



**PLACE SCRUTINY COMMITTEE**

**THURSDAY, 23 NOVEMBER 2023**

**10.30 am COUNCIL CHAMBER, COUNTY HALL, LEWES**

MEMBERSHIP - Councillor Matthew Beaver (Chair)  
Councillors Chris Collier, Julia Hilton (Vice Chair), Ian Hollidge, Eleanor Kirby-Green, Philip Lunn, Steve Murphy, Paul Redstone, Stephen Shing, David Tutt and Brett Wright

**A G E N D A**

1. Minutes of the previous meeting (*Pages 3 - 10*)
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. Southern Water Storm Overflows and Reduction of Discharges - Update  
Presentation from Southern Water on their work to reduce the use of Storm Overflows (Combined Sewer Overflows).
6. Reconciling Policy, Performance and Resources (RPPR) (*Pages 11 - 38*)  
Report by the Chief Executive.
7. Scrutiny Review of Pothole Management - Report of the Review Board (*Pages 39 - 68*)  
Report by the Chair of the Review Board.
8. Work programme (*Pages 69 - 94*)
9. Any other items previously notified under agenda item 4

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15 November 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](http://www.eastsussex.gov.uk/yourcouncil/webcasts/default)

PLACE SCRUTINY COMMITTEE

MINUTES of a meeting of the Place Scrutiny Committee held at Council Chamber, County Hall, Lewes on 26 September 2023.

PRESENT                      Councillors Matthew Beaver (Chair) Councillors Chris Collier,  
Alan Hay, Julia Hilton (Vice Chair), Ian Hollidge,  
Eleanor Kirby-Green, Philip Lunn, Steve Murphy,  
Paul Redstone, Stephen Shing and David Tutt

**LEAD MEMBERS** Councillors Nick Bennett and Claire Dowling

ALSO PRESENT

Philip Baker, Assistant Chief Executive

Rupert Clubb, Director of Communities, Economy and Transport

Ros Parker, Chief Operating Officer

Ian Gutsell, Chief Finance Officer

Karl Taylor, Assistant Director Operations

Justin Foster, Waste Team Manager

Ian Glover, Electric Vehicle Infrastructure Project Manager

Councillor Trevor Webb

## 9. MINUTES OF THE PREVIOUS MEETING

9.1 The Committee RESOLVED to agree the minutes of the meeting held on 14 July 2023 as a correct record.

## 10. APOLOGIES FOR ABSENCE

10.1 There were no apologies for absence.

## 11. DISCLOSURES OF INTERESTS

11.1 Councillor Alan Hay declared a personal non prejudicial interest under item 7, Electric Vehicle Charging verbal update, as he is a Project Lead working for National Grid. Councillor David Tutt declared a personal non prejudicial interest under item 8, Work Programme, as he sits on the Consumer Council for Southern Water.

## 12. URGENT ITEMS

12.1 There were none.

## 13. RECONCILING POLICY, PERFORMANCE AND RESOURCES (RPPR) 2024/2025

13.1 The Senior Scrutiny Adviser introduced the report which summarises the Committee's involvement in the RPPR process and outlines the further meetings planned during the Autumn. The report provided the Committee with an opportunity to consider what further work or information is required to support the Committee's input into the RPPR budget setting process for the financial year 2024/25 and beyond.

13.2 The Committee discussed the report and raised a number of points which are summarised below.

13.3 The Committee members highlighted further areas of work or where more information is required as part of the work on the RPPR process. These included:

- Further information on the costs and feasibility of providing 20mph zones around schools and children's play areas.
- Further understanding of monitoring air quality in the County and in particular PM2.5 particulate air pollution.
- More information about the future of Local Enterprise Partnerships (LEPs) and how the Council is going to support this activity in the future now that Government has announced that LEPs will be abolished, and their responsibilities transferred to upper tier local authorities.
- Rights of Way and the impact of inflation and Definitive Map Modification Orders. The Committee noted the additional information that had been provided and asked that it be considered at the RPPR Board in December.

13.4 The Director of Communities, Economy and Transport (CET) outlined that air quality monitoring is the responsibility of District and Borough councils and sought clarification as to whether the Committee was suggesting that East Sussex County Council (ESCC) starts monitoring air quality. It was clarified that the Committee was asking for information on which areas of East Sussex do not have PM2.5 monitoring. Committee members also commented that information on air quality is important when considering 20mph zones and Active Travel interventions such as School Streets, so that it can be considered when making decisions about Active Travel in the future.

13.5 Some Committee members commented on the tone of the wording in the State of the County report regarding the ageing population in East Sussex and the pressure on services this may lead to. The Committee noted that many older people contribute positively to the local economy and community life in East Sussex and asked if the State of the County report could mention their positive contribution to the County.

13.6 The Committee asked if the position regarding the forecast budget deficit of £28.4 million in 2024/25 is likely to improve or get worse. The Committee also asked if inflationary pressures on highway maintenance had been taken into account. The Chief Finance Officer outlined that the Quarter 1 Council Monitoring report shows the financial pressure the Council is under, with significant pressure on social care. There will be more clarity later in the year on the Council's budgetary position, but the position at present is challenging. The inflationary pressures on the highway maintenance budget have been built in and recognised in the budget forecasts.

13.7 The Committee noted the anticipated delays in the Government announcement on the funding settlement for local authorities.

13.8 The Committee RESOLVED to:

1) Note the report; and

2) Identified the items in paragraph 13.3 (above) for further consideration either at the December RPPR Board or through the Committee's future work programme.

#### 14. FOOD WASTE & ENVIRONMENT ACT 2021 - VERBAL UPDATE

14.1 The Waste Team Manager provided a verbal update of the implications the Environment Act 2021 and the requirement to collect food waste. Since the last report to the Committee there have been a number of delays by the Department for Environment, Food and Rural Affairs (DEFRA) in the announcement of details of the requirements of the food waste collection service.

14.2 It is understood that the Extended Producer Responsibility for Packaging (EPRP) reforms, which were originally planned for 2024, will be delayed by a further year to October 2025. The decision to delay the EPRP reforms comes alongside the decision to delay consistent household recycling plans (until after EPRP). It is expected that the introduction of mandated food waste collection will also be delayed, as it was previously indicated that guidance would follow EPRP reforms and is likely to be sometime after 2026.

14.3 The recycling consistency programme will now be known as 'simpler recycling', and this includes food waste collections. The District and Borough councils who will be responsible for collecting food waste are awaiting details on the timelines and funding. Further details are also awaited on what kerbside recycling materials will have to be collected and what bins will need to be provided. This may have an impact on ESCC as the Waste Disposal Authority (WDA), if there are new materials that have to be recycled. It is also expected that there will be some clarity on charges for garden waste as this varies from council to council.

14.4 In terms of residual 'black bag' or 'black bin' waste there may be limits to the frequency of collections required. However, food waste will be collected weekly. The Council already has the Woodlands composting facility that processes all the councils garden waste and the food waste from Lewes District Council. The team is waiting for clarity on the changes to food waste collections before going ahead with any changes to this facility and modifications to waste transfer stations needed to deal with additional food waste.

14.5 The Waste Team Manager extended an invitation to all Committee members to visit the various waste disposal facilities, to get an appreciation of the work the Team undertakes.

14.6 The Committee discussed the update and asked a number of questions. A summary of the comments made is given below.

#### Timescales for the introduction of food waste collections

14.7 It was clarified that the Extended Producer Responsibility for Packaging (EPRP) reforms have been pushed back to 2025 and the introduction food waste collections will follow some time in 2026. It is not possible to charge for food waste as it is part of residual waste, which has to be collected free of charge. Food waste collections will be weekly.

#### Garden waste collections

14.8 It was also clarified that the collection of garden waste is discretionary. The Waste Team Manager commented that all the District and Borough councils in East Sussex (who are the waste collection authorities) currently charge for collecting garden waste, but this may change if the Government decides to regulate charges.

#### Demand for food waste collections

14.9 Some Committee members commented that they thought there would be a low demand for food waste collections due to cost of living factors and the fact that people are producing less food waste. Perhaps it would be better value for money to provide education activities on food waste minimisation and ask the Government to delay the introduction of food waste collections in the current economic environment. The Chair noted that there are different types of food waste such as from excess purchased food and waste from food preparation.

14.10 The Waste Team Manager outlined that there is a lot of food waste in the residual waste that is collected at present. The Team will be doing a composition analysis exercise later this year to look at the different types of food waste in the residual waste. He also commented that the introduction of food waste collection systems can bring about behaviour change and have an impact on the amount of waste as people become more aware of the food and money they are throwing away.

#### Impacts of the delay in introducing food waste collections

14.11 The Committee expressed concerns about the delay and the impact this would have on waste contract procurement and carbon emissions from vehicles. The Waste Team Manager outlined that the main impact would be on those authorities who are at the end of their contracts, and on waste collection authorities who may have to change vehicles and bins. As far as ESCC is concerned, it is in a good position to deal with food waste as it has the Woodlands site, but some modifications will be needed to waste transfer stations.

#### Joint Waste and Recycling Committee

14.12 The Committee asked if there is a role through the Joint Waste and Recycling Committee to promote the message to reduce food waste. The Waste Team Manager commented that there are communications programmes about waste minimisation and discussions can be held with colleagues in the Joint Waste and Recycling Committee about this.

#### Content of future report

14.13 The Committee asked if the future update report in March 2024 could cover how communal food waste bins will be provided and maintained, and include details of the composition analysis of the black bin, residual waste.

14.14 The Committee RESOLVED to note the verbal update.

## 15. ELECTRIC VEHICLE CHARGING - VERBAL UPDATE

15.1 The Electric Vehicle Infrastructure Project Manager gave verbal update on the progress being made to install a network of public electric vehicle (EV) charging points across East Sussex. An initial study was undertaken with the Strategic Property Asset Collaboration in East Sussex (SPACES) Partnership with work centred around five key stages:

- Context Gathering
- Stakeholder Engagement
- Electric Vehicle (EV) Growth Forecasts
- Site Identification & Prioritisation
- Routes to Delivery

15.2 The work has taken a multi-step process to identify potential on-street and mixed hub locations for EV charging points. This has looked at information from a range of sources including Census data to identify areas of housing (such as terraced houses and flats) which do not have off-street parking, and existing charge point locations. This resulted in the identification of 52 priority on-street charging areas covering more than 350 streets, and 51 feasible sites for charging hubs (including the County Hall public car park).

15.3 Following the identification of the initial list of sites, consultation was undertaken with the District and Borough councils and UK Power Networks to further refine the list of locations taking into account factors such as:

- Where off-street parking is not available
- Proximity to existing available charging infrastructure
- Power supply
- Pavement widths and location of existing street furniture

15.4 As a result, more than 280 potential locations have been identified that are able to host over 2,000 charging points to provide good coverage across the county. A final assessment of the locations will be undertaken by the provider once they have been procured. The network of on-street charging points will be in addition to the EV charging facilities being provided by the District and Borough councils as well as those on private property such as supermarkets, rail stations, petrol station forecourts and privately run car parks.

15.5 Funding has been secured through the Local Electric Vehicle Infrastructure (LEVI) scheme and East Sussex has secured an allocation of £4.441million in funding flowing an expression of interest application that was made in March 2023. East Sussex is in tranche 1 and will be paid 90% of the funding in 2023/24 after submitting a second stage business plan application by the end of November 2023. The other 10% will be released after approval of the procurement contract with the provider. In addition £586,000 enabling funding has been provided by the Government to pay for project management resources and support for the procurement and implementation of the project.

15.6 There are two options for the operating model for the delivery of the charging point network:

- A concession model – which has less financial risk, as the operational risk is with the concession who is responsible for operating and maintaining the network of charge points.
- Own and operate model – this is where the operation costs rest with the local authority and there is likely to be a higher financial risk.

15.7 The intention is to procure the EV charging point network as a concession during 2023/24 with a 12 - 30 month delivery timescale commencing in quarter 1 or quarter 2 of 2024/25. This will deliver around 2,000 charging points and 10 rapid charge hubs at an estimated cost of delivery of £9 million (approximately £4 million from LEVI finding and £5million private sector investment). There will be an 'open book' agreement with the concession where information on costs and income is shared. The draft EV charge point strategy will also be included in the supporting information for the draft Local Transport Plan, which will go out to public consultation later in the year.

15.8 The Committee discussed the update and asked if it would be possible to have a copy of the presentation. A summary of the discussion and points raised is given below.

#### EV charging network capacity

15.9 The Committee asked about the capacity of the proposed charging network infrastructure and how the number of charging points relate to the number of electric vehicles on the road. The Electric Vehicle Infrastructure Project Manager responded that the proposed network would provide around 60% of the capacity required, but the recent Government announcement on moving back the deadline for the cessation of sales of new petrol and diesel vehicles to 2035 may have an impact on the uptake of electric vehicles and providers' decisions about investment.

#### Pricing

15.10 The Committee asked if there was an indication of the pricing that will be used by the concession, because if it is too high it may act as a barrier to people switching to electric vehicles, especially as charging at home can be relatively cheap. The Electric Vehicle Infrastructure Project Manager outlined that there had been no indication of the price per kilowatt hour as yet, but the open book agreement will mean that ESCC will have some influence over tariffs.

#### Cable channels across the pavement

15.11 The Committee understands that other local authorities (e.g. Oxford) have been looking at the use of cable channels across the pavement to allow residents to plug in their cars to charge them from their home where they have no off-street parking, and asked if this is something ESCC is exploring. The Electric Vehicle Infrastructure Project Manager explained that this is not something that ESCC has looked at yet but could conduct some trials. There is no funding to implement this, but a scheme similar to where residents request and pay for dropped kerbs could be explored.

#### Rapid Chargers

15.12 The Committee understands that most of the on-street provision will be slower 7 kilowatt hour charging points which will need a connection to the grid. It asked what the planned provision is for rapid charging that could be used by tourists and other user groups such as taxis who need rapid chargers. The Electric Vehicle Infrastructure Project Manager responded that the provision of 10 high speed charging hubs will address this need. Each rapid charge point site will have four sockets and each socket can service six to eight vehicles a day.

#### Charging technology

15.13 It was clarified that the proposed network will be focussed on delivering value for money at scale and will use existing technologies. There is some standardisation of connectors and adapters are available to ensure the charging points are compatible with most electric vehicles. There is some work taking place to explore utilising alternative power sources such as solar and as charging and battery technology changes the Council can consider this at a later date. The Committee observed that the later date for phasing out new petrol and diesel vehicles may reduce the demand for EVs and increase prices, which may affect the market and predictions about EV use.



#### Location of on-street charging points

15.14 The Committee identified that this will be a key issue and asked if the impact on the public realm and on-street parking had been considered and whether there is any work to combine locations with car share clubs and e-bike charging. The Electric Vehicle Infrastructure Project Manager outlined that the team have talked to car clubs, taxi operators and the District and Borough councils about the location of charging points and the rapid charging hubs which would serve car clubs and taxis. In terms of the public realm, there will be some additional infrastructure needed at the kerbside for charging points and infrastructure will be shared where possible. The use of road offsets is also being considered. Some Committee members urged the team not to take up road space unnecessarily with charging points and highlighted that there may be concerns about the impact on on-street parking and the public realm which will need to be considered carefully. The Committee suggested that the impact on the public realm (e.g. parking policy, link to public transport, cycle storage etc.) is something that should be included in any future report.

15.15 The Committee asked what consideration there had been of providing charging points in off-street locations such as community centres etc. The Electric Vehicle Infrastructure Project Manager outlined that the focus of the project had been on on-street locations where there is no other provision or off-street parking available. The team is happy to explore other potential sites such as community centres with the District and Borough councils.

15.16 The Committee asked about the availability of information about the location of charging points. The Electric Vehicle Infrastructure Project Manager responded that the team has been looking at information portals that provide information about charge point locations. The project also has its own directory of charge point locations in East Sussex and is developing an East Sussex app showing charge point locations which is part of the funding that has been allocated.

15.17 The Committee RESOLVED to note the verbal update.

#### 16. WORK PROGRAMME

16.1 The Committee discussed the work programme and any items that it might wish to include in the future scrutiny work of the Committee. The Committee agreed that it would be good to prepare some written questions for Southern Water in advance of the update on storm overflows and sewage spills at the next meeting in November. The Committee noted that the Wealden District Council Overview and Scrutiny committee had recently received a presentation from South East Water on the interruption of water supplies in the north of the county that occurred earlier in the year. The Committee asked if it would be possible to distribute a copy of the minutes of this meeting to the Committee for information.

16.2 The Committee also discussed having an update report of the Bus Service Improvement Programme (BSIP) as some Committee members had noticed a decline in the reliability of services and there was a wish to have an evaluation of the Flexibus service (also discussed under the RPPR item earlier on the agenda).

16.3 The Committee agreed to hold further detailed discussions on the work programme at the work planning Away Day, which was being held after the Committee meeting.

#### Reference Group and Review Board Updates

16.4 The Committee received verbal updates from Cllr Paul Redstone, Chair of the Local Transport Plan (LTP) Reference Group and from Cllr Ian Hollidge, Chair of the review board undertaking the Scrutiny Review of Pothole Management.

#### Hailsham Wastewater Treatment Works site visit

16.5 Councillor Steve Murphy provided a verbal update on the site visit to Southern Water's Hailsham North, Wastewater Treatment Works (WTWs) attended by four members of the Committee. The site visit was very interesting and provided a lot of answers to questions about wastewater treatment. It was pleasing to hear about the £30 million investment that had been made in additional sewage treatment units at both Hailsham North and Hailsham South WTWs. It was evident that staff continually seek ways to improve the service and if there are any spills, enquiries are held to establish the reasons for the spill and identify any actions or lessons learnt.

16.6 The Committee RESOLVED to:

- 1) Agree the amendments to the work programme contained in paragraphs 13.8, 16.1 and 16.2 above;
- 2) Note the upcoming items on East Sussex County Council's (ESCC) Forward Plan in appendix 2 of the report; and
- 3) Note the updates from the Review Board, Working Group and Reference Groups contained in section 3 of the report.

The meeting ended at 11.59 am.

Councillor Matthew Beaver (Chair)

**Report to:** Place Scrutiny Committee

**Date of meeting:** 23 November 2023

**By:** Chief Executive

**Title:** Reconciling Policy, Performance and Resources (RPPR)

**Purpose:** To provide an update on the Council's business and financial planning process, Reconciling Policy, Performance and Resources (RPPR), and the committee's input to the process.

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## **RECOMMENDATIONS:**

**The Scrutiny Committee is recommended to:**

**(1) consider the information in the attached RPPR Cabinet report of 7 November 2023 (appendix A), including the updated Medium Term Financial Plan (MTFP) and capital programme update; and**

**(2) identify any further work or information needed to aid the committee's contribution to the RPPR process for consideration at the RPPR Board, or as part of the committee's ongoing work programme.**

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## **1. Background**

1.1 On 7 November Cabinet considered a Reconciling Policy, Performance and Resources (RPPR) update report. Following on from the State of the County report in June, the report sets out an updated picture of how the Council will need to refresh its service and financial plans to respond to the high level of financial uncertainty and the changing national policy agenda.

1.2 The report (attached at Appendix A) provides an update on the rapidly evolving context that will continue to inform planning for 2024/25, and includes:

- updates on key policy context developments since June;
- updates on the financial context and an updated Medium Term Financial Plan for 2024/25-2026/27; and
- an update on the capital programme and next steps.

1.3 The Cabinet report sets out the broad policy context across all the Council functions and areas which may be of particular interest to this committee include:

- confirmation that by March 2024 Government will support upper tier councils to absorb the three main functions of Local Enterprise Partnerships (LEPs): business representation, strategic economic planning, and responsibility for the delivery of government economic growth programmes. Transition funding will be provided in 2024/25 to support councils to take on these functions and a transition plan is in development to manage the transfer of relevant South East Local Enterprise Partnership (SELEP) functions to constituent local authorities, including ESCC. In parallel, and linked to the transition of LEP functions, work is ongoing on the new East Sussex Economic Growth Strategy, with a draft planned to be in place for the new financial year.
- The announcement of a new Network North plan to improve the country's transport following the scaling back of the HS2 high speed rail scheme. Within this plan it was indicated that the south east, south west and east of England would receive access to a £2.8bn roads resurfacing fund to address potholes. In addition, the Department for Transport announced an increase to funding, from 85% to 100% of their costs at the outline business case stage, for most existing Major Road Network and Large Local Major

Road schemes which include the A22 Corridor Package (Hailsham to Stone Cross) and A259 South Coast Road Corridor (Seaford, Newhaven, Peacehaven). The £2 bus fare cap has also been extended until 31 December 2024.

