



CABINET

TUESDAY, 28 JANUARY 2025

10.00 AM COUNCIL CHAMBER, COUNTY HALL, LEWES

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

A G E N D A

1. Minutes of the meeting held on 9 January 2025 (*Pages 3 - 4*)
2. Apologies for absence
3. Disclosures of interests
Disclosures by all members present of personal interests in matters on the agenda, the nature of any interest and whether the member regards the interest as prejudicial under the terms of the Code of Conduct.
4. Urgent items
Notification of items which the Chair considers to be urgent and proposes to take at the appropriate part of the agenda. Any members who wish to raise urgent items are asked, wherever possible, to notify the Chair before the start of the meeting. In so doing, they must state the special circumstances which they consider justify the matter being considered urgent.
5. Reconciling Policy, Performance and Resources (RPPR): Draft Council Plan (*Pages 5 - 198*)
Report by the Chief Executive.
6. Value For Money External Auditors Report 2023/24 (*Pages 199 - 242*)
Report by the Chief Finance Officer.
- 7.1 Scrutiny Review of Local Speed Limit Policy (*Pages 243 - 268*)
Report by the Deputy Chief Executive.
- 7.2 Scrutiny Review of Local Speed Limit Policy - Observations of the Place Scrutiny Committee's report (*Pages 269 - 274*)
Report by the Director of Communities, Economy and Transport.
8. Treasury Management Strategy 2025/26 (*Pages 275 - 308*)
Report by the Chief Finance Officer.
9. Conservators of Ashdown Forest Budget 2024/25 (*Pages 309 - 314*)
Report by the Chief Operating Officer.
10. Any other items considered urgent by the Chair
11. To agree which items are to be reported to the County Council

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20 January 2025

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CABINET

MINUTES of a meeting of the Cabinet held at Council Chamber, County Hall, Lewes on 9 January 2025.

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

Members spoke on the items indicated:

Councillor Bowdler	- item 5 (minute 41)
Councillor Clark	- item 5 (minute 41)
Councillor Collier	- item 5 (minute 41)
Councillor Cross	- item 5 (minute 41)
Councillor Daniel	- item 5 (minute 41)
Councillor Denis	- item 5 (minute 41)
Councillor Field	- item 5 (minute 41)
Councillor Fox	- item 5 (minute 41)
Councillor Hilton	- item 5 (minute 41)
Councillor Liddiard	- item 5 (minute 41)
Councillor Lunn	- item 5 (minute 41)
Councillor Maples	- item 5 (minute 41)
Councillor Maynard	- item 5 (minute 41)
Councillor Robinson	- item 5 (minute 41)
Councillor Scott	- item 5 (minute 41)
Councillor Stephen Shing	- item 5 (minute 41)
Councillor Standley	- item 5 (minute 41)
Councillor Taylor	- item 5 (minute 41)
Councillor Ungar	- item 5 (minute 41)
Councillor Webb	- item 5 (minute 41)

38. MINUTES OF THE MEETING HELD ON 10 DECEMBER 2024

38.1 The minutes of the Cabinet meeting held on the 10 December were agreed as a correct record.

39. APOLOGIES FOR ABSENCE

39.1 Apologies were received from Councillor di Cara.

40. REPORTS

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

41. LOCAL GOVERNMENT DEVOLUTION AND REORGANISATION

41.1 The Cabinet considered a report by the Chief Executive.

41.2 It was RESOLVED to approve that the Leader writes to the Minister of State for Local Government and English Devolution:

- 1) Confirming the Council's clear commitment to devolution and local government reorganisation as part of the Devolution Priority Programme, based on a proposal for the devolution of powers to a new combined authority for the Sussex area covering the areas of the three upper tier authorities.
- 2) Confirming the Council's commitment to developing a proposal for unitary government in East Sussex.
- 3) Inviting the Government to postpone elections in May 2025, for a year, to enable the proposals for Local Government Reorganisation to be developed and the early implementation of the proposed devolution arrangements.

Reasons

41.3 It is recommended that the Council responds to the Government's invitation by expressing a commitment to work with partners to develop proposals for a mayoral strategic authority for the area of Sussex, and to seek to take advantage of the benefits of participating in the Devolution Priority Programme. It is also recommended that the letter to the Government includes a commitment to reorganisation, with a view to taking advantage of the benefits that offers, and to ensure that we are aligned, and consistent with, the other upper tier local authorities in the proposed strategic authority.

41.4 The development and delivery of the proposed devolution and reorganisation will require significant commitment and resource. It is therefore proposed that the Government be invited to postpone the County Council elections, scheduled for May 2025, for a year to help enable detailed proposals for a Strategic Authority and local government reorganisation to be developed, with a view to helping manage the demands of devolution alongside reorganisation.

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

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

Committee:	Cabinet
Date:	28 January 2025
Title of Report:	Reconciling Policy, Performance and Resources (RPPR): Draft Council Plan 2025/26, Revenue Budget and Capital Programme
By:	Chief Executive
Purpose of Report:	To ask Cabinet to approve the draft Council Plan, Council Tax levels, Revenue Budget and Capital Programme for recommendation to the County Council.

RECOMMENDATIONS:

Cabinet is recommended to:

- 1. recommend the County Council to:**
 - i) approve in principle the draft Council Plan 2025/26 at Appendix 1 and authorise the Chief Executive to finalise the Plan in consultation with the relevant Lead Members;**
 - ii) agree to incorporate Climate Emergency Action Plan activities and key performance measures within the Council Plan;**
 - iii) increase Council Tax by 2.99% in 2025/26;**
 - iv) increase the Adult Social Care Precept by 2% in 2025/26;**
 - v) issue precepts to be paid by borough and district councils in accordance with the agreed schedule of instalments at Appendix 5 (Draft);**
 - vi) approve the net Revenue Budget estimate of £579.6m for 2025/26 set out in Appendix 2 (Medium Term Financial Plan) and Appendix 3 (Draft) (Budget Summary) and authorise the Chief Executive, in consultation with the Chief Finance Officer, Leader and Deputy Leader, to make adjustments to the presentation of the Budget Summary to reflect the final settlement and final budget decisions;**
 - vii) agree the Reserves Policy set out in Appendix 6;**
 - viii) approve the Capital Strategy and Programme at Appendix 8;**
 - ix) note progress with the Council Plan and Budget 2024/25 since quarter 2 set out in section 4;**
 - x) note the Medium Term Financial Plan forecast for 2025/26 to 2027/28, set out in Appendix 2;**
 - xi) note the comments of the Chief Finance Officer on budget risks and robustness, as set out in Appendix 6;**
 - xii) note the comments from engagement exercises set out in Appendix 7; and**
 - xiii) note the schedule of fees and charges that have increased above 4% at Appendix 9.**
 - 2. agree to continue lobbying as strongly as possible for sustainable funding to meet the needs of East Sussex residents, using all available avenues.**
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1 Introduction

1.1 The County Council continues to provide vital services that underpin the quality of life for our residents, communities and businesses. Over the last year the Council has continued to deliver a significant positive impact for people across the county despite unprecedented financial challenges. We have been able to invest in extra support for families facing challenges to help them stay together wherever possible, further develop the integration of

community health and social care services, and work with partners to publish the Economic Prosperity Strategy for the county and to create new jobs through business support programmes, all of which benefit our residents and communities. Independent reviews have shone a light on specific areas of work, the positive outcomes achieved by our services, and how they can continue to develop for the future. External assessment has confirmed that the Council continues to provide good value for money, is efficient and well-run. These successes, achieved despite many years of financial and service pressures, reflect the commitment of our staff, the strength of our valued partnerships and our clear focus on priorities based on the evidenced needs of East Sussex communities.

1.2 The past year has also required a robust and challenging response to the most difficult set of financial circumstances the Council has ever experienced. Growth in need and demand for the statutory, demand-led services for vulnerable children and adults which account for around three quarters of our budget, combined with ongoing escalation in costs right across the Council, have significantly increased the expenditure required to maintain core services. This picture reflects national trends following Covid and cost of living shocks to the economy and society, but has been pronounced here in East Sussex.

1.3 The demographic make-up and needs of our population, the nature of the local economy and the steps we have already had to take over many years to respond within limited and reduced resources, combined with funding mechanisms which do not properly reflect the level of need, means the issues are particularly acute locally. East Sussex is ahead of the national ageing population trend, with over a quarter (26.5%) of the county's population aged 65 or over, compared to 18.7% in England and 19.8% regionally. There are pockets of significant deprivation which also impact on demand, with 78,000 of our residents living in areas amongst the top 20% most deprived nationally. The county differs substantially from the wider south east in this respect. East Sussex offers an exceptional natural environment in which to live and work but this also places limitations on the development and infrastructure which support economic growth, prosperity and the related generation of business rates to help fund services. Earnings are below both the national and regional average and the percentage of people who are unemployed is higher in East Sussex than the South East.

1.4 Coupled with the significant needs within the county, we have fewer resources at our disposal than many other county councils. Our overall reserve balances have significantly reduced in recent years, and we have relatively limited assets. Our residents already experience relatively high Council Tax levels as there has been increasing reliance by Government on raising money to fund social care through this route. Business rates income is relatively flat, given the challenges in the local economy. Fundamentally, the national formula used to allocate funding to individual councils is long overdue for reform and does not reflect current local needs, particularly in places like East Sussex, with high demand for social care.

1.5 Increased costs have not been offset by sufficient additional income. Following extensive lobbying by East Sussex County Council (ESCC), with partners and across the local government sector, the Autumn Budget Statement provided some additional funding for local authorities. But it also included measures which further increased our costs, outweighing the support provided. The provisional Local Government Finance Settlement confirmed Government intentions to make significant changes to the way funding is allocated to councils in both the short and longer term, fundamentally shifting the distribution of resources according to a new assessment of needs. The impact of these changes on the Council in the longer term is not yet fully clear, but the outcome will determine the scale of the challenge for the future. Government has also signalled its welcome intention to move towards a more preventative approach to public services, something ESCC has long advocated for, and we await further detail of reforms and funding to support this. We will work hard to influence national decisions in these areas.

1.6 The immediate picture remains stark. Without sufficient national support to meet unavoidable costs in the coming year, and limited ability to raise funds locally, the Council still faces very tough choices in order to continue making the necessary investments to sustain

essential services. The proposed budget for 2025/26 presented in this report is reliant on the delivery of substantial further savings proposals, on top of £140m delivered since 2010, all of which represent hard choices which will impact on local people, our staff and partners. As these savings still do not fully bridge the funding gap further use of our very limited reserves is also required as the only remaining way to balance the books for the coming year. Council Tax would need to increase by over 8% to cover the coming year's gap, and well beyond that in future years, which would require a referendum. The size of the forecast financial gap in the medium term far outstrips remaining reserves. It is essential that national reforms to funding accurately recognise the real need for services in East Sussex, and the true cost of delivering them, if we are to find a sustainable way forward beyond the coming year.

1.7 The latest picture of both current and future pressures must be factored into our planning for the future and our detailed Council Plan which covers what we will do and the specific targets we will use to judge our performance. The Council Plan, revenue budget and capital programme are fully integrated through our robust business planning process, Reconciling Policy, Performance and Resources (RPPR). In the context of significant financial and service delivery challenges it is crucial that we maintain a clear focus on our four priority outcomes and their supporting delivery outcomes in our business planning. In June Cabinet agreed, for planning purposes, some changes to the delivery outcomes to ensure they remain up to date and these have been factored into the plans presented in this report.

1.8 The RPPR process matches available resources with our delivery plans for our priority outcomes so that we direct our spending where it will deliver our priorities most effectively. RPPR also ensures we have the demographic trends and performance information to monitor our progress. The process of planning, through RPPR, for 2025/26 and beyond has translated our full analysis of key trends and pressures into the updated service and financial plans set out in this report.

1.9 Despite taking every step we can, including instituting strict spending and recruitment controls, reprioritising spend, maintaining preventative approaches where they reduce higher level demand where possible, and reviewing and reducing our capital programme to minimise the need for borrowing, a large deficit remains, even after proposing further service reductions. Further use of reserves, on top of the forecast draw for the current year, greatly weakens our ability to protect services against unforeseen risks and to enable service changes. As reserves can only be used once and do not reduce longer term pressure, the deficit is simply deferred to another year. It is an untenable position which carries considerable risk. Further detail on the revenue budget position is provided at section 5.

1.10 The intense strain on resources also means we are not able to invest to the level we would want to in other important areas, such as the roads which support the county's economy and communities and our response to the climate emergency. Without the capacity in the budget to support borrowing to invest for the future, we have been forced to scale back our plans in these and other areas to match only the grant funding we receive. Detail of the revised capital programme is provided at section 8.

1.11 In addition, the budget reflects the continued national reliance on Council Tax to fund ongoing core pressures from rising demand, particularly for social care. Government has extended for a further year the level of Council Tax flexibility and the approach of expecting local authorities to apply an Adult Social Care Precept on bills to provide essential funding for care services. Council Tax now represents around 70% of our net budget. Given the very significant deficit we face in the coming year and beyond, we do need to apply these increases in order to deliver a balanced budget. We have long highlighted to Government that individual authorities' ability to raise Council Tax is unrelated to need for services and is particularly problematic for areas such as East Sussex with high need for social care services, but where capacity for local people to pay more to support these services is limited. We will strongly make this case as Government looks to reform how councils are funded.

1.12 We will also press Government, individually and through our networks and partnerships, to address the fundamentally unsustainable position we face by delivering both increased funding and service reforms which will enable better use of the resources we have. The consequences of funding shortfalls for people, communities and businesses in the county, and for the delivery of national priorities, will be clearly articulated. We will continue to work with partners and seek the support of local MPs in making these arguments to ministers. There is much uncertainty about the medium term in light of the Spending Review and significant planned service, funding and structural reforms. The need for sustainable reform and fair allocation of funding based on need will be key messages from the Council.

1.13 This report sets out:

- key changes to the national and local context since the report to Cabinet on 13 November 2024;
- the draft Council Plan 2025/26 and updated Medium Term Financial Plan (MTFP);
- key updates on performance since quarter 2;
- proposals for the 2025/26 revenue budget, taking account of changes in the financial picture since November and based on an increase in Council Tax of 2.99% and an Adult Social Care Precept of 2%;
- the savings planned for the next year;
- the position in relation to reserves;
- the reviewed and reprofiled capital programme in light of the revenue position; and
- feedback from engagement exercises and equalities impacts.

2 National and Local Context

2.1 Since the last report to Cabinet in November the national policy environment has continued to evolve, with significant announcements which will impact on us locally. Key developments are set out below along with detail of how we are responding:

2.2 **National economic outlook and Government spending plans:** Since the Autumn Budget Statement on 30 October, which was accompanied by new national economic forecasts from The Office for Budget Responsibility (OBR), there have been further developments in the economic outlook. Latest figures showed that the economy unexpectedly shrank by 0.1% in October, driven by declines in construction and production. Inflation, as measured by the Consumer Prices Index (CPI) stood at 2.6% in the year to November 2024, up from 2.3% in October. Rises since September have been driven by higher energy and fuel prices and further increases are expected in the coming months before rates stabilise. The Bank of England cut interest rates by a quarter of one percent to 4.75% in November but indicated that any further reductions were likely to be gradual in order to contain inflation. In line with this approach, and rises in inflation, rates were held at the same level in December.

2.3 The Chancellor launched Phase 2 of the Spending Review on 12 December. This confirmed line-by-line reviews of all expenditure as part of a 'zero-based review' and that the missions and milestones set out in the Prime Minister's Plan for Change would be prioritised. These include: raising living standards; building homes and major infrastructure; addressing NHS waiting lists; neighbourhood policing; giving children the best start in life; and securing home-grown and cleaner energy. Latest indications are that the outcome of the Spending Review will be announced in June. This will set the overall funding trajectory for public services, including local government, for the remainder of the parliament, and is expected to be accompanied by further significant plans for reform.

2.4 **Local government funding:** The provisional Local Government Finance Settlement, received on 18 December, provided the detailed funding picture for local government and was again for one year only. It indicated that Core Spending Power would increase by an average 6.0% for local authorities in England, based on the presumption that all councils will levy the maximum increase in Council Tax. The Council Tax referendum limit was maintained at 3% and the Adult Social Care precept at 2%. The detailed allocation of additional funding announced at the Budget was confirmed, including distribution of a significant proportion of

new or repurposed grant based on formulas related to deprivation. This resulted in East Sussex receiving very limited allocations, despite the high levels of need for services in significant parts of the county. The settlement also confirmed additional funding for social care, but at a level which does not offset additional costs to the care sector of the taxation and pay measures announced at the Budget. Overall funding to compensate local authorities for the direct impact of increased employer national insurance contributions was announced, albeit at a lower level than the LGA's assessment of the impact on councils. The implications of the provisional finance settlement announcements for the Council's MTFP are set out in section 5.

2.5 The settlement was accompanied by the launch of a consultation on local government funding reform. From 2026/27, the Government will change the way councils are funded based on a new assessment of need and resources, building on the framework set out in the previous Government's review of Relative Needs and Resources (originally Fair Funding Review). The consultation focuses on the objectives and principles underpinning reforms and will inform the development of detailed proposals which will be consulted on following the Spending Review and ahead of the provisional multi-year settlement for 2026/27. We welcome the consultation, however the Government's intention to target funding based on deprivation creates risks that redistribution will impact negatively on the Council's future financial position. ESCC will be responding, making the case strongly for a fair and sustainable distribution of funding which reflects the real level of need and available resources in East Sussex.

2.6 **Devolution:** In December the Ministry of Housing, Communities and Local Government (MHCLG) published a Devolution White Paper setting out how Government plans to extend devolution to local government in England. The White Paper included an updated devolution framework detailing the range of powers available to local areas through devolution arrangements linked to different governance models. As anticipated, there continues to be a strong emphasis on the mayoral governance model, with the majority of powers reserved for areas taking up this approach. The document outlines Government's intended approach to devolution geographies, stating that it intends to achieve universal coverage in England of 'Strategic Authorities' covering a population of at least 1.5m, which should be a number of councils working together, covering areas that people recognise and work in. The White Paper also highlighted an ambition to align public service boundaries with Strategic Authorities, including across health, police and fire services as well as local authorities, and for the Authorities to drive wider public service reform. The updated devolution framework and associated legislation will be set out in the upcoming English Devolution Bill, enshrining a 'devolution by default' approach.

2.7 To support the Government's devolution plans, the White Paper also set out a broader direction for local government in England, outlining a programme of reorganisation for two tier areas and some existing smaller unitary authorities. All these areas have been invited to submit proposals for reorganisation, with an expectation that new unitary authorities would have a population of 500,000 or more. Government intends to undertake a first wave of reorganisation this parliament, particularly where it will support the delivery of devolution. More broadly, the White Paper confirmed intentions to consolidate and simplify funding streams and reporting arrangements, to prioritise reforms to enable a more preventative approach to public service delivery, and to empower local authorities as place conveners to bring together service providers and stakeholders to improve outcomes. It also set out plans to give councils greater controls over byelaws, to reform the standards regime and to simplify local audit systems. The Office for Local Government (Oflog) will close and a consultation has been launched on establishing a new Local Audit Office.

2.8 In response to the invitation by the Minister of State for Local Government and English Devolution to two tier councils for proposals to create unitary councils, and for expressions of interest from upper tier authorities without a devolution deal to join a Devolution Priority Programme, Cabinet approved in January 2025 for the Leader to respond to Government setting out a clear commitment to devolution and reorganisation. This included a proposal for the devolution of powers to a new combined authority for the Sussex area covering the areas

of the three upper tier authorities; a proposal for a unitary government in East Sussex; and inviting the Government to postpone elections in May 2025, for a year, to enable the proposals for Local Government Reorganisation to be developed and the early implementation of the proposed devolution arrangements. Implications of joining the Devolution Priority Programme, including the financial resources required to develop proposals, will be reviewed if the Council is successful in gaining a place on the programme. The Council will continue to prioritise collaborative working with partners, stakeholders and communities throughout this process to secure the best outcome for residents.

2.9 Children's Services: The Department for Education (DfE) began to outline the Government's approach to reform of children's social care, issuing a policy statement focused on addressing issues with the care market. The measures announced included a focus on supporting families so that, where safely possible, children are prevented from entering the care system; legislation to regulate the care market; and investment in the 'key enablers' of the social care system, including data sharing, the workforce and evidence based programmes. Further detail on the approach to social care reform is expected to be set out alongside the Spending Review. The Children's Wellbeing and Schools Bill, published in December, contained legislation to support the Government's policy intentions on social care and education. Measures in the Bill include strengthening Ofsted's powers in relation to children's social care providers, increasing families' involvement in decision making around care, increasing support for care leavers, and the introduction of a backstop law to cap the profit providers can make. The Bill also introduces core national standards for schools, a commitment to deliver free breakfast clubs in primary schools, and the introduction of Children Not In School registers and new powers for local authorities to prevent children subject to a child protection enquiry or under a child protection plan from being home educated without local authority consent. We are analysing the impacts of recent announcements for our services and will continue to look to influence the national direction of travel.

2.10 In November, OFSTED and the Care Quality Commission (CQC) undertook an area Special Educational Needs and Disability (SEND) inspection of East Sussex. The inspection framework considers how local partners, including ESCC and NHS organisations, deliver statutory duties to provide support to children with SEND. We await the report which will inform the future development of these services. Nationally, the DfE has announced £740m of funding aimed at creating more specialist places in mainstream schools, with allocations and guidance on the use of this funding to be published in the spring. The funding forms part of a broader capital settlement for education for the next financial year, announced at the Autumn Budget. Longer-term the Government has signalled an intention to undertake wider reform of the whole SEND system to prioritise early intervention.

2.11 Adult Social Care and Health: The Government has consulted widely to inform a new 10 Year Health Plan for England which will be published in spring 2025. This plan is expected to include a shift towards neighbourhood health services and will have impacts for ESCC social care and Public Health services, directly and in terms of how we work with health partners. The Government has also confirmed social care will have a 10 year national plan which will run alongside the NHS plan. The social care 10-year plan is expected to be informed by a similar consultation process and published in the second half of 2025. In January an independent commission into adult social care was launched, to lay the foundations for a new National Care Service, which the Government committed to creating in its manifesto. Locally the health and care system continues to be under pressure from high demand which is exacerbated by winter pressures and ongoing workforce challenges.

2.12 CQC will undertake a site visit to East Sussex in February as part of its assurance process for assessing how local authorities, including ESCC, deliver their adult social care duties. Detailed information, including our self-assessment, was submitted to CQC in late summer 2024 as the first stage of the assessment.

2.13 Economy and employment: In November, Government set out plans in the Get Britain Working White Paper to tackle economic inactivity by encouraging place-led

programmes that bring together employment, skills and aspects of health provision to support people into work. Councils will be empowered to join up and lead this work based on their understanding of local needs. Plans include: expanding access to mental health support, creating closer working between primary health care, the NHS Integrated Care Board and employment support providers to prevent worklessness; a new Youth Guarantee to give every young person access to education, training or a job; merging the national careers service with job centres; and transforming the Apprenticeship Levy in England into a more flexible Growth and Skills Levy. The health and disability benefits system will be reformed to better support people to enter and remain in work. ESCC will lead the Department for Work and Pensions Connect to Work scheme locally, a new supported employment programme matching economically inactive people including those with disabilities, health conditions, vulnerable adults, carers and care leavers into vacancies and supporting them in work. A further DfE fund, Skills Bootcamps, will be available to upper tier local authorities, including ESCC, in 2025/26. Skills Bootcamps are short vocational courses that improve the skills of the workforce. Subject to Lead Member approval, we will submit a proposal focused on local priority sectors which supports the East Sussex Economic Prosperity Strategy and priorities of Skills East Sussex.

2.14 Environment and planning: MHCLG published in December the revised National Planning Policy Framework (NPPF), alongside its response to the consultation which took place earlier in the year. The new NPPF, which sets out planning policies for England and how these are expected to be applied, took effect immediately, with the changes focused on supporting the Government's housing goals. The new framework includes: immediate mandatory housing targets for councils to increase housebuilding, new requirements and timescales in relation to the development of Local Plans which reflect the updated targets; a new approach to the green belt, whilst maintaining a brownfield first approach; and updated requirements in relation to affordable housing. The updated NPPF also confirmed a new requirement to adopt a vision-led approach to transport planning (rather than 'predict and provide'), an explicit requirement for the planning system to support the transition to net zero 2050, and a requirement for plans to take account of the full range of potential climate impacts. The Government has also published its first working paper for the Planning and Infrastructure Bill, which seeks views before finalising proposals for reforms to planning committees. This will be followed by a formal public consultation on these detailed proposals to coincide with the Bill's introduction later this year. The Devolution White Paper mentioned above set out that all areas, with or without a Strategic Authority, will be expected to produce a Spatial Development Strategy as part of Government's commitment to move towards a universal system of strategic planning within the next five years. The strategies will guide development for the Local Planning Authorities in the area, including apportioning housing need and identifying infrastructure requirements. Detailed policy and site allocations will continue to be through Local Plans.

2.15 The Department for Environment, Food and Rural Affairs (DEFRA) provided a policy update setting out the Government's plans to introduce Simpler Recycling, subject to spending review outcomes. The Simpler Recycling Policy aims to make recycling easier by making collections consistent for all households, businesses and relevant non-domestic premises (such as schools and hospitals). The update confirms implementation timelines and explains the updated position on co-collection of recyclable waste streams. DEFRA has also published guidance on ensuring good waste collection services for households from March 2026, the date by which weekly food waste collections must be provided by all collection authorities.

2.16 Transport: The Department for Transport has set out plans for a new Integrated National Transport Strategy, which aims to join up transport networks, empower local leaders and drive economic growth. To support this, consultation is taking place on how to best deliver integrated transport and the department will be recruiting a new Integrated Transport Commissioner. The Bus Services Bill, introduced to parliament in December, will bring in enhanced powers for councils to work with bus operators to improve services and lift the ban on local authorities establishing their own bus companies. The Bill will also aim to ensure that lifeline bus services cannot be removed or changed without councils reviewing their ability to

serve communities, especially those in rural or deprived areas. Locally, we have received confirmation from Government of allocations of funding for the next phase of our Bus Service Improvement Plan (BSIP). Funding was allocated through a new needs-based formula rather than through a bidding process.

2.17 Allocations of road maintenance funding for 2025/26 were confirmed in December. ESCC was allocated new funding of £5.6m, bringing total funding to £21.0m which is £1.9m higher than our previous planning assumption. This has been added to the grant funding available to support our planned highways capital programme. Allocations beyond 2025/26, together with future funding conditions, are yet to be confirmed. The challenging revenue budget position, referenced throughout this report, has required the capital programme to be reviewed to minimise the borrowing costs of the overall programme within Treasury Management and the revenue budget. The level of investment in highways has been reduced to the updated Department of Transport grant funding levels, and it will not therefore be possible to deliver to the level originally envisaged.

2.18 **Looking ahead**, the coming year is likely to see further significant policy developments and reforms affecting ESCC services. Implications for the Council will continue to be factored into our ongoing planning through RPPR.

3 Council Plan

3.1 The draft Council Plan is attached at Appendix 1. The Council Plan continues to be built on the Council's four overarching priority outcomes: driving sustainable economic growth; keeping vulnerable people safe; helping people help themselves; and making best use of resources now and for the future. Making best use of resources now and for the future is the priority test through which any activity must pass. The remaining three priority outcomes guide our activities, direct our resources and are reflected in our Council Plan activities and targets. The delivery outcomes have been updated to reflect the changes agreed by Cabinet.

3.2 The Council Plan contains the targets and milestones used to judge our performance. The Cabinet and County Council actively consider performance during the year and may decide to adjust targets to reflect any changed circumstances. We have reviewed and updated our targets where necessary, ensuring these reflect the best performance we can deliver with the resources available. Clearly defining the outcomes we wish to achieve and monitoring our success in delivering these outcomes for the county's residents, communities and businesses is critical. We also keep track of a wide range of key data about East Sussex and related to our priority outcomes. These help us to assess our impact more fully and respond appropriately when we need to do so. Key data will be monitored annually as part of the State of the County report.

3.3 As part of our commitment to embed our work on carbon reduction within our business processes it is recommended that the key activities and performance measures from the Climate Emergency Action Plan are included within the Council Plan. Progress updates on delivering these activities and the outcomes we are seeking to achieve would be reported through the Council Monitoring process, replacing the current Annual Report. Detailed actions within the plan would be incorporated into Portfolio Plans. This would align our approach to the Climate Emergency Action Plan with other key corporate strategies and plans including the Corporate Digital Framework, Equality Diversity and Inclusion Action Plan and the People Strategy.

3.4 The Council Plan is still a work in progress until final budget allocations are made and firm targets can be set. It will be published in March 2025 and refreshed in July when final performance outturn figures for 2024/25 are available. Authorisation is sought for the Chief Executive to make final changes pre and post publication in consultation with Lead Members as appropriate.

4 Progress with Council Plan and Budget 2024/25 since quarter 2

4.1 Overall, our services are continuing to perform well despite challenging circumstances. There has been no significant change in performance to the position reported for quarter 2. We are continuing to see high levels of demand for core services including Adult Social Care. The numbers of patients being admitted to hospital with increasingly complex care needs has been causing an increase in the numbers of people in hospital beds who are medically fit for discharge, due to capacity issues within community support services across the health and care system. We are working with NHS Sussex and provider trusts to address these issues, which are reflected nationally.

4.2 In quarter 2 it was reported that the 2024/25 target was unlikely to be met for the measure 'Number of people receiving support through housing related floating support'. There is a savings proposal to significantly reduce funding for this service in future years. As a result of the potential changes to funding the provider has been operating a recruitment freeze since May 2024 and service capacity is expected to continue to reduce.

4.3 There is currently no significant change to the projected quarter 2 revenue budget forecast.

5 Revenue Budget 2025/26

5.1 The impact of the provisional Local Government Settlement has seen an increase in grant funding, including a £8.9m increase in the Social Care Grant, a £1.5m allocation of Children's Social Care Prevention Grant, offset by a loss of £0.5m Services Grant. However, the additional funding is not at a level sufficient to address the underlying service pressures we face. Furthermore, the Government has not yet confirmed ESCC's allocation of funding to compensate for the direct impact of the increase to employer national insurance contributions. The overall allocation announced indicates there is a risk that this will fall short of the cost to the Council. Outside of the provisional Settlement, the Council has been allocated £4.8m of funding as part of the new extended producer responsibility (EPR) for packaging. This will be included in the Waste Reserve.

5.2 The Council continues to make necessary investments in services to meet the needs of our residents. Following on from an increase of £51.1m in 2024/25, the Council is investing a further £54.9m in 2025/26. Available additional funding of £41.6m for 2025/26 is not sufficient to meet this investment, leaving an annual budget deficit of £13.3m, with an underlying deficit of £27.6m when accounting for the one-off reserve draw made in 2024/25. New savings proposals of £13.5m, the full year impact of savings delivered in 2024/25, and a draw from service specific reserves of £11.4m are required to present a balanced budget for 2025/26:

Summary of Budget Growth and Funding 2024/25 and 2025/26	2024/25 (£m)	2025/26 (£m)
Non-Pay Inflation	28.2	25.1
Pay Awards	7.9	6.4
Service Investment:		
Adult Social Care	3.9	7.5
Children's Services	19.1	9.4
Other service budgets	(1.1)	4.9
Other corporate budgets	(6.9)	1.6
Total Budget Growth	51.1	54.9
Council Tax	(21.7)	(25.8)
Business Rates	(7.5)	(0.5)
Government Grants	(7.6)	(15.3)
Total Additional Funding	(36.8)	(41.6)
Annual Budget Deficit	14.3	13.3
Deficit carried forward from 2024/25	0.0	14.3
Total Budget Deficit	14.3	27.6
New savings delivered in 2024/25	0.0	(2.7)
New savings 2025/26	0.0	(13.5)
One-off use of reserves	(14.3)	(11.4)
Budget Deficit After Savings and One-Off Use of Reserves	0.0	0.0

5.3 The MTFP has been updated for regular calculated adjustments and the additional year of 2027/28, with the movements summarised below. This MTFP is presented in the context that 2026/27 will be the first year of a multi-year settlement, which will reflect the impact of funding reform; and 2027/28 could start to see the impact of local government reorganisation. As such, years two and three of the MTFP are to be taken as indicative at this stage. The overall position includes a deficit of £14.344m carried forward from 2024/25 that was temporarily funded from a one-off contribution from reserves. The full MTFP is provided at Appendix 2:

Medium Term Financial Plan Summary	2025/26 (£m)	2026/27 (£m)	2027/28 (£m)	Total (£m)
	Annual	Annual	Annual	Cumulative
Council 6 February 2024 DEFICIT	30.978	16.503	0.000	47.481
CARRY FORWARD OF 2024/25 DEFICIT	14.344			14.344
Total After Carry Forward	45.322	16.503	0.000	61.825
Normal Updates	(29.637)	13.799	11.887	(3.951)
Pressures added to / (removed from) the MTFP	11.954	(1.107)	8.063	18.910
Savings	(16.190)	(3.279)	(1.219)	(20.688)
DEFICIT AFTER NORMAL UPDATES	11.449	25.916	18.731	56.096
One-off use of reserves	(11.449)	11.449		0.000
DEFICIT AFTER ONE-OFF USE OF RESERVES	0.000	37.365	18.731	56.096

Savings

5.4 As set out to Cabinet in September and November 2024, departments have undertaken work to identify how further savings could be delivered, guided by the agreed areas of search:

- Discretionary and non-statutory preventative services;
- Directly provided services;
- Support services and back office functions;

- Income generation.

The approach taken by each department was outlined in more detail in the September and November reports.

5.5 In total, potential savings of £18.003m have been identified for the period 2025/26-2027/28, with £13.505m proposed for delivery in 2025/26. The detailed proposals are set out at Appendix 4a. The provisional Local Government Finance Settlement has not removed or reduced the requirement to identify savings given the legal requirement to balance the budget. Further difficult choices are required to address the financial gap for the coming year. The proposals affect a range of frontline and supporting services and have significant and wide ranging impacts – on residents, partners and staff. It is important to restate that savings are being brought forward out of necessity given the financial position we face. They are all tough choices. There are no easy options and these are not proposals that we would want to make.

5.6 A number of proposals have been subject to public consultation between October and November 2024. No decision has been taken as to whether or not they should be implemented, and it is not the purpose of the budget setting meeting to do so. These decisions will be taken by the Executive following consideration of the result of the consultation and other relevant considerations.

5.7 Full Council sets the budget for the Council, and in so doing determines the allocation of resources to each of the Council's service areas and essentially sets financial limits within which the Council must operate. The budget does not determine how particular services are delivered and, in setting the budget, Full Council does not take decisions on specific proposals and cannot direct or require the Executive to expend money in a particular way.

5.8 The proposals set out, if implemented, do not fully close the funding gap. After many years of service reductions, transformation and efficiencies, this reflects the very limited opportunity to make further savings whilst still meeting our statutory duties and basic operating requirements. The savings proposed would, however, make a significant contribution towards bridging the deficit.

5.9 As is clear from this report, and from the quarterly monitoring reports that Members have received throughout the year, the Council has faced very significant cost and demand pressures. This has resulted in a significant in year 2024/25 overspend and projected budget deficit which will have to be met from reserves. In an effort to mitigate the in-year overspend and to enable the Council to balance its budget for the year ahead measures have been taken in year to reduce spend. These have been, and will continue to be, taken in accordance with the Council's decision making framework.

Balancing the budget

5.10 The budget for 2024/25 included a one-off draw from strategic reserves of £14.3m. By Quarter 2, the Council was projecting to draw a further £10.5m from strategic reserves to cover the forecast net in-year overspend. Following these draws, the projected level of strategic reserves is only £9.4m as at 1 April 2025. This limited flexibility will need to be held to cover emergent financial challenges in 2025/26, such as future overspends or failure to deliver savings in full.

5.11 In order to present a balanced budget for 2025/26, the council will therefore need to draw £11.4m from service specific reserves, comprising a £9.4m draw from the Waste PFI Reserve and a £2.0m draw from the Insurance Fund. As service specific reserves are held specifically to mitigate volatile expenditure or known future cost, drawing from these reserves will constrain the Council's ability to manage future financial risk and known liabilities in these service areas.

5.12 As reserves can only be used once, the underlying deficit will be deferred into 2026/27, leaving a deficit of £37.4m. Even if it is assumed that Council Tax flexibility will continue into 2026/27, and that the maximum 4.99% is taken in 2026/27, the deficit would be £24.8m.

5.13 Having increased Council Tax by the maximum allowable amount, and the MTFP remaining in deficit, it would take an additional 3.06% in Council Tax to balance the budget for 2025/26 without using reserves. A total increase of 8.05% would require a referendum.

6 2025/26 and beyond

6.1 While the additional funding in the provisional Local Government Finance Settlement was welcome, it was not sufficient to address the ongoing impact of increased service demands and high levels of inflation in prior years, together with the impact of increases in the national living wage and increases in employers' national insurance contributions on our providers, especially in social care.

6.2 Whilst it is welcome to note the Government's commitment to a fair funding review, business rates reform and multi-year settlements from 2026/27, unless the Council receives a significant and permanent increase in funding, the cumulative deficit, which is currently projected to be £56.1m by 2027/28, will continue to grow, which would be a completely unsustainable financial position.

6.3 As such, the Council's financial sustainability and ability to meet the needs of our residents is wholly reliant on the multi-year settlement in 2026/27 and wider reforms. If this, and the associated fair funding review and business rates review, proves to be insufficient, we will have to consider further options, including seeking Exceptional Financial Support.

7 Council Tax requirement

7.1 The provisional Local Government Finance Settlement provided the ability for the Council to raise a maximum of 2.99% Council Tax and 2% ASC precept available in 2025/26 without a referendum. Considering the financial position, including the pressures in social care, it is proposed that this additional flexibility be included.

7.2 It is therefore proposed that the County Council be asked to consider increasing Council Tax in 2025/26 by 4.99% (2.99% Council Tax plus 2.0% Adult Social Care Precept). If agreed, the proposed band D charge for 2024/25 would therefore be:

Changes in Council Tax	£ per house at Band D	
	Council Tax Annual	Council Tax Weekly
Band D 2024/25	£1,778.31	£34.20
Council Tax increase*	£53.19	£1.02
Adult Social Care Precept* 2.0%	£35.55	£0.68
Indicative Band D 2025/26*	£1,867.05	£35.90

* Council Tax is rounded to allow all bands to be calculated in whole pounds and pence.

7.3 The formal precept notices for issue to the District / Borough councils will follow the formal recommendation by County Council. The current position is subject to change following final figures on Collection Fund and Business Rates provided by borough and district councils at the end of January 2025. The draft precept calculation is therefore set out at Appendix 5.

8 Capital Programme

8.1 Through the 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.

8.2 The current approved programme has now been updated to include normal updates in accordance with Capital Strategy principles and additional investment proposals considered

by CMT. The planning horizon has also been extended to 2034/35 to maintain the 10 year programme.

8.3 The challenging revenue budget position, referenced throughout this report, has meant that the Capital Programme has been subject to a risk review undertaken during 2024 aimed at minimising the level of borrowing required to fund the future programme, reducing pressure on the MTFP by an estimated £3.9m of borrowing costs over the period to 2027/28.

8.4 It is proposed that a capital programme of £284.4m (net of the slippage risk factor) be set over the MTFP period from 2024/25 to 2027/28 (current year plus three), requiring £34.4m of borrowing, with the remaining years to 2034/35 being indicative to represent longer term planning. The update to the capital programme can be found at Appendix 8a.

8.5 The Council's 20 year Capital Strategy recommended for approval can be found at Appendix 8c. The Capital Strategy covers the period 2025/26 to 2045/46 and has been updated to reflect emerging risks, principles and corporate priorities. The strategy has been revised to acknowledge that capital investment decisions have a direct impact on the Council's revenue budget, particularly relating to borrowing costs, and are therefore to be considered in the context of their impact on revenue budget and wider Council financial position.

9 Robustness and Reserves

9.1 At Full Council in February 2024 there was an estimated total reserves balance of £83.8m by March 2028. Following usual updates, the balance at 31 March 2029 is now estimated at £51.3m.

9.2 The current reserves position is summarised in the table below. Total service and strategic reserves are projected to be £18.8m by 2029. This compares with a cumulative deficit of £56.1m by 2027/28. The projected balances at 1 April 2029 reflect the draws from specific reserves to balance the budget in 2025/26, and receipt and use of extended producer responsibility (EPR) for packaging funding:

Reserves Balance (£m)	Balance at 1 Apr 2024	Estimated balance at 1 Apr 2025	Estimated balance at 1 Apr 2029
	£m	£m	£m
Earmarked Reserves:			
Held on behalf of others or statutorily ringfenced	31.3	26.1	22.5
Named Service Reserves			
Waste Reserve	19.5	19.3	7.4
Capital Programme Reserve	9.9	9.5	0.0
Insurance Reserve	7.4	7.4	5.2
Adult Social Care Reform Reserve	3.0	0.6	0.0
Subtotal named service reserves	39.8	36.8	12.6
Strategic Reserves			
Priority Outcomes and Transformation	7.3	3.0	1.9
Financial Management	35.8	6.4	4.3
Subtotal strategic reserves	43.1	9.4	6.2
Total Earmarked Reserves	114.2	72.3	41.3
General Fund Balance	10.0	10.0	10.0
TOTAL RESERVES	124.2	82.3	51.3

9.3 A lack of Government funding to address pressures in social care, instead asking councils to use reserves to mitigate pressures, means that the Council will have used significant reserves to balance the budget for both 2024/25 and 2025/26.

9.4 In drawing £14.3m in 2024/25 from strategic reserves to present a balanced budget, plus a further £10.5m to cover the in year 2024/25 overspend reported at Quarter 2, the Council has had to abandon its usual approach of maintaining reserves to help future proof Council services from unforeseen risks. The £9.4m remaining in strategic reserves is the only flexibility the council has left to mitigate in year pressures. As such it will be maintained in 2025/26 to offset any emergent risk.

9.5 As a result, the Council has no choice but to draw upon service specific reserves to fund the budget deficit. These reserves are held specifically to mitigate volatile expenditure or known future cost. Drawing from service specific reserves will result in increased budgetary pressure in the future.

9.6 In addition to reserves, there is also a General Fund (unallocated reserve) balance of £10.0m, aligned to the Chartered Institute of Public Finance and Accountancy best practice, plus a general contingency within the base revenue budget equal to £5.7m for 2025/26, to cushion the impact of unexpected events and emergencies in year. This general contingency is set at 1% of net revenue expenditure (NRE) less Treasury Management. For 2025/26, the General Fund and contingency total £15.7m, which represents 2.65% of NRE.

9.7 Details of the reserves held, and the Chief Finance Officer Statement on Reserves and Budget Robustness, are set out in Appendix 6.

10 Engagement Feedback and Future Consultation

10.1 The views of the Scrutiny Committees are set out in Appendix 7. The views of partners and young people are also included in the appendix. The outcomes of engagement events with Trades Unions and business ratepayers will be made available to Members once the meetings have been held and comments recorded.

11 Equalities

11.1 An initial Equality Impact Assessment (EqIA) of each of the revenue savings proposals has been undertaken to identify potential impacts on people sharing legally protected characteristics and is set out in Appendix 4b. Where a detailed EqIA has been identified as required and completed it is available to Members. Further EqIAs will be undertaken where appropriate when individual proposals are being considered.

11.2 All proposed capital spending has been subject to an initial equalities assessment to identify potential impacts on people sharing legally protected characteristics and to identify whether a detailed EqIA is required (including if one has already been completed or is planned). Where the need for a further equality assessment has been identified, this will be undertaken when individual proposals are being planned in more detail, to enable accurate analysis. A summary of the equality consideration of proposed capital spending is set out in Appendix 8b and where a detailed EqIA has been completed it is available to Members.

11.3 In considering the proposals in this report, Cabinet Members are required to have 'due regard' to the duties set out in Section 149 of the Equality Act 2010 (the Public Sector Equality Duty) as summarised in Appendices 4b and 8b. EqIAs are carried out to identify any specific adverse impacts that may arise as a result of proposals for people sharing legally protected characteristics and to identify appropriate mitigations. The full version of relevant completed EqIAs for capital projects and savings proposals are available on the Cabinet pages of the Council's website. They can be inspected upon request at County Hall. Members must read the full version of the EqIAs and take their findings into consideration when determining these proposals.

11.4 Whilst the Cabinet is being asked to recommend, and subsequently the County Council asked to agree, the revenue budget and capital programme, the budget decision does not constitute final approval of what policies would be or what sums of money will be saved or spent under the service proposals. The recommendations in the report do not commit the Council to implement any specific saving or spending proposal. When the Executive come to make specific decisions on budget reductions or expenditure, where necessary, focussed consultations and the full equalities implications of doing one thing rather than another will be considered in appropriate detail. If it is considered necessary, in light of equalities or other considerations, it will be open to those taking the decisions to spend more on one activity and less on another within the overall resources available to the Council.

12 Fees and Charges

12.1 The Chief Finance Officer is delegated to approve all fees and charges and to report to Cabinet and County Council those set at a level above inflation; a reasonable inflation level with regard to the Consumer Price Index (CPI), Retail Price Index (RPI) and pay inflation. The OBR forecast for 2025/26 at October 2024 is 2.7% CPI and 3.5% RPI, and estimated pay inflation for 2025/26 (including the impact of NiC changes) is 4.6%. As such, it has been determined that fees increasing above 4% be reported. Appendix 9 is for noting and shows a schedule of the fees and charges approved at quarter 3 that have increased by more than 4%.

13 Conclusion

13.1 This Council has a firm foundation of sound and prudent financial management over many years, endorsed by external assessments. We have taken difficult decisions when we needed to in order to balance the books and make best use of stretched resources. Our robust RPPR process has enabled us to direct spending towards priorities and core services, in particular protecting services for the most vulnerable in our county.

13.2 However, despite this strong record, the scale of the challenge the Council now faces is substantial. The continuing escalation in costs and demand for statutory services, due to factors beyond local control, has not been matched with sufficient increased funding. Despite the action we have taken locally to address pressures wherever we can, there is a very significant deficit and substantial risk in the coming years. There also remains considerable uncertainty about the future funding regime for local government, as well as wider service and structural reforms, and how any changes will impact on the Council.

13.3 There is continued national reliance on raising funding for core pressures, particularly growing demand in social care, through local Council Tax which is unrelated to need and unsustainable. In this context we must again ask local people to contribute more to protect services for the most vulnerable for the future. This recommendation is not made lightly, given the ongoing pressures on household budgets, but it is essential if we are to protect services as far as possible. Support will continue to be available through local Council Tax Support Schemes for those residents eligible and we will continue to work with partners to signpost residents to sources of support with the cost of living, including access to benefits they may be entitled to.

13.4 Even after this contribution, the budget presented for the year ahead relies on delivering significant and difficult savings, which will impact on local people, our staff and partners, and on using further reserves to balance the books, removing this safety net for the future. This is an unsustainable position.

13.5 In this context, and with future funding for local government under review, our lobbying will also be vitally important. We will respond with clarity and with evidence to the Government's consultations on funding and service reform. We will ensure the hard choices already having to be made, and the impacts these will have on local residents, business and communities, are heard loud and clear. We will continue to work with our local, regional and

national partners to highlight the specific needs of East Sussex and to press for fair, sustainable funding that enables us to meet the requirements of our residents for essential support. Until this is delivered our medium term financial position will remain extremely difficult and present significant risk to our ability to meet local needs in the future.

BECKY SHAW
Chief Executive

Council Plan 2025/26

Introduction

This Council Plan sets out our ambitions and what we plan to achieve by 2028 for our four overarching priority outcomes: driving sustainable economic growth; keeping vulnerable people safe; helping people help themselves; and making best use of resources now and for the future.

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

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

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

The cost of providing care services for the most vulnerable children and adults in the county make up over two thirds of our net revenue budget. Without significant additional funding the current demand for services and ongoing projections presents an increasingly difficult financial position in the short and medium term, which may impact on our ability to provide certain services. Since 2010 we have identified substantial savings of £140m, and there are few remaining options to further reduce our spending. We will continue to focus our stretched resources on helping those most in need and where we can make the most impact.

We will plan for and respond to national reforms in major, demand-led service areas, such as adults' and children's social care and special educational needs and disability.

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

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

We work closely with local businesses to identify and promote the conditions needed to grow our local economy in a sustainable way, helping improve access to quality jobs, goods and services for our communities. The Council published the new [economic strategy for East Sussex](#) in 2024/25. The strategy aims to create a more

productive economy which will mean increased wealth for our businesses and residents. We have a vision for a more innovative, productive and sustainable East Sussex economy, and the strategy sets out the steps we will take to achieve that. We will develop an investment plan during 2025/26 as part of this work.

