treatment and Recovery Grant (ADDER) allocation of £1.350m, a planned draw from reserves of £2.058m for projects and £0.566m drawn to support in-year spending.

PH is forecasting an underspend of £0.827m in 2023/24, comprised of £0.910m slippage on the PH Reserve projects, £0.096m forecast underspend on the general PH programme and a forecast overspend of £0.179m on the Health Visiting programme.

COVID-19 related funding streams

ASC continues to incur expenditure relating to schemes initiated during the national COVID-19 response.

Grant	Funding brought forward £'000	Planned Usage £'000	Balance Remaining £'000
Contain Outbreak Management Funding	2,695	2,695	-
CEV Grant (support to CEV individuals)	1,539	1,539	-
Omicron Support Fund	41	41	-
Total	4,275	4,275	0

Homes for Ukraine

ASC continues to lead on the programme of services to support Ukrainian guests to settle in East Sussex. Total projected expenditure in 2023/24 is £5.799m against expected funding of £11.839m with the remaining budget allocated for the subsequent years of support required under statutory guidance. In addition, ASC will pass through £1.434m to districts and boroughs to fund payments to hosts, in line with guidance.

HFU Grant Funding	Funding Confirmed £'000	Further Funding Anticipated £'000	Total Funding £'000	Actual Expenditure £'000	Balance Remaining £'000
Funding for guests	11,287	552	11,839	5,799	6,040
Host Payments	-	1,434	1,434	1,434	-
Total	11,287	1,986	13,273	7,233	6,040

Capital Programme Summary

The ASC Capital programme budget is £2.367m for 2023/24. The outturn this year is forecast to be £1.259m. There is slippage of £1.108m mainly due to delays following a contractor going into administration.

Performance exceptions (see How to read this report for definition)**Priority – Helping people help themselves**

Performance measure	Outturn 22/23	Target 23/24	RAG Q1 23/24	RAG Q2 23/24	RAG Q3 23/24	RAG Q4 23/24	Q2 23/24 outturn	Note ref
Number of carers supported through short-term crisis intervention	494	390	G	A			146	i
Improved targeting of NHS Health Checks	29.5%	10% of the eligible population in the 20% most deprived areas (IMD1) have received a health check	R	A			Reported a quarter in arrears Q1: 496 22% of annual target of 2,300	ii
Number of providers registered with Support With Confidence	346	≥2022/23 outturn	A	R			Target not reported against in Q2	iii

Savings exceptions 2023/24 (£'000)

Service description	Original Target For 2023/24	Target including items c/f from previous year(s)	Achieved in-year	Will be achieved, but in future years	Cannot be achieved	Note ref
	-	-	-	-	-	
	-	-	-	-	-	
Total Savings	0	0	0	0	0	
			-	-	-	
			-	-	-	
Subtotal Permanent Changes ¹			0	0	0	
Total Savings and Permanent Changes	0	0	0	0	0	

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

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

² Temporary funding will only replace a slipped or unachieved saving for one year; the saving will still need to be made in future years (or be replaced with something else).

³ The slipped or unachieved saving will form part of the department's overall variance - it will either increase an overspend or decrease an underspend. The saving will still need to be made in future years (or be replaced with something else).

Revenue Budget 2023/24 (£'000)**Adult Social Care – Independent Sector:**

Divisions	Planned Gross	Planned Income	Planned Net	Projected Gross	Projected Income	Projected Net	(Over)/ under spend Gross	(Over)/ under spend Income	(Over)/ under spend Net	Note ref
IS - Physical Support, Sensory Support and Support for Memory & Cognition	143,603	(69,611)	73,992	159,145	(88,986)	70,159	(15,542)	19,375	3,833	
IS - Learning Disability Support	79,044	(5,052)	73,992	88,683	(11,225)	77,458	(9,639)	6,173	(3,466)	
IS - Mental Health Support	22,933	(10,912)	12,021	31,238	(16,414)	14,824	(8,305)	5,502	(2,803)	
Subtotal	245,580	(85,575)	160,005	279,066	(116,625)	162,441	(33,486)	31,050	(2,436)	

Adult Social Care – Directly Provided Services & Assessment and Care Management:

Divisions	Planned Gross	Planned Income	Planned Net	Projected Gross	Projected Income	Projected Net	(Over)/ under spend Gross	(Over)/ under spend Income	(Over)/ under spend Net	Note Ref
Physical Support, Sensory Support and Support for Memory & Cognition	16,714	(5,121)	11,593	15,198	(5,153)	10,045	1,516	32	1,548	
Learning Disability Support	8,263	(592)	7,671	8,374	(592)	7,782	(111)	-	(111)	
Mental Health Support	3,221	(3,098)	123	3,221	(3,098)	123	-	-	-	
Substance Misuse Support	477	-	477	476	-	476	1	-	1	
Equipment & Assistive Technology	7,414	(3,782)	3,632	7,414	(3,782)	3,632	-	-	-	
Other	130	-	130	110	-	110	20	-	20	
Supporting People	6,144	(310)	5,834	6,144	(310)	5,834	-	-	-	
Assessment and Care Management	29,023	(2,203)	26,820	30,737	(2,891)	27,846	(1,714)	688	(1,026)	
Carers	3,536	(2,834)	702	3,459	(2,757)	702	77	(77)	-	
Management and Support	17,350	(1,735)	15,615	16,551	(1,625)	14,926	799	(110)	689	
Service Strategy	632	(198)	434	1,007	(198)	809	(375)	-	(375)	
Subtotal	92,904	(19,873)	73,031	92,691	(20,406)	72,285	213	533	746	

Divisions	Planned Gross	Planned Income	Planned Net	Projected Gross	Projected Income	Projected Net	(Over)/ under spend Gross	(Over)/ under spend Income	(Over)/ under spend Net	Note Ref
Total Adult Social Care	338,484	(105,448)	233,036	371,757	(137,031)	234,726	(33,273)	31,583	(1,690)	

Safer Communities:

Divisions	Planned Gross	Planned Income	Planned Net	Projected Gross	Projected Income	Projected Net	(Over)/ under spend Gross	(Over)/ under spend Income	(Over)/ under spend Net	Note Ref
Safer Communities	2,030	(909)	1,121	2,236	(1,115)	1,121	(206)	206	-	
Total Safer Communities	2,030	(909)	1,121	2,236	(1,115)	1,121	(206)	206	0	

Public Health – Core Services:

Divisions	Planned Gross	Planned Income	Planned Net	Projected Gross	Projected Income	Projected Net	(Over)/ under spend Gross	(Over)/ under spend Income	(Over)/ under spend Net	Note Ref
Mental Health & Best Start	11,417	-	11,417	11,401	-	11,401	16	-	16	
Risky Behaviours and Threats to Health	12,153	-	12,153	11,788	-	11,788	365	-	365	
Health Systems	3,549	-	3,549	3,254	-	3,254	295	-	295	
Communities	930	-	930	990	-	990	(60)	-	(60)	
Central Support	3,212	-	3,212	3,965	-	3,965	(753)	-	(753)	
Recovery & Renewal – Funded by Test & Trace	458	-	458	404	-	404	54	-	54	
Public Health Grant Income	-	(29,803)	(29,803)	-	(29,803)	(29,803)	-	-	-	
ADDER Grant	-	(1,350)	(1,350)	-	(1,350)	(1,350)	-	-	-	
Draw from General Reserves	-	(566)	(566)	-	(470)	(470)	-	(96)	(96)	
Draw from Health Visiting Reserves	-	-	-	-	(179)	(179)	-	179	179	
Project Board Reserves	2,058	(2,058)	-	1,148	(1,148)	-	910	(910)	-	
Total Public Health	33,777	(33,777)	0	32,950	(32,950)	0	827	(827)	0	

Capital programme 2023/24 (£'000)

Approved project	Budget: total project all years	Projected: total project all years	Budget Q2	Actual to date Q2	Projected 2023/24	Variation (Over) / under Q2 budget	Variation analysis: (Over) / under spend	Variation analysis: Slippage to future year	Variation analysis: Spend in advance	Note ref
Supported Living Projects	6,400	6,400	2,177	247	1200	977	-	977	-	
Greenacres	2,598	2,598	140	9	9	131	-	131	-	
House Adaptations for People with Disabilities	2,719	2,719	50	1	50	-	-	-	-	
Total ASC Gross	11,717	11,717	2,367	257	1,259	1,108	0	1,108	0	

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Business Services – Q2 2023/24

Summary of progress on Council Priorities, issues arising, and achievements

Key cross cutting programmes

Carbon

In line with our current Climate Action Plan, good progress has been made in Q2 on the delivery of energy efficiency projects across the estate. A total of seven projects have been completed to date during 2023/24:

- Two LED lighting projects at Milton Grange and Frant Primary School.
- Two solar PV energy generation projects at The Keep and the Phoenix Centre.
- Installation of triple glazing at Grovelands Primary School.
- Two large asset rationalisation projects ensuring more modern facilities with reduced carbon emissions. These are the move from Ropemaker Park to Alder Close and the move from Ocean House to the reduced footprint at both Muriel Matter House and Cavendish House. These projects are yielding carbon emission savings from reduced footprint of these new assets.

Further projects commenced in Q2, notably six heat decarbonisation projects being partly funded by a £1m Phase 3b Public Sector Decarbonisation Scheme grant, as well as an additional three LED lighting projects. Ongoing supply chain and site issues mean that the full target of 23 energy saving schemes implemented may not be achieved. Seven have been delivered so far, nine more are underway and a further seven are due to commence in Q3 and Q4.

During Q2 the Property Team hosted further energy savings workshops for managers / school caretakers, with a focus on heat cost savings. There was an annual target to train 40 site managers, but this has been exceeded already this year, with 67 people trained and further workshops being scheduled for Q3 and Q4.

Total energy consumption (buildings, streetlighting and servers) in Q1 (reported a quarter in arrears) was down 8% when compared with the same period last year and down 26% on the baseline year 2019/20. Building energy use in Q1 was down 8% compared with the same period last year and 25% down on the baseline year 2019/20.

There is not yet enough data to accurately estimate the carbon emissions end of year outturn for 2023/24. The majority of energy use and carbon emissions arise in the second half of the year as they are significantly influenced by the weather. However, if consumption for the remainder of 2023/24 is the same as 2022/23 our Scope 1 and 2 carbon emissions for 2023/24 would increase by 1% compared with 2022/23, against the target of a 16% reduction required to keep within the five-year carbon budget. This would result in a 31% reduction on the 2019/20 baseline, against a cumulative target of 43%. The main contributing factor to the increase in emissions projected for 2023/24 is the increase in the electricity emissions factor (the carbon intensity of the national grid), which has risen 7% year on year due to an increase in natural gas use in electricity generation and a decrease in renewable energy generation, which is out of the Council's control (**ref i**).

Modernising Systems

The Managing Back Office Systems (MBOS) Programme was established to deliver the replacement of the Council's core finance and Human Resources systems, to support further developments to increase agile and digital working. The programme would enable the Council to move off SAP, which is due to go out of support in 2027. The User Acceptance Test phase continued in Q2 and Payroll Parallel Run Phase1 (PPR1) testing was completed, with PPR2 nearing completion but missing its target date. We have always agreed to not compromise on our quality targets and, as PPR2 did not meet these in the required timeframe, the Programme Board made the decision not to go live in 2023. In parallel to concluding the key deliverables required for go-live such as business readiness, training and preparations for PPR3, we are taking the

opportunity to assess in detail what further work is required across all parts of the programme in order to determine the best way forward which maintains the quality of the system and achieves a robust and smooth go-live.

Human Resources and Organisational Development (HROD)

As part of the wider workplace adjustments improvement programme a new workplace adjustment pathway has been developed and implemented and a 'strengths based' tool developed. These are to ensure we have the right framework in place for staff to be signposted to the adjustments they need to do their role effectively. To improve the timeliness and consistency of reports for specialist adjustments, we have awarded the contract for Workplace Needs Assessments for neurodivergent individuals to local supplier 'Genius Within'. Alongside this, improved guidance on the Occupational Health process has been put in place and the stress risk assessment and wellness plan have been streamlined and improved.

Following a change to the contractual arrangements, we have successfully retained the business of 20 schools within the London Borough of Redbridge for the provision of HR Advisory services, delivering significant income to the Team.

Attendance Management and Wellbeing

The Q1+2 sickness absence figure for the whole authority (excluding schools) is 4.20 days lost per Full Time Equivalent staff (FTE), a fall of 11.4% since last year. The year end estimate for 2023/24 is 8.92 days/FTE, so the target of 9.10 days/FTE is predicted to be met. The predominant reason for the decrease in absence rates is a large fall in Covid related absence compared to the same period last year.

However, mental health absence has increased by 265 days in Q1+Q2 compared to the same period last year. It is important to note this within the context of the benchmarking data from our absence management provider 'GoodShape' which suggests this is a common theme across local authorities and our absence rates are within the average for this. Set against this background, we have launched a new process to evaluate our current mental health offer, whilst continuing to provide support to staff by:

- working across departments to develop an improved Wellness Plan and Stress Risk Assessment which will be launched next month for National Stress Awareness Day.
- providing enhanced tools and guidance for workplace adjustments specifically in relation to supporting performance and mental health.
- offering employees additional support when they report an absence due to Mental Health to GoodShape. The aim is to reduce absence length and the risk of further mental health absence taking place in the future.
- putting in place an additional reminder for the completion of return-to-work discussions when the absence has been due to mental health, as further analysis has indicated that when an absence is due to this, the managers are less likely to complete the form. This reminder email highlights the importance of early completion and signposts to further support and guidance.
- raising awareness of the mental health support available from our EAP, OH and partners 'able futures' through a series of interactive staff webinars and individual staff sessions.
- our growing Mental Health First Aid network continues to pro-actively support staff and promote wellbeing resources within teams.

Procurement

Procurement, contract and supplier management activities

The Council has spent £309m with 876 local suppliers over the past 12 months up to the end of Q2, which equates to 65% of our total spend, compared to a target of 60%. The Procurement

team continues to promote our contract opportunities to local suppliers, as well as building local supply chain opportunities into our tenders where possible.

Social Value

In Q2, a total of 67 contracts commenced, of which 63 were out of scope of the Social Value Measurement Charter which quantifies the economic, social and environmental benefits of the procurement. The contracts that were out of scope accessed an existing pre-approved list of suppliers (Frameworks) with predefined contractual terms. The Council's Public Bus Services contracts accounted for 56 of these out of scope contracts. The four in-scope contracts had a total contract value of £1.94m and secured £716k in Social Value commitment, which is 37% of the contract value, against a target of 10%.

The Social Value commitments for Q2 included: spend with local supply chains, educating schools on the benefits of carbon reduction and energy efficiency, environmental and career awareness programmes with local schools and colleges and work experience opportunities.

The Place Scrutiny Committee's report of Procurement: Social Value and Buying Local was agreed at full Council in May 2023. The recommendations included a 12 month trial of a new qualitative approach to social value within the Adult Social Care & Health service which commenced in Q2. A status update will be provided to Place Scrutiny in March 2024 and at the end of the trial in September 2024.

Internal Audit

Through the work of Internal Audit, the Chief Internal Auditor continues to be able to provide assurance over the adequacy and effectiveness of governance, risk management and control for the Council. Internal Audit have continued to focus on delivery of the Annual Internal Audit Plan. At the end of Q2 we have completed 57.6% of the plan to draft report stage, against a Q2 target of 45%.

All high priority actions agreed with management as part of individual audit reviews are subject to action tracking, whereby we seek written confirmation from services that these have been implemented. It was confirmed that 12/12 (100%) of the high-risk actions due to be implemented on a 12-month rolling basis have been actioned.

Property

During Q2 there was continued focus on the Council's Asset Management Plan 2020-2025, where particular emphasis has been placed on business continuity and corporate premise rationalisation. This follows the fire at St. Mark's House as well as the response to Reinforced Autoclaved Aerated Concrete (RAAC) concerns with schools across the country. A RAAC analysis was undertaken in Q2 working with the Department for Education (DfE). The Council had already undertaken RAAC surveys of 87 schools that were constructed between 1930 and 1980. There were additional surveys undertaken at eight schools that were built outside of the specified period but had undertaken additional building works (e.g. extensions and adaptations to existing buildings) to reassure the DfE and these are completed. No RAAC was identified in any local authority schools. There was significant work undertaken in Q2 to advise schools that they did not have RAAC. Property are currently working through the non-school portfolio to assess if RAAC could exist in these buildings. In Q2, a review of building condition surveys held in-house was undertaken and in Q3, surveys (to include RAAC) of up to 47 non-schools assets will be carried out by external property specialists.

Key outcomes for Property in Q2 include:

- The Eastbourne Office strategy has been expedited following the fire at St Marks House in June 2023, with some staff being re-located to St Mary's House and other teams going to shared units around the county, which has taken pressure away from central hubs. Property teams are working to coordinate the alterations required at St. Mary's House. It is not intended

that any teams will return to St Mark's House but a specialist team will remain on the ground floor until Q4.

- The response to the fire itself has been extensive with the necessary consultation with the landlord, insurance representation and subsequent clean-up operation. The key focus has been minimising service interruption which has been helped by Property setting up areas of St Mary's House for services which required an office base and finding other solutions within our portfolio.
- Work is ongoing in relation to an options paper for the County Hall campus, with additional technical support being provided by external specialists for the paper to be completed in Q3.
- There is a new commercial approach on the East Sussex investment portfolio, including reviewing service charges with existing tenants at Sackville House. This will result in additional revenue income which will help with both reactive maintenance and planned modernisation of the property. This approach will be expanded to the wider rental portfolio to ensure that income is maximised and tenants' obligations are fully met.
- The sale of the former Etchingham School Site and 1 Southview Close, Crowborough, have now completed. Marketing has been completed and offers are now being considered for the Hindlands site in Polegate.
- Hye House Farm in Crowhurst was marketed in Q2 with bids due to be evaluated in Q3.

IT & Digital

Migration of services to the new South East Grid (SEG) network on behalf of the Link Consortium has continued throughout Q2. Hosted by the Council, the network allows the Council and other public sector organisations in the South East to access higher speed digital infrastructure connections and contributes to the provision of ultra-fast data network connectivity throughout East Sussex.

The Schools ICT Service has been working to migrate East Sussex and Brighton and Hove schools from their legacy Finance and Management Information Systems onto new platforms. This has factored in the varying needs of many schools and our internal stakeholders. Take up from schools onto the new platforms has been high.

During Q2 a report to shape the Council's approach to the use of artificial intelligence (AI) was considered by the Corporate Management Team (CMT). Recognising that artificial intelligence in local government is a topic of increasing importance and interest, CMT endorsed the development of pragmatic guidance, guardrails (a set of safety controls that monitor and restrict a user's interaction if needed) and governance, to support the acceleration of responsible departmental digital innovation in this rapidly shifting technological and regulatory landscape.

Work is underway to procure a new Wi-Fi service through the SEG Network Services Framework as approved in Q1. This will replace the existing Wi-Fi service contract that expires in March 2024.

Work to replace the core telephony solution paired with a dedicated contact centre solution has continued in Q2. The impending change from landline-based telephony builds on existing technology investment and provides a sustainable solution, reducing the carbon footprint (removing handsets and on-premises equipment) and removing building dependency, thereby supporting a reduction in office space.

External Funding

In Q2, the External Funding Team responded to 82 funding enquiries from a range of charities, social enterprises and schools, working mostly in health and well-being and community work. There are almost 10,800 not for profit subscribers to Funding News, a monthly electronic publication about forthcoming funding opportunities. The team attended 30 meetings to discuss specific needs (e.g. supporting with data, writing a good application) and quality-checked four funding applications to ensure they had the best chance of success, supporting groups with

evidence of need and making the case for funding. The Team attended three countywide networking events where connections with new groups were established. Bid Writing training was delivered to governors and to two groups working with ethnic minority communities. The team has helped secure £214,422 of external funding so far in 2023/24.

Pensions

The Pension Fund Team delivers quality strategic and administrative services to the East Sussex Pension Fund, which comprises 140 employers and 82,000 members, whilst managing investment holdings in excess of £4.6bn in line with the Investment Strategy Statement. In September the Team won the Governance Award at the Local Authority Pension Fund Investments Award 2023.

Revenue Budget Summary

The 2023/24 Business Services net revenue budget is £27.866m. There are £0.869m planned savings in BSD this financial year, of which £0.210m (**ref ii**) relating to the consolidation of the Eastbourne hubs will not be achieved but will be offset by underspending elsewhere. These unachieved savings are included within the current outturn forecast, which is a net £0.033m underspend (**ref iii**).

Capital Programme Summary

The 2023/24 capital budget is £30.175m. The Youth Investment Fund slippage of £1.235m (**ref iv**) relates to delays as the project is value engineered to stay within budget. The Special Educational Needs - Additional Places slippage of £5.272m (**ref v**) relates to the Grove Park rationalisation programme. This programme will not start until 2024/25 so the project expenditure will be reprofiled accordingly. The Core Programme - Capital Building Improvements Schools slippage of £1.376m (**ref vi**) relates to delays arising from extended lead times on materials which affected the deliverability of works through the summer holiday window. The Core Programme - IT & Digital Strategy Implementation is forecasting slippage of £0.700m (**ref vii**) as a result of delays to the Wifi upgrade programme.

Performance exceptions (Q2 – See How to read this report for definition)

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

Performance measure	Outturn 22/23	Target 23/24	RAG Q1 23/24	RAG Q2 23/24	RAG Q3 23/24	RAG Q4 23/24	Q2 23/24 outturn	Note ref
Reduce the amount of CO2 arising from County Council operations	32% reduction on baseline year (2019/20) emissions	43% reduction on baseline year (2019/20) emissions (emissions not to exceed 7,139 tonnes CO2e)	R	R			Reported a quarter in arrears Q1: 26% reduction on baseline year (2019/20) emissions	i

Savings exceptions 2023/24 (£'000)

Service description	Original Target For 2023/24	Target including items c/f from previous year(s)	Achieved in-year	Will be achieved, but in future years	Cannot be achieved	Note ref
Planned savings - BSD	869	-	659	210	-	ii
Planned savings - Orbis	-	-	-	-	-	
Total Savings	869	0	659	210	0	
			-	-	-	
			-	-	-	
Subtotal Permanent Changes ¹			0	0	0	
Total Savings and Permanent Changes	869	0	659	210	0	

Memo: treatment of savings not achieved in the year (£'000)	Temporary Funding ²	Part of reported variance ³	Total	Note Ref
Property	210	-	210	
Total	210	0	210	

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

² Temporary funding will only replace a slipped or unachieved saving for one year; the saving will still need to be made in future years (or be replaced with something else).

³ The slipped or unachieved saving will form part of the department's overall variance - it will either increase an overspend or decrease an underspend. The saving will still need to be made in future years (or be replaced with something else).

Revenue Budget 2023/24 (£'000)

Divisions	Planned Gross	Planned Income	Planned Net	Projected Gross	Projected Income	Projected Net	(Over)/ under spend Gross	(Over)/ under spend Income	(Over)/ under spend Net	Note ref
Finance & Bus Admin	11,239	(5,754)	5,485	11,260	(5,784)	5,476	(21)	30	9	
HR & OD	3,179	(1,160)	2,019	3,179	(1,160)	2,019	-	-	-	
IT & Digital	11,570	(3,671)	7,899	11,578	(3,679)	7,899	(8)	8	-	
Procurement	-	(100)	(100)	-	(100)	(100)	-	-	-	
Property	24,887	(16,044)	8,843	26,166	(17,347)	8,819	(1,279)	1,303	24	
Contribution to Orbis Partnership	3,720	-	3,720	3,720	-	3,720	-	-	-	
Total BSD	54,595	(26,729)	27,866	55,903	(28,070)	27,833	(1,308)	1,341	33	iii

Capital programme 2023/24 (£'000)

Approved project	Budget: total project all years	Projected: total project all years	Budget Q2	Actual to date Q2	Projected 2023/24	Variation (Over) / under Q2 budget	Variation analysis: (Over) / under spend	Variation analysis: Slippage to future year	Variation analysis: Spend in advance	Note ref
SALIX Contract	700	700	350	46	81	269	269	-	-	
Lansdowne Unit (CSD)	75	75	65	19	65	-	-	-	-	
Youth Investment Fund	7,624	7,624	2,745	43	1,510	1,235	-	1,235	-	iv
Special Educational Needs	3,198	3,198	1,692	744	1,614	78	-	78	-	
Special Provision in Secondary School (Priory and Robertsbridge)	120	120	-	-	-	-	-	-	-	
Special Educational Needs - Grove Park	19,179	19,179	5,422	-	150	5,272	-	5,272	-	v
Disabled Children's Homes	786	786	716	24	716	-	-	-	-	
14 Westfield Lane	721	721	53	26	53	-	-	-	-	
Core Programme - Schools Basic Need	98,444	98,444	1,931	1,239	2,066	(135)	-	112	(247)	
Core Programme - Capital Building Improvements Corporate	44,749	44,749	3,509	1,532	3,509	-	-	-	-	
Core Programme - Capital Building Improvements Schools	42,049	42,049	5,594	1,614	4,218	1,376	-	1,376	-	vi
Core Programme - IT & Digital Strategy Implementation	72,956	72,956	4,742	2,255	4,042	700	-	700	-	vii
Core Programme - IT & Digital Strategy Implementation MBOS	13,125	16,514	3,332	-	3,332	-	-	-	-	

APPENDIX 4

Approved project	Budget: total project all years	Projected: total project all years	Budget Q2	Actual to date Q2	Projected 2023/24	Variation (Over) / under Q2 budget	Variation analysis: (Over) / under spend	Variation analysis: Slippage to future year	Variation analysis: Spend in advance	Note ref
IT & Digital - Utilising Automation	24	24	24	-	24	-	-	-	-	
Total BSD Gross	303,750	307,139	30,175	7,541	21,380	8,795	269	8,773	(247)	

Children's Services – Q2 2023/24

Summary of progress on Council Priorities, issues arising, and achievements

Early Help and Social Care

Review of modelling and placements

Children's Services is working with IMPOWER focusing on placement sufficiency and enhancing our ability to secure the right care for the right child for the right length of time. Very ambitious targets are in place to achieve reduced spend, but only by meeting children's needs more appropriately. Children will remain at the heart of decision making. Utilising the Valuing Care approach, we are working to better identify opportunities to deliver the right care for children, including working with families to secure reunification where it is safe to do so and enhancing our recruitment strategy for our foster carers. In Q2:

- IMPOWER presented a detailed analysis of children and young people's needs in East Sussex and associated placement cost pressures in July 2023
- IMPOWER worked closely with teams and individuals within Children's Services to develop a set of proposed interventions to help us realise the opportunities identified to reduce cost and improve outcomes for children
- a multi-agency panel has been established that is taking a strength-based approach to the opportunities identified in the first cohort of children
- planning took place for the first home matching event in October
- a second larger cohort of children was identified to continue to roll out the Valuing Care approach, and training for social workers was started
- engaged with foster carers and the fostering service during August and September to identify and prioritise opportunities that will have the most impact on foster carer recruitment and retention

Rate of Children on a Child Protection (CP) Plan (per 10,000 children)

The rate of children on a CP plan (**ref iv**) has increased from 62.1 per 10,000 (662 children) at Q1 to 63 per 10,000 (671 children) at Q2. This is above the target of 62 (661 children). This measure remains under close scrutiny with a range of reviews and audits taking place to identify where it is possible to reduce the number of plans safely. The reviews and audits are focused on plans that have either been in place for 18 months plus or plans which are coming up to their second or third review. The Family Safeguarding approach, which will focus on reducing the number of children on a CP plan will be launched in January 2024.

Rate of Looked After Children (LAC) (per 10,000 children)

The rate of LAC (**ref v**) has increased from 63.5 per 10,000 children (677 children) at Q1 to 64.4 (686 children) at Q2. This is above the target of 63.4 (676 children). Of the 686 children, 77 are unaccompanied asylum seeker children, an increase of nine children from Q1. The increase in the number and rate of LAC has continued at Q2. However, the number of children in high cost residential placements has remained stable and there have been higher numbers of children placed within their own family networks. We will continue to monitor this.

Family Hubs

We continue to develop our Family Hubs offer:

- we have launched the 'How Can I Help you?' service, available in Family Hubs, to provide direct face to face support to families and encourage them to become familiar with the locality Family Hubs provision
- new parenting groups are now available to support the transition to parenthood and help for parents with children who are neurodiverse

East Sussex is one of 15 authorities awarded trailblazer status which focuses on parent/infant relationships and perinatal mental health. We have been selected for the national evaluation of Family Hubs Trailblazers with particular interest on our triage offer for perinatal mental health and parent infant relationship support.

Our remaining nine Family Hubs will all be open in Q3 with successful launches taking place attended by children, parents/carers and stakeholders.

Supporting school attendance

In September the Early Help team started a new level 2 keywork programme which will support the Council's focus on improving school attendance. The service is aimed at supporting children with less than 50% school attendance for two school terms.

Early Adopter Programme for the Early Career Framework

In response to Stable Homes Built on Love, the DfE implementation strategy and consultation for reforming children's social care, the DfE has rolled out the Early Adopter for the Early Career Framework (years 1-5) for social workers. After a competitive application process the Council was chosen to be part of the programme. The programme will explore how local authorities deliver their:

- assessed and supported year in employment (ASYE) programme, that gives newly qualified social workers extra support during their first year of employment
- second year programmes
- developing the Professional Practice Development Programme (PPDP). The PPDP aims to train experienced practitioners and managers to support early career social workers to develop their emotional well-being and practice behaviours

The programme of individual support includes video enhanced direct observation and practice feedback to support outcomes. Additionally, we will be working in collaboration with DfE on further design and test elements of the Early Years Framework.

Recruitment of Social Workers

Following a successful recruitment campaign, in September 2023, 27 newly qualified social workers (NQS) joined the council. In 2022 we recruited 24 NQS. Since September 2022 we have recruited 19 experienced social workers and seven senior social workers. In 2021/22 we recruited 9 experienced social workers.

Lansdowne Secure Children's Home

Following a wide ranging promotional campaign, we held an open day at Lansdowne Secure Children's home in September. We had over 70 people attend on the day with representatives from Care, Health and Education on hand to answer any questions. The open day was an opportunity for interested parties to find out about the home and what it is like to work there.

As a result of the open day and promotional campaign, we received over 130 applications for Residential Support Worker roles. We have had successful recruitment across all roles and further interviews will take place in October.

Connected Coaches

Connected Families works with young people (aged 11+) who are identified as being on the edge of care or are being supported back into the care of their family. This work is informed by multidisciplinary planning and intensive support delivered by a team of connected coaches. Alongside an allocated Social Worker, the team plan and deliver interventions that support the young person, address parent/carers needs and wider systemic issues. The aim is to reduce risk, increase stability and promote the care of young people within their family. Over the last six months, 53% (17/32) of young people supported have been enabled to stay living safely at home with their families and no longer require a social worker. Those who remain open to children

services tend to be stable on their current care plan, or have stepped down the continuum of need (from child protection to child in need). There is much larger proportion of young people with complex needs who are actively engaged with the service, enabling them to remain within their family network, avoiding foster care, hospital admissions or residential care.

Habitual Knife Carriers Programme

Partnership work between Children's Services and Sussex Police, funded by the Violence Reduction Partnership, is identifying and working with young people for whom there is an escalated risk in involvement in knife crime and or carrying a weapon. The project delivers a range of support including 1-1 work, an extension of the detached out-reach offer to hotspot areas and contextual safeguarding interventions. These have focused particularly on peer groups.

44 children were supported on a 1 to 1 basis through this work between April 2022 and March 2023. Findings for this cohort from a recent external evaluation completed by the National Children's Bureau (July 2023) found a:

- 76% reduction in the number of occurrences of violent crime after the referral compared to the six months prior
- of 29 children linked to a knife possession offence in the 12 months prior to referral, 25 were linked to no further occurrences post-referral
- of 24 children linked to a violent offence as a victim in the 12 months prior to referral, 22 were linked to no further occurrences

The report highlighted the positive impact this strong partnership work has on developing solutions to improve support for children. The project has resulted in a lot of interest and learning. Good practice has been shared with other local authorities and police forces.

Education

Education East Sussex

In September we launched the restructured education division, Education East Sussex. The changes bring together the former Standards and Learning Effectiveness Service (SLES) and the Inclusion, Special Educational Needs and Disabilities (ISEND) service.

The restructure is designed to help the Council to deliver its core roles more effectively in leading the local education system and championing vulnerable children including children with SEND.