- The announcement by the Department for Environment, Food and Rural Affairs (DEFRA) in June that it intends to ban councils charging householders for disposing of DIY waste, which ESCC currently charges for at Household Waste Recycling Sites. Extended Producer Responsibility for Packaging (EPRP) reforms have been delayed by a further year to October 2025, and DEFRA's revised 'Simpler Recycling' plans, published in October, set an expectation that all households will be able to recycle the same dry materials (paper and card, plastic, glass, metal). There will also be a requirement to provide weekly food waste collections from all households (as reported at the September Place Scrutiny Committee) and implementation of the new national requirements is expected by March 2026.
- Publication in July of an updated five year national Climate Adaptation Plan, setting out the actions that Government and others will take to adapt to the impacts of climate change from 2023 to 2028, including the role of local government.
- Confirmation that ESCC has been appointed as the responsible authority for producing the Local Nature Recovery Strategy for East Sussex and Brighton and Hove over the next 18 months.

1.4 The report highlights that the RPPR process, which brings together our policy, business and financial planning and risk management, continues to provide the robust mechanism to help us navigate the uncertain environment, supporting planning for 2024/25 and beyond and maintaining focus on our priority outcomes.

## 2. Scrutiny engagement in RPPR planning

2.1 At the **July** meeting the committee discussed relevant parts of the 2022/23 year end monitoring report and the State of the County 2023 report, both of which had been considered by Cabinet in June. These reports enabled the committee to review current service and financial performance information, as well as considering new developments which will impact on services, to ensure a full understanding of the current context and future pressures for the areas within the remit of the committee.

2.2 At the **September** meeting the committee had the opportunity to consider what further work or information was required to support the committee's input into the RPPR planning process for the financial year 2024/25 and beyond. At the scrutiny work planning awayday, also held in September, the committee received an update from Departments on the context and current pressures since the State of the County report. This provided a further opportunity to consider issues raised and whether, or how, these should be reflected in the committee's ongoing work programme.

2.3 This **November** meeting provides an opportunity to consider further developments in the policy and financial context and how these will impact on planning for 2024/25 and beyond. The attached Cabinet report provides an update on the significant developments that have occurred since June, including those highlighted above, together with an updated Medium Term Financial Plan. Members are invited to:

- consider and comment on the developments in the planning context, particularly as they impact on services within the committee's remit;
- review the updated Medium Term Financial Plan (appendix 1 to the Cabinet report); and
- review the capital programme update (appendix 2 to the Cabinet report).

2.4 The committee's **RPPR Board** will meet on 6 December 2023 to agree detailed comments and any recommendations on the budget and emerging portfolio plans to be put to Cabinet on behalf of the committee in January 2024. The Chairs of the People and Place Scrutiny Committees are invited to attend the RPPR boards of both committees to support a holistic approach.

2.5 The **March 2024** committee meeting will review the process and its input into the RPPR process and receive feedback on how scrutiny input has been reflected in final plans. Any issues arising can be reflected in the future committee work programme.

2.6 Running alongside this process, there will be a number of opportunities for all Members to engage in the RPPR process.

### **3. Conclusion and reason for recommendations**

3.1 As part of its ongoing input to the RPPR process, this committee is recommended to consider the updated information provided by this report and identify any further information it requires for consideration at its RPPR Board to support further engagement in the planning process. The committee is also recommended to consider any amendments to its work programme to aid its contribution to the ongoing RPPR process.

**BECKY SHAW**  
**Chief Executive**

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<b>Report to:</b>	<b>Cabinet</b>
<b>Date:</b>	<b>7 November 2023</b>
<b>By:</b>	<b>Chief Executive</b>
<b>Title of report:</b>	<b>Reconciling Policy, Performance and Resources (RPPR) – update on planning for 2024/25 and beyond</b>
<b>Purpose of report:</b>	<b>To update Members on the latest policy context, Medium Term Financial Plan and capital programme.</b>

## **RECOMMENDATIONS:**

**Cabinet is recommended to:**

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

## **1. Background**

1.1 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.

1.2 State of the County painted a vivid picture of the strengths and diversity of our county, as well as needs and challenges. The report illustrated the importance and broad range of support the County Council provides to East Sussex residents, businesses and communities, particularly the most vulnerable. There is much to be proud of, from our leading work on integrating health and social care to maximise people's independence, to the support we are delivering, with partners, to help local businesses thrive, improvements to the county's bus services and the additional investment we are making in the resilience of our roads. The recent peer challenge 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.

1.3 The State of the County report also highlighted the high levels of uncertainty and change that continue to characterise the environment within which we are currently operating and planning. Factors such as the challenging national economic situation and

cost of living pressures on households, growing demand for our support and the impact of national reforms to many of our key service areas, particularly social care, contributed to a highly uncertain financial outlook. As a result of this unclear and evolving picture it was not possible to present an updated Medium Term Financial Plan as part of State of the County.

1.4 Since June, the planning context has developed further, with more national policy announcements and changes which are summarised at paragraph 2 below. Councils across the country, including ESCC, 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. This growth in need is compounded by difficulties finding the right support, particularly in children's services where there is a real lack of suitable placements to support children with complex needs, and in adult social care where workforce challenges continue to impact on capacity. These demand-led, statutory services are core to supporting the most vulnerable, but the important requirement to respond to all those who need statutory support leaves few options for local authorities to manage growing costs. Preventative work, which can help stop needs escalating and therefore reduce the amount of higher intensity support required, has been reduced over time as councils' resources became more stretched. This leaves very little room for investment in these approaches, which are our best option to manage demand in the longer term, and impacts on the outcomes we want to achieve for local people as services become ever more reactive.

1.5 Many of our public and voluntary, community and social enterprise (VCSE) sector partners are also experiencing high levels of demand in the context of increased need and limited resources to respond. Pressures in the NHS nationally and locally post-Covid not only impact on people's experience of health services, but also have knock-on effects on council services, particularly social care.

1.6 As signalled in June, 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 growing demand for our services. We are putting investment previously agreed by Cabinet to good use in supporting the recruitment and development of the skilled staff needed to deliver effective services, and to ensure we will have the workforce we need for the future. We continue to pursue opportunities presented by new technology to improve efficiency and local people's interactions with our services. Work to reshape our office estate to reflect new working arrangements and reduce costs is ongoing, including making progress on developing options for the future of County Hall. We also continue to use our lobbying activity, building on the voice of the local government sector as a whole, to help ensure that the Government is aware of the needs of East Sussex and the ongoing and urgent requirement for a sustainable funding regime that appropriately reflects local need.

1.7 The RPPR process, which brings together our policy, business and financial planning and risk management, continues to provide a tried and tested approach to help us navigate this increasingly difficult environment. Our robust process, applied over many challenging years, has placed the Council in a stronger position than many other authorities grappling with similar issues in the short term. Thanks to careful management of resources over many years, and with the assistance of Government Covid support during the pandemic, we have not needed to find new savings in recent years and we have not had to draw on our reserves to balance the books. This has enabled us to provide welcome stability in our services and the support we offer to local people. However, given the national issues at play, we are experiencing similar significant financial pressures to others and now face a renewed challenge to maintain the decent and effective services our residents need and deserve in the medium term. This report provides our latest assessment of the current position.



1.8 Planning for 2024/25 and beyond, through RPPR, will maintain focus on our four priority outcomes for the county and the Council:

- Driving sustainable economic growth;
- Keeping vulnerable people safe;
- Helping people help themselves; and
- Making best use of resources, now and for the future - the test applied to all activities to ensure sustainability of our resources, both in terms of money and the environment.

In June Cabinet agreed, for planning purposes, a number of changes to the delivery outcomes which underpin these priorities to ensure they remain up to date.

1.9 This report provides Members with an update on the context for planning and the additional challenges we must take into account. It includes:

- updates on key policy context developments since June;
- updates on the financial context and an updated Medium Term Financial Plan for 2024/25-2026/27; and
- an update on the capital programme and next steps.

## 2. Policy context update

2.1 Key areas in which there have been developments since the State of the County report, or in which further developments are expected in the coming months, are detailed below.

- **National economic context** – Inflation, as measured by the Consumer Prices Index (CPI), stood at 6.7% in the 12 months to September, unchanged from August but down from 6.8% in July. This is the lowest rate since February 2022, helped by falling energy prices and slower increases in the price of food. Inflation is currently forecast by the Bank of England to fall further to around 5% this year and to meet its 2% target by early 2025. The ongoing high rate continues to place cost of living pressures on individuals and families, although average annual growth in regular pay across all sectors in April to June 2023 was 7.8%, matching inflation for the first time in two years. Reflecting the reduction in inflation, the Bank of England maintained interest rates at 5.25% in September, having increased them by a quarter of a percentage point to that level in August. Analysts suggest this may have been the last in the series of recent rises, given that further falls in inflation are predicted, although the Bank has previously indicated that interest rates could remain above 5% until 2026. The Government has confirmed that the Chancellor will make his Autumn Budget Statement on 22 November, which will be accompanied by updated Office for Budget Responsibility (OBR) forecasts for the national economy.

Levels of inflation and cost of living pressures are continuing to impact on pay negotiations and, despite signs the jobs market is beginning to weaken, with fewer job vacancies and rising unemployment, there remains a competitive and challenging environment for recruitment and retention of staff in local government. Locally, as well as contributing to increased demand on services, continued higher levels of inflation also have ongoing impacts on our operating costs as set out in more detail in paragraph 3 below. The deployment of the remaining 2023/24 Household Support Fund for East Sussex was agreed by Lead Members during September and the Government has indicated that there is no intention to continue the Fund beyond March 2024.

- Local government funding** – Financial pressures faced by councils across the country have attracted national attention in recent months. Although some high profile cases of financial distress relate to specific local factors, the majority of local authorities are experiencing significant increases in demand, particularly in children's services and adult social care and, with limited resources to respond, in-year overspends and increasing medium term deficits have been widely reported. The Local Government Association (LGA) submission to the Chancellor ahead of the Autumn Budget Statement highlighted that councils face a funding gap of £4bn over the next two years. The LGA analysis also indicated that by 2024/25 cost and demand pressures will have added £15bn (almost 29%) to the cost of delivering council services since 2021/22, with high levels of inflation adding unsustainable costs onto council budgets. It identified that children's social care is increasingly cited by councils with this responsibility as their key source of financial pressure and overspend. The LGA called on Government to provide immediate funding so councils can deliver 2023/24 budgets and meet ongoing cost and demand pressures, including sufficient resources to set balanced budgets next year. There is currently no indication of further national support. The fair funding review and reset of business rates retention will not take place for at least two years and, with a general election expected in 2024, it is very unlikely that any changes would be implemented before the publication of the 2026-27 provisional settlement. The Autumn Statement may provide some initial indications of the position on funding streams relevant to local government for 2024/25, ahead of the provisional local government finance settlement expected in late December.

In July, the Department for Levelling Up, Housing and Communities (DLUHC) published a plan to simplify the funding landscape for local authorities, which included piloting streamlined delivery of some capital funding (including the Levelling Up Fund, Towns Fund and Future High Streets Fund - Lewes District Council is one of the 10 pilot areas) and the introduction of a new 'Funding Simplification Doctrine' requiring Government departments to strive for a simpler and more streamlined way of delivering funding to local authorities, including use of allocations rather than bids. The doctrine will not mean the end of competitive funding pots, as these are still considered by Government to be of use in driving value for money and identifying the best projects. DLUHC will encourage the use of allocative methods, where they can achieve specific outcomes and minimise demands on councils and, where practicable, new funding should be delivered through an existing programme rather than creating a new fund.

- Children's services** – The demand for children's social care and complexity of cases has continued to increase nationally and locally, resulting in higher numbers of looked after children and very high demand for specialist placements. As reported by the Competition and Markets Authority in 2022, the market for care placements nationally is not effective, leading to high prices for all councils. These issues have become even more acute in the face of escalating demand, affecting children's services across the region and country. In June, we started an intensive programme with a specialist consultancy, IMPOWER, who are supporting Children's Services in developing ways to make informed estimates on future numbers and trends in relation to children we care for. They are also helping to review how we can improve the number of available placements for children that best meet their needs, and supporting us to evaluate further mitigations to minimise budget pressures across the system, including achieving better value for money from the commissioning of placements. In September the Department for Education (DfE) published responses to consultations on the overall strategy for transforming children's social care, and on the national framework and dashboard. The national framework, when published later this year, will clarify expectations and outcomes for what local authorities should achieve in children's social care. In October DfE published its response to consultation on the child and family social worker workforce, confirming that it will consult on draft statutory guidance to underpin new national rules on local authority engagement of agency social workers in spring 2024.

Subject to this consultation, local authorities will be expected to comply with that statutory guidance in autumn 2024.

Demand and complexity in special educational needs and disability (SEND) also continues to rise, with the main immediate issue for ESCC being a lack of suitable placements, although affordability is also a significant concern for the future. We remain concerned that the Government's SEND and Alternative Provision Improvement Plan does not address the underlying mismatch between the current legal framework and available resources. Without sufficient steps being taken to address the sustainability of the system nationally, councils will continue to face significant pressure on resources for SEND at local level for the foreseeable future.

- **Adult social care** - In July, the Department for Health and Social Care (DHSC) announced the allocation of a further £600m of funding set out in its earlier policy paper *Next Steps to Put People at the Heart of Care*, to be focused on enabling councils to address the staffing crisis in social care, provide more care at home, support carers and meet the challenge of winter pressures. The announcement saw £570m distributed directly to councils through the Market Sustainability and Improvement Fund, with a focus on social care workforce and improvement but flexibility for councils to use the funding over the next two years in the most effective way to support people in their communities. £365m was allocated for the current year (c£4m to ESCC), with the remaining £205m to be allocated in 2024/25. In September, DHSC also announced a further £200m for NHS winter pressures. The short term additional funding is welcome, however there remains an urgent need for a comprehensive plan for the funding and reform of adult social care which will ensure that those that need care services can receive appropriate and timely care.
- **Local economic growth** – In February, the Government announced that it was 'minded to' enable the functions of Local Enterprise Partnerships (LEPs) to be delivered by local government in the future. In August, following consultation, this decision was confirmed. The announcement, welcomed by the sector, confirmed that by March 2024 Government will support upper tier councils (or combined authorities where they exist) to absorb the three main functions of LEPs: business representation, strategic economic planning, and responsibility for the delivery of government economic growth programmes. It also confirmed that transition funding will be provided in 2024/25 to support councils to take on these functions, with future funding to be set out at the next Spending Review. Locally, a transition plan is in development to manage the transfer of relevant South East Local Enterprise Partnership (SELEP) functions to constituent local authorities, including ESCC. SELEP's existing federated model provides a strong foundation for this work. Further national guidance on the transfer of LEP assets and management of ongoing growth programmes is awaited to inform planning. In parallel, and linked to the transition of LEP functions, work is ongoing on the new East Sussex Economic Growth Strategy, with a draft planned to be in place for the new financial year.

In October, Government announced that Hastings and Bexhill would be among 55 towns nationally to receive investment as part of a Long-Term Plan for towns described as 'overlooked and taken for granted'. Each town will receive a £20m endowment style fund over 10 years in return for developing a 10-year Long-Term Plan setting out the town's vision and priorities for investment and regeneration, aligned to three themes: safety and security; high streets, heritage and regeneration; and transport and connectivity. Areas will also be able to use a suite of regeneration powers to unlock more private sector investment. This follows the announcement at the March Budget that Hastings and Rother would also be amongst areas invited to form Levelling Up partnerships with Government to develop bespoke, place-based regeneration plans with access to associated capital funding. We will continue to work with our district and borough

partners and DLUHC to clarify the interaction between the programmes and to maximise the benefit of these opportunities for local communities and the local economy.

- **Levelling Up, devolution and planning** – The Levelling Up and Regeneration Act received Royal Assent at the end of October, bringing into law its provisions relating to Levelling Up, devolution and planning reform. A range of linked planning announcements in July included the launch of a consultation on plan-making reforms which included proposals relating to the content of Local Plans and Waste and Minerals Plans, along with proposals to standardise the evidence base used for Local Plans and proposals on gateway assessments to ensure that a Local Plan is found sound at examination.

July also saw the launch of the Office for Local Government (Oflog), accompanied by a DLUHC policy paper setting out further detail on the rationale and remit for the new body. The paper highlighted the range and importance of services that local government provides, but also that there have been a small number of examples of serious failure where Government has had to intervene. The intention is that the introduction of Oflog will minimise the need for future interventions. Oflog plans to improve the transparency of local authority performance through the publication of selected data to enable understanding and interpretation by its three main audiences – citizens, local and central government – with the range and analysis of data developing over time as Oflog broadens its role.

- **Transport** – Alongside the scaling back of the HS2 high speed rail scheme, Government announced in October a new Network North plan to improve the country's transport. Although the majority of the £36bn investment outlined in the plan is focused on the north of England and the Midlands, it was indicated that the south east, south west and east of England would receive access to a £2.8bn roads resurfacing fund to address potholes; further detail on this is awaited. In addition, the Department for Transport announced an increase to funding for most existing Major Road Network and Large Local Major Road schemes. It has been indicated that these schemes, subject to successful business case approval, will benefit from an uplift in Government contribution from 85% to 100% of their costs at the outline business case stage. The increased funding is intended to help ensure the delivery of these road schemes which include the A22 Corridor Package (Hailsham to Stone Cross) and A259 South Coast Road Corridor (Seaford, Newhaven, Peacehaven). Also, as part of the plan, the £2 bus fare cap has been extended until 31 December 2024.
- **Environment** – In June, the Department for Environment, Food and Rural Affairs (DEFRA) announced it intends to ban councils charging householders for disposing of DIY waste, although we await further details on when this will take effect. In July, it was announced that the Extended Producer Responsibility for Packaging (EPRP) reforms, which were originally planned for 2023, would be delayed by a further year to October 2025. The decision to delay EPRP reforms comes in conjunction with the announcement of revised national requirements for household recycling. DEFRA's 'Simpler Recycling' plans, published in October, set an expectation that all households will be able to recycle the same dry materials (paper and card, plastic, glass, metal). There will also be a requirement to provide weekly food waste collections from all households and to offer garden waste collection. Further consultation is planned on the proposed frequency of residual waste collections. Although the new plan provides some additional flexibility compared to previous proposals, the introduction of additional national requirements continues to present challenges for implementation, which is expected by March 2026.

An updated five year national Climate Adaptation Plan was published in July, setting out the actions that Government and others will take to adapt to the impacts of climate change from 2023 to 2028, including the role of local government. Responsible

authorities for producing Local Nature Recovery Strategies were also confirmed in July, including the appointment of ESCC to produce the strategy for East Sussex and Brighton and Hove over the next 18 months. In September, the Prime Minister recommitted the UK to deliver Net Zero by 2050 but set out a new approach which included: pushing back the ban on the sale of new petrol and diesel cars in the UK from 2030 to 2035; setting an exemption to the phase out of fossil fuel boilers, including gas, in 2035, for households who would struggle to make the switch to low-carbon alternatives; scrapping new policies forcing landlords to upgrade the energy efficiency of their properties; and creating a new £150 million Green Future Fellowship to develop green technologies and climate change solutions over five years. Measures to support energy infrastructure were also announced, particularly to support grid connections for energy projects.

- **Migration** – the response to increased numbers of refugees and people seeking asylum continued to be an area of focus nationally and locally over the summer and autumn. The Illegal Migration Act received Royal Assent in July, bringing into law a range of national reforms to the asylum system. Locally, increased numbers of small boat arrivals, ongoing asylum dispersal and refugee resettlement, including the end of some Homes for Ukraine hosting arrangements, are contributing to significant pressure on district and borough council housing services as demand for accommodation and numbers of people presenting as homeless increases. In September the Home Office confirmed that it is considering using the Northeye site in Bexhill (which it has now purchased) to detain people who have come to the country without permission. No firm decisions have been made and the original proposal to use the site for non-detained accommodation for asylum seekers also remains open. ESCC and our local partners continue to work with the Government to understand their intentions and to assess the impact specific plans would have for the area, especially on local services. A significant number of adult asylum seekers also continue to be housed by the Home Office in contingency hotels across the county. The Home Office recently announced its intention to reduce the number of hotels in use for this purpose nationally, with the first 50 being exited by January 2024. Local authorities are also being consulted on plans to determine an annual cap, to take effect from January 2025, on the number of refugees resettled in the UK each year via safe and legal routes; further details of these routes will be set out early next year. The consultation will seek to better understand local capacity to accommodate and support vulnerable and at-risk people. We are working with district and borough council partners to co-ordinate an East Sussex response.

In August, legal action brought by Brighton & Hove City Council resulted in a court judgement that the use of hotels for unaccompanied asylum seeking children (UASC) on a regular basis by the Home Office was illegal. This resulted in the transfer of a significant number of UASC in hotels to the care of the relevant local authority. This included ESCC, as one of a number of areas where the Home Office had placed UASC in hotels. Affected councils and the courts have asked the Government to ensure the National Transfer Scheme (NTS) is applied effectively to facilitate timely and appropriate transfer of UASC to the care of other local authorities across the country as mandated by the scheme, and legal action is ongoing in relation to this. ESCC continues to call on the Home Office to discharge its responsibility as set out by the court and we continue to play a full part in the NTS.

2.2 The Government's planned legislative agenda in the run-up to the next general election will be set out in the King's Speech on 7 November. We also expect further detail on many of the above policy developments, and the resulting implications for the County Council, to become clearer in the coming months and will continue to factor this information into planning for 2024/25 and beyond.