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

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

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

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

Our priorities and delivery outcomes

The Priority Outcomes

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

Driving sustainable economic growth - delivery outcomes

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

Keeping vulnerable people safe - delivery outcomes

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

Helping people help themselves - delivery outcomes

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

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

- To help tackle Climate Change East Sussex County Council activities are carbon neutral as soon as possible and in any event by 2050
- We work as One Council
- We work in strong and sustained partnership with the public, voluntary community, social enterprise and private sectors to ensure that our collective resources and influence are used to deliver maximum benefits
- Ensuring we achieve value for money in the services we commission and provide

- Maximising the funding available through bidding for funding and lobbying for the best deal for East Sussex
- We are an employer of choice and support our staff to achieve and develop, ensuring we have the workforce we need to deliver services both now and in the future

Priority - Driving sustainable economic growth

Priority Overview

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

1.1 Economic Recovery

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

Working with partners we have published a new economic growth strategy 'East Sussex Prosperity'. The strategy is designed to create a more productive economy which will mean increased wealth for our businesses, residents and communities. During 2025/26 we will develop an investment plan to help realise the aims of the strategy. Support will include using Shared Prosperity Funding from our district and borough partners to deliver a specialist business support programme across the county. We will also work to attract more investment into the economy.

Trading Standards will continue to offer assistance to businesses in East Sussex to ensure they continue to adapt and thrive. We provide advice and training to businesses, enabling them to market their goods, confident that they are legally compliant. We will continue to advise businesses on legislative requirements, particularly for businesses importing or exporting goods and services to other European countries. We also work with Newhaven Port to develop and support inspection regimes which ensure that only safe and compliant goods are imported and available to the public.

1.2 Employment and productivity

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

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

We will continue to deliver programmes for local businesses, to support job creation and sustainable growth, and will deliver the Newhaven Town Deal Grants programme on behalf of Lewes District Council.

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

Following a Government reorganisation of Local Enterprise Partnerships, the South East Local Enterprise Partnership (SELEP) closed in 2024/25. The Council has

taken on responsibility for legacy SELEP funded projects and programmes. During 2025/26 we will also take on the strategic economic planning and business representation functions. This will involve the Council working with partners through Team East Sussex, our local economic strategic advisory board, to develop an investment plan for the area.

1.3 Local infrastructure

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

Businesses can only thrive if they have the local infrastructure they need and access to the right skills in the local workforce. The Council's highway maintenance contract with Balfour Beatty Living Places includes strong quality requirements, carbon reduction targets and social value benefits, including providing apprenticeships and training and community benefits. We are continuing to put resources into our highways to maintain safe road conditions. This includes a programme of resurfacing and patching work along with a larger programme of surface dressing, which helps prolong the life of a road.

We also coordinate street works, deliver public realm schemes and local transport infrastructure improvements to cope with the changing but increasing demand on the network. A number of infrastructure projects will continue or be delivered in 2025/26, including improvements to Terminus Road in Eastbourne, walking and cycling improvements in Eastbourne and Bexhill and progressing the project to replace Exceat Bridge. Following the adoption of the Local Transport Plan 4 in 2024/25, we will update the Local Cycling & Walking Infrastructure Plan and Bus Service Improvement Plan as well as developing new Rail and Freight Strategies in 2025/26.

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

We are now closing our final broadband contract to provide higher broadband speeds for residents and businesses with over 99% of the county now having access to superfast speeds of over 30mbps and 72% having access to gigabit-capable speeds. We will continue to work with Government to support its plans to deliver gigabit-capable broadband infrastructure, ensuring East Sussex receives as much investment as possible and that any new contract generates social value benefits for our businesses and residents.

Transport for the South East (TfSE) is a sub-national transport body representing 16 Local Transport Authorities. TfSE's [Transport Strategy](#), first published in 2020, sets out how transport improvements can grow the economy of the South East. This was followed up by a 30-year strategic investment plan detailing the evidence-based interventions to meet the ambitions of the Transport Strategy. In 2025/26 TfSE will complete a refresh of the Transport Strategy which will include post-pandemic travel patterns, national policy direction and changes to trade arrangements through major international gateways.

The Council will continue to deliver its Bus Service Improvement Plan in 2025/26. The plan was developed following the launch of the National Bus Strategy 'Bus Back Better'. The East Sussex Bus Service Improvement Plan has begun to deliver the highest possible quality bus services to East Sussex residents and visitors that

provide frequent and comprehensive choice, reduces congestion, and makes a positive contribution to better air quality and decarbonisation. East Sussex received a funding allocation of £41.4m to March 2026, the third highest for shire/rural authorities, and the highest per head of population amongst these authorities. Changes to services that have been rolled out, or will be rolled out in 2025/26, include improvements to existing services, delivering flexible services, fare reductions and improvements to bus stop infrastructure.

The Council is part of the Environment Board for East Sussex and hosts the Sussex Nature Partnership and the Sussex Air Partnership. The Council will work with partners to develop a Local Recovery Strategy for East Sussex and Brighton and Hove in 2025/26, which is a requirement of the Environment Act. The Act also outlined a number of changes to waste and recycling services. We are working with our partners to implement these changes by 31 March 2026.

1.4 Workforce skills

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

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

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

We are a major employer in East Sussex and are committed to supporting the on-going investment in continuous professional development of our staff. The Council has been paying the Apprenticeship Levy of approximately £1m per year since 2017. We have successfully implemented a workforce-based approach and have developed a strategy and action plan to maximise our draw down of the Levy to support employing new apprentices and to support current staff receiving qualifying apprenticeship training. We will continue to address identified areas of skills and employment shortages within the county by also using the levy scheme to fund apprenticeships in local small and medium businesses. From 2024/25 we have been able to pass on up to 50% of our annual Apprenticeship Levy spend in this way, compared to 25% previously. Given the new higher amount we are working to maximise this opportunity.

1.5 Our role

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

As a body with significant spending power in the county we constantly review our procurement processes to ensure they are accessible to local suppliers, maximise the use of local providers in the supply chains, and secure added economic, social and environmental benefits. The Council is also dedicated to its responsibilities on mitigating modern slavery in supply chains. Our updated Supplier Code of Conduct provides suppliers and officers with a practical approach to delivering positive activities and behaviours related to ethical and sustainable outcomes and aligns with our social value, net zero and modern slavery priorities.

The four year Planned Maintenance Framework, to manage and maintain building structures and systems such as heating, plumbing and electrics, is expected to deliver the equivalent of £5.4m worth of social value commitment (around 14% of the framework value). There is also a commitment to deliver 65% of the framework value through local supply chains. The commitments from the contractors who have secured a place on the Framework include delivering apprenticeships, creating local jobs, providing training to local small businesses, providing work experience for local schools and colleges and various employment initiatives, such as attending Skills Fairs and supporting the Open Doors project. In response to the current recruitment and retention challenges within certain occupational groups, the Council is seeking to maximise the use of apprenticeships, traineeships, intern arrangements and more flexible working arrangements in these areas as a way of attracting new talent. To support this we will attend events such as careers fairs to maximise our presence with job seekers. We are also linking in with organisations that support people back into employment to extend our reach into sections of the labour market that are underrepresented or face significant barriers to employment.

The adult social care sector in East Sussex provides employment for around 20,500 people. We will continue our key role in shaping and supporting a sustainable market so that the wider adult social care sector can continue to make a valuable contribution to the local economy.

1.6 Children

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

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

Our vision, as set out in our [Excellence for All Vision](#) 2024-2030, is for all children and young people in East Sussex to be part of an excellent, inclusive, and equitable education system. This system will foster a meaningful sense of belonging from early years through school and into post-16 education, training, and employment. Our inclusive system will be driven by outstanding leadership and supported by good governance. Young people and their families will feel confident, cared for and ready to reach their full potential. Excellence for All is a shared, long-term vision for our education system in East Sussex. It underpins the strategic work of our partnerships,

the Council, and our education providers as we drive towards an ambitious set of goals for 2030.

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

To deliver this vision we will focus on improving outcomes for all pupils including those with SEND. We will work with educational settings, including nurseries, schools and colleges, to provide advice, support and training to enable them to deliver inclusive high-quality education to all children. We will continue to develop and commission a range of alternative provision for pupils who have been excluded or are at risk of exclusion. This includes introducing a new provider for the pupil referral unit in Spring 2025, and expanding our alternative provision directory. Working with partners across Children's Services we will develop and deliver a School Readiness Strategy which we plan to publish in September 2025. This Strategy will aim to ensure children are ready for school and lifelong learning and get the support they need early. Across all our work there is a commitment to ensuring we are building leadership capacity at all levels across the system and improving the transition of pupils between all phases of education. We will do this by careful targeting our services that support vulnerable pupils at key transition points and improving co-ordination of support across our partners.

Educational attainment is negatively affected by poor rates of attendance. We will maintain our focus on supporting schools. We will work closely with providers to secure good attendance. We aim to reduce the level of suspensions and exclusions for all groups of children and young people. We have set out how we will do this in our [Attendance Delivery Plan](#). We will provide support to families and monitor children and young people who have long-term poor attendance.

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

We will continue to pilot key reforms outlined in the Special Educational Needs and Disabilities and Alternative Provision Green Paper Implementation Plan. East Sussex is one of thirty-one local authorities selected by the Government to take part in this national change programme.

1.7 Planned work

Examples of planned work during 2025/26

- We will develop an investment plan to help realise the aims of the new economic strategy

- We will deliver a digital tourism marketing plan to promote the county within the UK and internationally
- We will deliver at least 60% of the Council's circa £400m procurement spend through local companies
- We will make full use of the newly implemented Procurement Act 2023 and National Procurement Policy Statement to drive additional benefit from procurement
- We will work with stakeholders to further evolve the approach to social value, targeting areas where sector-specific factors require tailored approaches. This includes working with areas where supply chains are characterised by high levels of VCSE sector contribution
- We will work to improve the transition for children to post-16 education and to develop the range of provision on offer at post-16 including supported employment opportunities

Priority - Keeping vulnerable people safe

Priority Overview

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

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

2.1 Vulnerable people

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

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

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

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

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

As part of our work to support children to grow up in supportive, safe environments we will continue to support families with complex needs through the Government's Supporting Families programme. We continue to extend the number of teams and services taking a whole family approach both internally and also in the work we commission.

The Council has set five priorities for our Adult Social Care and Health services. These are prevention, waiting times, safeguarding, quality, and value for money. 'Prevention' refers to our work to ensure that people can stay healthy and

independent for as long as possible. 'Quality' refers to how we define, measure and continually improving the quality of our services and those we pay others to provide for us. These priorities have been informed by our Local Government Association Peer Review and, the financial context. They align to our residents' priorities in our adult social care strategy, and will help drive a range of work to deliver positive outcomes for residents.

The Council will work to ensure residents can receive timely Care Act assessments and reviews through our adult social care and health teams to support them to live as independently as possible. Where people are required to wait, we will ensure we prioritise their wellbeing and safety and strive for excellent communication.

We will continue our work to safeguard vulnerable adults through the Safeguarding Adults Board (SAB). This is a multi-agency partnership, made up of statutory and voluntary partners as well as lay members, established to promote well-being and oversee Safeguarding Adults work county-wide. We will also introduce new reporting arrangements and oversight, to enable us to continually monitor and improve safeguarding.

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

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

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

We will continue to work in a cross-county partnership to ensure all migrants and the communities they settle in can achieve independence and wellbeing. East Sussex has welcomed arrivals from many countries through dedicated resettlement and visa schemes. We will continue to facilitate the East Sussex Migration Partnership to make sure we fulfil our duties and coordinate our activities with partners, including ensuring our communications about and with migrant communities are positive and inclusive and continuing to roll out staff awareness training.

2.2 Safe at home

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

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

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

Early Help services support families to tackle their problems before they become more difficult to reverse. We will continue to deliver this through an integrated service with health visitors as part of the 0-19 Early Help service alongside the continued development of Family Hubs. The aim is to provide earlier support and prevent escalation to more intensive specialist services as this is better for families and helps to manage demand for higher cost services. The new Early Intervention Partnership Strategy sets out a system wide approach, working with health, education and community and voluntary services to shape our priorities. Part of the delivery of the strategy work includes earlier identification of needs, keywork with vulnerable families and early years family support services integrated with delivery of the Healthy Child Programme by our health visitors. It will also include provision of earlier emotional wellbeing support and evidence-based youth work with vulnerable young people.

Our Early Help offer has been further enhanced by an investment in our Early Help level 2 keywork team. The team works in collaboration with education colleagues to ensure a joined-up approach to improving attendance, working with schools, young people and their families.

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

We work in partnership to reduce crime, anti-social behaviour and domestic abuse and help victims to stay safe from harm. This includes providing support services, raising awareness of domestic abuse across the county, and delivering our White Ribbon action plan. Through our partnership work we also continue to support East Sussex residents to address drug and alcohol misuse, sustain their recovery and to reduce the number of deaths of people receiving drug and alcohol treatment.

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

2.3 Supportive relationships

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

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

2.4 Support services

People feel safe with support provided

While we aim to help people stay safe and independent, this is not always possible. For children, we will intervene early, for the minimum time necessary. Where children do need to be cared for, we will work with their wider family network. Where this is not possible, we will identify the right placement for the children's needs for the right amount of time, focusing on quality and best value. We are committed to enabling children to be reunified with their families where this is possible and safe to do. Vulnerable adults that cannot cope by themselves need to have support services that are safe and of good quality. We will continue to monitor satisfaction with our commissioned services including through service user evaluations.

Together with our residents and partners, the Council has developed What Matters to You, an adult social care strategy for the county. The strategy includes six residents' priorities for adult social care that complement and align to the strategic plans set locally in [Healthy lives, healthy people: East Sussex Health and Wellbeing Board strategy](#) and the [Improving Lives Together strategy - Sussex Health and Care](#). The strategy will support delivery of the Council's vision for Adult Social Care and Health, where we want everyone in East Sussex to 'live in the place we call home, with the people and things we love, in communities where we look out for one another, doing the things that matter to us.' We will deliver key actions resulting from the strategy including developing new methods to deliver training, communicating more clearly what adult social care can offer, and ensuring our assessments and support are personalised and build on people's strengths.

2.5 Health

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

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

The [Sussex Integrated Care Strategy](#) Improving Lives Together builds on our [East Sussex Health and Wellbeing Strategy](#), and sets out our 5-year ambition for a healthier future for everyone in Sussex. The approach will have a greater focus on keeping people healthy, supporting all aspects of people's lives and the specific

needs of children and young people, as well as living well and ageing well as adults and having a good end of life. To support this a 5-year Shared Delivery Plan has been developed. The Shared Delivery Plan (SDP) includes our ongoing East Sussex collaborative programmes for children and young people, mental health and improving health outcomes. The SDP also includes the Sussex Health and Care Assembly's priority to maximise the potential of partnerships and a new joined-up community approach through the development of Integrated Community Teams, aligned to our five district and borough footprints.

The Council continues to work to support the care market in the county and ensure people receive the most appropriate level of care in the most appropriate setting. Discharge To Assess / Home First pathways support timely discharges from hospital freeing up capacity in the NHS. Our Joint Community Reablement team also support people discharged from hospital with their recovery, helping them to maintain their independence and reduce their need for ongoing care.

2.6 Planned work

Examples of planned work during 2025/26

- We will deliver a project to ensure adults can receive timely Care Act assessments and reviews to support them to live as independently as possible, and stay informed and safe while they wait
- We will continue to deliver the Safeguarding Adults Board strategic plan and develop how we monitor and improve safeguarding processes to keep adults safe from abuse and neglect
- We will work with partners to continue to implement Integrated Community Teams, with an initial focus on delivering proactive care to vulnerable people and those with complex needs
- We will further develop our early help offer, working in partnership with schools, health and VCSE sector to deliver even earlier support to children, young people and families and reduce demand on statutory services
- We will continue to implement the Connected Families service to enable more children and young people to live safely within their families
- We will work with the South East Regional Commissioning Co-operative to improve our ability to access the right homes for our looked after children, and develop integrated commissioning with health partners for children with more complex needs
- We will continue to deliver the actions in the adult social care strategy "What Matters To You", including work to improve our communication and information and provide personalised care and support
- We will support people who have been a victim of sexual violence and domestic abuse through the specialist domestic abuse and sexual violence services
- We will continue to help prevent vulnerable people from becoming a victim of mass marketing fraud and intervene if people have already become a victim
- We will continue to protect people from the increased risks associated with food fraud, illicit tobacco and counterfeit alcohol through the risk based investigations undertaken by Trading Standards

Priority - Helping people help themselves

Priority Overview

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

3.1 Putting people first

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

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

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

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

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

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

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

We help improve the lives and outcomes of children and young people with SEND, helping them to achieve their full potential at home, in school, educational settings and in their communities. This includes being well-prepared for adult life. Our [Special Educational Needs and Disability Strategy](#) sets out how we will work across education, social care, and health to improve access to provision and support for

children and families. We will carry out statutory assessments of children with SEND where there are significant barriers to learning and we will work with educational settings to secure the right education provision and support them.

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

3.2 Maintaining independence

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

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

We will develop our community equipment offer through expanding equipment assessment capacity with a Trusted Assessor approach and providing advice and self-assessment options for people who choose to purchase equipment.

Education is a protective factor against many of the risks to good mental health and wellbeing that face children and young people across East Sussex. Working with partners to deliver the East Sussex SEND Strategy, we will provide opportunities for schools and settings to develop communities which promote good mental health and wellbeing.

Mental Health Support Teams (MHSTs) continue to operate in 94 targeted schools, covering approximately 85% of our school age population. The teams deliver high quality interventions to support children and young people with mild to moderate difficulties who are referred to the service. 30% of referred children are identified by schools as having SEND and all staff are trained in adapting materials for neurodivergent children. Since summer 2023, the team has expanded to offer support for all other schools in East Sussex to support the development of a whole-school approach to mental health and emotional wellbeing, as well as providing direct support for parents and carers.

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

3.3 Local mutual support systems

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

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

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

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

The Council is working to commission a Community and VCSE Development Programme. The programme will strengthen the shift to more person-centred and community-based approaches to health and wellbeing. It will embed ways of working which improve the health of the population, mobilise assets within communities, encourage equity and social connectedness, and increase people's control over their health and lives.

The Council provides cost of living support webpages to help residents access information about money advice, employment and skills, and how to access benefits and grants. The Council is also part of a multi-agency financial inclusion steering group with representatives from a range of statutory sectors and the VCSE sector. Amongst its priorities is to maximise income by administering Government funds to alleviate hardship and targeted communications to help residents access benefits, in particular people who are seldom heard or at risk of poor outcomes.

Collisions on our roads can have a terrible human cost. We will complete 24 infrastructure schemes at high-risk sites in 2025/26 to improve the safety on our road network. Cycling supports an active lifestyle, benefitting fitness and general wellbeing. To encourage cycling and improve road safety we will deliver Bikeability training to 4,000 pupils and complete 350 Wheels for All sessions in 2025/26.

3.4 Living Healthier Lives

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

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

Our Public Health service aims to improve life expectancy and the quality of life by addressing health inequalities with partners which include the Government, the Sussex Integrated Care System, district and borough councils, education, business, and the VCSE sector. We will address local need and Public Health programmes will be delivered (in line with the conditions and statutory obligations of the Public Health Grant) to ensure our residents have better beginnings, and healthier and longer lives. We will work in a wide range of settings through local outbreak planning and management, screening, immunisation and emergency planning and preparedness, to ensure the combined efforts of all relevant agencies and professions have the maximum impact. We will take steps to reduce smoking prevalence, understand and reduce alcohol-related harm, and create healthy and green spaces – particularly for those living with highest levels of deprivation. This includes using behaviour change

approaches to help entrenched smokers and supporting earlier diagnosis and smoother transitions of care to reduce alcohol-related harm.

The Council has developed a prevention strategy for Adult Social Care that describes how we will support and enable people to grow and maintain their wellbeing and independence for as long as possible. In 2025/26 we will set out an action plan to deepen our systematic approach to prevention (both within the Council and in collaboration with a range of people and organisations) and build on our work to sustain and improve people's physical wellbeing.

3.5 Planned work

Examples of planned work during 2025/26

- We will continue to develop the Local Offer website which provides information and advice to families and children with SEND
- We will continue to communicate our enhanced mental health and emotional wellbeing (MHEW) information, advice and guidance offer, working in partnership with the wider Sussex MHEW system to ensure consistency in signposting young people, families and professionals for MHEW support
- We will continue to work with partners to identify carers in the community and help them access the support they need, through our Carers Partnership Plan
- We will help people to maintain their independence by providing rehabilitation support services and intermediate care
- We will develop an action plan to deliver our new Adult Social Care Prevention Strategy including setting out a systematic approach to prevention and building on our work to sustain and improve people's physical wellbeing
- We will help people to quit smoking through our One You service, reach entrenched smokers, and close smoking-related health inequalities
- We will deliver road safety training for the most vulnerable road users in the county through Bikeability training and Wheels for All sessions
- We will design and implement road safety infrastructure schemes at high-risk sites to make our roads safer

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

Priority Overview

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

4.1 Carbon Neutral

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

We will build on our earlier work to ensure Council activities are carbon neutral as soon as possible and in any event by 2050. We will implement our updated corporate Climate Emergency Plan for 2025/26. This includes reducing the carbon emissions from our buildings. Between 2009 and 2024 we invested £14.8m into over 260 projects. These have generated total estimated savings on energy bills of over £1m per year.

We aim to improve the environmental and financial sustainability of our assets. We work to make our premises more efficient, to reduce running costs and carbon emissions. To support this, during 2025/26, we will seek new opportunities for appropriate grant funding, as well as areas to implement our buildings maintenance programme. We will also deliver energy efficiency training and support behavioural change to help deliver these outcomes. Alongside this we will also continue to encourage sustainable transport options for business travel and commuting.

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

4.2 One Council

Delivery outcome: We work as one Council

We will ensure that we work in a unified way so that resources are focused on delivering our priority outcomes. We will focus on delivering services close to local people in the most cost-effective way possible.

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

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

We continue to identify new opportunities to harness technology, including Artificial Intelligence, to support new ways of working, connect with partners and support the delivery of resident and community outcomes through our Strategic Digital Framework. We will put people at the centre of our approach to implementing new technologies, whilst ensuring that these support our focus on reducing costs and enhancing productivity.

The Oracle programme will continue the work to implement a new Oracle Fusion system to replace the Council's core finance and Human Resources systems. The improvements delivered by the new system will help support our new working practices, and will provide greater resilience to maintaining essential activities such as paying staff and suppliers.

4.3 Working in partnership

Delivery outcome: We work in strong and sustained partnership with the public, voluntary community, social enterprise and private sectors to ensure that our collective resources and influence are used to deliver maximum benefits

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

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

The Strategic Property Asset Collaboration in East Sussex (SPACES) is a partnership programme made up of the County Council, district and borough councils, NHS Trusts, Emergency Services, NHS Sussex, Further Education, the VCSE sector and other Government bodies from within East Sussex. The partnership aims to make best use of public sector assets, working together collaboratively where possible to deliver benefits in asset utilisation and in other property based areas such as Carbon Net Zero, Regeneration and Housing, and Health and Social Care. During 2025/26 SPACES will continue to deliver One Public Estate and Brownfield Land Release Fund projects ranging from medical centre investments to town centre regeneration and provision of housing. SPACES will continue to work in partnership to find new opportunities for improving efficiency within all the contributors' property portfolios.

4.4 Value for money

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

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

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

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

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

We continue to identify opportunities to use digital and data capabilities across the Council, in particular Generative Artificial Intelligence and process automation, to enhance productivity and help free up staff capacity for key corporate priorities.

4.5 Maximising funding

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

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

However, the current and forecast economic conditions present the most difficult financial outlook ever facing the Council. There is a substantial and growing gap between the costs of delivering essential services and the incoming resources to support East Sussex residents, communities and businesses with the core services they need in the future.

4.6 Employer of choice

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

We are committed to the development of our workforce and continue to embed our People Strategy into our culture. The People Strategy, which has been updated for 2024-2027, helps support our managers and staff to respond to the changing and challenging environment in which the Council is operating, most notably future savings requirements and recruitment and retention challenges. The Strategy is built around the four pillars of: i) Employee Health and Wellbeing, ii) Employee Engagement and Inclusion, iii) Performance and Development, and iv) Leadership and Management.

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

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

4.7 Planned work

Examples of planned work during 2025/26

- We will continue on the pathway towards our ultimate carbon reductions goals, seeking to reduce carbon emissions and make our buildings more energy efficient
- We will maintain or reduce the number of working days lost to sickness absence
- We will update the Council's computer estate during 2025/6 to move to the Windows 11 operating system, thereby ensuring we remain on a supported system
- We will replace the existing telephony system with a new system that will underpin modernisation of working practices and reduce our carbon footprint
- We will continue to review our use of assets to ensure effective utilisation of our property and land, with consideration of cost and carbon implications

Equality objectives

The Council recognises the diverse needs of our communities and is committed to promoting equality of opportunity and diversity in employment and service delivery. We challenge discrimination and encourage respect, understanding and dignity for everyone living, working and visiting East Sussex. We do this through our influence in the community, strategic planning and policy formation in employment and service delivery. The Council has reviewed its equality objectives and updated them to define our focus for 2025/26:

- We will lead by example, delivering services that are informed by the views, strengths and needs of our communities and providing an inclusive and supportive working environment for our staff. To help achieve this we will take practical actions on equality, diversity and inclusion as set out in the Corporate Equality Diversity and Inclusion Action Plan 2025-26.
- We will ensure that the workplace adjustment pathway and other associated changes are implemented and integrated and will review and evaluate their impact.

Revenue budget: gross and net

The charts below show how we will spend your revenue budget money in 2025/26, and where the money will come from (gross and net). More information on our revenue budget can be found in our [financial budget summary](#) which explains the difference between the gross and net budgets.

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

How we will spend your money (gross)

Chart to be added

How we will spend your money (net)

Chart to be added

Where the money comes from (gross)

Chart to be added

Where the money comes from (net)

Chart to be added

Revenue Spending

The diagrams below are a visual representation of our gross revenue budget for 2025/26. They also show East Sussex County Council spend inclusive of partnership working, where we are the lead authority. More information on our revenue budget can be found in our [financial budget summary](#).

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

Chart to be added

Adult Social Care

Chart to be added

Public Health

Chart to be added

Business Services

Chart to be added

Children's Services

Chart to be added

Communities, Economy & Transport

Chart to be added

Governance Services

Chart to be added

Revenue Data

Table to be added

Capital programme

Capital programme: projects in the year ahead 2025/26

The planned capital programme supports the Council's Capital Strategy to 2045/46. It comprises targeted basic need investment that supports services in the delivery of priority outcomes and is supported by a planned programme to 2034/35. It includes providing for essential school places, investments in roads and transport infrastructure, support for climate change initiatives, enhancing the life of existing assets and ensuring they are fit for purpose, as well as support for strategic investment. Details of the full current capital programme are in our [financial budget summary](#) and updated as part of our State of the County report. Below are examples of key projects (to be added) that will be undertaken in 2025/26 at a cost of £(to be added) million.

Chart to be added

Economic Growth & Strategic Infrastructure

Example work to be added

Community & Social Care Facilities

Example work to be added

Highways & Structural Maintenance

Example work to be added

Integrated Transport Schemes

Example work to be added

Schools

Example work to be added

Building Maintenance & Efficiency

Example work to be added

Climate and Environment Projects

Example work to be added

Capital Resourcing 2024/25 to 2026/27

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

Chart to be added

Promoting equality of opportunity

Equality impact assessment summary report for Council Plan 2025/26

Date of assessment: 02/01/2025

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

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

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

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

We will also continue to monitor our impact on outcomes for the people of East Sussex, including differences between outcomes for people sharing different protected characteristics. We will use this information to inform future business planning activities as part of our annual State of the County exercise. We will report quarterly on progress against the activities in the Council Plan, including any issues, as part of our Council Monitoring reports. We will also report on our progress in delivering the actions in this Council Plan that will advance equality as part of our Annual Report, which will be published in Autumn 2025.

More information on equality and diversity can be found on our [equality and diversity web page](#).

Performance measures and targets

Targets – Driving sustainable economic growth

Performance measure	2024/25 Outturn (Target)	2025/26 Target	2026/27 Target	2027/28 Target	2025 – 2028 Outcome Summary
Deliver East Sussex Skills priorities for 2021-2026	(a) Deliver six interventions that meet the Skills East Sussex priorities b) Deliver six embedded numeracy interventions)	a) Deliver six interventions that meet the Skills East Sussex priorities b) 400 people enrolled on the Connect to Work employment programme c) Eight Level 3 sector related Skills Bootcamp courses delivered (subject to funding)	To be set 2025/26	To be set 2026/27	Training providers are developing a curriculum which is informed by sector skills evidence and our local businesses are actively engaged in supporting training provision in the county, supporting sustainable economic development
East Sussex Careers Hub	(East Sussex Careers Hub to support schools to achieve an average of 5 national benchmarks 210 Industry Champions support schools and colleges in the county)	To be set March 2025 (subject to funding)	To be set 2025/26	To be set 2026/27	Our young people and adults are helped to become aware of careers opportunities available to them, supporting sustainable economic development
Deliver new economic strategy	(Economic strategy endorsed and adopted by key stakeholders including Team East Sussex)	Investment Plan developed	To be set 2025/26	To be set 2026/27	Support the creation of the conditions needed to sustainably grow the East Sussex economy

Performance measure	2024/25 Outturn (Target)	2025/26 Target	2026/27 Target	2027/28 Target	2025 – 2028 Outcome Summary
Design and deliver a tourism digital marketing plan Proposed new measure	New measure 2025/26	Deliver a marketing plan including 2 thematic headline campaigns	To be set 2025/26	To be set 2026/27	The visitor economy is grown by raising the visibility of Sussex, enhancing perceptions, increasing the number of visitors to the coast, increasing length of stay and spend.
Job creation from East Sussex Programmes	(45 jobs created)	To be set March 2025 subject to funding	To be set 2025/26 (subject to funding)	To be set 2026/27 (subject to funding)	The East Sussex economy has grown and more jobs are created by supporting the growth of businesses through capital investment
Percentage of Principal roads requiring maintenance	(7%)	7%	7%	7%	A satisfactory standard of road condition across all road types is achieved and maintained
Percentage of Non-Principal roads requiring maintenance	(8%)	8%	8%	8%	A satisfactory standard of road condition across all road types is achieved and maintained
Percentage of Unclassified roads requiring maintenance	(25%)	25%	25%	25%	A satisfactory standard of road condition across all road types is achieved and maintained

Performance measure	2024/25 Outturn (Target)	2025/26 Target	2026/27 Target	2027/28 Target	2025 – 2028 Outcome Summary
Deliver a range of Family Learning programmes across East Sussex to provide high quality learning opportunities for parents/carers and their children to develop English, maths and language skills and to support a culture of learning in the family (subject to external funding)	(1,300 enrolments across Family English, maths and Language (FEML) and Wider Family Learning (WFL) programmes)	1,300 enrolments across Family Learning programmes	To be set 2025/26	To be set 2026/27	Families, particularly those from areas of deprivation, have intergenerational learning opportunities and develop positive attitudes to learning
Provide volunteer supported IT for You sessions in libraries	(2,000 sessions available)	1,750 people attend sessions	To be set 2025/26	To be set 2026/27	People have support to go online, improve their digital skills, increase their employment chances and have better access to health information and services
The number of businesses receiving advice and support through training and bespoke advice provided by Trading Standards	(350)	350	350	350	Businesses in East Sussex are equipped to thrive, comply with the law, and are supported to “get it right first time”
The Council's Apprenticeship Levy strategy supports the Council's workforce development and training plans	(Where appropriate Standards exist, to ensure apprenticeship training is available and taken up (subject to the needs of the business), which addresses skills shortages in the Council)	Where appropriate Standards exist, to ensure apprenticeship training is available and taken up (subject to the needs of the business), which addresses skills shortages in the Council	To be set in 2025/26 once the detail of the new Growth and Skills Levy is understood	To be set in 2025/26 once the detail of the new Growth and Skills Levy is understood	Apprenticeships in the Council provide a positive opportunity for staff to develop and grow, enhancing the Council's workforce and career opportunities

Performance measure	2024/25 Outturn (Target)	2025/26 Target	2026/27 Target	2027/28 Target	2025 – 2028 Outcome Summary
The percentage of Council procurement spend with local suppliers	(60%)	60%	60%	60%	Local businesses are supported and we help drive economic growth and employment in the county through use of our purchasing power
Economic, social and environmental value committed through contracts, as a percentage of our spend with suppliers	(≥10.0%)	≥10%	Measure to be reviewed/replaced 2026/27	Measure to be reviewed/replaced 2026/27	The Social Value Measurement Charter is used to provide robust measures in eligible contracts that commit suppliers to deliver the Council's social value objectives
The percentage of eligible 2 year olds who take up a place with an eligible early years provider	(Equal to or above the national average)	Equal to or above the national average	Equal to or above the national average	Equal to or above the national average	All children engage, attain and progress well from early years into education, training and employment
The percentage of pupils achieving a “good level of development” at the Early Years Foundation Stage	(Ac Year 2023/24 Equal to or above the national average)	Ac Year 2024/25 Equal to or above the national average	Ac Year 2025/26 Equal to or above the national average	Ac Year 26/27 Equal to or above the national average	All children engage, attain and progress well from early years into education, training and employment
Average Attainment 8 score for state funded schools	(Ac Year 2023/24 44.0)	Ac Year 2024/25 TBC March 2025	Ac Year 2025/26 TBC March 2025	Ac Year 2026/27 TBC March 2025	All children engage, attain and progress well from early years into education, training and employment

Performance measure	2024/25 Outturn (Target)	2025/26 Target	2026/27 Target	2027/28 Target	2025 – 2028 Outcome Summary
The percentage of disadvantaged pupils achieving at least the expected standard in each of reading, writing and maths at Key Stage 2	Ac Year 2023/24 40.2% Nat Av: 45.5%	Ac Year 2024/25 40.5%	Ac Year 2025/26 41.0%	Ac Year 2026/27 41.5%	The gap for disadvantaged pupils at all Key Stages is kept as small as possible so that all children attain and progress well from early years into education, training and employment
The average Attainment 8 score for disadvantaged pupils	(Ac Year 2023/24 30.5)	Ac Year 2024/25 TBC March 2025	Ac Year 2025/26 TBC March 2025	Ac Year 2026/27 TBC March 2025	The gap for disadvantaged pupils at all Key Stages is kept as small as possible so that all children attain and progress well from early years into education, training and employment
The percentage of young people who are in Not in Education, Employment or Training (NEET) at academic age 16, including unknowns	(Equal to or below 5%)	Equal to or below national average	Equal to or below national average	Equal to or above national average	Young people participate in education, training or employment with training until they are at least 18 improving their long-term employment and health prospects
The percentage of young people who are in Not in Education, Employment or Training (NEET) at academic age 17, including unknowns	(Equal to or below 7%)	Equal to or below national average	Equal to or below national average	Equal to or above national average	Young people participate in education, training or employment with training until they are at least 18 improving their long-term employment and health prospects

Performance measure	2024/25 Outturn (Target)	2025/26 Target	2026/27 Target	2027/28 Target	2025 – 2028 Outcome Summary
Average Attainment 8 score for Looked After Children (LAC)	(Ac Year 2023/24 19)	Ac Year 2024/25 TBC March 2025	Ac Year 2025/26 TBC March 2025	Ac Year 2026/27 TBC March 2025	Looked after Children participate in education, training or employment with training until they are at least 18 improving their long-term employment and health prospects
The percentage of LAC participating in education, training or employment at academic age 16 (Year 12)	(80%)	80%	80%	80%	Looked after Children participate in education, training and employment with training until they are at least 18 improving their long-term employment and health prospects
The percentage of LAC participating in education, training or employment at academic age 17 (Year 13)	(70%)	70%	70%	70%	Looked after Children participate in education, training and employment with training until they are at least 18 improving their long-term employment and health prospects

Targets – Keeping vulnerable people safe

Performance measure	2024/25 Outturn (Target)	2025/26 Target	2026/27 Target	2027/28 Target	2025 – 2028 Outcome Summary
Median waiting time for Adult Care Act assessments	(≤21 days)	≤21 days	To be set	To be set	Care Act assessments are provided in a timely manner to identify what needs the person may have and what outcomes they are looking to achieve to maintain or improve their wellbeing
Median waiting time for Carers' Care Act assessments	(≤7 days)	≤7 days	To be set	To be set	Carers' Care Act assessments are provided in a timely manner to identify what needs the carer may have and what outcomes they are looking to achieve to maintain or improve their wellbeing
Median time from proposed start date to actual start for adult reviews	(≤6 days)	≤6 days	To be set	To be set	Adult reviews are provided in a timely manner to ensure the person's care and support plan remains relevant to their needs and aspirations
Median time from proposed start date to actual start date for carer reviews	(≤6 days)	≤6 days	To be set	To be set	Carer reviews are provided in a timely manner to ensure the person's care and support plan remains relevant to their needs and aspirations

Performance measure	2024/25 Outturn (Target)	2025/26 Target	2026/27 Target	2027/28 Target	2025 – 2028 Outcome Summary
Number of people with a Deprivation of Liberty Safeguards (DoLS) episode awaiting allocation of a Best Interest Assessor	(≤650 people)	≤650 people	To be set	To be set	People with a Deprivation of Liberty Safeguards (DoLS) episode are allocated a Best Interest Assessor (residential and nursing) in a timely way to assess whether the person needs to be deprived of liberty in their own best interests
Percentage of potential safeguarding concerns initially reviewed within 3 days	(≥99%)	≥99%	≥99%	≥99%	Potential safeguarding concerns are reviewed in a timely manner to protect the person's right to live in safety, free from abuse and neglect
Percentage of Health and Social Care Connect referrals triaged and progressed to required services within 24 hours	(95%)	95%	95%	95%	Services are provided in a timely manner
Health and Social Care Connect – % of contacts that are appropriate and effective (i.e. lead to the provision of necessary additional services)	(95%)	95%	95%	95%	Contacts from health professionals are appropriate and effective
The percentage of people affected by domestic violence and abuse who have improved safety/support measures in place upon leaving the service	(90%)	90%	90%	90%	Vulnerable people who have been affected by domestic violence are enabled to feel more in control of their life, and better able to make decisions to increase their safety

Performance measure	2024/25 Outturn (Target)	2025/26 Target	2026/27 Target	2027/28 Target	2025 – 2028 Outcome Summary
When they leave the service the percentage of those affected by rape, sexual violence and abuse who have improved coping strategies	(88%)	88%	88%	90%	Vulnerable people who have been affected by rape, sexual violence and abuse, are protected and provided with skills which enable them to be more in control of their lives and more optimistic about the future
Deaths in drug and alcohol treatment as a proportion of all in drug and alcohol treatment	New measure 2025/26	≤1.2% rolling 12-month figure	To be set 2025/26	To be set 2026/27	The number of drug and alcohol related deaths amongst people in treatment is reduced
Rate of children with a Child Protection Plan (per 10,000 children)	(64.4 (661 children))	59.8 (620 children)	56.9 (590 children)	54.1 (562 children)	Children at risk from significant harm are kept safe
Rate (of 0-17 population) of referrals to children's social care services (per 10,000 children)	(≤556)	≤556	≤556	≤556	Children at risk from significant harm are kept safe
Rate (of 0-17 population) of assessments started by children's social care services (per 10,000 children)	(≤558)	≤558	≤558	≤558	Children at risk from significant harm are kept safe
Rate of Looked After Children (per 10,000 children)	(61.8 (635 children))	61.8 (640 children)	58.1 (602 children)	54.6 (566 children)	Children at risk from significant harm are kept safe
The number of active interventions for vulnerable people who have been the target of rogue trading or financial abuse	(200)	200	200	200	Residents of East Sussex are safe in their own home and protected from criminals. Residents are empowered to feel safe and supported to say "no" to criminals and deter and disrupt criminal activity

Targets – Helping people help themselves

Performance measure	2024/25 Outturn (Target)	2025/26 Target	2026/27 Target	2027/28 Target	2025 – 2028 Outcome Summary
Road Safety: Deliver targeted cycle training activities to vulnerable road users	(Deliver Bikeability Training to 4,000 individuals and 100 Wheels for All sessions)	Deliver Bikeability Training to 4,000 individuals and 350 Wheels for All sessions	To be set 2025/26	To be set 2026/27	The confidence and skills of cyclists is improved by delivering cycle training to cyclists through targeted Bikeability training sessions delivered at Schools and training centres across the county
Road Safety: Implement infrastructure schemes on identified high risk sites/routes to improve road safety	(Implement 24 safety schemes)	Implement 24 safety schemes	To be set 2025/26	To be set 2026/27	The number of crashes and casualties at identified high risk sites/routes sites is reduced through the implementation of infrastructure improvement schemes to improve outcomes for residents, businesses and visitors to East Sussex
National outcome measure: Proportion of working age adults and older people receiving direct payments	(<u>≥</u> 25.2%)	≥25.2%	≥25.2%	To be set 2025/26	Adults who require support are able to live as independently as possible
Number of people receiving support through housing related floating support	(7,282)	5,461	5,461	5,461	Adults can maintain their independence

Performance measure	2024/25 Outturn (Target)	2025/26 Target	2026/27 Target	2027/28 Target	2025 – 2028 Outcome Summary
Percentage of respondents who strongly agree or agree that the professionals who are involved in organising and providing their care communicate well with each other and share information to make sure their support is the best it can be (Listening To You)	(>56%)	>56%	>56%	>56%	Through joint and partnership working as part of the East Sussex Health and Care Partnership and Sussex Integrated Care System all available resources are used to deliver maximum benefits to local people and achieve value for money
The proportion of people who received short-term services during the year, where no further request was made for ongoing support	(>90.5%)	>90.5%	>90.5%	To be set 2025/26	Effective early intervention is provided to ensure people are given the support they need as quickly as possible, also reducing the need for more expensive intensive interventions at a later date ensuring the most effective use of resources
National outcome measure: Achieve independence for older people through rehabilitation / intermediate care	(>90%)	>90%	>90%	To be set 2025/26	Effective early intervention is provided to ensure people are given the support they need as quickly as possible; also reducing the need for more expensive intensive interventions at a later date ensuring the most effective use of resources
Proportion of all new EHC Plans issued within 20 weeks (a) Including Exception Cases (b) Excluding Exception Cases	((a) 65% (b) 70%)	(a) 65% (b) 70%	(a) 65% (b) 70%	(a) 65% (b) 70%	All children and young people with SEND with an agreed need for an EHCP receive their plan in a timely way to ensure that they receive appropriate support to achieve their full potential

Performance measure	2024/25 Outturn (Target)	2025/26 Target	2026/27 Target	2027/28 Target	2025 – 2028 Outcome Summary
The proportion of respondents to the feedback surveys who agree that things have changed for the better as a result of getting targeted support from the 0 – 19 Early Help Service	(80%)	80%	80%	80%	The services provided are making a difference to the lives of service users
The number of smokers that achieve a four-week quit of the smokers that have set a quit date	New measure 2025/26	≥50% four-week quits achieved	≥50% four-week quits achieved	≥50% four-week quits achieved	There is an increase in the number of people who quit cigarette smoking and lead healthier lives
The percentage of people who achieve 5% weight loss as part of a One You East Sussex intervention	New measure 2025/26	≥25%	To be set 2025/26	To be set 2025/26	There is an increase in the number of people who achieve clinically significant weight loss and lead healthier lives

Targets – Making best use of resources

Performance measure	2024/25 Outturn (Target)	2025/26 Target	2026/27 Target	2027/28 Target	2025 – 2028 Outcome Summary
Number of working days lost per FTE (Full Time Equivalent) employee due to sickness absence in non-school services	(9.10)	9.10	9.10	9.10	The use of resources is maximised and staff and customer wellbeing improved
Deliver the Property Asset Investment Strategy	(6 business cases completed)	8 business cases completed	To be set 2025/26	To be set 2026/27	Income generation from property and capital receipts are optimised and our strategy helps promote economic growth across the county

Performance measure	2024/25 Outturn (Target)	2025/26 Target	2026/27 Target	2027/28 Target	2025 – 2028 Outcome Summary
Review use of corporate buildings	(Implement reduction of office footprint identified in 2023/24)	Implement reduction of office footprint at County Hall identified in 2024/25	To be set 2025/26	To be set 2026/27	Our corporate buildings better utilise space and enable new ways of working, leading to reduced cost of occupancy in our core corporate buildings
Reduce the amount of CO2 arising from County Council operations	(50% reduction on baseline year (2019/20) emissions (emissions not to exceed 6,211 tonnes CO2e))	57% reduction on baseline year (2019/20) emissions (emissions not to exceed 5,403 tonnes CO2e)	To be set 2025/26	To be set 2026/27	A reduction in the amount of CO2 arising from Council operations is recorded on an annual basis, thus reducing the cost of energy to the Council and shrinking the carbon footprint in line with our carbon budget
Progress on implementation of Carbon reduction schemes	(23 energy saving schemes implemented)	10 energy saving schemes implemented	To be set 2025/26	To be set 2026/27	The Council's carbon footprint is reduced and our operations support a more sustainable approach going forward
Delivery of Corporate Equality Diversity and Inclusion Action Plan actions planned for the year	(Deliver the key actions within the action plan)	To be set January 2025 pending approval of Corporate Equality Board and CMT	To be set 2025/26	To be set 2026/27	We lead by example, delivering services that are informed by the views, strengths and needs of our communities and providing an inclusive and supportive working environment for our staff
Achievement of key milestones for the Workplace Adjustments Review	(Implementation and monitoring of new Workplace Adjustments activity)	Workplace adjustments integrated and a review completed	Not applicable - review expected to be completed in 2025/26	Not applicable - review expected to be completed in 2025/26	The key changes will be implemented and reviewed by 2025/26. The work will then be subject to periodic review on a needs basis to ensure it continues to meet the evolving needs of the organisation

State of the County data

We review a wide range of data to help us understand the context for our plans and the impact we are having through our work and in partnership. We publish this data each year in [State of the County – Focus on East Sussex](#), when we start the planning process that leads to this Council Plan. A selection of this data is listed below. Unless otherwise stated the data refers to 2022/23. Where possible official national statistics are used for comparison with the England average.

Driving sustainable economic growth

2022/23

Measure	East Sussex	England
Percentage of working age residents (16-64) with a level 4 qualification or above (includes degrees, Higher National Certificate, Higher National Diploma and others)	33.8% (2021)	37.1% (2021)
Percentage of working age residents (16-64) with no qualifications or qualified only to National Vocational Qualification 1	10.6% (2021)	12.4% (2021)
Annual gross full-time earnings, median average (residence based)	£34,028 (2023)	£35,100 (2023)
Percentage of working age population (16-64) in employment	73.1% (2023)	75.7% (2023)
People claiming unemployment benefits (JSA and Universal Credit) percentage of population 16-64 year olds at March	3.5% (2024)	3.9% (2024)
New business registration rate per 10,000 people over 16	47.5 (2022)	64.6 (2022)
New houses built, total completed / total affordable	1,702 / 714 (2022/23)	-
Average Attainment 8 score per pupil state funded secondary schools	43.6	46.3
Average Progress 8 score for state funded secondary schools	-0.19	-0.03

2022/23

Measure	East Sussex	England
Percentage of pupils who achieved a 9-5 pass in English and maths GCSEs	41.0%	45.3
Average point score (APS) per entry for level A levels (age 16-18)	32.46	34.16
Attainment of A level students (age 16-18) average point score (APS) per entry, best 3	31.27	34.68
Attainment of A level students (age 16-18) % achieving grades AAB or better at A level, of which at least two are in facilitating subjects	9.18%	15.8%

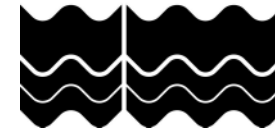
Keeping vulnerable people safe**2022/23**

Measure	East Sussex	England
Rate per 10,000 (aged 0 –17 population) of Looked After Children	61.5	71
Rate per 10,000 (aged 0-17 population) of children with a Child Protection Plan	64.8	43.2
Percentage of children who ceased to be looked after adopted during the year ending 31 March	7%	9%
Percentage of people (65 and over) who were still at home 91 days after discharge from hospital	91.2%	82.3%
Suicide rate per 100,000 of population three-year average	11.6 (2020 - 2022)	10.3 (2020 - 2022)
Hospital admissions caused by unintentional and deliberate injuries in children aged 0-14 years, rate per 10,000 resident population	107.6 (2021/22)	84.3 (2021/22)

Helping people help themselves

2022/23

Measure	East Sussex	England
Percentage of children aged 4-5 years with excess weight (overweight or obese), by postcode of child	22.1%	21.3%
Percentage of children aged 10-11 years with excess weight (overweight or obese) by postcode of child	32.6%	36.6%
Percentage of adults (aged 18+) classified as overweight or obese	62.7% (2021/22)	63.8% (2021/22)
Percentage of children aged 4-5 years who are underweight	0.5%	1.2%
Percentage of children aged 10-11 years who are underweight	1.3%	1.6%
Long-term support needs of younger adults (aged 18-64) met by admission to residential and nursing care homes, per 100,000 population per year	13.9	14.6
Long-term support needs of older adults (aged 65 and over) met by admission to residential and nursing care homes, per 100,000 population per year	488.2	560.8
Proportion of older people aged 65 and over who received reablement services following discharge from hospital	1.4%	2.9%
The outcome of short-term services: sequel to service: proportion of people who received short-term services during the year, where no further request was made for ongoing support or support of a lower level	94.7%	77.5%
Emergency hospital admissions due to falls in people aged 65 and over per 100,000	2,523 (2021/22)	2,100 (2021/22)
Number of people killed or seriously injured on the roads	362 (calendar year 2023)	-

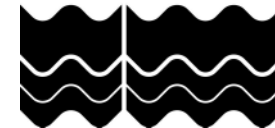


Equality Considerations

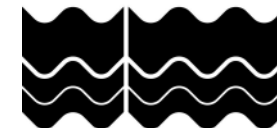
Assessing equality impacts enables us to make services and public policy better for all service-users and staff and supports value for money by getting council services right first time.