Our education priorities are to:

- ensure good attendance for all key stages and pupil groups
- secure strong partnerships that deliver improved educational outcomes for children and young people
- improve inclusion at all key stages for vulnerable children and young people so that they have opportunities to succeed
- ensure effective early intervention to enable all pupils to achieve
- improve the quality of leadership at all levels and key stages
- create a strong and highly effective education division to maximise the impact of our service offer

Co-production

In Q2 we made further progress on our co-production priorities. In July we launched a consultation on the new draft SEND Children and Young People's Co-Production Charter. Co-created with our partners, including children and young people with SEND, the charter:

- outlines how we will co-produce work with children and young people with SEND. This includes how children and young people's voices will be heard, acted upon and central to decisions
- provides guidance on best practice when working with children and young people with SEND

The consultation closed on 22 September. The survey results are being analysed to explore if further changes to the charter are needed.

In September, we held a co-production day with the East Sussex Parent and Carer Forum. The event explored how we can progress our SEND co-production. The event brought together practitioners, parents and carers, and young people to work on a range of different challenges. This relationship based approach is consistent with our Connected Care and Therapeutic Thinking approaches.

SEND strategy briefings

In July, we held two breakfast briefings with representatives from schools, including headteachers and SENCos (special educational needs co-ordinators), on our SEND strategy. The purpose of the sessions was to further engage schools on our joint SEND priorities, and to update on progress. We also took the opportunity to brief schools on expectations ahead of an Area SEND inspection, which will explore our local area partnership's SEND arrangements.

Employment and Skills Cross Council Management Group

The Employability and Skills team led the first biannual meeting of the Employment and Skills Cross Council Management Group in September. This new group brings together senior representatives from departments across the Council. The group will:

- support collaboration and integration on actions, contracts, funding bids and projects with an employment and skills focus
- ensure the greatest impact on external delivery for businesses, sub-contractors/suppliers, and residents, in particular young people and adults from vulnerable groups

The key themes that will be taken forward are:

- workforce development, including a long-term strategy planning for key East Sussex roles (internal and external)
- skills mapping for Transition to Net Zero. This includes what will be required in terms of provision and number of jobs

Average Attainment 8 score for state funded schools, the average Attainment 8 score for disadvantaged pupils and the average Attainment 8 score for Looked after Children (LAC)

Early data sets suggest that the targets for average Attainment 8 score for state funded schools (**ref i**) disadvantaged pupils (**ref ii**) and looked after children (**ref iii**) will not be met. We are awaiting the Department for Education (DfE) data and Key Stage 4 data which will not be validated until early 2024. We will provide further commentary about these targets in Q4.

Participation and strategic partnerships

Youth Voice Engagement Event

The Youth Cabinet co-designed and delivered their Youth Voice Engagement event in July. The event involved youth voice groups from across East Sussex, Lead Members, and the High Sheriff of East Sussex in workshops to share insight about young people's mandated campaigns and council priorities. Insight from these workshops:

- supported young people's understanding of local careers opportunities and informed the local careers offer
- educated young people on climate issues and gathered feedback to inform the development of a Climate Change Charter for Education settings

- added to the evidence to improve ways to communicate information, advice and guidance on mental health and emotional wellbeing
- contributed to the development of the Attendance Strategy and will create opportunities for schools, services and students to work together to improve school attendance.

Holiday Activity and Food (HAF) programme

The delivery of the Holiday Activity and Food (HAF) programme in East Sussex this summer was the biggest yet with more than 21,000 sessions attended by more than 4,200 individual attendees. It was also the most diverse and geographically spread offer so far, with 75 providers running activities at 118 sites, helping to ensure that even families in more rural parts of the county were able to access HAF.

We continued to increase the SEND element of our programme, funding 14 specific SEND providers and providing £13,000 in additional funding to providers to increase staffing in response to bookings for those with additional needs.

Whilst the focus of the HAF programme is young people eligible for benefits-related free school meals, this year has also seen increasing demand from families in other eligible groups. Across the summer this meant that the programme also supported more than 500 young people in these wider groups, including those with SEND, Looked After Children, those on Child Protection plans, Children in Need, Young Carers, those receiving support from Child and Adolescent Mental Health Services and refugee groups.

Transition activities to support attendance

This summer, funding was made available to deliver positive activities to support young people with low attendance at primary school during their transition to secondary school. 313 young people participated, with 1,125 individual sessions attended.

The sessions enabled the attendees to make new friends, meet staff at their new school and familiarise themselves with the new site as well as to provide them with fun and engaging holiday activities.

As part of the programme, providers delivered sessions working with the young people to address concerns about school and identify barriers to attendance. It is too soon to measure the long-term impact on attendance, although the attendance of pupils who attended the programme is being tracked. The feedback from attendees and schools has been positive.

- 86% of young people said they felt more excited about starting their new school
- 81% said they felt less anxious about starting school in September after attending these sessions
- 100% of schools involved said that they would be keen to deliver this type of project again.

Revenue Budget Summary

The Departments net revenue budget is £117.4m, with a forecast overspend of £23.014m, an increase in overspend of £7.846m from Q1 (**ref x**).

The main area of projected overspend is in Early Help and Social Care of £23.322m, an increase of £6.898m from Q1 (**ref vii**), this is net of an internal transfer of £0.607m from Central Resources. (**ref vi**) and £4.325m of COVID-19 funding.

There is an underspend within Central Resources of £0.517m, a reduction of £0.783m which includes a transfer of £0.607m to Early Help and Social Care. £0.500m of the balance is an anticipated contribution from Public Health.

There remains a small overspend of £0.020m in Education and ISEND, with no movement from Q1 1(**ref viii**) and an overspend of £0.189m in Communication, Planning and Performance, with an increase from Q1 of £0.165m (**ref ix**).

Early Help and Social Care increased overspend of £6.898 to £23.322m (ref vii)

The forecast of funding for Asylum Seekers has improved by £0.193m from Q1, due to additional funding being received and all under 18-year-olds now qualifying under the National Transfer scheme.

Early Help 0-19 has received an internal transfer of £0.607m from Central Resources, this underspend is one off due to the part year impact of £1.500m of additional funding invested in year to improved school attendance, it will be fully utilised over a 12-month period.

Looked After Children (LAC) is projecting an additional £6.892m overspend from Q1 to £21.132m.

Children's Homes have increased the projected overspend by an additional £0.732m, taking the overspend to £2.5m, this is due to additional staffing costs required to support the placements at Hazel Lodge, £0.412m, and Silver Birches, £0.296m.

The respite units at Dorset Road and Sorrel Drive are also projecting additional pressure from Q1 of £0.802m with Dorset Road having an additional staff cost of £0.557m and Sorrel Drive projecting additional costs of £0.245m, most of these costs are agency wraparound support costs.

The main pressure is within External Residential costs, where an additional overspend of £5.012m is anticipated on top of that projected at Q1. June saw the numbers of children and young people requiring residential placements, which includes supported accommodation and secure accommodation, peak at 150 (this figure excludes Unaccompanied Asylum-Seeking Children (UASC)). The number of children and young people in these types of placements have plateaued in Q2, with September data showing a slight reduction to 144.

However, the average cost of residential care packages has increased by 13% since Q1. The complex care needs of a relatively small number of children mean that there are further pressures on this budget area. Over the course of the year to date there have been 29 looked after children who have had at some time care packages between £10,000 - £20,000 per week; at the end of quarter 2 there were 12 children whose care costs fell in this bracket. The additional projected overspends since Q1 are summarised below:

- a small number of high cost placements have been extended, till March 2024. This is felt to be a realistic timeframe for the placements, with close scrutiny applied bi-monthly to high cost packages of support, £1.1m
- placement moves to new higher cost placement following notice being given by previous provider, and from in house residential to bespoke new high cost placements due to complex needs, £2.9m
- additional "wraparound" support required to maintain a number of placements, this includes a large sibling group who have required a significant package of additional support to maintain their placement together, £1.0m

The projected underspends on Agency foster carers and in house foster carers services have reduced by £0.238m, and £0.221m respectively since Q1, this is in the main due to incentives being paid to carers to support placements.

Further data quality improvements are being made and the service is working with Impower to support longer term placement sufficiency and identify opportunities for delivering improved care placement options for children and young people (i.e. foster care or reunifications with families) through the 'Valuing Care' approach and panels. Whilst no savings have been realised in Q2 we anticipate reductions in cost of packages of about £0.250m whilst delivering better outcomes for children.

Lansdowne is projecting an additional £0.136m overspend:

Recruitment is progressing with the intention of opening the unit in early 2024. A phased opening with increased occupancy rates is planned to start from 2 January 2024. The unit is expected to reach breakeven point with six beds occupied at the pricing strategy agreed. It is expected to start

to recover costs in 2024/25. Any further delay in opening will result in additional costs which cannot be recovered.

LAC is projecting a slightly smaller overspend of £0.121m, due mainly to reduction of the projected overspend on care leavers staffing costs.

Fostering Services is projecting a reduced overspend, due to a revised income projection of £0.081m.

LAC management are projecting a slight reduction in overspend of £0.050m due to staff moving back to support the opening of Lansdowne.

Localities is projecting an additional £0.926m of overspend from Q1:

The main reason for the increase is due to taking on additional numbers of social workers from September costing an additional £0.459m. In addition, the west teams have seen increases in staff costs of £0.198m to support students with travel, accommodation, and nursery costs. Care costs include additional accommodation costs of £0.121m for an ISEND child and the parent and baby placements have a new case costing £0.031m. A subscription for supporting Kinship Reach has cost £0.056m. Additional impact of homelessness has contributed a further £0.093m.

As noted in the cover report, CSD is exploring ways of mitigating the overall overspend budget projection including through efficient use of national grant funding and delaying filling vacancies where this would not impair cost avoidance. CSD is also reviewing whether all legitimate requests for NHS contributions to the funding of care packages have been made.

Central Resources reduction in underspend of £0.783m to £0.517m (ref vi)

This includes a movement of £0.607m from Central Resources to Early Help and Social Care of the one-off unspent attendance investment (£1.5m investment), increase in legal fees over budget of £0.176m

Communication, Planning and Performance increase in overspend variance of £0.167m to £0.189m:

The increase in the projected overspend is due to £0.068m investment in a reviewing officer post for safeguarding, £0.034m for additional staff to reduce subject access requests and an increase of £0.065m in home to school transport.

Capital Programme Summary

The Capital Programme for 2023/24 is a £1.447m projected spend against a budget of £1.215m (ref xi). The additional spend is the Council's contribution towards projects that are funded by the disabled facilities grant managed by the districts and boroughs. This will be funded from Capital reserves.

Performance exceptions (See How to read this report for definition)**Priority – Driving sustainable economic growth**

Performance measure	Outturn 22/23	Target 23/24	RAG Q1 23/24	RAG Q2 23/24	RAG Q3 23/24	RAG Q4 23/24	Q2 23/24 outturn	Note ref
Average attainment 8 score for state funded schools	Ac Year 2021/22 ESCC: 46.5 Nat Av: 48.9	Ac Year 2022/23 46.5	G	A			To be reported at Q3	i
Average attainment 8 score for disadvantaged pupils	Ac Year 2021/22 ESCC: 33.3 Nat Av: 37.7	Ac Year 2022/23 33.3	G	A			To be reported at Q3	ii
Average Attainment 8 score for Looked After Children (LAC)	AC Year 2021/22 ESCC: 23.9 NAT AV: 20.3	Ac Year 22/23 19	G	A			To be reported at Q4	iii

Priority – Keeping vulnerable people safe

Performance measure	Outturn 22/23	Target 23/24	RAG Q1 23/24	RAG Q2 23/24	RAG Q3 23/24	RAG Q4 23/24	Q2 23/24 outturn	Note ref
Rate of children with a Child Protection Plan (per 10,000 children)	64.8 691 children	62.0 661 children	A	R			63.0 671 children	iv
Rate of Looked After Children (per 10,000 children)	62.3 664 children	63.4 676 children	A	R			64.4 686 children	v

Savings exceptions 2023/24 (£'000)

Service description	Original Target For 2023/24	Target including items c/f from previous year(s)	Achieved in-year	Will be achieved, but in future years	Cannot be achieved	Note ref
	-	-	-	-	-	
	-	-	-	-	-	
Total Savings	0	0	0	0	0	
			-	-	-	
			-	-	-	
Subtotal Permanent Changes ¹			0	0	0	
Total Savings and Permanent Changes	0	0	0	0	0	

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

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

² Temporary funding will only replace a slipped or unachieved saving for one year; the saving will still need to be made in future years (or be replaced with something else).

³ The slipped or unachieved saving will form part of the department's overall variance - it will either increase an overspend or decrease an underspend. The saving will still need to be made in future years (or be replaced with something else).

Revenue Budget 2023/24 (£'000)

Divisions	Planned Gross	Planned Income	Planned Net	Projected Gross	Projected Income	Projected Net	(Over)/ under spend Gross	(Over)/ under spend Income	(Over)/ under spend Net	Note ref
Central Resources	2,242	(1,332)	910	1,725	(1,332)	393	517	-	517	vi
Early Help and Social Care	98,872	(16,426)	82,446	122,005	(16,237)	105,768	(23,133)	(189)	(23,322)	vii
Education and ISEND	111,954	(8,177)	103,777	113,898	(10,101)	103,797	(1,944)	1,924	(20)	viii
Communication, Planning and Performance	31,385	(4,340)	27,045	34,614	(7,380)	27,234	(3,229)	3,040	(189)	ix
DSG non Schools	-	(96,778)	(96,778)	-	(96,778)	(96,778)	-	-	-	
Schools	157,134	(157,134)	-	157,134	(157,134)	-	-	-	-	
Total CSD	401,587	(284,187)	117,400	429,376	(288,962)	140,414	(27,789)	4,775	(23,014)	x

Capital programme 2023/24 (£'000)

Approved project	Budget: total project all years	Projected: total project all years	Budget Q2	Actual to date Q2	Projected 2023/24	Variation (Over) / under Q2 budget	Variation analysis: (Over) / under spend	Variation analysis: Slippage to future year	Variation analysis: Spend in advance	Note ref
House Adaptations for Disabled Children's Carers	1,090	1,322	50	20	282	(232)	(232)	-	-	
Schools Delegated Capital	29,673	29,673	1,150	316	1,150	-	-	-	-	
Conquest Centre redevelopment	356	356	15	-	15	-	-	-	-	
Youth Investment Fund	193	193	-	-	-	-	-	-	-	
Total CSD	31,312	31,544	1,215	336	1,447	(232)	(232)	0	0	xi

Communities, Economy & Transport – Q2 2023/24

Summary of progress on Council Priorities, issues arising, and achievements

Economy and environment

Employability and Skills

The Creative and Digital Task Group supported Digifest in Eastbourne in September. The Task Group provided panellists to lead on discussions about creative and digital skills and career pathways. Members of the Engineering Task Group promoted Engineering roles in Hastings as part of Careers Week during Q2. Sussex Community Development Association (SCDA) has delivered practical maths courses during Q2 as part of the Council's Multiply programme. The courses help people to manage their finances better through short learning interventions focusing on personal budgeting and money management.

215 Industry Champions were supporting schools and colleges at the end of Q2.

Apprenticeships

In collaboration with the Transform Project, the 25% of the Apprenticeship Annual Levy funding that can be passed to small and medium employers has almost entirely been allocated for 2024/25. Over £250k has been committed to employers within the county. As the funding for the Transform project expires at the end of 2023 the Apprenticeship Team is working to explore alternative funding avenues to enable the 25% levy spend to continue to be passed on to local employers.

Q&A sessions have continued to be held for staff interested in apprenticeships, with management-based apprenticeships at all levels proving most popular. 17 members of staff enrolled on the Team Leader and Operations Manager apprenticeships during Q2. The annual intake of apprentices undertaking degree-based apprenticeships, including Social Work and a variety of management and teaching degrees, enrolled at University during Q2.

The Pre-Employment project has continued to engage with the Department for Work and Pensions and other referral projects throughout the county. Candidates are now offered the opportunity of training and guidance on making job applications, as well as the opportunity of a mock interview to ensure they are best placed to be successful at interview. This approach has now seen 10 jobseekers move into employment since engagement with the support offered by the project.

Cultural investment and recovery

Work has continued in Q2 on the three priority work packages identified by the Sussex Tourism Leadership Group. Work on the Sussex Story is nearing completion and is expected to be presented in Q3. Over 100 people were surveyed on what makes Sussex unique. The results of these surveys will help shape the marketing which will promote the Sussex Story. VisitSussex have created a newsletter detailing the Meetings, Incentives, Conferences and Exhibitions (MICE) opportunities across Sussex. Sussex was also featured in MICE magazines as a destination to visit.

The Turner Prize exhibition opened at the Towner in Eastbourne on 27 September. 1,200 people attended the opening, and 100 journalists attended the press launch the following day. There have been over 360 individual articles covering the exhibition. These articles have been viewed an estimated 9.95m times and reached a wider audience estimated at 980m. Coverage includes pieces in the Sunday Times, the New York Times, the BBC, the Times, The Daily Telegraph and the Independent.

Broadband

The Broadband Project is now entering its final stages and is moving towards contract closure. The Broadband Team is continuing to engage with Broadband Delivery UK (BDUK) on its centrally run

Project Gigabit programme. The contract for East and West Sussex and Brighton & Hove is expected to be let in January 2024. The Gigabit Voucher scheme, including the East Sussex top up, is on hold during the procurement process. The Broadband Team is continuing to push BDUK for details of how they plan to cover the very hardest to reach properties in the county.

Job creation

East Sussex Invest provides loans and grants to local businesses to help create local jobs and support businesses to become environmentally responsible. As part of a wider corporate approach applications for funding have been temporarily suspended while a full independent review of the fund used for these activities is completed. This review will help us to understand how we can best maximise the use of the fund whilst carefully balancing risk. This review has been commissioned and we expect to receive findings in Q3 (**ref i**). We anticipate the fund will open again in Q4, which means it is unlikely that we will be able to support enough businesses to create jobs in 2023/24 to meet the target for this measure.

Environment and climate change

Teams in Communities, Economy and Transport (CET) and the Business Services Department (BSD) have continued to work together with partners to develop and deliver carbon reduction and climate change adaptation work. In Q2 this has included:

- submitting a bid of £500k to the next round of the Government's Public Sector Decarbonisation Scheme. This will pay for part of the cost of decarbonising two schools
- producing the annual progress report on becoming a carbon neutral council which was agreed by the Council
- securing funding from the South East Net Zero Hub for a detailed feasibility study of ground-mounted solar PV at Pebsham landfill site

Teams in CET and Public Health (PH) have also worked together to recruit a climate change Health Impact Assessment Officer. This officer will develop a climate change health impact assessment, to help understand the impacts of climate change on health in East Sussex, evaluate what policies and plans are in place and identify any key gaps in provision. Recruitment has also started for a Retrofit Partnership and Programme Manager and Retrofit Data Lead. These roles will help inform the development of a county-wide Housing Retrofit Strategy.

The department are working to procure a consultant to carry out a county-wide climate change vulnerability and risk assessment. This assessment will help inform a wider adaptation plan. Work is ongoing with district and borough councils to develop a bespoke Local Area Energy Plan, which will help to map out what carbon reduction measures could be delivered across the county to accelerate carbon reduction. We are also supporting a Council project that will look at options to develop a county-wide climate change partnership. This is in response to one of the recommendations from the Local Government Association Corporate Peer Challenge.

Planning

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

Highways, transport and waste

Highways improvements and road condition

The annual surface dressing programme was completed in Q2. 17 sites were completed, extending the life of almost 30km of roads by up to 10 years. This included repairs along the A22 East Hoathly Bypass and A267 Mayfield Road in Marks Cross. Information about locations included in the programme is available at www.eastsussexhighways.com.

Work continued in Q2 using the additional funding for highways approved by the Council in recognition of the deterioration of the network following the last prolonged, wet and cold winter. 471 patches at over 269 sites have been identified to be completed in 2023/24, with 36 patches completed so far. Around 100 signs are scheduled for replacement in 2023/24, with around 600 further signs which require replacement identified, these will be scheduled into the work programme in the coming quarters. The focus for the additional drainage spend has been on delivering those schemes which are quick and simple to design and will address the most urgent drainage issues. So far around 100 minor schemes have been completed. This includes replacing jammed gully covers and clearing significant blockages. In addition, a programme of investigation works is underway to identify problems and design solutions on more complex drainage problems. These will be delivered through 2023/24 and 2024/25. To date over 50 schemes have been identified for design and delivery. The remaining budget for the refresh of road markings has now been fully allocated and will include renewing the lining along the A22 Hailsham bypass and around 600 further sites around the county.

32 road improvement schemes were completed in Q2 to improve the condition of the roads. 7,217 potholes were repaired with 5,054 of these being carriageway potholes, the remainder were primarily footway potholes.

Road safety

In Q1 and Q2 three road safety infrastructure schemes have been completed and Balfour Beatty Living Places have provided assurances that 24 high risk schemes will be completed by the end of 2023/24.

We delivered 95 Bikeability Courses to 712 individuals at participating schools and the Cycle Centre at Eastbourne Sports Park during Q2. We also delivered 74 'Wheels for All' sessions to 1,097 attendees at the sports park.

Transport and parking

A number of projects have commenced as part of the Bus Service Improvement Plan (BSIP) in Q2:

- £10.5m of conventional bus service improvements began in July. These will result in improvements to the frequency of some services, others running later in the day and improvements to some weekend services. These service enhancements will run to the end of March 2026. Details of the new services can be found [on our website](#).
- Work has continued on improving bus stops around the county. Around 75% of all bus stops now have QR plates, which enable people to scan the plate and receive the next bus information for that stop.

The Home to School Transport Team successfully arranged transport for over 5,000 children at the start of the new school year.

Eastbourne Household Waste Recycling Site began a trial to open 30 minutes earlier Monday to Friday in August. The trial will continue in the autumn and winter. The new opening times allow residents to access the site earlier and reduce queuing.

The Council's parking enforcement contractor, NSL, are working with bus companies to improve parking enforcement on bus routes. Civil Enforcement Officers have been travelling on buses to see where the problem areas are. Locations with no parking restrictions that are causing problems to services have been identified and will be assessed in future reviews.

The review of parking in Rother was considered by the planning committee in July. A works order is being prepared for the approved changes and works are due to start in Q3. Hastings' parking review has been completed and the recommendations are due to be considered at the planning committee in Q3.

The Council has been allocated £4.4m of funding through the Government's Local Electric Vehicle Infrastructure Fund. The funding will support the delivery of on street electric vehicle chargepoints in the county. The funding is due to be released upon approval of a business plan and approval of a draft contract. The plan is currently being developed and is due to be submitted in Q3. Procurement of the contract is then expected to take place in Q4. Initial work to deliver the new chargepoints is expected to take place in Q1 and Q2 2024/25.

Waste

The projected 2023/24 outturn for waste re-used, recycled or composted, or used beneficially is 55.8% based on the Q1 outturn (reported a quarter in arrears). Green waste and kerbside recycling tonnage was higher than expected in Q1. The volume of materials recovered from the Newhaven Energy Recovery Facility was also higher than anticipated. These include bottom ash, which is used in highway construction, and metals which are sent for recycling.

Rights of Way (RoW) and Countryside Sites

We completed 94% of high priority maintenance work on schedule in Q2. Rangers concentrated on planned and proactive vegetation clearance.

Communities

Trading Standards

218 businesses and individuals received training and advice from Trading Standards in Q2. Many of these related to recent changes in the law around food and safety labelling.

Trading Standards made 895 positive interventions to protect vulnerable people in Q2. 877 of these were as part of support sessions and training delivered to vulnerable groups. 18 were direct interventions to protect vulnerable people which included installing call blockers to protect vulnerable people from scammers. July was National Scams Awareness Month which enabled the team to connect with many more potentially vulnerable residents.

Libraries

7,198 participants took part in the Summer Reading Challenge in 2023, which is the highest number since 2018. 110 promotional assemblies were delivered before the end of the summer term. Advertisements ran throughout the summer on social media, alongside over 90 events and activities within libraries to promote the challenge. 4,258 participants completed the challenge, a 23% increase compared with 2022.

337 people enrolled on Family Learning Programmes at East Sussex libraries in Q2. 167 of these were in Family Learning, English, Maths and Language programmes. 170 were in Wider Family Learning programmes.

22 people passed online learning courses, including in IT, English and Maths in our libraries in Q2.

Revenue Budget Summary

The CET revenue budget is £72.401m and is currently forecast to underspend by £212k. The largest underspend is in Transport and Operations where current market prices mean that electricity and recycling income in the Waste Service is exceeding budget and the budgeted draw down of £2.335m is not required (**ref v**).

The underspend in Communities is mostly due to staff vacancies in Trading Standards and Road Safety with additional income from Emergency Planning training (**ref iv**). The largest overspend is in Highways and is due to the estimated increased cost of electricity for streetlighting (**ref vi**).

The overspend in Planning and Environment is mostly within the Transport Development Control budget. This can be attributed to the lack of up-to-date Local Plans in the county, which

has led to an increase in speculative planning applications for residential developments. These often have challenging transport issues that need to be addressed. We have seen a rise in the number of applications that have required specialist input (e.g., transport modelling) and/or have become subject to planning appeals. These are particularly resource intensive and have often required short-term consultancy support **(ref vii)**.

The Parking saving will not be achieved this year and is covered by a one-year budget increase **(ref ii)**. The Environmental Services saving will not be achieved and will be addressed next year **(ref iii)**.

Capital Programme Summary

The CET capital programme has a gross budget of £76.119m and there was slippage of £18.949m, overspend of £781k, and spend in advance of £147k. The slippage is mostly in the Hastings and Bexhill Movement and Access Package and is due to the requirement to undertake a prioritisation process that requires funder and Lead Member approval. As a result, progress on the selected schemes will be delayed **(ref x)**. Supply chain issues have caused a backlog in the street lighting replacement scheme **(ref xvii)**. Delays in handing over the design work on the Eastbourne Town Centre 2b scheme have postponed work to the next year **(ref xiii)**. A bat survey is needed to progress work on Shinewater Bridge, and can now only be done in April 2024 **(ref xvi)**. Inflation pressures in the Eastbourne/South Wealden Walking and Cycling package means that the schemes need to be prioritised and will go for lead member approval in February **(ref xi)**. Inflation has also impacted on the Eastbourne Town Centre 2a scheme where increased material costs means that the contract is going out to retender **(ref xii)**. Now that the planning conditions have been discharged and the S106 agreement has been signed, planning permission for the Exceat Bridge has been granted. Negotiations with the numerous landowners are also progressing. However, due to a number of small delays, construction is expected to start in spring 2024. **(ref xv)**. There are delays in project brief approvals on Integrated Transport schemes which has delayed construction **(ref xiv)**. The Bexhill to Hastings Link Road overspend is due to the outstanding archaeology, ecology, and Part 1 compensation claims **(ref viii)**. Consultation on the Bus Service Improvement Plan is reaching its conclusion and scheme will need to be rescoped and therefore some schemes will not be complete this year **(ref ix)**. There are additional schemes with smaller variations to budget.

Performance exceptions (Q2 – See How to read this report for definition)

Priority – Driving sustainable economic growth

Performance measure	Outturn 22/23	Target 23/24	RAG Q1 23/24	RAG Q2 23/24	RAG Q3 23/24	RAG Q4 23/24	Q2 23/24 outturn	Note ref
Job creation from East Sussex Invest	N/A	27 jobs created	G	R			No jobs created through East Sussex Invest	i

Savings exceptions 2023/24 (£'000)

Service description	Original Target For 2023/24	Target including items c/f from previous year(s)	Achieved in-year	Will be achieved, but in future years	Cannot be achieved	Note ref
Parking	-	745	-	745	-	ii
Libraries	105	105	105	-	-	
Environmental Services	-	60	-	-	60	iii
	-	-	-	-	-	
Total Savings	105	910	105	745	60	
			-	-	-	
			-	-	-	
Subtotal Permanent Changes ¹			0	0	0	
Total Savings and Permanent Changes	105	910	105	745	60	

Memo: treatment of savings not achieved in the year (£'000)	Temporary Funding ²	Part of reported variance ³	Total	Note Ref
Parking	745	-	745	
Environmental Services	-	60	60	
Total	745	60	805	

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

² Temporary funding will only replace a slipped or unachieved saving for one year. The saving will still need to be made in future years (or be replaced with something else).

³ The slipped or unachieved saving will form part of the department's overall variance - it will either increase an overspend or decrease an underspend. The saving will still need to be made in future years (or be replaced with something else).

Revenue Budget 2023/24 (£'000)

Divisions	Planned Gross	Planned Income	Planned Net	Projected Gross	Projected Income	Projected Net	(Over)/ under spend Gross	(Over)/ under spend Income	(Over)/ under spend Net	Note ref
Management and Support	7,583	(4,714)	2,869	7,621	(4,776)	2,845	(38)	62	24	
Customer, Library and Registration	10,085	(4,992)	5,093	9,417	(4,266)	5,151	668	(726)	(58)	
Communities	3,132	(869)	2,263	3,418	(1,432)	1,986	(286)	563	277	iv
Transport & Operational Services	111,507	(69,498)	42,009	111,362	(69,902)	41,460	145	404	549	v
Highways	21,050	(3,578)	17,472	21,649	(3,874)	17,775	(599)	296	(303)	vi
Economy	3,174	(1,512)	1,662	3,484	(1,822)	1,662	(310)	310	0	
Planning and Environment	4,273	(3,240)	1,033	5,329	(4,019)	1,310	(1,056)	779	(277)	vii
Total CET	160,804	(88,403)	72,401	162,280	(90,091)	72,189	(1,476)	1,688	212	

Capital programme 2023/24 (£'000)

Approved project	Budget: total project all years	Projected: total project all years	Budget Q2	Actual to date Q2	Projected 2023/24	Variation (Over) / under Q2 budget	Variation analysis: (Over) / under spend	Variation analysis: Slippage to future year	Variation analysis: Spend in advance	Note ref
The Keep	1,096	1,096	228	-	228	-	-	-	-	
Peacehaven Refurbishment and Conversion	70	70	-	-	-	-	-	-	-	
Libraries	5,139	5,139	508	638	580	(72)	-	-	(72)	
Broadband	33,800	33,800	160	(1,119)	160	-	-	-	-	
Bexhill and Hastings Link Road	126,247	128,347	-	170	780	(780)	(780)	-	-	viii
BHLR Complementary Measures	1,800	1,800	189	2	100	89	-	89	-	
Economic Intervention Fund	8,884	8,884	175	35	75	100	-	100	-	
Economic Intervention Fund - Loans	3,000	3,000	300	53	80	220	-	220	-	
Stalled Sites Fund	916	916	50	13	13	37	-	37	-	
EDS Upgrading Empty Commercial Properties	500	500	-	-	-	-	-	-	-	
Community Focused Road Safety Interventions	750	750	485	129	206	279	-	279	-	
Climate Emergency Works	9,859	9,859	3,095	1,790	3,095	-	-	-	-	
Flood and Coastal Resilience Innovation Programme	445	445	943	91	885	58	-	58	-	
SALIX Decarbonisation - Ninfield School	145	146	-	1	1	(1)	(1)	-	-	
SALIX Decarbonisation	369	369	-	6	-	-	-	-	-	
Newhaven Port Access Road	23,271	23,271	86	(52)	28	58	-	58	-	
Real Time Passenger Information	2,963	2,963	70	28	70	-	-	-	-	
Bus Service Improvement Plan	22,315	22,315	3,245	364	2,545	700	-	700	-	ix
Replacement Lewes Road Bus Station	100	100	4	(2)	4	-	-	-	-	
PAX Software System	37	37	26	14	26	-	-	-	-	

APPENDIX 6

Approved project	Budget: total project all years	Projected: total project all years	Budget Q2	Actual to date Q2	Projected 2023/24	Variation (Over) / under Q2 budget	Variation analysis: (Over) / under spend	Variation analysis: Slippage to future year	Variation analysis: Spend in advance	Note ref
Hastings and Bexhill Movement & Access Package	9,583	9,583	4,203	(209)	(79)	4,282	-	4,282	-	x
Eastbourne/South Wealden Walking & Cycling Package	6,936	6,936	2,064	72	79	1,985	-	1,985	-	xi
Hailsham /Polegate/ Eastbourne Movement & Access Corridor	2,251	2,251	275	230	350	(75)	-	-	(75)	
Eastbourne Town Centre Movement & Access Package A	6,936	6,936	3,296	292	2,000	1,296	-	1,296	-	xii
Eastbourne Town Centre Movement & Access Package B	5,454	5,454	2,433	(62)	100	2,333	-	2,333	-	xiii
Other Integrated Transport Schemes	66,753	66,753	3,740	590	2,802	938	-	938	-	xiv
A22 Corridor Package	1,143	1,143	100	202	100	-	-	-	-	
Community Match Fund	780	780	149	15	95	54	-	54	-	
Area-wide traffic management scheme – Schools Streets	200	200	200	-	64	136	-	136	-	
ATF Eastbourne Liveable Town Centre	274	274	274	-	37	237	-	237	-	
Exceat Bridge	10,591	10,591	2,320	254	1,259	1,061	-	1,061	-	xv
Queensway Depot Development	1,956	1,956	504	(17)	104	400	-	400	-	
Core Programme - Highways Structural Maintenance	498,675	498,675	35,893	7,065	35,893	-	-	-	-	
Visibly Better Roads	5,800	5,800	1,293	(332)	1,293	-	-	-	-	
Core Programme - Bridge Assessment Strengthening	38,785	38,785	4,740	234	2,740	2,000	-	2,000	-	xvi
Core Programme - Street Lighting - Life Expired Equipment	39,561	39,561	4,686	230	2,000	2,686	-	2,686	-	xvii
Core Programme - Street Lighting - SALIX scheme	2,961	2,961	219	(82)	219	-	-	-	-	
Core- Rights of Way Surface Repairs and Bridge Replacement Programme	10,417	10,417	552	272	552	-	-	-	-	
Total CET Gross (Planned Programme)	950,762	952,863	76,505	10,915	58,484	18,021	(781)	18,949	(147)	

Governance Services – Q2 2023/24

Summary of progress on Council Priorities, issues arising, and achievements

Reconciling Policy, Performance and Resources (RPPR)

The financial outlook for the Council continues to remain unclear. We are expecting a further one-year financial settlement for 2024/25, and it continues to be unlikely that there will be any significant national reform to local government funding before the next general election, which is expected in 2024.