### 3. Medium Term Financial Plan

3.1 It remains difficult to plan for 2024/25 and beyond. With inflation remaining higher than earlier estimates suggested and demand for services, particularly across social care, continuing to rise, the total level of expenditure required to deliver our services continues to grow. With the level of Government funding that ESCC will receive between 2024/25 – 2026/27 yet to be confirmed (the provisional Local Government Settlement 2024/25 is not expected until late December 2023), the Medium Term Financial Plan (MTFP) has been updated for the best estimated available information.

3.2 The MTFP presented within the State of the County in June estimated a deficit budget position by 2026/27 of £55.499m. Over the summer the MTFP has been updated to include departmental service pressures and updated financial modelling. The impact of the updates is summarised in the table below and provides a deficit budget position by 2026/27 of £64.698m.

Medium Term Financial Plan	2024/25 £m	2025/26 £m	2026/27 £m
Annual Budget Deficit / (Surplus)	27.700	23.114	13.884
Total Budget Deficit / (Surplus)	27.700	50.814	64.698

3.3 A detailed MTFP after normal updates and proposed pressures is shown at appendix 1.

3.4 As set out above, our estimated deficit for 2024/25 is £27.700m. Given the uncertainty around future funding levels, scenarios are being explored to bridge the deficit and present a balanced budget for 2024/25. Current identified options have the potential to reduce the 2024/25 deficit, as set out below:

Scenarios being considered	2024/25 £m	2025/26 £m	2026/27 £m
Council Tax Flexibility: Add 2% to current 2.99% assumption to get to 4.99% (2.99% plus 2.00% ASC Precept)	(7.021)	(0.247)	(0.256)
Business Rate Pooling – continuation for a further year	(2.194)	2.194	0.000
Continuation of the ASC Market Sustainability and Improvement Fund/Grant for a further year	(2.209)	2.209	0.000
Impact on general contingency	(0.114)	0.042	(0.003)
<b>Revised Budget Deficit</b>	<b>16.162</b>	<b>27.312</b>	<b>13.625</b>

3.5 At this point in the RPPR process it is not possible to present a balanced MTFP due to the considerable level of national funding uncertainty.

3.6 We continue to benchmark our services against other local authorities to ensure these provide best value for money and to learn from others. Over the coming months we will explore options that may help to reduce the deficit including:

- Working with district and borough councils to ensure the most up to date Council Tax base figures are available;
- Reviewing the capital programme and impact of potential borrowing;
- Revisiting and refining pressure bids;

- Exploring opportunities for additional income.

If there is a deficit on the 2024/25 budget, and in line with our robust financial management policies and procedures, one option will be to use reserves to mitigate this position until the medium to longer term funding position is clarified.

3.7 The latest projected reserve balances as at 31 March 2028 are set out in the table below. This position is prior to any draw on balances required to set a balanced budget for 2024/25.

<b>Projected Reserve Balances</b>	<b>Actual Balances @ 31-Mar-23 £'000</b>	<b>Est. Balances @ 31-Mar-28 £'000</b>
<b>Held on behalf of others or statutorily ringfenced</b>	<b>34,876</b>	<b>32,320</b>
Corporate Waste	19,883	8,880
Capital Programme	13,426	483
Insurance Risk	7,362	7,314
ASC Reform Reserve	3,099	0
<b>Total Named Service Reserves</b>	<b>43,770</b>	<b>16,677</b>
Priority Outcomes and Transformation	17,398	3,889
Financial Management	41,881	17,559
<b>Total Strategic Service Reserves</b>	<b>59,279</b>	<b>21,448</b>
<b>Total Earmarked Reserves</b>	<b>137,925</b>	<b>70,445</b>
General Fund	10,000	10,000
<b>Total Reserves</b>	<b>147,925</b>	<b>80,445</b>

#### 4. Capital programme

4.1 The programme has been updated for approved variations since the State of the County in June 2023, increasing the gross programme to £722.4m to 2032/33, details of which can be found at appendix 2.

4.2 The 10 year capital programme to 2032/33 and 20 year Capital Strategy 2023/24 to 2043/44 will be updated as part of the RPPR process over the autumn to add a year and to include consideration of the impact and management of inflation and supply chain issues, alongside any updates relating to funding, programme and project profiles and any other investment basic need.

#### 5. Lobbying and communications

5.1 Despite the positive steps we have taken to respond proactively to the changing needs of the county, and our careful management of resources, the medium term outlook has become increasingly challenging. We face a very significant and growing financial gap linked to national factors which are outside of local control and will inevitably persist. Coupled with this, there remains much uncertainty on long-term funding arrangements for local government, which continues to make planning difficult. We also await more clarity on the impact of significant national reforms in major service areas. In the face of these challenges, and the significant savings already delivered by ESCC, there are few options available to close the financial gap. Fundamentally, without further Government support or

sustainable reform of local government finances we will not have the funding we need in the medium term.

5.2 We will continue to pursue all options locally to mitigate the pressures we face. This includes our ongoing work to harness the benefits of new technology, including exploring the potential opportunities presented by developments in artificial intelligence. We remain focused on continuous improvement and seeking out and implementing best practice approaches, such as our work on family safeguarding in Children's Services. We also continue to maximise the value of our partnerships with others to use collective local resources to best effect to support the resilience of our residents and communities.

5.3 However, our lobbying will also be vital to ensure Government is fully aware of the unsustainable situation faced by local authorities, and the specific needs of East Sussex. We will call for recognition of, and support with, the impacts of current demands and market conditions over which we have very limited control locally. We will highlight the lack of funding to invest in the preventative approaches which are the only way to mitigate increasing need, as well as to achieve the best outcomes for our residents. The requirement for Government to fully fund new asks and responsibilities for local authorities as a result of national reforms is also key. Above all, we will continue to strongly make the case for longer term certainty of future funding, and a sustainable funding regime for local government, which is appropriately reflective of local need. This will be essential to ensuring we secure adequate resources to deliver what will be required to support East Sussex residents, communities and businesses with the core services they need in the years ahead. We will work individually, with our partners across the region and with the sector nationally to articulate these messages clearly and actively, supported by local evidence of the issues we face.

5.4 With ongoing uncertainty and increasing demand for our services, a clear and current understanding of the views and priorities of people who live and work in East Sussex is also vital to inform our planning for the future through RPPR. As part of ongoing planning for 2024/25 and beyond, we have launched a public engagement exercise to seek additional feedback directly from local people on priorities and financial choices. This survey, alongside our RPPR engagement with key partners and groups representing local communities, will provide valuable additional insight to inform Cabinet recommendations and Council decisions on our budget and Council Plan in early 2024.

## **6. Next Steps**

6.1 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.

6.2 Thanks to our sound financial management and clear focus on priorities we expect to be able to manage within existing contingency arrangements this year but the situation for next financial year and beyond presents considerable challenges and our response will depend on levels of national support.

6.3 Work will continue into the winter to understand the detailed funding picture as it emerges, the implications of national policy developments, the views of local people, and to refine our understanding of the county's needs. This analysis will feed into our ongoing business and financial planning.



6.4 Members will continue to be involved in developing plans through Cabinet, County Council, Scrutiny Committees, and specific engagement sessions throughout the 2023/24 RPPR process.

**BECKY SHAW**  
**Chief Executive**

## Appendix 1

1. Medium Term Financial Plan (MTFP) Update

- 1.1 The MTFP has been updated for regularly calculated adjustments, pressure bids, and the additional year of 2026/27. The movements are summarised below. The full MTFP is provided at Annex 1.

	Ref	Estimate (£m)			
		2024/25	2025/26	2026/27	Total
<b>Council 8 February 2023 DEFICIT/(SURPLUS)</b>		<b>2.196</b>	<b>38.476</b>	<b>0.000</b>	<b>40.672</b>
<b>Normal Updates:</b>					
Council Tax Inflation (additional year assumed at 1.99%)	A	0.000	0.000	(7.623)	(7.623)
Council Tax Base (additional year)		0.000	0.000	(5.661)	(5.661)
Business Rates Retention (inflation, growth and Collection Fund)	B	0.665	(0.594)	(0.153)	(0.082)
Business Rates Reset	C	0.000	0.000	(3.909)	(3.909)
Revenue Support Grant inflation update	D	0.058	0.000	0.000	0.058
Continuation of Adult Social Care grant funding	E	0.000	(28.508)	0.000	(28.508)
Inflation for contracts (normal and contract specific)	F	10.504	2.877	15.141	28.522
CET: Waste Housing Growth	G	0.000	0.000	0.331	0.331
CSD: Family Safeguarding	H	0.000	0.000	(0.604)	(0.604)
Treasury Management	I	(2.650)	1.000	4.000	2.350
Pay award	J	0.000	0.000	5.852	5.852
Levies Increase	K	0.000	0.000	0.013	0.013
General Contingency	L	0.244	0.208	0.133	0.585
<b>Pressures added to / (removed from) the MTFP:</b>					
CSD: Payment rates for ESCC Foster Carers 2023/24	M	0.460	0.000	0.000	0.460
Provision for Energy Price Pressure	N	(1.300)	0.000	0.000	(1.300)
Local Government Pension Scheme – impact of triennial valuation	O	(0.500)	0.000	0.000	(0.500)
ASC: Growth & Demography	P	0.000	3.917	3.917	7.834
CSD: Growth & Demography		0.000	0.000	0.808	0.808
<b>Pressures bids proposed by CMT:</b>					
ASC: Strategy Implementation	Q	0.330	0.330	0.000	0.660
ASC: Growth & Demography – above current MTFP		0.000	3.574	0.000	3.574
CSD: Digital IT Improvements		0.044	0.039	0.144	0.227
CSD: Foster Care Fee Increase 2024/25		1.476	0.000	0.000	1.476
CSD: Staffing Capacity		1.549	(0.105)	0.000	1.444
CSD: Looked After Children Demand – above current MTFP		13.670	1.800	1.800	17.270
CET Local Planning Advice Resourcing		0.090	0.000	(0.080)	0.010
CET Access to Employment and Skills		0.200	0.000	0.000	0.200
CET Local Nature Recovery Scheme		0.000	0.100	0.000	0.100
CET Pan Sussex Tourism		0.225	0.000	(0.225)	0.000
CET Highways – Contract Pressure		0.158	0.000	0.000	0.158
CET Highways – Second Grass Cut		0.080	0.000	0.000	0.080
BSD IT&D Licensing and Core Service Pressure		0.201	0.000	0.000	0.201
<b>DEFICIT/(SURPLUS) AFTER NORMAL UPDATES</b>		<b>27.700</b>	<b>23.114</b>	<b>13.884</b>	<b>64.698</b>

- 1.2 The assumption for Council Tax is an increase of 1.99% in all years; the current limit before referendum is triggered. The Adult Social Care precept assumption is for 1% in 2024/25. The Government has provided local authorities in England additional flexibility in setting Council Tax by increasing the referendum limit for increases in Council Tax to 3%, and the ability to increase the Adult Social Care Precept, by up to 2%, in 2024/25.
- 1.3 In addition to the council tax flexibility in 1.2 above, the extension of business rates pooling into 2024/25, and grant funding for the ASC provider market have the potential to reduce the deficit:

	Ref	Estimate (£m)			
		2024/25	2025/26	2026/27	Total
<b>DEFICIT/(SURPLUS) AFTER NORMAL UPDATES &amp; PRESSURES BIDS</b>		<b>27.700</b>	<b>23.114</b>	<b>13.884</b>	<b>64.698</b>
<b>Updates to be considered – for review of likelihood and for local decision:</b>					
<i>Council Tax Flexibility: Add a further 2.00% to our current 2.99% assumption (1.99% plus 1% ASC Precept) to get to <b>4.99%</b> (2.99% plus 2.00% ASC Precept) in 2024/25</i>	R	(7.021)	(0.247)	(0.256)	(7.524)
<i>Proceeds of NNDR Pooling (applications submitted)</i>	S	(2.194)	2.194	0.000	0.000
<i>Market Sustainability and Improvement Fund (used to part-fund ASC fees)</i>	T	(2.209)	2.209	0.000	0.000
<i>Impact of above on general contingency</i>	L	(0.114)	0.042	(0.003)	(0.075)
<b>DEFICIT/(SURPLUS) AFTER UPDATES</b>		<b>16.162</b>	<b>27.312</b>	<b>13.625</b>	<b>57.099</b>

### Normal Updates:

#### A Council Tax Inflation and Base

The Government has provided local authorities in England additional flexibility in setting Council Tax by increasing the referendum limit for increases in Council Tax to 3% in 2024/25 and the ability to increase the Adult Social Care Precept by up to 2%. This flexibility is not currently assumed in the MTFP, with council tax inflation assumed at 1.99% for all years and the Adult Social Care precept assumed at 1% in 2024/25 only. Council Tax base growth is being estimated at 1.5% for all years. The assumptions for growth and collection will be reviewed once Council Tax Base returns are made by District and Borough Councils later in November.

#### B Business Rates Retention, Growth and Collection Fund

Business rates have been updated for the additional year and to reflect the latest inflation estimates by the Office of Budget Responsibility (OBR) published in March 2023 (a movement from 6.86% to 5.41% in 2024/25; from zero increase to 0.57% in 2025/26, and a rate of 0.02% in 2026/27). As is normal practice these figures will be updated for the September rates once published in October.

Since Full Council, updated estimates on business rates income from District and Borough Councils (NNDR1 forecasts) have been received. This showed a slight improvement in overall income, however there is still uncertainty of the impact of the cost of living crisis and wider economic factors on the local business community. Growth is therefore estimated at 0.4% in 2024/25 and recovering to 0.7% in 2025/26 and 2026/27 (noting that the average in a normal year is 0.7%). Business rates will continue to be monitored along with the collection fund and reviewed alongside with the District and Borough Councils' latest collection forecasts to understand any further impacts.

#### C Business Rates Reset from 2025/26

Although Government has given a strong commitment to update the current local government funding regime, the Autumn Statement 2022 and Provisional Financial Settlement have set indicative funding

levels for 2024/25. Wider local government funding reforms are confirmed to be delayed until 2025/26 at the earliest, although it is becoming increasingly likely that a new government would struggle to implement any funding reforms in 2025/26. The MTFP therefore reflects the impact of a delay to funding reform to 2025/26. The net impact is taken from the LG Futures model and local assumptions of what reform may look like, and updated for latest inflation estimates. The exact mechanism and impact, however, remain unknown.

#### **D Revenue Support Grant**

The current planning assumptions on Revenue Support Grant (RSG) reflect latest inflation estimates. Ahead of funding reform and a multiyear settlement, the government has compensated for the mechanism which creates negative RSG in some authorities. The current assumption is that government will continue to compensate for negative RSG in the same way it has done in the recent years, before the RSG is reviewed as part of funding reform in 2025/26.

#### **E Continuation of Adult Social Care grant funding**

As part of the Autumn Statement 2022, the Government announced that the planned reforms to Adult Social Care would be delayed until 2025. The MTFP does not currently assume any cost impact of these reforms. The Government also confirmed that grant funding, previously announced in support of the reforms, would continue in support of social care and hospital discharge to 2024/25. We are assuming funding will continue in some form into 2025/26 and beyond.

#### **F Inflation for contracts (normal and contract specific)**

The service inflation model has been updated for an additional year and to reflect the latest inflation estimates by the Office of Budget Responsibility (OBR) published in March 2023 as per normal practice. The inflation model as per the approved pressures protocol allows for contracts to be uplifted annually per the contract conditions but does not provide inflation for utilities and other running costs e.g. building maintenance, communications and software. Contractual negotiations, e.g. Foster Care and Concessionary Bus Fares are considered for inclusion within the MTFP by CMT. As is normal practice these figures will be updated for OBR forecast rates (usually published in November) to inform the final proposed budget.

The table below shows changes in inflation estimates published in March 2023 compared to those included as part of the approved budget in February 2023.

	2023/24		2024/25		2025/26		2026/27	
	Oct 22	Mar 23	Oct 22	Mar 23	Oct 22	Mar 23	Oct 22	Mar 23
CPI	6.86%	5.41%	(0.20%)	0.57%	(1.11%)	0.02%	0.87%	0.67%
RPI	10.47%	8.10%	0.37%	1.19%	(0.62%)	0.97%	1.68%	1.88%
RPIX	8.11%	6.71%	(0.35%)	0.59%	(0.60%)	0.81%	1.78%	1.75%

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

The normal update includes inflation increases from 2024/25 onwards. Normal practice is that in year services would be expected to manage movement in actual inflation through contract/budget management and the pressures protocol.

#### **G CET: Waste Housing Growth**

The forecast pressure for 2026/27 has been added to the current plan. Further review and update will be required to reflect the latest modelling and reflect any offset, such as increased recycling prices.

#### **H CSD: Family Safeguarding**

CSD produced a sustainability plan to improve outcomes for children while reducing costs to the council, primarily through the implementation of the nationally trialled Family Safeguarding model which is also in

line with the recommendations of the recently published Independent Review of Children's Social Care. This update provides for impact in the added year.

### **I Treasury Management**

The additional year of 2026/27 shows the budget estimated to support the borrowing required to fund the approved Capital Programme and Strategy. Longer term higher interest rates have enabled a net budget reduction due to higher projected returns on investments in 2024/25, which has been offset to some extent by the impact of due proposed capital strategy updates requiring increased external borrowing over the MTFP period.

### **J Pay Award Added Year and uplift**

A high-level estimate of the additional year of 2026/27 has been included and provision for an award of 5% in 2023/24 and 3% in all years thereafter. Figures will be updated for a more detailed analysis and any pay settlement as part of the RPPR process.

### **K Levies Increase**

The figures are reflective of the latest estimates of the Flood & Coastal Protection Levy, Sussex Inshore Fisheries Levy and New Responsibilities Funding.

### **L General Contingency**

This is calculated at an agreed formula of 1% of net budget less treasury management. The figures reflect the addition of 2026/27 and impacts of other changes.

### **Pressures added to / (removed from) the MTFP:**

### **M CSD: Payment rates for ESCC Foster Carers**

There was an in-year increase to foster carer rates in 2023/24. The MTFP has been updated to reflect this impact at £0.460m in 2024/25.

### **N Provision for Energy Price Pressure**

The stabilisation of energy prices has meant that the corporate provision made in 2023/24 will not be required on an ongoing basis.

### **O Local Government Pension Scheme – impact of triennial valuation**

The 2022 triannual valuation of the East Sussex Pension Fund has now been concluded resulting in a net reduction in the required Council's overall employer contribution.

### **P Services Growth & Demography**

Values for ASC and CSD growth and demography have been included based on a continuation of current pressures. Pressures in addition to these amounts have been included as part of the pressure bids (see below).

		Estimate (£m)			
		2024/25	2025/26	2026/27	Total
ASC: Growth & Demography - above current MTFP	Q	0.000	3.574	0.000	3.574
CSD: Looked After Children Demand - above current MTFP		13.670	1.800	1.800	17.270
<b>In Current MTFP</b>					
ASC: Growth & Demography	P	3.917	3.917	3.917	11.751
CSD: Growth & Demography		0.973	0.808	0.808	2.589
<b>TOTAL</b>		<b>18.560</b>	<b>10.099</b>	<b>6.525</b>	<b>35.184</b>

### **Q Pressures Bids**

Pressure bids were submitted for consideration by CMT on 4 October. Following a detailed review, CMT proposed a number of pressures for inclusion in the draft MTFP. These include: costs incurred in the implementation of the ASC Strategy, additional growth in the demand and complexity of ASC packages of care, investment in digital IT services in CSD, increases in fees paid to foster carers, further capacity and resource in CSD social work and commissioning, additional growth in placements for looked after children, continuation of investment in access to employment and skills (previously funded via the Contain Outbreak Management Fund), pressures in planning advice, a commitment to the pan-Sussex tourism partnership, investment in the local nature recovery scheme, a core service pressure in Highways (including grass cutting), and increased costs for licences and resources incurred in maintaining the core IT&D support.

### **Other Items for Consideration:**

#### **R Council Tax Flexibility**

The Government has provided local authorities in England additional flexibility in setting Council Tax by increasing the referendum limit for increases in Council Tax to 3% in 2024/25 and the ability to increase the Adult Social Care Precept by up to 2%.

#### **S Proceeds of NNDR Pooling**

In September 2023, the Department for Levelling Up, Housing & Communities (DLUHC) invited local authorities to express their interest in business rates pooling for 2024/25. The Council, together with district and borough councils and the East Sussex Fire and Rescue Service, submitted their expression of interest on 10 October 2023. Confirmation is awaited from DLUHC.

#### **T Market Sustainability and Improvement Fund**

New social care grants were announced on 28 July 2023 (nationally £365m in 2023-24 and £205m in 2024-25). These are the latest tranche of Market Sustainability and Improvement Fund grants, with these latest grants focussed on workforce support. They are additional to the grants announced in the 2023-24 settlement intended to “support more workforce and capacity within the adult social care sector”. Grant values have been confirmed for 2023/24, but not yet for 2024/25, so this is estimated at this stage. It is assumed for planning purposes that the grant would offset any increase in ASC fees proposed by the service.