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

Title of Project/Service/Policy	Council Plan 2025/26-2027/28
Team/Department	Performance, Research and Intelligence
Directorate	Governance Services
Description of your Project (Service/Policy, etc.) including its Purpose and Scope	<p>The Council Plan sets out our organisational priorities for the next three years. These are based on what we need to do to help deliver our four overarching priority outcomes; Driving sustainable economic growth, Keeping vulnerable people safe, Helping people help themselves and Making best use of resources for now and the future. It outlines the focus of our work with communities, businesses and partners. Performance measures and targets are set for the next three years that help us assess our progress against our aims and priorities. The plan includes a summary of our revenue budget and capital programme for 2025/26.</p> <p>The Council Plan is at the centre of our business planning processes. The activities outlined in the Council Plan feed through into the Portfolio Plans for each directorate. These activities are delivered across multiple services and programmes, often in collaboration with partners. There are designated leads for activities who are responsible for overseeing delivery and performance.</p> <p>We will continue to monitor our impact on outcomes for the people of East Sussex, including differences between outcomes for people sharing different protected characteristics. We will use</p>



	<p>this information to inform future business planning activities as part of our annual State of the County exercise. We will report quarterly on progress against the activities in the Council Plan, including any issues, as part of our Council Monitoring reports. Collectively this evidence gathering, prioritising, implementing and monitoring is called Reconciling Policy, Performance and Resources (RPPR).</p> <p>All aspects of the RPPR process have consideration of equality, diversity and inclusion impacts embedded within them. This ensures that we understand local needs and diversity when planning our priorities. We work to identify and respond to opportunities to remove barriers and maximise positive outcomes. We monitor the outcomes for people sharing different characteristics so that we understand our impact.</p> <p>The planned work set out in the Council Plan is intended to have a positive impact on all our residents, communities, businesses and visitors to the County. The priority outcomes and the corresponding activities, and measures have been identified based on evidence of need, taking into account any legislation, legislative change or service review outcomes which are relevant to that service area, and available resources.</p> <p>One of the delivery outcomes within the Council Plan is to ensure that we deliver through strong and sustained partnership working across the public, voluntary community and private sectors to ensure that all available resources are used to deliver maximum benefits. We consider as part of our business planning processes the collective impact of any proposed work.</p>
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Assessment of overall impacts and any further recommendations

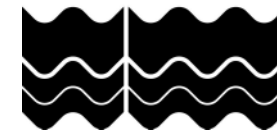
For clarity all disproportionate impacts on specific groups are highlighted in the single section below.

Overall impacts and notes:

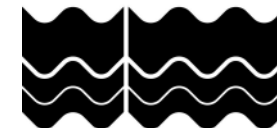
There are no disproportionate negative impacts on people sharing any specific characteristics. The Council Plan as a whole is designed to support our objectives to promote equality and to address known inequalities. Many services or programmes will have benefits for all people in the county, across all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

In addition, there are several activities or programmes of work outlined in the Council Plan that specifically seek to improve outcomes for people sharing one or more of the legally protected characteristics, where evidence indicates greater need or inequality – see all of the Portfolio Plans for full details of actions across all departments:

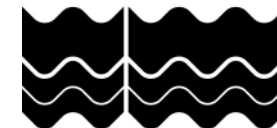
- We will work to ensure that all children progress well from early years through school and into post-16 education, training and employment.
- We will ensure all vulnerable people in East Sussex are known to relevant local agencies and support is delivered together to meet their needs.
- We will work to reduce health inequalities and maximise opportunities for our residents to live healthier lives
- Through our partnerships we will deliver a range of programmes to improve careers provision for young people and promote and deliver work-based training. We will support those who are furthest from the workplace through careers, pre-employment and digital inclusion initiatives.
- We are linking in with organisations that support people back into employment to extend our reach into sections of the labour market that are underrepresented or face significant barriers to employment.
- We will work with educational settings to improve outcomes for all pupils including those with SEND. We will continue to develop and commission a range of alternative provision for pupils who have been excluded or are at risk of exclusion.



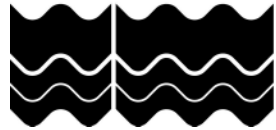
- We will continue to provide targeted 1-to-1 support for vulnerable groups via the Youth Employability Service and use robust tracking and data analysis to inform interventions that will improve transition and progression to post-16 education, training, and employment.
- We want children to stay close to the people and places they know, where it is best for them to do so. We are investing in earlier intervention and support to families, further investment in recruitment and retaining our foster carers, and our ability to secure the right care for the right child for the right length of time
- We will work to ensure residents can receive timely Care Act assessments and reviews through our Adult Social Care and Health teams to support them to live as independently as possible.
- We will continue to pursue a range of projects and initiatives aimed at improving the mental health and wellbeing of East Sussex residents. We are committed to supporting people in crisis, including those at risk of suicide.
- We will continue to work in a cross-county partnership to ensure all migrants and the communities they settle in can achieve independence and wellbeing.
- We work in partnership to reduce crime, anti-social behaviour and domestic abuse and help victims to stay safe from harm.
- We will continue to help prevent vulnerable people from becoming a victim of mass marketing fraud and intervene if people have already become a victim.
- We will continue to develop the Local Offer website which provides information and advice to families and children with special educational needs and disabilities.
- We will continue to communicate our enhanced mental health and emotional wellbeing (MHEW) information, advice and guidance offer, working in partnership with the wider Sussex MHEW system to ensure consistency.
- We will continue to work with partners to identify carers in the community and help them access the support they need, through our Carers Partnership Plan.
- We will deliver road safety training for the most vulnerable road users in the county through Bikeability training and Wheels for All sessions.
- The council has also set two equality objectives to define our focus for 2024/25:
 - We will lead by example, delivering services that are informed by the views, strengths and needs of our communities and providing an inclusive and supportive working environment for our staff. To help achieve this we will take practical actions on equality, diversity and inclusion as set out in the Corporate Equality Diversity and Inclusion Action Plan.
 - We will implement the new service and associated workplace adjustment pathway agreed following the Workplace Adjustments review.



Potential issues	Mitigating actions
<ul style="list-style-type: none"> • Identification of potential disproportionate impacts or issues relating to people sharing specific characteristics that have not been identified at this stage. • As a result of national factors beyond local control. The Council has seen a significant increase in the demand for, and cost of providing, vital services for our residents, particularly for the most vulnerable. • The population of East Sussex is changing and people's needs and assets change. • The legacy of Covid has had a significant impact on the lives of many people in East Sussex, including on some people and communities sharing protected characteristics. 	<ul style="list-style-type: none"> • The planned work set out in the Council Plan will be taken forward through specific programmes of activity within individual directorates. Robust equality analysis will be undertaken on each planned activity, to ensure that these are designed and implemented in a way that maximises opportunities to promote equality, whilst minimising any adverse impacts. • The Council has begun to consult on making potential savings which will affect some services. We will continue to work with all our partners to make sure there is a shared view of priorities and that we make the most of opportunities and resources available. Our planning for the years ahead continues to be underpinned by a relentless focus on our priority outcomes and their supporting delivery outcomes. We use performance measures to help us assess our impact more fully and respond appropriately when we need to do so. We review this data when making our plans. • We will work closely with partners, including the Voluntary, Community and Social Enterprise (VCSE) sector, to make the most of opportunities, resources and links with diverse communities available locally. We recognise that VCSE organisations are often the first to recognise and respond to the needs of diverse communities and that they provide safe, accessible, and inclusive spaces for individuals, groups and the wider community, that support inclusion and belonging. • We continue to work to understand the ongoing ways in impacts of the pandemic on people sharing specific characteristics and to address the inequalities that have



<ul style="list-style-type: none"> The effects of the national rise in the cost of living are being disproportionately felt by some people more than others, linked to their characteristics. 	<p>been revealed and/or worsened. Work across the Council and with statutory and VCSE partners is co-ordinating support and identifying ways to maximise access for vulnerable residents to the advice and support available. Portfolio Plans and service plans identify tailored responses to identified needs.</p> <ul style="list-style-type: none"> Work across the Council and with statutory and VCSE sector partners is co-ordinating support and identifying ways to maximise access for vulnerable residents to the advice and support available. Portfolio Plans and service plans identify tailored responses to identified needs.
Actions planned	
<p>Our Council Plan priorities and delivery outcomes are designed to help address identified inequalities in outcomes for different groups in the county and to incorporate our equality objectives.</p> <p>The planned work set out in the Council Plan will be taken forward through specific programmes of activity within individual departments. Robust equality analysis will be undertaken on each planned activity, to ensure that these are designed and implemented in a way that maximises opportunities to promote equality, whilst minimising any adverse impacts. The impacts of activities carried forward from the previous plan will be kept under review, which will include considering whether existing mitigating actions remain sufficient, or if any further measures are required.</p> <p>We will continue to monitor our impact on outcomes for the people of East Sussex, including differences between outcomes for people sharing different protected characteristics. We will use this information to inform future business planning activities as part of our annual State of the County exercise. We will report quarterly on progress against the activities in the Council Plan, including any issues, as part of our Council Monitoring reports. We will also report on our progress in delivering the actions in this Council Plan that will advance equality as part of our Annual Report, which will be published in Autumn 2025.</p>	



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

Staff member competing Equality Impact Analysis: Richard Miles, Senior Performance Manager, Performance Research and Intelligence **Date:** 02/01/2025

Directorate Management Team rep or Head of Service: Victoria Beard, Head of Performance Research and Intelligence
Date: 02/01/2025

Equality lead: Sarah Tighe-Ford, Corporate Equalities Manager
Date: 02/01/2025

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Medium Term Financial Plan (MTFP) Update (January 2025)

	Ref	Estimate (£m)			
		2025/26 Annual	2026/27 Annual	2027/28 Annual	Total Cumulative
Council 6 February 2024 DEFICIT		30.978	16.503	0.000	47.481
CARRY FORWARD OF 2024/25 DEFICIT		14.344	0.000	0.000	14.344
Total After Carry Forward		45.322	16.503	0.000	61.825
Normal Updates:					
Council Tax Flexibility: Add a further 3.00% to our current 1.99% assumption to get to 4.99% (2.99% plus 2.00% ASC Precept) in 2025/26	A	(11.272)	(0.169)	(0.172)	(11.613)
Council Tax (inflation, base growth and collection)		(4.885)	5.522	(13.129)	(12.492)
Council Tax: Eastbourne Reduction Scheme Proposals			0.819		0.819
Business Rates Retention (inflation and growth)	B	(0.032)	(0.211)	(2.195)	(2.438)
Business Rates Proceeds of Pooling		(2.194)	2.194		0.000
Revenue Support Grant	C	(0.037)	(0.009)	(0.089)	(0.135)
New Homes Bonus	D	(0.517)	0.517		0.000
Continuation of Social Care grant funding	E	(5.386)			(5.386)
Social Care grant additional funding		(8.861)			(8.861)
Children's Social Care Prevention Grant	F	(1.485)			(1.485)
Services Grant	G	0.478			0.478
Inflation for contracts (normal and contract specific)	H	3.661	5.055	19.353	28.069
CET: Waste Housing Growth	I	(0.048)	0.026	0.342	0.320
Treasury Management: Update	J	(0.100)	(0.100)	1.800	1.600
Treasury Management: Capital Programme Review		(0.800)	(2.000)	(1.100)	(3.900)
Treasury Management: Impact of SEN deficit		0.000	1.668	1.368	3.036
Pay award	K	1.491	0.567	5.555	7.613
Levies Increase	L	0.010		0.004	0.014
General Contingency	M	0.340	(0.080)	0.150	0.410
Pressures added to / (removed from) the MTFP:					0.000
ASC: Growth & Demography	N	5.709		3.917	9.626
CSD: Growth & Demography		6.671	(2.402)	3.346	7.615
CET: Waste PFI additional income	O	(1.550)	(0.100)	0.800	(0.850)
District / borough Elections	P		0.409		0.409
Savings 2024/25	Q	(2.685)			(2.685)
Savings 2025/26-2027/28		(13.505)	(3.279)	(1.219)	(18.003)
Pressures approved by Protocol	R	1.124	0.986		2.110
DEFICIT AFTER NORMAL UPDATES		11.449	25.916	18.731	56.096
One-off use of reserves:					
Waste	S	(9.449)	9.449		0.000
Insurance		(2.000)	2.000		0.000
DEFICIT AFTER ONE-OFF USE OF RESERVES		0.000	37.365	18.731	56.096

Normal Updates:

A Council Tax

Inflation and Base

The Government 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; this flexibility has now been confirmed for 2025/26. Council Tax inflation is therefore currently assumed at 4.99% for 2025/26 and 1.99% in future years.

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

The estimated impact on ESCC of premiums on second and empty homes is provided in the MTFP based on reports from the billing authorities, with the full impact of these changes to be assessed with District / Borough councils and reflected in the ongoing council tax assumptions.

Eastbourne Reduction Scheme Proposal

Eastbourne Borough Council (EBC) were consulting on changes to their Local Council Tax Reduction Scheme (LCTRS) for 2025/26 which would see a reduction on Council Tax income received by the County Council, estimated to be £0.819m. ESCC submitted a response to the consultation following approval by the Lead member for Resources and Climate Change on 1 November 2024.

On 22 January 2025 EBC confirmed the council tax base which did not include the proposed change to the scheme and the MTFP has been amended to reflect this, with an assumption that the decision will be consulted for 2026/27.

B Business Rates Retention and Growth

Business rates have been updated for the additional year reflecting the latest inflation estimates by the Office of Budget Responsibility (OBR) published in October 2024. Business rates will continue to be monitored along with the collection fund and reviewed alongside the District / Borough Councils latest collection forecasts to understand any further impacts.

Confirmation has been received that pooling will continue into 2025/26.

C Revenue Support Grant

The revenue support grant (RSG) was confirmed in the Provisional Local Government Settlement. A number of grants have been rolled into RSG for 2025/26 including: Election Integrity Programme New Burdens, Extended Rights for Home to School Transport, Island Funding, Tenant Satisfaction Measures and Transparency Code.

D New Homes Bonus

The New Homes Bonus payments will continue into 2025/26.

E Social Care Grant funding

The Government provided additional grant funding of £500m as part of the Local Government Settlement 2024/25, with the ESCC share being £5.386m, which will continue into 2025/26.

In the Provisional Settlement, the Government provided a further £880m Social Care Grant, an increase of £200m from the £680m announced in the Policy Statement. ESCC will receive £8.9m.

F Children's Social Care Prevention Grant

Allocation of the new £250m Children's Social Care Prevention Grant has been confirmed at £1.5m.

G Services Grant

The Provisional Settlement confirmed in the Policy Statement of 28 November 2024 that the Services Grant will not continue into 2025/26.

H Inflation for contracts (normal and contract specific)

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

The OBR published its updated forecast inflation rates as part of its latest outlook for the economy and public finances in October 2024 to coincide with the Autumn Statement. The rates are higher than the March 2024 estimate. As is normal practice these figures have been used inform the proposed budgets. The table below shows the changes in OBR inflation estimates from its previous publication:

	2024/25		2025/26		2026/27		2027/28	
	Mar 24	Oct 24	Mar 24	Oct 24	Mar 24	Oct 24	Mar 24	Oct 24
CPI*	1.65%	3.33%	1.63%	2.68%	1.64%	2.16%	1.98%	2.11%
RPI*	2.51%	4.76%	2.17%	3.47%	2.59%	3.17%	3.01%	3.08%
RPIX*	1.74%	3.65%	2.19%	3.13%	2.43%	2.89%	2.86%	2.90%

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

The MTFP normal update includes inflation increases from 2025/26 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.

I CET: Waste Housing Growth

The forecast pressure for 2027/28 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.

J Treasury Management

The additional year of 2027/28 shows the estimated cost to support the borrowing required to fund the approved Capital Programme and Strategy. In addition, the Capital Strategic Asset Board (CSAB) has conducted a capital programme risk review to consider the risks and implications of removing / reducing core funded programmes to seek reductions to the cost of borrowing that impact the MTFP position. The revised capital programme, including the impact of the capital programme risk review, would reduce the level of borrowing to £39.9m up to 2027/28, which is estimated to have a positive MTFP impact for cost of borrowing of £3.9m by the end of the MTFP period. The cost of borrowing required to fund the emerging SEND deficit has also been included.

K Pay Award Added Year and uplift

Provision has been made for an award of 2.5% in all years of the MTFP. In addition, the MTFP now includes the ongoing impact of the agreed 2024/25 pay award of £1,290 up to LMG2 Spinal Point 10 and a 2.5% uplift for higher grades.

L Levies Increase

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

M General Contingency

This is calculated at 1% of net budget less treasury management. The figures reflect the addition of 2027/28 and impacts of other changes.

Pressures added to / (removed from) the MTFP:

N ASC & CSD Services Growth & Demography

Values for ASC growth and demography and additional demand have been included based on a continuation of current pressures. Values for CSD general growth and demography have been included based on a continuation of current pressures, plus updated estimates for Home to School Transport as the annual average increase in the number of pupils requiring home to school transport continues to increase.

O CET: Waste PFI Additional Income

The budget requirement can be reduced by £1.6m for 2025/26 and £0.1m for 2026/27; mainly due to electricity and recycling income forecast above baseline assumptions, less an allowance to offset Highways streetlighting electricity overspend. Reducing electricity prices will result in annual pressures with £0.8m expected for 2028/29.

P District / Borough Council Elections

The Council pays district and borough councils to administer local elections. The cost of elections in 2025 will be met from reserves and/or contingency. For future elections it is proposed to set aside budget of £0.409m per year from 2026/27 onwards to build up the reserve. Whilst Cabinet has submitted a request to defer the 2025 County Council election, the Government decision is awaited.

Q Savings

Savings of £2.7m have been actioned in 2024/25, and savings totalling £18.0m are proposed for 2025/26 to 2027/28; details of the proposed savings are provided at Appendix 4.

Department	Savings £m				
	Actioned	Proposals			
	2024/25	2025/26	2026/27	2027/28	Total
Adult Social Care and Health	1.510	7.420	2.525		9.945
Business Services	0.017	1.060		0.825	1.885
Children's Services	0.794	3.239	0.070	0.020	3.329
Communities, Economy and Transport	0.349	1.553	0.621	0.374	2.548
Governance Services	0.015	0.233	0.063		0.296
Total	2.685	13.505	3.279	1.219	18.003

R Pressures Protocol

There has been an adjustment in the MTFP for a previously approved bid to reflect that the project is due to end in 2026/27, plus a number of bids that have been approved by CMT, see table below:

Pressures Protocol	2025/26 £m	2026/27 £m	2027/28 £m	Total £m
Previously approved:				
CET: Access to Employment and Skills - adjustment		(0.200)		(0.200)
Approved by CMT:				
BSD: Occupational Health and Employee Assistance	0.036			0.036
CET: Statutory Concessionary Fares reimbursement increases		1.250		1.250
BSD: IT&D Microsoft 365 Licencing	0.351			0.351
BSD: Corporate ArcGIS Licencing	0.044			0.044
BSD: Controller of Premises for Corporate Estate	0.089			0.089
BSD: HR Advisory Consultant	0.064	(0.064)		0.000
CET: Streetlighting & Libraries electricity	0.345			0.345
BSD: Corporate Estate electricity	0.150			0.150
BSD: WAN costs	0.045			0.045
TOTAL	1.124	0.986	0.000	2.110

S One-off Use of Reserves

The deficit position on the MTFP requires the use of £11.4m from the Waste and Insurance Reserves for a balanced budget to be set. The table below sets out the impact of these draws on the on projected reserve balances:

Named Service Reserves	Estimated Balance at 1 April 2025	EPR Funding	Draws to Support MTFP	Planned Service Draws 2025-29	Estimated Balance at 1 April 2029
	£m	£m	£m	£m	£m
Waste Reserve	19.3	4.8	(9.4)	(7.3)	7.4
Capital Programme Reserve	9.5	0.0	0.0	(9.5)	0.0
Insurance Reserve	7.4	0.0	(2.0)	(0.2)	5.2
Adult Social Care Reform Reserve	0.6	0.0	0.0	(0.6)	0.0
Total Named Service Reserves	36.8	4.8	(11.4)	(17.6)	12.6

Medium Term Financial Plan	2024/25 Approved Budget £million	2025/26 Estimate £million	2026/27 Estimate £million	2027/28 Estimate £million
TAXATION & GOVERNMENT FUNDING		(538.102)	(579.615)	(586.096)
Council Tax	(352.015)	(18.157)	(7.311)	(13.301)
Adult Social Care Precept	(21.535)	(7.515)	0.000	0.000
Business Rates (inclusive of Pooling)	(102.469)	(0.518)	0.385	(2.195)
Social Care Grant	(45.393)	(14.247)		
ASC Market Sustainability and Improvement Grant	(11.312)			
Services Grant	(0.478)	0.478		
Children's Social Care Prevention Grant	0.000	(1.485)		
Revenue Support Grant	(4.346)	(0.106)	(0.072)	(0.089)
New Homes Bonus	(0.554)	0.037	0.517	
TOTAL TAXATION & GOVERNMENT FUNDING	(538.102)	(579.615)	(586.096)	(601.681)
SERVICE PLAN				
Service Expenditure	457.488	515.467	548.095	572.928
Inflation				
Non-pay Inflation	28.222	19.402	21.061	19.330
Allocation of pay award and pensions to service departments	10.401	1.948		
Adult Social Care & Health				
Better Care Fund - Discharge Funding	(2.035)	5.088		
Discharge Funding - New Burdens	2.035	(5.088)		
Growth & Demography	3.917	7.491	3.917	3.917
Future demand modelling net of attrition (Covid-related)	(0.365)			
Transfer PH savings grant to CHB		1.444		
Pressures approved via protocol in previous years	0.330	0.330		
Service Demand		5.709		
Children's Services				
Growth & Demography	0.973	0.808	0.808	0.808
Looked After Children Placements Covid-related	(0.347)	(0.519)		
Covid Grant Funding for Looked After Children Placements	(0.442)	0.519		
Family Safeguarding	(0.194)	(2.075)	(3.533)	
Net Operational Pressures incl. Careleavers and Locality		0.475	2.929	
Pressures approved via protocol in previous years	21.597	3.790	0.186	0.680
Reprofile of Public Health Investment	(2.420)	0.459	(0.586)	
Home to School Transport Growth & Demography		5.908	1.926	1.858
Communities, Environment & Transport				
Waste Housing Growth	0.265	0.307	0.414	0.342
Waste PFI Additional Income	(3.000)	1.450	(0.100)	0.800
Highways Contract Mobilisation	(2.313)			
Highways Contract Mobilisation (offset by Reserve Contribution)	0.817			
Pressures approved via protocol in previous years	(0.047)	0.100	(0.505)	
Pressures approved via protocol 2024/25		0.345	1.250	

Medium Term Financial Plan	2024/25 Approved Budget £million	2025/26 Estimate £million	2026/27 Estimate £million	2027/28 Estimate £million
Business Services				
Pressures approved via protocol in previous years	(0.078)			
Modernising Back Office Systems (MBOS)	0.386			
Licences, including digital and robotics	0.403			
Pressures approved via protocol 2024/25		0.779	(0.064)	
Governance Services				
Pressures approved via protocol in previous years	0.567	0.148		
Elections			0.409	
Savings				
Savings 2024/25		(2.685)		
Savings 2025/26 to 2027/28		(13.505)	(3.279)	(1.219)
Review of BSD Savings Options	(0.693)			
NET SERVICE EXPENDITURE	515.467	548.095	572.928	599.444
Corporate Expenditure		36.979	42.969	50.533
Treasury Management	11.080	3.700	2.068	2.068
General Contingency	5.270	0.380	0.040	0.140
Contingency for Potential Pay Award, Recruitment and Retention	7.940	4.413	5.419	5.555
Inflation Risk Provision	6.217	0.025	0.023	0.023
Provision for Energy Price Increase	4.874			
Pensions	0.600			
Movement in Reserves		(1.107)		
Levies & Grants	0.998	0.023	0.014	0.014
Transfer PH savings grant to CHB		(1.444)		
TOTAL CORPORATE EXPENDITURE	36.979	42.969	50.533	58.333
TOTAL PLANNED EXPENDITURE	552.446	591.064	623.461	657.777
CUMULATIVE DEFICIT/(SURPLUS)	14.344	11.449	37.365	56.096
ANNUAL DEFICIT/(SURPLUS)	14.344	(2.895)	25.916	18.731
One-off use of Financial Management Reserve	(14.344)	14.344		
One-off use of Waste Reserve		(9.449)	9.449	
One-off use of Insurance Reserve		(2.000)	2.000	
ANNUAL DEFICIT/(SURPLUS) AFTER USE OF RESERVES	0.000	0.000	37.365	18.731

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Budget Summary 2025/26

Revenue Budget 2025/26

Medium Term Financial Plan 2025/26 to 2027/28

Capital Programme to 2034/35

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Communities Economy and Transport			
Governance Services			

Further information can also be obtained from our website:

eastsussex.gov.uk

or by writing to:

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Chief Finance Officer

East Sussex County Council

County Hall, St Anne's Crescent

Lewes

East Sussex BN7 1UE

or by email to:

finance@eastsussex.gov.uk

Chief Finance Officer's Foreword

Introduction

This budget summary provides detail on the 2025/26 revenue budget and the Capital Programme to 2034/35. It gives analysis of expenditure by type and also by accountability, along with detail of our resources to finance that expenditure. The summary provides a useful source of information for Council officers, elected members and the public alike.

The 2025/26 Approved Budget

In 2025/26 the Council (including schools) will spend £579.6m to deliver services to the people of East Sussex, with a further £61.4m of investment in infrastructure and assets through its capital programme. The Council's stated priorities outcomes are:-

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

Revenue Budget

As widely expected the Provisional Local Government Settlement, published on 18 December 2024, did not announce anything that significantly improved the Council's financial position for 2025/26. Allocations of most grants were confirmed and factored into the MTFP, and £13.5m of savings have been identified, leaving a deficit position of £11.4m in 2025/26. the deficit will be mitigated by one-off use of the Waste PFI and Insurance Services reserves. The uncertainty of future funding continues as the settlement was once again for one year only.

In setting a balanced budget for 2025/26, there still remains an deficit on the MTFP of £56.1m by 2027/28. There remain significant uncertainties which may have an impact:

- What will be the impact of Funding Reform?
- What will happen with regard to the Business Rates system, particularly as Business Rates Retention seems to be off the table?
- What will be the impact of devolution and local government reorganisation?
- How long will inflation remain comparatively high and what impact will this have on services?
- What financial impact will the reforms to Adult Social Care and Children's Services have in the coming years?

Capital Programme

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

The programme to 2034/35 is £713.9m gross. The projected income to fund the programme is £495.6m, leaving a potential borrowing requirement of £218.3m.

Ian Gutsell
Chief Finance Officer
January 2025

Medium Term Financial Planning

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£'m	2024/25 Budget	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate
TAXATION & GOVERNMENT FUNDING		(538.102)	(579.615)	(586.096)
Council Tax	(352.015)	(18.157)	(7.311)	(13.301)
Adult Social Care Precept	(21.535)	(7.515)	0.000	0.000
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ASC Market Sustainability and Improvement Grant	(11.312)			
Services Grant	(0.478)	0.478		
Children's Social Care Prevention Grant	0.000	(1.485)		
Revenue Support Grant	(4.346)	(0.106)	(0.072)	(0.089)
New Homes Bonus	(0.554)	0.037	0.517	
TOTAL TAXATION & GOVERNMENT FUNDING	(538.102)	(579.615)	(586.096)	(601.681)
SERVICE PLAN				
Service Expenditure	457.488	515.467	548.095	572.928
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Non-pay Inflation	28.222	19.402	21.061	19.330
Allocation of PYs pay award to service departments	10.401	1.948		
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Discharge Funding - New Burdens	2.035	(5.088)		
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Communities, Environment & Transport				
Waste Housing Growth	0.265	0.307	0.414	0.342
Waste PFI additional income	(3.000)	1.450	(0.100)	0.800
Highways Contract Mobilisation	(2.313)			
Highways Contract Mobilisation – Reserve Contribution	0.817			
Pressures approved via protocol in previous years	(0.047)	0.100	(0.505)	
Pressures approved via protocol 2024/25		0.345	1.250	

Medium Term Financial Planning

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Governance Services				
Pressures approved via protocol in previous years	0.567	0.148		
Elections			0.409	
Savings				
Savings 2024/25		(2.685)		
Savings 2025/26 to 2027/28		(13.505)	(3.279)	(1.219)
Review of BSD Savings Options	(0.693)			
Net Service Expenditure	515.467	548.095	572.928	599.444
Corporate Expenditure		36.979	42.969	50.533
Treasury Management	11.080	3.700	2.068	2.068
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Contingency for Potential Pay, Recruitment and Retention	7.940	4.413	5.419	5.555
Inflation risk provision	6.217	0.025	0.023	0.023
Pensions	4.874			
Apprenticeship Levy	0.600			
Movement in Reserves		(1.107)		
Levies & Grants	0.998	0.023	0.014	0.014
Transfer PH savings grant to CHB		(1.444)		
TOTAL CORPORATE EXPENDITURE	36.979	42.969	50.533	58.333
TOTAL PLANNED EXPENDITURE	552.446	591.064	623.461	657.777
CUMULATIVE DEFICIT/(SURPLUS)	14.344	11.449	37.365	56.096
ANNUAL DEFICIT/(SURPLUS)	14.344	(2.895)	25.916	18.731
One-off Use of Financial Management Reserve 2024/25	(14.344)	14.344		
One-off use of Waste Reserve		(9.449)	9.449	
One-off use of Insurance Reserve		(2.000)	2.000	
ANNUAL DEFICIT/(SURPLUS) after use of reserves	0.000	0.000	37.365	18.731

Settlement Funding Assessment (SFA) 2025/26

The SFA represents the general funding level provided by Government to local authorities. For only the sixth time since the introduction of current formula in 2013/14, Government funding to local authority services has increased. For 2025/26, the increase in SFA is £1.835m or 2.2%. The change from 2024/25 includes inflationary increases to both the Baseline Funding Level and the Revenue Support Grant.

Settlement Funding Assessment (SFA):

Funding	2024/25	2025/26	1 year change	1 year change
	£'000	£'000	£'000	%
Business Rates Retention	13,438	13,562	124	0.9%
Business Rates Top-up	67,258	67,881	623	0.9%
Total Business Rates (Baseline Funding Level)	80,696	81,443	747	0.9%
Revenue Support Grant (RSG)	4,346	5,434	1,088	25.0%
Total - ESCC	85,042	86,877	1,835	2.2%

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

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

Core Spending Power

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

The table below details changes to the County Council's Spending Power for 2015/16 to 2025/26; 2025/26 reflecting a one-year settlement only (NB: this data comes from DLUHC and therefore there may be rounding differences)

Core Spending Power	2015/16 £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	Change from 2015/16 £'000	%
Business Rates retention	11,302	11,396	11,462	11,855	34,939	12,291	12,291	12,291	13,043	13,438	13,562	2,260	20.0%
Business Rates Top-Up	56,828	57,302	58,638	60,351	42,413	62,773	62,773	62,773	64,831	67,258	67,881	11,053	19.4%
Revenue Support Grant	68,875	45,107	26,727	14,966		3,548	3,568	3,687	4,076	4,346	5,434	-63,441	-92.1%
Settlement Funding Assessment	137,005	113,805	96,827	87,172	77,352	78,612	78,632	78,752	81,950	85,042	86,877	-50,128	-36.6%
Compensation for business rates capping	994	994	1,053	1,655	2,407	3,009	3,911	7,672	13,265	16,344	17,219	16,225	1633.0%
Council Tax	227,221	242,631	257,380	276,720	287,676	300,874	310,355	327,722	348,789	371,000	392,878	165,657	72.9%
Local Authority Better Care Grant			11,313	15,157	18,551	21,136	21,136	21,777	21,777	21,777	26,865	26,865	
New Homes Bonus	2,275	2,720	2,078	1,231	886	761	505	816	351	554	517	-1,757	-77.3%
New Homes Bonus returned funding	222	159	168									-222	-100.0%
Transition Grant		2,704	2,696										
Adult Social Care Support Grant			2,597	1,616									
Winter Pressures Grant ¹				2,586	2,586								
Social Care Support Grant ²					4,417								
Social Care Grant						14,631	17,083	23,674	38,557	50,779	59,640	59,640	
Market Sustainability and Fair Cost of Care Fund ³								1,745					
Market Sustainability and Improvement Fund									6,055	11,312	11,312	11,312	
Adult Social Care Discharge Fund ¹									3,053	5,088		0	
Services Grant								5,175	3,036	524		0	
Domestic Abuse Safe Accommodation Grant							1,069	1,072	1,094	1,114	1,389	1,389	
Children's Social Care Prevention Grant											1,485	1,485	
Grants rolled in ⁴	1,365	1,553	1,594	1,671	1,634	1,669	1,696	1,845	4,820	995		-1,365	
ESCC Core Spending Power	369,081	364,565	375,707	387,807	395,509	420,692	434,387	470,249	522,746	564,530	598,181	229,101	62.1%

¹ Rolled into the Local Authority Better Care Grant.

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

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

⁴ The Grants rolled in row states the value of grants which have been consolidated into the Settlement, for financial years prior to 2025-26.

For the Council, last years Spending Power calculation showed that spending would increase by £186.1m or 50.5% in the 9 years since 2015/16, which has since revised to £195.4m or 53.0%. This year's calculation suggests an increase in Spending Power of £229.1m or 62.1% since 2015/16. The increase includes Government's assumption that the Council will take up the maximum allowance to increase Council Tax by 4.99% in 2025/26, which includes an adult social care precept at 2.0%. The increase also includes increases to the Social Care Grant and other grants to support social care and hospital discharge, together with the addition of the Domestic Abuse Safe Accommodation Grant.

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

Resources - specific and special grant funding

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Direct impact on County Council Services

	Rebased Budget 2024/25 £'000	Estimate 2025/26 £'000	Change £'000
Adult Social Care/Public Health			
Public Health Grant	30,389	30,804	415
Tobacco Control	0	700	700
Housing Support	596	596	0
Substance Misuse	2,028	2,028	0
Rough Sleepers	420	420	0
Improved Better Care Fund (IBCF)	21,777	21,777	0
Discharge Funding (administered via IBCF)	5,088	0	(5,088)
Local Reform and Community Voices Grant - War Pensions scheme disregard	218	218	0
Local Reform and Community Voices Grant	361	361	0
DWP Resource Management	5	5	0
	60,882	56,909	(3,973)
Children's Services			
Troubled Families Grant	1,651	1,817	166
Unaccompanied Asylum Seeking Children (UASC)	2,920	2,920	0
Family Hubs	0	1,686	1,686
Extended Rights to Free Transportation	875	982	107
Staying Put	270	270	0
Youth Offending Team Grant - Core	530	530	0
Youth Offending Team Grant - Secure Remand	53	53	0
School Improvement grant	217	229	12
Eastings Priority Improvement Area	74	74	0
DfE 18+ Care Leavers Service	81	81	0
KS2 moderation and phonics	18	18	0
Homelessness Prevention	35	35	0
Multiply Adult Numeracy	880	880	0
Virtual School Heads	67	321	254
	7,671	9,896	2,225
Communities Economy and Transport			
Extended Producer Responsibility for Packaging (pEPR)	0	4,829	4,829
PFI Grant - Waste	2,996	2,996	0
Transport of the South East	2,240	2,065	(175)
Bus Service Improvement Plan	6,622	4,800	(1,822)
Bus Service Operators Grant	443	443	0
Area of Outstanding Natural Beauty High Weald	2,065	2,065	0
Bikeability Grant for Local Highway Authorities	217	217	0
National Trail grant	43	45	2
Biodiversity Net Gain and Local Nature Recovery Strategies	93	0	(93)
	14,719	17,460	2,741
Business Services			
PFI Grant - Peacehaven Schools	1,759	1,759	0
	1,759	1,759	0
Centrally Held items			
Inshore Fisheries Conservation Authorities Grant	58	58	0
MHCLG New Burdens grant	12	0	(12)
	70	58	(12)
Total Direct Impact	85,101	86,082	981

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

	Rebased Budget 2024/25 £'000	Estimate 2025/26 £'000
Children's Services		
Dedicated Schools Grant	272,472	273,095
Pupil Premium Grant	9,273	9,414
Higher Education Funding Council grant	602	602
Teachers Pension Grant	110	110
Universal Infant Free School Meals	3,119	3,119
PE and Sport Grant	1,836	1,836
Teachers Pay Grant	2,015	2,015
Ukraine Funding	782	782
Early Careers Framework	163	163
Mentor Back Fill	102	102
Mainstream School Additional	5,207	5,207
NQT Education Recovery	13	13
	295,694	296,458

Communities Economy and Transport

Skills Funding Agency	564	0
Community Learning	202	202

Total Indirect Impact	296,460	296,660
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Grant Funding Summary

Government Specific and Special Grants		
Total Direct Impact	85,101	86,082
Total Indirect Impact	296,460	296,660
	381,561	382,742
Total	381,561	382,742

Summary by department		
Adult Social Care/Public Health	60,882	56,909
Children's Services	303,365	306,354
Communities Economy and Transport	15,485	17,662
Governance Services	0	0
Business Services	1,759	1,759
	381,491	382,684
Corporate items	70	58
	381,561	382,742
Total	381,561	382,742

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

Revenue Budget Summary 2025/26

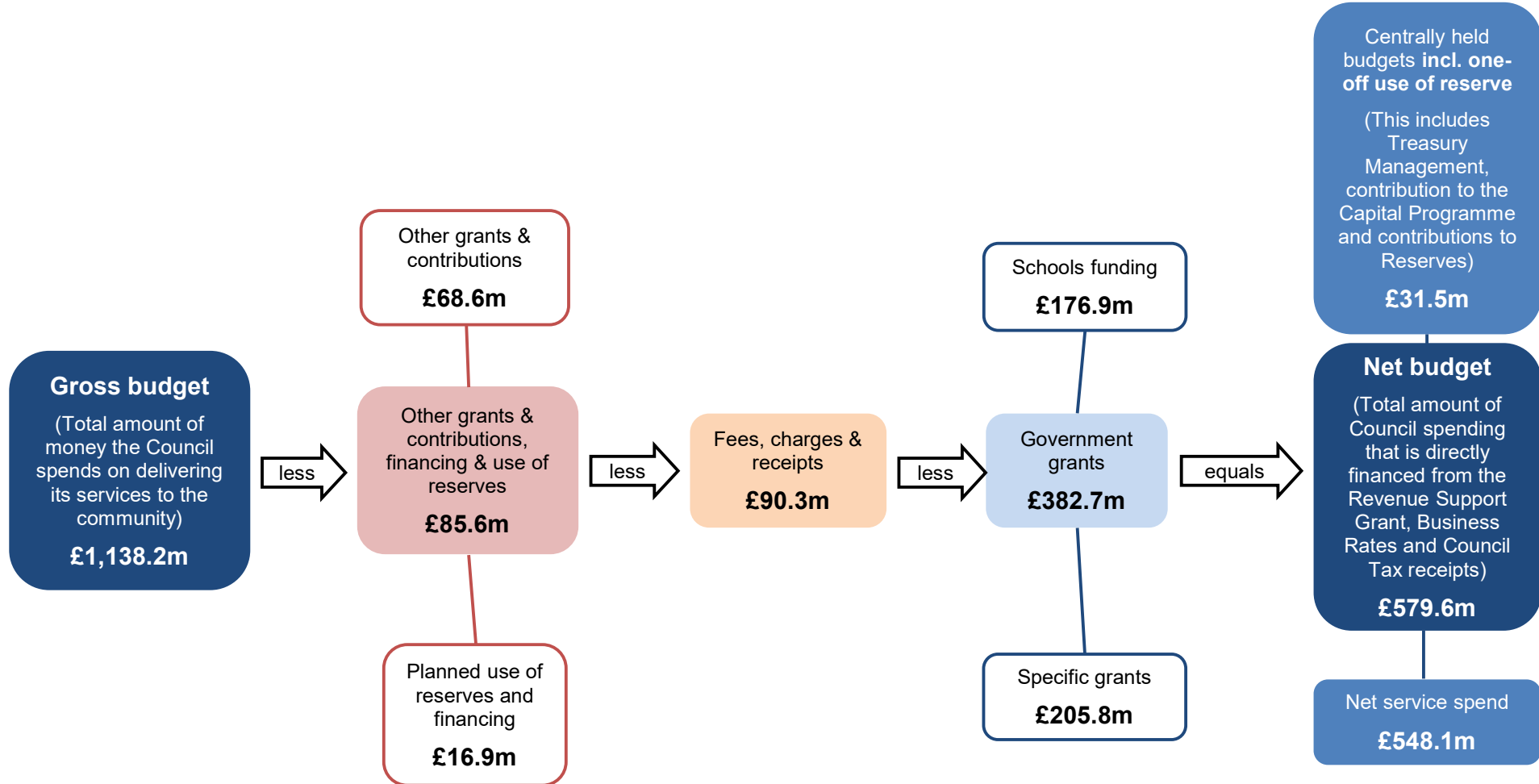
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ESCC Budget	2024/25 Approved Budget £000	2025/26 Budget £000	Change £000	%
Gross Expenditure	1,071,840	1,138,234	66,394	6.19%
Less:				
Fees, Charges & Receipts	(78,079)	(90,304)	(12,225)	
Specific Government Grants	(361,800)	(382,742)	(20,942)	
Financing and Planned use of reserves	(30,919)	(16,942)	13,977	
Other grants and contributions	(62,940)	(68,631)	(5,691)	
Net Expenditure	538,102	579,615	41,513	7.71%
Made up of:-				
Net Service Expenditure	515,467	548,095	32,628	6.33%
Treasury Management	11,080	14,780		
General Contingency	5,270	5,650		
Contingency for Potential Pay, Recruitment and Reter	7,940	12,353		
Inflation Risk Provision	6,217	6,242		
Pensions	4,874	4,874		
Apprenticeship Levy	600	600		
Movement in Reserves		(1,107)		
Levies and Grants	998	1,021		
Transfer PH savings grant to CHB		(1,444)		
One-off use of Financial Management Reserve	(14,344)			
One-off use of Waste and Insurance Reserves		(11,449)		
Net corporate expenditure	22,635	31,520	8,885	39.25%
Net Budget	538,102	579,615	41,513	7.71%
Funded by:-				
Business Rates (inclusive of Pooling)	(102,469)	(102,987)		
Social Care Grants	(56,705)	(70,952)		
Services Grant	(478)			
Children's Social Care Prevention Grant		(1,485)		
Revenue Support Grant	(4,346)	(4,452)		
New Homes Bonus	(554)	(517)		
Collection Fund Adjustment	1,443	123		
Collection Fund Council Tax (Surplus)/Deficit	(3,993)	(4,870)		
Funding Other Than Council Tax	(167,102)	(185,140)	(18,038)	10.79%
Council Tax Requirement	371,000	394,475		
Taxbase: Number of "Band D" equivalent dwellings	208,625.0	211,282.4		
Band D Council Tax	£1,778.31	£1,867.05	£88.74	4.99%

Revenue Budget Summary 2025/26 - gross budget to net budget

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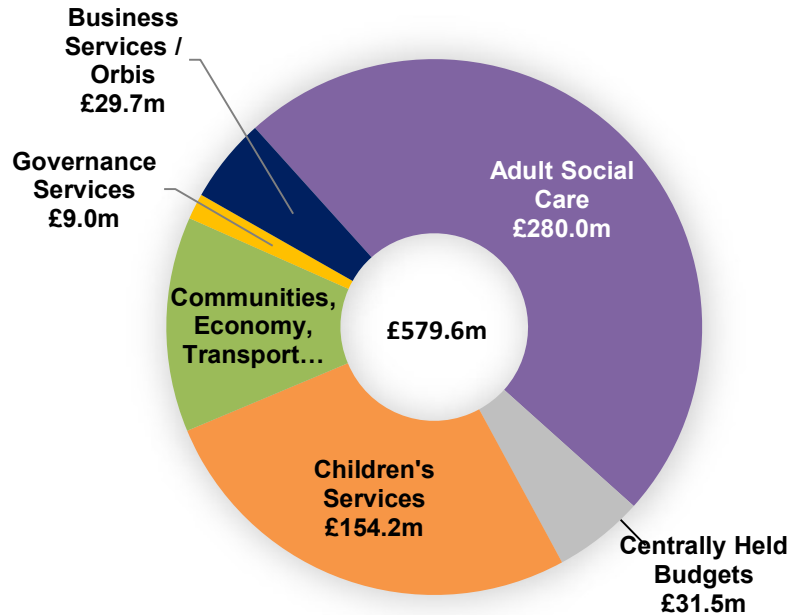
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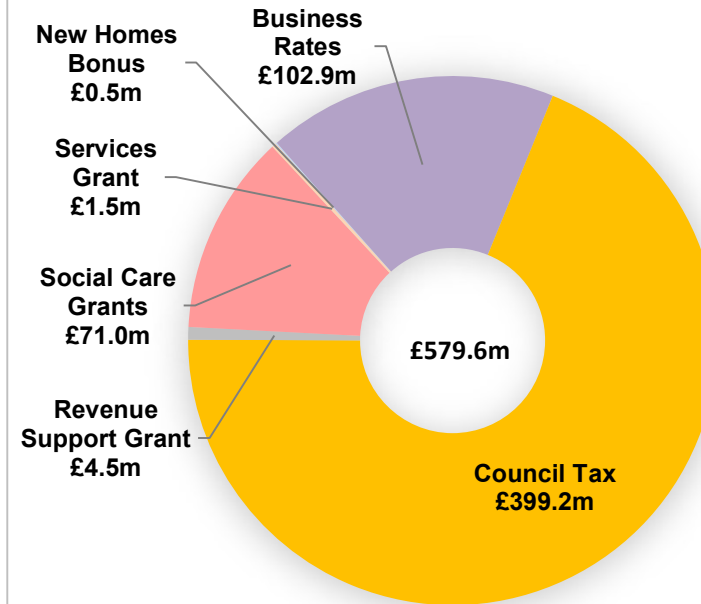
Revenue Budget Summary 2025/26 - net revenue budget

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How will we spend your money (net)

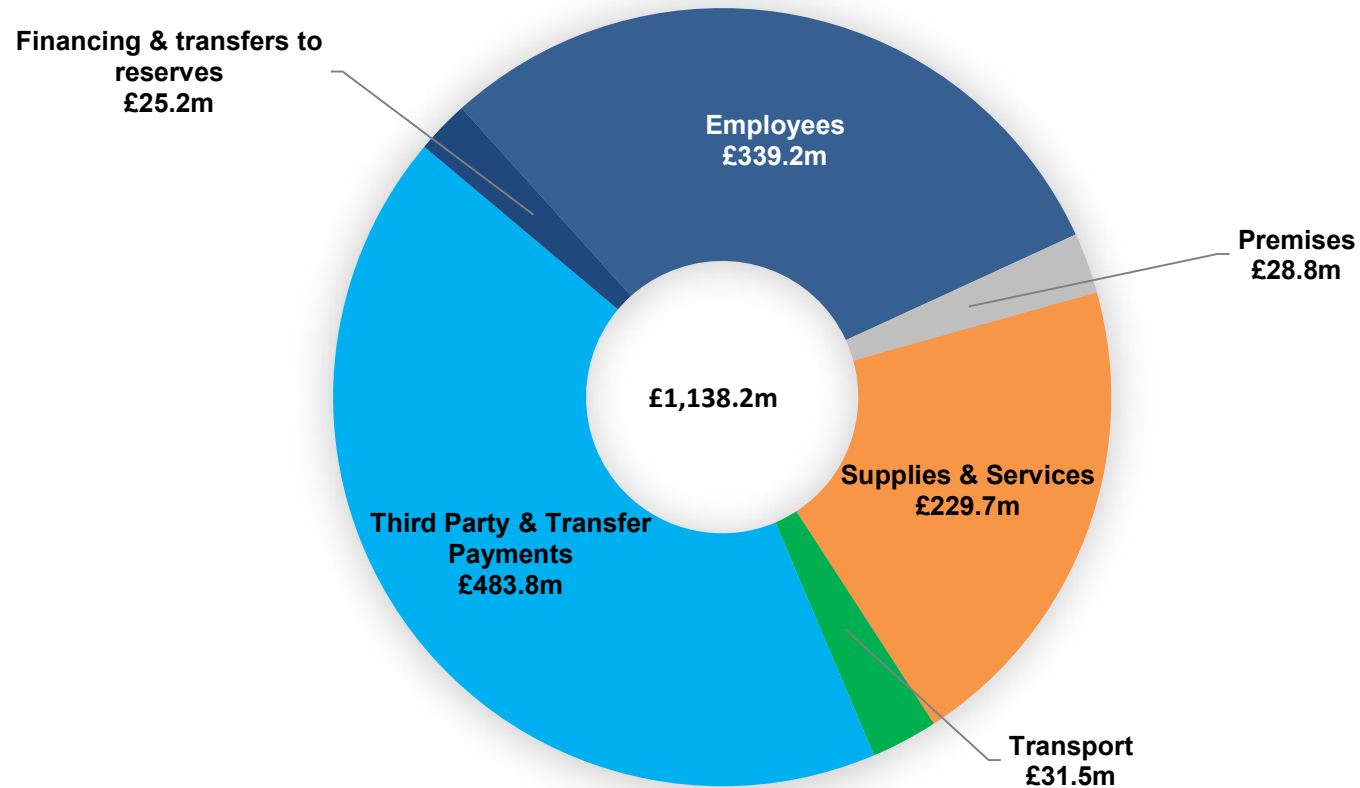


Where the money comes from (net)