We continue to act to maximise our resilience as an organisation wherever we can, to work effectively with our partners and to best manage growing demand for our services. At the end of Q2 Cabinet considered the report of the Local Government Association Corporate Peer Challenge which underlined the Council's strong record of delivery, the value of our partnership working and our good foundations to plan for the longer-term future. Cabinet agreed the Council's response to the recommendations, which lays out the actions we will take to respond to the suggested areas for development identified during the Peer Challenge.

Councils across the country, including East Sussex County Council, are also facing a rapid escalation in both demand and costs as a result of national factors beyond local control. In particular, ongoing growth in demand for children's social care, special educational needs and disability (SEND) and adult social care, due to increased need and demographic change, is placing significant pressure on local authorities, both financially and in service provision. These pressures, already impacting on the Council in-year, also need to be taken into account in our planning for 2024/25 and beyond. The RPPR process continues to provide a tried and tested approach to help us navigate this increasingly difficult environment.

Transport for the South East (TfSE)

Following the publication of TfSE's Strategic Investment Plan (SIP) TfSE has produced a set of Policy Position Statements. These statements explain in more detail the global policy interventions that will be needed to support the SIP scheme interventions. Seven statements have been prepared on Strategic Active Travel and Micromobility, Transport and Decarbonisation, Transport and Social Inclusion, Future Rural Transport, Bus Shared Mobility and Mass Transit, Rail, and Highways. These Policy Position Statements will be presented to the TfSE Partnership Board in Q3 for approval. Work is underway to produce a Delivery Action Plan for the SIP, an analytical framework to support business cases and the delivery of the schemes within the SIP, and a Monitoring and Evaluation Plan. A Story map has been developed which will allow users to explore the SIP and Delivery Action Plan via an interactive map.

As part of TfSE's Electric Vehicle Charging Infrastructure Strategy, consultants Arcadis have developed a tool that supports local transport authorities with the rollout of electric vehicle charging infrastructure within their areas. In July 2023 a formal launch and training workshop was facilitated by TfSE to bring local transport authority officers up to speed with using the platform.

Work on the TfSE Regional Active Travel Strategy commenced in July 2023, and Stage 1 of the work on the governance arrangements for the work is now complete. This included the development of the project's Stakeholder Engagement Plan and assembly of the TfSE Regional Active Travel Steering Group.

There is ongoing work to develop a new Freight Forum. The purpose of the Forum is to give TfSE, Transport East, England's Economic Heartland, and other delivery agents and freight and logistics operators the knowledge and evidence we need to ensure that the work we do will properly support the freight sector and inform our work going forward.

Corporate Lobbying

During Q2, the Leader took opportunities to meet with local MPs, and has continued to raise issues and priorities for the county with them. This included a specific update on the State of the

County report and an update on the additional investment in highways agreed by the Council. As well as the pressing need for national action to address the serious shortage of funding to local authorities for highways work, this outlined how demand for our services is increasing because of increased need and demographic change, drawing particular attention to the pressures in Children's Services. The Leader highlighted the very challenging medium term financial outlook for the Council and sought MPs' support in lobbying for certainty of future funding for local government, that reflects local need, and to ensure that service reforms are sustainable and properly funded.

We continued to draw on broader partnerships and networks to lobby on current priorities, including via the County Councils Network and through the Local Government Association conference which took place during Q2. The Chief Executive continues to be involved in national policy development as representative for the South East region on a national grouping of local authority Chief Executives. Other Chief Officers continue to influence service specific national policy developments through national professional associations and networks and responses to specific Government consultations.

Supporting democracy

During Q2 we supported 45 meetings including: one County Council meeting; two Cabinet meetings; 12 Lead Member meetings; 16 Scrutiny Committees and Review Boards and 14 other committees and panels. The webcasts of meetings were viewed 2,210 times in Q2. The most viewed meeting was the Planning Committee meeting on 12 July 2023, which received 485 views.

In Q2 the Member Training and Development programme continued to deliver a range of courses in support of Members and the roles they hold. Courses delivered included sessions on member interests and the code of conduct, the role of public health in local government and planning reform.

The Council's scrutiny committees continued to progress their work programmes during Q2. A scrutiny review of equality and inclusion in Adult Social Care and Health reported to Cabinet, with actions agreed in response to recommendations made by the People Scrutiny Committee. The committee also continued its work on a scrutiny review of school exclusions. Place Scrutiny Committee progressed its scrutiny review of pothole management and continued to provide scrutiny input into the development of the updated Local Transport Plan and through the Climate Emergency Action Plan Reference Group. Both committees also received reports and made comments as part of the RPPR process in July and September. The Health Overview and Scrutiny Committee met in September to consider a report on the re-commissioning of the non-emergency Patient Transport Service, an update on Primary Care Networks in East Sussex and a report from East Sussex Healthcare NHS Trust on their capital building programme including the New Hospitals Programme.

The Health and Wellbeing Board met on 28 September 2023 to consider a number of annual reports for 2022/23 which included the East Sussex Safeguarding Adults Board Annual Report; the Sussex Learning from Lives and Deaths (LeDeR) Annual Report; Healthwatch East Sussex Annual Report; and the Director of Public Health Annual Report. The Board also considered a programme update report on the implementation of the NHS Sussex Shared Delivery Plan (SDP) and a report on a Creative Health Position Paper from the Public Health team.

Q2 saw significant work undertaken by the East Sussex School Appeals Service to complete the main round of school appeals for the September 2023 intake. 100 appeals were received during Q2, and 11 hybrid appeal hearings took place. Of the 100 appeals received during this quarter, 15 were dismissed by an Independent Appeal Panel, and five were upheld. Of the remaining appeals, 47 are scheduled to be heard in Q3, and 33 are no longer required to be heard by an Independent Appeal Panel because these appeals have either been withdrawn by the families or places have become available at the school being appealed for.

Legal Services

During Q2, Legal Services assisted Trading Standards to obtain a 34 month custodial sentence against a fraudulent trader previously convicted of obtaining £19,500 for sub-standard building works. Following a previous successful conviction against a fraudulent trader for possession for sale of counterfeit tobacco, the Service also supported Trading Standards to obtain a fine of £5,000, a victim surcharge of £181 and prosecution costs of £7,620. In Q2, the Service assisted Children's Services to secure six fines ranging from £40-£660, victim surcharges of £742 and prosecution costs of £2,112 against parents for knowingly failing to ensure the regular attendance of their children at school. The Service also assisted Children's Services to obtain convictions against two parents for failing to comply with a School Attendance Order in respect of their children and to secure a £300 fine, a £120 victim surcharge and £1,125 costs.

During Q2 the Service advised in relation to 61 Court of Protection cases and 25 matters involving safeguarding vulnerable adults (compared to 77 and 21 in Q2 2022/23) and 58 Deprivation of Liberty Safeguards applications in the Court of Protection (compared to 41 in Q2 2022/23).

In Q2, the Service continued to work closely with Children's Services, providing advice and representation, including in pre-proceedings and court applications for care proceedings. Our priority is to keep children within their family when it is safe to do so, and for public law applications to be a necessary and proportionate response to achieve the best outcome for the child. In Q2 the Service advised in relation to 54 families in pre-proceedings compared to 52 in Q2 2022/23. The Service applied for care proceedings in respect of 19 families compared to 19 in Q2 2022/23. At the end of Q2, there were a total of 64 ongoing care proceedings compared to 62 proceedings in Q2 2022/23. In Q1, the Service concluded 20 care proceedings compared to 18 in Q2 2022/23. In Q2 concluded care proceedings took on average 41 weeks per child compared to 54 in Q1. This was due to a backlog of hearings being resolved by the courts and the impact of the President of the Family Division's re-focus on concluding proceedings within 26 weeks.

In Q2 the Service also advised and represented Children's Services in relation to 23 other matters, including, applications for adoption orders and discharge of care and placement orders.

The Service completed agreements to secure financial contributions to the Council of £931,048, together with the delivery of additions and improvements to the highway network across the county. A total of 19 legal agreements were completed to secure these provisions for the Council. The Service also advised on 40 new property matters. The Service also advised on 63 contracts and procurement instructions. During Q2, the Service assisted Income Recovery in securing the recovery and repayment of debts totalling £10,665.

Coroner Services

During Q2 2023/24, 499 deaths were reported to the Coroner, averaging 166 deaths per month. Although this is lower than the 190 reported deaths per month on average in Q1, since 2021/22 there has been a year-on-year increase in the total number of deaths reported. In Q2, 216 post mortems were carried out (43% of deaths reported) compared to 283 (50% of deaths reported) in Q1. Although the number of post mortems in Q2 is less than in Q1, since 2021/22 there has been a year on year increase in the total number of post mortems. Of the 499 deaths reported in Q2, 94 went to inquest compared to 90 in Q1. In Q2, 70 inquests were closed compared to 57 in Q1. Inquests, including jury inquests, are held in court with the option for family, interested persons and witnesses to attend court in person or remotely.

Regulation of Investigatory Powers Act (RIPA)

There were no RIPA applications, reviews or renewals during Q2.

Local Government Ombudsman complaints

The Ombudsman issued 17 decisions in Q2. 13 cases were closed before a full investigation for a variety of reasons. These reasons included insufficient evidence of fault, complaints being out of the Ombudsman's jurisdiction, an appropriate remedy had already been applied or because the

complaint had not been through our internal complaint processes. Of the four cases fully investigated, one case related to Adult Social Care (ASC) and three to Children's Services (CS). Three of the cases investigated were closed with the complaint partly or fully upheld as follows:

ASC - The client's sister complained on his behalf that the Council had failed to support him with his care and housing needs and that it did not do enough to prevent him being financially exploited. As a result of these failures the complainant said the client has been living in poor conditions and has lost £80,000.

The Ombudsman found the Council at fault for failing to properly assess and put in preventative measures to support a person in need with fluctuating capacity. However, the Ombudsman was not able to say, had the Council acted correctly, that the client would have received alternative accommodation sooner or would not have lost money. The Council has agreed to apologise to the client and his sister and to make a symbolic payment of £3,750 for the distress caused. It has also agreed to work with the client to assess and plan future services, review procedures, remind staff about the importance of considering preventive measures and review processes when a person's circumstances change.

CS – The complainant said that the Council failed to make suitable education provision for her son, who has had limited school attendance since March 2021.

The Ombudsman found fault with the Council for paying inadequate attention to the child's case during the 2021/22 academic year when aware of his absences. This caused injustice to the complainant and her son as the Council failed to ensure he received satisfactory education. The Council has agreed to apologise to the complainant and make a symbolic payment of £3,750 in recognition of the lack of provision. In light of the Council's introduction of new guidance to officers on the application of its Section 19 policy, the Ombudsman did not need to seek further service improvements from the Council.

CS – The client's mother complained about delays by the Council amending her daughter's Education, Health and Care (EHC) Plan following the breakdown of her school placement. She also complained about the education she missed as a result, and that she had to pay for childminding when her daughter should have been at school.

The Ombudsman found fault because the school's arrangements did not amount to the full-time education that the client's daughter was entitled to and which the Council had a duty to arrange. The Council has agreed to apologise to the complainant and her daughter and to make a symbolic payment of £3,700 to recognise the impact on client's education and to acknowledge the additional childcare costs the complainant incurred.

Web activity

The main council website had just over two million pageviews during Q2 and the intranet had almost 1.5 million pageviews. The top website pages visited included jobs, term dates, libraries, applying for a school place and Flexibus. Customer satisfaction with the website was 65%. The Customer Experience Board regularly review the satisfaction rates and consider where the website can be amended to improve the services we offer our customers.

Media and information work

There were 369 media stories about the Council in Q2. The press office issued 26 press releases, generating 45 stories. 135 media enquiries were handled. The number of press releases issued in July were slightly lower than usual due to pre-election period rules in place for the two by-elections.

Effective publicity and campaigns

75 people attended an open day to showcase job opportunities at Landsdown Secure Childrens' Home in Hailsham. Marketing of the event included advertising on buses, a social media campaign, leaflets and radio slots.

The number of weekly trips on Flexibus (demand-responsive bus service) has climbed to 363 by September (up from 136 a week at the start of June). This followed a sustained marketing campaign which involved printed ads, home leaflet drops, video promotion, newsletters, radio advertising and posters. A parallel campaign to publicise concessionary bus passes coincided with more than 3,000 visits to the promotional web page – three times the traffic of the same period a year ago.

Almost 7,200 children joined the library service's summer reading challenge – the highest level of attendance since 2018 and exceeding the target of 5,100. The campaign to drive take-up included social media promotion which prompted more than 2,100 engagements and a click-through rate of 4.5%, with a click-through rate of 2% normally considered good.

South East 7 (SE7)

SE7 Leaders met in Q2 and discussed latest developments on devolution, the outcomes of the Hewitt Review of Integrated Care Systems, and ongoing legal action being taken against the Home Office related to the housing and support of Unaccompanied Asylum-Seeking Children. Leaders also discussed latest budget positions and the financial challenges all authorities were contending with. Leaders agreed to write collectively to Government on this issue, emphasising the impacts of local authorities' financial situations on residents and communities, and the importance of local government receiving multi-year financial settlements.

SE7 Chief Executives also continue to meet regularly, and in Q2 discussed ongoing opportunities for joint work, local and national policy developments, and how to progress work agreed by the Leaders, including a renewed lobbying strategy for the partnership.

Revenue Budget Summary

The Governance Service revenue budget is currently £8.17m and is forecast to overspend by £378k. The main overspend is in the Coroner budget and is due to an increase in deaths reported to the Coroner and the increase in the number of those deaths that went to post mortem. The rise in post mortems directly increases mortuary, pathology, histology, and toxicology costs (**ref i**). It is also projected that there will be an increase post mortem fees in-line with local market rates. Legal Service staff costs are overspent due to the cost of covering maternity leave (**ref ii**). There are some small underspends across the rest of the department.

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

Performance measure	Outturn 22/23	Target 23/24	RAG Q1 23/24	RAG Q2 23/24	RAG Q3 23/24	RAG Q4 23/24	Q2 23/24 outturn	Note ref
No Council Plan exceptions in Q2								

Savings exceptions 2023/24 (£'000)

Service description	Original Target For 2023/24	Target including items c/f from previous year(s)	Achieved in-year	Will be achieved, but in future years	Cannot be achieved	Note ref
	-	-	-	-	-	
	-	-	-	-	-	
Total Savings	0	0	0	0	0	
			-	-	-	
			-	-	-	
Subtotal Permanent Changes ¹			0	0	0	
Total Savings and Permanent Changes	0	0	0	0	0	

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

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

² Temporary funding will only replace a slipped or unachieved saving for one year; the saving will still need to be made in future years (or be replaced with something else).

³ The slipped or unachieved saving will form part of the department's overall variance - it will either increase an overspend or decrease an underspend. The saving will still need to be made in future years (or be replaced with something else).

Revenue Budget 2023/24 (£'000)

Divisions	Planned Gross	Planned Income	Planned Net	Projected Gross	Projected Income	Projected Net	(Over)/ under spend Gross	(Over)/ under spend Income	(Over)/ under spend Net	Note ref
Corporate Governance	5,202	(335)	4,867	5,468	(335)	5,133	(266)	-	(266)	i
Corporate Support	3,709	(403)	3,306	3,840	(422)	3,418	(131)	19	(112)	ii
Total Governance	8,911	(738)	8,173	9,308	(757)	8,551	(397)	19	(378)	

Capital programme 2023/24 (£'000)

Approved project	Budget: total project all years	Projected: total project all years	Budget Q2	Actual to date Q2	Projected 2023/24	Variation (Over) / under Q2 budget	Variation analysis: (Over) / under spend	Variation analysis: Slippage to future year	Variation analysis: Spend in advance	Note ref
No current programme for Governance	-	-	-	-	-	-	-	-	-	
Total GS Gross (Planned Programme)	0	0	0	0	0	0	0	0	0	

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Strategic Risk Register – Q2 2023/24

Ref	Strategic Risks	Risk Control / Response and Post Mitigation RAG score	RAG
12	<p>CYBER ATTACK</p> <p>The National Cyber Security Centre (NCSC) has highlighted the substantial risk to British web infrastructure, with elevated levels of Cyber Crime being reported against all areas of government, particularly in light of the current Ukrainian situation.</p> <p>Cyber attacks are growing more frequent, sophisticated, and damaging when they succeed. The COVID-19 pandemic has increased the need to carry out many additional functions virtually and remotely. Changes in working practice give rise to more requests to relax security controls, with services more likely to take risks on the technology they procure and how they use it. Controls have been enhanced to manage these requests.</p> <p>The impacts of a cyber attack are far-reaching, and it is difficult to put a figure on the cost, but authorities that have been subject to major attacks have calculated the disruption to have cost between £10m and £12m.</p>	<p>Most attacks leverage software flaws and gaps in boundary defences. IT&D use modern security tools to assure our security posture: Monitoring network activity and identifying security threats; Keeping software up to date with regular patching regimes; Continually monitoring evolving threats and re-evaluating the ability of our toolset to provide adequate defence against them; Ongoing communication with the Security industry to find the most suitable tools and systems to secure our infrastructure. IT&D continues to invest in new tools, which use pre-emptive technology to identify threats and patterns of abnormal behaviour. The Council achieved Cyber Essentials Plus accreditation during 2022/23. Cyber Essentials Plus is the industry standard for the private and public sectors, underpinning safe sharing with partners and helping ensure sufficient controls are in place to minimise the risk of a cyber incident.</p> <p>Enhancing user awareness: Expanding E-Learning and policy delivery mechanisms to cover Cyber threat; educating staff around the techniques and methods used by active threats; and providing General Data Protection Regulation (GDPR) training and workshops to cascade vital skills and increase awareness of responsibilities under GDPR legislation. Business Continuity Scenario testing is currently being cascaded through Departmental Management Teams.</p> <p>Services hosted in ISO 27001 accredited Orbis Data Centres.</p>	Red
5	<p>RECONCILING POLICY, PERFORMANCE & RESOURCE</p> <p>There is ongoing uncertainty in relation to future funding levels, the longer-term local government funding regime and the impact of national reforms, particularly to Adult Social Care. Rising inflation and cost of living are likely to lead to higher demand for Council services and increase the direct cost of providing services. Together these create a risk of insufficient resources being available to sustain service delivery at the agreed Core Offer level to meet the changing needs of the local community.</p>	<p>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.</p> <p>Our plans take account of known risks and pressures, including social, economic, policy and demographic changes and financial risks. However, we continue to operate in changing and uncertain contexts. Current and forecast economic conditions continue to shape a very challenging financial outlook both for the Council itself and many of the county's residents and businesses. Alongside this we continue to face ongoing challenges as a result of the conflict in Ukraine, national service reforms and the impact of the Coronavirus pandemic. We will continue to use the latest information available on these challenges to inform our business planning. We will also continually review our performance targets, priorities, service offers and financial plans, and will update these as required.</p> <p>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.</p>	Red

Ref	Strategic Risks	Risk Control / Response and Post Mitigation RAG score	RAG
9	<p>WORKFORCE</p> <p>An inability to attract and retain the high calibre staff needed could lead to a reduction in the expertise and capacity required to deliver statutory services to our residents, including to prevent harm to children, young people and vulnerable adults at the required level and standards, impacting on the achievement of the Council's strategic objectives.</p>	<p>In September 2022 Cabinet agreed an investment of £270k across 2022/23 and 2023/24 to put in place a number of strategies to respond to the significant current recruitment and retention challenges. Work reported on in Q1 is ongoing with some highlights being:</p> <ul style="list-style-type: none"> - Linking in with organisations that support people back into employment to extend our reach into sections of the labour market that are underrepresented or face significant barriers to employment. - On-going attendance at events such as careers fairs and shows to maximise our presence with job seekers. - Use of market supplements for specific posts. - Use of apprenticeships, traineeships, intern arrangements and more flexible work arrangements etc as a way of bringing in new talent to the Council. - Ensuring our workforce policies and approaches support individuals to remain in work, e.g. Wellbeing offer, occupational health, and absence management services. <p>Additional work undertaken in Q2 includes:</p> <ul style="list-style-type: none"> - Appointment to a new post of 'Pre-Employment Coordinator', with specific responsibility to link in with organisations that support people back into employment to extend our reach into sections of the labour market that are underrepresented or face significant barriers to employment. - Continued delivery of our two leadership development programmes to support our talent management strategies: the 'Ladder to Leadership' programme and 'Head of Service Masterclasses'. The second cohort of the Ladder to Leadership programme started in September 2023 - Further development of an 'aspiring leaders programme' aimed at our LMG2/3 and 4 managers. - Further development on forecasting of workforce 'gaps' and future need to enable bespoke approaches to be designed, e.g. a programme of strategic workforce development training is currently being developed. 	Red
15	<p>CLIMATE</p> <p>Failure to limit global warming to below 1.5°C above pre-industrialisation levels, which requires global net human-caused emissions of carbon dioxide (CO2) to be reduced by about 45 percent from 2010 levels by 2030, reaching 'net zero' by 2050 at the latest. The predicted impacts of climate change in East Sussex include more frequent and intense flooding, drought, and episodes of extreme heat, as well as impacts from the effects of climate change overseas, such as on food supply. This will lead to an increase in heat-related deaths, particularly amongst the elderly, damage to essential infrastructure, increased cost of food, disruption to supply chains and service provision, and greater coastal erosion.</p>	<p>Climate change mitigation: the science-based target is to reduce scope 1 and 2 carbon emissions by 50% every 5 years. The focus is on buildings, as they made up 79% of carbon emissions in 2020/21. Internal oversight of progress is by the corporate Climate Emergency Board.</p> <p>Climate change adaptation: we work with partners on some aspects of adaptation, including flood risk management plans and delivering a Heat Alert service during the summer months.</p> <p>In Quarter 2 2023/24:</p> <p>A) Mitigation:</p> <p>1) Carbon Reduction Target: the target for 2023-24 is a 13% carbon reduction compared with 2022-23 and a cumulative reduction of 42% against the baseline year of 2019-20. Energy usage data for Q1 2023-24 indicates that we achieved an 8% reduction compared with Q1 2022-23. A reliable forecast outturn for the year is not yet possible, as emissions in Q3 & 4 are significantly influenced by the outside temperature, which determines how much heating is required. However, if energy usage in Q3 & 4 is the same as in 2022-23 then the annual result will be a 1% overall increase in carbon emissions compared with 2022-23. This is because the carbon intensity of the national electricity grid</p>	Red

Ref	Strategic Risks	Risk Control / Response and Post Mitigation RAG score	RAG
		<p>has increased in 2023 due to an increase in the use of natural gas and a decrease in renewable electricity generation. This is beyond the control of the County Council.</p> <p>2) Carbon Reduction Schemes: the target for 2023-24 is for the delivery of a further 23 capital schemes. Seven schemes were completed by the end of Q2. The RAG status for meeting the target is currently amber, primarily due to supply chain and site issues (e.g. a local solar PV contractor for the Council went into administration during Q2).</p> <p>B) Adaptation:</p> <p>1) Adaptation Plan: In August the Climate Emergency Board agreed to the procurement of consultancy support to produce a climate change vulnerability and risk assessment, to help inform the development of an adaptation plan. A brief has been prepared and a consultant procured during Q3.</p>	
20	<p>PLACEMENTS FOR CHILDREN AND YOUNG PEOPLE IN OUR CARE</p> <p>Inability to secure sufficient high quality placements for children in our care, suitable accommodation for care experienced young people and respite provision, leading to significant financial pressure leading to significant financial pressure and poorer outcomes for children/young people.</p>	<p>Effective demand management, robust management of front door, delivery of early help services-implementation of Family Hub programme throughout 23-24, and Level 2 Family Keyworkers (Q3), implementation, monitoring and evaluation of Edge of Care 'Connected Families', Family Safeguarding programmes ('Connected Families in Partnership' launch planned for January 2024), enabling more children to live safely with their families.</p> <p>Further delivery of kinship/Special Guardianship Order placements.</p> <p>Capital bid for Sorrel Drive.</p> <p>Consultancy project-IMPOWER to determine forecast trajectory and development of evidence-based business case to further improve sufficiency of placements (completion July 23).</p> <p>Fostering Recruitment & Retention Strategy completed. East Sussex County Council is part of the South East Sector Led Improvement Programme, Regional Fostering Strategy and piloting Mockingbird hub.</p> <p>Uplift to fostering allowance (for in house carers, Special Guardianship Orders, Kinship carers) approved by the Chief Management Team to help secure sufficient supply of in house foster carers as an alternative to more expensive care packages.</p>	Red
19	<p>SCHOOLS AND INCLUSION, SPECIAL EDUCATIONAL NEEDS AND DISABILITIES (ISEND)</p> <p>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.</p>	<p>Effective use of forecasting data to pre-empt issues.</p> <p>Work with statutory partners to develop contingency plans.</p> <p>Work with the market to increase provision where needed.</p> <p>Expanding internal interim offer for children.</p>	Red

Ref	Strategic Risks	Risk Control / Response and Post Mitigation RAG score	RAG
1	<p>ROADS</p> <p>Extreme weather events over recent years have caused significant damage to many of the county's roads, adding to the backlog of maintenance in the County Council's Asset Plan: and increasing the risk to the Council's ability to stem the rate of deterioration and maintain road condition.</p> <p>The economic impacts of the pandemic and recent events in Ukraine have had some effects on service delivery during this year, particularly with increased costs and shortages of suitable contractors and materials.</p>	<p>While additional funding over the last few years has helped maintain road condition, the latest condition and funding modelling showed the potential for renewed deterioration over the next 10 years, if further investment was not introduced into road maintenance. This reflects the changing climate with more extreme events such as warmer wetter winters, drier summers (drying and shrinking the substructure of roads) punctuated by unseasonal heavy downpours, all now influencing the rate of road deterioration.</p> <p>The wider deterioration in road surfaces from the wet winter has continued with a generally cool and wet summer. Road Condition Indicator (RCI) scores for this year are due shortly.</p> <p>However, through the Reconciling Policy, Performance and Resources process in 2022, the capital budget for road maintenance was increased by £3.1m per year and an additional one-off investment of £5.8m was agreed to be spent on highway maintenance; this has largely been spent now on carriageway patching and footway works, with lining and sign works ongoing. Additional investment was also approved by Cabinet in June for £15.7m to further improve the road condition. £5.6 million from reserves will pay for extra patching and drainage work, and the capital programme will be increased by £5.1 million, with an additional £5 million for the capital programme this year to help with early improvements to provide greater network reliance. The programme of additional works is now underway.</p>	Amber
18	<p>DATA BREACH</p> <p>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.</p> <p>Risks to individuals, reputational damage, fines from the Information Commissioner's Officer (ICO), compensation claims.</p>	<p>Policy and guidance procedures in place to support practice.</p> <p>Data Protection Officer (DPO), Caldicott Guardians and Information Governance Officers monitor breach reporting and put in place mechanisms to minimise recurrence.</p> <p>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.</p> <p>Technical security measures operated by Information Technology and Digital (IT&D), including access control and segregation of duties.</p>	Amber

Ref	Strategic Risks	Risk Control / Response and Post Mitigation RAG score	RAG
8	<p>CAPITAL PROGRAMME</p> <p>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.</p> <p>The volatile national economic situation has increased uncertainties within the construction industry around supply chain issues and high-cost inflation, which are likely to impact project deliverability and affordability. This has been exacerbated by the invasion of Ukraine by Russia and the resultant global sanctions imposed on Russia.</p> <p>Additionally, there is a risk that, due to the complexity of factors and uncertainties impacting them, the level of government grants and other sources of capital programme funding such as developer contributions could be significantly reduced.</p> <p>A combination of the above risks, alongside a volatile interest rate environment, could significantly increase the cost of borrowing to fund the capital programme, impacting affordability and increasing pressures on the Council's revenue budget in the medium and long term.</p>	<p>The Council reviews and updates its 20-year Capital Strategy annually as part of the Reconciling Policy, Performance and Resources (RPPR) process, which sets the framework in which the capital programme is planned and allows the Council to prioritise investment to support its objectives. The development and delivery of the capital programme is overseen by a Capital Strategic Asset Board (CSAB), which is a cross departmental group, who also hear from Departmental Capital Board/Sub Boards who oversee priority areas.</p> <p>The capital programme includes an element of 'normal' level of inflation for ongoing target-based core programmes (as opposed to programmes that have cash limited envelopes). Additionally, a capital risk provision in the form of additional borrowing flexibility is in place to provide the ability to react to emerging risks such as supply chain issues and inflationary pressures. The level of provision is reviewed and approved on an annual basis as part of the RPPR process and is maintained by the CSAB in adherence to financial regulations.</p> <p>The CSAB have oversight of all sources of capital funding, including grants, capital receipts and developer contributions, to ensure that resources are used effectively and to minimise the need to borrow. Funding announcements are actively monitored, and funding targets reviewed to minimise the impact on delivery of the capital programme, ensuring that there is sufficient liquidity to meet funding requirements.</p> <p>The Council's Treasury Management modelling takes a holistic approach considering a number of variable factors, including the capital programme requirement, availability of cash balances and interest rates impacting borrowing costs and return on investments. The Council's approved Treasury Management Policy and Strategy has been prepared in the context of the current financial situation and seeks the utilisation of long term cash balances as effectively as possible by investing in longer term instruments and/or using to reduce borrowing costs.</p>	Amber

Ref	Strategic Risks	Risk Control / Response and Post Mitigation RAG score	RAG
4	<p>HEALTH</p> <p>Failure to secure maximum value from partnership working with the National Health Service (NHS). If not achieved, there will be impact on social care, public health and health outcomes and increased social care operational and cost pressures. This would add pressures on the Council's budget and/or risks to other Council objectives, as well as shared system objectives in the context of our Integrated Care System across workforce and patients who are medically ready for discharge (MRD) from hospital or community beds.</p>	<p>As part of planning for use of the discharge capacity investment funding, continuation of quarter 1 and 2 schemes were agreed with the Integrated Care Board (ICB) and National Health Service (NHS) Chief Executive Officers (CEOs) where these have evidenced patient and system benefit, including for East Sussex discharge to assess (D2A) beds, home care and agency staff to support flow through the system and free up capacity and the transfer of care hub, in line with national requirements. Planning has also taken place as part of the winter planning process for 2023/24 to ensure additional funded schemes for quarter 3 and quarter 4 align across existing improvement plan actions, localised research activity, and the Discharge Frontrunner programme. This will also provide the basis for 2024/25 plans and Better Care Fund discharge allocations, which will enable the continued focus on Home First, reablement, and right sized bedded capacity, including schemes that support more complex care needs and target areas of greatest delay for people ready for discharge from mental health inpatient capacity.</p> <p>Work has also taken place to progress in-year milestones within the 5-year Sussex Integrated Care Strategy Shared Delivery Plan (SDP), including a focus on the East Sussex Health and Wellbeing (HWB) Strategy priorities shared by East Sussex County Council (ESCC) and NHS for children and young people, mental health, community, and improvements in health outcomes. Partnership work has taken place on a pan-Sussex footing to support delivery of improvements to elective and urgent care, hospital discharge, mental health and health inequalities set out in the SDP.</p>	Amber
6	<p>LOCAL ECONOMIC GROWTH</p> <p>Failure to deliver local economic growth, and failure to maximise opportunities afforded by Government proposal to allocate Local Growth Funding to South East Local Enterprise Partnership, creating adverse reputational and financial impacts.</p>	<p>East Sussex County Council (ESCC), working with partners, has been successful in securing significant amounts of growth funding totalling £129m, via both the South East and Coast 2 Capital Local Enterprise Partnerships, to deliver a wide range of infrastructure projects in East Sussex. We have worked with partners on complementary economic development programmes supporting businesses to grow, providing skills, creating employment, and improving our places with funds secured from various Government departments including the Levelling Up Fund (LUF), UK Shared Prosperity Fund (UKSPF), UK Community Renewal Fund, Getting Building Fund, Bus Service Improvement Plan, Local Skills Improvement Plan, Active Travel, Stronger Towns Fund and Future High Street Fund etc.</p> <p>The impacts and effects of Covid 19 led ESCC to officially launch in September 2020 the East Sussex Economy Recovery Plan, called 'East Sussex Reset'. The plan identifies deliverable actions in the short term, alongside more aspirational asks, and has already aligned and secured new monies totalling £220m investment into East Sussex. The County Council is committed to now producing a longer term East Sussex Economic Growth Strategy. Significant work has started on this with consultants appointed and currently reviewing evidence/data and establishing stakeholder consultation exercises. The plan is to have the strategy approved in 2024.</p> <p>Specifically on the major LUF programme, ESCC submitted a transport package for Exceat Bridge of £8m, while four of the local Borough and District Councils (except Hastings) submitted in June 2021 major capital funding bids under this first round for town centre/regeneration and cultural investment. Outcomes were announced on 27 October 2021, with the following awarded monies: Exceat Bridge (£8m), Eastbourne (£19.8m) and Lewes (£12.6m) all to be delivered by March 2024. The other</p>	Green

Ref	Strategic Risks	Risk Control / Response and Post Mitigation RAG score	RAG
		<p>Borough and Districts were unsuccessful but applied under Round 2 in July 2022, with Rother's £19.2m bid awarded in January 2023.</p> <p>The main prospectus for the UKSPF (the successor to the outgoing EU funding) was released in April 2022 with the award of allocations known to each Borough and District Authority, who are now the responsible accountable bodies for the delivery of the programme. Investment plans were submitted to Government by 1 August 2022. ESCC has made the case with regards to pan East Sussex projects, which can continue to deliver against the main themes of the programmes and the Council's priorities. All 5 bids for circa £1m each over the period April 2022 to March 2025 were approved and allocated their monies in December 2022. In addition, as part of the UKSPF, the Multiply programme was announced in late March 2022 to help adults to improve their numeracy skills up to Level 2. The responsibility for managing this programme from 2022-2025 has been awarded directly to ESCC, with up to £2.5m available. We prepared an investment plan working with partners and submitted this by 30 June 2022 to the Department for Education and our plan has been approved for the full allocation. Contracts have been awarded to providers and delivery is underway.</p> <p>The Government's recent Spring Budget announcements in March 2023 are in part intended to provide a stimulus to growing our businesses, increasing employment opportunities for our residents and improving our economy. The budget indicated the role of Local Enterprise Partnerships (LEP) is proposed to end by April 2024. Subsequent consultation was held and Government announced in August that direct funding for LEPs will be removed from April 2024. It is expected that Upper Tier local authorities will take on the current LEP powers, responsibilities and functions including strategy development, business support and oversight/management of capital programmes. The SELEP, working with ESCC and other federated areas, has produced a draft integration plan and will be seeking endorsement from its Strategic Board in quarter 3. As a result, ESCC will be making its decisions on integrating the LEP functions in quarter 3 and 4.</p> <p>The Government also announced the rollout of new Levelling Up Partnerships to improve place-based regeneration and address the biggest barriers to levelling up in the 20 areas most in need over the period 2023-2025. This included Hastings and Rother, enabling these areas to bid for a share of the new £400m capital grant funds.</p>	

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Supporting information regarding proposal for use of COMF funding – Q2 2023/24

Additional Measures

Additional Measures 3 (AM3) (2023/24) has enabled voluntary, community and social enterprise (VCSE) sector providers to retain the staff and systems that they have put in place from previous year's Additional Measures grants, to continue to provide support to the growing numbers of people experience financial pressures and hardship. A further year of targeted funding will also allow time for specialist delivery partners to consider funding sustainability to meet community needs.