## Annex 1: Detailed MTFP

Medium Term Financial Plan	2023/24 Approved Budget £million	2024/25 Estimate £million	2025/26 Estimate £million	2026/27 Estimate £million
<b>TAXATION &amp; GOVERNMENT FUNDING</b>		(501.446)	(521.305)	(532.553)
Council Tax	(337.353)	(9.239)	(12.831)	(13.284)
Adult Social Care Precept	(14.475)	(3.488)		
Business Rates (Inclusive of BR Pooling in 2022/23)	(95.090)	(4.225)	(0.554)	(0.151)
Social Care Grant	(38.557)	(5.509)		
ASC Market Sustainability and Improvement Grant	(6.055)	(3.017)		
Services Grant	(2.916)	2.916		
Funding reform - net impact			(2.160)	(3.911)
Revenue Support Grant	(4.076)	(0.221)	4.297	
Local Council Tax Support Grant 2021/22	(2.114)	2.114		
Local Tax Income Guarantee for 2020/21	(0.459)	0.459		
New Homes Bonus	(0.351)	0.351		
<b>TOTAL TAXATION &amp; GOVERNMENT FUNDING</b>	<b>(501.446)</b>	<b>(521.305)</b>	<b>(532.553)</b>	<b>(549.899)</b>
<b>SERVICE PLAN</b>				
Service Expenditure	396.461	457.488	501.870	524.995
<b>Inflation</b>				
Contractual inflation (contract specific)	5.140	3.953	0.026	0.300
Normal inflation for contracts	30.405	20.794	13.783	14.828
Allocation of 2021/22 pay award to service departments	2.428			
Allocation of 2022/23 pay award to service departments	8.544			
<b>Adult Social Care</b>				
Better Care Fund - Discharge Funding	(3.053)	(2.035)	5.088	
Better Care Fund - Discharge Funding New Burdens	3.053	2.035	(5.088)	
Growth & Demography	3.413	3.917	3.917	3.917
Future demand modelling net of attrition (Covid-related)	1.133	(0.365)		
Market Sustainability and Fair Cost of Care Fund	1.745			
MSFCC Fund Pressures	(1.745)			
MFSCC - Support for New Burdens (from precept)	(3.149)			
Independent Living Fund rolled into Social Care Grant	0.956			
Voluntary Sector, Community Hubs, Shielded Group	0.440			
Pressure Bids Oct 23		0.330	3.904	0.000
<b>Children's Services</b>				
Growth & Demography (G&D)	1.760	0.973	0.808	0.808
Looked After Children Placements Covid-related	(0.872)	(0.347)	(1.758)	
Covid Grant Funding for Looked After Children Placements	0.077	(0.442)	1.758	
Payment rates for ESCC Foster Carers		0.460		
Financial Sustainability ex. G&D and Covid LAC:				
School Attendance (new duty)	1.500			
Home to School Transport (incl. approved pressures)	4.427			
Family Safeguarding	0.316	(0.194)	(2.075)	(3.533)
Net Operational Pressures incl. Careleavers and Locality	2.285	(0.204)	0.475	2.929
Pressures approved via protocol	(0.124)	0.124		
Pressure Bids Oct 23		16.739	1.734	1.944

Medium Term Financial Plan	2023/24 Approved Budget £million	2024/25 Estimate £million	2025/26 Estimate £million	2026/27 Estimate £million
<b>Communities, Environment &amp; Transport</b>				
Waste PFI Efficiencies	(0.100)			
Waste Housing Growth	0.190	0.267	0.305	0.331
Support to Economic Development	(0.055)			
Highways Contract Mobilisation	2.313	(2.313)		
Highways Contract Mobilisation – Reserve Contribution	(0.817)	0.817		
Pressures approved via protocol	0.815	(0.800)		
Pressure Bids Oct 23		0.753	0.100	(0.305)
<b>Business Services</b>				
Modernising Back Office Systems (MBOS)		0.386		
Pressures approved via protocol	0.551	(0.078)		
Pressure Bids Oct 23		0.201		
<b>Governance Services</b>				
Pressures approved via protocol	0.425	0.104	0.148	
<b>Savings</b>				
Temporary mitigations to savings	(0.100)			
Removal of CET Trading Standards Saving	0.100			
Savings Slippage	(1.347)			
Review of BSD Savings Options	0.373	(0.693)		
<b>NET SERVICE EXPENDITURE</b>	<b>457.488</b>	<b>501.870</b>	<b>524.995</b>	<b>546.214</b>
Corporate Expenditure		43.958	47.135	58.372
Treasury Management	13.930	(1.150)	5.400	4.000
General Contingency	4.880	0.434	(0.022)	0.133
Contingency for Potential Pay, Recruitment and Retention	11.283	5.673	5.840	5.852
Inflation Risk Provision	2.972	0.008	0.007	0.013
Provision for Energy Price Increase	1.300	(1.300)		
Pensions	8.023	(0.500)		
Apprenticeship Levy	0.600			
Levies & Grants	0.970	0.012	0.012	0.013
<b>TOTAL CORPORATE EXPENDITURE</b>	<b>43.958</b>	<b>47.135</b>	<b>58.372</b>	<b>68.383</b>
<b>TOTAL PLANNED EXPENDITURE</b>	<b>501.446</b>	<b>549.005</b>	<b>583.367</b>	<b>614.597</b>
<b>CUMULATIVE DEFICIT/(SURPLUS)</b>	<b>0.000</b>	<b>27.700</b>	<b>50.814</b>	<b>64.698</b>
<b>ANNUAL DEFICIT/(SURPLUS)</b>	<b>0.000</b>	<b>27.700</b>	<b>23.114</b>	<b>13.884</b>



## 1 Background

- 1.1 Through the Reconciling Policy Performance and Resources (RPPR) process the Capital Strategy and programme are reviewed annually to ensure that they support the Council's responsibilities and departmental service strategies. To manage investment to a sustainable level, the Capital Strategy focuses on the delivery of targeted basic need for the council to continue to deliver services as efficiently as possible, rather than rationing through prioritisation. Basic need for the purpose of strategic capital planning is provided below: -
- Place: ensuring we can deliver services by planning for future need.
  - Asset Condition: maintaining our assets to an agreed level.
  - ICT Strategy: ensure that our ICT is fit for purpose for delivering modern council services in a digital era and protecting data.
  - Climate Change: supporting the Council's aim of reaching carbon neutrality from our activities as soon as possible and in any event by 2050 in an appropriate and cost-efficient way.
- 1.2 At Full Council in February 2023 the target led basic need capital strategy of 20 years, supported by a 10-year planned capital programme was approved. The approved programme was further updated at State of the County in June 2023 to reflect the 2022/23 outturn, project and programme reprofiles and approved variations, revising the gross programme to £651.575m to 2032/33. For planning purposes, the first 3 years of the programme, to 2025/26 are considered approved, whilst the remaining years are indicative to represent the longer-term planning for capital investment.
- 1.3 The financial outlook for local authorities is increasingly challenging, with factors such as the volatile economic situation, undefined impact of national reforms and uncertain funding allocations leaving much uncertainty about the Council's future financial position. Capital investment decisions have a direct impact on the council's revenue budget, particularly relating to borrowing costs, and are therefore to be considered in the context of their impact on the MTFP.

## 2 Variations to the Current Approved Programme

- 2.1 The programme has been updated for approved variations and other approved updates since the State of the County in June 2023. These are summarised in the table below with the detailed capital programme provided at Annex A.

Table 1 - Capital Programme (gross) movements (£m)	MTFP Programme			MTFP +1 Year	2027/28 to 2032/33	Total
	2023/24	2024/25	2025/26	2026/27		
Approved programme at State of the County 2023	88.852	91.777	80.239	68.148	322.559	651.575
Other Approved Variations (see 2.2)	18.977	5.923	-	-	-	24.900
Highways Maintenance Investment (see 2.3)	-	5.100	5.100	5.100	30.600	45.900
<b>Total Revised Programme</b>	<b>107.829</b>	<b>102.800</b>	<b>85.339</b>	<b>73.248</b>	<b>353.159</b>	<b>722.375</b>

- 2.2 **Approved Variations:** A gross increase to the programme of £9.200m relating to fully funded schemes having a net nil impact on the capital programme due to the identification of developer contributions and specific grant funding in accordance with the Capital Strategy. In addition, a total increase to the Highways Structural Maintenance programme of £15.700m in 2023/24 was approved by Cabinet in June 2023 and Full Council in July 2023.

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

The total approved variations are summarised in Table 2 below:

<b>Table 2 – Approved Capital Variations Gross (£m)</b>	<b>Total</b>
Eastbourne/South Wealden Walking & Cycling Package (funding from developer contributions)	0.343
Eastbourne Town Centre Phase 2a (funding from Active Travel England grant)	0.750
Area Wide Traffic Management Schemes – Eastbourne Liveable Town Centre (funding from Active Travel England grant)	0.274
Area Wide Traffic Management Schemes – Schools Streets (funding from Active Travel England grant)	0.200
Community Match Fund (funding from parish council contributions)	0.009
Youth Investment Fund (funded by specific grant funding)	7.624
Highways Maintenance Investment – maintain steady state (funded from borrowing)	5.100
Highways Maintenance Investment – additional maintenance (funded from reserves)	5.600
Highways Maintenance Investment – early improvement and resilience (funded from borrowing)	5.000
<b>Total</b>	<b>24.900</b>

- 2.3 **Highways Maintenance Investment:** In order to maintain approved road condition target rates in the future, the £5.100 additional investment identified above has been assumed on an ongoing basis to be funded from borrowing. Further one-off investment in 2024/25 is to be considered as part of the RPPR process, giving consideration to the impact on the Council's revenue budget.

### 3 Funding Update

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

<b>Table 3 - Capital Programme Funding Update (£m)</b>	<b>MTFP Programme</b>			<b>MTFP +1 Year</b>	<b>2027/28 to 2032/33</b>	<b>Total</b>
	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>		
<b>Gross Expenditure</b>	<b>107.829</b>	<b>102.800</b>	<b>85.339</b>	<b>73.248</b>	<b>353.159</b>	<b>722.375</b>
Specific Funding	(16.372)	(36.994)	(8.828)	(1.041)	(0.202)	<b>(63.437)</b>
Formula Grants	(31.966)	(21.044)	(17.475)	(22.218)	(112.320)	<b>(205.023)</b>
Capital Receipts	(0.817)	(8.676)	(5.327)	-	-	<b>(14.820)</b>
Reserves and Revenue Set Aside	(20.369)	(3.454)	(7.317)	(6.694)	(10.657)	<b>(48.491)</b>
Developer Contributions Target	-	-	-	(2.663)	(15.975)	<b>(18.638)</b>
<b>Borrowing Requirement</b>	<b>38.305</b>	<b>32.632</b>	<b>46.392</b>	<b>40.632</b>	<b>214.005</b>	<b>371.966</b>

- 3.2 The updated capital programme has a borrowing requirement for the period 2023/24 to 2032/33 of £372m, which represents 51% of the total gross programme funding. This is an increase of £56m compared to that reported in the State of the County 2023 of £316m due to the additional highways

Appendix A  
maintenance investment as described in section 2 of this report. The Capital Strategy aims to maximise the application of other funding sources in order to reduce the council's borrowing requirement which has a long term revenue implication.

- 3.3 Ahead of further announcements there are no updates to the overall funding position currently. As part of the RPPR process capital funding will be reviewed, and this will include estimates of developer contributions (Section 106 and Community Infrastructure Levy), capital receipts and any updates to formula grants following government announcements.

#### **4 Conclusion and Next Steps**

- 4.1 Work will be progressed as part of the RPPR process to ensure continued compliance with the Capital Strategy principles and extend the programme by a further year to maintain a 10-year planning horizon, together with a review of programme profiles across years. The annual review of the Capital Strategy will also be completed to ensure continued links into, and in support of, the Council's other strategies, as well as reviewing latest guidance and best practice.
- 4.2 A £7.5m ongoing risk provision was approved in February 2023 to mitigate against capital programme risks, representing more than 2% of the programme over the MTFP period. This risk provision is a permission to borrow for emerging risks and is managed through ensuring Treasury Management capacity rather than representing funds that are within the Council's accounts. There are several risks and uncertainties regarding the programme to 2025/26 and beyond which have necessitated holding a risk provision, these risks as reported at Budget 2023 include:
- Excess inflationary pressures on construction costs
  - Uncertainty about delivery of projects in the programme, e.g. highways and infrastructure requirements
  - Any as yet unquantifiable impact of supply issues and cost increases
  - Any as yet unknown requirements,
  - Residual project provision (previously removed) if required; and
  - Uncertainty regarding the level of government grants and the ability to meet developer contribution targets.
- 4.3 Any unmanageable risks which have a financial impact are required to be reported to Capital and Strategic Asset Board to be considered as part of the broader RPPR process. This will be done on a case-by-case basis, and in the context of the wider programme, and the fiscal and economic national position. As part of the RPPR process the adequacy of the risk provision will also be assessed.
- 4.4 Decisions on future capital investment should be considered in the context of the impact on the Treasury Management (TM) capacity to fund the investment and the revenue budget, whereby the cost of funding and Minimum Revenue Provision needs to be included within the MTFP. The current capital programme already requires borrowing in future years, which together with the Minimum Revenue Provision accounting requirements, will need the TM budget to be increased beyond the current MTFP. The impact of the proposals within this update on the cost of borrowing have been included within MTFP update at Appendix 1.

Capital Programme (gross) (£m)	MTFP Programme			MTFP+1 Year	2027/28 to 2032/33	Total
	2023/24	2024/25	2025/26	2026/27		
<b>Adult Social Care:</b>						
House Adaptations	0.050	0.050	0.050	-	-	<b>0.150</b>
Learning Disability Support Living Scheme	2.177	2.914	0.854	0.104	-	<b>6.049</b>
Greenacres	0.140	-	-	-	-	<b>0.140</b>
<b>Adult Social Care Total</b>	<b>2.367</b>	<b>2.964</b>	<b>0.904</b>	<b>0.104</b>	-	<b>6.339</b>
<b>Business Services:</b>						
Salix Contract	0.350	0.350	-	-	-	<b>0.700</b>
Lansdowne Secure Unit – Phase 2	0.065	-	-	-	-	<b>0.065</b>
Youth Investment Fund	2.745	4.879	-	-	-	<b>7.624</b>
Special Educational Needs	1.692	1.347	-	-	-	<b>3.039</b>
Special Educational Needs – Grove Park	5.422	8.000	5.000	0.429	-	<b>18.851</b>
Disability Children's Homes	0.716	0.024	-	-	-	<b>0.740</b>
Westfield Land	0.053	-	-	-	-	<b>0.053</b>
Schools Basic Need	1.931	0.837	11.833	19.022	30.155	<b>63.778</b>
Capital Building Improvements (Schools)	5.594	4.199	4.182	3.982	24.092	<b>42.049</b>
Capital Building Improvements (Corporate)	3.509	4.640	4.640	4.640	27.320	<b>44.749</b>
IT & Digital Strategy Implementation	4.742	5.319	7.187	7.872	47.836	<b>72.956</b>
IT & Digital Strategy Implementation - MBOS	3.332	-	-	-	-	<b>3.332</b>
IT & Digital Strategy Implementation - Utilising Automation	0.024	-	-	-	-	<b>0.024</b>
<b>Business Services Total</b>	<b>30.175</b>	<b>29.595</b>	<b>32.842</b>	<b>35.945</b>	<b>129.403</b>	<b>257.960</b>
<b>Children's Services:</b>						
House Adaptations	0.050	0.050	0.050	-	-	<b>0.150</b>
School Delegated Capital	1.150	1.150	1.150	-	-	<b>3.450</b>
Conquest Centre Redevelopment	0.015	-	-	-	-	<b>0.015</b>
<b>Children's Services Total</b>	<b>1.215</b>	<b>1.200</b>	<b>1.200</b>	-	-	<b>3.615</b>
<b>Communities, Economy &amp; Transport:</b>						
Broadband	0.160	0.100	5.257	-	-	<b>5.517</b>
Climate Emergency Works	3.095	5.459				<b>8.554</b>
Flood & Coastal Resilience Innovation Programme	0.943	0.930	0.989	0.683	-	<b>3.545</b>
Bexhill and Hastings Link Road – Complementary Measures	0.189	-	-	-	-	<b>0.189</b>
Economic Intervention Fund – Grants	0.175	0.300	0.300	0.300	0.783	<b>1.858</b>
Economic Intervention Fund – Loans	0.300	0.300	0.300	0.300	0.550	<b>1.750</b>
Stalled Sites	0.050	0.050	0.050	0.050	0.070	<b>0.270</b>
Upgrading Empty Commercial Properties	-	0.007	-	-	-	<b>0.007</b>
Community Match Fund	0.149	0.325	-	-	-	<b>0.474</b>

Community Road Safety Interventions	0.485	0.237	-	-	Appendix A	0.722
Newhaven Port Access Road	0.086	0.708	-	-	-	0.794
Real Time Passenger Information	0.070	0.094	0.061	-		0.225
Passenger Services Software	0.026	-	-	-	-	0.026
Bus Service Improvement Plan	3.245	18.680	-	-	-	21.925
Lewes Bus Station Replacement	0.004	-	-	-	-	0.004
Queensway Depot Development	0.504	-	-	-	-	0.504
The Keep	0.228	0.026	-	0.085	0.738	1.077
Other Integrated Transport Schemes	3.740	3.259	7.324	3.153	17.609	35.085
Area Wide Traffic Management Schemes – Eastbourne Liveable Town Centre	0.274	-	-	-	-	0.274
Area Wide Traffic Management Schemes – Schools Streets	0.200	-	-	-	-	0.200
Integrated Transport Schemes – A22 Corridor	0.100	-	-	-	-	0.100
Exceat Bridge Replacement	2.320	3.612	0.920	-	-	6.852
Libraries Basic Need	0.508	0.799	0.449	0.449	1.347	3.552
Peacehaven Library Refurbishment and Conversion	-	0.027	-	-	-	0.027
Highways Structural Maintenance	35.893	26.788	27.346	27.919	180.586	298.532
Bridge Assessment Strengthening	4.740	1.775	3.025	2.777	11.839	24.156
Street Lighting and Traffic Signals	4.686	3.839	3.888	0.989	7.023	20.425
Street Lighting and Traffic Signals – Salix Scheme	0.219	-	-	-	-	0.219
Visually Better Roads	1.293	-	-	-	-	1.293
Rights of Way Surface Repairs and Bridges	0.552	0.514	0.484	0.494	3.211	5.255
<b>Communities, Economy &amp; Transport (LEP Funded Schemes):</b>						
Eastbourne Town Centre Phase 2	3.296	0.750	-	-	-	4.046
Eastbourne/South Wealden Walking & Cycling Package	2.064	0.343	-	-	-	2.407
Hailsham/Polegate/Eastbourne Movement & Access Corridor	0.275	0.119	-	-	-	0.394
Hastings & Bexhill Movement & Access Package	4.203	-	-	-	-	4.203
<b>Communities, Economy &amp; Transport Total</b>	<b>74.072</b>	<b>69.041</b>	<b>50.393</b>	<b>37.199</b>	<b>223.756</b>	<b>454.461</b>
<b>Total Programme</b>	<b>107.829</b>	<b>102.800</b>	<b>85.339</b>	<b>73.248</b>	<b>353.159</b>	<b>722.375</b>

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<b>Report to:</b>	<b>Place Scrutiny Committee</b>
<b>Date of meeting:</b>	<b>23 November 2023</b>
<b>By:</b>	<b>Chair of the Review Board</b>
<b>Title:</b>	<b>Scrutiny Review of Pothole Management</b>
<b>Purpose:</b>	<b>To present the outcomes of the scrutiny review and make recommendations.</b>

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**RECOMMENDATION: That the Committee considers and endorses the report of the Review Board, and makes recommendations to Cabinet for comment, and County Council for approval.**

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## **1. Background**

1.1 Potholes are the number one issue residents contact their local councillor about, and there are concerns about damage to vehicles and road safety, as drivers try to avoid driving over damaged road surfacing. In particular, the repair of clusters of potholes in the same section of road is of concern to people, especially when only the potholes that meet the Council's intervention criteria are repaired and other potholes or defects developing nearby appear not to be tackled. As a consequence, the Place Scrutiny Committee agreed to establish a Review Board to undertake a Scrutiny Review of Pothole Management at the meeting held on 28 March 2023.

1.2 The scope of the review included an investigation of various aspects of policies and procedures for repairing potholes and other carriageway defects including:

- Pothole repair techniques and costs;
- Quality of pothole repair works;
- Alternative pothole intervention levels and costs;
- Consideration of current policies to take into account vulnerable road users (e.g. those who walk, wheel, cycle, and motorcycle etc.)
- Consideration of budgets for pothole repairs and safety defects; and
- Consideration of the effectiveness of the Council's patching programme.