Revenue Budget Summary 2025/26 - subjective analysis

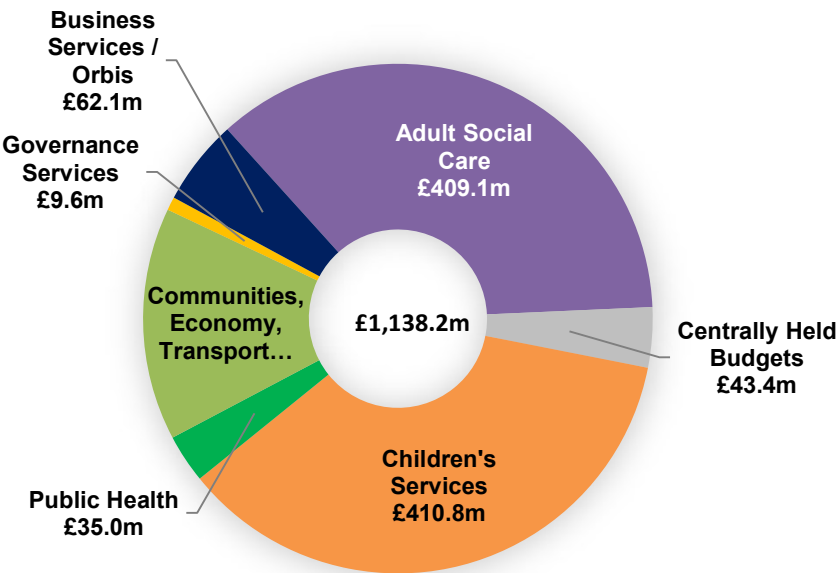
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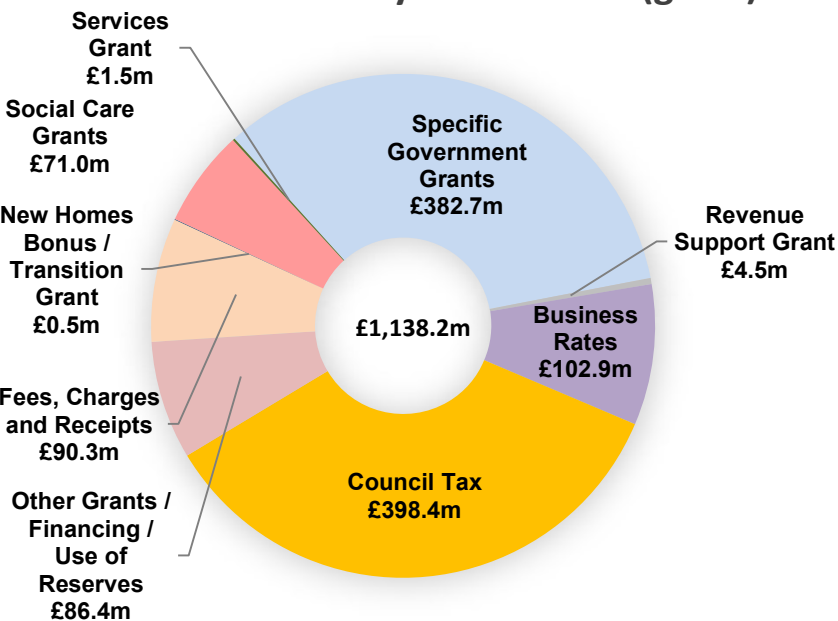
Revenue Budget Summary 2025/26 - gross revenue budget

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How will we spend your money (gross)



Where the money comes from (gross)



Revenue Budget Summary 2025/26 - budget changes 2024/25 to 2025/26

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	2024/25 Rebased Net Budget	Additions	Reductions	2025/26 Net Budget	Change	
	£'000	£'000	£'000	£'000	£'000	%
Adult Social Care	259,957	27,605	(7,486)	280,076	20,119	7.74%
Public Health	-	1,444	(1,444)	-	-	0.00%
Business Services / Orbis	29,715	1,059	(1,077)	29,697	(18)	-0.06%
Children's Services (inc. schools)	144,893	13,301	(4,041)	154,153	9,260	6.39%
Communities, Economy & Transport	73,803	3,300	(1,902)	75,201	1,398	1.89%
Governance Services	9,046	170	(248)	8,968	(78)	-0.86%
Total Departments	517,414	46,879	(16,198)	548,095	30,681	5.93%
Centrally held budgets	33,923	10,490	(1,444)	42,969	9,046	26.67%
One-off Use of Reserve	(14,344)	14,344	(11,449)	(11,449)	2,895	-20.18%
Total	536,993	71,713	(29,091)	579,615	42,622	7.94%

Revenue Budget Summary 2025/26 - subjective analysis

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Department	Employees	Premises	Transport	Supplies & Services	Transfers & Third Party Payments	Financing & Transfers to Reserves	Total Expenditure	Government Grants	Other Grants & Contributions	Fees, Charges & Receipts	Financing & Planned Use of Reserves	Total Income	Internal Recharges (exp & inc)	Net Service Expenditure
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Adult Social Care	64,206	842	626	16,198	327,261	-	409,133	(22,361)	(56,795)	(50,465)	-	(129,621)	564	280,076
Public Health	3,233	-	16	58	28,669	3,055	35,031	(34,548)	-	-	(1,714)	(36,262)	1,231	-
Business Services / Orbis	22,279	12,703	128	23,009	3,931	16	62,066	(2,203)	(7,530)	(10,053)	(2,362)	(22,148)	(10,221)	29,697
Children's Services	203,719	10,580	1,835	72,353	122,038	282	410,807	(305,857)	17,972	(6,469)	(230)	(294,584)	37,930	154,153
Communities Economy & Transport	19,972	4,273	28,874	107,457	765	6,862	168,203	(17,662)	(22,137)	(22,799)	(901)	(63,499)	(29,503)	75,201
Governance Services	6,764	382	45	2,270	140	-	9,601	(53)	(129)	(318)	(132)	(632)	(1)	8,968
Services	320,173	28,780	31,524	221,345	482,804	10,215	1,094,841	(382,684)	(68,619)	(90,104)	(5,339)	(546,746)	-	548,095
Centrally held budgets	19,027	-	-	8,405	981	14,980	43,393	(58)	(12)	(200)	(154)	(424)	-	42,969
One-off use of reserve	-	-	-	-	-	-	-	-	-	-	(11,449)	(11,449)	-	(11,449)
Total	339,200	28,780	31,524	229,750	483,785	25,195	1,138,234	(382,742)	(68,631)	(90,304)	(16,942)	(558,619)	-	579,615

Revenue Budgets - Adult Social Care

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2024/25		2025/26													
Rebased Net Budget		Employees	Premises	Transport	Supplies and Services	Third Party & Transfer Payments	Financing and Transfer to Reserves	Total Expenditure	Government Grants	Other Grants and Contributions	Fees, Charges & Receipts	Financing and Planned Use of Reserves	Total Income	Internal Recharges (exp & inc)	Net Service Expenditure
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Independent Sector - Physical, Sensory and Memory & Cognition Support															
73,386	Residential & Nursing	-	-	-	-	101,906	-	101,906	-	-	(29,279)	-	(29,279)	-	72,627
12,000	Supported & Other Accommodation	-	-	-	-	12,000	-	12,000	-	-	-	-	-	-	12,000
41,283	Home Care	-	-	-	-	37,741	-	37,741	-	-	-	-	-	-	37,741
1,663	Day Care	-	-	-	-	1,521	-	1,521	-	-	-	-	-	148	1,669
18,455	Direct Payments	-	-	-	-	18,455	-	18,455	-	-	-	-	-	-	18,455
(62,407)	Other Services	-	-	-	7,858	2,428	-	10,286	(21,996)	(20,538)	-	-	(42,534)	-	(32,248)
(12,550)	Fairer Charging *	-	-	-	-	-	-	-	-	-	(12,550)	-	(12,550)	-	(12,550)
-	Meals in the Community	-	-	-	-	-	-	-	-	-	-	-	-	-	-
71,830	Subtotal	-	-	-	7,858	174,051	-	181,909	(21,996)	(20,538)	(41,829)	-	(84,363)	148	97,694
Independent Sector - Learning Disability Support															
51,863	Residential & Nursing	-	-	-	-	54,815	-	54,815	-	-	(3,177)	-	(3,177)	-	51,638
25,480	Supported & Other Accommodation	-	-	-	-	25,458	-	25,458	-	-	-	-	-	-	25,458
1,796	Home Care	-	-	-	-	1,796	-	1,796	-	-	-	-	-	-	1,796
2,933	Day Care	-	-	-	-	2,433	-	2,433	-	-	-	-	-	-	2,433
7,642	Direct Payments	-	-	-	-	7,642	-	7,642	-	-	-	-	-	21	7,663
71	Other Services	-	-	-	-	1,035	-	1,035	-	(964)	-	-	(964)	-	71
(1,989)	Fairer Charging *	-	-	-	-	-	-	-	-	-	(1,989)	-	(1,989)	-	(1,989)
87,796	Subtotal	-	-	-	-	93,179	-	93,179	-	(964)	(5,166)	-	(6,130)	21	87,070
Independent Sector - Mental Health Support															
21,034	Residential & Nursing	-	-	-	-	21,508	-	21,508	-	-	(474)	-	(474)	-	21,034
13,926	Supported & Other Accommodation	-	-	-	-	13,926	-	13,926	-	-	-	-	-	-	13,926
2,235	Home Care	-	-	-	-	2,235	-	2,235	-	-	-	-	-	-	2,235
110	Day Care	-	-	-	-	110	-	110	-	-	-	-	-	-	110
2,903	Direct Payments	-	-	-	-	2,903	-	2,903	-	-	-	-	-	-	2,903
(15,233)	Other Services	-	-	-	-	720	-	720	-	(15,952)	-	-	(15,952)	-	(15,232)
(976)	Fairer Charging *	-	-	-	-	-	-	-	-	-	(976)	-	(976)	-	(976)
23,999	Subtotal	-	-	-	-	41,402	-	41,402	-	(15,952)	(1,450)	-	(17,402)	-	24,000
Adult Operations															
30,508	Assessment & Care Management	31,587	129	157	223	811	-	32,907	(54)	(2,591)	(145)	-	(2,790)	151	30,268
11,726	Directly Provided Services - Older People	12,241	239	304	564	2,170	-	15,518	-	(4,392)	(327)	-	(4,719)	226	11,025
8,731	Directly Provided Services - Learning Disability	7,414	234	73	692	-	-	8,413	-	(12)	(593)	-	(605)	346	8,154
50,965	Subtotal	51,242	602	534	1,479	2,981	-	56,838	(54)	(6,995)	(1,065)	-	(8,114)	723	49,447

Revenue Budgets - Adult Social Care

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2024/25		2025/26													
Rebased Net Budget		Employees	Premises	Transport	Supplies and Services	Third Party & Transfer Payments	Financing and Transfer to Reserves	Total Expenditure	Government Grants	Other Grants and Contributions	Fees, Charges & Receipts	Financing and Planned Use of Reserves	Total Income	Internal Recharges (exp & inc)	Net Service Expenditure
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Strategy, Commissioning and Supply Management															
6,124	Commissioners, Comissioned Services and Supply Managemen	5,443	237	25	435	4,274	-	10,414	-	(4,329)	-	-	(4,329)	4	6,089
5,834	Supporting People	-	3	-	-	4,227	-	4,230	-	(387)	-	-	(387)	-	3,843
4,114	Equipment & Assistive Technology	204	-	-	5,019	3,460	-	8,683	-	(3,535)	(850)	-	(4,385)	-	4,298
694	Carers	1,236	-	50	12	2,223	-	3,521	-	(2,828)	-	-	(2,828)	-	693
-	Mental Health Commissioned Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16,766	Subtotal	6,883	240	75	5,466	14,184	-	26,848	-	(11,079)	(850)	-	(11,929)	4	14,923
6,681	Planning, Performance and Engagement	5,109	-	14	472	12	-	5,607	(311)	(597)	(105)	-	(1,013)	-	4,594
714	Service Strategy (including Director & support)	455	-	1	898	77	-	1,431	-	(160)	-	-	(160)	-	1,271
1,206	Safer Communities	517	-	2	25	1,375	-	1,919	-	(510)	-	-	(510)	(332)	1,077
259,957	Total	64,206	842	626	16,198	327,261	-	409,133	(22,361)	(56,795)	(50,465)	-	(129,621)	564	280,076

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

Main changes between years		£'000
Rebased Net Budget 2024/25		259,957
Growth / Pressures		13,338
Inflation		14,267
Savings		(7,486)
Pay award		-
Tfrs between depts		-
Departmental Estimate 2025/26		280,076

2024/25		2025/26													
Rebased Net Budget		Employees	Premises	Transport	Supplies & Services	Transfers & Third Party Payments	Financing & Transfers to Reserves	Total Expenditure	Government Grants	Other Grants & Contributions	Fees, Charges & Receipts	Financing & Planned Use of Reserves	Total Income	Internal Recharges (exp & inc)	Net Service Expenditure
£'000		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
11,760	Mental Health and Best Start	-	-	-	-	11,251	-	11,251	-	-	-	-	-	332	11,583
10,425	Risky Behaviours and Threats to Health	18	-	-	15	13,278	-	13,311	(3,744)	-	-	-	(3,744)	412	9,979
3,772	Health Systems	-	-	-	-	2,914	-	2,914	-	-	-	-	-	-	2,914
1,055	Communities	-	-	-	-	774	-	774	-	-	-	-	-	-	774
(27,012)	Central Support	3,215	-	16	43	452	3,055	6,781	(30,804)	-	-	(1,714)	(32,518)	487	(25,250)
- Total		3,233	-	16	58	28,669	3,055	35,031	(34,548)	-	-	(1,714)	(36,262)	1,231	-

Main changes between years		£'000
Rebased Net Budget 2024/25		
Growth / Pressures		
Inflation		
Savings	(1,444)	
Pay award		
Tfrs between depts	1,444	
Departmental Estimate 2025/26		-

2024/25		2025/26													
Rebased Net Budget		Employees	Premises	Transport	Supplies & Services	Transfers & Third Party Payments	Financing & Transfers to Reserves	Total Expenditure	Government Grants	Other Grants & Contributions	Fees, Charges & Receipts	Financing & Planned Use of Reserves	Total Income	Internal Recharges (exp & inc)	Net Service Expenditure
£'000		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
6,365	Finance	8,609	618	50	4,143	16	-	13,436	(239)	(2,695)	(592)	(2,153)	(5,679)	(2,143)	5,614
8,789	IT & Digital	7,060	100	42	6,164	-	15	13,381	(121)	(1,065)	(1,092)	(50)	(2,328)	(1,827)	9,226
2,192	HR & Organisational Development	2,950	-	2	448	-	1	3,401	(61)	-	(637)	(38)	(736)	(371)	2,294
(100)	Procurement	121	-	-	-	-	-	121	-	-	-	(121)	(121)	-	-
8,843	Property	3,539	11,985	34	8,728	3,915	-	28,201	(1,782)	(3,770)	(7,732)	-	(13,284)	(5,880)	9,037
3,626	Contribution to Orbis Partnership	-	-	-	3,526	-	-	3,526	-	-	-	-	-	-	3,526
29,715	Total	22,279	12,703	128	23,009	3,931	16	62,066	(2,203)	(7,530)	(10,053)	(2,362)	(22,148)	(10,221)	29,697

Main changes between years		£000
Rebased Net Budget 2024/25		29,715
Growth / Pressures		779
Inflation		271
Savings		(1,077)
Pay award		-
Tfrs between depts		9
Departmental Estimate 2025/26		29,697

Revenue Budgets - Children's Services

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2024/25		2025/26														
Rebased Net Budget		Employees	Premises	Transport	Supplies & Services	Transfers & Third Party Payments	Financing & Transfers to Reserves	Total Expenditure	Government Grants	Other Grants & Contributions	Fees, Charges & Receipts	Financing & Planned Use of Reserves	Total Income	Internal Recharges (exp & inc)	Net Service Expenditure	
£'000		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Early Help & Social Care																
1,288	Policy Support & Commissioned Services	701	-	5	3	660	-	1,369	-	(99)	(81)	-	(180)	206	1,395	
5,881	Early Help Keywork and Children's Centres	7,798	277	154	271	207	-	8,707	(1,686)	(1,022)	(26)	-	(2,734)	100	6,073	
24,594	Locality Social Work & Family Assessment	13,803	-	285	482	11,464	-	26,034	(800)	(200)	-	-	(1,000)	(15)	25,019	
68,404	Looked After Children	20,566	325	654	1,086	56,104	282	79,017	(2,051)	(244)	(4,429)	-	(6,724)	301	72,594	
4,102	Other Children & Families	3,895	19	83	286	4,289	-	8,572	(2,920)	(781)	-	-	(3,701)	(599)	4,272	
877	Youth Justice	1,593	27	31	29	53	-	1,733	(583)	(281)	-	-	(864)	7	876	
105,146	Subtotal	48,356	648	1,212	2,157	72,777	282	125,432	(8,040)	(2,627)	(4,536)	-	(15,203)	-	110,229	
Education																
4,139	Inclusion and Special Educational Needs	16,669	18	218	9,159	44,187	-	70,251	(63,270)	(1,981)	(745)	-	(65,996)	(351)	3,904	
5,346	Standards & Learning Effectiveness	10,585	-	154	46,007	2,563	-	59,309	(53,077)	(2,057)	(451)	-	(55,585)	1,999	5,723	
215	Other Education	214	-	-	33	-	-	247	(32)	-	-	-	(32)	-	215	
9,700	Subtotal	27,468	18	372	55,199	46,750	-	129,807	(116,379)	(4,038)	(1,196)	-	(121,613)	1,648	9,842	
1,312	Adoption South East	1,247	-	37	255	-	-	1,539	-	(228)	-	-	(228)	-	1,311	
-	Schools	117,012	9,875	153	14,145	2,476	-	143,661	(176,927)	25,443	-	(177)	(151,661)	8,000	-	
Management & Support																
23,106	Admissions & Transport	606	-	7	80	30	-	723	(1,399)	-	(36)	(53)	(1,488)	28,910	28,145	
3,562	Management & Support	6,984	39	29	385	-	-	7,437	(3,112)	(464)	(693)	-	(4,269)	(628)	2,540	
2,067	Safeguarding	2,046	-	25	132	5	-	2,208	-	(114)	(8)	-	(122)	-	2,086	
28,735	Subtotal	9,636	39	61	597	35	-	10,368	(4,511)	(578)	(737)	(53)	(5,879)	28,282	32,771	
144,893	Total	203,719	10,580	1,835	72,353	122,038	282	410,807	(305,857)	17,972	(6,469)	(230)	(294,584)	37,930	154,153	

Main changes between years		£'000
Rebased Net Budget 2024/25		144,893
Growth / Pressures		11,019
Inflation		2,282
Savings		(4,033)
Pay award		
Tfrs between depts	(8)	
Other		
Departmental Estimate 2025/26		154,153

Revenue Budgets - Communities, Economy & Transport

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2024/25 Rebased Net Budget		2025/26													
		Employees	Premises	Transport	Supplies and Services	Third Party & Transfer Payments	Financing and Transfer to Reserves	Total Expenditure	Government Grants	Other Grants and Contributions	Fees, Charges & Receipts	Financing and Planned Use of Reserves	Total Income	Internal Recharges (exp & inc)	Net Service Expenditure
£'000		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Community Services															
664	Archives	462	675	1	785	-	-	1,923	-	(1,153)	(136)	-	(1,289)	30	664
926	Road Safety	1,032	12	29	211	-	-	1,284	(217)	(94)	(82)	-	(393)	3	894
1,095	Trading Standards	885	-	9	101	-	-	995	-	-	(47)	(44)	(91)	2	906
110	Travellers Sites	240	96	4	14	-	-	354	-	(117)	(133)	-	(250)	7	111
282	Emergency Planning	367	-	3	79	-	-	449	-	(195)	-	-	(195)	-	254
3,077	Subtotal	2,986	783	46	1,190	-	-	5,005	(217)	(1,559)	(398)	(44)	(2,218)	42	2,829
Customer, Library & Registration Services															
4,198	Libraries	2,925	739	41	958	-	7	4,670	(202)	(120)	(246)	-	(568)	(62)	4,040
353	Records	152	200	-	16	-	-	368	-	-	(17)	-	(17)	3	354
370	Customer Care	369	-	-	5	-	-	374	-	-	-	(4)	(4)	-	370
(146)	Registration	1,477	95	19	72	-	-	1,663	-	(5)	(1,952)	-	(1,957)	13	(281)
4,775	Subtotal	4,923	1,034	60	1,051	-	7	7,075	(202)	(125)	(2,215)	(4)	(2,546)	(46)	4,483
Transport & Operational Services															
8,343	Passenger Services	203	-	-	16,542	-	-	16,745	(5,239)	(401)	(77)	(44)	(5,761)	(2,926)	8,058
-	Home to School and ASC Transport	129	-	27,994	1,434	-	-	29,557	(4)	(417)	(61)	-	(482)	(29,075)	-
(265)	Parking	1,162	-	1	2,752	-	533	4,448	-	(298)	(7,473)	(357)	(8,128)	3,415	(265)
33,366	Waste Disposal	435	495	6	60,214	280	4,829	66,259	(7,825)	(16,982)	(5,899)	-	(30,706)	2	35,555
836	Rights of Way/Countryside Management	812	48	24	164	3	-	1,051	(45)	(89)	(195)	-	(329)	10	732
605	Other Transport & Operational Services	1,110	50	698	163	-	43	2,064	-	-	(177)	(175)	(352)	(1,043)	669
42,885	Subtotal	3,851	593	28,723	81,269	283	5,405	120,124	(13,113)	(18,187)	(13,882)	(576)	(45,758)	(29,617)	44,749
Highways															
1,588	Contract Management	991	6	9	404	-	-	1,410	-	-	-	-	-	14	1,424
14,376	Contract Costs (fixed and reactive)	-	1,761	-	18,000	-	-	19,761	-	(147)	(4,716)	-	(4,863)	6	14,904
640	Non Contract Works	-	-	-	525	205	-	730	-	(29)	(5)	-	(34)	-	696
16,604	Subtotal	991	1,767	9	18,929	205	-	21,901	-	(176)	(4,721)	-	(4,897)	20	17,024

2024/25		2025/26													
Rebased															
Net Budget		Employees	Premises	Transport	Supplies and Services	Third Party & Transfer Payments	Financing and Transfer to Reserves	Total Expenditure	Government Grants	Other Grants and Contributions	Fees, Charges & Receipts	Financing and Planned Use of Reserves	Total Income	Internal Recharges (exp & inc)	Net Service Expenditure
£'000		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Planning & Environment															
265	Environment	580	70	2	134	-	-	786	-	(88)	(312)	(135)	(535)	3	254
962	Planning	1,771	-	15	426	-	-	2,212	-	(23)	(1,178)	(73)	(1,274)	24	962
-	High Weald	634	26	4	1,980	-	-	2,644	(2,065)	(571)	(43)	-	(2,679)	35	-
1,227	Subtotal	2,985	96	21	2,540	-	-	5,642	(2,065)	(682)	(1,533)	(208)	(4,488)	62	1,216
2,165	Economic Development Skills and Growth	1,362	-	8	580	250	-	2,200	-	(322)	(50)	(69)	(441)	70	1,829
3,070	Management & Support	2,874	-	7	1,898	27	1,450	6,256	(2,065)	(1,086)	-	-	(3,151)	(34)	3,071
73,803	Total	19,972	4,273	28,874	107,457	765	6,862	168,203	(17,662)	(22,137)	(22,799)	(901)	(63,499)	(29,503)	75,201

Main changes between years	£'000
Rebased Net Budget 2024/25	73,803
Growth / Pressures	2,202
Inflation	1,098
Savings	(1,902)
Pay award	-
Tfrs between depts	-
Departmental Estimate 2025/26	75,201

2024/25		2025/26													
Rebased Net Budget		Employees	Premises	Transport	Supplies & Services	Transfers & Third Party Payments	Financing & Transfers to Reserves	Total Expenditure	Government Grants	Other Grants & Contributions	Fees, Charges & Receipts	Financing & Planned Use of Reserves	Total Income	Internal Recharges (exp & inc)	Net Service Expenditure
£'000		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
2,799	Corporate Governance	1,585	2	21	1,174	140	-	2,922	-	(79)	(37)	(132)	(248)	1	2,675
Corporate Support															
1,225	Communications	1,206	-	2	59	-	-	1,267	(53)	(50)	-	-	(103)	(2)	1,162
2,250	Legal	2,413	-	10	108	-	-	2,531	-	-	(281)	-	(281)	-	2,250
3,475	Subtotal	3,619	-	12	167	-	-	3,798	(53)	(50)	(281)	-	(384)	(2)	3,412
Community Services															
1,889	Coroners	1,005	380	10	603	-	-	1,998	-	-	-	-	-	-	1,998
-	- Third Sector	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1,889	Subtotal	1,005	380	10	603	-	-	1,998	-	-	-	-	-	-	1,998
883	Senior Management & Organisational Development	555	-	2	326	-	-	883	-	-	-	-	-	-	883
9,046	Total	6,764	382	45	2,270	140	-	9,601	(53)	(129)	(318)	(132)	(632)	(1)	8,968

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Main changes between years	
	£'000
Rebased Net Budget 2024/25	9,046
Growth / Pressures	148
Inflation	22
Savings	(248)
Pay award	-
Tfrs between depts	-
Departmental Estimate 2025/26	8,968

Introduction

The planned capital programme supports the Council's Capital Strategy to 2044/45. It comprises targeted basic need investment that supports services in the delivery of priority outcomes and is supported by a planned programme to 2034/35. It includes providing for essential school places, investments in roads and transport infrastructure, support for climate change initiatives, enhancing the life of existing assets and ensuring they are fit for purpose, as well as support for strategic investment.

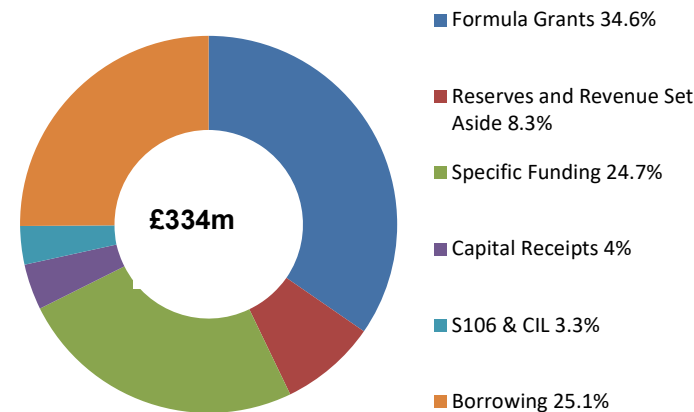
The proposed programme includes:

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

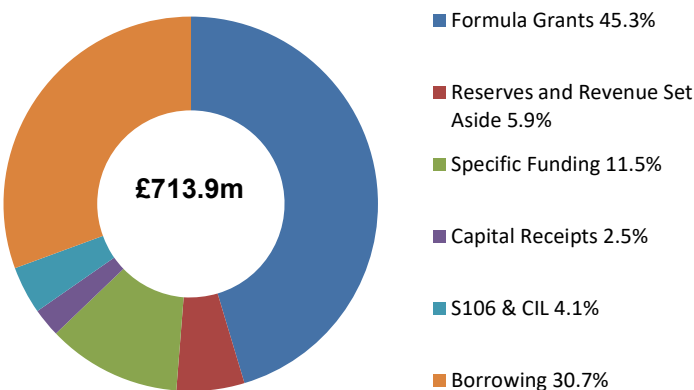
An estimated 45% (£323.9m) will be funded from Government grants, with 11% (£82.7m) funded from scheme-specific income, requiring the remaining 44% (£307.3m) funded locally through borrowing, capital receipts and use of reserves set aside for a specific purpose.

Total 10 year Programme of £713.9m comprising:

MTFP Programme to 2027/28



Programme 2024/25 to 2034/35



Capital programme - current programme and resources

Capital Programme

	2024/25	2025/26	2026/27	2027/28	2024-28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	Remaining Budget Total
	Current Yr	MTFP Period			Programme Total								
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Adult Social Care	3,092	2,092	43		5,227								5,227
Business Services	37,994	38,954	15,578	13,477	106,003	19,100	49,864	30,054	24,205	17,132	16,069	19,137	281,564
Children's Services	1,789	2,285	2,108	1,924	8,106								8,106
Communities, Economy & Transport	61,776	87,427	36,317	29,126	214,646	29,561	28,177	29,003	28,207	32,573	28,159	28,695	419,021
Gross Expenditure by Department	104,651	130,758	54,046	44,527	333,982	48,661	78,041	59,057	52,412	49,705	44,228	47,832	713,918
Corporate Slippage Risk Factor	(20,068)	(18,278)	(7,337)	(3,924)	(49,607)	7,086	7,086	7,087	7,087	7,087	7,087	7,087	0
Revised Gross Expenditure	84,583	112,480	46,709	40,603	284,375	55,747	85,127	66,144	59,499	56,792	51,315	54,919	713,918
Section 106 and CIL	(4,621)	(2,646)	(1,998)	(1,674)	(10,939)	(927)	(25)	(25)	(25)				(11,941)
Grants from non-departmental public bodies	(593)				(593)								(593)
Other Specific Funding	(28,637)	(48,400)	(3,817)	(1,209)	(82,063)								(82,063)
Net Expenditure	50,732	61,434	40,894	37,720	190,780	54,820	85,102	66,119	59,474	56,792	51,315	54,919	619,321

Current Funding Assumptions	2024/25	2025/26	2026/27	2027/28	2024-28	2028-35	Total
		MTFP Period			Programme Total	Programme Total	Resource
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Capital Receipts	4,802	3,950	2,248	2,198	13,198	4,424	17,622
Formula Grants	25,772	29,530	29,330	30,919	115,551	208,370	323,921
Section 106 and CIL Target						17,601	17,601
Recycled Loans		300	300	300	900	5,755	6,655
Reserves and revenue set aside	14,671	11,841	85	152	26,749	8,432	35,181
Borrowing	5,487	15,813	8,931	4,151	34,382	183,959	218,341
	50,732	61,434	40,894	37,720	190,780	428,541	619,321

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Adult Social Care	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	Budget Total
	MTFP Period											
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Specific Projects:												
Greenacres		140										140
Learning Disability Supported Living Scheme	3,042	1,952	43									5,037
House Adaptations	50											50
Gross Expenditure	3,092	2,092	43	0	0	0	0	0	0	0	0	5,227
S106 & CIL												
Grants from non-departmental public bodies												
Other Specific Funding	(3,042)	(2,092)	(43)									(5,177)
Net Expenditure	50	0	0	0	0	0	0	0	0	0	0	50

Business Services	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	Budget Total
	MTFP Period											
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Target led basic need:												
Schools Basic Need (delivered on behalf of CSD)	518	400	512	460	6,138	26,174	10,877	12,307	3,472	689	492	62,039
Special Educational Needs	525	1,000	1,000	1,000	500	500	500	500	500	500	500	7,025
Special Educational Needs – Additional Places	1,300	11,000	3,390	1,430								17,120
Capital Building Improvements (Schools)	5,097	5,273	4,389	4,389	4,389	4,389	4,389	4,389	4,389	4,389	4,389	49,871
Capital Building Improvements (Corporate)	4,401	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	44,401
IT & Digital Strategy Implementation	7,423	5,771	2,248	2,198	4,073	14,801	10,288	3,009	4,771	6,491	9,756	70,829
IT & Digital Strategy implementation - Oracle Implementation	9,634	8,800										18,434
Specific Projects:												
Lansdowne Secure Unit Phase 2	39											39
Energy Efficiency - SALIX scheme	350											350
Disability Children's Homes	24											24
Westfield Lane (delivered on behalf of CSD)	17											17
Youth Investment Fund	7,003											7,003
Hollington Youth Centre	663	2,710	39									3,412
Hastings and Rother Skills Capital	1,000											1,000
Gross Expenditure	37,994	38,954	15,578	13,477	19,100	49,864	30,054	24,205	17,132	16,069	19,137	281,564
S106 & CIL	(1,885)			(1,072)	(902)							(3,859)
Grants from non-departmental public bodies												
Other Specific Funding	(9,055)	(2,710)	(39)									(11,804)
Net Expenditure	27,054	36,244	15,539	12,405	18,198	49,864	30,054	24,205	17,132	16,069	19,137	265,901

Children's Services	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	Budget Total
	MTFP Period											
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Target led basic need: Schools Delegated Capital	1,150	1,150	1,150	1,150								4,600
Specific Projects: House Adaptations	50											50
Children's Services Essential System Developments	589	1,135	958	774								3,456
Gross Expenditure	1,789	2,285	2,108	1,924	0	0	0	0	0	0	0	8,106
S106 & CIL Grants from non-departmental public bodies Other Specific Funding	(1,150)	(1,150)	(1,150)	(1,150)								(4,600)
Net Expenditure	639	1,135	958	774	0	0	0	0	0		0	3,506

Communities, Economy & Transport	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	Budget Total
	MTFP Period											
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Target led basic need:												
Highways Structural Maintenance	28,517	16,687	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000	234,204
Bridge Assessment Strengthening	3,073	7,773	2,901	1,830	1,885	1,942	2,000	2,060	2,122	2,186	2,252	30,024
Rights of Way Surface Repairs and Bridge Replacement Programme	588	643	662	702	744	789	836	886	939	590	996	8,375
Street Lighting and Traffic Signals (life expired)	3,346	4,164	3,429	1,041	1,095	1,135	1,192	1,250	1,310	1,372	1,436	20,770
Specific Projects:												
Broadband	65	1,945										2,010
Street Lighting and Traffic Signals - SALIX scheme												0
Climate Emergency Works	2,218	58										2,276
Flood & Coastal Resilience Innovation Programme	1,212	747	683									2,642
Flood Management and SuDS in Schools	338	-80										258
Urban Tree Challenge	22	122	59	59								262
Bexhill & Hastings Link Road Complementary Measures	141											141
Community Match Fund	123	322										445
Economic Growth & Strategic Infrastructure Programme												
Economic Intervention Fund - Grants												0
Economic Intervention Fund - Loans		300	300	300	300	300	197					1,697
Stalled Sites												0
Growing Places Fund Loan Scheme							767		4,191			4,958
Other Integrated Transport Schemes	3,412	4,340	4,818	3,523	2,941	2,941	2,941	2,941	2,941	2,941	2,941	36,680
Integrated Transport Schemes - A22 Corridor Package	2,143											2,143
A22 North of Hailsham	118											118

Communities, Economy & Transport	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	Budget Total
	MTFP Period											
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Safer Roads	30	845										875
Visually Better Roads	250	254										504
Local Electric Vehicle Infrastructure		2,698	1,843									4,541
Gypsy and Traveller Site Refurbishment	70	70	70	70	70	70	70	70	70	70	70	770
The Keep	130	82	85	152	628							1,077
Library Refurbishment	725	598	467	449	898							3,137
Peacehaven Library Refurbishment & Conversion												0
Community Road Safety Interventions	129	418										547
Newhaven Port Access Road	135											135
Real Time Passenger Information	250	281										531
Passenger Services Software	5											5
Bus Service Improvement Plan	2,669	21,450										24,119
Lewes Bus Station Replacement												0
Queensway Depot Development (Formerly Eastern)	3											3
Queensway Gateway Road	3,358											3,358
Exceat Bridge	2,980	3,240										6,220
Emergency Active Travel Fund - Tranche 2	130	308										438
Area-wide Traffic Management Scheme - Schools Streets	6	144										150
Area-wide Traffic Management Scheme - Eastbourne Liveable Town Centre	316											316

Communities, Economy & Transport	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	Budget Total
	MTFP Period											
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Hastings Town Centre Public Realm and Green Connections	400	8930										9,330
Local Enterprise Funded Schemes												
Eastbourne Town Centre Phase 2a	821	3,004										3,825
Eastbourne Town Centre Phase 2b	2,696	2,376										5,072
Eastbourne/South Wealden Walking & Cycling Package	170	1,805										1,975
Hailsham/Polegate/Eastbourne Movement & Access Corridor	134											134
Hastings & Bexhill Movement & Access Package	1,053	3,903										4,956
Gross Expenditure	61,776	87,427	36,317	29,126	29,561	28,177	29,003	28,207	32,573	28,159	28,695	419,021
S106 & CIL	(2,736)	(2,646)	(1,998)	(602)	(25)	(25)	(25)	(25)				(8,082)
Grants from non-departmental public bodies	(593)											(593)
Other Specific Funding	(15,390)	(42,448)	(2,585)	(59)								(60,482)
Net Expenditure	43,057	42,333	31,734	28,465	29,536	28,152	28,978	28,182	32,573	28,159	28,695	349,864

Reserve Balances

DRAFT

	Anticipated Balance 31st Mar 2025 £'000	Net planned Movements 2025/26 £'000	Anticipated Balance 31st Mar 2026 £'000	Estimated Balance 31st Mar 2029 £'000
Held on behalf of others or statutorily ringfenced				
Balances held by Schools	18,258		18,258	18,258
Extended Schools	1,361		1,361	1,361
Schools Supply Teacher Insurance	247		247	0
Schools	19,866	0	19,866	19,619
Public Health	2,687	(2,214)	473	0
High Weald	235		235	235
Car Parking	2,105	(43)	2,062	1,974
ACRES (Adult College of Rural East Sussex)	0		0	0
Lewes Athletics Track	9		9	9
The Keep - Archive Service	458		458	263
Sussex Air Quality Partnership	9	(9)	0	0
EU Exit Funding	427		427	427
IT&D Partnerships	266	(11)	255	0
Subtotal held on behalf of others or statutorily ringfenced	26,062	(2,277)	23,785	22,527
Service-Specific Reserves:				
Corporate Waste	19,345	(4,610)	14,735	7,419
Capital Programme	9,460	(3,182)	6,278	0
Insurance Risk	7,358	(2,000)	5,358	5,177
Adult Social Care Reform	589		589	0
Total Named Service Reserves	36,752	(9,792)	26,960	12,596
Strategic Reserves:				
Priority Outcomes and Transformation reserve: to fund the transformation programme to change, protect and improve Council services	3,001	(74)	2,927	1,897
Financial Management reserve: to manage the potential financial consequences of risks recognised in the Council's risk management arrangements and the CFO's robustness statement, and to enable the effective management of the medium-term financial strategy and investment strategy	6,446	(444)	6,002	4,272
Total Strategic Reserves	9,447	(518)	8,929	6,169
General Fund	10,000	0	10,000	10,000
Total Reserves	82,261	(12,587)	69,674	51,292

This table provides a summary of planned movements in and out of the individual reserves over the financial year 2025/26, plus estimated balances by March 2029.

Explanation of key terms

Balances

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

Band D Property

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

Budget

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

Business Rates

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

Depreciation

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

Capital Expenditure / Capital Programme

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

Capital Financing

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

Capital Receipts

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

Contingency

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

Council Tax Requirement

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

Dedicated Schools Grant (DSG)

A major ring-fenced government specific grant, introduced in 2006/07, which provides funding for schools and schools-related expenditure.

Earmarked Reserves

Reserves which are set aside for specific purposes.

Government Grants

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

Levies

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

Net Budget Requirement

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

New Homes Bonus

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

Precept

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

Provisions and Reserves

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

Revenue Expenditure

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

Revenue Support Grant (RSG)

Additional funding received from central government, outside that received through the business rates retention scheme.

Slippage

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

Specific and Special Grants

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

Supported Borrowing

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

Tax Base

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

Third Party Payments

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

Transfer Payments

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

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Savings Proposals 2025/26 to 2027/28

Department				
	2025/26	2026/27	2027/28	Total
Adult Social Care and Health	7,420	2,525	0	9,945
Business Services	1,060	0	825	1,885
Children's Services	3,239	70	20	3,329
Communities, Economy and Transport	1,553	621	374	2,548
Governance Services	233	63	0	296
Total	13,505	3,279	1,219	18,003

Adult Social Care & Health - Proposed Savings (Shaded lines are proposals which were included in the September Cabinet report and are already subject to public consultation)			Net budget £'000	Savings £'000				Specific or disproportionate impacts relating to protected characteristics										
Service Area	Proposed Action	Likely Impact	2024/25	2025/26	2026/27	2027/28	Total	Age	Disability	Sex	Gender Reassignm	Ethnicity	Marriage / Civil	Pregnancy /Maternity	Religion / Belief	Sexual Orientation	No impacts identified	Further Information
Older People's Directly Provided Services	Phoenix Centre - Lewes: Proposal to close the day service for older people with physical and mental health needs, and to support people to access alternative services in the community.	Potential reduction in choice and control for individuals currently using these services, including people in some rural areas. Potential disruption caused by changing provision, potential loss of friendship networks, and increased concern for carers (although measures will be put in place to minimise this risk).	273	191			191	Y	Y									Carers are also impacted
Older People's Directly Provided Services	Milton Grange day service - Eastbourne: Proposal to close the Milton Grange day service for older people with a range of physical and mental health needs associated with dementia, and support people to access alternative services in the community.	For day services: Potential reduction in choice and control for individuals currently using these services, including people in some rural areas. Potential disruption caused by changing provision, potential loss of friendship networks, and increased concern for carers (although measures will be put in place to minimise this risk).	872	521			521	Y	Y									Carers are also impacted
	Dementia outreach service - Countywide: Proposal to cease the specialist mental health community outreach service and provide services via existing universal services.	For MH community outreach: Potential impact in choice and control for individuals currently using the service, as they would need to access universal services.																
Learning Disability Directly Provided Services	Linden Court - Eastbourne and Beeching Park - Bexhill: Proposal to close the Linden Court day service for people with a learning disability, and to merge with the Beeching Park day service or to support people to access alternative services in the community.	Potential reduction in choice and control for individuals currently using these services, including people in some rural areas. Potential disruption caused by changing provision, potential loss of friendship networks, and increased concern for carers (although measures will be put in place to minimise this risk).	652	200	127		327		Y									Carers and rurality are further impacted characteristics
Learning Disability Directly Provided Services	Community Support Services: Proposal to cease the service which currently supports adults living independently at home and to adapt the service for adults living in supported accommodation, and to support people to access alternative services. The service supports with tasks such as shopping, preparing meals, and accessing the community. People living at home would be found alternative support in the community, while Supported Living services would be reconfigured so an individual's support was all provided by the accommodation based staff.	Potential impact on individuals with a learning disability receiving support in their own home and in the community, including the possible reduction in opportunities to participate in community activities.	637	286			286		Y									Carers and rurality are further impacted characteristics
Learning Disability Directly Provided Services	Steps to Work (including Shine Car Wash at County Hall, Lewes) - Countywide Service: Proposal to close the service, which helps people with a learning disability to prepare for, access, and retain employment and to support people to access alternative services in the community.	Potential reduction in choice and control for individuals currently using these services, including people in some rural areas. Potential disruption caused by changing provision, potential loss of friendship networks, and increased concern for carers (although measures will be put in place to minimise this risk). Potential impact on employment for individuals (although measures will be put in place to minimise this risk).	418	194			194		Y									Carers and rurality are further impacted characteristics
Learning Disability Directly Provided Services	Hookstead Day Service – Crowborough and St Nicholas Centre – Lewes: Proposal to close the Hookstead day service for people with a learning disability, and to merge with the St Nicholas Centre day service or to support people to access alternative services in the community.	Potential reduction in choice and control for individuals currently using these services, including people in some rural areas. Potential disruption caused by changing provision, potential loss of friendship networks, and increased concern for carers (although measures will be put in place to minimise this risk).	995	124			124	Y	Y									Carers and rurality are further impacted characteristics
Vulnerable Adults Supported Accommodation	Supported accommodation provision for vulnerable adults: Proposal to cease on-site support to develop independent living and tenancy sustainment skills, and support to access training, qualifications and employment.	Potential increased risk of people becoming homeless. Potential impact on district and borough councils, which have statutory responsibility for housing. Potential impact on care management teams in adult and children's social care, and potential impact on health services.	258	129	129		258	Y	Y									Carers are also impacted
Adults with Mental Health needs Supported Accommodation	Supported accommodation provision for adults with mental health needs: Proposal to cease on-site support to develop independent living and tenancy sustainment skills, and support to access training, qualifications and employment.	Potential increased risk of people becoming homeless. Potential impact on district and borough councils, which have statutory responsibility for housing. Potential impact on care management teams in adult and children's social care, and potential impact on health services.	356	178	178		356	Y	Y									Carers are also impacted
Housing - Related Floating Support	Housing related floating support provision: Proposal to significantly reduce funding for this service which supports people aged 16+ years with their housing, or helps them to stay in their own home.	Potential increased risk of people becoming homeless. Potential impact on district and borough councils, which have statutory responsibility for housing. Potential impact on care management teams in adult and children's social care, and potential impact on health services.	4,373	1,937	1,936		3,873	Y	Y	Y				Y				Carers and rurality are further impacted characteristics
Substance Misuse Contracts	Drug and Alcohol Services: Proposal to cease the funding of drug and alcohol recovery services when the current contracts for carers service, street community service, and support networks end.	If the reduction in recovery services contributes reduced relapse prevention, then there is a potential greater demand for treatment services, and possible increase in drug and alcohol related harm. Reducing recovery services funding may also present a barrier to receiving future grants.	319	234	85		319		Y									Carers are also impacted
Substance Misuse Contracts	Drug and Alcohol Services: Proposal to reduce funding for treatment services.	Potential increased risk of people being unable to access the full range of treatment services they require. Measures would be put in place to minimise the impact of these proposals. However, reducing treatment is likely to increase the number of people with drug and alcohol dependency, and therefore a potential increase in the number of associated hospital admissions and deaths, as well as a potential increase in the broader social and societal costs of drug and alcohol misuse. In addition, the proposals may potentially widen health inequalities.	158	407			407	Y	Y									Rurality is a further impacted characteristic

Adult Social Care & Health - Proposed Savings (Shaded lines are proposals which were included in the September Cabinet report and are already subject to public consultation)			Net budget £'000	Savings £'000				Specific or disproportionate impacts relating to protected characteristics										
Service Area	Proposed Action	Likely Impact	2024/25	2025/26	2026/27	2027/28	Total	Age	Disability	Sex	Gender Reassignm	Ethnicity	Marriage / Civil	Pregnancy /Maternity	Religion / Belief	Sexual Orientation	No impacts identified	Further Information
Learning Disability Commissioning	Proposal to close the Learning Disability Development Fund budget	Limited likely impact as there is an existing budget underspend.	50	50			50										Y	
Strategy	Review of Adult Social Care Strategy action plan: Proposal to reduce potential activity in some areas of the Action Plan.	Likely curtailment of some of the service enhancements contained within the Adult Social Care Strategy: What Matters to You. Likely impact is the opportunity cost of potential activity in some areas of the Action Plan, including aspects of preventative work.	400	180			180	Y	Y	Y		Y				Y		Carers are also impacted
Operations	Benefits Maximisation: Reviewing approx.1800 clients to ensure all clients are receiving correct benefits and paying the correct contribution to their care, in line with ESCC's charging policy.	Potential insufficient benefit claims to be identified following other benefit maximisation activity.	0	80			80										Y	
Operations	Review of charges for clients who self-fund: Reviewing policy on charging these clients for advice and assessments.	Clients who fully fund the cost of their own care may choose not to access this service if it becomes chargeable. If this proposal is progressed it would be subject to a full public consultation.	0	70	70		140	Y	Y									Carers are also impacted.
Operations	Sensory Support Team: Proposal to merge this team into the existing Occupational Therapy Team.	Potential reduction in specialist management oversight but limited impact on frontline service delivery as existing Rehabilitation Officers for the Visually Impaired (ROVIs) will continue to provide support to adults with sensory needs in the community.	593	120			120		Y									Carers are also impacted
Operations	Grangemead service model: Review service model at Grangemead respite unit to enable the in-sourcing of complex bedded respite care for adults with a Learning Disability.	Whilst the service will remain open and operational, existing clients of planned respite may experience a change in the timetable for their rolling programme of respite to maximise occupancy and create capacity for the new cohort of clients.	966	500			500		Y									Carers are also impacted
Community Development	Consolidated programme: Bringing together three separate VCSE and Community Development support programmes (Making it Happen, GIS, and Community Networks) into a single programme.	Potential limiting impact on scale and scope of ESCC community and VCSE development work beyond infrastructure funding.	978	500			500	Y	Y		Y	Y				Y		Carers and rurality are further impacted characteristics
Planning, Performance and Engagement	Review of Training and Development, contracts, and staffing structures	Potential impact on support and training to operational staff. Decreased capacity to support strategic and delivery goals.	1,041	425			425		Y									Carers may also be impacted
Public Health	Public Health review and realignment: Public Health funding is ringfenced to address public health outcomes but some existing contracts and targeted outcomes would be reduced as a result to fund alternative workstreams more aligned to Council Plan priorities but still within Public Health grant conditions.	An overall reduction in funding towards prevention activities is likely to result in a higher demand for health and care services in the future, and may affect our more vulnerable communities more. Out of the 21 identified areas for savings across the public health budget, 3 have been identified to have an impact on equalities and equalities considerations are underway. We will be closely monitoring the impacts on health equalities over time. (NB: the Public Health grant for 2024/25 is £30.389m)	0	1,094			1,094											Difficult to say impact because of varied funding impacting varied groups; specific Equality Considerations will be done for each of the proposals.
TOTAL - Adult Social Care & Health				7,420	2,525	0	9,945											