If agreed, the fourth year of Additional Measures funding (AM4) will be allocated using the following principles:

- Ensuring 100% of AM4 funding goes to direct service delivery.
- Ensuring all existing AM4 providers working directly with residents in need continue to receive an allocation.
- Recognising that providers have different financial specialisms and geographical localities and therefore continuing to commission a wide range of providers.
- Continuity – most of AM3 is funding or part-funding staff providing or coordinating direct support to residents. The complexity and longevity of caseloads mean that providers are dependent on confirmation of 2024/25 funding in order to continue take on new cases from the start of the new financial year.

The proposal for AM4 is therefore to extend the Additional Measures grants under the same arrangement for 2024/25 to partners currently delivering front-line advice services.

The overall £87,000 funding reduction when compared to the 2023/24 allocation will be managed as follows:

- The £50,000 grant to Sussex Community Development Association (SCDA) to deliver the Money Advice and Insights Project will cease at the end of the AM3 funding period, 31 March 2024 and will not be re-commissioned under AM4 as, by this point, the project outputs will have been successfully achieved.
- A 9.25% reduction will be applied to the other direct service organisations' current AM3 funding allocation to address the remaining £37,000.

The following table shows the actual allocation this represents.

Additional Measures allocation comparison: AM3 (2023/24) and proposed AM4 (2024/25)

Additional Measures Partner	AM3 funding allocation	Proposed AM4 funding allocation with 9.25% reduction on AM3 figure
Age Concern Eastbourne	£25,000	£22,688
AGE UK EAST SUSSEX	£39,000	£35,392
AMAZE	£39,000	£35,392
Brighton Housing Trust	£39,000	£35,392
Eastbourne Citizens Advice	£37,000	£33,578
Hastings Advice and Representation Centre	£43,000	£39,022
1066 + Rother Citizens Advice	£74,000	£67,155
POSSABILITY PEOPLE LIMITED	£30,000	£27,225
Lewes District Citizens Advice	£37,000	£33,578
Wealden Citizens Advice	£37,000	£33,578
SCDA - Money Advice and Insights Project	£50,000	0
Total	£450,000	£363,000

Mitigations

The reduction in overall AM funding will be mitigated as follows:

- The Money Advice Insights Project (and other reports and wider factors activities) have enabled us to gather significant insights, information and evidence to inform future Financial Inclusion Programme activity. However, continuation of the SCDA Money Advice Insight project in 2024/25 is not essential, as future insights gathering can be achieved through Multi-agency Financial Inclusion Steering Group, related networks and reports, and direct engagement with delivery partners.
- The Money Advice Insights Project has coordinated AM3 partners to deliver a training offer to support front-line workers in 2023/24. We are working with the national Money and Pensions Service (MaPS) to offer Money Guiders training in early 2024 which will be co-ordinated by the Council and provide a new information, guidance and advice training programme for front-line public sector and VCSE sector workers to access.
- AM4 direct delivery partners will identify and target cohorts of residents with greatest need and will provide regular reporting to ensure that the funding is deployed for the most positive impact.

Report to:	Cabinet
Date of meeting:	12 December 2023
By:	Assistant Chief Executive
Title:	Scrutiny Review of School Exclusions - Report of the People Scrutiny Committee
Purpose:	To provide an opportunity for the Cabinet to consider the report of the People Scrutiny Committee.

RECOMMENDATION:

To consider any comments the Cabinet wishes to make to the County Council on the report of the People Scrutiny Committee.

1 Background

1.1 In March 2023 the People Scrutiny Committee agreed to establish a Review Board to undertake a Scrutiny Review of School Exclusions in response to an increase in the number of school exclusions in recent years and the disproportionate numbers of vulnerable pupils who are subject to exclusion, including those in receipt of free school meals and those who have special educational needs (SEN).

1.2 The Review focussed on the Council's role in developing understanding amongst schools of appropriate responses to children at risk of permanent exclusion, including vulnerable pupils, as well as whole school approaches and targeted preventative measures.

2 Supporting information

2.1 The People Scrutiny Committee has completed its Review of School Exclusions. A copy of the report is attached as appendix 1.

2.2 The Review considered a range of preventative strategies, including inclusive behaviour policies, a focus on whole school relational approaches and support at transition. The Review also identified appropriate responses to children who are at risk of exclusion, including those who are identified as vulnerable, including the use of youth voice and the effective use of alternative provision. The Review also explored how the Council could further develop its training and support to schools, trusts and governors, as well as its messaging on the need to reduce, and benefits of reducing, school exclusions and the support available.

2.3 The Board found that the Department was progressing a number of projects and initiatives to reduce permanent exclusions and concluded that there was a strong commitment from most schools and trusts to achieve this. However, the Board learned that schools were dealing with increasing demands and complexity of needs of children and their families post pandemic, including mental health and SEN. The Board was concerned that some schools were using part-time timetables to manage behaviour and concluded that clearer guidance and support was needed to help ensure appropriate use of these was consistent across all schools and trusts. The Board also found that strong engagement with, and support for, families could also benefit pupils at risk and reduce the likelihood of exclusion.

2.4 The Board recognised the limitations of this Review; the decision to exclude is a school one and academies are wholly outside of the remit of the local authority. However, the Board, through exploring a range of evidence, including conversations with witnesses and on-site school visits, found that the Department could work with schools and trusts to develop strategies to reduce the number of suspensions and permanent exclusions and the report makes a number of recommendations to help build on existing work in this area.

2.5 The Committee's report will be submitted to the County Council on 6 February 2024. The Cabinet has the opportunity to comment to the County Council on the recommendations in the Scrutiny Committee's report, although it cannot alter the report. Elsewhere on this Cabinet meeting agenda there is a separate report by the Director of Children's Services commenting on the Scrutiny Committee's report and recommendations.

3. Conclusion and reasons for recommendations

3.1 Cabinet is invited to consider any comments it wishes to make to the County Council on the report of the People Scrutiny Committee.

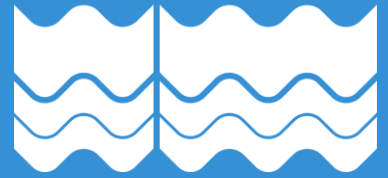
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Scrutiny Review of School Exclusions

Report by the Review Board:

Councillor Sam Adeniji (Chair)

Councillor Kathryn Field

Councillor Johanna Howell

Councillor Wendy Maples

John Hayling, Parent Governor Representative

People Scrutiny Committee - 13 November 2023

Cabinet - 12 December 2023

Full Council - 06 February 2024

The report of the Scrutiny Review of School Exclusions

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Recommendations

	Recommendation	Page
1	The Department should utilise area-based teams to identify and support schools and trusts to provide a graduated response to behaviour.	14
2	The Department should continue to encourage schools and trusts to attend training on whole school relational approaches and develop trauma informed practices so pupils feel safe at school and develop positive relationships. This training should include how to communicate key aspects of these approaches with parents and carers to ensure continuity and support at home.	15
3	<p>The Department should work with schools and trusts to review and make use of available data to:</p> <ul style="list-style-type: none"> a) identify pupils who are at risk of permanent exclusion and identify available support at Inclusion Partnership meetings; and b) monitor pupils identified by the Attendance Support Team who are absent from mainstream education, either through part-time timetables or internal exclusions, and assess what alternative support could be put in place. 	16
4	The Department should develop training for schools and trusts to share best practice on how adaptive teaching can deliver the curriculum to support needs of all pupils, including SEND pupils and pupils facing additional external challenges. This should include developing guidance on assessment to ensure the use of Additional Needs Plans and Personal Education Plans support and address the needs that have been identified.	18
5	<p>The Department should work with schools and trusts to promote the benefits of extracurricular activities, including:</p> <ul style="list-style-type: none"> a) where provided through Early Help, the Holiday and Food Activity Programme, Family Hubs, and Youth Centres, activities which engage pupils throughout the year and incorporate support for families; and b) summer programmes which support transition. 	18
6	<p>The Department should work with schools and trusts to support pupils transitioning into Early Years in primary and Key Stage 3 in secondary by:</p> <ul style="list-style-type: none"> a) working with pre-school settings and primary schools to identify pupils who may need additional support when transitioning to primary/secondary school and referring them to appropriate support and programmes; and b) communicating successful approaches and support at the point of transition at all phases to ensure continuity of provision. 	23

7	The Department should encourage schools and trusts to increase the use of youth voice in preventive strategies and responses to children at risk of permanent exclusion by providing training and guidance for schools and governors on how to embed youth voice into all areas of school policy.	24
8	The Department should work with schools and trusts to further develop and embed parental engagement to ensure all stakeholders understand how and why a child is at risk of permanent exclusion, including the parent/carers and the child, and include parents and carers with decisions around alternative provision, including all available options.	26
9	<p>The Department should embed its multi-agency response, including the use of the new level 2 keywork team in Early Help focused on supporting attendance to:</p> <ul style="list-style-type: none"> a) promote targeted support, including wider family-based issues, to pupils and families who have been identified as at risk of permanent exclusion and multiple suspensions due to a lack of engagement with the school as a result of persistent absence; and b) promote to schools and families parenting programmes that support interventions and preventative measures in schools. 	26
10	<p>To accompany the Alternative Provision Directory, which is to be shared with schools and trusts, the Department should develop guidance on:</p> <ul style="list-style-type: none"> a) how to make best use of alternative provision, including good communication and ways to provide consistent support once a child reintegrates; and b) how alternative provision, including onsite alternative provision, can be used to prevent permanent exclusion and support pupils with additional needs, including those facing additional external challenges. 	28
11	The Department should continue to provide ongoing support and training for governors including whole school training on SEND needs, mental health issues and inclusive behaviour policies, and produce guidance on how to conduct inclusive Governor Disciplinary Committee meetings that prioritise youth voice.	29
12	<p>The Department should develop clear and consistent guidance to share with schools and trusts on the benefits of reducing school exclusions, and the support available, including:</p> <ul style="list-style-type: none"> a) key findings from the RSA 'Rethinking Exclusions' and ISOS projects; b) using Primary and Secondary Boards to communicate to schools and trusts the benefits of inclusive policies and share best practice for reducing exclusions and agree to a shared responsibility to reducing exclusions; and c) on the appropriate use of part time timetables to ensure these are not being used to manage behaviour. Part-time timetables that are in place must be for the shortest time necessary and reviewed regularly with the pupil and their parents. 	31

Introduction

1. In 2019 the People Scrutiny Committee examined the key issues relating to school exclusions in East Sussex, including that East Sussex was an outlier in terms of the proportion of pupils who were excluded from school and that reducing the number of permanent exclusions was a key target for the County Council. A Scoping Board concluded that there was scope to develop effective recommendations to help reduce school exclusions in East Sussex, however delivery of the review was subsequently paused due to the coronavirus pandemic and the limitations this placed on the capacity of the Children's Services Department, schools, and school leaders to engage with the Review.
2. A further Scoping Board was held in January 2023 to consider the latest position on school exclusions in East Sussex. Data showed that whilst there had been an improvement in county-level data for permanent exclusions, with a reduction in the rate of permanent exclusions for all schools combined (primary, secondary, and special) to below the national average, suspension rates (previously called fixed term exclusions) for all schools combined remained above the national average.
3. The Board concluded that whilst they were encouraged by the work underway, there were current concerns, including that vulnerable pupils, including those with special educational needs and disabilities (SEND) and those eligible for Free School Meals, remained more likely to be suspended than their peers; and that there had been an increasing number of decisions to exclude very young children at primary phase; and these issues could benefit from closer examination by scrutiny through a review.
4. The Board agreed to focus on the following lines of enquiry:
 - a) Could the Council do more to develop levels of understanding amongst school leaders of preventative strategies, such as Therapeutic Thinking, to help reduce the likelihood of exclusion?
 - b) Could the Council do more to join up early help and education services as a preventative approach to support reduction in school exclusions?
 - c) Could the Council do more to help develop a better understanding amongst schools of what constitutes an appropriate response to a child who is at risk of exclusion? This line of enquiry to include consideration of:
 - the role and status of the Special Educational Needs Coordinator (SENCO) and their involvement in developing appropriate responses to a child who is at risk of exclusion
 - appropriate responses to very young pupils at risk of exclusion in primary school

- appropriate responses to vulnerable pupils at risk of exclusion at secondary phase
- d) Could the Council develop its training and advice for governors around, for example, providing effective challenge in the circumstance where a headteacher has taken a decision to exclude, and the Governing Board are required to consider reinstatement. This line of enquiry could also explore the role of Governors in helping to develop best practice at the school.
 - e) Within consideration of each of the above lines of enquiry, is the Council's messaging clear on the need to reduce, and benefits of reducing, school exclusions?
5. The Board carefully considered a number of limiting factors, including that the decision to exclude is a school one and that academies are wholly outside of the remit of the local authority. However, the local authority retains important responsibilities, including a duty to ensure a child is provided full-time education from the sixth day after a permanent exclusion; ensuring that children with SEN are identified in a timely manner and have their needs met appropriately, especially if they have Education, Health and Care Plans (EHCPs); and more generally, as a provider of advice and guidance and a facilitator of partnership working with and between schools.
 6. The Review looked at a range of evidence including information provided by the Department, internal data, external reports, school visits and case studies, and heard from a range of witnesses. The Board was keen to include youth voice as part of the Review and spoke to two young people (and received written responses from one other) who had been, or were going through the process of being, permanently excluded.
 7. In exploring the third line of enquiry in relation to the role and status of the SENCO, the Board focussed on the wider support offered to SEND pupils in schools, as well as examples of whole school policies and practices that incorporated the needs of SEND pupils.
 8. The Review identified, through national research and local examples, areas of best practice in reducing exclusions and the report addresses these through three key themes: prevention, appropriate responses to children at risk of permanent exclusion, and council messaging and support.
 9. The Review looked at data and approaches in local maintained schools and academies and recommendations put forward in this report are recommended to be shared with all schools in East Sussex to encourage a county wide approach.

Background

Local and National Context

National guidance

10. The Department for Education (DfE) [*Suspension and Permanent Exclusion from maintained schools, academies and pupil referral units in England, including pupil movement September 2022*](#) provides national statutory guidance to schools in England on permanently and temporarily excluding pupils, including the responsibility of headteachers, governors, independent review panels and local authorities. This accompanies the [*Behaviour in Schools*](#) guidance which provides advice to schools on implementing a behaviour policy to create a school culture with high expectations of behaviour. The guidance stresses that permanent exclusion should be a last resort and only used when other approaches towards behaviour management have been exhausted. However, the guidance does recognise that school exclusion is sometimes necessary to safeguard pupils and staff and establish high standards of behaviour in schools.

Duties under the Equality Act 2010

11. Under the *Equality Act 2010 (the Equality Act)* and the *Equality Act 2010: advice for schools*, schools must not discriminate against, harass, or victimise pupils because of: sex; race; disability; religion or belief; sexual orientation; pregnancy/maternity; or gender reassignment. For disabled children, this includes a duty to make reasonable adjustments to any provision, criterion or practice which puts them at a substantial disadvantage.

12. These duties need to be complied with when deciding whether to exclude a pupil and schools must ensure that any provision, criterion, or practice does not discriminate against pupils by unfairly increasing their risk of exclusion.

Other relevant DfE guidance:

- [*Alternative Provision: Statutory guidance for local authorities, headteachers and governing bodies*](#)
- [*Education for children with health needs who cannot attend school*](#)

National statistics and research on school exclusions

13. Nationally there were 6,500 permanent exclusions in the 2021/22 academic year. This was the equivalent of 8 permanent exclusions for every 10,000 pupils. The most common reason across all permanent exclusions was persistent disruptive behaviour, recorded 3,050 times (against 47% of permanent exclusions).

14. The *Timpson Review of School Exclusion* was commissioned by the Secretary of State for Education and presented to Parliament in 2019. It identified areas of best practice in schools and made recommendations to government to ensure that ‘exclusion is used consistently and appropriately, and that enable our schools system to create the best possible conditions for every child to thrive and progress’.

Recommendations included statutory national guidance that is accessible, clear and consistent; local authorities playing a key role in advocating for vulnerable children and facilitating local forums to share best practice and identify appropriate support; training for staff and governors on a range of issues including equality and diversity, behaviour management, and SEND; development of alternative provision; strong governance; and using data to identify local trends and patterns.

15. The Royal Society of Arts (RSA) report *Pinball Kids - preventing school exclusions - 2020* claims that school exclusions are a social justice issue with a disproportionate number of pupils with SEND, who have grown up in poverty, who have a social worker, and from certain ethnic minority groups being permanently excluded compared with their peers. The report focussed on wider societal issues contributing to increasing exclusion rates including poverty, the rise of mental health and special educational needs, and the consequences of policy decisions, including curriculum and exam changes.

16. The report identified five conditions necessary for change including children having a strong relationship with a trusted adult; parent/carers engagement; schools having an inclusive ethos; assessment and support for additional needs; and robust data collection.

17. Data from the Department for Education (DfE) and Ministry of Justice in *Education, children's social care and offending* found that children who had been cautioned or sentenced for an offence were more likely to have been both suspended and permanently excluded than the all-pupil cohort. The data also showed that the majority of children who had been cautioned or sentenced for a serious violence offence, who had received a suspension or permanent exclusion, received their first suspension or permanent exclusion before the offence.

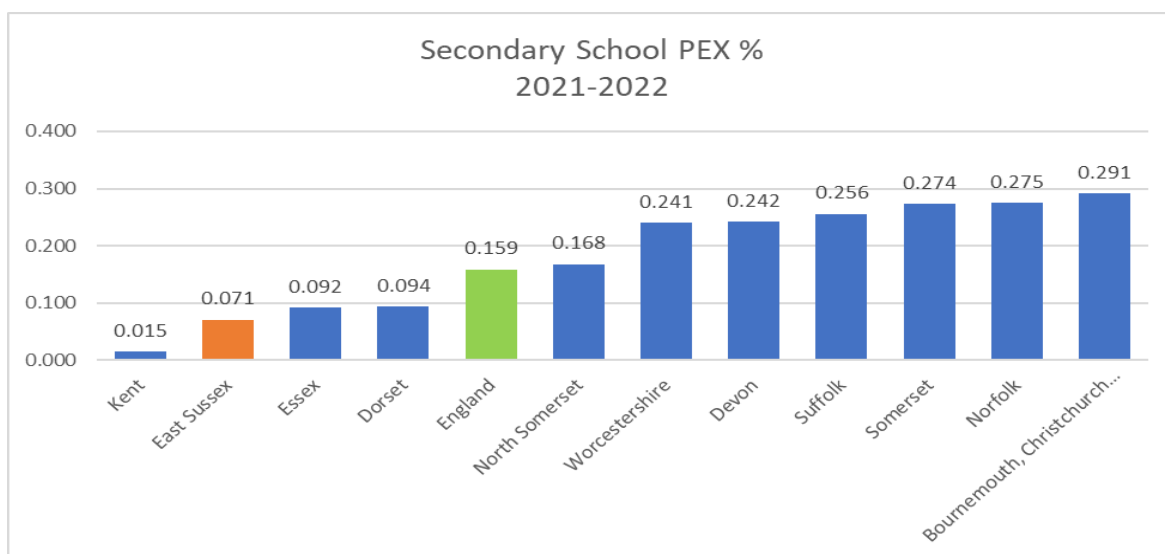
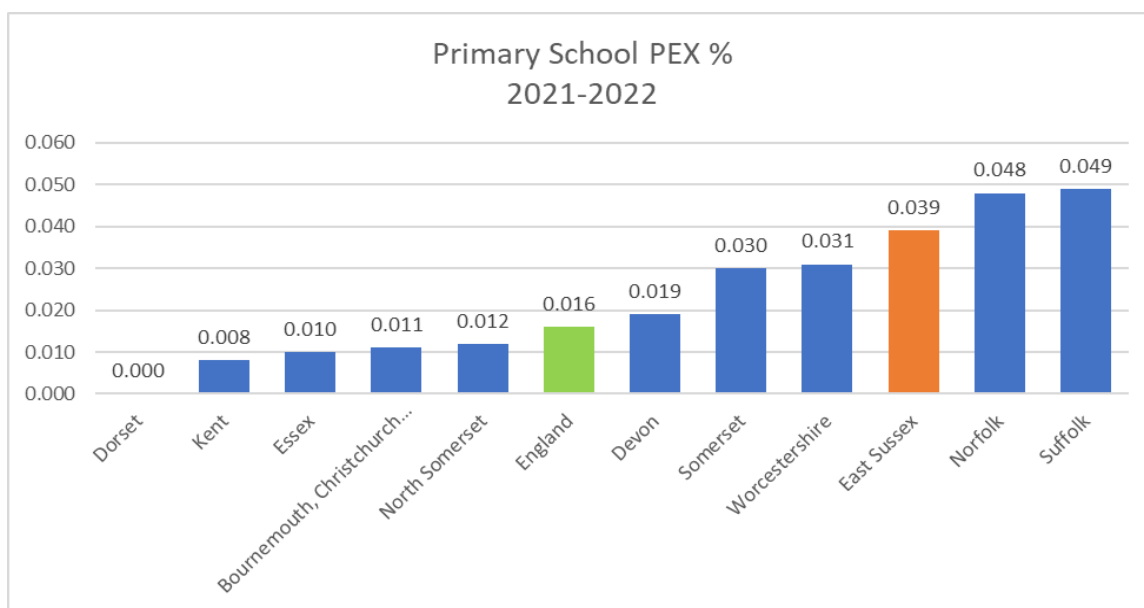
18. The Children’s Society *Youth Voice on School Exclusions* interviewed young people across England on their experiences of exclusion and concluded that:

“The impact of school exclusions has a profound effect on young people’s sense of identity, both in the present and their hopes for the future and its reach goes beyond what happens in school itself and into the wider contexts of their lives.”

Context in East Sussex

19. East Sussex County Council (ESCC) supports 189 schools including 135 schools in the primary phase, 23 secondary schools, and 13 special schools. Of these, there are 79 academy schools.

20. In recent years East Sussex experienced a rise in the number of suspensions and permanent exclusions across primary and secondary schools. Most recent data showed East Sussex was above the national average for the number of suspensions and although 2021-22 data showed it fell below the national average for permanent exclusions for secondary schools, East Sussex remained high in permanent exclusions for primary schools compared with statistical neighbours.



21. Exploring this comparative data further, the Board heard that there were multiple approaches being used by other local authorities to manage behaviour which would impact on comparisons, including processes such as school to school moves. The Department had explored some of these approaches and concluded that short term placements at other schools made reintegration to a pupil's original school difficult. Without a fuller understanding of strategies and approaches taken in other local authorities, and in recognition of the national challenges facing most areas, the Review focussed on what could be achieved locally to prevent school exclusions.

22. Data from the DfE for suspensions and permanent exclusions for special schools, secondary and primary schools in East Sussex identified several groups of children at increased risk of permanent exclusion, including pupils who were:

- in receipt of Free School Meals in the last 6 years (FSM6);
- on an Education, Health and Care Plan (EHCP);
- from Gypsy, Roma and Traveller communities;
- in Years 8, 9 and 10, with a higher risk for females in Year 8;
- on the SEND register of the school and not in receipt of an EHCP.

23. Data also showed an increase in the number of pupils in Early Years being permanently excluded.

24. These findings align with national evidence that SEND pupils are disproportionately affected by permanent exclusion¹.

25. The key challenges identified locally by the Department included reducing exclusions for children in receipt on an EHCP, increasing opportunities for schools to access multi agency support, and making sure that there was appropriate alternative provision for children to receive bespoke support. Staffing and recruitment issues across all schools were also highlighted.

26. At the time of the review, the Department was involved in in two projects to support work in reducing exclusions:

- *RSA Reducing Exclusions Project*, focused on reducing exclusions in primary schools (at the time of the review the project was going into its third year and the implementation stage).
- *ISOS Rethinking Exclusions Project*, focused on reducing exclusions in secondary schools through Inclusion Partnership meetings (at the time of this Review the project was transitioning from the implementation phase into the embedding phase).

¹ [HM Government, SEND Review: Right support, right place, right time, 2022](#)

Review Board Findings

1. Prevention

27. In order to understand how schools could reduce the number of permanent exclusions and suspensions, the Board sought to understand how preventative strategies could be implemented and developed. The Board found that a combination of whole school approaches, as well as targeted support and intervention was key to keeping pupils engaged in learning and at school.

i) Preventative strategies and whole school approaches

28. Through the Department's work with the RSA and ISOS projects, a range of interventions and strategies were being developed to prevent pupil behaviour escalating to a permanent exclusion. The ISOS Rethinking Exclusions project promoted a model which identified the first step for addressing challenging behaviour as 'mainstream level of support' which reinforced consistent expectations, quality first teaching, and in class support as tools to prevent many pupils needing more targeted support.

29. The Board heard from the ISEND Engagement and Participation Officer who acknowledged the pressure schools were under to deliver bespoke, complex provision, but advocated whole school relational approaches which would benefit all pupils and could reduce the number of pupils being permanently excluded.

30. The Board agreed that intervention and support at the earliest opportunity would not only benefit pupils and schools but could save costly interventions at a later stage and explored several strategies and approaches including the use of programmes, policies, and data.

Preventative programmes

31. Officers presented information to the Board on 'Therapeutic Thinking', an agreed approach in East Sussex to support behaviour, which focuses on supporting children and responding to need. Schools in East Sussex had been offered free training for their senior leadership team, with the intention they would embed this ethos throughout the school. Additional training and support, including network meetings, was also provided.

32. There had been very positive feedback from schools which had adopted this approach, with many reporting increased staff wellbeing and happiness amongst pupils, and reduced levels of suspensions and permanent exclusion. However, the Board heard that not all schools had engaged with this due to various pressures, including Ofsted and staff capacity. In response the Department was continuing to adapt its offer through bespoke support and training to ensure Therapeutic Thinking was accessible to all schools.

33. The Vice Principal at The St Leonard's Academy outlined to the Board a number of interventions the school had implemented in order to reduce exclusions, including the use of mental health support and short term intervention programmes such as 'Believe in You' and 'Nurture' (support for social, emotional and behavioural difficulties) which had supported over 700 students. The Vice Principal stated that 84% of those who had taken part had shown an improvement in their behaviour and, although these programmes were costly, they should be prioritised to help prevent exclusions.

34. Good mental health support was also identified as a key factor in supporting all pupils in schools and crucial to reducing exclusions. The Strategic Lead for Safeguarding and Emotional Wellbeing told the Board that increasing mental health needs since the pandemic were having a significant impact on the capacity of schools and external mental health providers to meet this need. Increased mental health issues, including anxiety, were also having a direct impact on school attendance and in some cases resulting in pupils being permanently excluded. Increased mental health needs amongst school staff were also cited as detrimental to staff and pupil relationships, as well as an additional challenge to staff retention.

35. The Board heard that the Department was providing Mental Health Support Teams and Mental Health and Wellbeing Advisers to work in schools to directly support students as well as develop whole school approaches to meet this need.

Inclusive behaviour policies

36. Behaviour policies and procedures that focused on being inclusive were noted as key preventative strategies by witnesses and evidence considered by the Board. *Youth Voice on School Exclusions*, a report by The Children's Society, highlighted the negative impact school exclusions had on young people and their mental health. In their interviews with young people, rigid behaviour policies and approaches were often cited, and there was frustration at what young people saw as an inflexible education system which many did not feel met their needs.

37. Inclusive policies respond to and support all children's needs and strive to provide a sense of belonging; inclusive policies are cited in national research as being key to improving behaviour across schools and reducing permanent exclusions. Examples of inclusive behaviour policies reviewed by the Board included a focus on

"A child who is fully 'included' - given a sense of belonging and opportunities for success - is far less likely to behave in a way that would lead to an official exclusion from school"

RSA Pinball Kids

recognising behaviour as communicating underlying need and encouraged staff to identify and respond to these needs rather than focusing on the presenting behaviour.

38. The Board visited Ore Village Primary Academy to gain insights into how they had reduced the number of permanent exclusions. The school faced a number of local challenges, including having one of the highest numbers of pupils receiving Pupil Premium in the county, and some pupils attending school with additional external challenges at home. A new behaviour policy was developed to be more inclusive. The focus shifted from public rewards and sanctions to having clear expectations of how everyone should behave and pupils being self-motivated to behave positively. The Headteacher reported that hearing that a member of staff was proud of them had a huge impact on pupils' self-esteem and behaviour. The school had worked to embed a cultural change around behaviour and the Headteacher reported having a very supportive and dedicated team of staff who were committed to this, with greatly improved behaviour as a result.