1.3 The review has sought to focus on the factors that the Council can influence, and improvements in our own internal policies and procedures for pothole management, in order to make a difference to the number of potholes and road condition. It has sought to identify areas for improvement that are affordable, cost effective, and represent value for money, bearing in mind the financial constraints and cost pressures the Council faces.

## **2. Summary**

2.1 The members of the Review Board are Councillors Matthew Beaver, Julia Hilton, Ian Hollidge (Chair), Eleanor Kirby-Green and Philip Lunn.

2.2 During the course of the review the Cabinet and Council agreed additional capital investment in highways maintenance for 2023/24, in order to help tackle the problem of potholes and deteriorating road condition. As the review progressed it became evident that the situation is changing and that the Council, together with its highway maintenance contractor, are taking action to address the issue of potholes through a proactive, 'right first time' approach within the financial constraints that exist for the Council. Although residents and councillors have started to notice a difference in approach, it will take time for the impact of the additional investment to become apparent as the planned repair programmes start to be delivered.

2.3 The Board has made thirteen recommendations which it believes will further develop the approach to pothole management and will help address residents' concerns about road conditions in East Sussex. Overall, the Board believes good progress and plans are being made to reduce the number of potholes within available resources and to address residents' concerns as far as possible. The Board has recommended that the Place Scrutiny Committee maintain an overview of the highway maintenance contractor's performance, especially after the first year of the new contract once the contractor has become established and receives annual performance monitoring reports on the contract key performance indicators (KPIs).

2.4 The attached report (**appendix A**) contains the findings and recommendations of the Review Board. Copies of evidence papers listed in the report and other support documentation are available on request from the contact officer.

2.5 The Committee is recommended to receive the Review Board's report for submission to Cabinet and County Council on 23 January 2024 and 6 February 2024 respectively.

### **3. Recommendations and conclusion**

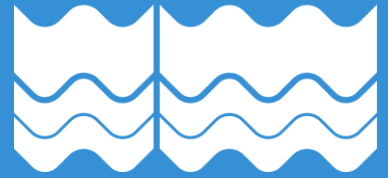
3.1 The Committee is requested to consider and endorse the report of the Review Board for submission to Cabinet and Full Council.

**COUNCILLOR IAN HOLLIDGE**  
**Chair of the Review Board**

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LOCAL MEMBERS: All.





# Scrutiny Review of Pothole Management

## Report by the Review Board:

Councillor Matthew Beaver  
Councillor Julia Hilton  
Councillor Ian Hollidge (Chair)  
Councillor Eleanor Kirby-Green  
Councillor Philip Lunn

November 2023

Place Scrutiny Committee - 23 November 2023

Cabinet - 23 January 2024

Full Council - 6 February 2024

# The report of the Scrutiny Review of Pothole Management

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## Recommendations

	Recommendation	Page
1	The Board recommends that officers develop a strategy for highway drainage, in order to target highways drainage investment requirements more accurately and to help prevent water damage to road surfaces.	9
2	<p>The Board recommends the Council lobbies Government to make changes to the way utility companies operate and are regulated under the New Roads and Street Works Act and in particular to:</p> <ul style="list-style-type: none"> <li>• Lower the time allowed for permanent reinstatements from 6 months to 3 months;</li> <li>• Extend the reinstatement works guarantee period from 2 years to 5 years;</li> <li>• Raise the level of financial penalties for failing to comply with the requirements of the Act;</li> <li>• Introduce timescales for utility companies to repair defective apparatus once it has been reported to them, with penalties for non-compliance; and</li> <li>• Increase the number of utility company inspections that can be recharged from 30%.</li> </ul>	11
3	The Board recommends officers explore the feasibility of increasing the amount and type of inspections of utility company reinstatement work to drive up quality and lobby Government for funding to do so.	11
4	The Board recommends that <a href="#">Guide to Highways</a> is amended to include a reference to the current practice of risk assessing reported road defects which ensures the risks posed to different types of road user are appropriately met through repairs.	13
5	The Board supports the Cabinet report recommendation that a greater proportion of capital funding is allocated from the highways structural maintenance budget to patching and surface dressing in future years, and reviews are undertaken on a periodic basis.	15
6	The Board recommends that it is made clear in reporting information that the road condition performance targets refer to the percentage of road length, and that all roads are likely to have a mixture of green, amber and red condition sections of road.	16

7	The Review Board recommends that annual performance monitoring reports are presented to the Place Scrutiny Committee to maximise transparency and scrutiny of pothole repairs, contract key performance indicators (KPIs), and planned highway maintenance work, with the first report scheduled for July 2024.	17
8	The Board recommends that officers continue to allocate specific, defined levels of investment within the existing highways infrastructure maintenance capital budget, to tackle clusters of potholes and address public concerns about this issue, for example by undertaking patching repairs and surface dressing.	19
9	The Board recommends that the <a href="#">Guide to Highways</a> on the East Sussex Highways web site is amended to reflect that repairs gangs, BBLP and the Council exercise a degree of flexibility in their approach to repairing safety intervention level defects and will repair other safety intervention level defects they find whilst on site.	19
10	The Board recommends that the Council continues to lobby Government for better long-term funding arrangements for pothole repairs, and highways maintenance, so that it can plan effectively, does not have to expend resources bidding for funding and can address local road conditions.	22
11	The Board recommends that if funding pressures ease or additional funding becomes available, the Council considers making additional investment in highway drainage.	23
12	The Board recommends that the Department continues to maintain an active approach to modelling highway investment levels needed to achieve the Council's road condition targets and feed the outcomes into the Reconciling Policy, Performance Resources (RPPR) budget setting process.	24
13	The Board recommends that officers review the visibility and usability of website information on planned maintenance work on potholes to make it easier to find and use online, including via the East Sussex County Council website and the upcoming app, and in particular information for patching, resurfacing and revenue funded advisories.	25

## Introduction

1. The Place Scrutiny Committee and its predecessor the Economy, Transport and Environment Scrutiny Committee have previously carried out scrutiny reviews on Road Repairs and Highway Drainage. However, residents and businesses continue to be concerned about the number of defects and potholes in the county's roads and the impact on them as they travel around the County. Potholes are the number one issue residents contact their local councillor about, and there are concerns about damage to vehicles and road safety, as drivers try to avoid driving over damaged road surfacing.
2. In particular, the repair of clusters of potholes in the same section of road is of concern to people, especially when only the potholes that meet the Council's intervention criteria are repaired and other potholes or defects developing nearby appear not to be tackled. Although repeated visits to the same location do not cost the Council any more money under the lump sum pricing arrangements of the highway maintenance contract, residents see this as inefficient and do not consider this approach represents the best value for money.
3. Councillors have also highlighted their view that the Council's current intervention policies and defect reporting system might not sufficiently take into account other vulnerable road users such as those who walk, wheel, cycle or motorcycle, who may be at risk from defects that would not meet the current intervention criteria.
4. During 2022 the Place Scrutiny Committee discussed these issues and agreed to establish a Scoping Board to examine this subject in more detail. The Scoping Board met on 6 February 2023 and recommended that the Committee proceed with a scrutiny review focussed on pothole repairs, as this was considered to be the most important issue for residents. The Place Scrutiny Committee agreed to proceed with a Scrutiny Review of Pothole Management at the meeting held on 28 March 2023.
5. The scope of the review included:
  - Pothole repair techniques and costs;
  - Quality of pothole repair works;
  - Alternative pothole intervention levels and costs;
  - Consideration of current policies to take into account vulnerable road users (e.g. those who walk, wheel, cycle, and motorcycle etc.)
  - Consideration of budgets for pothole repairs and safety defects; and
  - Consideration of the effectiveness of the Council's patching programme.
6. There are a number of factors that cause road surfaces to deteriorate and defects such as potholes to develop. The factors affecting road condition are:
  - Weather conditions - sunlight, rainwater and freezing which cause the surfacing to degrade;
  - Wear and tear caused by traffic, which increases with traffic volumes and vehicle weight;
  - Utility company excavations; and

- The construction of the road - historically many roads in East Sussex, particularly in rural areas, have not been constructed with a sub-base that would meet modern standards.
7. This review has sought to focus on the factors that the Council can influence, and improvements in our own internal policies and procedures for pothole management, in order to make a difference to the number of potholes and road condition. It has sought to identify areas for improvement that are affordable, cost effective, and represent value for money, bearing in mind the financial constraints and cost pressures the Council faces. Based on the evidence examined, the Review Board has made a number of recommendations for improvements which are explained in more detail in this report.
  8. During the course of the review the Cabinet and Council agreed additional capital investment in highways maintenance for 2023/24, in order to help tackle the problem of potholes and deteriorating road condition. As the review progressed it became evident that the situation is changing and that the Council, together with its highway maintenance contractor, are taking action to address the issue of potholes through a proactive, 'right first time' approach within the financial constraints that exist for the Council.

## Background

9. The Highways Act requires the Council to keep roads in a safe and usable condition. The Council does this through two types of maintenance programme:
  - Reactive maintenance, where reported safety defects such as potholes are repaired in line with the Council's maintenance policies to keep roads safe to use. This is funded from the Council's revenue budget and includes the work to repair potholes that meet the Council's policies contained in the [East Sussex Highways Inspection Manual](#).
  - Planned maintenance, funded from the capital programme, where a programme of planned works such as patching, surface dressing, resurfacing and road reconstruction is undertaken to maintain road condition against the Council's performance targets (see paragraph 41 below).
10. The Council uses intervention policies and an asset management approach to ensure safety defects are repaired and available resources are used in the most effective way to maintain road conditions and prolong the life of road surfaces. The Council's [Asset Management Strategy](#) and [Asset Management Policy](#) are published on the Council's website. The use of an asset management approach is also a requirement of the Department for Transport (DfT) in order for the Council to secure the maximum road maintenance grant funding from central Government.
11. Highways maintenance work is undertaken on behalf of the Council by a contractor, Balfour Beatty Living Places (BBLP), operating under the name of East Sussex Highways. The Council also has a Client Team of officers employed by East Sussex County Council (ESCC) who manage and supervise the highway maintenance services contract. The highways contractor has recently changed, and Balfour Beatty Living Places took over the operation of the highway maintenance services contract in May 2023.
12. The terms potholes and defects are used throughout this report. Potholes refers to holes in the road surface that have developed and are big enough to cause a safety problem. Defects includes other faults in the road surface such as cracks, joints (in concrete roads) crazing, channels, depressions, utility exaction scars, larger areas where a thin layer of asphalt has come loose or worn away, missing surfacing around drains and damaged utility inspection covers etc. [The Highways Inspection Manual - Appendix 1 East Sussex Highways Investigatory Levels](#) on the Councils website contains examples of the types of defects that occur on the highway and the various intervention criteria and repair categories that the Council uses to prioritise repairs.

## Review Board Findings

### ***Factors Leading to Potholes Forming and Poor Road Condition***

13. As set out in the introduction of the report, there are a number of factors that cause road surfaces to deteriorate and potholes to form. These are mainly things which cause wear and the surfacing material to break down. Some of these factors are outside of the control of the Council such as weather conditions and the weight and volume of traffic using the county's roads. Trends such as increased home deliveries and increases in the weight of electric and freight vehicles are something that the Council takes into account when looking at deterioration rates but cannot influence directly. There are however two factors which the Board examined in more detail below, where the Council may be able to have some influence.

### **Water and Drainage**

14. The Board heard that keeping water off the road surface, including through effective drainage, is a key issue. Once water penetrates the road surface it can cause the surfacing to deteriorate and break up through the hydrostatic pressure exerted by vehicles passing over the road surface and freeze/thaw action in cold weather conditions. The presence of water on the road surface can therefore accelerate the formation of potholes and exacerbate any weaknesses in the road structure.
15. An additional £3.1 million one-off capital investment for drainage works has been agreed for the financial year 2023/24. This figure was based on the number of work requests and BBLP's estimate of the amount of drainage work backlog that needs to be carried out to optimise the resilience of the road network. Works include repairs to broken pipes, collapsed drains, blocked outfalls etc. It is also estimated that 20%-30% of the drainage network could be under capacity and this is something that will need to be addressed in the future to protect the condition of roads and stop potholes forming.
16. The Board heard that developing an investment strategy for highway drainage would provide a better understanding of the future investment levels needed. This is something that officers have started work on and would mean that the Council would have a more accurate picture of the type and quantity of investment needed to support and protect the road network infrastructure in the future. Information from the drainage strategy could then be fed into the Council's budget setting process for consideration alongside other spending priorities, or if new funding sources become available.
17. The Board heard that changes have been made to routine drainage maintenance in the new contract, so that ditches are maintained on a two-year cycle (instead of a 4 year cycle as previously) and all grips (the channels that connect the edge of the road with the ditch) are maintained every year. The prioritisation of drainage works has also been adjusted to more adequately reflect the impact on road users, so there is better targeting of works for drainage activities. The previous prioritisation system gave more weight to the number of properties affected by highways flooding issues, rather considering the impact on the road network and road users.



18. Based on the evidence considered, the Board concluded that developing an investment strategy for drainage would be desirable, so the Council can more accurately forecast how much ongoing investment in highway drainage is needed. This would support the effective targeting of resources available for drainage works, in order to help protect and prolong the investment in road surfacing, prevent road surfaces deteriorating and stop potholes developing.

#### **Recommendation 1**

**The Board recommends that officers develop a strategy for highway drainage, in order to target highways drainage investment requirements more accurately and to help prevent water damage to road surfaces.**

### **Utility Company Excavations**

19. The Board heard that after highway drainage, the second most important factor in maintaining good road condition is the quality of utility companies' reinstatement works following their excavations in the highway. This is because, once the road is dug up, if it is not re-instated properly it creates a weakness in the road which can lead to potholes and depressions in the road surface forming more quickly. The Asphalt Industry Alliance in their annual reports have highlighted the impact of utility company excavations on the integrity of road structures, thereby reducing the life of the road. The Board has also seen at first hand the impact of utility company excavations on roads surfaces. Evidence from officers also suggests that poor quality reinstatement works are a contributory factor to potholes forming, and tighter controls may be necessary.
20. Utility companies have up to six months to permanently repair an excavation in the road after either planned or emergency utility repair work. Utility companies are then responsible for the quality of reinstatement works for the next two years, during which time they have to rectify any defects. The BBLP Network Management Team carries out a coring programme to sample 10% of the utility company reinstatement work to test the quality by taking samples of between 150mm - 300mm deep, which covers the topmost bound layers of road surface. This is to ensure that sub-base of the road has been reinstated correctly with the right materials and levels of compaction, which cannot be checked through visual inspections alone. If the sub-base is not reinstated properly, the road surface is liable to subside or break up. Dealing with historic or legacy defects after the two-year guarantee period can be difficult.
21. The Council cannot stop utility companies undertaking works necessary to maintain their infrastructure, and the Board is aware that members of the public are unlikely to have an understanding of the rules the Council is constrained by when dealing with utility companies to tackle poor quality reinstatement work. Members of the public may also think that it is the Council's contractor carrying out road works if adequate signage is not provided by the utility companies who are carrying out the work.

22. The rules regarding the reinstatement of utility company works are set out in the New Roads and Street Works Act and the permit scheme. The current rules give utility companies up to six months to carry out permanent repairs and in the Board's view this is too long and leads to unsatisfactory temporary repairs. The guarantee period of two years for works is also too short and does not provide an incentive for utility companies to provide a long-lasting reinstatement. This is evident by the number of historic reinstatements that are failing after the two-year period, which then become the responsibility of the Council to repair. In addition, the current fines of £120 for breaching permit conditions (reduced to £80 for swift payment) does not incentivise utility companies to meet permit conditions.
23. Other councils have started to lobby central Government for changes in the way utility companies are regulated and operate when they carry out works on the highway, with the aim of improving the quality of reinstatement works. The Board has considered the type of changes being requested and agrees that it is important to hold utility companies to account through the type of changes being proposed. This is in order to ensure reinstatement works are done properly and changes to regulations are necessary to enforce this. Such changes are also supported by officers. The Council and BBLP may also need to increase their quality checks and other measures where they are able, to ensure the adequate quality of utility company reinstatement work.

#### ***'Sink Holes' and Voids under the Road Surface***

24. The Board heard that there are procedures in place for dealing with 'sink holes' or voids under the carriageway (which are different from depressions in road surfaces and subsidence). The Council is initially responsible for investigating the cause, which is usually where material has been washed out either by a highway drain or leaks from a public sewer or water supply pipe. Where the cause is not a highway drain, it can be difficult and take time to gain agreement from the water utility companies that it is their responsibility and for them to undertake a repair.
25. The Council has the power to fix sink holes (but not work on the utility companies' pipes or infrastructure) and recoup the cost from utility companies, but better engagement from the utility companies would be beneficial. The Board considered that it would be useful for there to be greater awareness of who is responsible for the repair once the initial investigations have been completed. If the local councillor was informed, they could let their residents know and could lobby the utility company directly for action to fix the sink hole. It would also be helpful if timescales could be introduced for utilities to repair defective apparatus once it is reported to them with appropriate penalties for non-compliance.

## **Recommendation 2**

The Board recommends the Council lobbies Government to make changes to the way utility companies operate and are regulated under the New Roads and Street Works Act and in particular to:

- Lower the time allowed for permanent reinstatements from 6 months to 3 months;
- Extend the reinstatement works guarantee period from 2 years to 5 years;
- Raise the level of financial penalties for failing to comply with the requirements of the Act;
- Introduce timescales for utility companies to repair defective apparatus once it has been reported to them, with penalties for non-compliance; and
- Increase the number of utility company inspections that can be recharged from 30%.

## **Recommendation 3**

The Board recommends officers explore the feasibility of increasing the amount and type of inspections of utility company reinstatement work to drive up quality and lobby Government for funding to do so.

## ***Highway Maintenance Policies and Procedures***

### **Pothole Intervention Criteria**

26. The Board explored whether changes to ESCC's pothole intervention criteria would improve the way the Council deals with potholes, and the potential impact of any such changes. The Council uses a risk-based approach to repair potholes. At present, the minimum intervention criteria for a pothole to be repaired is that it has to be at least 40mm deep and 300mm wide in every direction. Potholes meeting these criteria will be repaired within 28 days (repair category 3). There are other pothole repair categories based on the level of hazard to road users - category 1 repair within 2 hours; category 2 repair within 5 days (for full details please see the [East Sussex Highway Inspection Manual](#) and [Appendix 1 East Sussex Highways Investigatory Levels](#), on the Council's website).
27. The Council's investigatory levels have been developed over time and are based on experience and local conditions. Officers review the criteria in the investigatory levels at least once every two years. The review includes comparison with other local authorities (particularly neighbouring ones), complaints and claims, and feedback from Highway Stewards (also known as Community Stewards in the new contract). The Board saw evidence that other councils have slightly different intervention criteria, but most use the 40mm depth criterion and mixture of different dimensions for the extent of the pothole (e.g. 300mm wide or less in one direction).

28. The Board heard that if the depth criterion was changed to 30mm, it would roughly double the cost of reactive pothole repairs from £2.5 million to £5 million per year. Similarly, if the width criterion were to be changed it may double costs thereby taking money away from other methods of repairing potholes, such as patching and resurfacing, that represent better value for money.
29. Further research and evaluation of the impact of changing the intervention criteria would need to be carried out over a period of time to assess whether this would be feasible, and whether it would improve pothole repairs more effectively than increasing the patching and resurfacing programmes. The value for money of changing the intervention criteria would also have to be established compared with other repair methods.
30. The June 2023 Cabinet report on highway investment states that long term programmes of planned maintenance provide the most efficient way of working and provide best value for money. This is supported by evidence seen in the Metis Consultants report, the Association of Directors of Environment, Economy Planning and Transport (ADEPT) Guide to Pothole repairs and the Well Managed Highway Infrastructure Code of Practice. In addition, the Board heard that in the officers' view, the best way to achieve visibly better roads with fewer potholes is to spend any additional funding on patching and surface dressing, and not spend more money reactively fixing individual potholes. Consequently, the Board is not recommending changes to the intervention criteria at this point in time.

## **Highway Steward Risk Assessments**

31. The Board heard evidence that Highway Stewards have some discretion to change the intervention category of a defect based on the specific location of the pothole or other relevant context. Stewards carry out risk assessments of defects when they undertake inspections which includes taking into account the likely risk to road users. For example, if the position or shape of the defect would pose a hazard to particular road users such as those who walk, wheel, cycle, motorcycle etc. Around 7%-8% of reported defects have the repair category changed as a result of the Steward's risk assessment. Most are changed to a higher repair category. This flexibility means that safety defects that may not precisely meet the intervention criteria are being addressed where there are specific additional factors. It was also clarified that the intervention criterion applied to defects in the road surface of designated crossing points is the same as for footways.
32. The Board considered that there would be a benefit to demonstrating that the Council and Balfour Beatty Living Places (BBLP) use a risk-based approach to repairs where there is a risk to non-car users (i.e. those who walk, wheel, cycle, motorcycle etc.), as this is not widely understood by members of the public.