Business Services - Proposed Savings			Net budget £'000	Savings £'000				Specific or disproportionate impacts relating to protected characteristics										
Service Area	Proposed Action	Likely Impact	2024/25	2025/26	2026/27	2027/28	Total	Age	Disability	Sex	Gender Reassignm	Ethnicity	Marriage / Civil	Pregnancy /Maternity	Religion / Belief	Sexual Orientation	No impacts identified	Further Information
Information Technology (IT) and Digital	Adjust the core IT provision to meet minimum user requirement and council financial constraints	Reduced data usage, increasing recycling and re-using of IT kit, reduced licencing costs and capitalisation of new user laptops	8,805	464			464										Y	
Corporate Office budget	Reduce running costs, increase rental income and maximise efficiency from the corporate estate	Alternative use of County Hall space in the context of the asset being currently underutilised. Reducing running costs and maximising use, efficiency and financial return for property assets in general.	1,409	174			174										Y	
Financial Planning	Financial Planning service review	Risk of not being up to date with information on local government finance, including benchmarking of costs against comparator authorities and external funding opportunities, in a rapidly changing environment.	801	117			117											Consequence of potential missed funding is unidentifiable
Services to Schools traded income	Revise charging model to generate additional contribution to the cost of service provision	There are significant risks from academisation, particularly given that academies have historically preferred to keep finance services in-house. Increased contributions would help to cover the costs of service provision more adequately. The proposal also includes £10k of additional income from Services to Schools conference stalls	235	25			25										Y	
Property (Joint Use)	Review of Joint Use Agreements	As joint use agreements are renewed and placed on longer term or alternative footings, less property resource would be required to support them	300			100	100											Currently unknown - is dependent on the arrangements put in place
Postal Hub	Review use of the postal hub (ESCC's inbound and outbound post service)	Reduced costs of running the postal hub and potential upside to be explored on use of the hub by third parties	370	80			80										Y	
Business Services Department (BSD)	Review of support services across the department	Service reviews will be undertaken to ensure capacity within support services is aligned to changed organisational needs and resources. In the medium term this is likely to result in reductions in capacity/staffing in a number of services. In the short term It is necessary for BSD to retain the capacity to support the delivery of wider savings. For example, it is not possible to undertake robust staff consultations without Human Resources (HR) support or to make changes to the uses of certain assets without Property support.	26,105	200		725	925										Y	
TOTAL Business Services				1,060	0	825	1,885											

Children's Services - Proposed Savings				Net budget £'000	Savings £'000				Specific or disproportionate impacts relating to protected characteristics										
Service Area	Proposed Action	Likely Impact	2024/25	2025/26	2026/27	2027/28	Total	Age	Disability	Sex	Gender Reassignm	Ethnicity	Marriage / Civil	Pregnancy /Maternity	Religion / Belief	Sexual Orientation	No impacts identified	Further Information	
Early Help and Social Care	Robust management of the placement market, maximising recruitment and use of ESCC foster carers and reducing need for high cost residential placements	This proposal seeks to implement a range of initiatives to reduce the numbers of children in our care (against a picture of national growth) and to reduce the number of high cost placements. This would mean more children would be placed in family homes (with foster carers) rather than more expensive agency placements. We believe, for most children, it is better to be in a family environment rather than a residential setting.	46,335	1,593			1,593										Y	Changing placement mix and reducing number of Looked After Children will impact on children aged 0-18, but we will be keeping within our statutory requirements and still discharging our responsibilities.	
Education	Review of staffing and resources across education teams	Administration teams have been amalgamated into three teams which will generate efficiencies. In addition, there will be a review of staffing structures (including vacancies) in targeted areas, which could impact negatively on outcomes for children especially the most vulnerable. It is also proposed to increase traded activity within the safeguarding team, which may reduce capacity for core work. This could increase the risk of unsafe practice in schools, including where safeguarding has been judged ineffective by Ofsted.	Various	360			360										Y		
Buzz Active	Review of different operating models for Buzz Active.	We are proposing to undertake a sale/transfer of entity process to enable the consideration of alternative, viable providers to operate Buzz Active. Different operating models could help Buzz Active access alternative sources of funding and investment, thus ensuring a financially sustainable future.	110	107			107	Y	Y									Buzz provides valuable outdoor physical activities for children and young people and has recently enhanced the offer for children and young people with special educational needs and disabilities. The service also serves rural areas. The council is seeking to transfer Buzz as an entity to an alternative provider and the criteria for such a transfer will enable Buzz to continue to provide accessible activities for vulnerable children.	
Home to School Transport	Reduction in solo taxis and increased use of personal transport budgets.	Proposals for cost avoidance are being developed by CET and CSD. These proposals will look at ways to continue to reduce the number of solo taxis and include a review to enhance the personal transport budget (PTB) strategy. Other areas being explored include reviewing the commissioning policy and practice to better understand current pressures and future needs, supplier management, and independent travel training.	23,086	728			728	Y	Y									It is normal operational practice to aim to optimise the numbers of pupils who travel in vehicles together. However, individual needs assessment will continue to be undertaken and if it is deemed necessary to provide a solo taxi, it will be provided. In addition, we will continue to provide personal travel budgets (PTB) to families when this is the most cost effective transport option.	
All divisions	Consolidation of similar functions across the three divisions within Children's Services.	In order to achieve savings there will be a review of staffing and resources in replicated support functions and a reprioritisation of deliverables with some activities ceasing and agreement reached on a set of core deliverables. Inevitably with any consolidation/centralisation there is a risk that the functions become less aligned to divisional priorities and can become less responsive to emerging needs.	4,035	229	70	20	319										Y	The consolidation proposals for children and young people's (CYP) participation do not include a reduction in the numbers of youth voice groups. The oversight and coordination of CYP participation will provide an opportunity for a better integrated approach to inclusion of vulnerable CYP, particularly disabled CYP and those known to early help and social care, and those provided with a schools Mental Health and Emotional Wellbeing offer.	
Supporting Families programme	Maximising the use of grant from the Supporting Families Programme	Effective deployment of preventative services, whole family and whole system working. The government has recently announced that Supporting Families payment by results will come to an end. This will not impact on 2024/25. In future years we need to await more detailed announcements from the government about how the programme will operate and review accordingly.		100			100										Y		
Communication, Planning and Performance	Review of structures and budgets within the Communication, Planning and Performance division, including Personal Assistants and Information Governance.	These proposed reductions would result in reduced capacity to support Children's Services with organisational change at a point where service reductions and transformation are required for financial sustainability. This is likely to put additional pressure on busy operational managers. There will also be reduced capacity to support Children's Services teams, for example with data protection impact assessments, data breaches, information sharing, advice and guidance and complaints. There will be a reduction in the level of subsidy for early years settings safeguarding courses resulting in a small increase in the course price.	1,107	122			122										Y		
TOTAL - Children's Services				3,239	70	20	3,329												

Communities Economy and Transport - Proposed Savings (Shaded lines are proposals which are already subject to public consultation following Cabinet or Lead Member agreement to consult)				Net budget £'000	Savings £'000				Specific or disproportionate impacts relating to protected characteristics									
Service Area	Proposed Action	Likely Impact	2024/25	2025/26	2026/27	2027/28	Total	Age	Disability	Sex	Gender Reassignmn	Ethnicity	Marriage / Civil	Pregnancy /Maternity	Religion / Belief	Sexual Orientation	No impacts identified	Further Information
Trading Standards	Review the delivery of the Trading Standards European Union (EU) exit statutory duties and the preventative interventions undertaken to inform vulnerable people about the risks of becoming victims of financial and doorstep crime.	The review has concluded that less staff resource is required to deliver the EU statutory duties. We will maintain trading standards services, using a risk based approach to target areas where we need to intervene or act. There would be no change to the direct interventions to protect vulnerable people who have been targeted or been victims of financial and doorstep crime, however, there would be a reduction in the number of preventative engagement sessions delivered. In addition, we will not have the capacity to respond to any new duties or new legislative requirements.	1,095	94			94	Y	Y									
Road Safety	Review the delivery of road safety training and engagement duties and functions.	Reduced capacity to respond to road safety enquiries which would result in longer response times and greater use of standard responses to queries. There will a reduction in face to face engagement activities with partners and stakeholders, instead providing advice via telephone/written correspondence.	926	18	17		35										Y	
Archives	Review of the Archive service offer	Potential changes to the current service offer.	664		75		75										Y	
Registration Service	Review customer contact and seek to manage demand through creating more opportunities for customers to self-serve. Fee increase in statutory fees.	Introduction of customer self-check in at the four registration offices, and slower response times to customer queries and document requests. A fee increase has been agreed by Lead Member and takes effect in 2025/26.	1,750	119	51		170	Y	Y									To avoid equality impacts a member of staff will always be present to assist. No further equality impact assessment is required.
Library and Information Service	Refocus our accredited adult learning in libraries to an online offer.	Accredited online English, Maths and Information and Communications Technology (ICT) courses that learners could undertake in our libraries with support from the commissioned supplier if there is not a suitable local provider which meets the learners needs, and also IT learning through courses including IT4U and Step into Reading. This will remove the current duplication of face-to-face adult learning, with comparable training available in the locality provided by local further education colleges.	4,198	92			92	Y	Y									
Library and Information Service	New contract procured for purchase of stock	Efficiencies achieved as stock can be delivered to more than one location.	4,198	100			100										Y	
Library and Information Service	Review the Libraries Strategic Commissioning Strategy Accessibility Analysis	An addendum to the current Strategy will be completed which may result in a change to the service offer	4,198			187	187										Y	
Parking	Increase on street pay and display parking charges by 5%	The cost of providing parking services needs to keep up with inflation to ensure our towns allow for a turnover of parking spaces. Any surplus generated goes to support transport related improvements across East Sussex. We also want to make sure parking costs are equitable across East Sussex, including pay and display and permits.	(265)	110			110	Y										Carers and rurality are further impacted characteristics
Parking	Adjustments to the current parking regime in Rother District	Changes to the pay and display tariff to bring Rother district in line with other civil parking enforcement (CPE) areas, and changes to permit charges	(265)	438			438	Y										Carers and rurality are further impacted characteristics
Waste	Introduction of a booking system for all East Sussex County Council household waste recycling sites	The introduction of a booking system will mean less queueing to deposit waste, and reduced costs for the County Council through better policing of trade waste. There is no evidence that suggests a booking system increases fly tipping. This proposal would make the visit to a tip an easier experience and it should be possible to book slots 'on the day' depending on demand.	33,317	50			50	Y	Y									
Waste	In light of changing government policy we will review of waste management services in relation to management of closed landfill and waste transfer, including a review of waste disposal sites.	Slightly less maintenance for closed landfill sites each year. Adjustments to the methodology for transfer station use for collection authorities. Changes to household waste disposal sites. Additional disposal cost savings as a result of national policy changes.	33,317	65	270		335										Y	
Rights of Way and Countryside Sites	Review and changes to Rights of Way operations, including countryside management	The outcomes of this work mean it will take longer to deal with footpath diversions and enquiries from the public and local access groups. It may impact on our ability to maintain our rights of way network and essential repairs will take longer.	852	48			48										Y	
Highways	Do not replace Agency Asset Engineer post when current contract ends in September	This has always been a very difficult role to recruit to, hence the long term use of agency staff. We will endeavour to recruit a permanent member of staff to the post.	16,616	50			50										Y	
Economy Division (Service-Wide)	Review of economic development offer to reflect post Local Enterprise Partnership (LEP) environment, and service-wide vacancy management process	Whilst no funding for business case preparation and pipeline project development will compromise our ability to secure external funding, (including funding required to enable infrastructure for new development in local plans), reduction in resource will in part be mitigated by securing LEP transition funding from Government.	2,170	369	208	187	764										Y	
TOTAL Communities, Economy & Transport				1,553	621	374	2,548											

Governance Services - Proposed Savings			Net budget £'000	Savings £'000				Specific or disproportionate impacts relating to protected characteristics										
Service Area	Proposed Action	Likely Impact	2024/25	2025/26	2026/27	2027/28	Total	Age	Disability	Sex	Gender Reassignm	Ethnicity	Marriage / Civil	Pregnancy /Maternity	Religion / Belief	Sexual Orientation	No impacts identified	Further Information
Member Services and Policy	Reduction in staff	This proposal involves sharing administrative support across the Member Services and Policy Teams, resulting in decreased administrative support for both teams.	1,017	32			32										Y	
Performance, Research and Intelligence	Reduction in staff and non-staffing budgets	This proposal involves reducing the size of the current Performance, Research and Intelligence Team and the non-staffing budget for the team. The reduction will limit the performance improvement support provided by the team to other services under our corporate Best Value duty. It will also mean the team will have reduced capacity to support improvements to how we deliver analytics work across the Council. It is also proposed that the funding of the East Sussex in Figures (ESiF) site is reviewed and funded through the Public Health grant if possible.	529	99			99										Y	
Communications	Reduction in staffing and non-staff budget	This proposal reduces the size of the Communications Team and its non-staff budget. The reduction would mean the Communications Team would no longer be able to meet all service departments' current demand for campaigns and projects. These communications projects include work on web, design, marketing, media and social media and they support key activity by service departments. There would also be less support for internal communication so the Council's ability to keep staff informed and supported to do their jobs would be reduced. Savings would delete or reduce resources for public engagement and software.	1,211	62	63		125										Y	
Coroner's Service	Property costs	No negative impact, service improvement and reduced costs.	1,400	40			40										Y	
TOTAL - Governance Services				233	63	0	296											

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Equalities implications

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

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

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

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

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

This means that in setting the Budget, the three equality aims set out above must be considered as a relevant factor alongside financial constraints and all other relevant considerations. Members must consider the potential equalities impacts, as identified, of savings proposals (including any proposed amendments). Despite maximising efficiency and exploiting new ways of working, the business planning process for 2025/26 and beyond requires difficult choices to be made both within and between portfolios and services.

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

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

A high level assessment of the equality impacts of the proposed savings is set out within the table attached. Specific executive decisions as to how achieve savings within the agreed budget limit will be taken by the relevant portfolio holders and Directors, and shall be made based on a clear understanding of what the potential equality impacts of doing one thing rather than another will be. It will be open to Directors and Lead Members at the time of taking those decisions to spend more on one activity and less or none on another or, where necessary to go back to County Council and invite it to reconsider the allocation to different service areas.

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

Findings on possible impact from an overall review of savings proposals

The tables attached show the potential impact of the initial, suggested reductions in budgets for each department and highlights that the budget reductions will broadly impact most on the protected characteristics of age (older people and children / young people) and disability as people with these characteristics are most likely to be accessing the affected services. Other impacts are also identified on carers and people living in rural areas, with fewer impacts identified in relation to the other characteristics.

Members will need to ensure that the impacts on those sharing protected characteristics are considered when either revising or removing current services, or where services transfer to partner organisations. Additional work will be required to identify the

impacts on those sharing protected characteristics, which will take place as policies are developed, following the setting of the revenue budget.

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

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

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

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

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

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

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East Sussex County Council

Council Tax Precepts for 2025/26 (COUNCIL DRAFT)

	£	£	£
Gross Expenditure		1,138,234,000	
Income		558,619,000	
Net Budget			579,615,000
Business Rates & S31 Grants	34,633,000		
Business Rates Top Up	68,354,000		
Revenue Support Grant	4,452,000		
Services Grant	-		
New Homes Bonus	517,000		
Social Care Grant	59,640,000		
ASC Market Sustainability and Improvement Grant	11,312,000		
Children's Social Care Prevention Grant	1,485,000		
<i>Previous year's surpluses/(deficits)</i>			
Collection Fund Adjustment	- 122,805		
Council Tax Collection Fund	<u>4,870,000</u>		
		<u>185,140,195</u>	
			185,140,195
Council Tax Requirement			394,474,805
<i>Tax base (total equivalent Band D properties)</i>			211,282.4
Basic council tax			1,867.05
Therefore Council Tax per Category of Dwelling:-			
	<i>Proportion of Basic Council Tax</i>	<i>£</i>	
Band A	6/9	1,244.70	
Band B	7/9	1,452.15	
Band C	8/9	1,659.60	
Band D	9/9	1,867.05	
Band E	11/9	2,281.95	
Band F	13/9	2,696.85	
Band G	15/9	3,111.75	
Band H	18/9	3,734.10	
Precept to Each Billing Authority			
	<i>No of band D equivalent dwellings</i>	<i>£</i>	
Eastbourne	36,019.8	67,250,768	
Hastings	27,273.2	50,920,428	
Lewes	38,954.8	72,730,559	
Rother	39,685.9	74,095,560	
Wealden	69,348.7	129,477,490	
Total	<u>211,282.4</u>	<u>394,474,805</u>	

Schedule of Instalments for payment from Districts & Boroughs

11 April 2025
 22 May 2025
 30 June 2025
 05 August 2025
 11 September 2025
 17 October 2025
 24 November 2025
 02 January 2026
 09 February 2026
 17 March 2026

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Reserves and Budget Robustness Statement

1.0 Chief Finance Officer Statement on the Budget Robustness

- 1.1 Section 25 of the Local Government Act 2003 places a statutory duty on the “Chief Financial Officer” (Section 151 Officer) to review the Medium Term Financial Plan and comment upon the robustness of the budget and the adequacy of the reserves to be held by the authority when it is making the statutory calculations required to determine its Council Tax or precept. The authority is required to take this report into account when making that decision.
- 1.2 Section 26 of the Local Government Act 2003 places an onus on the Chief Financial Officer to ensure the authority has established a minimum level of reserves to be retained to cover any unforeseen demands that could not be reasonably defined within finalising the proposed budget.

2.0 Role of the Chief Finance Officer

- 2.1 Under Section 151 of the Local Government Act 1972 and Section 114 of the Local Government Finance Act 1988, the Chief Finance Officer (CFO) is responsible for the proper administration of the Council's financial affairs.
- 2.2 The statutory duties of the CFO are set out in the Constitution of the County Council. This includes the requirement to report to the County Council, Cabinet, and external auditor if the Council's expenditure is likely to significantly exceed the available resources.
- 2.3 The Chartered Institute of Public Finance and Accountancy (CIPFA) has published a statement on the Role of the CFO in Local Government. The Statement requires that, to ensure that they can operate effectively and perform their core duties, the CFO:
 - is a key member of the leadership team, helping it to develop and implement strategy and to resource and deliver the authority's strategic objectives sustainably and in the public interest;
 - must be actively involved in, and able to bring influence to bear on, all material business decisions to ensure immediate and longer term implications, opportunities and risks are fully considered, and alignment with the authority's financial strategy; and
 - must lead the promotion and delivery by the whole authority of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently and effectively.

To deliver these responsibilities the CFO:

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

3.0 Report of the Chief Finance Officer on the robustness of the 2025/26 budget proposal.

- 3.1 Whilst the budget has been prepared on a sound financial basis, following the Reconciling Policy, Performance and Resources (RPPR) process, and will deliver the proposed Council Plan, **the Council continues to face enduring financial challenges**. In presenting a balanced budget for 2025/26, I must advise that **£11.4m of service specific reserves have been used on top of the £13.5m of new savings, which impact on all departments**. Moreover, in setting a balanced budget for 2024/25, the Council undertook a planned draw of £14.3m from reserves, and a further estimated draw of £10.5m will be required to cover the projected overspend in 2024/25. The impact of the planned draws in 2024/25 and 2025/26 is to reduce useable reserves to levels whereby managing any emergent pressures in 2025/26 will challenge financial sustainability.

- 3.2 While the additional funding in the Provisional Local Government Finance Settlement is welcome, it is not sufficient to address the ongoing impact of increased service demands and high levels of inflation in prior years, together with the impact of increases in the National Living Wage (NLW) and increases in employers' national insurance contributions (NICs) on our providers, especially in social care. Whilst it is welcome to note the government's commitment to a fair funding review, business rates reform and multiyear settlements from 2026/27, unless the Council receives a significant and permanent increase in funding, the deficit, which is currently projected to be £37.4m in 2026/27 will continue to prove difficult to mitigate locally, and require an approach to the Ministry for Housing Communities and Local Government (MHCLG) for Exceptional Financial Support.
- 3.3 The **Adequacy of Earmarked Reserves** has been reviewed and whilst these are considered adequate to enable the council to set a balanced position for 2025/26, strategic reserves are projected to reduce to £6.2m by 2029, after taking into account the draws for 2024/25. This leaves very limited flexibility should further pressure arise in 2025/26, and the Council has had to abandon its usual approach of maintaining reserves to help future proof Council services from unforeseen risks.
- 3.4 The Revenue Budget has been formulated having regard to several factors including funding availability; risks and uncertainties; inflation; priorities; demographic and service pressures. As capital investment decisions have a direct impact on the council's revenue budget, particularly relating to borrowing costs, the Capital Programme has been subject to a risk review undertaken during 2024/25 aimed at minimising the level of borrowing required to fund the future programme, reducing pressure on the Medium-Term Financial Plan by an estimated £3.9m over the period to 2027/28.
- 3.5 In light of a substantial projected deficit forecast, Cabinet requested in June that officers explore areas of search for savings covering: discretionary and non-statutory preventative services; directly provided services; support services and back-office functions; and income generation. Departments have undertaken work to identify how savings could be delivered, guided by these areas of search and are assumed to be deliverable in presenting this budget.
- 3.6 As the development of the Council Plan and budget for 2025/26 has progressed, the position has been subject to reviews with Chief Officers, other Officers and Members, including Cabinet and Scrutiny Committees. Due consideration has also been given to reconciling the over-arching financial strategy with corporate priorities and hence all the proposals have been developed as an integral part of service planning.
- 3.7 Consideration has been given to unforeseen issues that could arise during the year and ensuring that those risks can be managed. The strategic risk register has been reviewed and an analysis of ESCC's financial position in the current year has been carried out, to identify direct impacts and risks that are inherent within the 2024/25 budget, which is significantly overspending. There are pressures on budgets from demand for social care placements and the ongoing impacts of inflation, which, following the Autumn Budget, the OBR now predicts will be higher than previously forecast, and the announcement of NLW and NIC increases impacting the social care provider market. There is also a risk that the Government funding available for the direct impact of employer's NIC increases on ESCC does not cover the cost. The County Council holds a general contingency of £5.3m within the base revenue budget to cushion the impact of unexpected events and emergencies in year.
- 3.8 Increasing the Council Tax will provide a more sustainable income to the Council which will help to mitigate some of this risk. Implementing the 2.0% Adult Social Care precept and the allowed 2.99% council tax increase (before triggering referendum) will support and help protect services that are already under significant pressure.

4.0 Reserves

- 4.1 The Council's (ESCC) approach to the management and accounting for earmarked reserves is set out in the Reserves and Balances Policy approved by Cabinet in September 2021, at Annex A. The Reserves have been reviewed using the principles set out in the Policy ensuring that they are reflective of the Council's strategic agenda and the current financial risks and issues the Council faces through the medium term.
- 4.2 It is crucial to bear in mind that the reserves are the only source of financing to which the Council has access to fund risks and one-off pressures over a number of years. If the Council minimises the level of reserves too significantly there is a risk that in future, the ability to properly manage unforeseen or one off costs will be significantly impaired. Reserves can only be spent once and the possibility of creating new reserves is limited in an era where budgets are tight and can become overspent, not just individually but corporately.
- 4.3 Reserves are a key element of the Council's financial management arrangements. Reserves can be broadly categorised as follows:
- **General Fund Balance** - a working balance to manage in-year risks if they cannot be managed via other mitigations. It is best practice for a well-run authority to hold such a balance to assist in delivering services over a period longer than one financial year.
 - **Earmarked Reserves** - funds that are held to meet known or anticipated future one-off requirements, facilitating transformation and the management and mitigation of future financial risk and uncertainty.
- 4.4 ESCC General Fund Balance and Earmarked Reserves are projected to total £82.3m as of 1 April 2025: a decrease of £41.9m against the actual reserves at 1 April 2024 totalling £124.2m.

Movements in year include:

- Priority Outcomes and Transformation (POT) – a net decrease of £4.3m, movements in 2024/25 shown in Table 2 below.

Table 2: Movements in POT Reserve 1 April 2024 to 1 April 2025

Description	Movement
County Hall project	(£1.8m)
Oracle implementation	(£0.6m)
Highways project	(£0.5m)
Various other movements not exceeding £0.5m individually (net)	(£1.4m)
Total Movement	(£4.3m)

- Financial Management (FM) – A net decrease of £29.4m, movements in 2024/25 are shown in Table 1 below.

Table 1: Movements in FM Reserve 1 April 2024 to 1 April 2025

Description	Movement
One-off use to balance budget	(£14.3m)
Q2 forecast draw to balance budget	(£10.5m)
2023/24 pay award provision	(£1.6m)
Connected Families project	(£0.8m)
Oracle implementation	(£0.7m)
Non-independent sector contract uplift 2024/25	(£0.6m)
Various other movements not exceeding £0.5m individually (net)	(£0.9m)
Total Movement	(£29.4m)

- 4.5 The current reserves position is summarised in the table below and shows the estimated balance at 31 March 2029 is now £51.3m. Of this £6.2m relates to available strategic reserves.
- 4.6 Total service and strategic reserves are projected to reduce to £18.8m by 2029, which takes account of the combined £11.4m draw from the Waste and Insurance Reserves to present a balanced budget for 2025/26. As a result of ongoing demand and inflationary pressures, and a lack of additional government funding, the cumulative deficit is projected to grow to £56.1m by 2027/28, which would significantly exceed the level of reserves available to balance the budget:

Table 3: Summary of Reserves

Reserves Balance (£m)	Balance at 1 Apr 2024	Estimated balance at 1 Apr 2025	Estimated balance at 1 Apr 2029
	£m	£m	£m
Earmarked Reserves:			
Held on behalf of others or statutorily ringfenced	31.3	26.1	22.5
Named Service Reserves			
Waste Reserve	19.5	19.3	7.4
Capital Programme Reserve	9.9	9.5	0.0
Insurance Reserve	7.4	7.4	5.2
Adult Social Care Reform Reserve	3.0	0.6	0.0
Subtotal named service reserves	39.8	36.8	12.6
Strategic Reserves			
Priority Outcomes and Transformation	7.3	3.0	1.9
Financial Management	35.8	6.4	4.3
Subtotal strategic reserves	43.1	9.4	6.2
Total Earmarked Reserves	114.2	72.3	41.3
General Fund Balance	10.0	10.0	10.0
TOTAL RESERVES	124.2	82.3	51.3

- 4.7 At 1 April 2025 the estimated Earmarked Reserves are as follows:
- 4.8 **Held on behalf of others or statutorily ringfenced** amount to £26.1m – most significantly this comprises £18.2m schools' balances which cannot legally be spent on ESCC activities, and ringfenced Public Health Reserve of £2.7m.
- 4.9 **Named Service Reserves** that are set aside to manage a specific financial risk, amount to £36.8m and comprise of a:
- Waste Reserve – to manage financial risks relating to the waste contract and legislative change. These risks are reviewed and managed through this reserve on a 4 year rolling programme; the reserve is shown as reducing to reflect emerging risks, which include but are not limited to reduced recyclate prices increasing disposal costs, reduced recycling during collection contractor transition in the next two years, and changes in law/compliance with waste regulations/contractor policy change. The Waste Reserve will be credited with ESCC's £4.8m allocation of the extended producer responsibility for packaging (EPR) funding in 2025/26.
 - Capital Programme Reserve – to support the Council's Capital Programme and to reduce the need to borrow, that has a consequential increase in pressure on revenue budgets.
 - Insurance Reserve – this is to fund insurance liabilities that have arisen over previous years, based on the liability estimated by the Actuary in 2024 and other local knowledge and represents estimates that may become payable in 2025/26 and beyond.

- Adult Social Care Reform Reserve – this reserve had initially been set up to support the financial risk of social care reforms proposed by the previous government. These reforms have now been superseded by the establishment of an independent Commission to transform care.

4.10 **Strategic reserves** are as follows:

- The Priority Outcomes and Transformation reserve – to fund the transformation programme to change, protect and improve Council services, and programmes that meet the Council's priority outcomes.
- A Financial Management reserve – to manage the potential financial consequences of risks recognised in the Council's risk management arrangements and the Chief Finance Officer's robustness statement, including the risk of the pay award being over that planned within the Medium Term Financial Plan. It also enables wider management of the medium-term financial strategy and the investment strategy.

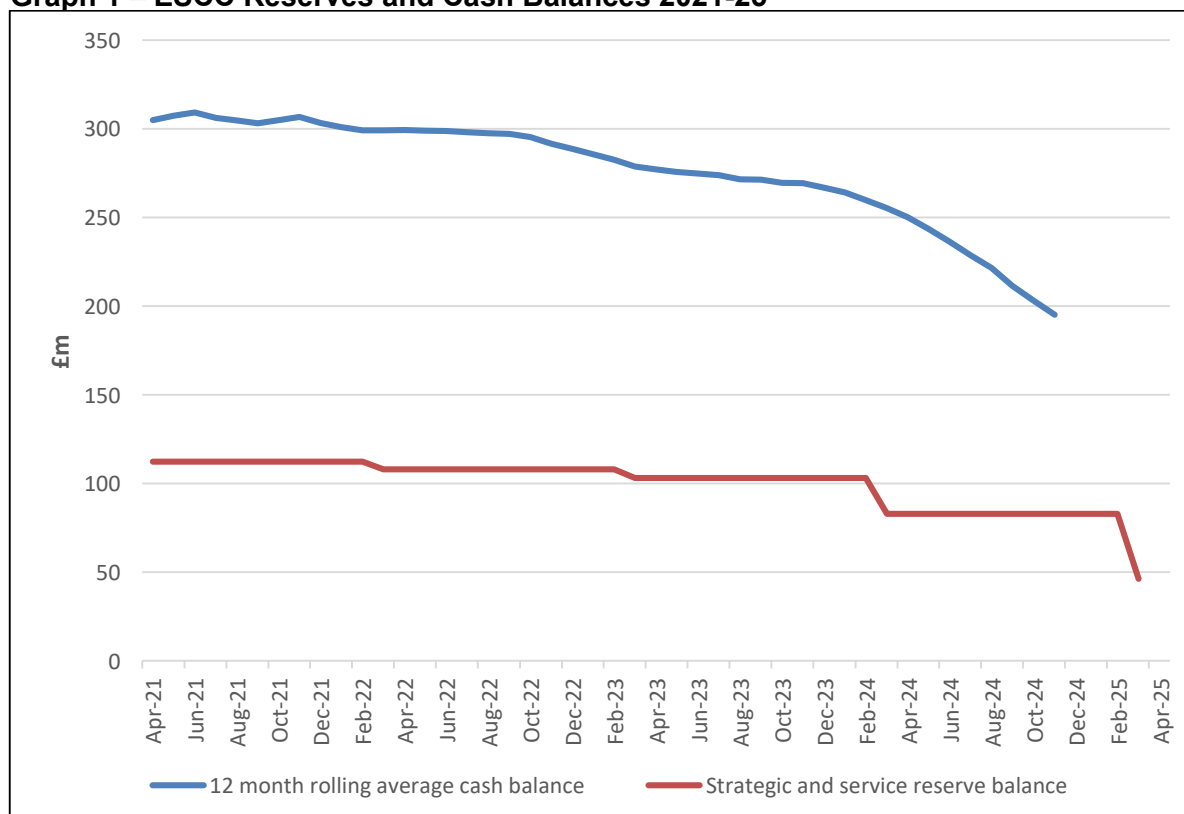
4.11 It is essential that we maintain sufficient reserves to weather ongoing financial uncertainty and the risk associated with reform of the system. It therefore continues to be a priority to, where possible, bolster the Financial Management reserve and the Priority Outcomes and Transformation reserve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

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

5.0 **Benchmarking and Performance Data**

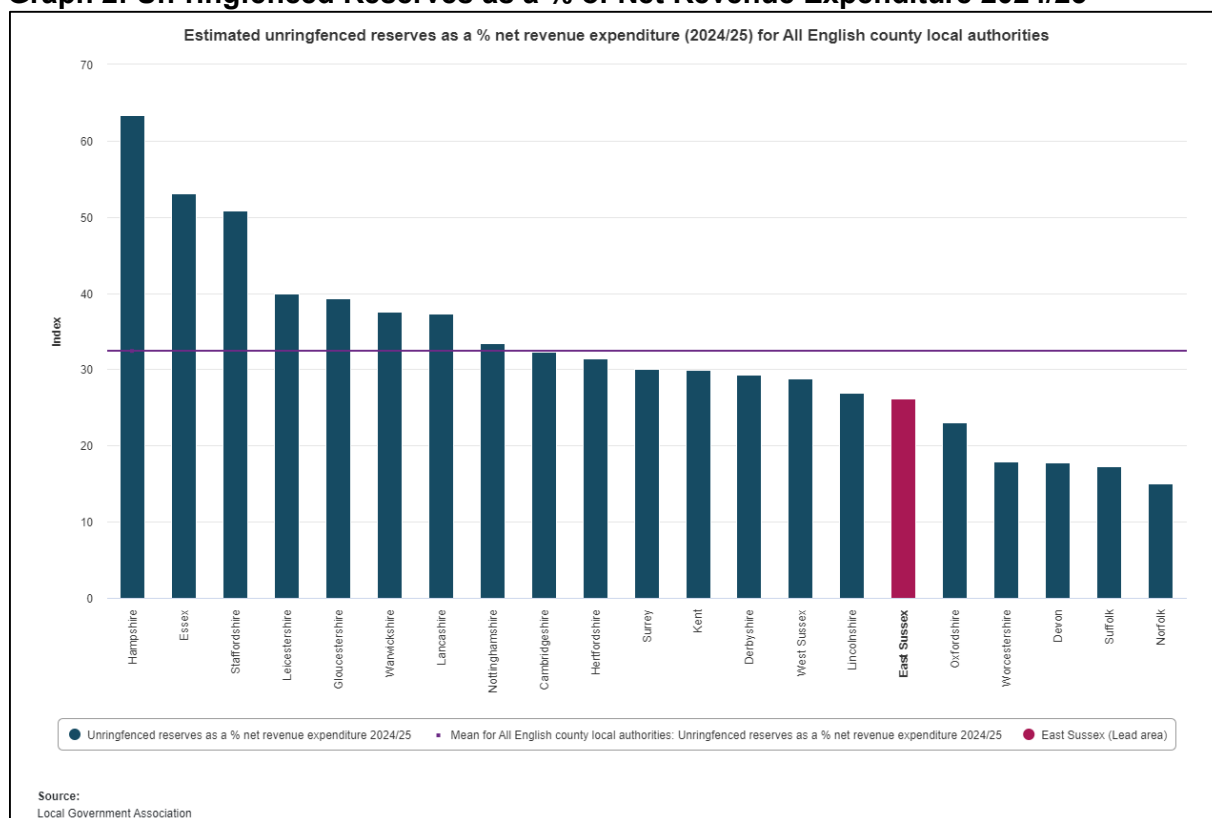
5.1 Recent years have seen a sharp reduction in the council's reserve and cash and short term investment balances. The graph below sets out the 12-month rolling average cash balances and total service and strategic reserves since April 2021. Reserves as at 1 April 2025 are estimated:

Graph 1 – ESCC Reserves and Cash Balances 2021-25



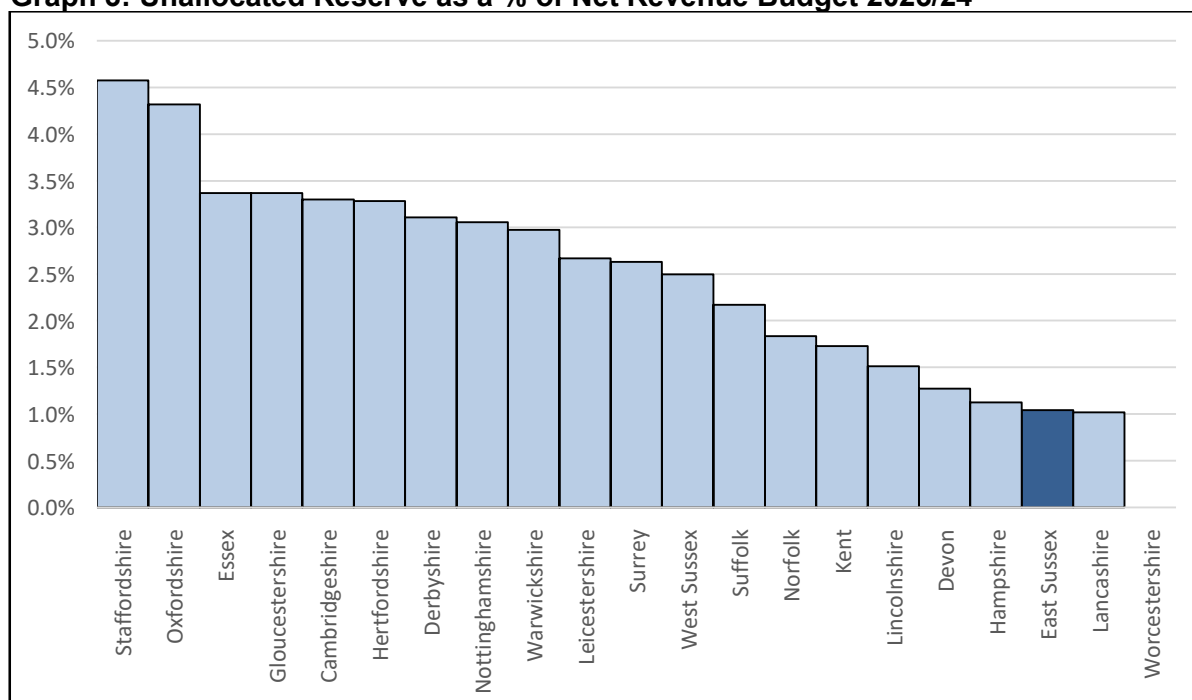
- 5.2 Graph 2 below shows the LGA's analysis of un-ringfenced reserves as a % of net revenue expenditure in 2024/25. The Council is placed 16th (5th in 2023/24) out of the 21 counties with available data, with reserves at 26% (42% in 2023/24) of net revenue expenditure.

Graph 2: Un-ringfenced Reserves as a % of Net Revenue Expenditure 2024/25



- 5.3 The CIPFA Resilience Index usually provides an indicator of the robustness and reasonableness of levels of reserves, and looks at the current level of unallocated reserve (General Fund) as a percentage of net revenue expenditure (NRE). The Index is not yet available for publishing, so published Revenue Outturn (RO) data for 2023/24 has been used to produce the graph below.

Graph 3: Unallocated Reserve as a % of Net Revenue Budget 2023/24



- 5.4 For the **General Fund Balance** there are two main approaches taken by Councils to determine their required minimum level; past guidance recommended that general fund should be equivalent to a certain percentage of an authority's budget but in recent years that prescribed level has been replaced by an assumption that finance officers will set aside an amount that they feel is appropriate given the levels of risk facing their authority.
- 5.5 Despite holding the third lowest percentage of General Fund compared to other county councils at 1.04%, it is still considered sufficient as, in addition, the Council holds a general contingency within the base revenue budget to cushion the impact of unexpected events and emergencies in year. This contingency is set at 1% of NRE less Treasury Management, which was £5.3m for 2023/24. If this contingency was included, the percentage for ESCC would increase to 1.59% which would put the Council at 7th lowest in the graph above.

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

Table 4: GF + GC as % of NRE

Estimated Budget (£m)	2025/26	2026/27	2027/28
General Fund (GF)	10.000	10.000	10.000
General Contingency (GC)	5.650	5.680	5.830
Total GF + GC	15.650	15.680	15.830
Net Revenue Expenditure (NRE)	591.064	623.461	657.777
GF + GC as a % of NRE	2.65%	2.51%	2.41%

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

Table 7: Financial Assessment of 2025/26 Risks

Risk	Potential magnitude	Estimate of potential impact	Magnitude
Growing demand for services in ASC Independent Sector.	ASC IS 2025/26 net budget £208.8m	5% increased demand over that already invested	£10.4m
Growing demand for services, particularly CSD LAC and Home to School Transport.	CSD LAC & HTST net budgets for 2025/26 £101.5m	10% increased demand over that already invested	£10.2m
Trajectory of growing SEND deficit is under-estimated	Borrowing Costs	Borrowing costs to fund SEND deficit higher than budgeted	£1.0m
Inflation on pay is more than the contingency of 2.5% due to pressure from unions and political commitment.	Each 0.5% increase is approx. £1.1m	0.5% additional increase	£1.1m
Inflation and interest rates higher than forecast, suppliers passing on cost of NIC and NLW increases	Inflation provided in MTFP £19.4m	5% increase in current provision.	£1.0m
Non achievement of Fees & Charges targets built into the revenue budget, due to post pandemic impacts and the prevailing economic climate.	Planned Fees & Charges for 2025/26 is £90.4m.	Underachievement of 5%	£4.5m
Promised government funding not sufficient to cover increases in National Insurance cost	Employee Costs Overspend	Estimated potential gap	£0.8m
Enduring impact of the rise in the cost of living on Business Rates and Council Tax collection rates.	Reduction in anticipated revenue from Business Rates and Council Tax.	Rates collected reduces by 1%	£5.0m
Changes in historic weather patterns may be being the potential for adverse weather conditions which may present the Council with additional unfunded costs. The impact of weather and other events as opposed to additional prevention cannot be quantified.	Historic winter maintenance spend is circa £1.1m.	10% increase in costs due to adverse weather	£0.1m
	Pressures due to unknown event impacts e.g. floods, fire	1% of insurance reserve at 1 April 2025	£0.1m
Challenge to achieve current savings targets given that the Council had already delivered £140m savings since 2010	Savings target for 2025/26 £13.5m	Underachievement of 5%	£0.7m

- 5.6 Taking everything into account, the General Fund Balance of £10.0m, is sufficient based on professional judgement which, given the level of risks, is a minimum general balance and remains lower proportionately than other shire counties. This is, however, considered adequate for 2025/26 on the basis that a balance of the strategic reserves remains available, as noted at 5.5, an in-year contingency is held.

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

Table 8: Medium Term Financial Plan Position

	2025/26	2026/27	2027/28
Estimated Annual Deficit / (Surplus)	£0.0m	£37.4m	£18.7m
Estimated Annual Deficit / (Surplus) – cumulative	£0.0m	£37.4m	£56.1m

5.8 We have used significant reserves to balance the budget in both 2024/25 and 2025/26, which will constrain the council's ability to use reserves to manage future financial risk.

5.9 Work will continue to identify risks and pressures. In addition, the effects of several national funding decisions will impact on the financial position, the timing of which is yet to be determined. These are significant areas of change that currently are not fully understood and cannot be fully quantified but will have potential significant financial impact, and include:

- Service performance and consultation, including:
 - Fair Funding
 - Business Rates reform
 - Children's Social Care
- The impact of the new government's revised distribution methodology, including targeted based on need aligned to deprivation
- The future funding of social care.
- Impact of new Government policies.
- Environmental targets, including the impact of Climate Emergency; and
- Geopolitical uncertainty leading to international trade issues, inflation and higher borrowing costs

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

Reserves and Balances Policy

1.0 Background

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

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

2.0 Types of Reserve

The Council will maintain the following reserves:

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

- 2.1 Earmarked reserves will be maintained as follows:

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

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

3.0 Principles to assess the adequacy of reserves.

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

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

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

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

4.0 Underspends

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

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

5.0 Use of reserves

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

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

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Appendix 7 – Feedback from Engagement Exercises

1. People Scrutiny Committee

People Scrutiny RPPR Board 05 December 2024

Present: Councillors Johanna Howell (Chair), Colin Besley, Anne Cross, Kathryn Field, Carolyn Lambert and Stephen Shing and John Hayling (Parent Governor Representative).

Summary comments for Cabinet

1.1. The People Scrutiny RPPR Board met on the 5 December 2024 and agreed comments to be put to Cabinet, on behalf of the parent Committee, for its consideration in January 2025. The information supplied to the Board to support its discussions comprised of:

- an RPPR Board overview report;
- the Ministry of Housing, Communities and Local Government (MHCLG) Finance Policy Statement;
- the draft portfolio plans for the Adult Social Care and Health (ASCH) and Children's Services Departments (CSD); and
- savings proposals for the services within the committee's remit.

1.2. The Board met before the provisional local government finance settlement 2025-2026 was published and therefore the Board was not able to comment in detail on the Council's budgetary position.

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

Financial outlook

1.4 The Board expressed its concern about the financial challenges facing the Council and recognised the need to take steps to reduce the budget deficit and continue its work on lobbying.

1.5 The Board discussed announcements in the Autumn Budget to increase employers' contributions to National Insurance (NI) and making higher than expected increases to the National Living Wage. The Board noted that although Government had announced local authorities would be compensated for increased NI contributions for directly employed staff, it was currently unclear how this would be funded and Members expressed concerns about the associated risks. Whilst the Board welcomed the increase in National Living Wage, in particular for social care workers, it expressed concern that this would generate additional financial challenges, particularly for ASCH in relation to care fees.

1.6 The Board also expressed concern about the impact of increases to NI contributions and the National Living Wage on self funders; partners, including the voluntary, community and social enterprise sector (VCSE); and care providers which could in turn increase demand for council services.

1.7 The Board discussed the Finance Policy Statement and although it welcomed announcements of some additional funding, including for adult social care, special educational needs and disabilities (SEND), and a new Children's Services Prevention Grant, Members expressed concern about how Government would apply its intention to target funding to local authorities with highest need and least ability to raise income from Council Tax. It was currently unclear how this would impact on East Sussex, and whether the Council would receive funding from the new targeted Recovery Grant, despite high levels of deprivation in some areas of the county, including rural areas. The Board noted that

additional SEND funding could potentially be targeted to local authorities with significant SEND deficits, to the detriment of East Sussex which is not currently in a deficit position.

Children's Services draft portfolio plan

1.8 The Board received an update from the Director of CSD on the draft CSD portfolio plan and the key developments and challenges facing the Department for 2025/2026.

1.9 The Board noted the range of responses to social care and SEND challenges reflected in the Department's plans and welcomed the Department's focus on prevention and Early Help, including through the ongoing use of Family Hubs, to manage demand.

Adult Social Care and Health draft portfolio plan

1.10 The Board received an update from the Director of ASCH on the draft ASCH portfolio plan and the key developments and challenges facing the Department for 2025/2026.

1.11 The Board recognised the impact of the changing demography in East Sussex, most notably the projected ongoing increase in the number of older people, including those with long term illnesses, which was contributing to increased pressures on local services and the ASCH budget. The Board welcomed the Department's focus on healthy ageing, as well as a wider work on prevention, to manage demand.

1.12 The Board welcomed the Department's ongoing work to manage the Care market and noted concerns about local care infrastructure not reflecting current need in East Sussex, including the demand for complex care for older adults with cognitive impairment and younger adults with complex and challenging needs.

1.13 The Board welcomed the Department's focus on supporting carers and recognised the significant contributions they make to East Sussex.

Children's Services savings proposals

1.14 The Board received an update from the Director of CSD on the Department's savings proposals.

1.15 The Board noted the range of savings proposals and supported the Department's focus on Early Help and prevention as a way to address the financial deficit, as well as improve outcomes, and welcomed the Department's approach to reducing the high costs in home to school transport.

Adult Social Care and Health savings proposals

1.16 The Board received an update from the Director of ASCH on the Department's savings proposals.

1.17 The Board supported the five priority areas to protect as far as possible identified by the Department in its search for savings, including support for carers.

1.18 The Board noted the active public engagement with ASCH savings proposals that had recently been out to public consultation but concluded that it was currently unable to comment on these proposals as the outcomes of the consultation process were not yet available. The Committee would consider detailed information, including analysis of consultation responses, at pre-decision scrutiny boards ahead of decision making in February 2025.