39. The St Leonard's Academy had also created a new behaviour policy which focused on inclusion and positive relationships between pupils and staff. Although there were clear consequences for poor behaviour, the policy outlined the need to identify additional needs when presented with challenging behaviour.

40. The ESCC Senior Educational Psychologist and the SEND CYP Participation Lead, who carried out a number of interviews with young people on their experiences of being permanently excluded, or who were at risk of permanent exclusion, told the Board that many young people cited a sense of belonging as a significant factor in their engagement with education. However, many young people expressed frustration at inconsistent school sanctions with some pupils appearing to be treated differently to others. The Participation Team was supporting inclusion advisers with managing behaviour and working with schools to develop whole school approaches which were needed to ensure good relationships for all pupils.

41. Peacehaven Community School, which from 2018 to 2023 had seen a 100% reduction in permanent exclusions and a significant decrease in suspensions, told the Board it had adopted a more inclusive behaviour policy, moving away from sanctions, such as isolation and suspensions, and towards restorative conversations about behaviour. The Assistant Headteacher noted that suspensions were not only viewed as lost learning, but a potential safeguarding risk for pupils, so a more holistic approach to identifying and supporting needs had been adopted.

42. The Head of Virtual School also advocated the development of inclusive practice and behaviour policies which were trauma informed and supported all pupils, and commented that these policies, as well as programmes such as Therapeutic Thinking, offered alternative responses to pupils at risk of multiple suspensions and permanent exclusion.

43. The Board concluded that behaviour policies which support inclusive practices across the school were effective in supporting all pupils in schools and could reduce behaviour escalating to the point of multiple suspensions or permanent exclusion.

Recommendation 1

The Department should utilise area-based teams to identify and support schools and trusts to provide a graduated response to behaviour.

Building and nurturing positive relationships

44. Many whole school approaches explored by the Board emphasised the importance of building positive relationships between staff and pupils. A key recommendation from the *RSA Pinball Kids Report* was that ‘every child has a strong relationship with a trusted adult in school’ and the report argues that strong relationships are shown to have a positive impact on classroom behaviour.

45. Interviews with young people highlighted the impact of these positive relationships; all of the young people interviewed were able to cite one member of staff they had had a good relationship with and spoke about the positive impact this had on them. However, they also noted the difficulty in using these relationships for ongoing support due to staff capacity. Kara told the Board that schools should make the most of these positive relationships when a pupil is at risk of exclusion, with the trusted member of staff supporting ‘the student to talk to the member of staff who may have been involved and see if they can come to a resolution’. The Board reflected that these relationships had been key to providing a positive and supportive influence in the young people’s lives.

46. This was reiterated by the Senior Educational Psychologist and SEND CYP Participation Lead who informed the Board about the work they were doing to support schools with whole school relational approaches to increase a sense of belonging amongst all pupils. They argued that when pupils were listened to and had positive relationships with adults there is increased motivation and self-efficacy.

47. The St Leonard’s Academy reported seeing an improvement in teacher/student relationships with the adoption of their new behaviour policy and stressed the importance of staff communicating with pupils in a positive way. Staff were trained and carried cards to help with de-escalation, especially for children with SEND, and learnt how their body language could increase their approachability to students. The new behaviour policy encouraged strong relationships between staff and pupils, based on respect, kindness, honesty, resilience and self-discipline. The policy includes guidance for staff to provide pupils with the opportunity for a fresh start at every lesson to enable ‘students [to] reflect on their actions and meet with the staff before the next lesson where practical, to repair relationships’.

48. Ore Village Primary Academy also told that Board that they were prioritising these relationships, ensuring that every child was greeted at the gates each morning.

49. During a visit to Peacehaven Community School the Board heard about the school’s strong ethos of belonging and community, with a focus on pupils building

positive relationships at school and in their local area; the Assistant Headteacher reported this was key to increasing positive behaviour in the school.

Recommendation 2

The Department should continue to encourage schools and trusts to attend training on whole school relational approaches and develop trauma informed practices so pupils feel safe at school and develop positive relationships. This training should include how to communicate key aspects of these approaches with parents and carers to ensure continuity and support at home.

Using data to identify pupils who need support

50. National research highlighted the vital importance of using data to identify pupils needing additional support, as well as the risk of pupils regularly missing education if schools did not monitor pupils who were placed in isolation.

51. The Director of ISOS advocated the use of Inclusion Partnership meetings to analyse data and identify pupils who were most at risk of permanent exclusion, as well as monitoring wider trends to identify key vulnerable groups (for example, certain year groups, and children with very low attendance) so that targeted interventions could be put in place.

52. The Board found that the Department was regularly looking at data to identify pupils who were at risk, including national data from the DfE and local schools' data, comparing this with data from geographical areas and statistical neighbours to identify trends and patterns.

53. The Attendance Lead Manager informed the Board that from September 2023 all schools in East Sussex had signed up to provide daily attendance data. This would enable the Department to look at a full data set which could be used to spot patterns, help to safeguard children, and increase attendance.

54. There were also plans for the Mental Health and Emotional Wellbeing Team to offer an audit tool and strategic visit to all schools with improved data and information sharing about children being excluded with social, emotional and mental health (SEMH) needs, with an aim to provide focused work with those pupils.

55. The Board explored how data could be used further within schools; Peacehaven Community School had analysed student data to identify students needing additional support, including those whose attendance was low, pupils on Pupil Premium and Free School Meals and those at risk of permanent exclusion, to raise achievement. The school had looked at barriers facing those pupils and focused on ensuring equity and equality in the school; information on identified pupils was shared with all staff and intensive bespoke support, including for literacy, attendance, and wider family support was provided, with detailed records of successful strategies and approaches for each child.

56. The Board concluded that effective use of data was key to identifying vulnerable groups and students and relevant information should be reviewed regularly at Primary and Secondary Boards and Inclusion Partnership meetings. The Board was concerned about the number of pupils potentially missing education, either through isolation or through inappropriate use of part-time timetables (addressed more in the second half of the report) and data on this should be monitored to identify where alternative support could be put in place.

Recommendation 3

The Department should work with schools and trusts to review and make use of available data to:

- a) identify pupils who are at risk of permanent exclusion and identify available support at Inclusion Partnership meetings; and**
- b) monitor pupils identified by the Attendance Support Team who are absent from mainstream education, either through part-time timetables or internal exclusions and assess what alternative support could be put in place.**

Adaptive teaching to deliver the curriculum and extracurricular activities

57. The RSA *Pinball Kids Report* highlighted that young people studying vocational courses were less likely to be excluded from school, but noted there were now fewer opportunities to study vocational qualifications. It also reported the findings of the Education Select Committee's review of exclusions² which 'suggested that curriculum narrowing may be contributing to rising school exclusions'. The RSA report also suggested that a 'rigorous' curriculum introduced in 2010 had resulted in pupils becoming disengaged with education and promoted the use of extracurricular opportunities to engage pupils.

58. The Board concluded that although the current curriculum worked for most pupils, there were a significant number of children who were not able to engage with learning in this way. Although schools were limited with the content of the curriculum, appropriate alternative curriculum activities could help pupils to access this learning in different ways.

59. The Senior Manager, Lewes, Coastal and Wealden ISEND told the Board that schools needed to be creative with engaging children with the curriculum and should consider challenging traditional ways of teaching. Therapeutic Thinking, for example, enabled teachers to develop different group dynamics and challenge conventional larger teaching group sizes by delivering focussed work with smaller groups. The Board heard that, for Therapeutic Thinking to work well, it needed to be embedded

² House of Commons (2018) *Forgotten children: alternative provision and the scandal of ever increasing exclusions*. Report of the Education Select Committee. Available at: [Forgotten children: alternative provision and the scandal of ever increasing exclusions \(parliament.uk\)](https://www.parliament.uk/business/committees/committees-a-z/education-select-committee/publications/forgotten-children/)

into the school culture and influence how staff communicated with young people; when this worked well, staff were better equipped to deliver the curriculum.

60. Interviews with young people also highlighted the challenge larger class sizes presented to some pupils; one young person told Members they did not want to return to mainstream education because the classes were too big and there was too much noise.

61. The Head of Virtual School told the Board about pupils who had thrived in alternative provision where they were able to access vocational courses, and this had had a positive impact on their behaviour. However, due to the costs of external alternative provision, it was important for schools to consider a range of provisions in their own settings.

62. The Board explored this further through visits to Ore Village Primary Academy and Peacehaven Community School which had both adapted how they delivered the curriculum to meet the needs of pupils and improve behaviour in the school. The Headteacher at Ore Village Primary explained how they had done this to suit the needs of the pupils locally, recognising that their cultural, language, and memory needs were unique - for example, many of the children's cultural experiences were only offered through school. The school prioritised activities, including school trips, to enhance cultural experiences. To support very young pupils in their learning and development, the school focused heavily on speech and language, recognising that this was a development need for many of their pupils, and prioritised embedding this throughout school. Funding was also used to bring in specialist teachers, including for PE, dance and music, and sensory circuits were used to support children with additional needs, including those with ADHD and anxiety.

63. Peacehaven Community School told the Board they had adapted their teaching of the curriculum by rearranging the school timetable to offer elected subjects at Key Stage 4 on days when they were seeing higher rates of absence. The school also advocated the use of community enrichment activities outside of the school day to further pupil and family engagement with learning.

64. The Board reflected on the broad range of needs of pupils in schools, including those with SEND, as well as pupils with a lack of stimulating experiences, often due to poverty and other external challenges, and how these could impact on their ability to access the curriculum. The Board recognised the needs of very young pupils who may be starting school with additional needs, including language and memory processing needs. The Board noted the benefits of appropriate alternative activities to support all pupils to access the curriculum, including those who were not engaged with more structured learning, and were impressed with the results of local schools who had achieved this.

Recommendation 4

The Department should develop training for schools and trusts and share best practice on how adaptive teaching can deliver the curriculum to support needs of all pupils, including SEND pupils and pupils facing additional external challenges. This should include developing guidance on assessment to ensure the use of Additional Needs Plans and Personal Education Plans support and address the needs that have been identified.

65. The Board explored how extracurricular activities could also engage pupils with learning and heard that the Department provided a range of extracurricular activities and support which could benefit pupils and families, including through the Early Help Team, the Holiday and Food Activity Programme, Family Hubs and through Youth Centres, and that successfully promoting these to schools and families could encourage greater engagement with education. The Board agreed that these activities could increase engagement and provide vital support for pupils and families, however there was concern about the ongoing sustainability of funding of these activities.

Recommendation 5

The Department should work with schools and trusts to promote the benefits of extracurricular activities, including:

- a) where provided through Early Help, the Holiday and Food Activity Programme, Family Hubs, and Youth Centres, activities which engage pupils throughout the year and incorporate support for families; and
- b) summer programmes which support transition.

66. The Board concluded that whilst preventive measures could be expensive, they were a necessary strategy to improve behaviour in schools and reduce permanent exclusions. Moreover, early investment could prevent more costly intervention later on.

ii) Targeted support and intervention

67. When a child is identified as at risk of permanent exclusion the Board heard it was important for targeted and timely support and intervention to be provided. Moreover, the *Timpson Review* identified local authorities as playing a key role in advocating for children with additional needs and those at risk of exclusion. The Board learned that this support included timely assessment and support for additional needs, including SEND and SEMH, as well as identifying external issues and circumstances which may be affecting the child at school. Support should involve,

where necessary, cross-team working between different professionals to support the pupil and the family. Responses to poor behaviour should also be graduated and appropriate.

68. The Senior Manager for Targeted Support Services informed the Board that the RSA Reducing Exclusions Project was focussed on enabling early identification of needs and support through regular joint working between multiagency partners.

69. The Board also heard that the ISOS Rethinking Exclusions Project identified a model of graduated and appropriate response to all pupils, including those who are vulnerable to multiple suspensions and permanent exclusion, including in-class support, additional in-school support, targeted support, and alternative provision. The model focused on understanding behaviour and identifying the needs of the child.

70. The Head of Virtual School provided insights into her work with Looked After Children to ensure that pupils from this cohort were rarely excluded from school. When a Looked After Child was at risk of exclusion, the Virtual School worked with education settings to provide additional support, including with the East Sussex Behaviour and Support Service (ESBAS), Communication Learning and Autism Support Service (CLASS), and the Educational Psychology Service (EPS) to provide early and targeted support. The Head of Virtual School commented that Personal Education Plans for Looked After Children enabled school staff and social workers to focus and tailor support to the child's needs. She advocated the need to bring in support services at the earliest opportunity, however also acknowledged the limited capacity of these services.

71. 2023 data from the DfE showed an increase of 87,000 pupils nationally with SEN from 2022³. The HM Government, *SEND Review: Right support, right place, right time* concluded that outcomes for children and young people with SEN or in alternative provision were poor and that seeking support was difficult for children and their families, often due to late intervention and insufficient resources.

72. The Board heard from interviews, written responses and a discussion with the Special Educational Needs and Disabilities Information Advice and Support Services (SENDIASS) Manager that some parents and carers felt a permanent exclusion could have been avoided if additional needs were identified and supported in school, including through Additional Needs Plans and Personal Education Plans. However, he also noted that there was a wide range of specialist services available to schools and when these had been brought in, parents and carers commented on the positive outcomes they had achieved.

73. The Senior Educational Psychologist reiterated that SEND needs were often not understood, which could lead to an exclusion, and it was crucial for schools to involve supporting services earlier to provide positive intervention and avoid permanent

³ National Statistics Academic year 2022/23 [Special educational needs in England](#)

exclusions. Discussions with school governors also suggested that a lack of resources to support SEND needs was a contributing factor to some pupils being permanently excluded.

74. The Department agreed that schools were running on tight staffing, but schools which were achieving good outcomes and low exclusion rates were adopting inclusive practices and investing in pastoral support staff to meet needs. This was demonstrated, for example, by Peacehaven Community School which had recruited a strong pastoral team and effective SEND support across all school years.

75. The Board concluded that although the Review was not able to explore SEND assessment and support in detail, evidence considered did show that ensuring SEND needs were assessed and identified early, and putting appropriate support in place, could reduce the number of suspensions and permanent exclusions for SEND pupils; moreover, schools that were prioritising support for SEND needs were achieving good outcomes for those pupils. This is further addressed in recommendation 4.

Pupils facing additional external challenges

76. The Board heard that it was not only important to identify and address needs in school, but external issues and circumstances should also be taken into consideration when responding to behaviour issues. In the Board's interview with young people, they heard from Sonny who explained that at the time of his permanent exclusion he was dealing with a family death and had lost motivation at school; Sonny said he felt unsupported in this and believed this contributed to escalating poor behaviour. Moreover, Sonny felt this was not taken into consideration when deciding to permanently exclude or in subsequent appeals. National research also noted challenges outside of school, including relationships and emotional health, which can contribute towards exclusion.

77. The Board reflected that supporting pupils' increasing complexity of needs with limited resources was an increasing challenge facing schools, however schools who had invested in this were seeing positive outcomes in their suspension and permanent exclusion rates, for example noting that Ore Village Primary had taken significant steps to address local challenges and were seeing increased engagement as a result.

Work with key partners

78. The Board heard that appropriate and effective support for pupils at risk of exclusion often required working with key partners and professionals.

79. The Director of ISOS Partnership explained to the Board that a key component of the Rethinking Exclusion Project was the creation of Inclusion Partnerships where 'school and service leaders meet and work together to take a holistic approach to supporting young people, fostering inclusion, building capacity for improvement, driving innovation and, ultimately, ensuring the best education for all children and young people'. This multi-agency approach included ESBAS, Early Help, Connected

Families, the Virtual School, and CLASS and allowed schools to identify and access the right support for pupils at risk of permanent exclusion.

80. The Board heard about similar work with the use of collaborative partnerships through the RSA Preventing School Exclusions Project. This project used support networks, representatives, and referrals to share knowledge and support for pupils at risk of permanent exclusion and included a focus on supporting pupils to transition from primary to secondary school. The Department also made use of Primary and Secondary Boards to identify pupils who may need additional support. The project interim report highlighted the success of this work:

“The project is making really good progress and has already created strong links across local authority teams, schools and external agencies. Our local headteachers are working closely together to learn from each other about the best ways to support positive relationships and behaviour. At the recent conference for primary school leaders, headteachers gave an inspiring account of their work to date and the positive difference that the project is starting to make for children in their schools”.

(Assistant Director, Education, ESCC)

81. The Board heard that the Virtual School successfully worked with a range of partners to develop an understanding of the needs of Looked After Children and put in place the right support such as programmes, key worker provision, resources, and toolkits provided by the local authority and specialist teams. The Virtual School also sat within the Inclusion Partnership to look at alternatives to permanent exclusion and welcomed the effective partnership work across the services.

82. The success of partnership working was demonstrated by Ore Village Primary School; the Headteacher had facilitated a Behaviour Support Network with other primary schools in Hastings to identify children at risk of permanent exclusion. The meeting included a round table discussion and schools were given strategies to support these pupils. This was very positive, and feedback showed this had an impact very quickly, however the Headteacher noted she had little capacity to support these meetings on a regular basis and would support a co-ordinated approach to facilitate professionals working together to improve behaviour in schools.

83. The Board were impressed by the development of support networks for schools, including through Inclusion Partnerships and Primary and Secondary Boards and concluded that through these, key guidance and support could be shared with schools across the county.

Transition from primary to secondary school

84. National research noted that transition from primary to secondary school could increase a pupil’s risk of exclusion, especially if there were unmet needs, or if successful strategies put in place in primary school were not continued when a pupil moved onto secondary school.

85. The Senior Manager, Lewes, Coastal and Wealden ISEND and the Director of ISOS informed the Board that post pandemic many pupils were not ready for secondary school in year 7 and Inclusion Partnership meetings had identified a pattern of poor behaviour in year 8 which has been triggered by pupils' experiences in year 7. Issues identified in primary school needed to be supported when a pupil transitions between phases.

86. The Headteacher at Ore Village Primary Academy told the Board she was concerned that the positive impact on behaviour from preventative strategies and targeted support could be lost when pupils moved to secondary school and noted that more work was needed with local secondary schools to ensure continuity of support. The school did have strong links and good communication however with local pre-school settings and had successfully supported young pupils transitioning into Reception. Peacehaven Community School told the Board that although they worked with local primary schools to support transition, including with issues on attendance, there was not currently a consistent behaviour policy between the local primary schools and Peacehaven Community School; instead, expectations would be communicated to pupils before they joined the school and that they would aim to continue provisions established in primary school such as Lego Therapy and Time to Talk.

87. The Board discussed that this was a wider issue within East Sussex and reflected that with children attending different secondary schools to some of their peers, their experience was often dependent on the school's policy, and it appeared there was not enough learning from schools about the strategies put in place by their feeder school. The Board concluded that it was important for secondary schools to see what preventative strategies primary schools were putting in place, including using case studies at Inclusion Partnership meetings, and explore opportunities to continue these. Support from the local authority, including through summer programmes and one to one SEND support, was identified as playing a vital role in supporting pupils to transition, however the Board concluded that a consistent approach to transition across schools would be beneficial.

88. The Board noted the ongoing work of the Department in this area, including the focus in the RSA Preventing School Exclusions Project which was exploring investment in transitions. The interim report noted that across all three localities, including East Sussex, they had found 'primary and secondary schools working individually to support pupils with transition rather than working together'. In the project's Group 3 pilot, a working group of representatives from primary, secondary, and special schools, the local authority and the Parent Carer Forum had been formed to address suspensions and permanent exclusions in years 7 and 8 and create a consistent transition offer.

89. It was agreed that findings of the project should shape this offer in the county. The Board also concluded that successful transition from pre-school settings, with

consistent support and strategies in place to support need, could prevent the risk of exclusion in very young pupils.

Recommendation 6

The Department should work with schools and trusts to support pupils transitioning into Early Years in primary and Key Stage 3 in secondary by:

- a) working with pre-school settings and primary schools to identify pupils who may need additional support when transitioning to primary/secondary school and referring them to appropriate support and programmes; and**
- b) communicating successful approaches and support at the point of transition at all phases to ensure continuity of provision.**

2. Appropriate responses to children at risk of permanent exclusion

90. Having explored broader preventative strategies, the Board went on to consider appropriate responses to a child who had been identified as at specific risk of permanent exclusion. Research and witnesses identified key factors to consider when responding to pupils at risk, including the use of youth voice, engagement with families and the effective use of alternative provision.

i) Youth voice

91. The national statutory guidance on exclusions states that:

‘Headteachers should...take the pupil’s views into account, considering these in light of their age and understanding, before deciding to exclude, unless it would not be appropriate to do so. They should inform the pupil about how their views have been factored into any decision made.’

92. Witnesses and evidence suggested that listening to the voice of young people, including when making decisions about their education, produced better outcomes for them. The Board heard directly from young people about the need to feel listened to and given the opportunity to advocate for themselves.

“Ever since I’ve been excluded my anger has got worse. I would like to be listened to more”

Young person interview with Ella

93. However, young people interviewed all reported not feeling listened to, or given the appropriate opportunity to advocate for themselves or be involved in decisions around their education. Two of the young people spoke of multiple challenges they were facing outside of school, including bereavement and

mental health issues, but did not feel these were supported or considered in the decision to permanently exclude them. All the young people did, however, comment on the good support they had received from ESBAS and spoke positively of relationships with staff at alternative provision sites. The Board reflected that the young people they had spoken to had been forthcoming and genuine, with recognition and understanding of how their behaviour had led to a permanent exclusion, but the process had not been fully explained to them.

94. The Board heard about wider engagement work with young people who had been, or were at risk of being, excluded from the Educational Psychologist and ISEND Engagement Participation Officer who had spoken to 40 young people in six different settings across East Sussex, including alternative provisions, about their experiences. The interviews demonstrated the importance of positive relationships between pupils and staff, as well as the need for young people to feel listened to and part of conversations about decisions. The Educational Psychologist shared with the Board that giving young people the opportunity to have an equal weight given to their voice led to improved outcomes including effort and motivation and a reduction in power imbalances.

95. The Assistant Headteacher at Peacehaven Community School explained how youth voice had been successful in developing a number of strategies and policies in the school, including the new behaviour policy, profiles on students identified as needing additional support, SEND support, and safeguarding concerns. The school had invested in training for staff to encourage positive communication between staff and pupils and, in a recent survey, 91% of students reported feeling listened to when speaking to a teacher.

96. The Board acknowledged that, whilst young people should feel listened to in school, teachers were under increasing pressures and capacity was often a barrier to this. However, it was clear that youth voice should be incorporated into school policy where possible, including in meetings about the decision to exclude.

97. It was also noted that youth voice was a key component in the ISOS Rethinking Exclusions Project and would inform the commissioning of targeted provision in schools and of external alternative provision.

Recommendation 7

The Department should encourage schools and trusts to increase the use of youth voice in preventive strategies and responses to children at risk of permanent exclusion by providing training and guidance for schools and governors on how to embed youth voice into all areas of school policy.

ii) Engagement with parents and carers and family support

98. The Board found that parental engagement was key to preventing pupils from being permanently excluded, but that this was a challenge for many schools, especially with their most vulnerable pupils. However, evidence from parent interviews also showed that many parents and carers did not feel communicated with about decisions to permanently exclude their child.

99. The Board looked at national research which considered the support provided to parents and carers and recommended that engagement from parents and carers with their child's education was a key contributor to preventing exclusion. The *Timpson Review of School Exclusions* recommended that 'local authorities should include information about support services for parents and carers of children who have been, or are at risk of, exclusion, or have been placed in Alternative Provision'.

100. The Board explored what support was available to parents and carers and heard from the Parenting Coordinator from the Early Help Service about a variety of parenting programmes available to parents and carers in East Sussex, including for support with child development, behavioural issues, SEND needs and mental health needs. Although these courses were well attended and gained very positive feedback, there was still work to do to reach the most vulnerable families in need of support and to de-stigmatise parenting support.

101. Although a wide range of support was available to parents and carers across East Sussex, the Board heard of the importance of schools communicating regularly and openly with parents and carers, in an accessible way. The Board explored this through interviews with parents and carers, written responses through the East Sussex Parent Carer Forum (ESPCF) and with the SENDIASS Manager who spoke of the experiences of parents and carers who have accessed the SENDIASS support line. The SENDIASS Manager told the Board one of the most common reasons for calls from parents and carers was not feeling listened to, with poor communication from the school and many reporting that they felt issues could have been addressed at an earlier stage if there had been communication. The Board also heard that when communication was received, it was often not in an accessible or clear format, so parents and carers found it difficult to understand. One parent told the ESPCF 'I had had to make my own way through the appeal process and secure my own support'. Other parents and carers reported having little communication from key staff and if communication was offered, there was little flexibility to adapt to parent/carers needs, including work commitments.

102. The Headteacher at Ore Village Primary Academy noted that despite a focus on supporting families, a lack of parental engagement was one of the biggest challenges to reducing exclusions, and the school was investing significant staff time to build positive relationships and sustained communication, particularly around attendance. This was also noted by Peacehaven Community School who used clear, accessible and regular communication, community events, and enrichment evenings to increase

parental engagement. Both schools acknowledged that key barriers to parents and carers engaging were personal negative experiences with education and school, as well as the need for wider support, including with cost of living and mental health issues. The Headteacher at Ore Village Primary, for example, noted her concern about increasing parental anxiety which was affecting transition for some pupils.

103. The Board concluded that it was important for parents and carers to be able to seek support and advocate for their child when there were issues with behaviour and especially when there were conversations around decisions to permanently exclude. They also noted that for this to work well, there needed to be positive communication and engagement with parents and carers at all stages of education.

Recommendation 8

The Department should work with schools and trusts to further develop and embed parental engagement to ensure all stakeholders understand how and why a child is at risk of permanent exclusion, including the parent/carers and the child, and include parents and carers with decisions around alternative provision, including all available options.

104. The Board also reflected on the concerning increase of parental anxiety and how this was impacting on children's behaviour and engagement with learning. Although there was good support available across the county for parents and carers, there was a need to further develop clear signposting and targeted promotions to ensure schools and parents and carers were aware of this support.

Recommendation 9

The Department should embed its multi-agency response, including the use of the new level 2 keywork team in Early Help focused on supporting attendance to:

- a) promote targeted support, including wider family-based issues, to pupils and families who have been identified as at risk of permanent exclusion and multiple suspensions due to a lack of engagement with the school as a result of persistent absence; and**
- b) promote to schools and families parenting programmes that support interventions and preventative measures in schools.**

iii) Effective use of alternative provision

105. Alternative provision offers alternative education to children and young people who are not able to be in mainstream education, either due to a suspension or permanent exclusion, or due to identified additional needs. The Board explored how alternative provision was being used locally to respond to pupils who have been

permanently excluded, to prevent exclusion, and/or support children and young people to successfully reintegrate into mainstream education.

106. The Board heard that the Virtual School worked closely with alternative provision providers to support pupil's health and wellbeing, based on the interests of the child, with a focus on returning to mainstream school. The Head of Virtual School told the Board that when children engaged in activities they enjoyed, even for a short time, this had a significant impact. Moreover, positive engagement with alternative provision improved outcomes, including educational and relationships with family members, which in turn, put less pressure on other services and had wider positive impacts on the community and at home. However, there was not sufficient funding to access this long term.

107. The Head also noted that alternative provision worked best when a child could see the school was arranging it and when there were good links and communication between the provider and school, both of which improved the relationship between the child and their school. The Virtual School worked with providers to capture positive experiences and created passports which went back into schools to demonstrate what the children had been doing and successful strategies. This message had been shared by the Educational Psychology Service (EPS) who gave a presentation to the Inclusion Partnerships Conference on the importance of schools maintaining strong relationships with alternative provision providers.

108. In interviews with young people, the Board heard about the positive experiences they had had with alternative provision, including feeling more included, treated as adults and able to explore a range of activities.

109. The Board reflected on the positive impact alternative provision had had on many young people and considered that many children might have benefitted from an early option of alternative provision as a preventive measure, supporting them before they reached the stage of exclusion.

110. The use of alternative provision as a preventative strategy was being developed in several schools. The Board heard from The St Leonard's Academy which had created an alternative provision 'Reboot' on site to support pupils who were struggling to engage in mainstream education. The site was staffed and equipped to support up to 20 students at a time and offered bespoke intervention programmes including sensory circuits, self-regulation, Lego therapy, Therapeutic Thinking, and cooking. The Vice and Assistant Principal told the Board that allowing these students to step out of classrooms and providing them with bespoke support and ongoing strategies, including using passports identifying their triggers and ways to manage feelings and behaviour, enabled them to return to and engage with mainstream education and ultimately prevent permanent exclusion.

111. The Board also visited the onsite alternative provision at Ore Village Primary School. Pupils were supported for varying portions of the school day by a range of staff with their wellbeing, SEND needs and academic learning, with all pupils having

their needs assessed and, when necessary, referrals made to supporting professionals. The focus was on transitioning pupils back into mainstream classrooms and parents and carers were kept informed about their child's attendance at this provision. The Director of the Academy Trust informed the Board that 'appropriate provision' to support children who were at risk of permanent exclusion could prevent more costly intervention later on and help pupils to gain the tools they needed to reintegrate into and engage with mainstream education.

112. This aligns with the national *SEND Review: Right support, right place, right time*, which sets out plans to develop the alternative provision offer to support the needs of SEND pupils. The proposed new model focuses on using alternative provision to tackle barriers to learning, with the aim of reintegrating pupils into mainstream education. It claims, 'over time, this new system will reduce the number of preventable exclusions and expensive long-term placements, as needs will be identified and supported early'. Locally the Department has responded to this by creating an Alternative Provision Directory to enable schools to commission high quality provision.

113. The Board concluded that alternative provision could significantly reduce the risk for some pupils of being permanently excluded and that guidance on options, as well as how to make best use of alternative provision, could support pupils and schools with increased engagement in learning and provide pupils with tools to succeed in mainstream education.

Recommendation 10

To accompany the Alternative Provision Directory, which is to be shared with schools and trusts, the Department should develop guidance on:

- a) how to make best use of alternative provision, including good communication and ways to provide consistent support once a child reintegrates; and**
- b) how alternative provision, including onsite alternative provision, can be used to prevent permanent exclusion and support pupils with additional needs, including those facing additional external challenges.**

iv) Role of governors

114. The Board explored the role governors play in both supporting schools to adopt whole school approaches and preventative strategies to reduce the number of suspensions and permanent exclusions, and in their response to children who are at risk of exclusion, including decisions to permanently exclude.

115. Once a headteacher has decided to permanently exclude a pupil, Governor Disciplinary Committee (GDC) meetings are held to further investigate reasons for exclusion and governors consider any evidence presented to them. Parents/carers and children can attend these meetings and if the governors disagree with the headteacher's decision, the exclusion does not go ahead.

116. The Board heard from five school governors (representing primary and secondary schools) that a key part of their role was relationship building with pupils, school staff, and parents and carers. All governors were keen to identify alternative support rather than permanently excluding a child, however one governor reported that relationships between governors and the school could be damaged if governors disagreed with the headteacher's decision to exclude.

117. Interviews with young people suggested that GDC meetings were intimidating, and often young people were unable to advocate for themselves. In the discussion with governors, this was acknowledged, with one governor noting that sometimes it would not be suitable to have a young person at the formal meeting because they would be unable to cope with the situation. Moreover, there was concern that there was not always enough of the child's voice when deciding to permanently exclude and although this was covered in governor training, this could be explored further.

118. The Board heard that governors would like to play more of a role in the prevention of exclusion by meeting with the headteacher at an earlier stage to explore alternative options and support. However, as governors on GDC need to remain independent of cases, this was difficult, especially for smaller primary schools.

119. The Board were impressed by the commitment shown from the governors they spoke to and agreed that governors not only play a crucial role in decisions to permanently exclude, but also had an opportunity to influence wider school policy, including supporting schools to become more inclusive and advocating for the needs of pupils, it was therefore vital they could access quality training and guidance to fulfil their role.

Recommendation 11

The Department should continue to provide ongoing support and training for governors including whole school training on SEND needs, mental health issues and inclusive behaviour policies, and produce guidance on how to conduct inclusive Governor Disciplinary Committee meetings that prioritise youth voice.

v) The use of part-time timetables

120. A part-time or reduced timetable means that, by agreement with the pupil, parent/carer, and school, the number of hours spent in education are reduced. National and local guidance states that this should only be for a time limited period of no more than six weeks and should only be in exceptional circumstances such as for medical reasons, reintegration into school following a trauma, or a family bereavement.

121. The Board were concerned about the reported use of part-time tables in some schools to unofficially exclude pupils for poor behaviour. Officers informed the Board that there were very clear guidelines from the DfE and local guidance from ESCC which stated that part-time timetables should not be used to manage behaviour and should only be used in consultation with parents and carers to support pupils who were unable to attend school full time.