#### **Recommendation 4**

The Board recommends that [Guide to Highways](#) is amended to include a reference to the current practice of risk assessing reported road defects which ensures the risks posed to different types of road user are appropriately met through repairs.

### **Defect Reporting**

33. The Board heard that since the start of the contract in May 2023 there have been upgrades to defect and drainage reporting on the East Sussex Highways website to include additional detail and defect types that members of the public can report. People can also now notify any potential risk factors such as their mode of transportation and position of the defect in the road when reporting a defect. However, the facility to see whether a specific defect had already been reported on a map was not yet available (at the time of the review) and this was something that BBLP were working on. BBLP also plans to introduce a mobile phone app to allow members of the public to report defects.
34. The Board heard that changes to the defect reporting system were made in response to feedback from members of the public where they wanted to be able to provide more information about the location of the defect and the likely risk to road users. The Board has also seen feedback from a survey of ESCC councillors who would like the ability to see all reported defects on a map (and not just the ones they have reported). The Board understands that a general enquiry form has also been added to the website for those issues which do not neatly fit into one category following feedback from councillors.
35. The Board concluded that by enabling a wider range of defects to be reported online it would provide better visibility to the public that the Council was aware of and gave consideration to all highway issues. It is also important that members of the public and councillors can see which defects or potholes have already been reported, as was possible with the previous contractor's system, as this would allow them to see those potholes and other defects that had already been reported and that repairs were in hand. The Board understands that the change in IT systems used by the different contractors has temporarily meant this facility is not available.

## ***Asset Management Approach and Performance Targets***

### **Asset Management Approach**

36. The Board heard that under the Council's asset management approach, the assessment of road condition across the road network is based on annual surveys, steward observations and inspections, and public reports of road conditions, which produces a red, amber or green (RAG) rating. The rating is given for 10 metre sections of road, meaning that every road will generally have a mixture of red, amber and green sections of road condition. To determine the condition of each 10 metre road section, all the information available about the current condition of a road is inputted into the UK Pavement Management System which is the standard system for assessing a road network's condition.
37. The asset management approach determines the most appropriate interventions to be made for the condition of the road, taking into account the whole life cost. The maintenance options, based on the condition of the road, are:
- Preventative measures (such as surface dressing) aiming to stop conditions deteriorating further on roads with a high number of amber sections as well as some red ones.
  - Intervention works (such as overlay resurfacing) which are usually done on roads with a higher number of red sections than amber sections and are therefore assessed to be near the end of their life cycle.
  - Structural works (such as road recycling and reconstruction) are necessary when a road had completely failed and needs to effectively be rebuilt.
38. The Board heard that in terms of cost, preventative works are the least expensive, then interventional resurfacing works, with structural works being the most expensive. While resurfacing roads is the most cost-effective intervention taking into account whole life costs, there is insufficient funding available for it to be done in every circumstance.
39. The Board has seen evidence in the ADEPT Guide to Pothole repairs and the Well Managed Highway Infrastructure code of practice that preventing potholes from forming is preferable to reactive repairs. The DfT also advocates an asset management approach that takes into account the whole life cost of road repairs. The Board heard that under the asset management approach this translates into focussing more work in preventing amber sections of road becoming red by surface dressing and patching. As these interventions are less costly than road resurfacing and extend the life of the road surface, it would allow more of the road network (including amber and green sections of road) to be covered than just resurfacing red sections.

40. Evidence from officers and BBLP also supports this approach as the most cost effective way to address the number of potholes in the County's roads, with works funded from the capital programme. This will enable more roads to be treated and will seal them against water penetration, making them more resilient to adverse weather conditions, than if the focus was on resurfacing and reconstruction alone. Resurfacing works and other interventions will still continue to be used where appropriate, but more money should be spent on patching and surface dressing.

#### **Recommendation 5**

The Board supports the Cabinet report recommendation that a greater proportion of capital funding is allocated from the highways structural maintenance budget to patching and surface dressing in future years, and reviews are undertaken on a periodic basis.

### **Road Condition Performance Targets**

41. The current performance targets and actual position for road condition are:

<u>Road category</u>	<u>Target</u>	<u>Actual</u>
Principal roads	4% requiring maintenance	5%
Non-principal roads	4% requiring maintenance	6%
Unclassified roads	14% requiring maintenance	13%

42. The percentage of roads 'requiring maintenance' refers to the 10 metre sections of roads that are in red condition. Consequently, the target refers to the overall length of road (in 10 metre sections) that is in red condition, rather than the number of roads. The definition of these targets is set nationally by the DfT and allows comparisons to be made with other councils. Comments from members of the public and councillors indicated to the Board that many people do not understand this and believe the figures refer to the number of roads requiring repair. Members agreed this is something that should be addressed when the Council reports its performance on road condition.
43. The asset management approach is used to prioritise the available funding to achieve the targets set by the Council for the different categories of road. For comparison, the Board reviewed evidence on other councils' road network performance targets from LG Inform and DfT statistical data. ESCC's road network targets, and performance in terms of roads requiring repair, are similar to other neighbouring local authorities and Chartered Institute of Public Finance and Accountancy (CIPFA) statistical neighbours. Other authorities are experiencing similar issues with potholes and road maintenance backlogs. Consequently, the Board finds that despite some members of the public having a perception that the roads in East Sussex are in a worse condition than those in neighbouring authorities, this is not supported by the evidence from the latest available published road condition performance data.

## **Recommendation 6**

**The Board recommends that it is made clear in reporting information that the road condition performance targets refer to the percentage of road length, and that all roads are likely to have a mixture of green, amber and red condition sections of road.**

### ***Pothole Repair Methods***

44. The Review Board examined the various pothole repair methods to ensure that ESCC was taking the best approach possible to repairing potholes, so repairs are effective and long lasting. This included case studies and best practice examples contained in the Pothole Repair Guide produced by the Engineering Board of the ADEPT in conjunction with the DfT. The Board also considered the Well Managed Highway Infrastructure Code of Practice and heard evidence from BBLP on the best repair techniques as they operate a number of highway maintenance contracts across the country and are specialists in this field. New techniques and innovations in materials were also considered, such as the JCB mounted repair system which BBLP had trialled on their West Sussex contract. The Board heard that where pothole repairs need to be undertaken a range of techniques can be used, depending on the road conditions.
45. The Review Board heard from Balfour Beatty Living Places (BBLP), that they are using a different specification to repair potholes, compared to the previous contract. The specification as required in the new contract is to cut out the area up to 250mm around the pothole to ensure the repair is made into sound surrounding surfacing material and then fill it with hot tarmac. This specification is based on what is regarded as industry best practice and removes the damaged material around a pothole, making the formation of a new pothole immediately adjacent to the repair less likely. The result is a square or rectangular patch of new material. High quality cold lay tarmac material may be used where traffic management or weather conditions make it necessary to do so. Any temporary repairs will be marked with a 'T' so the public know they are not permanent (information on temporary repairs is provided in the [Guide to Highways](#)).
46. BBLP is also using three velocity or jet patching machines under the new contract, with two of them being used to proactively 'find and fix' potholes and defects (30mm or deeper) in unclassified roads. This innovation is based on a tried and tested approach and will reduce the number of defects prior to the next routine inspection by Highway Stewards. This repair technique is also used in urban areas. It bonds well to existing surfacing and has good results in terms of the longevity of the repairs. The Board strongly supports the proactive use of jet patching machines to find and fix defects and would like to see this approach expanded if possible.



47. The Board's considers that this proactive approach to pothole repairs and the changes in specification and repair methods being used will to lead to better quality and quicker repairs. Although we are in the early stages of the operation of the new contract, residents and councillors have started to notice the difference in approach.

### ***Quality Assurance and Monitoring***

48. BBLP are responsible for self-monitoring the quality of all their work and reporting the results to the Client Team. For reactive pothole and defect repair work, 90% of pothole repair works are inspected by BBLP at present, to ensure they have been undertaken to agreed standards, although this may reduce to 50% - 60% of works as the contract matures and settles in. In addition, audits are carried out by BBLP's senior management team and managers across the organisation. Monthly joint inspections are carried out with client officers and all planned works schemes are quality inspected by client officers. The Council also has dedicated staff in the Client Team monitoring reactive repairs, and under the new contract arrangements 20-30% of pothole repairs are being quality checked by this team.
49. The Board heard that before and after photographs are taken of all pothole repairs and as a result of the quality assurance processes that are in place there are very few, if any, pothole repairs that require follow up work to be undertaken. This is in line with the 'right first time' approach taken by the contractor and there are further quality checks by the Client Team, so there is independent verification of the quality of the work being undertaken. This approach avoids the duplication of effort involved with client officers checking all works and provides an appropriate level of oversight.
50. Based on the evidence heard by the Board it found that the quality assurance arrangements for pothole repairs are effective. However, it would be beneficial for the Place Scrutiny Committee to maintain an overview of the contractor's performance, especially after the first year of the new contract, once the contractor has become established.

#### **Recommendation 7**

**The Review Board recommends that annual performance monitoring reports are presented to the Place Scrutiny Committee to maximise transparency and scrutiny of pothole repairs, contract key performance indicators (KPIs), and planned highway maintenance work, with the first report scheduled for July 2024.**

## Clusters of Potholes and the use of ‘advisories’ and ‘observations’

51. When Highway Stewards inspect reported potholes or carry out routine inspections, they can raise a works request called an ‘advisory’ if they think a larger area of resurfacing needs to be undertaken to deal with clusters of potholes and other defects near to safety intervention level potholes, which don’t in themselves meet intervention level criteria. This approach is generally taken when Stewards consider that the road surface is likely to deteriorate and develop more safety intervention level potholes. Once checked against any planned resurfacing schemes, an advisory work request can be approved in two to three days. This is then added to a scheduled list of works which can be found on the [East Sussex Highways](#) web site.
52. An ‘observation’ is used by a Highway Steward to report areas of surfacing likely to deteriorate and develop intervention level defects in the near future (e.g. areas of cracking, crazing, subsidence or showing signs of breaking up). These are then checked against planned resurfacing work programmes and works added to the most appropriate work programme (e.g. surface dressing, patching or re-surfacing).
53. The Board heard that the best way of dealing with clusters of potholes and defects at or near safety intervention levels, is through the use of ‘advisories’ which would lead to patching repairs being carried out. Patching repairs are where small areas of road (usually under 10 square metres in size) are resurfaced rather than repairing individual potholes. Carrying out patching and resurfacing works is a more cost-effective way to repair clusters of potholes and defects in comparison to individual reactive pothole repairs in a relatively small area (repairing potholes individually costs around £200 per square metre compared with £30 per square meter for resurfacing). Individual potholes which meet the Council’s safety intervention criteria may still be repaired to keep road users safe whilst awaiting larger patching or resurfacing repairs.
54. The Council allocated additional capital funding for patching repairs during the last financial year (2022/23) and the current financial year (2023/24) to deal with a backlog of advisory works. Good progress was made in 2022/23 but this has been masked by the accelerated deterioration of road surfaces and more potholes forming due to weather conditions, particularly during the winter of 2022/23.
55. As part of the evidence gathering for the review, the Board examined the highway investment modelling carried out on behalf of the Council by independent consultants, Metis Consultants. This indicated that the Council should spend proportionately more on patching and surface dressing to improve the resilience and longevity of road surfaces. The Board also heard that West Sussex County Council had been spending more on surface dressing and this may account for the lower maintenance backlog they have.

56. The Board also sought the views of BBLP and officers on what they consider to be the best approach is to tackling clusters of potholes based on their engineering experience. In an ideal world it would be preferable to resurface the road, but the Council does not have sufficient resources to resurface all the roads. In these circumstances, both officers and BBLP considered that patching, preferably followed up with surface dressing, is the best approach particularly on sections of road assessed as being in 'amber' condition. This is in terms of effectiveness, value for money, and increasing the life of the road surface.
57. The Board considers that increasing spending on patching and subsequent surface dressing is the best way to tackle clusters of potholes and prevent them from developing, bearing in mind the constraints on the Council's finances and that it might not be possible to resurface all the roads we would like to. This demonstrates that the Council is doing all it can to reduce the number of potholes within available resources and addresses the perception that the Council's approach to pothole repairs is inefficient.

#### **Recommendation 8**

**The Board recommends that officers continue to allocate specific, defined levels of investment within the existing highways infrastructure maintenance capital budget, to tackle clusters of potholes and address public concerns about this issue, for example by undertaking patching repairs and surface dressing.**

#### **Repair Gang Flexibility**

58. The Board heard that at the present BBLP is operating nine to twelve repair gangs to fill intervention level potholes which are 40mm or deeper and are at least 300mm in each direction. Asking repair gangs to repair additional defects not at the agreed safety intervention level, would risk safety defects not being repaired within the specified timescales and leave safety hazards that may affect road users.
59. However, there is flexibility for repair gangs to repair other safety intervention level defects that they may find, whilst carrying out reported safety defect repairs. Repair gangs can send a photograph of any additional safety defects they find and contact the BBLP control centre to ask for authorisation to carry out the extra work immediately whilst on site.
60. The Board considered that it is important to emphasise to the public that repair gangs do have this flexibility and mechanisms exist to carry out additional work required for safety reasons whilst on site if necessary.

#### **Recommendation 9**

**The Board recommends that the [Guide to Highways](#) on the East Sussex Highways web site is amended to reflect that repairs gangs, BBLP and the Council exercise a degree of flexibility in their approach to repairing safety intervention level defects and will repair other safety intervention level defects they find whilst on site.**

## ***Finance and Investment***

### **Revenue and Capital Budgets**

61. The Review Board heard from officers that over the last ten years the level of revenue funding for highway maintenance had generally reduced, whilst the amount capital funding has been increasing. The revenue funding for the 2023/24 financial year had been increased to take into account contract inflation for the new highway service maintenance contract and is around £12 million per year (up from £11 million).
62. Under CIPFA Accounting Code of Practice guidelines, pothole safety defect repairs are funded from revenue budgets as they are deemed not to add to the overall value of the asset/road. Other works such as surface dressing, patching, re-surfacing and reconstruction are funded from capital budgets as they are judged to extend the life of the asset. Currently around £2.5 million a year is spent from the overall revenue budget for highways maintenance on reactive pothole repairs.
63. The grant funding for highway maintenance that the Council receives from the Department for Transport (DfT) Structural Maintenance Grant (Needs & Incentive) and Pothole funding is around £13 million to £14 million per year, which is used to support the capital programme. Investment in highways from the Council's highways structural maintenance capital programme is substantially above this level with around £20 million allocated to road surfacing, £4 million on bridges and £5 million on street lighting this financial year, plus the additional £15.7 million agreed earlier in 2023.
64. The Board heard from the Chief Finance Officer that borrowing may need to be undertaken to fill the gap between the grant funding received from Government, and planned expenditure from the capital programme. Consequently, the Council may need to borrow around £23 million to support the planned additional capital expenditure on highways maintenance over the term of the three-year Medium Term Financial Plan (MTFP). Over the 10 years of the capital programme the borrowing requirement is estimated to be in the region of £213 million. For every £10 million borrowed there is a £750,000 ongoing annual charge to the revenue budget to cover the cost of borrowing (interest and other charges) and the Minimum Revenue Provision (MRP), which is required by local government accounting rules.

65. Any proposal to increase the capital programme would therefore need to take into account the cost of borrowing, and whether this is affordable and sustainable. The Board recognises that continually borrowing money to fund highway maintenance may not be sustainable in the longer term. Any additional borrowing would need to be considered through the Council's Reconciling Policy, Performance and Resources (RPPR) budget setting process, alongside other financial and cost pressure considerations the Council is facing, such as the significant cost pressures being experienced in Adult Social Care and Children's Services.
66. The Board understands that it is a widely held view by members of the public and by national motoring organisations that not enough is being spent on highways maintenance and additional spending would be welcomed. However, it would be difficult for the Council to invest further to improve road conditions, however much it would like to, given the financial constraints it operates within and the cost and sustainability of borrowing more. The Local Government Association nationally is saying that the Government should provide more funding for local highways maintenance, and it should be longer term in nature so local authorities can plan to maintain the local road network in an effective way. The Board heard that the current ESCC road maintenance backlog is around £300 million, which is the sum that would be needed to be invested to eliminate red sections of road across the road network.
67. East Sussex and other county authorities in the South East are all experiencing similar issues with a lack of resources to deal with maintenance backlogs. The latest estimates to deal with road maintenance backlogs in neighbouring counties are:
- £650m in Kent
  - £300m in Surrey
  - £377m in Hampshire
  - £151m in West Sussex (on carriageways alone).
68. The Board has reviewed all sources of Council funding (e.g. income, borrowing, Government grants and council tax) and finds that there is no obvious source of additional funding to further improve road conditions over and above that which has already been committed.
69. The Board also heard that additional one-off funding from the national Pothole Repair Fund is welcome, but it is sometimes hard to plan to spend it effectively given its short term and sometimes short notice nature. It would be preferable for longer term funding to be allocated so that work can be planned more efficiently, effectively and carried out at the right time of year. There is currently approximately a £10 million per year gap between the Government grant funding the Council receives for highways maintenance and what the Council needs to spend on road surfacing alone.

70. The Government announced in early October 2023, that it would spend a further £8.3 billion on local road maintenance over the next ten years. This will be in addition to the existing DfT road maintenance grant funding. As part of this there will be a combined £2.8 billion pothole fund for the South East, South West and East of England, which will start to become available from April 2024. It is not clear at this stage how much will be allocated to East Sussex or whether the Council will have to bid for the additional funding, and whether it will come with any conditions.
71. The Board considers that long-term funding is important in being able to take a planned and the most cost-effective approach to reducing potholes and improving road condition. In relation to the newly announced funding it will be important for the Council to have certainty and clarity about the allocation, without needing to spend time and money bidding for funds, so that it can plan effectively for how to invest in the local road network.

#### **Recommendation 10**

**The Board recommends that the Council continues to lobby Government for better long-term funding arrangements for pothole repairs, and highways maintenance, so that it can plan effectively, does not have to expend resources bidding for funding and can address local road conditions.**

### **Budget Allocation and Investment Modelling**

#### ***Budget Allocation***

72. The highways structural maintenance capital budget expenditure is split across a number of areas. On average:
- 75% on carriageway repairs;
  - 10% on footways;
  - 11% on drainage; and
  - 4% on other works such as signs and safety barrier repairs.
73. Of the 75% spent on carriageway repairs, on average 44% of that was spent on resurfacing schemes, and 31% was spent on other carriageway treatments, including surface dressing, crack and joint repairs and concrete rehabilitation.
74. The Board heard that in the officers' view additional funding should be directed towards footway maintenance and drainage if possible, in addition to that being planned for carriageways. The £3.1 million one-off funding agreed for drainage works in 2023/24 will be used for known issues that need repairing, but the highway drainage network would likely struggle to cope with the continued impacts of warmer, wetter weather conditions.

75. The Board concluded that investment in drainage is important to prevent water damaging road surfaces and prevent potholes forming. Whilst the Board would like to see the condition of the whole road network improved, the cost would be too great, and therefore the focus should be on improvements to the service that is currently being funded. It was suggested that if the Council could find additional funding for highways investment in the future, it should be spent on drainage.

**Recommendation 11**

**The Board recommends that if funding pressures ease or additional funding becomes available, the Council considers making additional investment in highway drainage.**

***Investment modelling***

76. The highway investment modelling undertaken by Metis Consultants presented a number of scenarios which modelled the impact on road condition of different levels of investment to achieve the Council's agreed road condition targets. The recommendation agreed by the Council's Cabinet is to increase the structural maintenance carriageway budget to £23.2 million a year but front-loaded so that £28 million is available for each of the first two years. The modelling suggests that this will keep the County's roads in a steady state condition, but with visible improvements early on and maintaining the target condition over the next ten years. Work will therefore be prioritised to get the roads in as good a condition as they can be, in a cost-effective way.
77. The Board supports the planned investment and increased spending on patching and surface dressing as the most cost effective way of maintaining road condition against the Council's agreed targets. The Board understands that the Medium Term Financial Plan (MTFP), which covers the next 3 years, has the revenue impact of proposed increases in the highway capital programme factored into it. However, the funding position for the remainder of the 10 year capital programme for highways will depend on the Council's financial circumstances at the time.
78. In addition, the Board heard that the standard deterioration rates used in modelling are based on previous years, and therefore the modelling is not able to account for changes in the weather conditions or increases in traffic volumes and vehicle weights which significantly contribute to the deterioration of road surfaces. The Board heard that investment modelling ideally needs to be reviewed on a two-to-three-year basis to take into account changes in deterioration rates.
79. The Board considers regular remodelling is the best approach to understand, as best as possible, the future investment requirements to keep the roads in East Sussex in a steady state condition. This should be included in reviews of the capital programme in the Council's budget setting process.

## Recommendation 12

The Board recommends that the Department continues to maintain an active approach to modelling highway investment levels needed to achieve the Council's road condition targets and feed the outcomes into the Reconciling Policy, Performance Resources (RPPR) budget setting process.