2. Place Scrutiny Committee

Place Scrutiny RPPR Board 09 December 2024

Present: Councillors Matthew Beaver (Chair), Julia Hilton, Ian Hollidge, Eleanor Kirby-Green, Philip Lunn, Steve Murphy, Paul Redstone, Stephen Shing and Brett Wright.

Summary comments for Cabinet

2.1 The Place Scrutiny RPPR Board met on the 9 December 2024 and agreed comments to be put to Cabinet, on behalf of the parent Committee, for its consideration in January 2025. The information supplied to the Board to support its discussions comprised of:

- an RPPR Board overview report;
- the Ministry of Housing, Communities and Local Government (MHCLG) Finance Policy Statement;
- the draft portfolio plans for the Business Services (BSD), Communities Economy and Transport (CET) and Governance Services (GS) departments; and
- savings proposals for the services within the committee's remit.

2.2 The Board met before the provisional local government finance settlement 2025-2026 was published and therefore the Board was not able to comment in detail on the Council's budgetary position.

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

Financial Outlook

2.4 The Board reviewed the Local Government Finance Policy Statement. The Board commented that given the Government proposals for a one-year financial settlement for 2025/26, it will be important for the Council to continue to lobby for a fair funding allocation that reflects the needs of the county, both in terms of the ageing population and areas of deprivation within the county, to feed into the fair funding review and subsequent multi-year settlements for local government funding.

2.5 The Board's general view was that the Council does not want to make savings in the service areas covered by the Place Scrutiny Committee but acknowledged that the Council is facing challenging financial circumstances and that some savings are necessary to address the budget deficit.

2.6 The Board also commented that how the Council manages savings going into the future will be very important.

2.7 The Board noted that the Local Government Finance Policy Statement did not cover capital funding for transport and highways infrastructure, which will also be important for the Council in maintaining its work in this area.

Business Services and Communities, Economy and Transport Portfolio Plans

2.8 The Board noted the impact of reduced resources on the performance measures and targets set within the draft Portfolio Plans. In some cases, it has been necessary to revise targets to reflect the performance levels that will be achievable, once financial pressures and the proposed savings have been taken into account.

2.9 In particular, the Board discussed changes in the following performance measure targets. For the Business Services Department this included:

- The level of unsecured debt over 5 months
- Economic, social and environmental value committed through contracts
- Reducing the amount of CO₂ emissions arising from County Council operations

For the Communities, Economy and Transport this included:

- The Percentage of Principal and Non-Principal roads requiring maintenance
- The Percentage of Unclassified roads requiring maintenance
- Lead Local Flood Authority advice provided to planning authorities
- Planning decisions performance measures
- The number of active interventions for vulnerable people who have been the target of rogue trading or financial abuse

Communities, Economy and Transport Savings Proposals

2.10 The Board discussed the composition of a number of savings contained within the savings proposals. For the Communities, Economy and Transport Department the Board examined the make-up of some of the larger savings proposed for the Economy Division and Waste services to understand the impact on these services. It also sought an assurance that the Trading Standards active intervention work on rogue traders and financial abuse/scams would continue to prioritise the most vulnerable people.

Business Services Savings Proposals

2.11 The Board discussed the progress in the review of the use of corporate buildings and in particular the work to reduce the operating costs of County Hall. It also reviewed the savings proposed for IT and Digital services.

3. Youth Voice Group Representatives

3.1 The Lead Member for Children and Families, the Lead Member for Education and Inclusion, Special Educational Needs and Disability (ISEND), the Chief Executive, the Director of Children's Services and the Assistant Director, Communication, Planning and Performance and officers met with the East Sussex Youth Cabinet, Children in Care Council (CICC), Care Leavers Council, and Young Special Educational Needs and Disability (SEND) Ambassadors on 11 January 2025 to discuss the County Council's budget setting process and young people's priorities for the year ahead.

3.2 A presentation was delivered by young people on the role of youth voice in decision making; with updates on the work of the Youth Cabinet, CICC, Young SEND Ambassadors and Care Leavers Council. A presentation was then delivered by officers on the Reconciling Policy, Performance and Resources process, the Council's priority outcomes, factors the Council considers in setting its budget each year, and the financial position and priority areas of work in the Council Plan for 2025/26.

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

Youth voice in lobbying

3.4 One of the groups discussed how young people could be involved with the campaign for fair local government funding. Young people and adults spoke of the importance of youth voice, and the different ways young people were involved with decision making, including through the Youth Cabinet, Children in Care Council, Leaving Care Council, Young SEND Ambassadors, and a Social Care Reference Groups. There was also a discussion on opportunities for young people to be involved with lobbying activity, including through the Youth Parliament and conversations with local MPs. Young people were keen to understand how lobbying worked locally, and welcomed opportunities to communicate to Government the unique needs of East Sussex, particularly in relation to wealthier parts of the South East. Officers noted successful previous meetings for East Sussex MPs with the Youth Cabinet and commented that these could be arranged again.

3.5 Young People suggested additional ways they could participate in lobbying activities, including through a video to East Sussex MPs, visits to government meetings, and through involvement with existing local campaigns and discussions.

Health and Wellbeing

3.6 One of the groups discussed how the Council was working with partners on health and wellbeing in the face of financial difficulties. Young people heard about the Council's work with partner organisations in the NHS and the voluntary sector and the particular focus on improving mental health and wellbeing. This had included working to improve information, advice and guidance for children, young people and families' mental health and wellbeing.

3.7 Young people commented on factors such as the use of social media, online information, the lasting impact of Covid, and the climate crisis that were contributing to increasing mental health needs in young people.

3.8 Young people and adults discussed the importance of early intervention and how to raise awareness of available advice on mental health support in schools and online. Young people commented that Family Hubs were an optimal place to provide information about support available to children and young people of all ages.

3.9 In a discussion on mental health support, young people commented that there was a preference for young people to use online platforms over telephone support and noted the long waiting list to access the SHOUT service. Long waiting lists for Child and Adolescent Mental Health (CAMHS) services were also discussed and one young person commented on a negative experience during the transition from child to adult support.

3.10 There was also a discussion on mental health support in schools. It was recognised that teachers did not have the specialism in mental health to support young people with specific needs, and this was the role of Mental Health Support Teams, however a young person asked if training for teachers to provide 'light touch' support could be provided.

Education, training and employment

3.11 One of the groups discussed how the Council was supporting young people to get into education, training and employment opportunities. Young people heard about the work of Skills East Sussex to ensure people develop the skills needed locally; this includes working in partnership with local employers and education providers. There was also work to support apprenticeships, career provision in schools, work experience and career events.

3.12 Young people commented on the need to ensure that opportunities are available to everyone. Some commented on the additional challenges around education and employment for children in care, including experiencing feeling singled out.

3.13 Young people noted their experiences of career support, including positive examples of work experience, career provision in school and support with training. There were also comments about some difficulties in applying for apprenticeships or placements, for example due to the need for a DBS check for a particular role.

3.14 There was a discussion on the changing economy and the impact this was having on the job market, with young people recognising future jobs could look very different to what opportunities were available now and the need for career provision to reflect this. There was also a suggestion of supporting children with Special Educational Needs and Disabilities (SEND) with career plans.

Inclusion in schools

3.15 One of the groups discussed how the Council was working with schools to create a positive and inclusive school environment. Young people heard about the increase nationally and locally of children with Education Health and Care Plans, and the significant increase in demand for special school placements, and work locally to respond to national forms, as well as work with local partners to support children with SEND.

3.16 During the discussion young people commented on some of the challenges in schools, including pressure on pupils during exams, staff recruitment, funding, training on SEND needs, inclusion of SEND pupils in mainstream activities, and the experiences of some minority groups. The significant role of teachers in creating an inclusive environment and building positive relationships was recognised, and the importance of considering the varying experiences of pupils was also noted.

3.17 Young people discussed how inclusion in schools could be improved, including through the use of after school clubs and alternative ways of learning, such as outside the classroom.

Open discussion

3.18 Young people, Members and officers also took part in an open discussion, with questions and discussions on a number of topics. Comments from young people during the discussion included the need to increase awareness of climate change from a younger age in schools, and a suggestion to create a climate change literacy qualification in secondary schools; the importance of safe placements for children in care, where young people had their own space and felt they belonged; wanting more provision of family support in the north of the county; and more information available about clubs and activities for young people. There was also a discussion about vaping, with young people commenting that this was a county wide issue with high numbers of young people vaping. It was felt that more regulation was needed, including in advertising, as well as increased efforts to raise awareness of the long term effects.

3.19 Young people were very positive overall about the event's discussions and welcomed the opportunity to hear from Members and officers and voice their concerns and experiences. There was feedback that at future events young people would like to hear more about how the Council budget is spent and its priorities.

5. East Sussex Wider Strategic Partners

4.1. The Leader, Deputy Leader and Chief Officers held a virtual meeting with representatives of the Council's wider strategic partners on 13 January 2025. 28 partner organisations were represented in the meeting, including public, voluntary and private sector organisations and service user groups.

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

4.3. The Chief Executive and Chief Finance Officer then delivered a presentation which provided an overview of the evidence base that underpins ESCC's Reconciling Policy, Performance and Resources (RPPR) planning for 2025/26; the national policy context and public service reforms planned for the year ahead, including the English Devolution White Paper; the anticipated financial position for 2025/26 onwards and steps being taken to address the deficit; and updates to the Capital Programme. The presentation explained that the Council was facing the most difficult financial outlook in its history and recognised that many partner organisations had similarly difficult financial positions. Although local authorities had received additional funding through the Autumn Budget Statement and provisional Local Government Finance Settlement, this fell short of the support needed to address nationally escalating pressures. The uniquely high levels of demand and deprivation in East Sussex compared with neighbouring authorities had not been reflected in funding allocations. In this context, ESCC had been forced to seek savings to reduce a large financial deficit in 2025/26. Savings proposals included in September's Cabinet papers, which were subject to public consultation, had been discussed with partners in October. A number of further proposals not requiring public consultation had since been put forward, with themes of reviewing and consolidating funding models, posts, and support programmes. As these proposals would not deliver sufficient savings to close the financial deficit, there would also be a need to draw significantly on reserves. This stark position would be unsustainable beyond 2025/26. ESCC would continue to lobby as strongly as possible for upcoming funding reforms to recognise the significant needs and limited resources in East Sussex. If further support from Government in future years was not forthcoming, ESCC would have to consider other options, including seeking Exceptional Financial Support.

4.4. Comments and feedback provided by partners following the presentation are set out below.

Economic growth

4.5 Partners welcomed ESCC's focus on sustainable economic growth, noting the important role of small businesses in East Sussex's economy. The Local Growth Board looked forward to working in partnership with ESCC to ensure the interests of small businesses were represented in work going forward, including on devolution. The Leader responded that ESCC's commitment to sustainable economic growth would have a major role in its upcoming work and recognised the important relationship between the health of the local economy and the level of pressure faced by the Council.

Use of reserves

4.6 Partners asked for further detail on the implications of the significant decrease in ESCC's reserves. The Chief Finance Officer responded that whilst reserves at 1 April 2025

were projected to be £82.3m, a number of ESCC's reserves were ringfenced for specific purposes (for example, Schools Balances and Public Health Grant), so there was no flexibility regarding how these were used. The budget for 2024/25 had included a draw of £14.3m from strategic reserves, and the forecast in-year overspend would require a further draw of £10m. This would leave ESCC with only £9.4m in strategic reserves going into 2025/26, which was a stark and unsustainable position to be in.

Savings proposals

4.7 Partners noted the difficulty of ESCC's financial position and asked for clarification on the extent to which the outlined savings proposals contributed to balancing the budget for 2025/26. The Chief Finance Officer responded that after taking account of income from Council Tax and Government grants, the deficit of £55m was reduced to £28.5m. The £16.2m worth of proposals represented the maximum possible contribution ESCC could make through savings to address this remaining gap. Assuming the delivery of these savings, this left a gap of £12.3m to be funded through a draw on reserves. As reserves could only be used once, this would transfer the deficit into future years. In light of this outlook, there was an acute need for local government funding reform to include an assessment of deprivation and need which recognised the unique challenges in East Sussex. The allocation of the new Recovery Grant in the provisional Local Government Finance Settlement had been focused on metropolitan borough authorities and ESCC would strongly respond to future consultations on funding reform to ensure the needs of the county were understood. Each 1% on Council Tax corresponded to around £3.75m in additional funding for ESCC and, without a referendum, Council Tax could only increase by a maximum of 5%. This therefore made it necessary for ESCC to take the additional measures to reduce the financial deficit.

4.8 Partners expressed concern about the savings proposal relating to drug and alcohol recovery services, specifically regarding the potential long-term impact on public health and law enforcement bodies. Partners asked what analysis had been undertaken of this impact. The Director of Adult Social Care and Health (ASCH) confirmed that ESCC had undertaken detailed impact assessments for all proposals, which would be presented to Cabinet alongside feedback from the public consultations, on 25 February. The Director emphasised that these were not savings the Council wished to make as they would have a significant impact on residents and partners. A key reason for this proposal had been higher spending per capita on these services than comparable local authorities. The Director confirmed that there was continued funding for rehabilitation and recovery services. The Leader recognised the impact of any savings but noted the Council's legal obligation to present a balanced budget.

4.9 Partners asked about the deliverability of the outlined savings proposals. The Chief Executive responded that ESCC carried out careful deliverability assessments of all savings proposals and confirmed that those presented this year were deliverable and subject to consultation to ensure the impact was understood before decisions were made.

4.10 Partners asked about anticipated additional demand as a result of specific savings proposals, such as the closure of day centres. The Director of ASCH responded that proposals would affect individual service users in different ways, but that ESCC would re-provision services where people had Care Act eligible needs. Where services had a significant preventative value, such as housing-related and drug and alcohol services, it was difficult to quantify the level of demand that would arise from savings. Moreover, it would be challenging to directly attribute an individual's Care Act eligible need to the withdrawal of a support service. However, once proposals were implemented, ESCC would work to identify

and monitor any increase in demand, and it was expected that all proposals would increase demand in the medium to long term. The Leader noted that ESCC maintained a strong focus on prevention, but that the financial situation presented a need to focus resources on meeting the Council's statutory duties.

4.11 Partners asked how ESCC planned to support the voluntary, community and social enterprise (VCSE) sector with increased demands for its services, including any increase resulting from the discussed savings proposals. The Director of ASCH responded that ESCC would continue to work with the VCSE sector as equal partners and with transparency and respect. ESCC recognised that escalated demand was a problem for the county as a whole and would work with partners to manage residents' expectations as to what the VCSE was able to provide. The strong partnership seen through the Commissioning Excellence programme exemplified the approach ESCC intended to take more broadly with the VCSE sector. ESCC would continue through this programme and through Partnership Plus to maintain an open dialogue with the VCSE sector as it sought to make best use of its resources.

Devolution

4.12 Partners asked whether devolution plans would mitigate some of ESCC's budgetary pressures and what the Council sought to achieve in its response to the English Devolution White Paper. The Leader responded that the White Paper represented a clear direction of travel from the Government and clarified that ESCC sought to join the Devolution Priority Programme to secure the Government support that this programme offered. He also clarified that this would not improve the financial outlook in the short term, however in the medium term, it was hoped that committing to devolution would allow ESCC to impress upon Government the true needs of the county and have a clearer role in shaping its ability to respond to them.

Family Hubs

4.13 Partners asked for an update on funding for the Family Hubs programme. The Director of Children's Services responded that ESCC had received confirmation of ongoing funding for the programme. This was, however, in the context that ongoing funding for other streams, including the Holiday Activities and Food programme (HAF), had not yet been confirmed, and work was ongoing to establish the overall outlook.

Partnership working

4.14 Partners commented on the importance of public awareness of the challenges in the public sector and suggested that communicating this in an understandable way could be achieved through a cohesive cross-partner message. There was also a need to measure the impact of reduced service provision across the county in order to evidence the consequences of insufficient resources. The Leader responded that ESCC's recent lobbying efforts had been strong, but that a collective message may resonate more effectively with local MPs.

4.15 Partners sought assurance about opportunities for partners to have open conversations with ESCC on how to make best use of resources. The Leader responded that ESCC had strong partnerships and expected partners to continue to engage in open and transparent dialogue with the Council. The Chief Executive added that partners were encouraged to contact Chief Officers or her if they had any concerns about their ability to communicate openly with ESCC.

4.16 Partners commented that it would be helpful to engage with non-council funded service providers to establish the degree to which service provision across the county was at risk.

4.17 Partners thanked ESCC for its ongoing openness and transparency with strategic partners in the face of severe financial challenges and fed back that they had found the presentation and discussion informative and helpful, welcoming the County Council's ongoing commitment to partnership working.

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

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 and within the resources available.
- 1.2 At Full Council in February 2024 the target led basic need capital strategy of 20 years, supported by a 10-year planned capital programme, was approved. The approved programme was further updated at State of the County in July 2024 to reflect the 2023/24 outturn, project and programme reprofiles and approved variations, revising the gross programme to £797.0m to 2033/34. For planning purposes, the first 3 years of the programme are considered approved, whilst the remaining years are indicative to represent the longer-term planning for capital investment.
- 1.3 The capital programme is funded from a number of sources, and can be split into the elements that are funded from identified specific sources (such as grants, developer contributions and earmarked specific reserves), and elements considered to be Core Council Funded. Core Council Funded relates to those projects funded from council resources that ultimately increases the Council's need to borrow.
- 1.4 The financial outlook for local authorities is increasingly challenging, with uncertain funding allocations, inflationary pressure on contracts and wages, increasing service demands and the impact of national reforms leaving much uncertainty about the Council's future financial position, with a large financial deficit being forecast as part of the RPPR planning process. Capital investment decisions have a direct impact on the council's revenue budget, particularly relating to borrowing costs, and are therefore to be considered in the context of their impact on the Medium Term Financial Plan (MTFP).
- 1.5 This update proposes changes to the Capital Programme outside of normal Capital Strategy updates, to reduce the level of investment of core council funded programmes that increase the Council's borrowing requirement. The recommendations made throughout this update are based on an assessment of risks and likely implications made by services of removing / reducing core funded programmes based on set criteria.

2 Capital Programme Update

- 2.1 Table 1 below summarises the gross movements to the approved capital programme since State of the County in July 2024 and proposed updates to be made in accordance with Capital Strategy principles and the risk-based review of the programme. The updates provide a revised capital programme of £713.9m, of which £229.3m is planned for delivery in the period between 2025/26 and 2027/28. The first three years of the programme over the MTFP period to 2027/28 are to be

presented for approval, whilst the remaining years to 2034/35 are indicative to represent the longer-term planning for capital investment. A detailed capital programme that reflects all the proposals outlined in this update is provided at **Annex A**.

Table 1 - Capital Programme Gross Expenditure Updates	Ref:	Current Year 2024/25 £m	MTFP Period			2028/29 to 2034/35 £m	Total £m
			2025/26 £m	2026/27 £m	2027/28 £m		
Approved Capital Programme (State of the County 2024)		108.305	116.650	67.960	72.251	431.879	797.045
Approved Variations	A	7.234	19.682	1.998	1.958	13.293	44.165
Capital Programme Reprofiles	B	(12.717)	11.578	(0.038)	0.000	0.000	(1.177)
Schools Basic Need / SEND	C	0.000	0.500	0.500	(4.981)	8.981	5.000
IT&D Programme	D	1.829	(1.467)	(1.827)	(6.433)	7.469	(0.429)
Capital Programme Extension	E	0.000	0.000	0.000	1.150	35.185	36.335
Capital Programme Risk Review	F	0.000	(16.185)	(14.547)	(19.418)	(116.871)	(167.021)
Total Updates		(3.654)	14.108	(13.914)	(27.724)	(51.943)	(83.127)
Revised Capital Programme		104.651	130.758	54.046	44.527	379.936	713.918
Capital Slippage Risk Factor	G	(20.068)	(18.278)	(7.337)	(3.924)	49.607	0.000
Approved Capital Programme (after Capital Slippage Risk Factor)		84.583	112.480	46.709	40.603	429.543	713.918

Normal Capital Strategy Updates

A Approved Variations

There is a gross increase to the programme of £44.2m relating to fully funded schemes having a net nil impact on the capital programme borrowing due to the identification of specific funding and receipt of formula grants in accordance with the Capital Strategy, as detailed in Table 2 below:

Table 2 – Approved Variations since State of the County 2024	Total £m
Core Programme - Schools Basic Need - funding from specific grant	0.165
Integrated Transport Schemes - A22 Corridor Package - funding from specific grant	2.143
Urban Tree Challenge - funding from specific grant	0.262
Hollington Youth Centre - funding from specific grant	3.412
Children's Services Essential System Developments - funding from a revenue contribution	0.103
Emergency Active Travel Fund - Tranche 2 - funding from specific grant	0.438
A22 North of Hailsham - decision to fund patching	0.118
Climate Emergency Works - funding from specific grant	(1.000)
Flood & Coastal Resilience Innovation Programme - funding from specific grant	0.212
Flood Management and SuDS in Schools - funding from specific grant	0.040
Safer Roads Fund - funding from specific grant	0.875
Hastings and Rother Skills Capital - funding from specific grant	1.000
Real Time Passenger Information - funding from identified developer contribution	0.220
Eastbourne/South Wealden Walking & Cycling Package - funding from identified developer contribution	(0.343)
Hastings Bexhill Movement and Access Programme - funding from identified developer contribution	0.628
Queensway Gateway Road - £2.5m funding from specific grant and £0.8m transfer from Highways and Street Lighting Programmes	3.358

Table 2 – Approved Variations since State of the County 2024	Total £m
Core Programme - Highways Structural Maintenance - £1m funding from Climate Emergency Works and £0.5k transfer to Queensway Gateway Road	19.492
Core Programme - Street Lighting and Traffic Signals - life expired equipment - transfer to Queensway Gateway Road	(0.313)
Bus Service Improvement Plan 2025-26 - funding from specific grant	4.555
IT & Digital Strategy implementation - Oracle Implementation - funded from reserve	8.800
Total Net Nil Approved Variations	44.165

B Capital Programme Reprofiles

The capital programme has been reviewed in line with the Q2 monitoring position and £11.5m has been re-profiled to 2025/26 and 2026/27.

C Schools Basic Need

There continues to be some degree of uncertainty over precisely how many school places will be required in the longer-term future and when, as this is dependent on local planning authorities developing their local plans to an extent that will inform and enable housing growth and for those developments to happen. The Schools Basic Need and SEND programmes have therefore been updated to reflect latest assumptions.

D IT&D Programme Update

This programme has also been subject to separate review and an extension of the programme by 1 year in accordance with the Capital Strategy. The programme now reflects the bringing forward of investment in Staff Technology Refresh, while re-profiling future years spend, reducing the overall requirement by £0.4m.

E Capital Programme Extension

The capital programme has been updated to extend the programme by a further year to maintain a 10-year planning horizon. This extends annual envelopes of funding for ongoing programmes of work and those fully funded by grants by one year into 2034/35.

G Capital Slippage Risk Factor

A capital slippage risk factor was applied to the capital programme from 2024/25 onwards to reflect likely slippage based on a risk assessment of historic levels of actual expenditure and slippage at a project/programme level, and has been updated to reflect the latest capital proposals. The risk factor is held at a corporate level to enable services / project managers to manage project budgets at a local level, whilst ensuring greater robustness to the planning and monitoring process at a corporate level.

Capital Programme Risk Review

F Capital Programme Risk Review

The Capital Strategic Asset Board (CSAB) conducted a capital programme risk review, starting from an assumed base position of reducing the capital programme at funded levels only. In other words, the remaining programme would be require no borrowing and provide the maximum level of potential MTFP savings. This would reduce the capital programme by £50.2m over the period 2025/26 to 2027/28. Services then considered the risks and implications of removing / reducing core funded programmes from the capital programme based on set criteria. The outcome of the review is summarised in the table and narrative below:

Table 3 – Capital Programme Risk Review		Reduction in Programme Investment (£'m)			Impact and Risk
Programme Description	Proposal	2025/26	2026/27	2027/28	
House Adaptations for Adults and Children's	Remove from capital programme and seek alternative funding source	(0.100)	(0.100)	0.000	Removal would have minimal impact given the low level of spend over recent years. Alternative sources of funding would be identified for future spend.
Special Educational Needs	Maintain at grant funding levels only	(0.185)	0.200	(0.500)	Risks the Council's ability to provide alternative provision and SEN places and puts additional pressure on revenue budgets.
Schools Basic Need	Reduce programme and retain at minimal level only to meet temporary school place provision	0.000	0.000	0.000	The approved programme is set at a level to deliver the council's statutory obligation to provided estimated school places.
Highways Structural Maintenance	Reduce programme to government grant levels only	(3.146)	(3.719)	(12.911)	The Council's ability to meet standards in road maintenance will reduce, with a potential deterioration of conditions, and increase risk of third party claims for damages.
Broadband	Reduce to funded levels only	(3.776)	0.000	0.000	No adverse impact providing project remains sufficiently resourced to close contract.
Newhaven Port Access Road	Remove funding from the capital programme and absorb any future costs from existing funded programmes	(0.030)	(0.665)	0.000	Works are substantially complete, with future years budget remaining for after scheme works.
Integrated Transport Schemes	Reduce programme to grant funded levels only	(1.492)	(4.269)	(2.491)	The scale and content of local transport improvements will reduce, risking the ability to deliver to strategic plans, accessibility and climate objectives.
Climate Emergency Works	Remove from the capital programme and seek alternative funding sources.	(4.206)	(4.137)	(3.166)	The Council's ability to meet Climate Emergency and Action Plan targets will be constrained (particularly in the short to medium term).
Stalled Sites	Remove from capital programme	(0.050)	(0.050)	(0.050)	Removal would result in inability to deliver the objectives and ambitions of our emerging Economic Prosperity Strategy, risking business investment growth in the County.
Economic Intervention Fund – Grants	Remove from capital programme	(0.300)	(0.300)	(0.300)	
Upgrading Empty Commercial Properties	Remove from capital programme	0.000	(0.007)	0.000	
Queensway Depot	Remove from capital programme subject to future review	(2.900)	(1.500)	0.000	This project will be deferred until further review.
Total Reduction Investment		(16.185)	(14.547)	(19.418)	

It was agreed to maintain the following core-funded programmes as the CSAB deemed that removing them would pose an unacceptable level of risk in meeting the basic need as set out in the Capital Strategy:

- Capital Corporate Building Improvement programme to ensure essential health and safety works are maintained and to support pressure on the Council's revenue reactive maintenance budget.
- Special Educational Need Provision at Grove Park as this was approved on an invest to save business case basis. Options to maximise external funding from developer contributions will be explored.
- Children's Services Essential System as this was subject to an approved business case.
- Bridge / Structure Maintenance and Street Lighting Replacement programmes as these are critical to maintaining public safety.
- Rights of Way Surface Repairs and Bridges programme as this provides essential health and safety works to ensure public safety in line with statutory duty, although seek to maximise funding from alternative sources (e.g. developer contributions) where possible.
- Libraries Basic Need programme as this is essential to maintain libraries in a safe condition.
- Gypsy and Traveller Site Refurbishment programme as this is required to ensure that the council continues to offer sites and amenity block facilities that are safe and meet the basic needs of our Gypsy and Traveller community.
- Investment in the Council's IT&D Strategy Implementation as this currently provides the essentials to protect against cyber intrusion, compliance and meeting IT equipment needs.
- Various projects funded by Local Enterprise Partnership Option 4 grant, as removal would result in the need to repay grant values; although seek to maximise funding from alternative sources (e.g. in-year grant underspends) where possible.

The risk review represents a significant change in the Council's strategy of capital investment by focusing on minimising Council borrowing. External funding opportunities will continue to be sought but only where 100% of the funding can be obtained.

3 Capital Programme Funding Update

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

Table 4 – Capital Programme Funding Update	Ref:	Current Year 2024/25 £m	MTFP Period			2028/29 to 2034/35 £m	Total £m
			2025/26 £m	2026/27 £m	2027/28 £m		
Gross Expenditure		84.583	112.480	46.709	40.603	429.543	713.918
Specific Funding	H	(29.230)	(48.400)	(3.817)	(1.209)	0.000	(82.656)
Specific Developer Contributions	I	(4.621)	(2.646)	(1.998)	(1.674)	(1.002)	(11.941)
Net Expenditure		50.732	61.434	40.894	37.720	428.541	619.321
Formula Grants	J	(25.772)	(29.530)	(29.330)	(30.919)	(208.370)	(323.921)
Capital Receipts	K	(4.802)	(3.950)	(2.248)	(2.198)	(4.424)	(17.622)
Reserves and Revenue Set Aside	L	(11.213)	(9.536)	(0.385)	(0.452)	(6.383)	(27.969)
Capital Reserve	M	(3.458)	(2.605)	0.000	0.000	(7.804)	(13.867)
Developer Contribution Target	I	0.000	0.000	0.000	0.000	(17.601)	(17.601)
Capital Programme Borrowing	N	5.487	15.813	8.931	4.151	183.959	218.341

H Specific Funding

The approved programme is supported by £82.7m of scheme specific grants and external funding which is sourced and managed by services at a project level. A breakdown of the main sources of specific funding in the MTFP period is set out in the table below:

Table 5 – Capital Programme Specific Funding	Funding	MTFP Period		
		2025/26 £m	2026/27 £m	2027/28 £m
Hollington Youth Centre	Hollington Youth Centre	2.710	0.039	0.000
Bus Service Improvement Plan - Bus Prioritisation	DfT Funding	16.895	0.000	0.000
Bus Service Improvement Plan 2025-26	DfT Funding	4.555	0.000	0.000
Exceat Bridge Replacement	Levelling Up Grant / National Productivity investment Fund	3.057	0.000	0.000
Hastings Town Centre Public Realm and Green Connections	Governments Towns Fund (via Hastings Borough Council)	8.930	0.000	0.000
Eastbourne Town Centre Phase 2b	Emergency Active travel Fund	2.376	0.000	0.000
Other Various Schemes	Various Funding Sources Not Exceeding £2m Individually	9.877	3.778	1.209
Capital Programme Specific Funding		48.400	3.817	1.209

I Developer Contributions

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

J Formula Grants Update

The capital programme is supported by £323.9m of non-specific government formula grant towards capital expenditure. Formula grant assumptions reflect best estimates but noting that there continues to be risk in relation to these grants as values for future years are still yet to be announced. The level of assumed formula grants will continue to be reviewed to ensure that they represent prudent estimates and updated once the detailed implications of any announcements are known, noting that changes in funding formula could change the level of grants anticipated and impact on the level of borrowing. In accordance with Capital Strategy principles, formula grants are used to fund the approved Basic Need capital programme and reduce the Council's need to borrow. A breakdown of formula grant funding over the MTFP period is set out below:

Table 5 – Capital Programme Formula Grants	Funding	MTFP Period		
		2025/26 £m	2026/27 £m	2027/28 £m
Core Programme - Schools Basic Need	Schools Basic Need Grant	0.000	0.000	1.589
Core Programme - Capital Building Improvements (Schools)	DfE School Condition Allocations	4.589	4.389	4.389
Special Educational Needs	DfE High Need Provision	1.000	1.000	1.000
Core Programme - Highways Structural Maintenance	DfT Highways Maintenance (including Potholes)	21.000	21.000	21.000
Other Integrated Transport Schemes	DfT Integrated Transport	2.941	2.941	2.941
Capital Programme Formula Grant Funding		29.530	29.330	30.919

K Capital Receipts

Property Services hold a schedule of capital receipts available to support the capital programme, which is reviewed regularly with estimates being based on Property Officers' professional judgment on a site by site basis. In accordance with Capital Strategy principles, the profile of capital receipt funding has been updated to prioritise funding towards assets with the shortest useful life, such as IT equipment, to reduce the requirement to borrow for assets that attract a greater annual Minimum Revenue Provision cost on the revenue budget.

L Reserves and Revenue Set Aside

The Council can use revenue resources to fund capital projects, where these have been approved as part of the budget setting process, an approved business case or approved variation. This includes specific reserves, payback from invest to save schemes and revenue contributions. The revised profile of reserve and revenue funding of the capital programme reflects the wider review of Council reserves to ensure usages provides best value.

M Capital Programme Reserve

The Council also holds a Capital Programme Reserve to support the capital programme to reduce the need to borrow, that has a consequential increase in pressure on revenue budgets. In accordance with Capital Strategy principles, the profile of capital reserve funding has been updated to prioritise funding towards assets with the shortest useful life, such as IT equipment, to reduce the requirement to borrow for assets that attract a greater annual Minimum Revenue Provision cost on the revenue budget.

N Capital Programme Borrowing

The updated capital programme has a total borrowing requirement of £218.3m, of which £34.4m is anticipated over the period to 2027/28. This presents a decrease in required borrowing of £47.3m over the period to 2027/28 compared to that reported in the State of the County 2024 due to the updates presented in this report, largely being the impact of the capital programme risk review, capital programme reprofiles and their impact on the slippage risk factor.

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

- 4.1 Decisions on future capital investment should be considered in the context of the impact on the Treasury Management (TM) capacity to fund the investment and the revenue budget position, whereby the cost of funding and Minimum Revenue Provision needs to be included within the MTFP. The proposed capital programme has been prepared to seek reductions in the Council's borrowing requirement to support the revenue budget position, whilst considering the level of risk associated to removing/reducing investment.
- 4.2 Current TM modelling for the direct costs of borrowing estimates that **for every £10m of additional borrowing, there would be an associated revenue cost of approximately £750,000 per year over the full life of the asset** (based on a 30 year asset life), although the value and profile of costs will vary dependent on a number of variables such as timing, internal balances and interest rates. As highlighted at budget setting in February 2024 the current planned programme borrowing requirement will need Treasury Management budget increases outside the current MTFP period.
- 4.3 The revised capital programme, including the impact of the capital programme risk review, would reduce the level of borrowing to £34.4m up to 2027/28, which is estimated to have a positive MTFP impact for cost of borrowing of £4.2m as detailed in Table 4 below. Treasury Management modelling takes a holistic approach considering a number of variable factors including availability

of cash balances and interest rates impacting borrowing costs and return on investments. Therefore any updates to the MTFP will consider the overall impact on the TM budget.

Table 7 – Cost of Borrowing Impact on the MTFP	MTFP Period			Total £'000
	2025/26 £m	2026/27 £m	2027/28 £m	
Normal Capital Strategy Updates	0.700	(0.100)	(0.900)	(0.300)
Capital Programme Risk Review	(0.800)	(2.000)	(1.100)	(3.900)
Total Impact on the MTFP	(0.100)	(2.100)	(2.000)	(4.200)

5 Risk Provision Update

- 5.1 A £7.5m ongoing risk provision was approved in February 2024 to mitigate against capital programme risks, representing more than 2% of the programme over the MTFP period. This risk provision is a permission to borrow for emerging risks and is managed through ensuring Treasury Management capacity rather than representing funds that are within the Council's accounts. Its utilisation, if approved by CSAB would, therefore, require additional borrowing and be reported through the RPPR process and quarterly monitoring in the normal way.
- 5.2 There are several risks and uncertainties regarding the programme to 2027/28 and beyond which have necessitated holding a risk provision. These risks previously reported include:
- Uncertainty about delivery of projects in the programme, e.g. highways and infrastructure requirements;
 - Any as yet unquantifiable impact of supply issues and cost increases;
 - Any as yet unknown requirements;
 - Residual project provision (previously removed) if required; and
 - Uncertainty regarding the level of government grants and the ability to meet developer contribution targets.
- 5.3 There may be increased risks following the proposed recommendations throughout this report, particularly relating to reductions in the capital programme. Potential risks include reputational, impact of service delivery and revenue budgetary implications. All recommendations have been made based on an assessment of risk against the level of borrowing reductions in an environment of significant revenue pressure. The level of risk associated to the capital programme and required risk provision will continue to be monitored as part of the ongoing RPPR process.

6 Capital Strategy

- 6.1 The CIPFA (Chartered Institute of Public Finance and Accountancy) Prudential Code includes the requirement for Local Authorities to produce a Capital Strategy. The Council's current Capital Strategy covers the period 2024/25 to 2044/45 and was approved as part of RPPR 2023/24. The Capital Strategy has been reviewed to ensure it continues to reflect emerging risks, principles and corporate priorities, and informed by decisions made as part of the RPPR process.

Annex A – Detailed Capital Programme

Detailed Capital Programme (Gross Expenditure)	Current Year 2024/25 £m	MTFP Period			2028/29 to 2034/35 £m	Total £m
		2025/26 £m	2026/27 £m	2027/28 £m		
Adult Social Care						
Older People's/LD Service Improvements (House Adaptations)	0.050	-	-	-	-	0.050
Learning Disability Supported Living Scheme	3.042	1.952	0.043	-	-	5.037
Greenacres	-	0.140	-	-	-	0.140
Adult Social Care Total	3.092	2.092	0.043	-	-	5.227
Business Services						
SALIX Contract	0.350	-	-	-	-	0.350
Lansdowne Secure Unit - Phase 2	0.039	-	-	-	-	0.039
Youth Investment Fund	7.003	-	-	-	-	7.003
Hollington Youth Centre	0.663	2.710	0.039	-	-	3.412
Hastings and Rother Skills Capital	1.000	-	-	-	-	1.000
Special Educational Needs	0.525	1.000	1.000	1.000	3.500	7.025
Special Educational Needs – Additional Places	1.300	11.000	3.390	1.430	-	17.120
Disability Children's Homes	0.024	-	-	-	-	0.024
Westfield Lane (delivered on behalf of CSD)	0.017	-	-	-	-	0.017
Core Programme - Schools Basic Need	0.518	0.400	0.512	0.460	60.149	62.039
Core Programme - Capital Building Improvements (Schools)	5.097	5.273	4.389	4.389	30.723	49.871
Core Programme - Capital Building Improvements (Corporate)	4.401	4.000	4.000	4.000	28.000	44.401
Core Programme - IT & Digital Strategy implementation	7.399	5.771	2.248	2.198	53.189	70.805
IT & Digital Strategy implementation - Oracle Implementation	9.634	8.800	-	-	-	18.434
IT & Digital Strategy implementation (utilising automation)	0.024	-	-	-	-	0.024
Business Services Total	37.994	38.954	15.578	13.477	175.561	281.564
House Adaptations for Disabled Children's Carers Homes	0.050	-	-	-	-	0.050
Schools Delegated Capital	1.150	1.150	1.150	1.150	-	4.600
Children's Services Essential System Developments	0.589	1.135	0.958	0.774	-	3.456
Children’s Services Total	1.789	2.285	2.108	1.924	-	8.106
Communities, Economy and Transport						
Broadband	0.065	1.945	-	-	-	2.010
Bexhill and Hastings Link Road	-	-	-	-	-	-
BHLR Complementary Measures	0.141	-	-	-	-	0.141
Economic Intervention Fund - Grants	-	-	-	-	-	-
Economic Intervention Fund - Loans	-	0.300	0.300	0.300	0.797	1.697
Growing Places Fund Loan Scheme	-	-	-	-	4.958	4.958
Stalled Sites	-	-	-	-	-	-
EDS Upgrading Empty Commercial Properties	-	-	-	-	-	-
Community Match Fund	0.123	0.322	-	-	-	0.445
Community Road Safety Interventions	0.129	0.418	-	-	-	0.547
Newhaven Port Access Road	0.135	-	-	-	-	0.135
Real Time Passenger Information	0.250	0.281	-	-	-	0.531
Passenger Services Software	0.005	-	-	-	-	0.005
Bus Service Improvement Plan - Bus Prioritisation	1.418	16.895	-	-	-	18.313
Bus Service Improvement Plan - Passenger Transport	1.251	-	-	-	-	1.251

Detailed Capital Programme (Gross Expenditure)	Current Year 2024/25 £m	MTFP Period			2028/29 to 2034/35 £m	Total £m
		2025/26 £m	2026/27 £m	2027/28 £m		
Communities, Economy and Transport continued						
Bus Service Improvement Plan 2025-26	-	4.555	-	-	-	4.555
Queensway Depot Development (Formerly Eastern)	0.003	-	-	-	-	0.003
Queensway Gateway Road	3.358	-	-	-	-	3.358
The Keep	0.130	0.082	0.085	0.152	0.628	1.077
Other Integrated Transport Schemes	3.412	4.340	4.818	3.523	20.587	36.680
Integrated Transport Schemes - A22 Corridor Package	2.143	-	-	-	-	2.143
A22 North of Hailsham	0.118	-	-	-	-	0.118
Exceat Bridge Replacement	2.980	3.240	-	-	-	6.220
Emergency Active Travel Fund - Tranche 2	0.130	0.308	-	-	-	0.438
Area-wide Traffic Management Scheme - Schools Streets	0.006	0.144	-	-	-	0.150
ATF Eastbourne Livable Town Centre	0.316	-	-	-	-	0.316
Hastings Town Centre Public Realm and Green Connections	0.400	8.930	-	-	-	9.330
Core Programme - Libraries Basic Need	0.725	0.598	0.467	0.449	0.898	3.137
Core Programme - Highways Structural Maintenance	20.317	8.487	12.800	12.800	97.800	152.204
Highways Structural Maintenance - Maintain Target	5.700	5.700	5.700	5.700	34.200	57.000
Highways Structural Maintenance - Increase Target	2.500	2.500	2.500	2.500	15.000	25.000
Safer Roads Fund	0.030	0.845	-	-	-	0.875
Core Programme - Bridge Assessment Strengthening	2.973	6.473	1.901	1.830	14.447	27.624
Bridge/Structures Assessment Strengthening - Essential Maintenance	0.100	1.300	1.000	-	-	2.400
Core Programme - Street Lighting and Traffic Signals - life expired equipment	1.146	1.964	4.179	1.791	14.040	23.120
Street Lighting - Backlog	2.200	2.200	-	-	-	4.400
Street Lighting - Reduced Requirement	-	-	(0.750)	(0.750)	(5.250)	(6.750)
Core Programme - Rights of Way Surface Repairs and Bridge Replacement Programme	0.588	0.643	0.662	0.702	5.780	8.375
Gypsy and Traveller Site Refurbishment	0.070	0.070	0.070	0.070	0.490	0.770
Visibly Better Roads	0.250	0.254	-	-	-	0.504
Local Electric Vehicle Infrastructure	-	2.698	1.843	-	-	4.541
Flood & Coastal Resilience Innovation Programme	1.212	0.747	0.683	-	-	2.642
Flood Management and SuDS in Schools	0.338	(0.080)	-	-	-	0.258
Urban Tree Challenge	0.022	0.122	0.059	0.059	-	0.262
Climate Emergency Works	2.218	0.058	-	-	-	2.276
Eastbourne Town Centre Phase 2a	0.821	3.004	-	-	-	3.825
Eastbourne Town Centre Phase 2b	2.696	2.376	-	-	-	5.072
Eastbourne/South Wealden Walking & Cycling Package	0.170	1.805	-	-	-	1.975
Hailsham/Polegate/Eastbourne Movement & Access Corridor	0.134	-	-	-	-	0.134
Hastings Bexhill Movement and Access Programme	1.053	3.903	-	-	-	4.956
Communities, Economy and Transport Total	61.776	87.427	36.317	29.126	204.375	419.021
Capital Programme Total	104.651	130.758	54.046	44.527	379.936	713.918

Equality Impact Assessment for CAPITAL PROGRAMME 2025-26 to 2045-46

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

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

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

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

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

This means that in setting the Capital Programme, the three equality aims set out above have to be considered as a relevant factor alongside financial constraints and all other relevant considerations. Due to the ongoing financial pressures the Council is facing, the current Capital Programme focusses on a strategy to deliver core need as efficiently as possible. As agreed, service developments and investment opportunities that are outside core need are required either to be match funded or produce a business case that demonstrates benefits. Approved bids are added to the programme in line with current variation policy and financial regulations. Members must consider the equalities impacts, as identified, of agreeing this Capital Programme. Specifically, Members need to take account of what the potential impacts of spending on this proposed programme will be for the communities in East Sussex, and take the same account of equality impacts if proposing

amendments or alternative spending. It will be open to Directors and Lead Members at the time of taking those decisions to spend more on one activity and less or none on another, with due reference to equality impacts. Where further assessment of equality impact is needed to assess more detailed plans, this has been indicated, and Directors and Lead Members will need to further consider these impacts and their implications for decisions.

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

Summary of equality assessment of Capital Programme proposals (also see attached EqlAs, as listed below)

Proposal	Equality assessment
Adult Social Care	
Learning Disability Support Living Scheme	<p>To inform the project an initial EqlA was created with involvement from the care provider and from the Community Learning Disability Team. This supported the way in which the Beckley Close clients were prepared for their move into temporary accommodation while the build was in progress, including ensuring continuity in staff support and familiarity with the temporary building.</p> <p>There were some unavoidable delays to the project and to minimise impacts, clients, parents and carers were kept updated, and clients' well-being and behaviour was evaluated on an ongoing basis. Clients' individual needs were continually monitored and assessed, and no specific equality impacts were identified. Phase 1 of the Supported Living project is now successfully complete, and clients have returned to their refurbished home providing a much-improved physical environment, offering security of tenure, embracing the ethos of supported living and providing access to and maximising community benefits that they are unable to access in a residential care setting. We have already been advised of some positive personal outcomes for the people supported at Beckley Close and some favourable feedback from families/carers.</p> <p>Lessons learned from the Beckley Close project will be applied to the Jasmine Lodge project, whereby clients have recently been supported to make the move to their temporary new homes. Again, fostering and maintaining positive partnership working continues to ensure a considered and planned transition.</p> <p>An EqlA has been completed for this proposal and is attached: 'A - Learning Disability Supported Living' (updated Nov 2024).</p>
Greenacres	<p>No disproportionate equality impacts are identified in relation to this funding. This funding is allocated for ongoing maintenance that ESCC is responsible for and also for specific adaptations required by new tenants to meet their identified needs. No further equality impact assessment is required.</p>
Business Services	

Hollington Youth Centre	The update to Hollington Youth Hub will improve facilities for local young people, providing a building with flexibility to offer more activities and support for more young people, with increased opening times. No negative impacts on people sharing protected characteristics are identified. An EqlA has been completed for this proposal and is attached: 'B - Grant funding for Hollington Youth Hub' (reviewed Nov 2024).
Special Educational Needs Provision	The EqlA for the schools' basic need capital programme includes information about the need for more SEND places. In addition, parents/carers and school communities were consulted on our SEND place planning strategy in May / June 2021. Respondents agreed with our priorities for provision and also identified further gaps in SEND provision across the county. A report on the findings of the consultation was shared with the East Sussex Parent and Carer Forum and posted on the ISEND local offer pages. The School Organisation Plan 2023 to 2027 sets out our SEND place planning strategy in further detail. An EqlA has been completed for this proposal and is attached: 'C - Schools Basic Need Capital Programme' (reviewed Jan 2025).
Special Educational Needs Provision Grove Park	The EqlA for the schools' basic need capital programme includes information about the need for more SEN places. In addition, we consulted parents/carers and school communities on our SEND place planning strategy in May / June 2021. Respondents agreed with our priorities for provision and also identified further gaps in SEND provision across the county. An EqlA has been completed for this proposal and is attached: 'C - Schools Basic Need Capital Programme' (reviewed Jan 2025). A full EqlA specifically for the Grove Park proposal will be undertaken at the stage of statutory proposals.
Schools Basic Need Provision	An EqlA has been completed for this proposal and is attached: 'C - Schools Basic Need Capital Programme' (reviewed Jan 2025).
Capital Building Improvement (Schools)	Work related to legislation, statutory requirement, health and safety and urgent repair work, as identified via the condition surveys and plans that ensure that schools are maintained at a minimum requirement. No EqlA needed as spend is prioritised according to agreed Capital Programme priorities.
Capital Building Improvement (Corporate)	Work related to legislation, statutory requirement, health and safety and urgent repair works. No EqlA needed as spend is prioritised according to agreed Capital Programme priorities.
IT & Digital Strategy Implementation	The IT & Digital Core Capital Programme provides the basic technology capabilities that support the underpinning functioning of the organisation. This programme funds activity that is described as Core Need. This means providing technology that enables staff to connect, collaborate and work efficiently from wherever they need to be whilst operating highly available, secure and reliable services to support the continuous working of everything else. An EqlA has been completed for this proposal and is attached: 'D - IT&D Core Programme' EqlA (reviewed Nov 2024).