122. This approach was being used effectively by Ore Village Primary Academy; the Inclusion Lead told the Board that pupils who struggled to attend school full time, often due to mental health issues, were supported through the use of alternative provision and part-time timetables to gradually transition into full time education. He reiterated that this had to be in agreement with the parents/carers and it was kept under constant review.

123. However, the Board heard from the SENDIASS Manager that they often received reports from parents and carers with children with SEND needs that schools were placing children on part-time timetables in response to behaviour issues as the school was unable to cope with their needs.

124. The Attendance Lead Manager informed the Board that the use of part-time timetables should be closely monitored, with wider support for the pupils considered, especially in the case of vulnerable pupils, including talking to supporting teams and services. Although schools did not currently report their use of part-time timetables, they were included in wider reporting on unauthorised absences. The Board heard that from September 2023, the Department would be able to monitor this more closely and planned to analyse data which would highlight schools showing a high number of pupils on part-time timetables.

125. The Board concluded that, although guidance from the DfE and ESCC was clear on the appropriate use of part-time timetables, it was not consistently being followed at a local level, with some schools using these inappropriately. There would therefore be benefit in more support, guidance, and monitoring as proposed in recommendations 3b and 12c.

3. Council messaging and support

126. All witnesses the Board spoke to reported that the Council's messaging around the need to reduce exclusions was clear and that schools were working hard to achieve this. However, there was evidence that schools needed support to achieve this.

127. The Board reflected that although overall intention was clear, the decision to exclude remained with the school, and messaging also needed to focus on what support was available to schools, successful approaches to reducing permanent exclusions through case studies and shared learning, and the benefits to schools of adopting inclusive behaviour policies and support. The Board agreed that consistency in language, for example advocating gradated responses to pupil behaviour, would

encourage more schools to adopt consistent and collaborative approaches to behaviour.

128. The Board also concluded that clear and consistent messaging on appropriate responses to pupils at risk of permanent exclusion could also reduce the use of inappropriate part-time timetables which the Board were concerned were being used to manage behaviour in some cases.

Recommendation 12

The Department should develop clear and consistent guidance to share with schools and trusts on the benefits of reducing school exclusions, and the support available, including:

- a) key findings from the RSA ‘Rethinking Exclusions’ and ISOS projects;**
- b) using Primary and Secondary Boards to communicate to schools and trusts the benefits of inclusive policies and share best practice for reducing exclusions and agree to a shared responsibility to reducing exclusions; and**
- c) on the appropriate use of part-time timetables to ensure these are not being used to manage behaviour. Part-time timetables that are in place must be for the shortest time necessary and reviewed regularly with the pupil and their parents/carers.**

Conclusions

129. The Review Board has considered a broad range of evidence, including listening to the views of young people which has been vital to gaining key insights and forming recommendations. Members concluded that there was a strong commitment from the Department and most schools in East Sussex to reduce the number of permanent exclusions. The Department continues to prioritise this in its work which is reflected in the recent restructure of the Education division.

130. The Board scrutinised a number of ongoing projects and initiatives to address this issue and recognised that some of this work was still at early stages. The impacts of these projects, as well as the emerging complexity of needs of children and their families post pandemic, needed to be measured regularly to identify successful approaches and areas of focus.

131. The Board recognised the limitations of this Review; recommendations focus on how the Council can work with schools and, although they will be shared with schools across the county, the decision to exclude is a school one and academies are wholly outside of the remit of the local authority. However, this Review aims to support schools in East Sussex by making recommendations to help the ongoing development of a consistent, evidence-based approach to reducing permanent exclusion and improving outcomes for all pupils.

132. The Board heard that a range of preventative measures, including inclusive policies, could benefit *all* pupils, including those who are very young and those that are vulnerable, including SEND pupils and those facing additional external challenges. When children are identified as at specific risk of permanent exclusion, appropriate timely support and interventions could offer alternative options.

133. The Board learned that pupils who are persistently absent are at higher risk of permanent exclusion than their peers. The Board concluded that findings from this Review should be considered in the Committee's upcoming scrutiny review of School Attendance.

Appendix

Scope and terms of reference of the review

Terms of Reference

On the recommendation of the Scoping Board, the People Scrutiny Committee agreed that this review should explore what can be done to help reduce the levels of school exclusion in East Sussex and will have particular regard to vulnerable children and young people (as this group are disproportionately at risk of exclusion).

Members agreed that this would be explored through the following **key lines of enquiry**:

- 1) Could the Council do more to develop levels of understanding amongst school leaders of **preventative** strategies, such as therapeutic thinking, to help reduce the likelihood of exclusion?
- 2) Could the Council do more to join up **early help** and education services as a preventative approach to support reduction in school exclusions?
- 3) Could the Council do more to help develop a better understanding amongst schools of what constitutes an appropriate **response** to a child who is at risk of exclusion?
This line of enquiry to include consideration of:
 - the role and status of the SENCO and their involvement in developing appropriate responses to a child who is at risk of exclusion;
 - appropriate responses to very young pupils at risk of exclusion in primary school; and
 - appropriate responses to vulnerable pupils at risk of exclusion at secondary phase.
- 4) Could the Council develop its training and advice for governors around, for example, providing effective **challenge** in the circumstance where a Head teacher has taken a decision to exclude and the Governing Board are required to consider reinstatement. This line of enquiry could also explore the role of Governors in helping to develop best practice at the school.
- 5) Within consideration of each of the above lines of enquiry, is the Council's **messaging** clear on the need to reduce, and benefits of reducing, school exclusions?

Board Membership and project support

Review Board Members: Councillors Sam Adeniji (Chair), Kathryn Field, Johanna Howell, Wendy Maples and John Hayling (Parent Governor Representative).

The Project Manager was Rachel Sweeney, Senior Policy and Scrutiny Adviser with additional support provided by Rachel Joseph, Strategic Lead: Inclusion and AP, Katie Ridgway, Head of Education: Inclusion and Partnerships and Lucy Owen, Policy Development Intern.

Review Board meeting dates

Scoping Board meeting - 12 January 2023

First Review Board meeting - 12 May 2023

Second Review Board meeting - 09 June 2023

Third Review Board meeting - 20 July 2023

Fourth Review Board meeting - 21 September 2023

Final Review Board meeting - 16 October 2023

Witnesses providing evidence

The Board would like to thank all the witnesses who provided evidence:

ESCC officers *

Clare Cornford, Project Co-ordinator: Governor Services

Catherine Dooley, Strategic Lead, Safeguarding and Emotional Wellbeing, Education East Sussex

Liz Eyre, Parenting Co-Ordinator, Early Help Service

Dr Sam Kelly, Senior Educational Psychologist

Mandy Lewis, Head of Virtual School

Vidyulatha Narayan, Area Manager, Education East Sussex

Sallie Thompsett, Practice Manager, Early Help Service

Alice Tigwell, SEND CYP Participation Lead

Vicky Wells, Senior Manager, Lewes, Coastal and Wealden ISEND

Iona Wooderson, Senior Manager Targeted Support Services

External witnesses

Ella, young person

Kara, young person

Sonny, young person

Ben Bryant, Director, ISOS Partnership

Drew Greenall, Vice Principal, the St Leonard's Academy

Nick Hart, Assistant Principal and Designated Safeguarding Lead, the St Leonard's Academy

Liam Ryan, AMAZE

Nicola Smith, Parent

Michael Smith, Parent

Site visits

Ore Village Primary Academy

Peacehaven Community School

*At the start of the Review, the Standards and Learning Effectiveness Service (SLES), within the Children's Services Department, provided support to staff and governors of East Sussex Schools, including guidance, training and support to help schools reduce the number of suspensions and permanent exclusions. This work included governor training and supporting schools with DfE guidance on suspensions and permanent exclusions.

During the Review, the Department launched a re-structured education division, 'Education East Sussex'. The rebranded service combined the teams of the former SLES and Inclusion, Special Educational Needs and Disabilities (ISEND) with a focus on:

- supporting schools with low rates of attendance and high levels of exclusion
- working to help underperforming areas of the county and specific groups
- meeting the challenge of increased pressure on places to meet special educational needs and demand for statutory assessments.

The East Sussex Behaviour and Attendance Support Service (ESBAS) ceased to exist from September 2023; the work of this team was included in the new Education Outcomes and Inclusion and Alternative Provision teams.

Job titles and teams listed in this report are correct at the time of interviews.

Evidence papers

Item	Date considered
Local data on East Sussex suspensions and permanent exclusions rates	12 May 2023
DfE, <i>Suspension and Permanent Exclusion from maintained schools, academies and pupil referral units in England, including pupils movement, 2022</i>	12 May 2023
DfE, <i>Behaviour in Schools, Advice for headteachers and school staff, 2022</i>	12 May 2023
Bonner CE Primary School & Nursery, <i>Behaviour Policy, 2022</i>	12 May 2023
RSA, <i>Pinball Kids Preventing school exclusions, 2020</i>	20 July 2023
RSA, <i>Preventing school exclusions: collaboration for change, Interim report, 2023</i>	20 July 2023
The Children's Society, <i>Youth Voice on School Exclusions, 2021</i>	20 July 2023
ESCC, <i>ISEND Reduced timetable guidance for schools, academies and settings in East Sussex, 2021</i>	20 July 2023
<i>Timpson Review of School Exclusions</i>	20 July 2023
Minutes from interview with young people	20 July 2023
The St Leonard's Academy, <i>Behaviour Policy,</i>	21 September 2023
DfE, <i>SEND Review, Right support, right place, right time, 2022</i>	21 September 2023
DfE, <i>Special Educational Needs and Disabilities (SEND) and Alternative Provision (AP) Improvement Plan, 2023</i>	21 September 2023
East Sussex Parent Carer Forum, <i>East Sussex Parent Carer Feedback on Exclusions 2020-2023</i>	21 September 2023

Contact officer: Rachel Sweeney, Senior Policy and Scrutiny Adviser

E-mail: rachel.sweeney@eastsussex.gov.uk

Report to:	Cabinet
Date of meeting:	12 December 2023
By:	Director of Children's Services
Title:	Scrutiny Review of School Exclusions. Observations on the Scrutiny Committee's report
Purpose:	To provide the Cabinet with the opportunity to comment on the response of the Director of Children's Services to the recommendations of the Scrutiny Review of School Exclusions.

RECOMMENDATIONS:

Cabinet is recommended to:

- 1) note and welcome the report of the People Scrutiny Committee; and**
 - 2) advise the County Council that, in considering the report of the Scrutiny Committee, the Council be recommended to welcome the report and to agree the response of the Director of Children's Services to the recommendations and their implementation as set out in the action plan attached as appendix 1 to this report.**
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1. Background

1.1 In March 2023, the People Scrutiny Committee agreed to undertake a scrutiny review into school exclusions to address the recent increase in the number of schools exclusions in East Sussex and, in particular, concerns about the number of vulnerable pupils being permanently excluded, including those in receipt of Free School Meals, and those with special educational needs (SEND).

1.2 The Review looked at preventative strategies and whole school approaches which schools and trusts could adopt to reduce the number of exclusions, as well as appropriate responses to pupils who were at higher risk of exclusion. The Review also looked at the Council's messaging on the need to reduce, and the benefits of reducing, school exclusions.

2. Supporting information

2.1 The Scrutiny Review of School Exclusions is welcomed by the Department, in particular the opportunity afforded by this review to demonstrate the work the Department is undertaking to deliver more support and resources to schools and its renewed focus on and commitment to addressing school exclusions through the recent restructure of the Education Department.

2.2 It was considered by the Review Board that the Review builds on identified areas of focus, including promoting a graduated response to behaviour and increased support at transition, as well as on projects that are already in place such as the Royal Society of Arts and the ISOS projects.

2.3 The Department welcomed the opportunity to visit key mainstream school settings with the members of the Review Board. These visits enabled the members to give relevant

and targeted recommendations, while understanding the strategic and operational pressures the education system is facing. Officers involved in the Review process found this to be an interesting and positive experience and would like to thank the Review Board members for their input, insight, engagement, and enthusiasm.

2.4 The Department welcomed the input from the young people, their honesty in talking to the members of the Review Board and the value that was placed on their reflections and contributions.

2.5 The findings from this Review will be used to inform the Department's ongoing support for schools, building on the existing positive relationship between schools and the Department.

2.6 Throughout the Review, the Review Board and the Department recognised the increased level of need in schools, and the challenges in striving to meet this need, which in turn has resulted in the Department recognising the need to review its offer to schools.

2.7 The Department's response to the Review Board's recommendations is set out in the action plan attached as appendix 1.

3. Conclusion and reasons for recommendations

3.1 The Scrutiny Review has highlighted a range of recommendations, many of which recognise the work already underway and the need to continue to build on that.

3.2 It was identified that there are opportunities to work with schools to develop a range of preventative measures and targeted support. This will involve working with all stakeholders, multi-agency support and with parents so that the response to behaviour identifies the reason for the behaviour and appropriate support can be implemented.

3.3 The Review Board also identified several areas that can be developed on how training is presented so the guidance is clear and understood by all stakeholders. This will be reflected in how existing platforms are used to effectively cascade key information and training.

3.4 All of these recommendations are considered positive and reflective of the direction of travel for the Department, and the Department considers that the recommendations are realistic and achievable.

3.5 It is recommended that the Cabinet agrees to the implementation of the action plan as detailed in appendix 1.

ALISON JEFFERY
Director of Children's Services

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PEOPLE SCRUTINY REVIEW OF SCHOOL EXCLUSIONS			
SCRUTINY RECOMMENDATION		DIRECTOR'S RESPONSE AND ACTION PLAN	TIMESCALE
R1.	The Department should utilise area-based teams to identify and support schools and trusts to provide a graduated response to behaviour.	<p>The Department will continue to implement our new area-based teams throughout 2023-24. The main priorities for implementation are:</p> <ul style="list-style-type: none"> • Recruitment to all outstanding vacancies • Training the new area-based teams to ensure that they are promoting inclusive practice. • Working with all stakeholders (schools, Academy Trusts, Early Help, Virtual School, Education Team) to enhance the multi-agency and collaborative approach to inclusion across East Sussex. • Evaluation of the impact of the area-based approach. • Using the Graduated Response to Behaviour document with all schools to ensure this is embedded in their everyday practise. This will be monitored by the Team Around the School and Setting (TASS) in their visits to schools and the Inclusion and Alternative Provision (AP) Team through the applications for the Inclusion Partnerships. • Reduction in PEXes at both Primary and Secondary phase particularly in Rother, Rye and Hastings. 	July 2024
R2.	The Department should continue to encourage schools and Trusts to attend training on whole school relational approaches and develop trauma informed practices so pupils feel safe at school and develop positive relationships. This training should include how to communicate key	<p>The Department will provide a range of training on whole school relational approaches, including through training offered on strategies such as Therapeutic Thinking which is being extended to all secondary and primary schools in East Sussex. This will be included at a range of conferences targeting leaders at all levels in our schools:</p> <ul style="list-style-type: none"> • Primary Leadership Conference 	July 2024

	aspects of these approaches with parents and carers to ensure continuity and support at home.	<ul style="list-style-type: none"> • Inclusion Conference • Inclusion Partnership Conference • 11-19 Headteachers' Meeting <p>The Department will also continue to offer bespoke training around developing whole school relational approaches and trauma informed practices. This training will be designed in collaboration with our school leaders and will address trends and needs identified through the area-based teams and Education Improvement Partnerships (EIPs) and Area Groups (AGs)</p> <p>The Department will work with the Early Help parenting team to further develop workshops for parents and carers to access and for schools to be able to signpost them to.</p>	<p>July 2025</p> <p>July 2024</p>
R3.	<p>The Department should work with schools and Trusts to review and make use of available data to:</p> <p>a) identify pupils who are at risk of permanent exclusion and identify available support at Inclusion Partnership meetings; and</p> <p>b) monitor pupils identified by the Attendance Support Team who are absent from mainstream education, either through part time timetables or internal exclusions and assess what alternative support could be put in place.</p>	<p>The Department will use Data Dashboards that are organised into area-based teams to ensure that early identification of pupils who are at risk of multiple suspensions is regularly analysed through the Education Outcomes team.</p> <p>The Inclusion Partnerships will continue to track all children brought for complex case discussions and/or placement at AP to identify patterns and trends. This data will be shared at a strategic level with the area-based teams so that relevant and appropriate support is cascaded across East Sussex and into individual schools.</p> <p>The single points of contact for each school, within the Attendance Support Team (AST) will scrutinise all attendance data at a whole school level including monitoring of part time timetables and tracking their timely reintegration. The AST team will work with the AP commissioning officer to identify the appropriate AP support that may need to be put in place.</p>	<p>Dec 2023</p> <p>Ongoing (monthly)</p> <p>July 2024</p>

R4.	<p>The Department should develop training for schools and Trusts to share best practice on how adaptive teaching can deliver the curriculum to support needs of all pupils including SEND pupils and pupils facing additional external challenges. This should include developing guidance on assessment to ensure the use of Additional Needs Plans and Personal Education Plans support and address the needs that have been identified.</p>	<p>The Department will continue to facilitate a range of Hubs across East Sussex that bring together Special Educational Needs and/or Disabilities Coordinators (SENDCOs) and leaders of SEND. These hubs will provide peer support and challenge, training on the effective use of Additional Needs Plans and Personal Education Plans.</p> <p>The Education Improvement Partnerships (EIPs) at primary will continue their work in partnership with the Swale MAT on adaptive teaching. This pilot is currently in place in Eastbourne and Hailsham. This project, if successful will be rolled out across the three geographical areas.</p> <p>Alliance Partners at primary and External Advisors at secondary continue to provide school improvement support which will include a sharp focus on SEND across the curriculum.</p>	<p>Ongoing (termly)</p> <p>July 2024</p> <p>July 2024</p>
R5.	<p>The Department should work with schools and Trusts to promote the benefits of extra-curricular activities including:</p> <ul style="list-style-type: none"> a) Where provided, through Early Help, the Holiday and Food Activity Programme, Family Hubs and Youth Centres, activities which engage pupils throughout the year and incorporates support for families; b) Summer programmes which support transition 	<p>The Education Outcomes Team will continue to work with the Early Help Parenting Team to ensure all schools are aware of, and promote, programmes that run through the school holidays for families and children and young people.</p>	<p>Sept 2025</p>
R6.	<p>The Department should work with schools and Trusts to support pupils transitioning into Early Years in primary and KS3 in secondary by:</p> <ul style="list-style-type: none"> a) working with pre-school settings and primary schools to identify pupils who may need 	<p>Transition at each phase will be a focus for the Department in priority setting across the Division.</p>	<p>April 2024</p>

	additional support when transitioning to primary/secondary school and referring them to appropriate support and programmes; and b) communicating successful approaches and support at the point of transition at all phases to ensure continuity of provision.	<p>The Department will continue to support and work with the RSA on the Reducing Exclusions Project, with the focus on transition.</p> <p>The Joint Primary and Secondary Board will be updated regularly on the Royal Society of Arts (RSA) project and the focus of transition. From this the schools will receive updates from their representatives on the Boards so all are aware of the approaches.</p>	<p>July 2024</p> <p>Ongoing</p>
R7.	The Department should encourage schools and trusts to increase the use of youth voice in preventive strategies and responses to children at risk of permanent exclusion by providing training and guidance for schools and governors on how to embed youth voice into all areas of school policy.	<p>The Department will continue to work with Youth Participation on what successful reintegration from AP looks like.</p> <p>Youth Participation will continue to liaise with the Chair of the Inclusion Partnerships and deliver training based on their research project on the child voice around the impact of AP and successful reintegration. The focus is on the impact of going to AP, how it can prevent permanent exclusion and how to ensure the child feels they still belong to the school community.</p>	<p>Jan 2024</p> <p>June 2024</p>
R8.	The Department should work with schools and Trusts to further develop and embed parental engagement to ensure all stakeholders understand how and why a child is at risk of permanent exclusion, including the parent/carer and the child, and include parents and carers with decisions around alternative provision, including all available options.	<p>The Inclusion and AP Team will continue to work in partnership with schools to engage with parents when a child is close to permanent exclusion. This will include ensuring that the parents are informed and asked for their contributions when a child is close to permanent exclusion.</p> <p>The AP Directory will be shared at the Joint Primary and Secondary Board, all Heads will be aware of the AP that is available in their area and for which profile /age of child.</p> <p>The Commissioning Officer for AP will prioritise engaging AP for reception, KS1 and KS2 children. They will focus on</p>	<p>Ongoing through monthly Inclusion Partnerships at Secondary and termly Behaviour Review Panels at Primary.</p> <p>July 2024</p> <p>July 2024</p>

		getting providers to be on the AP Directory for this age group. This will be shared across all primaries through the Primary Borad meetings and the Education Improvement Partnerships. Before a child can access alternative provision the parental view will be sought by schools. This will follow the guidance that is in the suspensions and permanent exclusion DfE guidance Sept 2023 on engaging with the parents and involving them in the decisions taken.	
R9.	<p>The Department should embed its multi-agency response, including the use of the new level 2 keywork team in Early Help focused on supporting attendance to:</p> <p>a) promote targeted support, including wider family-based issues, to pupils and families who have been identified as at risk of permanent exclusion and multiple suspensions due to a lack of engagement with the school as a result of persistent absence; and</p> <p>b) promote to schools and families parenting programmes that support interventions and preventative measures in schools.</p>	<p>The Education Improvement team: the TASS Attendance Team will liaise with Early Help Level 2 and attend the Inclusion Partnerships to ensure targeted support is shared with schools for children at risk if permanent exclusion and who have a lack engagement with school.</p> <p>The teams across the Education division will coordinate their work with schools through TASS to ensure the school is equipped to support families and children who have a lack of engagement with school.</p>	<p>Monthly</p> <p>Termly</p>
R10.	<p>To accompany the Alternative Provision Directory, which is to be shared with schools and trusts, the Department should develop guidance on:</p> <p>a) how to make best use of alternative provision, including good communication and ways to provide consistent support once a child reintegrates; and</p> <p>b) how alternative provision, including onsite alternative provision, can be used to prevent</p>	<p>The Department will continue to work with schools on further developing the AP Directory and accompanying guidance. This will be through regular updates at the Inclusion Partnerships at secondary level and through the Primary Board at primary level. This is in line with guidance on the AP Directory which is annually updates.</p> <p>TASS use their regular meetings with schools to support and advise schools on setting up AP provision on site if appropriate.</p>	<p>Monthly at Inclusion partnerships</p> <p>Four times a year at the Primary Board.</p> <p>Ongoing</p>

	permanent exclusion and support pupils with additional needs, including those facing additional external challenges.	Alliance Partners at primary and External Advisors at secondary continue to provide school improvement support which will include a sharp focus on SEND across the curriculum and how on site AP adds to their education.	Ongoing
R11.	The Department should continue to provide ongoing support and training for governors including whole school training on SEND needs, mental health issues and inclusive behaviour policies, and produce guidance on how to conduct inclusive Governor Disciplinary Committee Meetings that prioritise youth voice.	<p>The Department will deliver Governor training annually in line with the updates from the DfE Suspension and permanent exclusion from maintained schools, academies and pupil referral units in England, including pupil movement Sept 2023.</p> <p>Use the Youth voice research to inform the training for Governors on how to gather child voice for the Governors' Disciplinary Committee (GDC).</p>	<p>Once an academic year in line with the release of the new Guidance from the DfE.</p> <p>Delivered in the Jan 2024 Inclusion Partnerships for schools and for Governors in a separate session July 2024.</p>
R12.	<p>The Department should develop clear and consistent guidance to share with schools on the benefits of reducing school exclusions, and the support available, including:</p> <p>a) key findings from the RSA 'Rethinking Exclusions' and ISOS projects</p> <p>b) using Primary and Secondary Boards to communicate to schools the benefits of inclusive policies and share best practice for reducing exclusions and agree to a shared responsibility to reducing exclusions.</p> <p>c) on the appropriate use of part time timetables to ensure these are not being used to manage behaviour. Part-time timetables that are in place must be for the shortest time necessary and</p>	<p>Inclusion Partnerships at Secondary Level annual Terms of Reference agreed by all schools. The Terms of Reference are reviewed annually and signed by all schools so they are relevant and reflect any changes that have happened to the structure and/or process of the Inclusion Partnerships.</p> <p>Findings from the RSA and ISOS projects, as well as any further outcomes, will be shared with all schools through the Secondary and Primary Boards.</p> <p>Data dashboard is shared at the Secondary and Primary Boards of suspensions and permanent exclusions. The focus will be on what the data is saying, where the gaps in provision are and how to address the gaps. This will inform the spending of the AP support funding that is available to</p>	<p>Nov 2023 Nov 2024 Nov 2025</p> <p>At each Secondary and Primary Board (<i>These boards meet four times an academic year</i>)</p>

	<p>reviewed regularly with the pupil and their parents.</p>	<p>each Area Group at Secondary level. It will inform the Education Improvement Partnerships planning for the focus of support for the next academic year.</p> <p>The guidance on part time timetables will be shared with all school leaders so all leaders are clear about when and how they should be used. This will be regularly reviewed through the meetings that TASS have with the schools.</p>	
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Report to: Cabinet

Date of meeting: 12 December 2023

Report by: Director of Children's Services

Title: Annual Progress Report of Looked After Children's Services
1 April 2022 – 31 March 2023

Purpose: To outline the performance of the Looked After Children's
Service between 1 April 2022 - 31 March 2023

RECOMMENDATION:

Cabinet is recommended to note the report.

1. Background

1.1 The Annual Report is attached as Appendix 1. It was presented to and discussed at the Corporate Parenting Panel on 28th October. Some additional information regarding the budget for looked after children has been added to this version of the report.

1.2 During the course of 2023-23 a total of 865 children were looked after by ESCC. At the end of the year there were 33 more children in care than the previous year, 661 in total. This was, in part, due additional Unaccompanied Asylum Seeking Children (UASC) and fewer children being discharged from care during this period. The presentation of many of these children showed a rise in the levels of complexity both in terms of their mental health, neurodiversity, poor school attendance and complex family dynamics making reunification more difficult to achieve.

1.3 31% of this cohort identified as being of a minority ethnic background or of mixed heritage. 112 were UASC and 106 UASC were Care Leavers (CLs) aged 18+. 35 young people came to ESCC through the National Transfer Scheme and the remainder were spontaneous arrivals via Police involvement or directly from Newhaven Port. In addition, the Home Office opened a number of asylum hotels which resulted in 60 referrals to age assess young people who claimed to have had their age incorrectly assessed at the point of entry.

1.4 The annual report identified that there was a shift in the type of placements used with fewer children being placed in foster care (in house, kinship or with independent fostering agencies) and an increase in children placed for adoption, placed with parents, placed in supported 16+ accommodation, with a very significant increase in children placed in agency residential children's homes. This was reflective of the significant and ongoing national sufficiency challenges where the sourcing of all placement types. There were a limited number of occasions when children were placed in unregistered provision for short periods of time as a consequence of the shortage of regulated placements. These arrangements were subject to robust risk assessments and carefully monitored. The 'Use of Resources' slide (slide 39) gives a very clear indication of the financial impact of the change in placement split. Many of the children with the most complex needs were placed in our in-house children's homes/fostering placements due to the independent sector being unable to meet their needs.

1.5 The overall ESCC performance remained largely stable with very little significant movement. There were dips in performance regarding Strengths and Difficulty Questionnaires (SDQ) completion, adoption timeliness, looked after children (LAC) with 3 or more placement moves and the completion of dental checks. Each of these areas were closely analysed and an action plan developed to address the issues. There was though, good performance across the Care Leaver indicators with significant improvement in relation to education, employment and training (EET) and suitable accommodation.

1.6 Adopt South East (ASE) placed 84 children with their adoptive families during this timeframe and of these children, 19 were from East Sussex. ASE performed well and was ambitious to achieve adoption for all children with an adoption care plan in the face of high levels of complexity.

1.7 ESCC Fostering Service was able to recruit foster carers and offer placements during this period, however a number of our carers have retired and recruitment had become increasingly challenging given the extremely competitive nature of the market, both from the independent sector and from neighbouring authorities. The recruitment of foster carers was, and remains, the highest priority for the service both in terms of children's outcomes and the financial challenges. Keeping pace with foster carer allowances in the region is critical to a successful recruitment strategy. Embedded within the Fostering Service is the Placement Support Service which has proved critical to maintaining children's placements in house. Foster carers highly value this service

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

1.8 The Children in Care Council (CiCC) and Care Leaver Council (CLC) were very active during this time representing children and young people's views both locally and nationally including a one to one session with the then Education Secretary, Nadhim Zahawi.

1.9 The ESCC children's homes delivered high quality care to our LAC with the majority being judged as good or outstanding by Ofsted. Children with disability homes though, had a particularly difficult year caring for some of our most challenging disabled children.

1.10 The physical and mental health of our LAC was closely scrutinised by the Children and Young People's Health Oversight Board and the Strategic Operational Health Group. LAC and Care Leavers were identified as a group who should be included in the NHS Core Plus 5 cohort to ensure their health needs were prioritised across all services. The LAC Annual Report identified a gradual improvement in the timeliness of the completion of initial health assessments (IHA) and the review health assessments (RHA).

1.11 ESCC Virtual School (VS) led by the VS Head Teacher, was very active in relation to promoting the educational outcomes for LAC, for those children with a Social Worker (extended duties), those children previously in care (adopted) and those young people aged 16+ in FE provision via the 16+ pupil premium.

1.12 The introduction of an inspection sub judgement by Ofsted led the Through Care Team (TCT) and UASC service to review the Local Offer and extend the corporate parenting role across partner agencies. The updated Local Offer was published on the ESCC website and details the extensive support available to CLs in ESCC.

1.13 Overall, the increase in LAC numbers, levels of complexity and sufficiency and financial challenges prompted ESCC to engage Impower, a Consultancy specialising in Children's Services. They have a proven track record in assisting Local Authorities to deliver improved processes specifically through an approach called Valuing Care, this has focused on analysing current capacity and ensuring the right placements for the right child

at the right time. This work is currently underway. The LAC service is focussed on improving sufficiency, improving market engagement, maintaining performance and reducing the financial burden of children's placements to the local authority. (See slide numbers 40 and 41 for the priorities)

2. Budget Implications

2.1 The services for Looked After Children (LAC) are supported via core funding from the CSA budget, a small proportion of the Dedicated Schools Grant and by the Pupil Premium for additional education support for children.

3. Recommendations and Reasons for them

3.1 The Corporate Parenting Panel has reviewed and agreed the contents of the report. Cabinet is recommended to note the contents of the report.

Alison Jeffery
Director of Children's Services

Contact Officers:
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Local Members: All

BACKGROUND DOCUMENTS: None

List of Appendices

Appendix 1 - LAC Annual Report 2022 – 2023

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Looked After Children's Annual Progress Report 2022-23

Sally Carnie

Head of Service for LAC

Who did we look after?