### *Communication with stakeholders*

80. The Board heard that, most of the time, the Council's priorities for carriageway repairs are aligned with those of local communities, and this is often reflected in the upcoming planned works shown in the publicly available [Highway Schemes and planned work programmes](#) section on the [East Sussex Highways website](#). A link to the [carriageway patching programme](#) is also on East Sussex Highways website. However, it is apparent that members of the public are often either unaware of the planned programmes or find it difficult to find information about them.
81. The Board considered how communications could be improved so that the public had more awareness of what is in the capital programme and the extent of these planned repair works. It was noted that, while there is an East Sussex Highways website separate from the ESCC main website, most members of the public would likely not be aware of this fact, and that it could be made simpler to access the former from the latter. It was suggested by the Board that the link to get to the East Sussex Highways website should take one fewer click than it does at present and could be on the main ESCC website landing page. The Board also considered whether there could be better signposting to the East Sussex Highways website on Parish, District and Borough council websites.
82. The Board found that it can be difficult for members of the public to find specific information on planned repairs works. Information on dates for scheduled work could be clearer so that it is explained that "to be scheduled" means that work will take place this year and the list will be updated with a more precise timescale at a later stage. Better access to information on planned works may help convey the fact that the Council is taking proactive action on repairing potholes and sections of deteriorating road.
83. The Board has also considered the outcomes from the recent survey of ESCC councillors on highway maintenance issues. This has highlighted the need to have information available to councillors on all reported defects and works that are taking place in their Divisions. This can then be passed on to members of the public and Parish and Town councils. The Board has been advised that making all reported defects information available is being worked on by BBLP and will be available shortly for councillors and members of the public.



### **Recommendation 13**

The Board recommends that officers review the visibility and usability of website information on planned maintenance work on potholes to make it easier to find and use online, including via the East Sussex County Council website and the upcoming app, and in particular information for patching, resurfacing and revenue funded advisories.

### ***Footway Maintenance***

84. Throughout the course of the review the Board also heard evidence about the maintenance and condition of footways (pavements). A similar approach to defects and repairs of footways is taken, with condition surveys, defect reporting, intervention criteria and an asset management approach which is used to guide investment in repairs. It is clear that members of the public are also concerned about defects in pavements and there are similar issues concerning the availability of funding and investment to address footway condition. The results of the last footway network condition survey categorised 18% of footways as in red condition, 25% as dark amber, 23% as light amber, and 34% as green.
85. As footways were outside the scope of this review, the Board considered that a further scrutiny review could be considered to explore these issues fully.

### **Conclusions**

86. It was evident to the Board that, during the course of the review, the picture regarding pothole repairs was changing. The new highways contractor, with their proactive and 'right first time' approach, was starting to make a difference. The Council had agreed further capital investment and it will take time for the impact of that additional investment to become apparent, as the planned repair programmes start to be delivered. More time should be given to allow the new contractor to consolidate the improvements it is making and to deliver the capital investment programme before reviewing performance. The Place Scrutiny Committee can assist with this process and will review performance in July 2024.
87. The Board has made a number of recommendations which it believes will further develop the approach to pothole management and will help address residents' concerns about road conditions in East Sussex. Overall, the Board believes good progress and plans are being made to reduce the number of potholes within available resources and to address residents' concerns as far as possible.

## **Appendix:**

### **Scope and terms of reference of the review**

The Review was established to consider and make recommendations on the following:

- To improve the repair of potholes and tackle pothole clusters;
- To have a visibly better highway network; and
- To ensure the needs of vulnerable road users are taken into account in the defect reporting system and when carrying out repairs.

The scope of the review included:

- Alternative pothole intervention levels and costs;
- The quality of pothole repair works;
- Alternative pothole repair techniques and costs;
- Consideration of current policies and procedures to take into account vulnerable road users (cyclists, pedestrians, wheelchair users, and motorcyclists) and promotion of Active Travel and alternative methods of travel;
- Consideration of budgets and investment for pothole repairs and safety defects; and
- Consideration of the effectiveness of the Council's patching programme.

### **Board Membership and project support**

Review Board Members: Councillors Ian Hollidge (Chair), Matthew Beaver, Julia Hilton, Eleanor Kirby-Green and Philip Lunn.

The Project Manager was Martin Jenks, Senior Scrutiny adviser with additional support provided by Patrick Major, Scrutiny and Policy Support Officer

Dale Poore and Stephanie Everest provided ongoing support to the Board throughout the review.

### **Review Board meeting dates**

Scoping meeting - 06 February 2023

Board meetings

18 May 2023

01 August 2023

10 August 2023

17 August 2023

11 September 2023

20 September 2023

03 November 2023

## **Witnesses providing evidence**

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

### ESCC officers

Karl Taylor, Assistant Director Operations

Dale Poore, Contracts Manager, Highway Infrastructure Services

Pippa Mabey, Performance and Service Development Team Manager

Stephanie Everest, Project Manager - Highways Funding and Development

Ian Gutsell, Chief Finance Officer

### Balfour Beatty Living Partnerships (BBLP) representatives

Nicola Blake, Contract Director

Jack Beckley, Principal Operations Manager

Mark Robinson, Network Assurance Manager

Conteh Nixon, Performance and Hub Manager

James Kelly, Stewards and Assurance Manager

Nicola Carly, Construction Manager

**Contact officer: Martin Jenks, Senior Scrutiny Adviser.**

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## Evidence papers

Item	Date
Well Managed Highway Infrastructure: A Code of Practice. UK Roads Liaison Group.	March 2017
Potholes - A Repair Guide. Association of Directors of Environment, Economy, Planning & Transport (ADEPT) and the Department for Transport (DfT).	March 2019
ALARM Annual Local Authority Road Maintenance Survey Report. Asphalt Industry Alliance.	March 2023
Highway Asset Management Strategy 2022 - 2028. East Sussex County Council (ESCC).	December 2022
Highway Asset Management Policy. East Sussex County Council.	December 2022
Guide to Highways. East Sussex Highways.	June 2021
East Sussex Highway Inspection Manual. East Sussex County Council	May 2021
Highways Inspection Manual - Appendix 1 East Sussex Highways Investigatory Levels. ESCC.	March 2022
Highways Investment Planning. METIS Consultants.	June 2023
Pedestrian Slips, Trips and Falls: An Evaluation of Their Causes, Impact, Scale and Cost. Living Streets.	February 2023
Highway Services Contract Re-Procurement Reference Group - Second Report. ESCC.	May 2021
Scrutiny Review of Road Repairs. ESCC.	March 2019
Scrutiny Review of Highway Drainage. ESCC.	March 2016
LG Inform road condition statistics for East Sussex and East Sussex CIPFA nearest neighbours. LGA Research. Local Government Association.	November 2022
<a href="#">Road condition statistics: data tables (RDC)</a> . Department for Transport (DfT).	November 2022
Highways survey for Members of East Sussex County Council: Summary report. ESCC.	August 2023

<b>Report to:</b>	<b>Place Scrutiny Committee</b>
<b>Date of meeting:</b>	<b>26 September 2023</b>
<b>By:</b>	<b>Assistant Chief Executive</b>
<b>Title:</b>	<b>Place Scrutiny Committee future work programme</b>
<b>Purpose:</b>	<b>To review and agree items for the Place Scrutiny Committee's future work programme and receive updates on previous work.</b>

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**RECOMMENDATIONS:** The Place Scrutiny Committee is recommended to:

- 1) Review the agenda items for the future Committee meetings, including items listed in the updated work programme in appendix A;**
  - 2) Review and agree topics for Scrutiny Reviews to be included in the Committee's future work programme;**
  - 3) Review upcoming items on East Sussex County Council's (ESCC) Forward Plan in appendix B to identify any issues that may require more detailed scrutiny; and**
  - 4) Delegate authority to the LTP Reference Group to comment on the draft Local Transport Plan on behalf of the Committee as set out in section 4.1 of the report.**
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## **1. Background**

1.1 The work programme is an important tool in ensuring the correct focus and best use of the Committee's time in scrutinising topics that are of importance to the residents of East Sussex, and the efficient and effective working of the Council. It also provides clarity for those who may be requested to give evidence to the Committee on the issues under review, and the questions the Committee requires answers to.

1.2. Discussion of the work programme provides the Committee with the opportunity to examine topics that it may be of value to scrutinise, and to decide whether further scoping work is required. This provides a basis for deciding the best way of scrutinising a topic, the timescale, and who from the Committee will be involved in carrying out the review work. If there are a number of topics for review, the Committee can determine the priority of the work within the resources available to the Committee.

## **2. Work programme and future scrutiny reviews**

2.1 The Committee is asked to review the items in the current work programme and discuss the future agenda items and other scrutiny work of the Committee for inclusion in the Committee's future work programme. A copy of the current work programme is contained in appendix A of the report for consideration by the Committee.

2.2 The Committee is also asked to consider whether there are any potential topics for future scrutiny reviews, or agenda items for future meetings, that should be included in the work programme, including items contained the Council's Forward Plan of decisions. This can include any topics or issues identified through the Committee's work on the Reconciling Policy, Performance and Resources (RPPR) process discussed earlier in the agenda.

### **3. Forward Plan**

3.1 A copy of the Council's Forward Plan of executive decisions for the period 1 November 2023 to 29 February 2024 is included in appendix B. The Committee is requested to review the forthcoming items on the Forward Plan to identify any issues that may require scrutiny work. The Forward Plan is revised and published on a monthly basis, and Committee members should regularly review the Forward Plan.

### **4. Reference Group Updates**

Local Transport Plan (LTP) Reference Group

4.1 Since the last Committee meeting the LTP Reference Group has met to receive a briefing on the draft LTP document and understands that the timescales for the project may be affected by the delay in the publication of the revised LTP statutory guidance. In its future work, the LTP Reference Group will consider a revised draft LTP once the public consultation on the draft LTP has been completed. As the timescales for the development of LTP may not fit in with the future meeting dates of the Committee, it is requested that authority is delegated to the LTP Reference Group to comment on the draft LTP on behalf of the Committee.

The Economic Growth Strategy (EGS) Reference Group

4.2 The Economic Growth Strategy (EGS) Reference Group held an initial meeting on 10 November 2023 and appointed Cllr Hilton as Chair (the EGS Reference Group is comprised of councillors Collier, Hilton, Hollidge, Redstone and Tutt). The Group explored the key stages of the development of the new the Economic Growth Strategy for East Sussex and will hold a number of further meetings to reflect the stages in the development of the EGS.

### **5. Conclusion and reasons for recommendations**

5.1 The Place Scrutiny Committee is recommended to consider the work programme contained in appendix 1 and agree any further agenda items or topics for scrutiny reviews to be included in the future work programme. The Committee is also recommended to review the Council's Forward Plan of decisions to identify any issues that may require more detailed scrutiny and delegate authority to the LTP Reference Group to comment on the draft Local Transport Plan on behalf of the Committee.

**PHILIP BAKER**

**Assistant Chief Executive**

Contact Officer: Martin Jenks, Senior Scrutiny Adviser

Tel. No. 01273 481327

Email: [martin.jenks@eastsussex.gov.uk](mailto:martin.jenks@eastsussex.gov.uk)

### **BACKGROUND DOCUMENTS**

None.

## Place Scrutiny Committee – Work Programme

Current Scrutiny Reviews		
Title of Review	Detail	Proposed Completion Date
To be agreed.		
Initial Scoping Reviews		
Subject area for initial scoping	Detail	Proposed Dates
To be agreed.		
List of Suggested Potential Future Scrutiny Review or Reference Group Topics		
Suggested Topic	Detail	
Climate Change	The Committee has agreed to consider a scoping a review to examine the Council's countywide work on climate change, which could look at countywide actions and how the Council works with other organisations (e.g. District and Borough councils) on this issue.	
Scrutiny Reference and Working Groups		
Reference Group Title	Subject Area	Meetings Dates
Local Transport Plan (LTP4) – Reference Group	The Committee has formed a Reference Group to work alongside officers on the development of the revised Local Transport Plan (LTP 4) focussing on sustainable transport issues. It is taking part in a series of workshops on the development of the LTP4.	Further dates to be agreed as required.

East Sussex Economic Growth Strategy (EGS) Reference Group	The Committee has agreed to form a reference group to provide scrutiny input into the development of the Strategy in response to the Committee's request to have scrutiny involvement in the development process for economic development projects, which will be guided by the Strategy. The membership of the reference group is councillors Chris Collier, Julie Hilton (Chair), Ian Hollidge, Paul Redstone and David Tutt.	Initially 10 November 2023 and then during 2023 and early 2024.
<b>Reports for Information</b>		
<b>Subject</b>	<b>Detail</b>	<b>Proposed Date</b>
To be agreed.		
<b>Training and Development</b>		
<b>Title of Training/Briefing</b>	<b>Detail</b>	<b>Proposed Date</b>
To be agreed.		
<b>Future Committee Agenda Items</b>		<b>Author/Witnesses</b>
<b>12 March 2024</b>		
Reconciling Policy, Performance and Resources (RPPR)	The Committee will review its input into the RPPR budget setting process, and the impact of any recommendations or comments made by the Committee.	Chief Executive / Senior Scrutiny Adviser
SPACES Programme and Community Asset Transfer (CAT) policy	To receive an update report on the work of the SPACES programme, including its successes and future focus, and a report back on the updated Community Asset Transfer (CAT) policy.	Assistant Director Property / Chief Operating Officer
Scrutiny Review of Procurement: Social Value and Buying Local	To receive an update report on the implementation of the recommendations from the Scrutiny Review of Procurement: Social Value and Buying Local and an update on the implications of the Procurement Act.	Chief Operating Officer / Director of Procurement / Head of Policy and Modernisation, Orbis Procurement



Environment Act, Food Waste	To receive an update report on the implications of the Environment Act for ESCC of the requirement to put in place a food waste collection service.	Assistant Director Operations/Waste Team Manager
Scrutiny Review of Road Markings	To receive an update report on the implementation of the recommendations from the Scrutiny Review of Road Markings, including details of the work undertaken with additional expenditure in this area of work.	Assistant Director, Operations
Work Programme	To consider items for inclusion in the Committee's work programme: <ul style="list-style-type: none"> <li>• Reports for future meetings</li> <li>• Scrutiny reviews and potential scrutiny reviews</li> <li>• Items from the Forward Plan</li> </ul>	Senior Scrutiny Adviser
<b>12 July 2024</b>		
Reconciling Policy, Performance and Resources (RPPR)	To commence the Committee's involvement with the RPPR process for 2025/26 by reviewing the information in the Quarter 4, end of financial year (2023/24) Council Monitoring report and the State of the County report.	Chief Executive / Senior Scrutiny Adviser
Work Programme	To consider items for inclusion in the Committee's work programme: <ul style="list-style-type: none"> <li>• Reports for future meetings</li> <li>• Scrutiny reviews and potential scrutiny reviews</li> <li>• Items from the Forward Plan</li> </ul>	Senior Scrutiny Adviser
<b>23 September 2024</b>		
Reconciling Policy, Performance and Resources (RPPR)	To continue the Committee's work on the RPPR process for 2025/26, by reviewing Portfolio Plans and service based information.	Chief Executive / Senior Scrutiny Adviser
Scrutiny Review of Procurement: Social Value and Buying Local	To receive the second update report on the implementation of the recommendations from the Scrutiny Review of Procurement: Social Value and Buying Local.	Chief Operating Officer / Director of Procurement / Head of Policy & Modernisation, Orbis
Work Programme	To consider items for inclusion in the Committee's work programme: <ul style="list-style-type: none"> <li>• Reports for future meetings</li> <li>• Scrutiny reviews and potential scrutiny reviews</li> <li>• Items from the Forward Plan</li> </ul>	Senior Scrutiny Adviser
<b>28 November 2024</b>		
Reconciling Policy, Performance and Resources (RPPR)	The Committee will examine any additional information requested at the September meeting and consider any updated RPPR information for 2025/26.	Chief Executive / Senior Scrutiny Adviser

Work Programme	To consider items for inclusion in the Committee's work programme: <ul style="list-style-type: none"> <li>• Reports for future meetings</li> <li>• Scrutiny reviews and potential scrutiny reviews</li> <li>• Items from the Forward Plan</li> </ul>	Senior Scrutiny Adviser
<b>20 March 2025</b>		
Reconciling Policy, Performance and Resources (RPPR)	The Committee will review its input into the RPPR budget setting process, and the impact of any recommendations or comments made by the Committee.	Chief Executive / Senior Scrutiny Adviser
Work Programme	To consider items for inclusion in the Committee's work programme: <ul style="list-style-type: none"> <li>• Reports for future meetings</li> <li>• Scrutiny reviews and potential scrutiny reviews</li> <li>• Items from the Forward Plan</li> </ul>	Senior Scrutiny Adviser
<b>Future Items – to be scheduled</b>		<b>Witnesses</b>
Electricity Grid Capacity	A report on the capacity and constraints of the electricity grid in East Sussex to accommodate Electric Vehicle charging infrastructure and other developments such as solar farms and new housing developments. Timescale to be agreed, dependent on agreement with potential witnesses UK Power Networks/electricity distributors.	UK Power Networks
Queensway Gateway Project	A report on the Queensway Gateway project, covering the current position regarding delivery of this project.	Director of Communities Economy and Transport / Assistant Director Economy / Head of Economic Development, Skills and Infrastructure.
Water Supply Issues and Future Demand Planning	To receive a report from South East Water on the actions they are taking to resolve the recent water supply issues in the north of the County and to hear from South East Water and Southern Water about their longer terms plans for supplying water to East Sussex residents and businesses.	Representatives from South East Water and Southern Water.
Bus Service Improvement Plan (BSIP) Flexi-Bus Service	The Committee requested a report on the new Flexi-Bus service, including an evaluation of the use and success of the service.	Director of Communities Economy and Transport / Assistant Director Operations
Killed and Seriously Injured (KSI) Road Collisions	The Committee requested an update report on the effectiveness of the interventions that have been put in place to try and reduce the number of KSI collisions on the County's roads, and have an outline of the measures that other local authorities have put in place to tackle this issue.	Director of Communities Economy and Transport / Assistant Director Communities

## EAST SUSSEX COUNTY COUNCIL'S FORWARD PLAN

The Leader of the County Council is required to publish a forward plan setting out matters which the Leader believes will be the subject of a key decision by the Cabinet, individual Cabinet member or officer in the period covered by the Plan (the subsequent four months). The Council's Constitution states that a key decision is one that involves

- (a) expenditure which is, or the making of savings which are, significant having regard to the expenditure of the County Council's budget, namely above £500,000 per annum; or
- (b) is significant in terms of its effects on communities living or working in an area comprising two or more electoral divisions.

As a matter of good practice, the Council's Forward Plan includes other items in addition to key decisions that are to be considered by the Cabinet/individual members. This additional information is provided to inform local residents of all matters to be considered, with the exception of issues which are dealt with under the urgency provisions. Only key decisions to be taken by officers are included.

For each decision included on the Plan the following information is provided:

- the name of the individual or body that is to make the decision and the date of the meeting or relevant time period for an officer decision
- the title of the report and decision to be considered
- groups that will be consulted prior to the decision being taken
- a list of documents that will be considered when making the decision
- the name and telephone number of the contact officer for each item.

The Plan is updated and published every month on the Council's website two weeks before the start of the period to be covered.

Meetings of the Cabinet/individual members are open to the public (with the exception of discussion regarding reports which contain exempt/confidential information). Copies of agenda and reports for meetings are available on the website in advance of meetings. Key decisions taken by officers will not be taken at a meeting – documents listed can be made available on request to the contact officer, with the exception of those which contain exempt/confidential information.

For further details on the time of meetings and general information about the Plan please contact Stuart McKeown at County Hall, St Anne's Crescent, Lewes, BN7 1UE, or telephone 01273 481583 or send an e-mail to [stuart.mckeown@eastsussex.gov.uk](mailto:stuart.mckeown@eastsussex.gov.uk). For further detailed information regarding specific issues to be considered by the Cabinet, individual Member or officer please contact the named contact officer for the item concerned.

EAST SUSSEX COUNTY COUNCIL  
County Hall, St Anne's Crescent, Lewes, BN7 1UE

For copies of reports or other documents please contact the officer listed on the Plan or phone 01273 335274.

# **FORWARD PLAN – EXECUTIVE DECISIONS (including Key Decisions) –1 November 2023 TO 29 February 2024**

Additional notices in relation to Key Decisions and/or private decisions are available on the [Council's website](#).