IT & Digital Strategy implementation - Oracle Implementation	Finance, Recruitment, Procurement, Payroll and HR will all be adopting Oracle, a modern system that will provide the Council with a reliable platform for the administration of core Finance and HR processes. Via employee self-service (ESS), equalities data will be visible to the employee and enable them to update their data in real time, which means that equalities data is more likely to be up to date and accurate. At this stage no negative equality implications have been identified, but an ongoing review process means that any disproportionate impacts will be identified and further equality consideration will take place if needed. No further equality impact assessment is required at this time.
Children's Services	
Schools Delegated Capital	No disproportionate equality impacts are identified. Schools delegated capital is funding that comes into the LA for maintained schools and then delegated to each school via a formula to be used for small capital works. No further equality impact assessment is required.
Children's Services Essential System Developments	No equality impacts are identified. The aim is to ensure that ICT systems are fit for purpose for delivering modern council services in a digital era and protecting data. Improvements will enable better monitoring of people's legally protected characteristics to inform service delivery. No further equality impact assessment is required.
Communities, Economy and Transport	
Broadband	No disproportionate equality impacts are identified. Equality impacts were assessed prior to contract award for each of the three infrastructure delivery contracts (2013, 2015 and 2018) and prior to becoming a "top up" funder to DCMS's Gigabit Voucher Scheme (2020). No disproportionate impacts were identified, as eligibility is based on technical criteria relating to properties not occupiers. No further equality impact assessment is required. The project is now in contract closure and no further build will take place. ESCC remains a "top up" funder although the Voucher Scheme is currently on hold.
Economic Intervention Fund – Loans	No disproportionate equality impacts are identified. The ESI Loan fund is currently aimed at supporting existing businesses to grow or create employment. Loans are made to qualifying business entities not to individuals. No further equality impact assessment is required.
Community Match Fund	Equality Impact Assessments are completed for each project within this fund. Impacts may vary depending on the project funded. Funding for this scheme was agreed previously. Funding allocation is per agreed annual spend and follows agreed spend criteria.
Community Road Safety Interventions	No disproportionate equality impacts are identified. Allocation from the current Community Match underspend to provide community focused road safety interventions, based on two stage appraisal process and criteria. Criteria include

	assessment of location, including proximity to schools, GP surgeries, hospitals and shops where road users may be more vulnerable. No EqIA is needed.
Real Time Passenger Information	The project is an ongoing one, based on previously agreed principles. Impacts are positive in that the project aims to provide additional, accessible information to support people to access bus services. An EqIA has been completed for this proposal and is attached: 'E - Bus Service Improvement Plan' EqIA (reviewed Nov 2024).
Bus Service Improvement Plan - Bus Prioritisation	The improvements made by the BSIP aim to improve accessibility for all. There is an ongoing engagement mechanism, including with disabled users, through bus user groups and the Enhanced Partnership Forum. No disproportionate negative equality impacts are identified from the delivery of the Bus Service Improvement Plan and its associated schemes. An EqIA has been completed for this proposal and is attached: 'E - Bus Service Improvement Plan' EqIA (reviewed Nov 2024).
Bus Service Improvement Plan 2025-26	This is new funding and proposals have not been fully developed. An EqIA will be developed in 2025 to inform proposals and implementation.
The Keep	<p>No equality impact is required. There are four proposals:</p> <ol style="list-style-type: none"> 1. Internal/external building maintenance: No equality impacts are identified as there will be no changes to accessibility within the building. No further assessment required. 2. Building Maintenance System (BMS): No equality impacts are identified as the BMS regulates only temperature and humidity of building. No further assessment required. 3. Changes to order production software: No equality impacts are identified. Changes are to back-office systems only, not to customer ordering system. No further equality assessment is required. 4. Potential additional concession (income) contract making documents available online via an online genealogy provider. Positive impact on equality as it will make documents accessible to a larger audience.
Other Integrated Transport Schemes	EqIAs are completed for each project in this programme. Impacts may vary according to the detail of the project. Impacts and actions are identified in the specific EqIA for each project and Members can request these.
Exceat Bridge Replacement	Work on this project is ongoing and impacts identified in the EqIA remain accurate. An EqIA has been completed for this proposal and is attached: 'F - Exceat Bridge' EqIA (reviewed in 2023), and also 'G - Exceat Orders' EqIA (on the side roads orders and compulsory purchase orders), completed in June 2023.

Emergency Active Travel Fund - Tranche 2	With the agreement of Active Travel England, the Emergency Active Travel Fund (Tranche 2) has been re-allocated to the School Streets project (see below). An EqlA has been completed on this approach and will be used to support individual EqlAs on each specific project. It is attached: 'H – Schools Streets' EqlA (completed Nov 2024)
Area-wide Traffic Management Scheme - Schools Streets	<p>The aim of the School Street scheme is to support a healthier local environment near to schools, by making it safer and more enjoyable for everyone to walk, wheel or cycle to and from the school.</p> <p>This is achieved by restricting access to motor vehicles to the streets around the school during the peak school run times. Residents, and Emergency services are exempt from these restrictions. An EqlA has been completed on this approach and will be used to support individual EqlAs on each specific project. It is attached: 'H – Schools Streets' EqlA (completed Nov 2024)</p>
Hastings Town Centre Public Realm and Green Connections	As part of the Hastings Town Deal, the Hastings Town Centre Public Realm and Green Connections project looks to improve connectivity within the town centre, prioritise active travel and increase greening and biodiversity. An EqlA has been completed on designs for this proposal and continues to be reviewed and updated as the design progresses. It is attached: 'I - Hastings Town Centre Public Realm and Green Connections' EqlA (completed Jan 2024)
Libraries Basic Need	An EqlA and access audit will be completed for each of the two planned refurbishments once initial scoping has been completed. Opportunities to improve access to the buildings, review stock, and to increase accessibility will all be assessed and built into the developments, where feasible. As part of our customer-led design we aim to minimise disruption and impact to customers (as well as to our teams) as much as possible. We aim to positively impact the customer experience after a capital project to ensure that the library building, furniture and fittings are safe and in a good state of repair so that they are appropriate to provide the services they need to deliver.
Highways Structural Maintenance	No disproportionate equality impacts are identified. Maintenance of public highways and public rights of way across the county is a statutory requirement of the County Council under the Highways Act. Priorities are defined based on the overarching principle of 'Asset Condition', which is that the Council ensures that it is investing in its assets to maintain a basic level of condition, which allows the Council to deliver its Priority Outcomes, meeting any security and health and safety requirements. All potential projects are assessed against agreed criteria. No further equality impact assessment is required.
Safer Roads Fund	The schemes are nationally grant funded and will benefit road users through engineering interventions that improve safety. This scheme is expected to lower speeds, improve pedestrian facilities and to encourage active travel along the length of the A2101 that is covered by a 30mph speed limit. No disproportionate negative equality impacts are identified and no further equality impact assessment is required.

Bridge Assessment and Strengthening	No disproportionate equality impacts are identified. As traffic continues to increase on our roads there is requirement for a programme of bridge strengthening and replacement to ensure they remain safe. Priorities are defined based on the overarching principle of 'Asset Condition', which ensures the Council is investing in its assets to maintain a basic level of condition; allowing the Council to deliver its Priority Outcomes as well as meeting any security and health and safety requirements. All potential projects are assessed against agreed criteria. No further equality impact assessment is required.
Street Lighting Replacement Programme	No disproportionate equality impacts are identified. Programme ensures that street lighting is adequate and, as the existing stock comes to the end of its life, it is replaced with modern, energy efficient, technology that also addresses the issue of light pollution. Also ensures that the maintenance of traffic signals is adequate to meet the needs of maintaining safe roads and that meet the needs of all users. Priorities are defined based on the overarching principle of 'Asset Condition', which is that the Council ensures that it is investing in its assets to maintain a basic level of condition, which ensures the Council is investing in its assets to maintain a basic level of condition; allowing the Council to deliver its Priority Outcomes as well as meeting any security and health and safety requirements. All potential projects are assessed against agreed criteria. No further equality impact assessment is required.
Rights of Way Programme	No disproportionate equality impacts are identified. Programme maintains and protects the public's right to use the 2000 miles (3,500km) of footpaths, bridleways and byways in East Sussex. Priorities are defined based on the overarching principle of 'Asset Condition', which is that the Council ensures that it is investing in its assets to maintain a basic level of condition, which ensures the Council is investing in its assets to maintain a basic level of condition; allowing the Council to deliver its Priority Outcomes as well as meeting any security and health and safety requirements. All potential projects are assessed against agreed criteria. No further equality impact assessment is required.
Gypsy and Traveller Site Refurbishment	ESCC own and manage four permanent Travellers' sites and one transit site across the County. Gypsies, Roma and ethnic Travellers are racial groups as defined in s9 Equality Act 2010. ESCC is responsible for providing and maintaining communal amenity block facilities, including a kitchen and bathroom. Capital funding for a rolling basic refurbishment and maintenance programme is required to ensure that amenity block facilities are safe and meet the basic needs of our Gypsy and Traveller communities. No further equality impact assessment is required.
Visibly Better Roads	No disproportionate equality impacts are identified. Maintenance of public highways and public rights of way across the county is a statutory requirement of the County Council under the Highways Act. All potential projects are assessed against agreed criteria. No further equality impact assessment is required.
Local Electric Vehicle Infrastructure	Equality requirements have been considered and will be built into the specification. Disability is an area which needs to be considered as the location of charge-points on the pavement is likely to have an impact on pavement users, especially

	<p>where other street furniture may be present, and could be restricting for people with a mobility or visual impairment. Access to charge-points must also be considered to ensure that dropped kerbs and buildouts are provided where required to support Blue Badge spaces with EV provision particularly for wheelchair users. Consideration of these points will be built into the procurement specification, and follow the principles outlined in the publicly agreed specification PAS 1899 which provides guidance to support the building of an inclusive electric vehicle charging infrastructure in the UK. No further equality impact assessment is required.</p>
Flood & Coastal Resilience Innovation Programme	<p>The project monitors water levels to understand and then better manage flooding risk in the catchment area. Communications and engagement plans have been designed to identify, understand and be responsive to diverse people's needs. This includes reaching out to individuals and groups that may have been under-represented in the past, to ensure their views are included and considered; communicating across different platforms and using a wide range of methods; and following best practice in design and programming to reduce the barriers to involvement. An ongoing process of evaluation throughout the programme ensures any additional impacts are identified to improve engagement over time.</p> <p>An EqlA has been completed on the engagement and communications approach for this project. It is attached: 'J - Blue Heart Flood Resilience' EqlA (completed Jan 2025).</p>
Urban Tree Challenge	<p>No equality impact assessment required: The project is to plant trees on verges. Clear guidance is followed to ensure that planting does not create accessibility barriers: trees are selected that won't obstruct the footway if it is narrow, including for wheelchair users; don't affect sightlines at bends or junctions, or block a drivers view of traffic signs and signals; or affect access to bus stops. No further equality assessment is required.</p>
Climate Emergency Works	<p>No equality impacts are identified in this proposal because the Climate Emergency Plan (CEP) is a high-level plan and, as such, much of the implementation detail will be in plans and strategies that fit in below the main CEP and because the Plan will not have a direct impact on services provided to East Sussex residents. Individual EqlAs are being developed for specific sub-plans (eg. staff travel), where this is required and all identified impacts and mitigating actions are being addressed within these sub-plans. No further equality impact assessment on the CEP is required.</p>
Eastbourne Town Centre Phase 2a	<p>This project is specifically focused on a key Eastbourne town centre corridor between the junction of Cornfield Road and Terminus Road (known locally as 'Bankers Corner'), extending along Terminus Road to Langney Road and Bolton Road. The scheme consists of a complementary package of improvements, building on the already completed Phase 1 improvements. The development of the scheme aims to support and increase access to the town centre for all service users, by balancing the needs of local businesses, disabled users, cyclists and delivering a scheme within the funding available and to the highways design standards such transport and public realm schemes are required to meet. An EqlA has been</p>

	completed on designs for this proposal and continues to be reviewed and updated as the design progresses. It is attached: 'K - Eastbourne Town Centre Phase 2a' EqlA (completed Jul 2021).
Eastbourne Town Centre Phase 2b	This project forms part of the Eastbourne Town Centre Improvement and Access package. The main focus is on Terminus Road, which involves upgrading the existing pedestrianised area to provide a continuation of design features and enhancements as in Phase 1 and 2a of the Eastbourne Town Centre Improvement and Access package. An EqlA has been completed on designs for this proposal and continues to be reviewed and updated as the design progresses. The EqlA will be reviewed and updated in light of the Traffic Regulation Order consultation that concluded in October 2024. It is attached: 'L - Eastbourne Town Centre Phase 2b' EqlA (completed Oct 2022).
Eastbourne / South Wealden Walking & Cycling Package	The package primarily focuses on improving traffic congestion to support sustainable economic growth; supporting the growing demand for improved walking and cycling infrastructure in this area; increasing levels of cycling; and tackling health and wellbeing issues resulting from physical inactivity. This project builds on 5 previous schemes across Eastbourne and South Wealden. An initial EqlA was completed on the original overarching scheme in 2019. New, updated EqlAs for each of the revised and reprofiled projects will be developed alongside the detailed design task proposals to inform them and the construction phases.
Hastings / Bexhill Movement and Access Package	<p>EqlAs are developed for each scheme to identify specific impacts. The schemes all form part of the Local Growth Fund funding Hastings and Bexhill Movement and Access Package.</p> <ul style="list-style-type: none"> • HBMAP Albert Road Pedestrian Crossings: The project is a junction improvement scheme at Albert Road, Hastings. The purpose is to improve the safety of the crossings for pedestrians and create easy movement between the town centre and the seafront. See 'M - HBMAP - Albert Road' EqlA (completed Nov 2024) • Station Approach: The project is a junction improvement and pedestrian access scheme at Station Approach, Hastings. The purpose of the scheme is to make the crossings more desirable for pedestrians to increase usage and improve the safety of the junction for pedestrians and vehicles and to create easy movement between the train station and town centre. See: 'N - HBMAP – Station Approach' EqlA (completed Nov 2024) • Bexhill Cycle Route A: The project is a cycling and walking improvement scheme from the seafront by Collington Train Station to the North Bexhill development area (Worsham). The purpose of the scheme is to improve the active travel provision in Bexhill, improve safety for pedestrians and cyclists and encourage active travel by connecting the existing NCN2 and existing facilities at the Bexhill Enterprise Park with key locations throughout the town. See: 'O - HBMAP - Bexhill Cycle Route EqlA' (completed Dec 2024).

Capital Strategy 2025/26 to 2045/46



Document summary

With a scope of 20 years, the Capital Strategy 2025/26 to 2045/46 sets the framework in which the capital programme is planned and allows the Council to prioritise the use of resources to support the long-term priorities.

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1. Purpose of the Strategy

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

- 1.2 The Capital Strategy supports the Council Plan, which is our vision for a basic but decent level of service for East Sussex, in a difficult financial climate, set out under the following priority outcomes:
- Driving sustainable economic growth
 - Keeping vulnerable people safe
 - Helping people help themselves
 - Making best use of resources now and for the future
- 1.3 The Council Plan and Portfolio Plans 2025/26, which set out our priority and delivery outcomes for the coming year and our plans for delivering them, have been published online. The plans and budget reflect the increasingly challenging financial position facing the Council. This is due to the growth in need for statutory, demand-led, services for vulnerable children and adults, an escalation of costs, and national support and funding not meeting the new costs facing the authority.
- 1.4 The Capital Strategy prioritises investment in assets (see 2.4) that support the objectives of the Council Plan, whilst also acknowledging that capital investment decisions have a direct impact on the council's revenue budget, particularly relating to borrowing costs, and are therefore to be considered in the context of their impact on revenue budget and wider council financial position.
- 1.5 In order to reduce the cost of borrowing the [Reconciling Policy, Performance and Resources \(RPPR\)](#) report update on planning for 2025-26, reported to Cabinet in November 2024, proposed changes to the capital programme outside of normal Capital Strategy updates. The purpose is to reduce the level of investment in core council funded programmes and reduce the impact of borrowing on the Council's revenue budget. The recommendations made throughout the report are based on an assessment of risks and likely implications made by services of removing or reducing core funded programmes based on set criteria. The projected impact of this review is an annual reduction in borrowing costs of £3.9m by the end of the Medium Term Financial Plan period.
- 1.6 The aim of this Capital Strategy is also to ensure that all elected members fully understand the overall long-term policy objectives and resulting Capital Strategy requirements, governance procedures and risk appetite.

2. Technical Background

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

Legislation

Local Government Act 2003

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

Professional Codes

CIPFA Professional Codes

- Prudential Code 2021
- Treasury Code of Practice 2021

Guidance

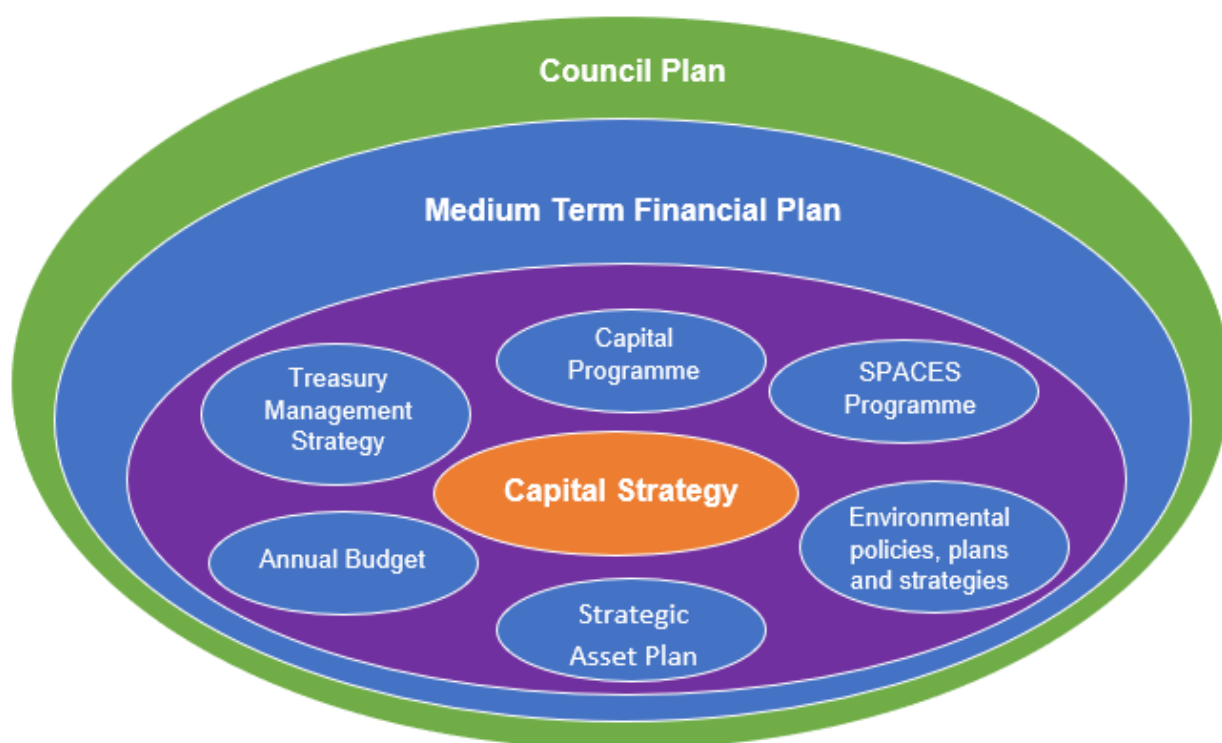
Government and CIPFA guidance

- Minimum Revenue Provision 2018
- Local Government Investments 2018

- 2.2 The Strategy is completed in line with best practice as outlined within the Chartered Institute of Public Finance and Accountancy (CIPFA) revised 2021 Treasury and Prudential Code, it:
- Applies a long-term approach.
 - Explores external influence on Capital Strategy e.g. Local Enterprise Partnership (LEP).
 - Examines Commercial activity/ambition.
 - Determines implications of Treasury Management Strategy.
 - Ensures Council Plan priorities drive capital investment.
 - Examines available resources and capacity to deliver.
 - Assesses affordability against ambition and address any gap.
 - Identify capital financing principles.
 - Demonstrate integration with other strategies and plans.
 - Produce a 10-year capital investment plan, with actions, timescale, outputs and outcomes; plus a 3-year funded programme in line with the Medium Term Financial Plan (MTFP).
 - Identify risks and mitigation.
 - Outline Governance, monitoring processes and procedures.
- 2.3 This Capital Strategy is reported separately from the Treasury Management Strategy Statement which ensures the separation of the core treasury function under security, liquidity and yield principles, and the policy and commercial investments usually driven by expenditure on assets.
- 2.4 An asset is a resource with economic value that the Council owns or controls with the expectation that it will provide a future economic benefit and which has a life of greater than one year. It includes lands, buildings, roads/infrastructure, heritage, plant, machinery and intangibles (e.g. computer software). It also includes grant and advances to be used for capital purposes, such as Disabled Facility Grants.

3. Reconciling Policy, Performance and Resources Framework

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



Name	Description
Council Plan	Sets ambitions and plans for each of the four overarching priority outcomes: driving sustainable economic growth; keeping vulnerable people safe; helping people help themselves; and making best use of resources now and for the future.
Medium Term Financial Plan	The Medium Term Financial Plan covers up to the next three years, it is updated each year to encompass any economic or political impacts.
Capital Planned Programme	The programme sets out for the coming 10 years the programme of capital investment that supports delivery of the Council's priority outcomes updated each year to maintain the 10-year horizon.
Annual Budget	The annual budget details the intended revenue (current) expenditure for the next financial year, it allows the Council to set its Council Tax rate for that year. Including any impact from planned investment.
Treasury Management Strategy	Setting out the acceptable limits on ratings, investment periods, amounts to be invested and the borrowing strategy.
Strategic Asset Plan 2020 to 2025	The key purpose of the Plan is to set the principles by which the Council manages its land and buildings, ensuring assets are used as effectively as possible and optimising an ongoing net income stream to the council. A new Asset Management Plan will be in place for 2025-2030.

SPACES Programme (Strategic Property Asset Collaboration in East Sussex)	'SPACES' is the <i>Strategic Property Asset Collaboration in East Sussex</i> . SPACES are a partnership programme made up of the County, District and Borough Councils, NHS Trusts, Emergency Services, NHS Sussex, Further Education, VCSE sector and other Government Department bodies representatives all within East Sussex. The Partnership aims to make best use of public sector assets and working together collaboratively where possible to deliver benefits in asset utilisation as well as other areas involving property, such as Net Zero, Regeneration and Housing, and Health and Social Care.
Environmental policies, plans and strategies	The County Council agreed its current Climate Emergency Action Plan in 2022 and is also a partner in the Environment East Sussex Board, which has developed an Environment Strategy for East Sussex.
Capital Strategy	With a scope of 20 years, the strategy sets the framework in which the capital programme is planned and allows the Council to prioritise the use of its resources to support the long term priorities.

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

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

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

4. Principles

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

- 4.2 The strategy sets the strategic direction for next 20 years and is supported by a 10 year planned programme. Published as a separate document, the Capital Programme will be updated annually through the RPPR process, to ensure that the Council continues to focus on the right priorities and is able to react to changes in circumstances.
- 4.3 The Prudential Code requires that authorities demonstrate that they make capital expenditure and investment decisions in line with services objectives and have proper stewardship arrangements, provide value for money, are prudent, sustainable and affordable.
- 4.4 To ensure that the Council meets the requirements, it will:
- **Ensure capital expenditure contributes to the achievement of the Council's Priority Outcomes.** Capital is considered annually as part of the RPPR process, which underpins the financial planning process;
 - **Ensure investment decisions make best use of resources.** A capital and treasury model is in place to ensure that the impact of capital expenditure and use of resources is understood and a holistic view taken;
 - **Have a clear framework for making capital expenditure decisions.** Basic need provides a platform that **must** be funded. Other decisions require a business case that meet certain criteria to be approved (see Appendix B);
 - **Ensure a corporate approach to generating capital resources is established.** The approach to providing funding for capital is set out in section 6 of this strategy;
 - **Prioritise the implementation of key risk management tools.** Including prudential indicators as part of the Council's Treasury Management Policy and Strategy and follow the core principles of the codes;
 - **Have access to sufficient long-term assets to provide services.** The Council uses statistical information, including population trends and housing development plans along with asset condition surveys and regular valuations of our assets to help plan long-term need.
 - **Ensure capital investments decisions are considered in the content of the Council's wider financial position.** Any investment decisions will be considered in the context of their impact on the Council's revenue budget and integrated into medium term financial planning as part of the RPPR process.
- 4.5 **Basic Need** - The strategy focusses on the delivery of basic need for the Council to continue to deliver our services as efficiently as possible. Basic need for the purposes of the capital strategy is provided below, and further detail is provided in in Appendix A:
- **Place:** ensuring we can deliver services by planning for future need.
 - **Asset Condition:** maintaining our assets to an agreed level.
 - **ICT Strategy:** ensure that our ICT is fit for purpose for delivering modern council services in a digital era and protecting data.
 - **Climate Change:** supporting the Council's aim of reaching carbon neutrality from our activities as soon as possible and in any event by 2050 in an appropriate and cost-efficient way and within the resources available.
- 4.6 **Investment Projects** - In addition to the basic need programme the Council will consider business cases where a clear payback, funding stream or future cost avoidance can be demonstrated. Any payback will reduce borrowing in the year it is received and contribute to the sustainability of the programme.

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

5. Capital Programme Expenditure

- 5.1 The Council's planned Capital Programme for the period 2024/25 to 2034/35 is set out at Appendix A, noting that the expenditure over the planned MTFP period to 2027/28 is presented for approval, whilst the remaining years to 2034/35 are indicative to represent the longer-term planning for capital investment. Capital investment is made to protect assets that support the priority outcomes of the Council Plan, as set out below. Investment decisions need to consider the current financial position of the Council and the revenue implications of increasing borrowing:

Driving sustainable economic growth

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

Keeping vulnerable people safe

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

Helping people help themselves

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

Making best use of resources now and for the future

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

6. Capital Programme Funding

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

- **Prudential Borrowing** – The introduction of the Prudential Code in 2004 allows the Council to undertake unsupported borrowing itself. This borrowing is subject to the requirements of the

Prudential Code for Capital Expenditure for Local Authorities. This has revenue implications for the Council in the form of financing costs, including Minimum Revenue Provision, which will be considered via the annual RPPR process.

- **External Grants for Specific Purposes** – these include grant allocations categorised for specific purposes to deliver specific schemes or outcomes. Where the Council is already funding a scheme or targeted outcome from council funding streams such as borrowing or capital receipts, then such grants will be used to reduce the use of council funding in the defined order outlined at 5.2.
- **External Grants for Non-Specific Purposes** – grant allocations for the delivery of the Council's capital plans (most often from government departments), that are categorised as non-specific. Any grants attracted are used to fund the approved Basic Need capital programme and reduce the Council's need to borrow.
- **Infrastructure Contributions (Section 106 and Community Infrastructure Levy) -**

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

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

Infrastructure Contributions represents an important source of funding as it can act to facilitate leverage of additional external funding crucial to meet the County's infrastructure requirements. The capital strategy will seek to maximise the use of Infrastructure Contributions to fund basic need requirements and unfunded infrastructure schemes (via net nil variation), and for future planning purposes, the capital programme will include a reasonable funding target for future years. This target has an inherent risk of not being secured, and will therefore be reviewed annually for reasonableness and, if necessary, actions taken to reduce the target whilst not increasing the need to borrow.

- **Other External Contributions** - Other organisations and partners such as may from time to time make a contribution towards the delivery of a specific capital project. The same principles will apply as to External Grants for Specific Purposes (see above).
- **Reserves and Revenue Set Aside** – The Council can use revenue resources to fund capital projects, where these have been approved as part of the budget setting process or an approved business case. This includes specific reserves, payback from invest to save schemes and revenue contributions (CERA).
- **Capital Receipts** – The Council can generate capital receipts through the sale of surplus assets such as land and buildings. The Council seeks to maximise the level of these resources, which will be available to support the Council's plans. This funding source will be prioritised to fund assets with the shortest useful life, such as IT equipment, to reduce the requirement to borrow for assets that attract a greater annual Minimum Revenue Provision cost.
- **Capital Reserve** – The Council has set aside funds in a reserve that can be drawn upon to fund capital schemes, however reserves can only be used once and therefore are a finite resource. The purpose of the Capital Reserve is to support the Council's Capital Programme and to reduce the need to borrow. This funding source will be prioritised where possible and appropriate to fund assets with the shortest useful life, such as IT equipment, to reduce the

requirement to borrow for assets that attract a greater annual Minimum Revenue Provision cost.

- **New Homes Bonus** – New Homes Bonus is a (non-specific) revenue grant given by Central Government to Councils which is based on the number of homes build or brought back into habitation in the previous year and is payable for four years. New Homes Bonus can be used to fund revenue or capital expenditure. This will be decided annually through the RPPR process.

- 6.2 The application of these funding sources to capital expenditure incurred during the year will be applied in the following order where possible to minimise revenue implications:
- a. Scheme specific income e.g. specific grants, S106 contributions, Community Infrastructure Levy and Other External Contributions
 - b. Reserves and Revenue set aside funding where agreed;
 - c. Non-Specific grants
 - d. New Homes Bonus
 - e. Capital Receipts
 - f. Capital reserve (dependant on allocations for any specific items of investment set aside for future years)
 - g. Borrowing
- 6.3 **Leasing** - Lease obligations are similar to borrowing as they have an ongoing revenue budget commitment. Leasing will be considered following due diligence over the life of the asset, comparing the financial and non-financial benefits and risks to the Council owning and delivering such assets itself.
- 6.4 **Flexible Use of Capital Receipts** – Capital receipts cannot usually be used to fund revenue costs under statutory guidance, however, in 2016 the government introduced a direction, that has since been extended, to enable local authorities to fund the revenue costs of transformation projects that generate ongoing revenue savings or reduce the cost of service delivery. This direction recommends that a council that intends to use this flexibility should produce a Flexible use of Capital Receipts Strategy setting out details of projects to be funded through flexible use of capital receipts prior to the start of each financial year. The Council does not intend to use this flexibility as it would limit the amount of funding available to fund the Capital Programme or increase the level of borrowing which would have revenue implications for the Council.

7. Environmental, Social and Governance (ESG) Considerations

- 7.1 Environmental, Social and Governance (ESG) considerations are relevant in capital decision making in order to support the Council's strategies. ESG requirements will need to be supported within the business case (see Section 4), and once approved, any capital items will enter the programme via the variation process.
- 7.2 In October 2019 the County Council declared a Climate Emergency and set a target of achieving carbon neutrality from its activities as soon as possible and in any event by 2050, in line with the new target for the UK agreed by Parliament in 2019. The County Council agreed a Climate Emergency Action Plan in June 2020. In accordance with the Climate Emergency Action Plan, where possible, officers will support these strategies through identifying a programme of energy efficient projects linked to capital programmes and embed low carbon outcomes in where appropriate in capital contracts.

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

8. Equalities Impact

- 8.1 Following the introduction of the Equality Act 2010 ('the EA') a public authority must, in the exercise of its functions, have due regard to the need to – (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the EA; (b) advance equality of opportunity between persons who share a relevant protected characteristic (as defined by the EA) and persons who do not share it; (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
- 8.2 The protected characteristics set out in the EA are age, disability, race, pregnancy/ maternity, religion or belief, sex, gender reassignment, and sexual orientation. Marriage and civil partnership are also protected characteristics for the purposes of the duty to eliminate discrimination. When making decisions the County Council also considers other matters such as the impact of rurality, deprivation and being a carer.
- 8.3 This means that in setting the Capital Programme, the three equality aims set out above have to be considered as a relevant factor alongside financial constraints and all other relevant considerations. The EA does not require a specific template or format for this assessment however, cases considering the public sector equality duty have held that an Equality Impact Assessment (EqIA) is the best way to demonstrate that the equalities impacts have been identified and considered.
- 8.4 Where a capital project is added to the Capital Programme, officers will demonstrate that the equalities impacts have been assessed and considered by carrying out an initial high level EqIA. This will identify whether a further EqIA is required if the proposal is agreed. Where EqIAs are in place for existing projects in the capital programme, these must be reviewed and refreshed annually as part of the RPPR process.

9. Debt, Borrowing and Treasury Management

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

- 9.2 The Local Government Act 2003 permits local authorities to borrow to finance capital expenditure provided that the plans are affordable, prudent and sustainable in the long term. The Treasury Management Policy and Strategy and the Capital Programme identifies a borrowing need. The treasury management function ensures that the Council's cash is organised in accordance with the relevant professional codes so that sufficient cash is available to meet the capital expenditure plans.
- 9.3 Under the Prudential Code and Treasury Management Code, the Council is required to set parameters around its borrowing and treasury activity, including an authorised borrowing limit for each year which cannot be breached. Additionally, when funding capital expenditure through borrowing, the Council is required to set aside a sum from revenue each year to repay the debt, known as the Minimum Revenue Provision (MRP).
- 9.4 To ensure the separation of the core treasury function under security, liquidity and yield principles (SLY), and the policy and commercialism investments usually driven by expenditure on an asset, the Capital Strategy is reported separately from the Treasury Management (TM) Strategy. Therefore, the debt related to the activity and the associated interest costs, payback period, Minimum Revenue Provision policy or for non-loan type investments, the cost against the current market value and the financial risks are part of the Treasury Management Policy and Strategy.
- 9.5 The proposed capital programme investment has consideration directly to the Treasury Management Strategy. A specific model developed for this purpose continues to be used and updated to remain current so that it remains responsive to any treasury management risks, such as interest rate volatility. Any borrowing required is within the limits set by the Treasury Management Strategy, which sets out the acceptable limits on ratings, investment periods, amounts to be invested and the borrowing strategy.
- 9.6 The Treasury Management revenue budget currently holds capacity due to the following items, but it is anticipated that this capacity will diminish and cease over time as the need to borrow to finance the capital programme increases.
- Capacity is held for a capital programme risk provision (approved annually as part of the RPPR process).
 - Slippage in the capital programme will create temporary capacity in MRP budgets.
 - The Treasury Management Strategy seeks to maximise return on investments (commensurate with the Council's risk appetite) and allow for an appropriate level of internal borrowing.

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

10. Investments for Commercial Purposes

- 10.1 Investments for commercial purposes are held primarily for financial return and are not linked to Treasury Management activity or directly part of delivering services. This includes non-financial assets such as commercial property, where they are held primarily for financial return.
- 10.2 The Council's Strategic Asset Plan 2020-2025 seeks to manage and maintain property effectively, efficiently and sustainably, together with optimising financial return and commercial opportunities from the rationalisation and disposal of land and building. In accordance with this objective, the Council will seek to optimise financial return and commercial opportunities in order to drive value for residents and businesses, whilst managing risk effectively and proportionately. The Council has a portfolio of commercial property assets valued at £12.1m

(as at 31st March 2023) with an annual net income of £0.3m (2022/23) which supports Council services.

- 10.3 In addition, the Council is able to provide third party loans and financial guarantees in order to enable external projects which support the Council's priority outcomes. The Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 direct that a loan to an external organisation to fund any expenditure that would be treated as capital expenditure if it were incurred by the local authority must be treated as capital. As a result, all loans to external parties are subject to the governance requirements of all capital expenditure incurred by the council in accordance with this Strategy.
- 10.4 In accordance the Treasury and Prudential Codes, the Council will not borrow for projects where the primary purpose is for commercial return.

11. Governance

- 11.1 The Council's constitution and financial regulations govern the capital programme as set out below:
- All capital expenditure must be carried out in accordance with the financial regulations and the Council's constitution;
 - Capital expenditure must comply with the statutory definition of capital purposes as defined within this document and wider financial standards;
 - The Capital Programme approved by Full Council as part of the Council's annual RPPR budget report sets the capital funding availability for the Council. This is updated and approved by Full Council as part of the Council's RPPR State of the County report;
 - All schemes are formally approved into the capital programme by following the process set out in the financial regulations;
 - With the exception of strategic projects supported by a business case, Basic Need will only be added to, or removed from, the Capital programme as part of the annual budget setting process or as part of State of the County. Any request outside of this process would have to be approved by Cabinet;
 - Officers are not authorised to commit expenditure without prior formal approval as set out in the financial regulations;
 - Each scheme must be under the control of a responsible person/project manager.
- 11.2 The Council has a Capital Strategic Asset Board (CSAB), a cross-departmental group consisting of officers from each service department, finance, property and procurement. CSAB oversees the development and delivery of the Council's capital programme.
- 11.3 Departmental Capital Boards/sub boards exist for the school basic need programme, Property Maintenance and related projects; Communities, Economy and Transport; and Information, Technology and Digital. There is also a CIL & Section 106 Working Group that reports to the CSAB.
- 11.4 In year, the Capital Programme is monitored and reported to the Corporate Management Team and then to Cabinet and Full Council, on a quarterly basis, as part of the Council's RPPR monitoring process.
- 11.5 Governance arrangements, including risk management (see section 12), will be reviewed to ensure that it remains fit for purpose and is in line with best practice.

12. Risk

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

- 12.2 The Council is exposed to a range of risks that could be triggered by local, national or global events resulting in, for example:
- Financial risks related to the investment of the Council's assets and cash flow, market volatility, currency etc.
 - Macroeconomic risks related to the growth or decline of the local economy, interest rates, inflation and, to a lesser degree, wider national and global economics.
 - A credit and counterparty risk related to investments, loans to institutions and individuals and counterparties in business transactions.
 - Operational risks related to operational exposures within its organisation, its counterparties, partners and commercial interests.
 - Strategic risks related to key initiatives undertaken by the Council such as significant purchases, new ventures, commercial interests and other areas of organisational change deemed necessary to help the Council meet its Priority Outcomes.
 - Reputational risks related to the Council's dealings and interests, and the impact of adverse outcomes on the Council's reputation and public perception.
 - Environmental and social risks.
 - Governance risks related to ensuring that prudence and careful consideration sit at the heart of the Council's decision-making, augmented by quality independent advice and appropriate checks that balance oversight and efficiency.
- 12.3 Managing the Council's risks is an area of significant focus for senior management and members, and the Council adopts an integrated view to the management and qualitative assessment of risk.
- 12.4 The Council aims to minimise its exposure to unwanted risks – risks that are avoidable and which carry no commensurate reward for the Council – through a range of cost effective mitigation strategies.
- 12.5 To ensure that risks to the delivery of the capital programme, a structured framework of planning and monitoring is maintained as detailed in section 11, which is intended to identify those schemes at risk of non or late delivery.
- 12.6 The Council maintains a contingency at a corporate level, to mitigate possible risks arising from the capital programme. Control of this contingency is maintained by the CSAB, which operates within the normal governance arrangements (see section 11).
- 12.7 As part of capital planning, a number of potential projects or needs for additional funding maybe identified, these are added to a register of such schemes, with the risks and impacts analysed. The CASB will review these on a regular basis and commission further work as necessary to bring the business cases forward if risk is deemed to have developed to a point where further action is required.

13. Skills and Knowledge

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

Appendix 1: Basic Need Definitions

Place

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

Schools Basic Need Programme

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

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

Special Educational Needs and Disability (SEND) Place Planning

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

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

Economic Development including Place Shaping

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

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

House Adaptations

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

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

Integrated Transport

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

Climate Change

To achieve the Council’s aim of reaching carbon net zero by 2050 at the latest in an appropriate and cost-efficient way, extensive works to decarbonise ESCC’s estates operations will be necessary. The capital strategy will support the delivery of energy efficiency improvements linked to its planned capital maintenance programmes for its assets including estate, infrastructure, vehicles and other assets. This will be achieved within available grant funding.

Asset Condition

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

Highways Structural Maintenance

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

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

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

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

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

Bridge Strengthening/Street Lighting/Traffic Signals

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

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

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

Rights of Way

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

Real Bus Information

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

Building Maintenance - schools

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

Building Maintenance – non schools

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

Libraries

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

Energy Efficient Projects

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

IT&D Strategy Programme

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

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

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

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

Appendix 2: Business Case Guidance

- B1. The Council does not prescribe how a business case should be made but a template is available for services to use as necessary. There are also some basic principles.
- B2. The 5-Case Business Case model, as recommended by HM Treasury, sets out some basic questions that all business cases should answer.

The Strategic Case

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

The Economic Case

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

The Commercial Case

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

The Financial Case

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

The Management Case

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

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Appendix 9 - Fees and Charges approval for those identified at Q3 2024/25 as part of RPPR

Dept	Service	Description	Current (£)	Proposed (£)	Movt (£)	Movt (%)
ASC	Blue Badges - charge for Local Resolution Orders	Local Resolution Order - admin fee (linked to cost of police speed awareness course)	100.00	150.00	50.00	50.0%
ASC	The Ferns - Learning Disability Supported Living	Core support - day (per week)	561.75	589.84	28.09	5.0%
		Core -support - night (per week)	230.65	234.40	3.75	1.6%
		Additional one-one support (per hour)	21.40	22.47	1.07	5.0%
ASC	The Martins - Learning Disability Supported Living	Core support - day (per week)	561.75	589.84	28.09	5.0%
		Core -support - night (per week)	230.65	234.40	3.74	1.6%
		Additional one-one support (per hour)	21.40	22.47	1.07	5.0%
ASC	Field Cottage and Cregg Na Ba - Learning Disability Supported Living	Core support - day (per week)	374.5	393.23	18.73	5.0%
		Core support - night (per week)	99.00	156.26	57.26	57.8%
		Additional one-to-one support (per hour)	21.4	22.47	1.07	5.0%
ASC	CSS Fieldwork Team - provision of support in the community, also includes night sleep-ins at Park Lane.	LD Community support Services average cost per hour (indicative)	21.4	24.47	3.07	14.3%
		Park Lane (nights only):				
		Additional one-to one support (per hour)	21.40	22.47	1.07	5.0%
ASC	Deferred Payment Agreements (DPAs)	Start up (Legal)	955.33	1,003.10	47.77	5.0%
		Start up (Bus ops)	80.51	83.73	3.22	4.0%
		Start up (FABA)	199.87	208.89	9.02	4.5%
		Start up (Brokerage)	22.21	23.10	0.89	4.0%
		Total start up	1,257.92	1,318.82	60.90	4.8%
		Annual Fee (Bus ops)	173.44	180.38	6.94	4.0%
		Annual fee FABA	322.01	336.50	14.49	4.5%
		Total annual fee	495.45	516.88	21.43	4.3%
		Redemption (Legal)	346.25	363.56	17.31	5.0%
		Redemption (Bus ops)	74.99	77.99	3.00	4.0%
		Redemption (FABA)	44.42	46.42	2.00	4.5%
		Total redemption	465.66	487.97	22.31	4.8%
ASC	Milton Grange - provision of Intermediate Care beds and Day services	Catering sales	3.40	5.00	1.60	47.1%
		Day Care charges - new clients from 1 April 20	50.00	53.50	3.50	7.0%
		Day Care charges - current capped clients	30.00	32.10	2.10	7.0%
ASC	Phoenix Day Centre - provision of Day services	Catering sales	3.40	5.00	1.60	47.1%
		Day Care charges - new clients from 1 April 20	50.00	53.50	3.50	7.0%
ASC	Learning Disability Day Care (Beeching Park with a satellite operation at Silverdale - Working Wonders; Linden Court; St Nicholas; Hookstead)	LD Day Care - session rate (up to 3 per day) - existing clients before 1st April 2020	16.05	16.85	0.80	5.0%
		LD Day Care - session rate (up to 3 per day) - new clients from 1st April 2020	26.75	28.09	1.34	5.0%
		Day Care Meals	3.40	5.00	1.60	47.1%
ASC	Learning Disability Respite (Grangemead; Greenwood)	Respite (per night)	88.00	92.40	4.40	5.0%
GOV	Democratic Services - school exclusions	Admin Fee	208.00	217.00	9.00	4.3%
		Review and set-up fee	468.00	487.00	19.00	4.1%
GOV	Democratic Services - School Appeals Academy Charges	Stage 1	55.00	58.00	3.00	5.5%
		Stage 2	180.00	188.00	8.00	4.4%
		Stage 3	280.00	292.00	12.00	4.3%
		Stage 3 (9th Appeal)	245.00	255.00	10.00	4.1%
GOV	Legal Services [NB: legal costs recovered and legal costs awarded are set by the courts]	Environment work (per hour)	210.00	246.00	36.00	17.1%
		Schools work (per hour)	81.00	84.24	3.24	4.0%
		Other work - solicitors (per hour)	91.80	95.47	3.67	4.0%
		Other work - other fee earners (per hour)	63.00	65.52	2.52	4.0%
		Blue Badge (per case opened)	350.00	364.00	14.00	4.0%
CSD	Graduate Leader Fund: Training Courses – Demand led the number of courses are planned based on data we have knowing how many people in the sector need training or refresher training. The sector	Practitioner (we keep the practitioner training cost lower than the DSL to ensure wider level participation)	25.00	30.00	5.00	20.0%
		Designated Safeguarding Lead – Initial training	65.00	80.00	15.00	23.1%
		Designated Safeguarding Lead – refresher training	55.00	70.00	15.00	27.3%
CSD	Buzz Active provides outdoor activities out of three locations in East Sussex, Bushy Wood, Eastbourne and Cuckmere. We run nationally accredited courses, taught by qualified instructors, for individuals, groups and families, for children from 6 onwards, for schools, and groups with special needs. Buzz also provides schools and educational establishments with advice and support, resources, training and planning for leading offsite activities.	Various course/sessions & client types	13.20-533.50	17.50-615.00	0.00-226.50	0.0%-75.0%
CSD	Buzz Active - Licence to Cuckmere Valley Canoe Club for the boat house at Exceat	Licence for use of boat house	1,628.00	1,700.00	72.00	4.4%
CSD	Performance Improvement: Training Courses – This service provides a range of training courses to maintained schools and academies across East Sussex. The non SLA training can be offered to private schools as well. As Crisis Management is not a traded service there is no SLA and non SLA pricing for this training. For Outdoor Education, schools that purchase the traded service benefit from reduced training rates (SLA) compares with schools that do not (Non SLA.)	Crisis Management Plan Overview via TEAMS (Acad & Maintained)	30.00	32.00	2.00	6.7%
		OE Emergencies on Offsite Visits (Non SLA)	200.00	208.00	8.00	4.0%
		EVC Non SLA (pp)	200.00	218.00	18.00	9.0%
		EVC SLA (pp)	140.00	150.00	10.00	7.1%
		EVC update Non SLA (pp)	150.00	166.00	16.00	10.7%
		EVC Update SLA (pp)	100.00	110.00	10.00	10.0%
		Visit Leader Non SLA (pp)	200.00	218.00	18.00	9.0%
		Visit Leader SLA (pp)	140.00	150.00	10.00	7.1%
		Bespoke Visit Leader Non SLA	500.00	520.00	20.00	4.0%

Dept	Service	Description	Current (£)	Proposed (£)	Movt (£)	Movt (%)
CSD	Data, Research, Information and Management: External Services to Schools	DS01 - combination of NoR x multiplier plus Addition:				
		Primary Multiplier	0.50	0.53	0.03	6.0%
		Primary Addition	120.00	128.00	8.00	6.7%
		All Through Multiplier	0.32	0.34	0.02	6.3%
		All Through Addition	200.00	215.00	15.00	7.5%
		Secondary Multiplier	0.19	0.21	0.02	10.5%
		Secondary Addition	290.00	310.00	20.00	6.9%
		DS04 COLLECT Pupil and Workforce Census Support – Primary & Special Academies	160.00	170.00	10.00	6.3%
		DS04 COLLECT Pupil and Workforce Census Support – Secondary Academies	320.00	340.00	20.00	6.3%
CSD	Governor and Clerking Service	GS01 (up to 100 pupils)	800.00	840.00	40.00	5.0%
		GS02 (up to 100 pupils)	502.00	527.00	25.00	5.0%
		GS01 (100+ pupils)	1,260.00	1,323.00	63.00	5.0%
		GS02 (100+ pupils)	836.00	878.00	42.00	5.0%
		GS01 - Secondary and Special	1,830.00	1,922.00	92.00	5.0%
		GS02 - Secondary and Special	1,202.00	1,262.00	60.00	5.0%
		GS01 - Primary and Special Academies	1,290.00	1,355.00	65.00	5.0%
		GS01 - Mixed, Special and Secondary Academies	1,874.00	1,968.00	94.00	5.0%
		Academies adding additional boards	250.00	263.00	13.00	5.2%
		Training courses	80.00	84.00	4.00	5.0%
CET	Registration - The Service is responsible for registering all births, deaths and still-births, and for registering and conducting all civil marriages and civil partnerships (CPs) that occur within East Sussex, in addition to providing citizenship ceremonies for all of the county's new British citizens. The team also retains responsibility for the custody of all registers dating back to 1837, and licences over 100 Approved Marriage Premises located across the county. [NB: * includes vat]	GRO Fee Certificate Of No Impediment (CONI) for marriage	39.00	42.00	3.00	7.7%
		Change of Name Deed*	42.00	49.00	7.00	16.7%
		Change of Name Deed (extra copy at the time)*	12.00	13.00	1.00	8.3%
		Change of Name Deed (extra copy at later date)*	27.00	30.00	3.00	11.1%
		Proof of Life Signing*	17.00	20.00	3.00	17.6%
		Document Certification up to 10 pages*	7.00	10.00	3.00	42.9%
		PD2	30.00	35.00	5.00	16.7%
		Guest DSR	50.00	60.00	10.00	20.0%
		Ceremony Amendment Fee	35.00	40.00	5.00	14.3%
		Peak Demand Day Surcharge (BH Weekends)	165.00	180.00	15.00	9.1%
		Ceremony Personalisation Appointment (Mon-Fri)	35.00	50.00	15.00	42.9%
		Non-Stat Ceremony* (at RO/AMP)	395.00	430.00	35.00	8.9%
		Non-Stat Ceremony* (non-licenced venue)	495.00	530.00	35.00	7.1%
		Two Part Bolt On Ceremony*	195.00	220.00	25.00	12.8%
		AMP Licensing (3 years)	2,395.00	2,495.00	100.00	4.2%
		AMP Licensing Additional Room and Outdoor Space (3 years)	350.00	375.00	25.00	7.1%
		Register Office Marriage/CP Fees Monday-Thursday				
		Tier A Hookstead	225.00	250.00	25.00	11.1%
		Tier B - Mayors Parlour/Rossetti Room/Southbourne Suite	460.00	485.00	25.00	5.4%
		Tier D - Ainsworth Room	560.00	590.00	30.00	5.4%
		Register Office Marriage/CP Fees Friday-Saturday				
		Tier B - Mayors Parlour/Rossetti Room/Southbourne Suite	540.00	565.00	25.00	4.6%
		Tier C - Evelyn Room/Newton Room/Winterbourne Suite/Council Chamber/Court Room	590.00	620.00	30.00	5.1%
		Tier D - Ainsworth Room	640.00	675.00	35.00	5.5%
		Register Office Marriage/CP Fees Sunday				
		Tier B - Mayors Parlour/Rossetti Room/Southbourne Suite	540.00	565.00	25.00	4.6%
		Tier C - Evelyn Room/Newton Room/Winterbourne Suite/Council Chamber/Court Room	590.00	620.00	30.00	5.1%
		Tier D - Ainsworth Room	640.00	675.00	35.00	5.5%
		Register Office Marriage/CP Fees Bank Holidays				
		Tier B - Mayors Parlour/Rossetti Room/Southbourne Suite	780.00	820.00	40.00	5.1%
		Tier C - Evelyn Room/Newton Room/Winterbourne Suite/Council Chamber/Court Room	825.00	865.00	40.00	4.8%
		Tier D - Ainsworth Room	875.00	915.00	40.00	4.6%
		Marriage/CP Fees at a licensed venue				
		Monday-Thursday	660.00	700.00	40.00	6.1%
		Friday-Sunday	660.00	700.00	40.00	6.1%
		Bank Holidays	895.00	950.00	55.00	6.1%
CET	Trading Standards protects consumers and traders in East Sussex. The service enforces government	Accredited Financial Advisor Advice	95.00	100.00	5.00	5.3%
		Primary Authority (External Consultancy)	1,900.00	2,000.00	100.00	5.3%