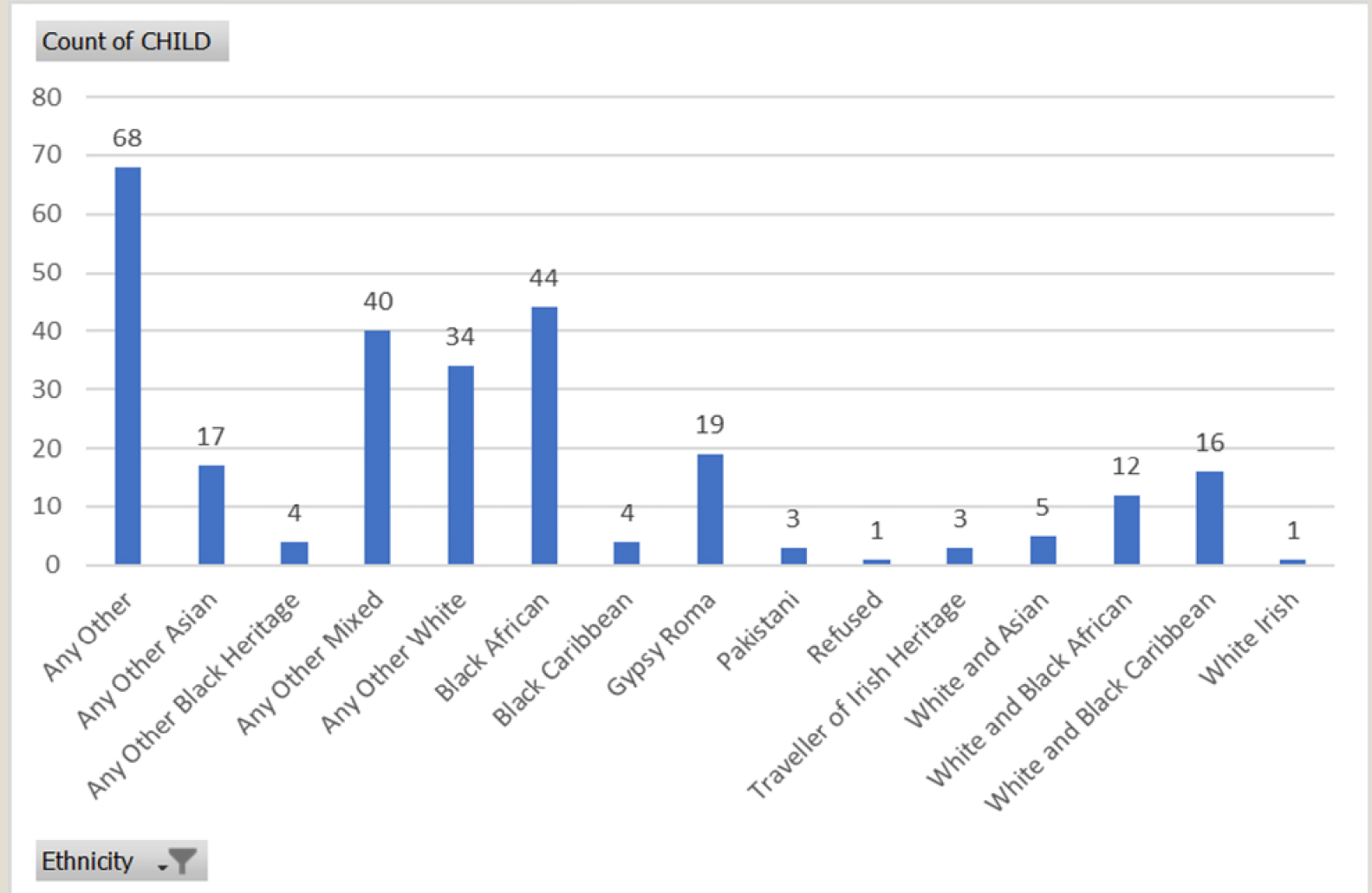
The data shows a snapshot as of 31st March 2023

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

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

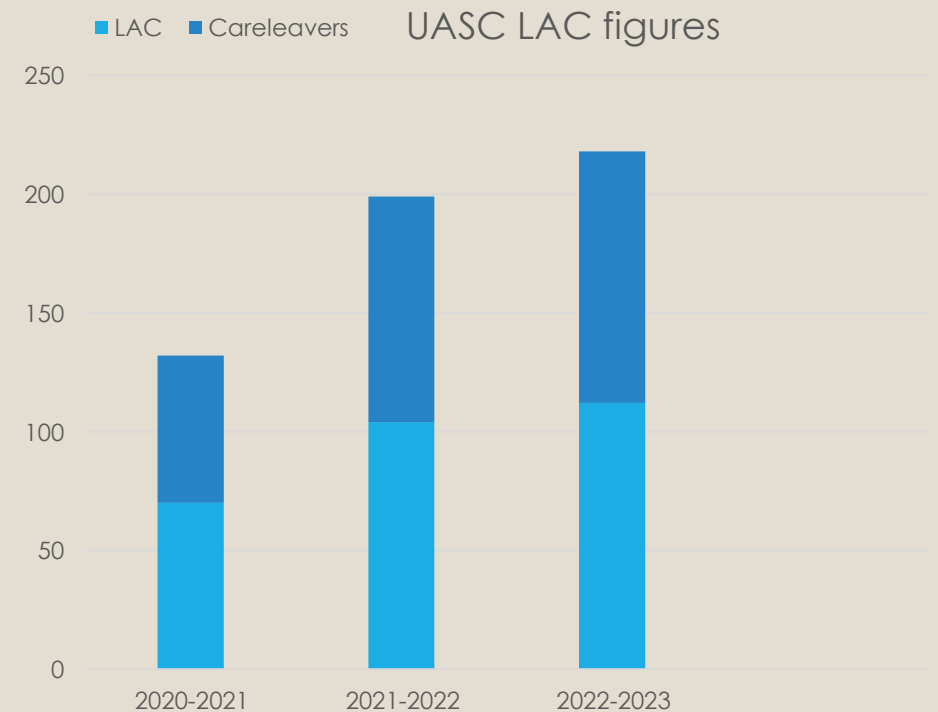
Ethnicity of our Looked After Children (LAC)

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



Our Unaccompanied Asylum Seeking Children (UASC)

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



Children looked after by the Disability Service

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

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

Where our children are living

Data shows a snapshot as of 31st March 2023

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

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

How well did we do in 2022-23?

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

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

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

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

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

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

What the performance data is telling us

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

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

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

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

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

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

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

Adoption South East (ASE)

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

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

*See ASE Annual Report on slide 41



Fostering Recruitment

The data provided is a final snapshot as of 31st March 2023
24 new foster homes, **40** placements created

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

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

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

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

Fostering Recruitment (Continued)

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

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

Google Adverts - Covid Recovery Funded Project

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

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

Fostering Friendly Employer Scheme

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

Other initiatives existing and targeted for 2023/2024

Council tax discount or exemption

In discussion and to be explored in 23/24 for approved foster carers

Recruitment events

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

Review of outdoor advertising

i.e., roundabout and lamppost banners.

Council tax postal mailout

Fostering flyers posted to 110,000 homes across East Sussex.

Global Radio and More Radio campaigns

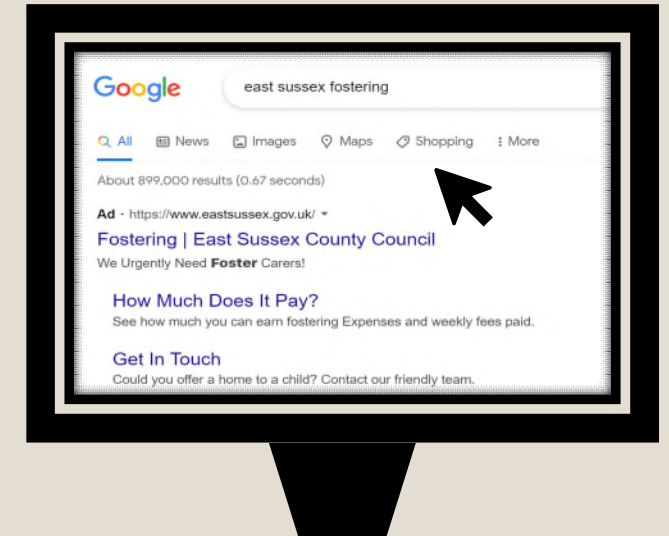
New scripts for ad's targeting diversity and parent and child applicants.

Website editing and social media

Upgraded content on the ESCC website and social media profiles.

Keeping in touch

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



SUPPORTED LODGINGS

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

There were 33 registered supported lodgings providers

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

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

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

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

Placement Support Service

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



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



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



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

Feedback from other professionals

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

“Without you and your team ‘our’ and our foster carers job would not be possible” (SSW)

Placement Support Service (continued)

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

100

Packages of Support Delivered

Feedback from our evaluations

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

“Amazing service, I don’t think we would have coped without it at times”

“Wonderful activities in the holidays”

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

“Couldn’t fault the support we receive”

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

Children in Care Council

Recruitment

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

Independent care review

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

APPG

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

Corporate Parents and Senior Management Team

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

CICC Partnership working.

Pan Sussex

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

Children and Young People's Trust

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

Foundations for our Future

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



Children in Care Council (continued)



Volunteering

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

Funding

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

SUSS it (Speak up Sessions)

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

Digital Ambassadors

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

National Participation

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

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

Our Children's Homes

Hazel lodge, St Leonards-on-Sea

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

Brodrick House, Eastbourne

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

Homefield Cottage, Seaford

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



Our Children's Homes (continued)

Silver Birches, Hastings

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

Lansdowne Secure, Hailsham

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



Our Children's Homes(Continued)

Acorns, Bexhill-on-Sea

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

The Bungalow, Eastbourne

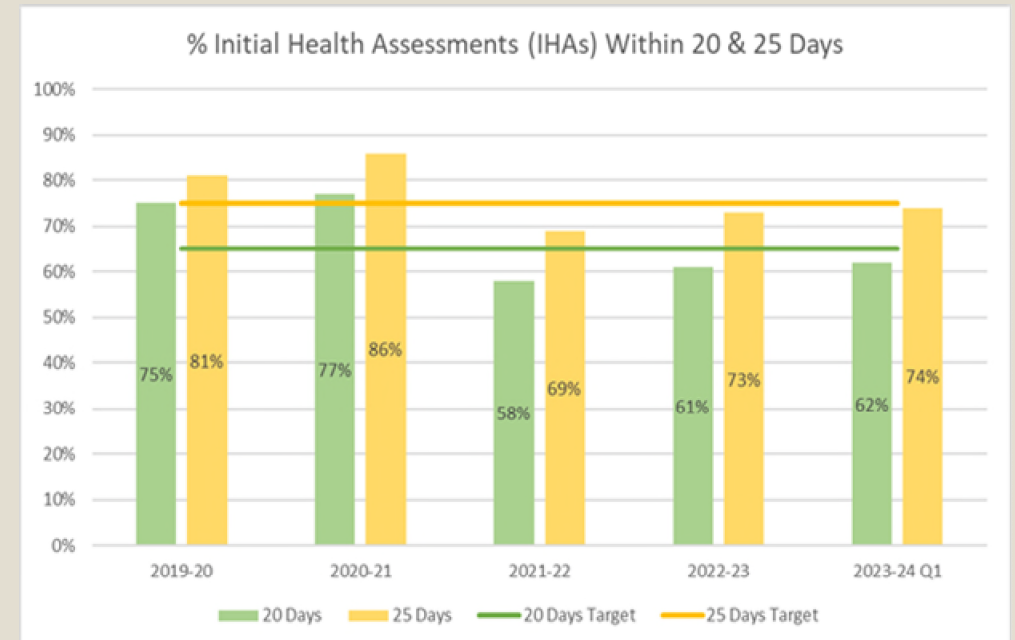
- Registered for 7 children aged 7-19 and provides full time accommodation to children with a severe level of disability who are unable to live in a family setting.
- During the period 2022-2023, most children attended local schools and all maintained contact with their families.
- The Bungalow received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



The health of our children

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

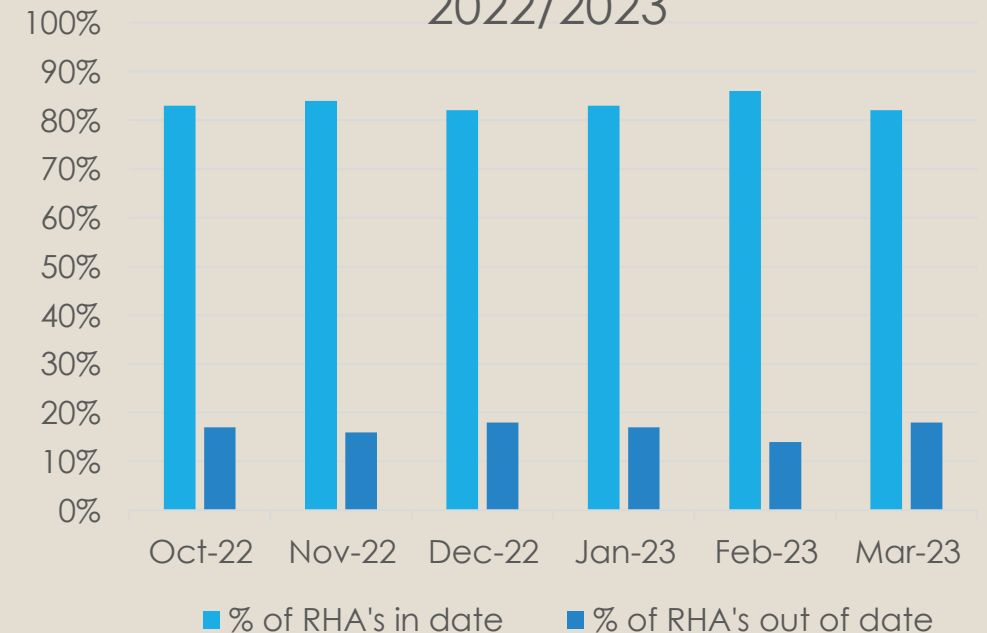
- There was a gradual improvement in the timeliness of the completion of Initial Health Assessments (IHA's), albeit the performance remained below the local target.
- The Head of Locality Services implemented a robust tracking and monitoring process to improve performance, and this data was scrutinised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



The health of our children (continued)

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

Review Health Assessment Data
2022/2023



The mental and emotional wellbeing of our children

- The Sussex Children and Young Peoples' Emotional Wellbeing and Mental Health Strategy 2022-2027 for Sussex Children and Young People up to the age of 25s was produced by the Sussex Health and Care Partnership last year and it set the direction of travel for the development of local services.
- The Looked After Children's Mental Health Service (LACMHS) offered; 35 consultations to the networks during 2022-23 this was down by 5 on the previous year, 68 drop ins which was down by 22 for 2021-22, and one Therapeutic Parenting Group each quarter either to foster carers or Residential Children's Home staff. The numbers of cases opened at any one time varied between 88 (Q2) and 78 (Q4).
- The specification for LACAMHS was jointly reviewed during 2022-23 between the provider (SPFT), the Strategic Commissioner and the LAC Service. The new specification addresses the review findings of: longer waiting times due to increasing demand due to children coming into care, Section 20 cases, and Section 31 return home assessments; more LAC presenting with significant risk of harm to themselves or others; crisis situations, urgent assessments and interventions for high risk; the number of placement breakdowns and associated support for children affected; and the level of need arising in RCH. It is due to be issued in 2022-23.
- The ongoing staffing recruitment challenges within SPFT for the Adopted Children's Mental Health Service (ADCAMHS) were not resolved during 2022-23, the service was not able to take on any clients during the year but did continue to support existing clients. Mental Health Support for this group of children and their families was largely provided by independently commissioned therapists funded by the Adoption Support Fund. A proposal which could enhance this commissioning is currently being explored with the SWIFT service.

The mental and emotional wellbeing of our children (continued)

- A specialist Mental Health Nurse was embedded within the Through Care Service to offer direct interventions to young people, and advice and guidance to their allocated workers.
- The Health and Wellbeing Project for Care Leavers was extended during 2022-23. Up until March 2023 277 personalised health budgets had been allocated to young people.
- SPFT appointed a Named Nurse for Looked after Children and Care Leavers in March 2022. The Named Nurse offers safeguarding consultation to LACAMHS and the wider SPFT services in East Sussex. During 2022-23 a total of 12 consultations, 4 of which were for LACMHS, were completed. In addition, they are available for ad hoc supervision / consultations.
- The Named Nurse completed a Quality Improvement project which focussed on improving performance data and training to increase SPFT staff awareness/knowledge regarding Looked after Children and Care Leavers. The training addressed core safeguarding issues in relation to adult specialist safeguarding and specialist children's safeguarding. Improvements in the data capture has assisted the day-to-day operational management, and it also enabled the service to identify Looked After Children requiring a transfer of care to adult mental health services or primary care.

Virtual School (VS)

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

Education of our children - Headline data

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

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

Education of our children - Headline data (continued)

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

The Through Care Team

What we have achieved in 2022-23

- Groupwork returned to 'in person' meetings during this period with a weekly meeting for lunch, careers advice and mental health support in Eastbourne and a fortnightly meeting in Hastings.
- Young people took part in a variety of consultation events, such as reviewing the Pathway Plan and Wellbeing pilot, some events took place in person and others remotely, thus ensuring wider accessibility and participation.
- The Care Leavers Council met each month remotely.
- Young people participated in Corporate Parenting Panel.
- A Facebook notice board was launched providing young people with information about upcoming events and useful links.
- Young people represented East Sussex at National Benchmarking events.
- Young people all had access to laptops and Wi-Fi in order to continue with their education, facilitate their access to employment and to keep in touch with their families.
- The updated Local Offer was published and shared with all young people ensuring they were aware of the support available to them.
- Developments continued to extend the wider corporate parenting role across all agencies in East Sussex and the multi-agency Care 2 Work Strategic meeting was re-established.
- The Health and Wellbeing Project continued to support young people to use personalised budgets for activities designed to improve their overall wellbeing. This initiative has received widespread acclaim nationally.

The Through Care Team

What we have achieved in 2022-23 (continued)

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



Our Unaccompanied Asylum Seeking Children (UASC)

Developments 2022-23

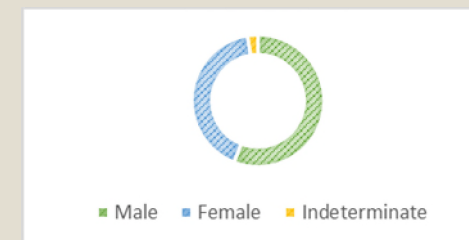
- Further investment was made to increase the capacity of the UASC team as it expanded to cover Ukrainian children.
- The establishment of adult asylum hotels across Eastbourne and Hastings by the Home Office (HO) placed considerable pressure on the service during this period. Over 60 referrals were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

Our Unaccompanied Asylum Seeking Children (continued)

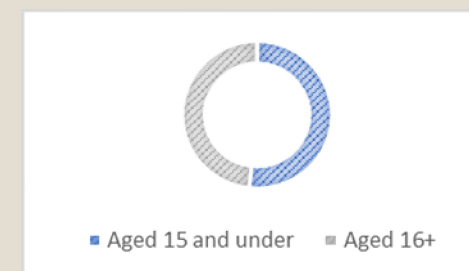
- The service continued to explore a range of new education offers for UASC including bringing a new provider into the area. The EALS (English as an additional language service) increased its offer of personalised tuition for this group of young people. Pupil Premium was established as a permanent offer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

Our Children who went missing

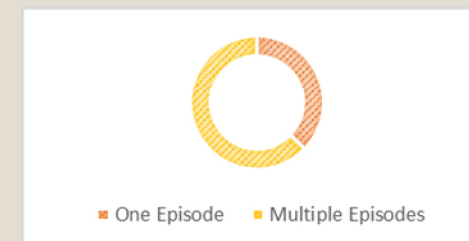
In 2022-23, 118 LAC went missing, of these, 66 were male, 49 were female and 3 were indeterminate



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



74 of the missing LAC went missing more than once



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

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

Our children who are at risk of criminal exploitation

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

Our children involved in the Youth Justice Service

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

My Voice Matters (MVM)

Timeliness of My Voice Matters meetings

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

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

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

The role of our elected members

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

29 April 2022

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

29 July 2022

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

The role of our elected members (continued)

28 October 2022

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

20 January 2023

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

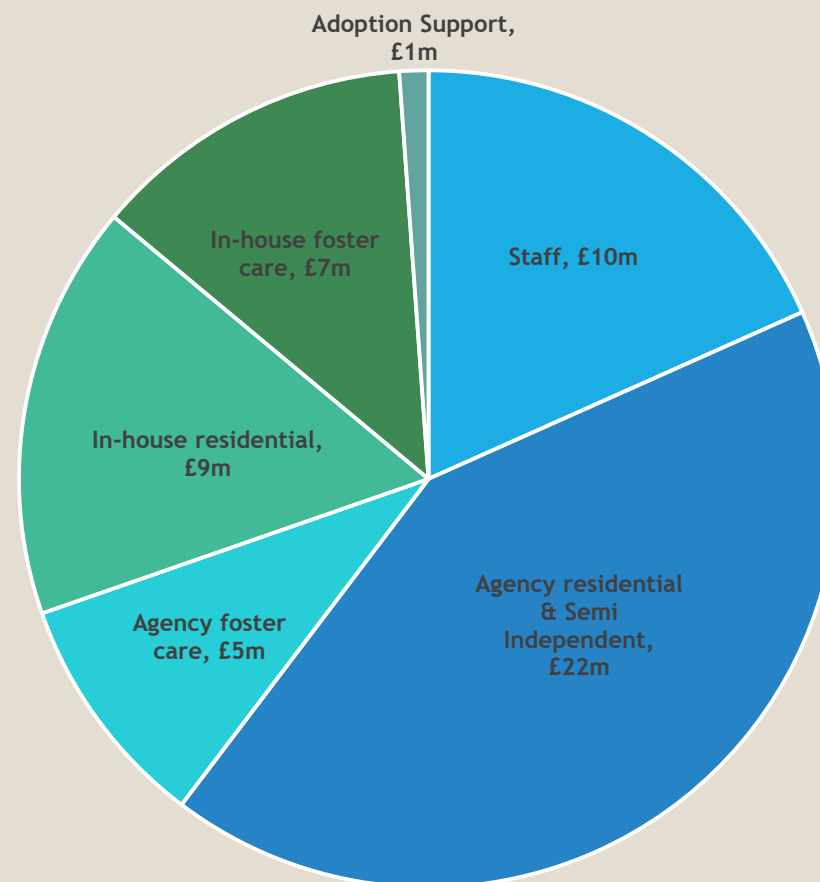
Sufficiency

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

Use of Resources

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

Use of Resources £m



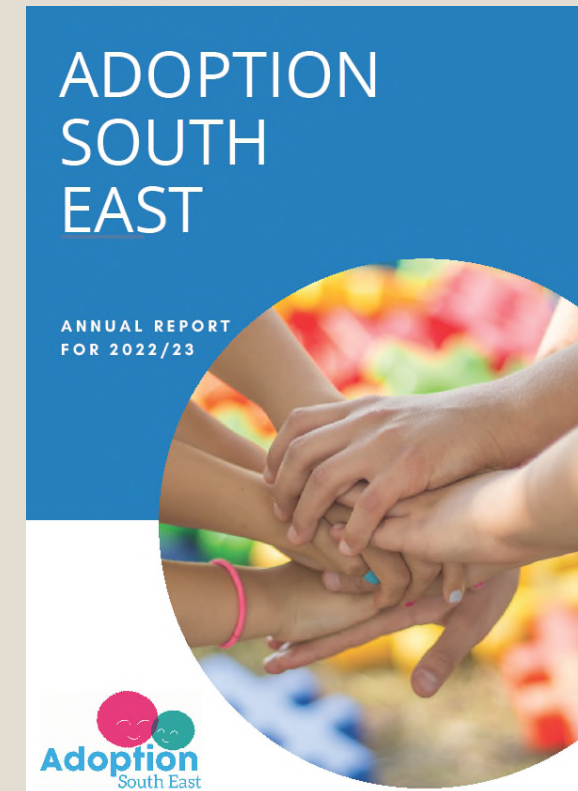
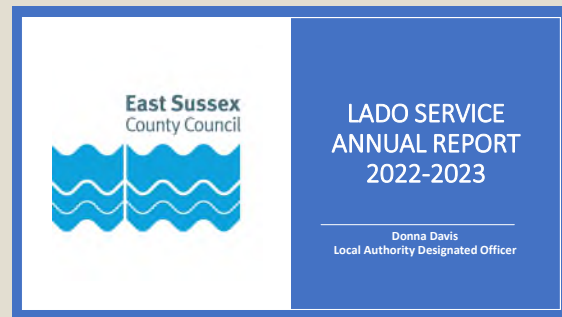
Priorities for 2022-23

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

Priorities for 2022-23 (continued)

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

Children's Services Annual Reports 2022-23



Report to: **Cabinet**

Date: **12 December 2023**

By: **Chief Finance Officer**

Title of report: **Treasury Management – Stewardship Report 2022/23**

Purpose of report: **To present a review of the Council's performance on Treasury Management for the year 2022/23 and Mid-Year Review for 2023/24.**

RECOMMENDATION:

Cabinet is recommended to note the Treasury Management performance in 2022/23, incorporating the Mid-Year Review for the first half of 2023/24.

1. Background

1.1 The annual stewardship report presents the Council's treasury management performance for 2022/23 and Mid-Year performance for 2023/24, as required by the Code of Practice for Treasury Management.

2. Supporting Information

2.1 The Council's treasury management activities are regulated by a variety of professional codes, statutes and guidance. The Council has adopted the CIPFA Code of Practice for Treasury Management in the Public Sector and operates the treasury management function in compliance with this Code. These require that the prime objective of the treasury management activity is the effective management of risk, and that its borrowing activities are undertaken in a prudent, affordable and sustainable basis and treasury management practices demonstrate a low risk approach.

The Code requires the regular reporting of treasury management activities to:

- Forecast the likely activity for the forthcoming year (in the Annual Treasury Strategy Report); and
- Review actual activity for the preceding year (this Stewardship Report).
- A mid-year performance review (this Stewardship Report).

2.2 This report sets out:

- A summary of the original strategy agreed for 2022/23 and the economic factors affecting this strategy (Appendix A).
- The treasury management activity during the year 2022/23 (Appendix B);
- The treasury management midyear activity for 2023/24 (Appendix C);
- The Prudential Indicators, which relate to the Treasury Management function and compliance with limits (Appendix D).

3. The economic conditions compared to our Strategy for 2022/23

3.1 The original 2022/23 strategy was set against a back drop of low Bank of England (BoE) interest rates and modest increases to that rate over the medium term.

3.2 The economic situation since the original strategy formulation has seen heightened uncertainties in the UK economy, particularly from inflationary, geopolitical and domestic political factors. Inflationary pressure has been driven by the price of fuel and the fallout from the conflict in the Ukraine. Energy security has put further pressure on inflationary concerns across Europe since January 2022.

3.3 As a result, The BoE Base rate increased on eight consecutive occasions during 2022/23. From 0.75% in April 2022 to a closing rate of 4.25% by March 2023.

3.4 The strategy and the economic conditions prevailing in 2022/23 are set out in Appendix A with an updated economic summary set out in Appendix C.

4. Treasury Management activity during 2022/23

The Treasury Management Strategy

4.1 The strategy for 2022/23, agreed in February 2022, continued the prudent approach and ensured that all investments were only to the highest quality rated institutions with regard to security, liquidity and yield. Treasury Management officers have explored ways in which the Council's cash balances can be utilised to support Environmental, Social and Governance (ESG) factors.

Investments

4.2 The total amount received in short term interest for 2022/23 was £5.5m at an average rate of 1.89%. The average Bank of England Bank Rate during the same period was 2.30%. The Council's average return was above the average returns achieved with peer authorities from treasury advisors (Link Asset Services) investment benchmarking. The return for 2022/23 was against a backdrop of ensuring, as far as possible in the financial climate, the security of principal and the minimisation of risk about liquidity to support the Council's cashflow should it be required.

Borrowing

4.3 Details of long-term borrowing are included in Appendix B of the report. The important points are:

- No new borrowing was undertaken in 2022/23.
- The average interest rate of all debt at 31 March 2023 (£220.9m) was 4.58%.
- Public Works Loan Board (PWLB) Debt maturing during 2022/23 totalled £5.6m and was at an average rate of 6.90%.
- Following a call option date in October 2022 an opportunity to repay a Lender Option Borrower Option (LOBO) loan with Commerzbank was taken. The Loan (£6.45m) was repaid at par value. The Council had the opportunity to accept an increased rate on the loan or repay early. This was the last LOBO loan in the wider debt portfolio.

5. Treasury Management 2023/24 Mid-Year Review.

5.1 The Treasury Management and Annual Investment Strategy for 2023/24 was approved by Full Council on 7 February 2023 and was prepared within the context of the financial challenge being faced by the County Council.

5.2 The Bank of England Base Rate as of 30 September 2023 is 5.25%. During the first 6 months of the year, it has increased four times. The latest economic commentary provided by Link Asset Services (LAS) is set out in Appendix C.

5.3 Opportunities to place fixed term deposits during the period have been undertaken to secure a fixed rate of return on a laddered maturity profile in a rising interest rate environment. During the period fixed term deposits totalling £170m were placed at rates between 4.36% and 6.20%.

5.4 The total amount received in short term interest for 6 months to 30 September 2023 was £6.6m at an average rate of 4.47%. This was below a newly implemented benchmark in the same period of 4.73% (SONIA - Standard Overnight Index Average; a rate administered by the BoE based on actual transactions of overnight borrowing by financial institutions). This is usual in a rising interest rate environment and the laddered approach to investment maturities will result in a pick up in return in the next 6-12 months.

5.5 No PWLB borrowing was undertaken in the period, with the Council's long-term debt at 30 September 2023 being £216.6m.

5.6 Opportunities for cost effective repayment of existing debt and restructuring opportunities are constantly monitored but none emerged in the first six months of the year.

6. Prudential Indicators which relate to the Treasury function and compliance with limits

6.1 The Council is required by the CIPFA Prudential Code to report the actual prudential indicators after the end of each year. There are eight indicators which relate to treasury management and they are set out in Appendix D, the Council is fully compliant with these indicators.

7. Conclusion and reason for recommendation

7.1 This report fulfils the requirement to submit an annual/half yearly report in the form prescribed in the Treasury Management Code of Practice. The key principles of security, liquidity and yield are still relevant. Officers are currently investigating further opportunities within the strategy to increase investment income whilst minimising costs and maintaining security.

IAN GUTSELL
Chief Finance Officer

Contact Officer: Ian Gutsell Tel No. 01273 481399

BACKGROUND DOCUMENTS

[Capital finance: guidance on local go investments \(third edition\) - GOV.UK \(www.gov.uk\)](http://www.gov.uk/government/uploads/system/uploads/attachment_data/file/281222/capital-finance-guidance-on-local-go-investments-third-edition.pdf)

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A summary of the strategy agreed for 2022/23 and the economic factors affecting this strategy.

1. Background information

1.1 Full Council approved the annual Treasury Management Strategy report in February 2022, which sets out the proposed strategy for the year ahead. This strategy includes the limits and criteria for organisations to be used for the investment of cash surpluses and has to be approved by the Council.

1.2 This Council has always adopted a prudent approach to its investment strategy and in the last few years, there have been regular changes to the list of the approved organisations used for investment of surpluses. This list is regularly reviewed to ensure that the Council is able to invest in the best available rates consistent with low risk; the organisations are regularly monitored to ensure that their financial strength and low risk has been maintained.

1.3 The original strategy for 2022/23 was prepared within the context of the financial challenge being faced by the County Council over the Medium Term Financial Plan:

- Utilising long term cash balances as effectively as possible by investing in longer term instruments and/or using to fund borrowing to reduce borrowing costs;
- Ensuring the investment portfolio is working hard to maximise income in a rising interest rate environment.
- Ensuring effective management of the borrowing portfolio by exploring rescheduling opportunities and identifying and exploiting the most cost effective ways of funding the Council's borrowing requirement.

1.4 At the same time, the Treasury Management Policy Statement was agreed as unchanged for 2022/23.

East Sussex County Council defined its treasury management activities as:

"The management of the organisation's cash flows, its banking, money market and Capital market transactions (other than those of the Pension Fund) the effective management of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."

The Council regards the successful identification, monitoring and management 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 organisation.

This authority 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 best value in treasury management, and to employing suitable performance measurement techniques, within the context of effective risk management."

2. Investment

2.1 When the strategy was agreed in February 2022, it emphasised the continued importance of taking account of the current and predicted future state of the financial sector. The Treasury Management Advisors (Link Asset Services) commented on short term interest

rates, the UK economy, inflation, the outlook for long term interest rates and these factors were taken into account when setting the Strategy.

2.2 The Council continued to explore Investment options that meet Environmental, Social and Governance (ESG) aims. The parameter acts as an added 4th consideration to investment decisions behind Security, Liquidity and Yield. The preservation of capital is the Council's principal and overriding priority.

2.3 The Council, in addition to other tools, uses the creditworthiness service provided by Link Asset Services. This service employs a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies - Fitch, Moody's and Standard and Poor's. The credit ratings of counterparties are 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; and
- sovereign ratings to select counterparties from only the most creditworthy countries.

2.4 The strategy continued with the policy of ensuring minimum risk, but was also intended to deliver secure investment income on the Councils cash balances.

2.5 The strategy aimed to ensure that in the economic climate it was essential that a prudent approach was maintained. This would be achieved through investing with selected banks and funds which met the Council's rating criteria. The emphasis would continue on security (protection of the capital sum invested) and liquidity (keeping money readily available for expenditure when needed) rather than yield. The strategy continued with this prudent approach.

3. Borrowing

3.1 The capital expenditure plans of the Council were set out in the Capital Strategy Report sent to Council in February 2022. 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.

3.2 Capital investment that is not funded from these new and/or existing resources (e.g. capital grants, receipts from asset sales, revenue contributions or earmarked reserves) increases the Council's need to borrow. 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'.

3.3 The Council's primary objective is to strike an appropriate balance between securing cost certainty, securing low interest rates. The Council's cumulative need to borrow is known as the Capital Financing Requirement (CFR). The CFR and the actual level of external borrowing will differ according to decisions made to react to expected changes in interest rates and the prevailing economic environment. Where a decision to defer borrowing (or internally borrow) is made, the Council will be under borrowed. Where a decision to borrow in advance of need to secure cost certainty, the Council will be overborrowed.