Cabinet membership:

Councillor Keith Glazier - Lead Member for Strategic Management and Economic Development  
Councillor Nick Bennett – Lead Member for Resources and Climate Change  
Vacancy – Lead Member for Economy  
Councillor Claire Dowling – Lead Member for Transport and Environment  
Councillor Carl Maynard – Lead Member for Adult Social Care and Health  
Councillor Bob Bowdler – Lead Member for Children and Families  
Councillor Bob Standley – Lead Member for Education and Inclusion, Special Educational Needs and Disability

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Date for Decision	Decision Taker	Decision/Key Issue	Decision to be taken wholly or partly in private (P) or Key Decision (KD)	Consultation	List of Documents to be submitted to decision maker	Contact Officer
3 Nov 2023	Lead Member for Strategic Management and Economic Development	Approval for the Local Visitor Economy Partnership application submission, the setting up of Experience Sussex and the Sussex Visitor Economy Strategic Plan Framework To seek approval for the submission of the Local Visitor Economy Partnership application to VisitBritain/VisitEngland responding to the Government's establishment of a new destination management framework across the country to support the tourism and visitor economy sectors, and to approve the framework for	<b>KD</b>		Report, other documents may also be submitted	Sally Staples 07785 453328

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		the Sussex Visitor Economy Strategic Plan. The Lead Member will be asked to endorse the future visitor economy arrangements for East Sussex through a pan-Sussex approach with West Sussex County Council and Brighton & Hove City Council, and approve the County Council's role and funding arrangements.				
7 Nov 2023	Cabinet	Reconciling Policy, Performance and Resources (RPPR) update - 2024/25 next steps and Medium Term Financial Plan To consider an update on the reconciling policy, performance and resources process for 2024/25, the next steps and the medium term financial plan	<b>KD</b>		Report, other documents may also be submitted	Victoria Beard 07894 708914
14 Nov 2023	Lead Member for Education and Inclusion, Special Educational Needs and Disability	Revision of Home to School Transport policies The Lead Member is asked to approve the revised Home to School Transport policies, which, while in essence unchanged, have been re-formatted to contain additional information in line with the Department for Education (DfE) guidance published in June 2023.	<b>KD</b>		Report, other documents may also be submitted	Jo Miles, Alison Mills 01273 481911, 07701 020788
14 Nov 2023	Lead Member for Education and Inclusion, Special Educational Needs and Disability	Holy Cross CE Primary School To make a final decision on the proposed closure of Holy Cross CE Primary School following the publication of a statutory proposal by the local authority in September 2023. In accordance with legislation, the proposal	<b>KD</b>		Report, other documents may also be submitted	Gary Langford 01273 481758

		must be determined within two months of the end of the four-week representation period which followed publication.				
14 Nov 2023	Lead Member for Education and Inclusion, Special Educational Needs and Disability	<p>East Sussex School Organisation Plan 2023 to 2027 To seek Lead Member approval to publish a School Organisation Plan for the period 2023 to 2027.</p> <p>The School Organisation Plan sets out how East Sussex County Council (the local authority), in accordance with its statutory duty, seeks to ensure there are sufficient primary, secondary, and special school places in the right locations to meet demand.</p>	<b>KD</b>		Report, other documents may also be submitted	Gary Langford 01273 481758
14 Nov 2023	Lead Member for Education and Inclusion, Special Educational Needs and Disability	<p>St Pancras Catholic Primary School To make a final decision on the proposed closure of St Pancras Catholic Primary School following the publication of a statutory proposal by the governing board of the school in September 2023.</p> <p>In accordance with legislation, the proposal must be determined within two months of the end of the four-week representation period which followed publication.</p>	<b>KD</b>		Report, other documents may also be submitted	Gary Langford 01273 481758

20 Nov 2023	Lead Member for Transport and Environment	Petition for a safe crossing to Hartfield Square on The Avenue, Eastbourne To consider a petition calling on the County Council for a safe crossing to Hartfield Square on The Avenue in Eastbourne.			Report, other documents may also be submitted	Victoria Bartholomew 01424 724284
20 Nov 2023	Lead Member for Transport and Environment	Alfriston Village Traffic Management Scheme To set out the results of the public consultation on proposals to introduce traffic management measures in Alfriston and to recommend next steps.			Report, other documents may also be submitted	Andrew Keer 01273 336682
20 Nov 2023	Lead Member for Transport and Environment	Application to de-register and replace Common Land 57 and Common Land 96, known as Foulride Green Common, Lower Willingdon, Eastbourne Agreement to East Sussex County Council becoming a joint applicant in the application for the de-registration and replacement of a section of Common Land 57 (CL57) and Common Land 96 (CL96), known as Foulride Green, Lower Willingdon Eastbourne. Delegation of authority to the Director of Communities, Economy and Transport to sign the application form.			Report, other documents may also be submitted	Mary Wise 01273 335617
20 Nov 2023	Lead Member for Transport and Environment	Hastings Green Connections Grant Funding Agreement To accept the Hastings Town Deal funded grant for East Sussex County Council to act as a delivery partner for Hastings Borough Council for the Hastings Town Centre Public Realm and Green Connections	<b>KD</b>		Report, other documents may also be submitted	Ellie McDaniel 01273 335464

		project. This project has £9,754,458 of funding from Hastings Town Deal and £400k from the Local Growth Fund.				
21 Nov 2023	Lead Member for Adult Social Care and Health	<p>Public Health Local Service Agreements with GP Practices and Community Pharmacies</p> <p>The decision required is to continue to procure some Public Health services directly with GP Practices and Community Pharmacies to ensure opportunistic delivery and data returns.</p> <p>Opportunistic delivery is made possible in that people are likely to be visiting their GP or Pharmacy about a range of health conditions which presents opportunities to signpost and refer to available Public Health funded services.</p>	<b>KD</b>		Report, other documents may also be submitted	Darrell Gale 07500 124075
November 2023	Chief Operating Officer	<p>Award of property contract for Adult Social Care's Supported Living Programme- Phase 1</p> <p>A key decision was approved in May 2023 for Westridge to undertake refurbishment/extension of 2 Adult Social Care properties (Beckley Close, Hastings, and Cregg Na Ba Battle). Works commenced on the properties, but unfortunately the contractor, Westridge, has now gone into administration. A decision is required to enter into a contract with an alternative contractor (or possibly a separate contractor for each site) to complete the works at both sites. The project comprises reconfiguration of 2</p>	<b>P</b> <b>KD</b>		Report, other documents may also be submitted	Nigel Brown 07394 410630



		Bungalows to provide ensuite facilities for residents. This reflects a change from residential care to supported living offering people a home with security of tenure.				
November 2023	Chief Operating Officer	Former Hindslands Playing Fields, Eastbourne Road, Polegate - Disposal of Freehold Disposal of the Former Hindslands Playing Fields, Eastbourne Road, Polegate by agreement of the final heads of terms for the sale of the two parcels of land as delegated by the r Lead Member for Resources and Climate Change in May 2023.	<b>P</b> <b>KD</b>		Report, other documents may also be submitted	Rebecca Lewis 07955 312371
November 2023	Chief Operating Officer	Telephony Services contract award Contract award (jointly with Brighton and Hove City Council, and Surrey County Council) of: <ul style="list-style-type: none"> <li>• A Call Plan (the main telephone service)</li> <li>• A replacement Contact Centre telephony solution (including licences)</li> <li>• Implementation services (specialist knowledge and expertise)</li> <li>• Microsoft Teams telephony licences (enabling the dial pad and unified comms experience to be added to the existing Teams interface).</li> </ul> Decision, as delegated at the 31 March 2023 meeting of the Lead Member for Resources and Climate Change.	<b>KD</b>		Report, other documents may also be submitted	Matt Scott 07552 286752

November 2023	Chief Operating Officer	Hye House Farm, Crowhurst - Disposal of Freehold Hye House Farm, Crowhurst – Disposal of Freehold. The Chief Operating Officer will review the offers received for the different Lots following the marketing of the site as approved by the Lead Member for Resources and Climate Change in June 2023.	<b>P</b> <b>KD</b>		Report, other documents may also be submitted	Rebecca Lewis 07955 312371
November 2023	Chief Operating Officer	Award a main contractor for the Heathfield Youth Hub This is to appoint a contractor for works to demolish and replace the existing building with a state-of-the-art rural Youth Hub. The works will increase the number of regular positive activities and clubs available to young people aged 11 to 19 (up to 25 for young people with Special Educational Needs and Disabilities) in the areas.	<b>P</b> <b>KD</b>		Report, other documents may also be submitted	Nigel Brown 07394 410630
November 2023	Chief Operating Officer	Award a main contractor for The Joff Youth Hub, Peacehaven This is to appoint a contractor for works to extend, reconfigure and renew this existing youth hub. The works will increase the number of regular positive activities and clubs available to young people aged 11 to 19 (up to 25 for young people with Special Educational Needs and Disabilities) in the areas.	<b>P</b> <b>KD</b>		Report, other documents may also be submitted	Nigel Brown 07394 410630

November 2023	Director of Communities, Economy and Transport	<p>Allowed for extension to the Services Agreement for the processing and disposal of dry mixed recyclables</p> <p>The Services Agreement for the processing and disposal of dry mixed recyclables is due to expire on 28 June 2024. The decision being made is to exercise the allowed for extension, provided by clause three of the contract 'Commencement and Duration', for a fixed period of two years. The new and final expiry date will be 28 June 2026.</p>	<b>KD</b>		Report, other documents may also be submitted	Laura Tafa 07919 298462
November 2023 Page 83	Director of Adult Social Care and Health	<p>Approval of award of contract - Integrated Health and Wellbeing Service</p> <p>Following a tender process to commission an Integrated Health and Wellbeing Service, approval of award of contract is to be sought from the Director of Adult Social Care and Health.</p> <p>The Integrated Health and Wellbeing Service provides evidence-based support to enable people across East Sussex to make changes to their lifestyle to improve their health. Such changes include supporting residents to eat well, manage their weight, move more, quit smoking and drink less alcohol.</p>	<b>KD</b>		Report, other documents may also be submitted	Nicola Blake 01273 335060

6 Dec 2023	Lead Member for Strategic Management and Economic Development	Getting Building Fund - Grant Agreements Seeking approval for East Sussex County Council entering into grant agreements to transfer funding secured from SELEP to East Sussex projects, subject to SELEP's prioritisation of East Sussex schemes within its Getting Building Fund reserve pipeline programme at its meeting on 12 January 2024.			Report, other documents may also be submitted	Alex Colbran 07729 108123
6 Dec 2023	Lead Member for Strategic Management and Economic Development	LEP Funded Capital Programme Financial Statement - Confirmed Spend for 2022/23 and Forecast for 2023/24 Consideration of the final spend for 2022/23 for the Local Growth Fund, Getting Building Fund and Growing Places programmes and the amount of funds re-profiled into the East Sussex County Council Capital Programme; and seeking approval for the confirmed scheme spend profiles for the Local Growth Fund, Getting Building Fund and Growing Places programmes for the 2023/24 financial year.			Report, other documents may also be submitted	Alex Colbran 07729 108123
Between 8 Dec 2023 and 31 Dec 2023	Director of Adult Social Care and Health	Agree selection of Lead Provider for East Sussex Mental Health Support Services (MHSS) The decision will be taken to agree the selected lead provider. An evaluation has been carried out to select the Lead Provider that will manage a network of mental health support (MHSS delivery) through partnerships and sub-contract arrangements. This model will improve and simplify ongoing procurement and funding	KD		Report, other documents may also be submitted	Kenny Mackay 01323 463946

		allocation. The Lead Provider's role will support and oversee future funding opportunities and service development. It will cultivate a responsive provider marketplace aligned to specialism, skills and local requirements.				
11 Dec 2023	Lead Member for Transport and Environment	Community Match schemes 2024/2025 Agree 50% match funding is allocated towards applicants that have applied for match funding through the Community Match programme.			Report, other documents may also be submitted	Victoria Rojanachotikul 03456 080193
11 Dec 2023	Lead Member for Transport and Environment	Rural Verges as Wildlife Corridors - Trial of Early Season Reduction in Rural Grass Cutting Decision to be taken on any permanent amendments to the rural grass cutting policy, following this year's trial. The trial gave the option of reducing the grass cutting service of rural verges to all Parish and Town Councils, of which 27 areas decided to take part. This change meant that rural verges (except for visibility) would not be cut at a time when flowering is often at its peak and it is the most beneficial time for pollinators.	KD		Report, other documents may also be submitted	Dale Poore 01273 335506

11 Dec 2023	Lead Member for Transport and Environment	East Sussex County Council's Alternative Weed Maintenance Techniques Decision to be taken on the future weed maintenance techniques for East Sussex highways. Information will be provided on the alternative to Glyphosate weed maintenance trials that took place in 2023, including Volunteer, reactive and Road Sweeping.	<b>KD</b>		Report, other documents may also be submitted	Dale Poore 01273 335506
11 Dec 2023	Lead Member for Transport and Environment	Bus Service Improvement Plan (BSIP) - Bus Priority Measures Consultation Outcome Following the close of the BSIP – Bus Priority Measures Consultation on 25 September 2023, the Consultation and Engagement Report will be presented to Lead Member. A decision will need to be made on which bus priority schemes to take forward for further design work and construction.	<b>KD</b>		Report, other documents may also be submitted	Indi Hicks 07514 721385
11 Dec 2023	Lead Member for Transport and Environment	Changes to the Chargeable Waste Service at Household Waste Recycling Sites East Sussex County Council operate a chargeable waste service at household waste recycling sites (HWRSSs) for non-household waste (rubble, soil, plasterboard, tyres, and asbestos). In June 2023, Defra issued an update advising that they intend to limit councils from charging for DIY type waste. We are seeking Lead member's approval to amend the Chargeable Waste scheme for it to remain legally compliant should Government proceed with the expected changes.	<b>KD</b>		Report, other documents may also be submitted	Anthony Pope 01273 481657

12 Dec 2023	Cabinet	Council Monitoring: Quarter 2 To consider the Council Monitoring report for the second quarter of the financial year 2023/24 as part of the Council's Reconciling Policy, Performance and Resources (RPPR) budget monitoring process.	<b>KD</b>		Report, other documents may also be submitted	Victoria Beard 07894 708914
12 Dec 2023	Cabinet	The LAC Annual Report 2022 - 2023 Cabinet are asked to receive and consider the Annual Report for the LAC service in their role as Corporate Parents. This will be presented on behalf of the Corporate Parenting Panel which is chaired by Cllr Kathryn Field.			Report, other documents may also be submitted	Kathy Marriott 01273 481274
12 Dec 2023	Cabinet	Treasury Management Annual Report & Mid-Year Report To consider a report on the review of Treasury Management performance for 2022/23 and the outturn for the first six months of 2023/24, including the economic factors affecting performance, the Prudential Indicators and compliance with the limits set within the Treasury Management Strategy.	<b>KD</b>		Report, other documents may also be submitted	Ian Gutsell 01273 481399
12 Dec 2023	Cabinet	Scrutiny Review of School Exclusions To consider and comment on the report of the People Scrutiny Committee and agree the response to the recommendations of the review.			Report, other documents may also be submitted	Rachel Sweeney 07561 267461

12 Dec 2023	Lead Member for Resources and Climate Change	To approve the granting of a new Lease to the Trustees of the West Hills & District Community Centre The current Lease dated 12 March 2008 expires 11 March 2023 and it is proposed that ESCC grant the Trustees a new Lease for a period of 25 years which will allow the Trustees to be able to seek grant funding.	<b>P</b> <b>KD</b>		Report, other documents may also be submitted	Joanne Johnston, Zoe Tweed 01273 336621, 07701 021868
12 Dec 2023	Lead Member for Resources and Climate Change	Consider a carbon offset framework The Council adopted a corporate Climate Emergency Plan in February 2023. The Plan includes a commitment to develop a framework that will guide the Council's investment in carbon offsetting. The purpose of this report is to recommend the adoption of a carbon offset framework and steps to start to implement the framework.			Report, other documents may also be submitted	Andy Arnold 01273 481606
12 Dec 2023	Lead Member for Resources and Climate Change	Consider the updated Corporate Environment Policy The County Council has had a corporate Environment Policy since 2001. This report puts forward an updated corporate Environment Policy, to take account of related new policies and programmes that the County Council has adopted since 2001 and to enable the County Council to present a more up-to-date policy to meet the requirements of some external funders and suppliers.			Report, other documents may also be submitted	Andy Arnold 01273 481606



14 Dec 2023	Lead Member for Children and Families	<p>Children's Supported Accommodation Approved List Mini Competitions</p> <p>The decision being sought is to approve 6 (six) mini competitions off the Children's Supported Accommodation Approved List (CSAAL).</p> <p>One of the CSAAL mini competitions is for 18+ (Model 3) a proportion of whom will be eligible for housing benefit which would be repaid to ESCC CSD, bringing the estimated total net costs down but the totals for the contract duration remaining above £500K each.</p>	<b>KD</b>		Report, other documents may also be submitted	Lisa Schrevel 01273 481617
December 2023 Page 89	Director of Adult Social Care and Health	Sexual Health Services Procurement Approve the award of the Specialist Sexual Health Contract that has been subject to competitive tender in line with the Lead Members decision to delegate the decision to the Director of Adult Social Care & Health on 20 April 2023.	<b>KD</b>		Report, other documents may also be submitted	Tony Proom 01273 335252
15 Jan 2024	Lead Member for Transport and Environment	<p>Response to Defra consultations on implementing Schedule 3 of the Flood and Water Management Act 2010</p> <p>Under the Flood and Water Management Act 2010, East Sussex County Council became the Lead Local Flood Authority (LLFA) for the county. The LLFA role includes a statutory consultee to major planning applications. Parts of the Flood and Water Management Act have never been implemented and this includes Schedule 3, which will introduce additional</p>			Report, other documents may also be submitted	Ed Sheath 01273 481632

		<p>duties and burdens to the County Council, including the statutory role of Sustainable Drainage Systems (SuDS) Approval Body and Adopting Authority. The Government has recently indicated its intention to implement Schedule 3 and is due to consult on a series of documents in Autumn 2023, which will set out how Schedule 3 will work in practice, as well as setting out matters such as proposed transitional arrangements and any new burdens monies. The report to the Lead Member will set out the County Councils proposed response to this consultation.</p>				
<div> <div>Page 90</div> <div>15 Jan 2024</div> </div>	Lead Member for Transport and Environment	<p>Review of fees and charges for East Sussex County Council's statutory planning consultee roles</p> <p>The Council's Flood Risk Management and Transport Development Control teams perform statutory planning consultee roles, meaning that they have a legal obligation to respond to relevant planning application consultations. To improve the quality of applications that are received, a pre-application advice service is offered, which is a paid-for service. A review of the charges that are applied for this service has been undertaken and new charges are proposed together with an approach to lessening the burden/financial cost to the Council when it comes to providing flood risk/drainage advice to applicants to resolve matters associated with the development proposals.</p>	<b>KD</b>		Report, other documents may also be submitted	<p>Ed Sheath 01273 481632</p>

23 Jan 2024	Cabinet	<p>SELEP Transition Plan</p> <p>The South East Local Enterprise Partnership (SELEP) will be drawn to a close by April 2024. As such, many of the LEP's functions will be transferred to local institutions, including to the County Council, working with Team East Sussex, our de facto local growth board. The SELEP Transition Plan, accompanied by our own local East Sussex Integration Plan, sets out precisely which functions will be transferred to East Sussex, and the actions necessary to integrate those functions over the coming months.</p>			Report, other documents may also be submitted	Richard Dawson 01273 482305
23 Jan 2024	Cabinet	<p>Reconciling Policy, Performance and Resources (RPPR) 2023/24 Draft Council Plan</p> <p>Draft Council Plan, revenue budget and savings proposals 24/25 &amp; new Capital programme with EqlAs, Financial monitoring update, Engagement and Scrutiny feedback.</p>	<b>KD</b>		Report, other documents may also be submitted	Claire Lee 07523 930526
23 Jan 2024	Cabinet	<p>Annual Accounts for Lewes Charitable Trust Requirement to report annually to Cabinet in line with the current practice where the County Council is a Corporate Trustee.</p>			Report, other documents may also be submitted	Samantha McManus 01273 482080

January 2024	Chief Operating Officer	Award of main contract for the extension of Robertsbridge Community College Special Educational Needs (SEN) facilities East Sussex County Council Children's Services propose to expand the current Special Educational Needs (SEN) facilities to accommodate an additional 12 full-time equivalent (FTE) pupils with Specific Learning Difficulties. This decision is to appoint a contractor for the building extension. The contractor will be appointed following the Council's Procurement and Tendering process under a Joint Contracts Tribunal (JCT) traditional contract.	<b>P</b> <b>KD</b>		Report, other documents may also be submitted	Nigel Brown 07394 410630
Feb 2024	Lead Member for Education and Inclusion, Special Educational Needs and Disability	Admission arrangements for community and voluntary controlled schools 2025-26 Following the relevant consultation, the Lead Member will need to determine the admission arrangements at the meeting in February 2024 in line with the requirements of the School Admissions Code.	<b>KD</b>		Report, other documents may also be submitted	Jo Miles 01273 481911
February 2024	Director of Communities, Economy and Transport	Allowed for extension to the Services Agreement for the Provision of Tipping Points handling of dry mixed recyclables The Services Agreement for the Provision of Tipping Points handling of dry mixed recyclables is due to expire on 28 June 2024. The decision being made is to exercise the allowed for extension, provided by clause two of the contract 'Commencement and Duration', for a fixed period of two years. The new and final expiry date will be 28 June 2026.	<b>KD</b>		Report, other documents may also be submitted	Laura Tafa 07919 298462



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