3.4 On 25 November 2020 the Chancellor announced the conclusion to the review of margins over gilt yields for PWLB rates; the standard and certainty margins were reduced by 1% but a prohibition was introduced to deny access to PWLB borrowing for any local authority which intended to purchase assets primarily for yield in its three year capital programme. The

reduction in future borrowing costs will be factored into the funding of the capital programme which contains no such assets for yield purchases.

3.5 While the Council will not be able to avoid borrowing to finance new capital expenditure, to replace maturing debt and the rundown of reserves, there will be a cost of carry, (the difference between higher borrowing costs and lower investment returns), to any new borrowing that causes a temporary increase in cash balances as this position will, most likely, incur a revenue cost.

4. The economy in 2022/23 – Commentary from Link Asset Services (Treasury Management Advisors) in April 2023

4.1 Against a backdrop of stubborn inflationary pressures, the easing of Covid restrictions in most developed economies, the Russian invasion of Ukraine, and a range of different UK Government policies, it is no surprise that UK interest rates have been volatile right across the curve, from Bank Rate through to 50-year gilt yields, for all of 2022/23.

4.2 Market commentators' misplaced optimism around inflation has been the root cause of the rout in the bond markets with, for example, UK, EZ and US 10-year yields all rising by over 200bps in 2022. The table below provides a snapshot of the conundrum facing central banks: inflation is elevated but labour markets are extra-ordinarily tight, making it an issue of fine judgment as to how far monetary policy needs to tighten.

4.3 Gilt yields fell Q2 of 2022 saw UK GDP deliver growth of +0.1% q/q, but this was quickly reversed in the third quarter, albeit some of the fall in GDP can be placed at the foot of the extra Bank Holiday in the wake of the Queen's passing. Q4 GDP was positive at 0.1% q/q. Most recently, January saw a 0.3% m/m increase in GDP as the number of strikes reduced compared to December. In addition, the resilience in activity at the end of 2022 was, in part, due to a 1.3% q/q rise in real household disposable incomes. A big part of that reflected the £5.7bn payments received by households from the government under the Energy Bills Support Scheme.

4.4 CPI inflation picked up to what should be a peak reading of 11.1% in October, although hopes for significant falls from this level will very much rest on the movements in the gas and electricity markets, as well as the supply-side factors impacting food prices. On balance, most commentators expect the CPI measure of inflation to drop back towards 4% by the end of 2023. As of February 2023, CPI was 10.4%.

4.5 The UK unemployment rate fell through 2022 to a 48-year low of 3.6%, and this despite a net migration increase of c500k. The fact remains, however, that with many economic participants registered as long-term sick, the UK labour force shrunk by c500k in the year to June. Without an increase in the labour force participation rate, it is hard to see how the UK economy will be able to grow its way to prosperity, and with average wage increases running at over 6% the MPC will be concerned that wage inflation will prove just as sticky as major supply-side shocks to food (up 18.3% y/y in February 2023) and energy that have endured since Russia's invasion of Ukraine on 22 February 2022

4.6 Central banks' Bank Rate increased steadily throughout 2022/23, starting at 0.75% and finishing at 4.25%.

4.7 GDP has been tepid throughout 2022/23, although the most recent composite Purchasing Manager Indices for the UK, US, EZ and China have all surprised to the upside, registering survey scores just above 50 (below suggests economies are contracting, and above suggests expansion). Whether that means a shallow recession, or worse, will be avoided is still unclear. Ultimately, the MPC will want to see material evidence of a reduction

in inflationary pressures and a loosening in labour markets. Realistically, that is an unlikely outcome without unemployment rising and wage settlements falling from their current levels. At present, the bigger rise in employment kept the ILO unemployment rate unchanged at 3.7% in January. Also, while the number of job vacancies fell for the ninth consecutive month in February, they remained around 40% above pre-pandemic levels.

4.8 Equity markets, the FTSE 100 started 2023 strongly, rising to a record high of 8,014 on 20th February, as resilient data and falling inflation boosted earnings. But global equities fell sharply after concerns over the health of the global banking system emerged early in March. The fall in the FTSE 100 was bigger than the drop in the US S&P 500. Indeed, at around 7,600 now, the FTSE is 5.2% below its record high on 20th February, while the S&P 500 is only 1.9% lower over the same period. That's despite UK banks having been less exposed and equity prices in the UK's financial sector not falling as far. It may be due to the smaller decline in UK interest rate expectations and bond yields, which raise the discounted value of future earnings, compared to the US.

The Treasury Management activity during the year 2022/23

1. Investment activity and interest rates

1.1 Investments were placed with reference to the core balance and cash flow requirements and the outlook for interest rates. Base interest rates averaged during the period were 2.30%.

1.2 During 2022/23 the Bank of England increased bank rate on eight consecutive opportunities, the movements summarised below.

	New Rate	Movement
5 May 2022	1.00%	+0.25%
16 June 2022	1.25%	+0.25%
4 August 2022	1.75%	+0.50%
22 September 2022	2.25%	+0.50%
3 November 2022	3.00%	+0.75%
16 December 2022	3.50%	+0.50%
3 February 2023	4.00%	+0.50%
23 March 2023	4.25%	+0.25%

1.3 There have been continued uncertainties in the markets during the year due to global supply chain disruption, inflationary pressure, and geopolitical turmoil.

1.4 The total amount received in short term interest for 2022/23 was £5.46m at an average rate of 1.89%. This was below the average of base rates in the same period (2.30%). This is as a result of the investment portfolio taking time to catch up with Base rate as investments matured and the funds were able to be re-invested at higher rates.

1.5 Throughout the year bank notice accounts and fixed term deposits with banks were used to invest core balances up to duration of 12 months. Instant access cash money market funds were used to hold liquidity balances to meet day to day creditor requirements.

2. Long term borrowing

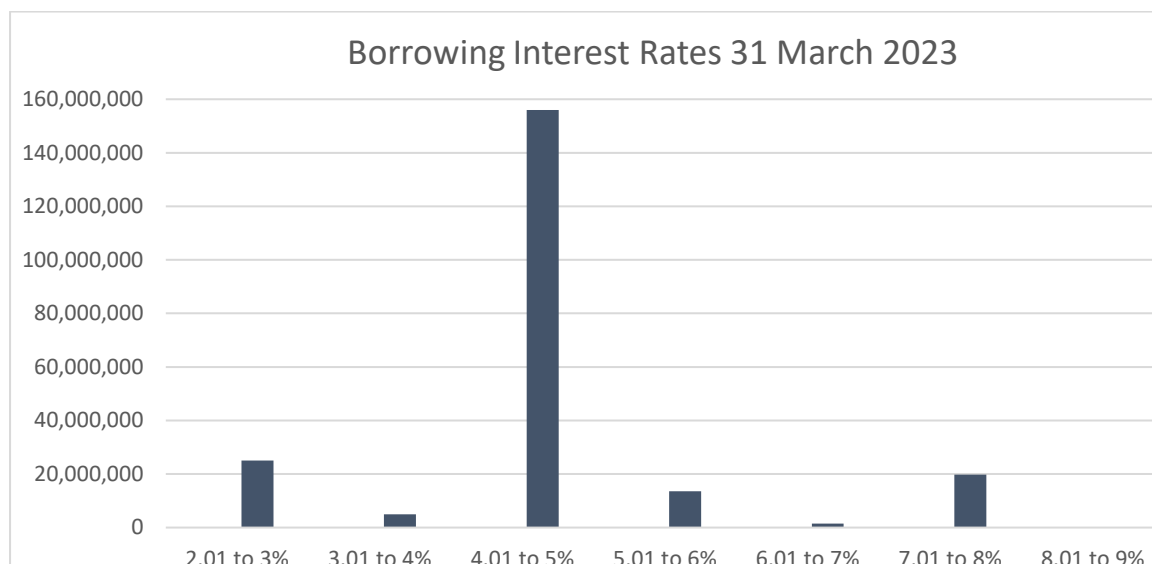
2.1 Officers constantly reviewed the need to borrow taking into consideration the potential movements in borrowing costs, the need to finance new capital expenditure, refinancing maturing debt, and the cost of carry that might incur a revenue loss between borrowing costs and investment returns.

2.2 During 2022/23 £5.6m of PWLB debt matured at an average rate of 6.90%. This historic maturing debt was not replaced with additional in year new borrowing. The average interest rate of all debt at 31 March 2023 of £220.9m was 4.60%.

2.3 Opportunities to reduce the cost of carry (interest paid against interest received) are constantly being explored as and when options arise. In October 2022, a LOBO market loan was called by the borrower, Commerzbank. Exercising their option to increase the coupon rate of the loan from 3.75% to 4.50%. The Council could accept the new borrowing rate for the next 6 months or repay the principal. The Loan was repaid early by the Council at par value £6.45m. This was the last LOBO loan in the Council's wider debt portfolio.

2.3 No PWLB rescheduling was undertaken during the year as the average 1% differential between PWLB new borrowing rates and premature repayment rates has made rescheduling unviable.

2.4 The range of interest rates payable in all of the loans is illustrated in the graph below:



3. Short term borrowing

3.1 No borrowing was undertaken during 2022/23 to cover temporary overdraft situations.

4. Treasury Management Advisers

4.1 The Strategy for 2022/23 explained that the Council uses Link Asset Services as its treasury management consultant on a range of services which include:

- Technical support on treasury matters, Capital finance issues and advice on reporting;
- Economic and interest rate analysis;
- Debt services which includes advice on the timing of borrowing;
- Debt rescheduling advice surrounding the existing portfolio;
- Generic investment advice on interest rates, timing and investment instruments;
- Credit ratings from the three main credit rating agencies and other market information;
- Assistance with training on treasury matters:

4.2 Whilst the advisers provide support to the internal treasury function, under current market rules and the Code of Practice the final decision on treasury matters remained with the Council. This service remains subject to regular review.

4.3 Link Asset Services is the largest provider of Treasury Management advice services to local authorities in the UK and they claim to be the market leading treasury management service provider to their clients. The advice has been and will continue to be monitored regularly to ensure a continued excellent advisory service.

The Treasury Management Activity Mid-Year Report – 2023/24

1. Background

1.1 The Treasury Management and Annual Investment Strategy for 2023/24 was approved by Full Council on 7 February 2023.

1.2 The Strategy was prepared within the context the financial challenge being faced by the County Council over the Medium Term Financial Plan and seeks to compliment the Council Plan by:

- utilising long term cash balances as effectively as possible by investing in longer term instruments and/or using to fund borrowing to reduce borrowing costs;
- ensuring the investment portfolio is working hard to maximise income by further use of alternative appropriate investment opportunities during 2023/24;
- ensuring effective management of the borrowing portfolio by exploring rescheduling opportunities and identifying and exploiting the most cost effective ways of funding the Council's borrowing requirement.

1.3 Changes in the Annual Investment Strategy were recommended and outlined in the table below:

2022/23 Strategy	2023/24 Current Strategy	Reason for proposed change
Non-UK banks – minimum criteria of AA+ banks in AA+ sovereign countries.	Non-UK banks – minimum criteria of AA- banks in AA- sovereign countries.	Whilst a reduction in the credit criteria of non-UK banks, in reality, there are no AA+ Banks that can be used under the existing criteria. The change therefore expands the list of names that the council can lend to (allowing better diversification of the investment portfolio) whilst still maintaining a high level of security.
No risk benchmarking criteria.	Introduction of benchmarking the risk of the investment portfolio against historic default rates of counterparties. (See 2.7)	To ensure that the risk of the portfolio is monitored closely and reported to members quarterly. A maximum risk indicator will be set to ensure that security is prioritised within acceptable levels.
No performance Benchmarking.	Introduction of benchmarking the return of the portfolio against the Sterling Overnight Interbank Average Rate (SONIA) (see 2.9)	Monitoring the investment portfolio against market interest rates will assess whether the portfolio is maintaining its value. This

		will be reported to members quarterly.
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1.4 Officers continue to seek out Environmental Social & Governance (ESG) investment opportunities with counterparties that meet the council's investment parameters. The council continues to invest in Standard Chartered's sustainable fixed deposits which aligns the Council's investments with the bank's ESG strategy. The market for green and broader ESG investments is still relatively immature, which reduces the ability to actively invest in products that support the Council's aspirations. However, research and the consideration of the suitability of ESG investment products will continue into 2023/24.

2. Investment Activity to 30 September 2023

2.1 The Bank of England increased bank rate on 3 occasions, the movements summarised below.

	New Rate	Movement
11 May 2023	4.50%	+0.25%
22 June 2023	5.00%	+0.50%
3 August 2023	5.25%	+0.25%

2.2 During the first half year investments have been held in Money Market Funds, high quality Banking names, other Local Authorities and the CCLA Local Authority Property Fund. Counterparty credit quality remains a primary concern for the treasury team, with security, liquidity and yield in that order a priority.

2.3 Measures have been undertaken to ensure that levels of liquidity are available during the last 6 months but also opportunities explored in this rising interest rate environment to secure investment returns. Several fixed term bank deposits have been reinvested up to 12 months securing a fixed rate of return between 4.36% - 6.20% within a low credit risk parameter.

2.4 Local Authority deposits have been placed in the period at rates ranging between 5.30-5.80%, their inclusion forms part of a balanced portfolio.

2.5 Deposits held for liquidity purposes in Money Market Funds are providing a return nearing the prevailing base rate, compared to previous years where they performed well below that benchmark.

2.6 The Council is continuing to invest in deposits with regard to ESG and sustainable lending, through Standard Chartered Bank. These investments are assigned to sustainable assets with the aim of addressing the UN sustainable development goals. The offering fulfils the key principle of security, liquidity and yield and is consistent with the banks current other fixed term deposit rates.

2.6 The average investment balance to September 2023 was £294m and generated investment income of £6.6m. The forecast for 2023/24 is £14m and dependent on cashflow and the future interest rate environment.

2.7 Investment Risk

2.8 During the half year monitoring of the security of the Council's investment has taken place, to assess the risk of 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. The investment strategy sets an allowable risk level of 0.050% (i.e. that there is a 99.95% probability that the Council will get its investments back). The actual indicator ranged between 0.003% and 0.008%, reflecting the high proportion of investments held in highly secure and/or very liquid investments.

Investment Risk benchmark	0.050%
Maximum investment risk experienced Q1-Q2	0.008%

2.9 Investment Benchmarking

2.10 The average investment return during the period was 4.47% under-performing the benchmark rate by 26 basis points (or 0.26 percentage points) This is typical in a rising interest rate environment as a result of the time lag between changes in base rate and investments maturing and being able to re-invest at more favourable rates.

Average Investment Balance Q1-Q2 £m	Average Investment return Q1 & Q2	Average Benchmark Rate*	Difference
294.428	4.47%	4.73%	(0.26%)

**the Benchmark rate used is the Standard Overnight Index Average; a rate administered by the Bank of England based on actual transactions of overnight borrowing by financial institutions.*

3. Borrowing Activity to 30 September 2023

3.1 No short term loan borrowing was arranged during the period. Future short-term borrowing in the current year is not forecasted but remains an option to cover temporary cashflow requirements.

3.2 The level of Council long-term debt at 30 September 2023 was £217m, two loans matured with the PWLB during the period on the 30 June (£3m) and the 30 September 2023 (£1.3m) held at 7.75% and 7.38%. The next PWLB maturities are on the 30 June 2024, totalling £5m at rates of 7.63% and 7.75%.

3.3 Opportunities to reduce the cost of carry (interest paid against interest received) are constantly being explored as and when options arise. The forecast for interest paid on long-term debt in 2023/24 is approximately £10.5m and is within the budgeted provision.

3.4 Borrowing Benchmarking

3.5 The table below shows the Council's total external borrowing and average rate as at 30 September 2023: .

	Balance as at 30 September 2023 £m	Average Rate
PWLB	210.142	4.53%
Market Loans	6.450	4.25%
Total borrowing	216.592	4.52%

3.6 The table below shows the forecast of the Capital Financing Requirement (CFR) compared to the estimate within the 2023/24 strategy approved in February 2023. The CFR is expected to give rise to new borrowing required of £86.534m by the end of the year, compared to the original estimate of £83.932m. The strategy currently forecasts that the level of reserves and balances in the medium term allows internal borrowing of up to £50.000m, and therefore it is currently expected that external borrowing of £36.534m may be required to support the capital programme.

Capital Financing Requirement (CFR) (Underlying Borrowing Need)	Original Estimate 2023/24 £m	Revised forecast as at 30 September 2023 £m
Opening CFR	274.367	272.225
Borrowing Need	34.904	38.305
Minimum Revenue Provision	(7.429)	(7.404)
Closing CFR	301.842	303.126
External Borrowing as at 30 September 2023		216.592
Forecast Underborrowing (if no action taken)		86.534

3.7 The table below shows that the Council is operating within the Operational Boundary and Authorised Borrowing Limits set within the Treasury Management strategy and has sufficient headroom to cover the borrowing need arising from the year's capital programme.

Borrowing Limits	Operational Boundary £m	Authorised Borrowing Limit £m
Limit set for 2023/24	376.000	396.000
Less: PFI & Leases	65.000	65.000
Limit for Underlying Borrowing	311.000	331.000
Actual External Borrowing at 30 September	216.592	216.592
Headroom*	94.408	114.408

**Authorised Borrowing headroom cannot be less than zero*

3.8 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 2024
Under 12 Months	0%	25%	2%
12 months to 2 years	0%	40%	2%
2 years to 5 years	0%	60%	7%
5 years to 10 years	0%	70%	16%
Over 10 years	0%	90%	72%

4 Economic performance to date and outlook (commentary supplied by Link Asset Services). September 2023.

4.1 The second quarter of 2023/24 saw:

- Interest rates rise by a further 100bps, taking Bank Rate from 4.25% to 5.25% and, possibly, the peak in the tightening cycle
- Signs of Short, medium and long-dated gilts remain elevated as inflation continually surprised to the upside.
- A 0.5% month on month decline in real GDP in July, mainly due to more industrial action across certain sectors.
- CPI inflation falling from 8.7% in April to 6.7% in August, its lowest rate since February 2022, but still the highest in the G7.
- Core CPI inflation declining to 6.2% in August from 7.1% in April and May, a then 31 year high.
- Cooling in labour market conditions, but no evidence yet that it has led to an easing in wage growth (as the 3myy growth of average earnings rose to 7.8% in August, excluding bonuses).

4.2 The 0.5% m/m fall in GDP in July suggests that underlying growth has lost momentum since earlier in the year. Some of the weakness in July was due to there being almost twice as many working days lost to strikes in July (281,000) than in June (160,000). But with output falling in 10 out of the 17 sectors, there is an air of underlying weakness.

4.3 The 0.4% m/m rebound in retail sales volumes in August is not as good as it looks as it partly reflected a pickup in sales after the unusually wet weather in July. Sales volumes in August were 0.2% below their level in May, suggesting much of the resilience in retail activity in the first half of the year has faded.

4.4 As the growing drag from higher interest rates intensifies over the next six months, we think the economy will continue to lose momentum and soon fall into a mild recession. Strong labour demand, fast wage growth and government handouts have all supported household incomes over the past year. And with CPI inflation past its peak and expected to decline further, the economy has got through the cost-of- living crisis without recession. But even though the worst of the falls in real household disposable incomes are behind us, the phasing out of financial support packages provided by the government during the energy crisis means real incomes are unlikely to grow strongly. Higher interest rates will soon bite harder too. We expect the Bank of England to keep interest rates at the probable peak of

5.25% until the second half of 2024. Mortgage rates are likely to stay above 5.0% for around a year.

4.5 The tightness of the labour market continued to ease, with employment in the three months to July falling by 207,000. The further decline in the number of job vacancies from 1.017m in July to 0.989m in August suggests that the labour market has loosened a bit further since July. That is the first time it has fallen below 1m since July 2021. At 3.0% in July, and likely to have fallen to 2.9% in August, the job vacancy rate is getting closer to 2.5%, which would be consistent with slower wage growth. Meanwhile, the 48,000 decline in the supply of workers in the three months to July offset some of the loosening in the tightness of the labour market. That was due to a 63,000 increase in inactivity in the three months to July as more people left the labour market due to long term sickness or to enter education. The supply of labour is still 0.3% below its pre-pandemic February 2020 level.

4.6 But the cooling in labour market conditions still has not fed through to an easing in wage growth. While the monthly rate of earnings growth eased sharply from an upwardly revised +2.2% in June to -0.9% in July, a lot of that was due to the one-off bonus payments for NHS staff in June not being repeated in July. The headline 3myy rate rose from 8.4% (revised up from 8.2%) to 8.5%, which meant UK wage growth remains much faster than in the US and in the Euro-zone. Moreover, while the Bank of England's closely watched measure of regular private sector wage growth eased a touch in July, from 8.2% 3myy in June to 8.1% 3myy, it is still well above the Bank of England's prediction for it to fall to 6.9% in September.

4.7 CPI inflation declined from 6.8% in July to 6.7% in August, the lowest rate since February 2022. The biggest positive surprise was the drop in core CPI inflation, which declined from 6.9% to 6.2%. That reverses all the rise since March and means the gap between the UK and elsewhere has shrunk (US core inflation is 4.4% and in the Euro-zone it is 5.3%). Core goods inflation fell from 5.9% to 5.2% and the further easing in core goods producer price inflation, from 2.2% in July to a 29-month low of 1.5% in August, suggests it will eventually fall close to zero. But the really positive development was the fall in services inflation from 7.4% to 6.8%. That also reverses most of the rise since March and takes it below the forecast of 7.2% the Bank of England published in early August.

4.8 In its latest monetary policy meeting on 20 September, the Bank of England left interest rates unchanged at 5.25%. The weak August CPI inflation release, the recent loosening in the labour market and the downbeat activity surveys appear to have convinced the Bank of England that it has already raised rates far enough. The minutes show the decision was "finely balanced". Five MPC members (Bailey, Broadbent, Dhingra, Pill and Ramsden) voted for no change and the other four (Cunliffe, Greene, Haskel and Mann) voted for a 25bps hike.

4.9 Like the US Fed, the Bank of England wants the markets to believe in the higher for longer narrative. The statement did not say that rates have peaked and once again said if there was evidence of more persistent inflation pressures "further tightening in policy would be required". Governor Bailey stated, "we'll be watching closely to see if further increases are needed". The Bank also retained the hawkish guidance that rates will stay "sufficiently restrictive for sufficiently long".

This narrative makes sense as the Bank of England does not want the markets to decide that a peak in rates will be soon followed by rate cuts, which would loosen financial conditions and undermine its attempts to quash inflation. The language also gives the Bank of England the flexibility to respond to new developments. A rebound in services inflation, another surge in wage growth and/or a further leap in oil prices could conceivably force it to raise rates at the next meeting on 2nd November, or even pause in November and raise rates in December.

4.10 The yield on 10-year Gilts fell from a peak of 4.74% on 17th August to 4.44% on 29th September, mainly on the back of investors revising down their interest rate expectations. But even after their recent pullback, the rise in Gilt yields has exceeded the rise in most other Developed Market government yields since the start of the year. Looking forward, once inflation falls back, Gilt yields are set to reduce further. A (mild) recession over the next couple of quarters will support this outlook if it helps to loosen the labour market (higher unemployment/lower wage increases).

The pound weakened from its cycle high of \$1.30 in the middle of July to \$1.21 in late September. In the first half of the year, the pound bounced back strongly from the Truss debacle last autumn. That rebound was in large part driven by the substantial shift up in UK interest rate expectations. However, over the past couple of months, interest rate expectations have dropped sharply as inflation started to come down, growth faltered, and the Bank of England called an end to its hiking cycle.

4.11 The FTSE 100 has gained more than 2% since the end of August, from around 7,440 on 31st August to 7,608 on 29th September. The rebound has been primarily driven by higher energy prices which boosted the valuations of energy companies. The FTSE 100's relatively high concentration of energy companies helps to explain why UK equities outperformed both US and Euro-zone equities in September. Nonetheless, as recently as 21st April the FTSE 100 stood at 7,914.

5.0 Interest rate forecast

5.1 Link Asset Services, has provided the following forecast as at 30 September 2023

	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26
BANK RATE	5.25	5.25	5.25	5.00	4.50	4.00	3.50	3.00	2.75	2.75	2.75	2.75	2.75
3 month ave earnings	5.30	5.30	5.30	5.00	4.50	4.00	3.50	3.00	2.80	2.80	2.80	2.80	2.80
6 month ave earnings	5.60	5.50	5.40	5.10	4.60	4.10	3.60	3.10	2.90	2.90	2.90	2.90	2.90
12 month ave earnings	5.80	5.70	5.50	5.20	4.70	4.20	3.70	3.20	3.00	3.00	3.00	3.00	3.00
5 yr PWLB	5.10	5.00	4.90	4.70	4.40	4.20	4.00	3.90	3.70	3.70	3.60	3.60	3.50
10 yr PWLB	5.00	4.90	4.80	4.60	4.40	4.20	4.00	3.80	3.70	3.60	3.60	3.50	3.50
25 yr PWLB	5.40	5.20	5.10	4.90	4.70	4.40	4.30	4.10	4.00	3.90	3.80	3.80	3.80
50 yr PWLB	5.20	5.00	4.90	4.70	4.50	4.20	4.10	3.90	3.80	3.70	3.60	3.60	3.60

5.2 The latest forecast sets out a view that short, medium and long-dated interest rates will be elevated for some little while, as the Bank of England seeks to squeeze inflation out of the economy.

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1. Prudential Indicators which relate to the Treasury function and compliance with limits for 202/23

1.1 The Council is required by the Prudential Code to report the actual prudential indicators after the end of each year. These indicators which relate to treasury management and are set on an annual basis and monitored, they comprise:-

- Operational and authorised borrowing limits which includes short term borrowing (section 2 below)
- Capital Financing Requirement (section 3 below)
- Interest rate exposure (section 4 below)
- Interest rate on long term borrowing (section 5 below)
- Maturity structure of investments (section 6 below)
- Compliance with the Treasury Management Code of Practice (section 7 below)
- Interest on investments (section 8 below)

2. Operational and authorised borrowing limits.

2.1 The tables below sets out the estimate and projected Capital financing requirement and long-term borrowing in 2022/23

	Capital Financing Requirement	2022/23 Estimate	2022/23 Actual
		£m	£m
	Capital Financing Requirement at 1 April 2022	364	350
add	Capital Expenditure	82	77
add	Impact for IFRS 16 Leases	-	-
less	Capital Financing	(74)	(72)
less	Provision for repayment of debt (MRP)	(7)	(13)
	Capital Financing Requirement at 31 March 2023	365	342
add	Short Term Borrowing Provision	10	
	Operational Boundary	375	
add	Short Term Borrowing Provision	20	
	Authorised Limit	395	

	Actual Borrowing	2022/23 Actual
		£m
	Long Term Borrowing at 1 April 2022	226.5
less	Loan redemptions	(5.6)
add	New Borrowing	-
	Long Term Borrowing at 31 March 2023	220.9

2.2 The Operational Boundary was consistent with the Council's current commitments, existing plans and the proposals for Capital expenditure and financing, and with its approved treasury management policy statement and practices. It was based on the estimate of most likely, prudent but not worst case scenario. Risk analysis and risk management strategies were taken into account as were plans for Capital expenditure, estimates of the Capital financing requirement and estimates of cash flow requirements for all purposes. The Operational boundary represents a key management tool for in year monitoring and long term borrowing control.

2.3 The Authorised Limit for borrowing was based on the same estimates as the Operational Boundary but includes additional headroom for a short term borrowing to allow, for example, for unusual cash movements or late receipt of income.

2.4 The Authorised limit is the “Affordable Borrowing Limit” required by S3 of the Local Government Act 2003 and must not be breached. The Long Term borrowing at 31 March 2022 of £220.9m is under the Operational boundary and Authorised limit set for 2022/23. The Operational boundary and Authorised limit have not been exceeded during the year.

3. Capital Financing Requirement

3.1 The 2022/23 actual Capital Financing Requirement of £342m included PFI Schemes and Finance Leases totalling £70m, excluding these balances the underlying need to borrow was £272m.

3.2 The Council’s actual and forecast CFR is shown below. It includes PFI and leasing schemes on the balance sheet, which increase the Council’s borrowing need. No borrowing is actually required against these schemes as a borrowing facility is included in the contract.

	2022/23 Actual	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate
	£m	£m	£m	£m
Total CFR*	342	366	421	435
Movement in CFR*	-	24	55	14

*CFR including appropriate balances and MRP charges for PFI Schemes and Finance Leases.

4. Interest rate exposure and maturity structure of debt

4.1 The Council continued the practice of seeking to secure competitive fixed interest rate exposure 2022/23. There are three debt related treasury activity limits. The purpose of these are to restrain the activity of the treasury function within certain limits, thereby managing risk and reducing the impact of any adverse movement in interest rates. However, if these are set to be too restrictive they will impair the opportunities to reduce costs or improve performance. The indicators are:

- Upper limits on variable interest rate exposure. This identifies a maximum limit for variable interest rates based upon the debt position net of investments;
- Upper limits on fixed interest rate exposure. This is similar to the previous indicator and covers a maximum limit on fixed interest rates;
- Maturity structure of borrowing. These gross limits are set to reduce the council’s exposure to large fixed rate sums falling due for refinancing and are required for upper and lower limits.

	2022/23	2023/24	2024/25
Interest rate exposure	Upper	Upper	Upper
Limits on fixed interest rates based on net debt	100%	100%	100%
Limits on variable interest rates based on net debt	15%	15%	15%
Maturity structure of fixed interest rate borrowing 2022/23			
	Lower	Upper	Actual 2022/23
Under 12 months	0%	25%	2%
12 months and within 24 months	0%	40%	2%
24 months and within 5 years	0%	60%	7%
5 years and within 10 years	0%	80%	15%
10 years and within 20 years	0%	80%	24%
20 years and within 30 years	0%	80%	31%
30 years and within 40 years	0%	80%	19%
40 years and above	0%	80%	0%

4.2 The Council has not exceeded the limits set in 2022/23. Not more than £20m of debt should mature in any financial year and not more than 15% to mature in any two consecutive financial years. Borrowing has been undertaken giving due consideration to the debt maturity profile, ensuring that an acceptable amount of debt is due to mature in any one financial year. This helps to minimise the authority's exposure to the risk of having to replace a large amount of debt in any one year or period when interest rates may be unfavourable. The bar chart in the attached Annex 1 shows the maturity profile.

5. Interest rate on long term borrowing

5.1 The rate of interest taken on any new long term borrowing will be defined with the assistance of Link Asset Services.

6. Maturity structure of investments

6.1 The Investment Guidance issued by the government, allowed local authorities the freedom to invest for more than for one year. All investments over one year were to be classified as Non-Specified Investments. The Council had taken advantage of this freedom and non-Specified Investments are allowed to be held within our overall portfolio of investments and in line with our prudent approach in our strategy.

7. Compliance with the Treasury Management Code of Practice

7.1 East Sussex County Council has adopted the Chartered Institute of Public Finance and Accountancy (CIPFA), Code of Practice for Treasury Management in the Public Services. In December 2018, CIPFA, issued a revised Treasury Management Code and Cross Sectoral Guidance Notes, and a revised Prudential Code.

A particular focus of these revised codes was how to deal with local authority investments which are not treasury type investments e.g. by investing in purchasing property in order to generate income for the Authority at a much higher level than can be attained by treasury investments. The outcome is a new Capital Strategy document which now forms part of the annual budget papers.

8. Interest on investments 2023/23

8.1 The table below sets out the average monthly rate received on our investments and compares it to the Bank of England Base rate to reflect both the interest rates available in the market and limitation in the use of counterparties.

Month	Amount £'000	Monthly rate	Average Base Rate	Margin against Base Rate
April	202	0.78%	0.75%	+0.03%
May	217	0.82%	0.97%	-0.15%
June	228	0.93%	1.13%	-0.22%
July	311	1.19%	1.25%	-0.04%
August	348	1.33%	1.70%	-0.37%
September	349	1.41%	1.90%	-0.49%
October	460	1.84%	2.25%	-0.41%
November	597	2.54%	2.95%	-0.41%
December	627	2.79%	3.27%	-0.48%
January	703	3.09%	3.50%	-0.41%
February	672	3.36%	3.98%	-0.62%
March	746	3.51%	4.07%	-0.56%
Total for 2022/23	5,458	1.89%	2.30%	-0.41%

8.2 The total amount received in short term interest for the year was £5.458m at an average rate of 1.89%. This was below the average of base rates in the same period (2.30%) but ensuring, as far as possible in the financial climate, the security of principal and the minimisation of risk. This Council has continued to follow a prudent approach with security and liquidity as the main criteria before yield.

East Sussex County Council Debt Maturity Profile