Dept	Service	Description	Current (£)	Proposed (£)	Movt (£)	Movt (%)
CET	ROW & Countryside Parks - Various income streams at resulting from enforcing Rights of Way access and income from activities at our Countryside Parks.	Fishing permits	27.00	30.00	3.00	11.1%
		Fishing permits	11.00	15.00	4.00	36.4%
		Rights of way temporary closures usually due to a utility company or major development requiring to work on/access to a path	253.00	265.00	12.00	4.7%
		Rights of way temporary closures usually due to a utility company or major development requiring to work on/access to a path	940.00	980.00	40.00	4.3%
		An additional hourly charge out rate is applied in complex temporary closure or development cases (e.g. to cover staff site meetings, additional notice posting etc.)	64.00	67.00	3.00	4.7%
		Land Charge Fees for CON29 (Q2.2, 2.3, 2.4)	21.00	36.00	15.00	71.4%
		Land Charge Fees for CON29 (Q22.1, 22.2)	21.00	22.00	1.00	4.8%
		RoW s31 deposit	416.00	534.00	118.00	28.4%
		RoW s31 declarations for renewing declarations	190.00	200.00	10.00	5.3%
		RoW s31 declarations for additional optional documents	63.00	66.00	3.00	4.8%
		Public Path diversions - S.119 Highways Act	2,800.00	3,799.00	999.00	35.7%
CET	Transport Development Control. The team is responsible for: -Providing highway authority advice in the preparation of Local Plans by Borough & District Councils; -Site supervision and management of developer led improvement schemes and development; -Providing the statutory highway comments on planning applications and pre-application enquiries; -Presenting evidence at appeals; -Securing development transport contributions and highway improvements; -Travel Plans, negotiating Section 38/278 agreements; -Responding to Local Land Charge Searches; -Maintaining the Highway Terrier, and producing highway land information; -The team also provides Section 184 licences for dropped kerbs and new accesses.	Highways Act also includes Traffic Signs fee	335.00	350.00	15.00	4.5%
		Construction Traffic Management Fee	565.00	590.00	25.00	4.4%
		Pre-application service for planning applications:				
		Up to 10 Dwellings	235.00	245.00	10.00	4.3%
		31-50 Dwellings	1,000.00	1,050.00	50.00	5.0%
		81-199 Dwellings	2,490.00	2,600.00	110.00	4.4%
		200+ Dwellings	3,540.00	3,700.00	160.00	4.5%
		Commercial Development:				
		Up to 250 sq m	235.00	250.00	15.00	6.4%
		1001 - 2000 sq m	1,000.00	1,050.00	50.00	5.0%
		2001 - 5000 sq m	1,510.00	1,600.00	90.00	6.0%
		5000+ sq m	2,490.00	2,600.00	110.00	4.4%
		CON29 searches in relation to property transactions. Methodology for calculating the rate is set out by government and the outcome of court cases:				
		3.2	4.00	4.30	0.30	7.5%
		3.5	4.00	4.30	0.30	7.5%
		3.7e	3.30	3.80	0.50	15.2%
		3.7g	4.00	4.20	0.20	5.0%
		3.12	2.70	3.30	0.60	22.2%
		21	13.00	15.50	2.50	19.2%
		Related to small scale developer-led highway works which do not warrant a full legal agreement, licenced under S171 Highways Act - 10% of works cost subject to min fee as presented right.	325.00	340.00	15.00	4.6%
		Design Check & Inspection fee for Sec 38 & 278 legal agreements (Highways Act). Sec 38s are at developers discretion so if fees are increased they may decide to not enter into an agreement which would reduce income significantly. Also the amount charged is benchmarked against authorities in the south east - 10% of works cost subject to min fee as presented right	2,000.00	2,100.00	100.00	5.0%
		Highway Extent and related queries:				
		Highway Extent queries - for provision of a highway extent and plan which can involve investigation	45.00	47.00	2.00	4.4%
		Copy Agreement - is for electronic copies of either a Sec 38 or Sec 278 agreement	15.00	16.00	1.00	6.7%
CET	Waste Service includes the management & disposal of the Council's municipal waste and management of	HWRS Hardcore/Soil/Plasterboard per bag	6.00	6.30	0.30	5.0%
		HWRS Asbestos per bag	7.40	7.70	0.30	4.1%
CET	Transport Monitoring - speed surveys and traffic counts.	12 hr one camera classified turning count (CTC)	567.00	590.00	23.00	4.1%
		12 hr multiple camera CTC	1,008.00	1,050.00	42.00	4.2%
		12 hr link survey (single carriageway)	288.00	300.00	12.00	4.2%
		12 hr CTC with pedestrians	671.00	700.00	29.00	4.3%
		12 hr single pathway pedestrian & cyclist count	321.00	335.00	14.00	4.4%
		12 hr journey time survey with 4 timing points	1,661.00	1,730.00	69.00	4.2%
		Manual journey time, 2 vehicle split day	940.00	980.00	40.00	4.3%
		Sale of pre-existing dataset	105.00	185.00	80.00	76.2%
CET	Road Safety. The primary focus of the road Safety is behavioural change at that behind the wheel, walking down the street, or on the back of a motorbike and on a bike.	Licenses	46.00	50.00	4.00	8.7%
		Bikeability				
		Level 1 schools - per class of 12 x 2h	100.00	110.00	10.00	10.0%
		Level 2 schools - per class of 12 x 7.5h	240.00	264.00	24.00	10.0%
		Level 3 schools - per class of 4 x 2h	80.00	88.00	8.00	10.0%
		Bike balance -schools - per class of 10 4x30min	100.00	110.00	10.00	10.0%
		Beginners Group (Learn to Ride) - per class of 6 x 1h	75.00	85.00	10.00	13.3%
		Bikeability Fix (1 trainer) - per class of 6 2x1h	60.00	66.00	6.00	10.0%
		Bikeability Fix (2 trainer) - per class of 12 2x1h	100.00	110.00	10.00	10.0%

Dept	Service	Description	Current (£)	Proposed (£)	Movt (£)	Movt (%)
CET	The Keep provides an Archive Service that is utilised by many organisations along the South Coast. It is a partnership between ESCC, BHCC and the University of Sussex. Public access to the Archives is facilitated and a wide program of educational talks and events is provided. It is also the base for the SFHG who pay a notional rent and their activities support the maintenance and indexing of Family Records. Other material requiring specialist storage is archived here by other entities such as TNA and University of Brighton.	Reprographics - digital images				
		Digital image A4	10.00	15.00	5.00	50.0%
		Digital image A3	10.00	15.00	5.00	50.0%
		Digital image over A3	15.00	20.00	5.00	33.3%
		Subsequent pages of the same document A4	4.00	5.00	1.00	25.0%
		Subsequent pages of the same document A3	4.00	5.00	1.00	25.0%
		Subsequent pages of the same document over A3	4.00	6.50	2.50	62.5%
		Reprographics - printed images				
		Printed image A4	15.00	17.00	2.00	13.3%
		Printed certificates				
		Baptism - short	14.00	18.00	4.00	28.6%
		Baptism - full	14.00	36.00	22.00	157.1%
		Tithe maps				
		Apportionment	5.00	7.50	2.50	50.0%
		Research Services				
		Per Hour	35.00	37.00	2.00	5.7%
		Building look up service - private	35.00	37.00	2.00	5.7%
		Conservator Services				
		On site per hour	65.00	70.00	5.00	7.7%
		Off site per hour	35.00	40.00	5.00	14.3%
		Camera passes				
		Per week	30.00	36.00	6.00	20.0%
		Per month	75.00	90.00	15.00	20.0%
		Tours / Public Engagement				
		Welcome Wednesday (up to 10 people)/person	7.50	10.00	2.50	33.3%
		Private tour (up to 10 people) for group	50.00	85.00	35.00	70.0%
			25.00	30.00	5.00	20.0%
		Enhanced tour fee - To set up small bespoke exhibition.				
		Archive storage fees (incl. vat)				
		Storage per m3/year	75.00	300.00	225.00	300.0%
CET	Traveller Sites in Hailsham, Maresfield, Polegate, Robertsbridge and Bridies Tan.	Service charges - Bridies Tan	10.00	12.00	2.00	20.0%
CET	Libraries and Learning Services	Playsets 6 week loan	1.50	2.50	1.00	66.7%
		Printing and photocopying A4 B&W	0.20	0.25	0.05	25.0%
		Printing and photocopying A4 colour	0.50	0.60	0.10	20.0%
		Printing and photocopying A3 B&W	0.30	0.40	0.10	33.3%
		Printing and photocopying A3 colour	1.00	1.20	0.20	20.0%
		Reading Group - reservation fees per item renamed 'Individual Reading Group item charge'	0.60	1.00	0.40	66.7%
		Meeting room community	10.00	11.00	1.00	10.0%
		Meeting room business	20.00	22.00	2.00	10.0%
		Meeting room commercial	40.00	44.00	4.00	10.0%
CET	Parking	Recharge Sussex Police for maintenance of machines and cash collections at North Street CP	24.67	24.67	0.00	0.0%
		Access Protection Marking (all areas)	50.00	53.00	3.00	6.0%
		Rother - Permits				
		Resident Permit - 1st				
		Resident Permit - 12 months	27.00	29.00	2.00	7.4%
		Resident Permit - 6 months	17.00	18.00	1.00	5.9%
		Resident Permit - 3 months	10.00	11.00	1.00	10.0%
		Resident Permit - 2nd				
		Resident Permit - 2nd - 12 months	81.00	86.00	5.00	6.2%
		Resident Permit - 2nd - 6 months	41.00	43.00	2.00	4.9%
		Resident Permit - 2nd - 3 months	21.50	22.50	1.00	4.7%
		Resident visitor permits				
		Standard resident (per day)	0.55	0.60	0.05	9.1%
		Housebound resident (per day)	0.30	0.35	0.05	16.7%
		Hotel/Guesthouse				
		Per night	1.10	1.20	0.10	9.1%
		Business				
		All zones (petrol and diesel)				
		12 months	454.00	477.00	23.00	5.1%
		6 months	227.00	238.50	11.50	5.1%
		3 months	113.50	119.25	5.75	5.1%
		Single zone (petrol and diesel)				
		12 months	238.00	250.00	12.00	5.0%
		6 months	119.00	125.00	6.00	5.0%
		3 months	59.50	62.50	3.00	5.0%
		All zones (Electric or LPG)				
		12 months	108.00	114.00	6.00	5.6%
		6 months	54.00	57.00	3.00	5.6%
		3 months	27.00	28.50	1.50	5.6%

Dept	Service	Description	Current (£)	Proposed (£)	Movt (£)	Movt (%)
		Single zone (Electric and LPG)				
		12 months	108.00	114.00	6.00	5.6%
		6 months	54.00	57.00	3.00	5.6%
		3 months	27.00	28.50	1.50	5.6%
		Doctors	65.00	69.00	4.00	6.2%
		Trade	2.20	2.35	0.15	6.8%
		Healthcare	0.55	0.60	0.05	9.1%
		Rother - On Street				
		Battle (max stay 1 hour)				
		15 mins	0.15	0.20	0.05	33.3%
		30 mins	0.25	0.30	0.05	20.0%
		1 hour	0.45	0.50	0.05	11.1%
		Bexhill (short and medium length of stay) (town centre)				
		15 mins	0.15	0.20	0.05	33.3%
		30 mins	0.25	0.30	0.05	20.0%
		1 hour	0.45	0.50	0.05	11.1%
		2 hours	0.90	0.95	0.05	5.6%
		Bexhill (short and medium length of stay) (Marina)				
		15 mins	0.50	0.55	0.05	10.0%
		30 mins	1.00	1.05	0.05	5.0%
		1 hour	1.85	1.95	0.10	5.4%
		2 hours	2.95	3.10	0.15	5.1%
		Bexhill (short and medium length of stay) (West Parade)				
		15 mins	0.15	0.20	0.05	33.3%
		30 mins	0.25	0.30	0.05	20.0%
		1 hour	0.45	0.50	0.05	11.1%
		2 hours	0.80	0.85	0.05	6.2%
		3 hours	1.15	1.25	0.10	8.7%
		4 hours	1.55	1.65	0.10	6.5%
		Bexhill (long stay) (Seafront)				
		15 mins	0.15	0.20	0.05	33.3%
		30 mins	0.25	0.30	0.05	20.0%
		1 hour	0.45	0.50	0.05	11.1%
		2 hours	0.80	0.85	0.05	6.2%
		3 hours	1.15	1.25	0.10	8.7%
		4 hours	1.55	1.65	0.10	6.5%
		5 hours	1.85	1.95	0.10	5.4%
		6+ hours	2.20	2.35	0.15	6.8%
		Bexhill (long stay) (Station)				
		15 mins	0.15	0.20	0.05	33.3%
		30 mins	0.25	0.30	0.05	20.0%
		1 hour	0.45	0.50	0.05	11.1%
		2 hours	0.90	0.95	0.05	5.6%
		3 hours	1.30	1.40	0.10	7.7%
		4 hours	1.75	1.85	0.10	5.7%
		5 hours	2.20	2.35	0.15	6.8%
		6 hours	2.60	2.75	0.15	5.8%
		7 hours	3.05	3.20	0.15	4.9%
		8 hours	3.50	3.70	0.20	5.7%
		9 hours	3.90	4.10	0.20	5.1%
		10 hours	4.35	4.60	0.25	5.7%
		Rye (max stay 2 hours)				
		15 mins	0.15	0.20	0.05	33.3%
		30 mins	0.25	0.30	0.05	20.0%
		1 hour	0.45	0.50	0.05	11.1%
		2 hours	0.90	0.95	0.05	5.6%
		Hastings - Permits				
		Resident Permit - 1st zones A to F & W				
		Standard -More than 185g/km of CO2 - 12 months	103.00	109.00	6.00	5.8%
		Standard -More than 185g/km of CO2 - 6 months	51.50	54.50	3.00	5.8%
		Standard -More than 185g/km of CO2 - 3 months	25.75	27.25	1.50	5.8%
		Discount -185g/km or less of CO2 - 12 months	92.00	97.00	5.00	5.4%
		Discount -185g/km or less of CO2 - 6 months	46.00	48.50	2.50	5.4%
		Discount -185g/km or less of CO2 - 3 months	23.00	24.25	1.25	5.4%
		Discount 2 -150g/km or less of CO2- 12 months	81.00	86.00	5.00	6.2%
		Discount 2 -150g/km or less of CO2- 6 months	40.50	43.00	2.50	6.2%
		Discount 2 -150g/km or less of CO2- 3 months	20.25	21.50	1.25	6.2%
		Discount 3 -120g/km or less of CO2 - 12 months	60.00	63.00	3.00	5.0%
		Discount 3 -120g/km or less of CO2 - 6 months	30.00	31.50	1.50	5.0%
		Discount 3 -120g/km or less of CO2 - 3 months	15.00	15.75	0.75	5.0%
		Discount 4 -100g/km or less of CO2 -12 months	17.00	18.00	1.00	5.9%

Dept	Service	Description	Current (£)	Proposed (£)	Movt (£)	Movt (%)
		Resident Permit - 2nd zones A to F & W				
		Standard -More than 185g/km of CO2 - 12 months	140.00	147.00	7.00	5.0%
		Standard -More than 185g/km of CO2 - 6 months	70.00	73.50	3.50	5.0%
		Standard -More than 185g/km of CO2 - 3 months	35.00	36.75	1.75	5.0%
		Discount -185g/km or less of CO2 - 12 months	130.00	137.00	7.00	5.4%
		Discount -185g/km or less of CO2 - 6 months	65.00	68.50	3.50	5.4%
		Discount -185g/km or less of CO2 - 3 months	32.50	34.50	2.00	6.2%
		Discount 2 -150g/km or less of CO2- 12 months	120.00	126.00	6.00	5.0%
		Discount 2 -150g/km or less of CO2- 6 months	60.00	63.00	3.00	5.0%
		Discount 2 -150g/km or less of CO2- 3 months	30.00	31.50	1.50	5.0%
		Discount 3 -120g/km or less of CO2 - 12 months	97.00	102.00	5.00	5.2%
		Discount 3 -120g/km or less of CO2 - 6 months	48.50	51.00	2.50	5.2%
		Discount 3 -120g/km or less of CO2 - 3 months	24.25	25.50	1.25	5.2%
		Discount 4 -100g/km or less of CO2 -12 months	54.00	57.00	3.00	5.6%
		Resident Permit - zones G to L & O & S				
		Petrol or diesel -12 months	54.00	57.00	3.00	5.6%
		Petrol or diesel -6 months	27.00	28.50	1.50	5.6%
		Petrol or diesel -3 months	13.50	14.25	0.75	5.6%
		LPG or compressed gas -12 months	40.00	42.00	2.00	5.0%
		LPG or compressed gas -6 months	20.00	21.00	1.00	5.0%
		LPG or compressed gas -3 months	10.00	10.50	0.50	5.0%
		Electric vehicle - 12 months	27.00	29.00	2.00	7.4%
		Electric vehicle - 6 months	13.50	14.50	1.00	7.4%
		Electric vehicle - 3 months	6.75	7.25	0.50	7.4%
		Resident Permit - zones G to L & O & S (second permit)				
		Petrol or diesel -12 months	81.00	86.00	5.00	6.2%
		Petrol or diesel -6 months	40.50	43.00	2.50	6.2%
		Petrol or diesel -3 months	20.25	21.50	1.25	6.2%
		LPG or compressed gas -12 months	67.00	71.00	4.00	6.0%
		LPG or compressed gas -6 months	33.50	35.50	2.00	6.0%
		LPG or compressed gas -3 months	16.75	17.75	1.00	6.0%
		Electric vehicle - 12 months	54.00	57.00	3.00	5.6%
		Electric vehicle - 6 months	27.00	28.50	1.50	5.6%
		Electric vehicle - 3 months	13.50	14.25	0.75	5.6%
		Doctor	154.00	162.00	8.00	5.2%
		Primary Care Worker	28.00	30.00	2.00	7.1%
		Day permitsDay permits				
		Resident Visitor (2 hour)	1.10	1.20	0.10	9.1%
		Resident Visitor (5 hour)	2.80	2.95	0.15	5.4%
		Business scratch cards (5 hour)	5.65	5.95	0.30	5.3%
		Business scratch cards (10 hour)	8.45	8.90	0.45	5.3%
		Waiver - 1 day	11.00	11.55	0.55	5.0%
		Waiver - 7 consecutive days	32.50	34.50	2.00	6.2%
		Hastings - On Street				
		Old Town 4hr max stay 2h in High Street (Summer)				
		20 mins	1.10	1.20	0.10	9.1%
		30mins				
		1hour	3.20	3.40	0.20	6.2%
		2 hours	6.40	6.75	0.35	5.5%
		3 hours	9.60	10.10	0.50	5.2%
		4 hours	12.75	13.40	0.65	5.1%
		9 hours				
		Up to 10 hours				
		Old Town 4hr max stay 2 hr in high Street (Winter)				
		20 mins	0.45	0.50	0.05	11.1%
		30mins	1.10	1.20	0.10	9.1%
		1hour	2.15	2.30	0.15	7.0%
		2 hours	4.25	4.50	0.25	5.9%
		3 hours	6.35	6.70	0.35	5.5%
		4 hours	8.45	8.90	0.45	5.3%
		9 hours				
		Up to 10 hours				
		Central Area 2 hr max stay & Wellington Square				
		20 mins	1.10	1.20	0.10	9.1%
		40 mins	2.20	2.35	0.15	6.8%
		1hour	3.20	3.40	0.20	6.2%
		Up to 1 hr 20 mins	4.25	4.50	0.25	5.9%
		Up to 1 hr 40 mins	5.30	5.60	0.30	5.7%
		2 hours	6.40	6.75	0.35	5.5%
		Cornwallis Street, Devonshire Road, South Terrace				
		30mins	1.10	1.20	0.10	9.1%
		1hour	2.20	2.35	0.15	6.8%
		Up to 1 hr 30 mins	3.25	3.45	0.20	6.2%
		2 hours	4.35	4.60	0.25	5.7%
		Market Area				
		30mins	1.30	1.40	0.10	7.7%
		1hour	2.60	2.75	0.15	5.8%
		2 hours	5.20	5.50	0.30	5.8%

Dept	Service	Description	Current (£)	Proposed (£)	Movt (£)	Movt (%)
		Low tariff 4 hr max stay				
		20 mins	0.25	0.30	0.05	20.0%
		40 mins	0.45	0.50	0.05	11.1%
		1 hour	0.65	0.70	0.05	7.7%
		1 hr 20 mins	0.90	0.95	0.05	5.6%
		1 hr 40 mins	1.10	1.20	0.10	9.1%
		2 hours	1.30	1.40	0.10	7.7%
		2 hrs 20 mins	1.55	1.65	0.10	6.5%
		2 hrs 40 mins	1.75	1.85	0.10	5.7%
		3 hours	1.95	2.05	0.10	5.1%
		3 hrs 20 mins	2.20	2.35	0.15	6.8%
		3 hrs 40 mins	2.40	2.55	0.15	6.3%
		4 hours	2.60	2.75	0.15	5.8%
		Cambridge Gardens, Cornwallis Gardens, Cornwallis Terrace, Eversfield Place				
		30mins	1.10	1.20	0.10	9.1%
		1hour	2.20	2.35	0.15	6.8%
		1 hr 30 mins	3.25	3.45	0.20	6.2%
		2 hours	4.35	4.60	0.25	5.7%
		2 hrs 30 mins	5.40	5.70	0.30	5.6%
		3 hours	6.50	6.85	0.35	5.4%
		3 hrs 30 mins	7.60	8.00	0.40	5.3%
		4 hours	8.65	9.10	0.45	5.2%
		Castle Hill Road, Priory Road 4 hr max stay & Wellington Road				
		30 mins	0.65	0.70	0.05	7.7%
		1 hour	1.30	1.40	0.10	7.7%
		1 hr 30 mins	1.95	2.05	0.10	5.1%
		2 hours	2.60	2.75	0.15	5.8%
		2 hrs 30 mins	3.25	3.45	0.20	6.2%
		3 hours	3.90	4.10	0.20	5.1%
		3 hrs 30 mins	4.55	4.80	0.25	5.5%
		4 hours	5.20	5.50	0.30	5.8%
		Coaches only				
		1 hour	2.15	2.30	0.15	7.0%
		2 hours	4.25	4.50	0.25	5.9%
		3 hours	6.35	6.70	0.35	5.5%
		4 hours	8.45	8.90	0.45	5.3%
		5 hours	10.55	11.10	0.55	5.2%
		6 hours	12.65	13.30	0.65	5.1%
		7 hours	14.75	15.50	0.75	5.1%
		8 hours	16.85	17.70	0.85	5.0%
		9 hours	19.00	19.95	0.95	5.0%
		10 hours	21.10	22.20	1.10	5.2%
		Station Approach (St Leonards)				
		1hour	0.25	0.30	0.05	20.0%
		2 hours	0.45	0.50	0.05	11.1%
		9 hours	4.25	4.50	0.25	5.9%
		Rock A Nore Road				
		30mins	1.10	1.20	0.10	9.1%
		Eastbourne - Permits				
		Resident Permit - 1st				
		Standard -More than 185g/km of CO2 - 12 months	103.00	109.00	6.00	5.8%
		Standard -More than 185g/km of CO2 - 6 months	51.50	54.50	3.00	5.8%
		Standard -More than 185g/km of CO2 - 3 months	25.75	27.25	1.50	5.8%
		Discount -185g/km or less of CO2 - 12 months	92.00	97.00	5.00	5.4%
		Discount -185g/km or less of CO2 - 6 months	46.00	48.50	2.50	5.4%
		Discount -185g/km or less of CO2 - 3 months	23.00	24.25	1.25	5.4%
		Discount 2 -150g/km or less of CO2- 12 months	81.00	86.00	5.00	6.2%
		Discount 2 -150g/km or less of CO2- 6 months	40.50	43.00	2.50	6.2%
		Discount 2 -150g/km or less of CO2- 3 months	20.25	21.50	1.25	6.2%
		Discount 3 -120g/km or less of CO2 - 12 months	60.00	63.00	3.00	5.0%
		Discount 3 -120g/km or less of CO2 - 6 months	30.00	31.50	1.50	5.0%
		Discount 3 -120g/km or less of CO2 - 3 months	15.00	15.75	0.75	5.0%
		Discount 4 -100g/km or less of CO2 -12 months	17.00	18.00	1.00	5.9%
		Disabled resident	7.00	8.00	1.00	14.3%
		Resident Permit - 2nd				
		Standard -More than 185g/km of CO2 - 12 months	140.00	147.00	7.00	5.0%
		Standard -More than 185g/km of CO2 - 6 months	70.00	73.50	3.50	5.0%
		Standard -More than 185g/km of CO2 - 3 months	35.00	36.75	1.75	5.0%
		Discount -185g/km or less of CO2 - 12 months	130.00	137.00	7.00	5.4%
		Discount -185g/km or less of CO2 - 6 months	65.00	68.50	3.50	5.4%
		Discount -185g/km or less of CO2 - 3 months	32.50	34.25	1.75	5.4%
		Discount 2 -150g/km or less of CO2- 12 months	120.00	126.00	6.00	5.0%
		Discount 2 -150g/km or less of CO2- 6 months	60.00	63.00	3.00	5.0%
		Discount 2 -150g/km or less of CO2- 3 months	30.00	31.50	1.50	5.0%
		Discount 3 -120g/km or less of CO2 - 12 months	97.00	102.00	5.00	5.2%
		Discount 3 -120g/km or less of CO2 - 6 months	48.50	51.00	2.50	5.2%
		Discount 3 -120g/km or less of CO2 - 3 months	24.25	25.50	1.25	5.2%
		Discount 4 -100g/km or less of CO2 -12 months	54.00	57.00	3.00	5.6%

Dept	Service	Description	Current (£)	Proposed (£)	Movt (£)	Movt (%)
		Business (all zones)				
		Petrol or diesel - 12 months	590.00	620.00	30.00	5.1%
		Petrol or diesel - 6 months	295.00	310.00	15.00	5.1%
		Petrol or diesel - 3 months	147.50	155.00	7.50	5.1%
		Electric or LPG-12 months	140.00	147.00	7.00	5.0%
		Electric or LPG -6 months	70.00	73.50	3.50	5.0%
		Electric or LPG -3 months	35.00	36.75	1.75	5.0%
		Business (single zone)				
		Petrol or diesel - 12 months	309.00	315.00	6.00	1.9%
		Petrol or diesel - 6 months	154.50	157.50	3.00	1.9%
		Petrol or diesel - 3 months	77.25	78.75	1.50	1.9%
		Electric or LPG-12 months	154.00	162.00	8.00	5.2%
		Electric or LPG -6 months	70.00	81.00	11.00	15.7%
		Electric or LPG -3 months	35.00	40.50	5.50	15.7%
		Doctor permits	84.00	89.00	5.00	6.0%
		Day permits				
		Resident Visitor	1.30	1.40	0.10	7.7%
		Resident Visitor concession	0.65	0.70	0.05	7.7%
		Health care worker / carer permits	1.30	1.40	0.10	7.7%
		Trade permits	4.90	5.15	0.25	5.1%
		Hotel guest permits	2.20	2.35	0.15	6.8%
		Eastbourne- On Street				
		2hr Max Stay (central)				
		15 mins	0.45	0.50	0.05	11.1%
		30 mins	2.15	2.30	0.15	7.0%
		1hour	4.25	4.50	0.25	5.9%
		2 hours	6.35	6.70	0.35	5.5%
		2hr Max Stay				
		15 mins	0.45	0.50	0.05	11.1%
		30 mins	1.10	1.20	0.10	9.1%
		1hour	2.15	2.30	0.15	7.0%
		2 hours	4.25	4.50	0.25	5.9%
		4hr Max Stay				
		15 mins	0.45	0.50	0.05	11.1%
		30 mins	1.10	1.20	0.10	9.1%
		1hour	2.15	2.30	0.15	7.0%
		2 hours	4.25	4.50	0.25	5.9%
		4 hours	6.35	6.70	0.35	5.5%
		Hardwick Road				
		15 mins	0.45	0.50	0.05	11.1%
		30 mins	0.90	0.95	0.05	5.6%
		1 hour	1.75	1.85	0.10	5.7%
		2 hours	3.20	3.40	0.20	6.2%
		4 hours	5.30	5.60	0.30	5.7%
		6 hours	6.35	6.70	0.35	5.5%
		All day	8.45	8.90	0.45	5.3%
		Seafront (Summer)				
		15 mins	0.45	0.50	0.05	11.1%
		30 mins	0.90	0.95	0.05	5.6%
		1hour	1.75	1.85	0.10	5.7%
		2 hours	3.20	3.40	0.20	6.2%
		4 hours	5.30	5.60	0.30	5.7%
		6 hours	6.35	6.70	0.35	5.5%
		All day	8.45	8.90	0.45	5.3%
		Seafront (Winter)				
		15 mins	0.45	0.50	0.05	11.1%
		30 mins	0.45	0.50	0.05	11.1%
		1hour	0.45	0.50	0.05	11.1%
		2 hours	0.90	0.95	0.05	5.6%
		4 hours	2.55	2.70	0.15	5.9%
		6 hours	3.20	3.40	0.20	6.2%
		All day	8.45	8.90	0.45	5.3%
		Coach Bay				
		15 mins	4.25	4.50	0.25	5.9%
		30 mins	4.25	4.50	0.25	5.9%
		1hour	4.25	4.50	0.25	5.9%
		2 hours	8.45	8.90	0.45	5.3%
		4 hours	8.45	8.90	0.45	5.3%

Dept	Service	Description	Current (£)	Proposed (£)	Movt (£)	Movt (%)
		Lewes - Permits				
		Resident Permit - 1st				
		Standard -More than 185g/km of CO2 - 12 months	103.00	109.00	6.00	5.8%
		Standard -More than 185g/km of CO2 - 6 months	51.50	54.50	3.00	5.8%
		Standard -More than 185g/km of CO2 - 3 months	25.75	27.25	1.50	5.8%
		Discount -185g/km or less of CO2 - 12 months	92.00	97.00	5.00	5.4%
		Discount -185g/km or less of CO2 - 6 months	46.00	48.50	2.50	5.4%
		Discount -185g/km or less of CO2 - 3 months	23.00	24.25	1.25	5.4%
		Discount 2 -150g/km or less of CO2- 12 months	81.00	86.00	5.00	6.2%
		Discount 2 -150g/km or less of CO2- 6 months	40.50	43.00	2.50	6.2%
		Discount 2 -150g/km or less of CO2- 3 months	20.25	21.50	1.25	6.2%
		Discount 3 -120g/km or less of CO2 - 12 months	60.00	63.00	3.00	5.0%
		Discount 3 -120g/km or less of CO2 - 6 months	30.00	31.50	1.50	5.0%
		Discount 3 -120g/km or less of CO2 - 3 months	15.00	16.00	1.00	6.7%
		Discount 4 -100g/km or less of CO2 -12 months	17.00	18.00	1.00	5.9%
		Resident Permit - 2nd				
		Standard -More than 185g/km of CO2 - 12 months	140.00	147.00	7.00	5.0%
		Standard -More than 185g/km of CO2 - 6 months	70.00	73.50	3.50	5.0%
		Standard -More than 185g/km of CO2 - 3 months	35.00	36.75	1.75	5.0%
		Discount -185g/km or less of CO2 - 12 months	130.00	137.00	7.00	5.4%
		Discount -185g/km or less of CO2 - 6 months	65.00	68.50	3.50	5.4%
		Discount -185g/km or less of CO2 - 3 months	32.50	34.25	1.75	5.4%
		Discount 2 -150g/km or less of CO2- 12 months	120.00	126.00	6.00	5.0%
		Discount 2 -150g/km or less of CO2- 6 months	60.00	63.00	3.00	5.0%
		Discount 2 -150g/km or less of CO2- 3 months	30.00	31.50	1.50	5.0%
		Discount 3 -120g/km or less of CO2 - 12 months	97.00	102.00	5.00	5.2%
		Discount 3 -120g/km or less of CO2 - 6 months	48.50	51.00	2.50	5.2%
		Discount 3 -120g/km or less of CO2 - 3 months	24.25	25.50	1.25	5.2%
		Discount 4 -100g/km or less of CO2 -12 months	54.00	57.00	3.00	5.6%
		Business (all zones)				
		Standard -More than 185g/km of CO2 - 12 months	1,080.00	1,134.00	54.00	5.0%
		Standard -More than 185g/km of CO2 - 6 months	595.00	625.00	30.00	5.0%
		Standard -More than 185g/km of CO2 - 3 months	325.00	342.00	17.00	5.2%
		Discount -185g/km or less of CO2 - 12 months	972.00	1,021.00	49.00	5.0%
		Discount -185g/km or less of CO2 - 6 months	540.00	567.00	27.00	5.0%
		Discount -185g/km or less of CO2 - 3 months	297.00	312.00	15.00	5.1%
		Discount 2 -150g/km or less of CO2- 12 months	864.00	908.00	44.00	5.1%
		Discount 2 -150g/km or less of CO2- 6 months	486.00	511.00	25.00	5.1%
		Discount 2 -150g/km or less of CO2- 3 months	270.00	284.00	14.00	5.2%
		Discount 3 -120g/km or less of CO2 - 12 months	648.00	681.00	33.00	5.1%
		Discount 3 -120g/km or less of CO2 - 6 months	378.00	397.00	19.00	5.0%
		Discount 3 -120g/km or less of CO2 - 3 months	216.00	227.00	11.00	5.1%
		Discount 4 -100g/km or less of CO2 -12 months	216.00	227.00	11.00	5.1%
		Falmer - Permits				
		Resident Permit - 1st				
		Petrol or Diesel - 12 months	54.00	57.00	3.00	5.6%
		Petrol or Diesel - 6 months	27.00	28.50	1.50	5.6%
		Petrol or Diesel - 3 months	13.50	14.25	0.75	5.6%
		LPG or compressed gas - 12 months	40.00	42.00	2.00	5.0%
		LPG or compressed gas - 6 months	20.00	21.00	1.00	5.0%
		LPG or compressed gas - 3 months	10.00	10.50	0.50	5.0%
		Electric vehicle- 12 months	27.00	29.00	2.00	7.4%
		Electric vehicle- 6 months	13.50	14.50	1.00	7.4%
		Electric vehicle- 3 months	6.75	7.25	0.50	7.4%
		Resident Permit - 2nd				
		Petrol or Diesel - 12 months	81.00	86.00	5.00	6.2%
		Petrol or Diesel - 6 months	40.50	43.00	2.50	6.2%
		Petrol or Diesel - 3 months	20.25	21.50	1.25	6.2%
		LPG or compressed gas - 12 months	67.00	71.00	4.00	6.0%
		LPG or compressed gas - 6 months	33.50	35.50	2.00	6.0%
		LPG or compressed gas - 3 months	16.75	17.75	1.00	6.0%
		Electric vehicle- 12 months	54.00	57.00	3.00	5.6%
		Electric vehicle- 6 months	27.00	28.50	1.50	5.6%
		Electric vehicle- 3 months	13.50	14.25	0.75	5.6%
		Lewes & Falmer Day permits				
		Resident Visitor	1.30	1.40	0.10	7.7%
		Resident visitor concession	0.65	0.70	0.05	7.7%
		Health care worker / carer permits	1.30	1.40	0.10	7.7%
		Trade permits	4.90	5.15	0.25	5.1%
		Hotel guest permits	2.20	2.35	0.15	6.8%
		Lewes - On Street				
		High Street				
		15 mins	1.10	1.20	0.10	9.1%
		30 mins	2.15	2.30	0.15	7.0%
		1hour	4.25	4.50	0.25	5.9%
		2 hours	8.45	8.90	0.45	5.3%

Dept	Service	Description	Current (£)	Proposed (£)	Movt (£)	Movt (%)
		Intermediate				
		30 mins	0.65	0.70	0.05	7.7%
		1hour	1.30	1.40	0.10	7.7%
		2 hours	2.60	2.75	0.15	5.8%
		3 hours	3.90	4.10	0.20	5.1%
		4 hours	5.20	5.50	0.30	5.8%
		5 hours	6.50	6.85	0.35	5.4%
		6 hours	7.80	8.20	0.40	5.1%
		7 hours	9.10	9.60	0.50	5.5%
		8 hours	10.40	10.95	0.55	5.3%
		9 hours	11.70	12.30	0.60	5.1%
		10 hours	13.00	13.65	0.65	5.0%
		Outer				
		1hour	0.65	0.70	0.05	7.7%
		2 hours	1.30	1.40	0.10	7.7%
		3 hours	2.60	2.75	0.15	5.8%
		4 to 10 hours	3.25	3.45	0.20	6.2%
		County Hall				
		1 hour	0.90	0.95	0.05	5.6%
		2 hours	1.75	1.85	0.10	5.7%
		3 hours	2.60	2.75	0.15	5.8%
		4 hours	3.50	3.70	0.20	5.7%
		5 hours	4.35	4.60	0.25	5.7%
		6 hours	5.20	5.50	0.30	5.8%
		7 hours	6.05	6.35	0.30	5.0%
		8 hours	6.95	7.30	0.35	5.0%
		9 hours	7.80	8.20	0.40	5.1%
		10 hours	8.65	9.10	0.45	5.2%

Report to:	Cabinet
Date of meeting:	28 January 2025
By:	Chief Finance Officer
Title:	Auditor's Annual (Value for Money) Report on East Sussex County Council 2023/24
Purpose:	To provide Cabinet with Grant Thornton's Annual (Value for Money) Report for 2023/24

RECOMMENDATION

Cabinet is recommended to note the Auditor's Annual (Value for Money) Report on East Sussex County Council 2023/24.

1. Background

1.1 The Code of Audit Practice issued by the National Audit Office (NAO) requires the authority's external auditor Grant Thornton (GT) to provide a separate Value for Money (VfM) assessment from the main audit of the statement of accounts. This requirement was introduced from 2020/21, in which GT are required to consider whether the authority has in place proper arrangements to ensure economy, efficiency and effectiveness in the use of its resources. Whilst there is no qualified/unqualified VfM conclusion, the report provides more detail on the authority's arrangements, together with any key recommendations on any significant weaknesses in arrangements identified during the audit.

2. Annual Report 2023/24

2.1 The Annual Report 2023/24 (Appendix 1) sets out the work that GT has undertaken to assess the arrangements the Council has in place to secure economy, efficiency and effectiveness in the use of its resources; with particular focus on risks in respect of financial sustainability, governance arrangements and improving economy, efficiency and effectiveness.

2.2 Given the financial challenges this Council - and local government more broadly - faces, GT are reporting a significant "red" weakness with regard to Financial Sustainability. It is pleasing to be able to report that, given the financial challenges, GT have not identified any significant weaknesses in the Council's response to these challenges in terms of Governance arrangements and Improving Economy, Efficiency and Effectiveness.

2.3 In reporting this outcome and in comparison to 2022/23 where there were 2 improvement recommendations, GT has made 1 key recommendation with regard to Financial Sustainability, together with 2 improvement recommendations, for Governance, (these are advisory and not mandated) which are summarised below:

Financial Sustainability (Key Recommendation)	Management Response
1. The Council should continue to seek to be financially sustainable in the medium to longer term by continuing to raise the challenges faced in all appropriate forums, including	We recognise the challenges we face and through our well established Reconciling Policy, Performance and Resources (RPPR) process we will strive to set a

MHCLG. Savings plans should continue to be developed, to identify savings, via efficiency, and/or changes in services, to ensure the cost profile of the Council is as lean as it can be, whilst providing the statutory services required. Conversations should continue, on suitable funding for demand led services alongside national local government reform, as being discussed at a national level.	balanced budget for 2025/26 and a sustainable Medium Term Financial Plan. We will be dependent on government recognising the challenges Local Government faces, particularly across social care services, and our lobbying efforts will continue as we seek a longer term fair funding solution.
Governance (Improvement Recommendations)	Management Response
2. The Council should review the format of both the Council, and Pension Fund, risk register to ensure that the best practice is achieved in the information it presents to decision makers, notably, including a clear link to objectives within the Council Plan, target risk score for each risk, a responsible individual for each risk and information on the impact v likelihood score for each risk, consistently in the two registers.	We will take on board the comments raised and review the risk registers for the County Council and Pension Fund to ensure best practice principles are being followed.
3. The Council should seek to strengthen contract management by ensuring arrangements are in place to monitor the performance of individual contracts centrally, to provide a Council-wide picture of performance and take action accordingly.	The implementation of the Procurement Act 2024 will provide the opportunity to review contract management and performance reports of such activity.

3. Conclusion and Recommendation

3.1 The Annual (Value for Money) Report for 2023/24 has identified a significant weakness within Financial Sustainability but has been able to provide assurance around Governance and Improving Economy, Efficiency and Effectiveness. One key recommendation and 2 improvement recommendations have been reported and responded to by management.

3.2 Cabinet is recommended to note the Annual (Value for Money) Report on East Sussex County Council for 2023/24.

IAN GUTSELL
Chief Finance Officer

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Local Member(s): All
Background Documents: None

East Sussex County Council

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Auditor's Annual Report for the
year ended 31 March 2024

November 2024



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We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to satisfy ourselves that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

The Code of Audit Practice issued by the National Audit Office (NAO) requires us to report to you our commentary relating to proper arrangements.

We report if significant matters have come to our attention. We are not required to consider, nor have we considered, whether all aspects of the Council’s arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.



The contents of this report relate only to those matters which came to our attention during the conduct of our normal audit procedures which are designed for the purpose of completing our work under the NAO Code and related guidance. Our audit is not designed to test all arrangements in respect of value for money. However, where, as part of our testing, we identify significant weaknesses, we will report these to you. In consequence, our work cannot be relied upon to disclose all irregularities, or to include all possible improvements in arrangements that a more extensive special examination might identify. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting, on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

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Introduction



Purpose of the Auditor's Annual Report

This report brings together a summary of all the work we have undertaken for East Sussex County Council (the Council) during 2023/24 as the appointed external auditor. The core element of the report is the commentary on the value for money (VfM) arrangements.

All councils are responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in the use of their resources. This includes taking properly informed decisions and managing key operational and financial risks so that they can deliver their objectives and safeguard public money. The Council's responsibilities are set out in Appendix A.

Councils report on their arrangements, and the effectiveness of these arrangements as part of their annual governance statement.

Responsibilities of the appointed auditor

Opinion on the financial statements

Auditors provide an opinion on the financial statements which confirms whether they:

- give a true and fair view of the financial position of the Council as at 31 March 2024 and of its expenditure and income for the year then ended, and
- have been properly prepared in accordance with the CIPFA/LASAAC Code of practice on local authority accounting in the United Kingdom 2023/24
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014

We also consider the Annual Governance Statement and undertake work relating to the Whole of Government Accounts consolidation exercise.

Value for money

We report our judgements on whether the Council has proper arrangements in place regarding arrangements under the three specified criteria:

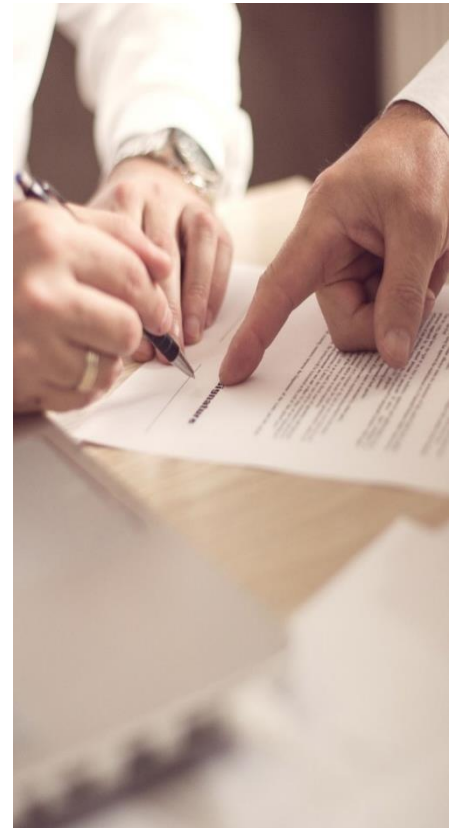
- financial sustainability
- governance
- Improving economy, efficiency and effectiveness

The Value for Money auditor responsibilities are set out in Appendix B.

Auditor powers

Auditors of a local authority have a duty to consider whether there are any issues arising during their work that require the use of a range of auditor's powers.

These powers are set out on page 13 with a commentary on whether any of these powers have been used during this audit period.



Executive summary



Executive summary

Under the National Audit Office (NAO) Code of Audit Practice ('the Code'), we are required to consider whether the Council has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources. The NAO, in its consultation of February 2024, has indicated that it will in future require auditors to share a draft Auditors Annual Report ('the Report') with those charged with governance by a nationally set deadline each year and for the audited body to publish the Report thereafter. The outcome of the NAO's consultation on the Code is dependent upon the decisions made by the new government elected on 4 July 2024. These decisions are awaited at the time of drafting this report. As a firm, we are committed to reporting the results of our local audit work on as timely a basis as possible. We are therefore sharing this report with you in advance of the NAO's new Code being introduced. In the event that any new audit requirements are introduced when the Code is published, we will revisit these before finalising this report. Our summary findings are set out below.



Financial sustainability

At 31 March 2024 the Council produced an underlying overspend of £30.1m before mitigations. This is almost entirely attributed to the Children's Directorate which produced a £30.4m overspend for the year. To balance the overall year end position, the Council required the use of the Financial Management Reserve and underspends in other areas of the budget.

The Council has set a balanced budget for 24/25, however this has required further use of the Financial Management Reserve of £14.3m to do so, and £18.5m usage of reserves overall. In addition £29.7m of risks have been identified which could impact the position further, if they emerged in full. At quarter 1 of 24/25 there is evidence that financial risks are emerging and the Council is forecasting a £9.4m overspend at year end, after mitigations to respond to the pressures being observed.

This latest medium term financial position demonstrates that the Council has an £83.6m budget gap across the 3 year period (25/26 to 27/28) which could be a further pressure on reserves, which are not sufficient to fund the deficit, limiting the opportunity to replenish reserves to respond to future financial risks.

At the end of 23/24 General Fund, Earmarked Service Reserves and Earmarked Strategic Reserve totalled £92.8m, but the medium term financial gap between 24/25 and 27/28 is greater than this reserves balance. The Council does set aside contingencies, as well as reserves, within the budget to respond to emerging pressures and reduce the call on reserves. Despite the contingencies in place, £43m of reserves would be needed to close the gap in 25/26 without other supporting actions. Current plans suggest that in 26/27 contingencies would be sufficient to protect reserves from further usage, this relies on no further risks and pressures emerging not currently accounted for in financial plans. The 24/25 position to date suggests this may be unlikely.

The Council approved a total savings target for 23/24 of £1.779m, 38% of the target was achieved in year and the majority of savings are still deemed to be deliverable but in future years and so have been rolled forwards (59%). This leaves 3% unachieved, deemed undeliverable. The Council has seen a decline in savings performance between 21/22 and 23/24. The Council has a limited savings programme in 24/25 and the medium term due to having exhausted its options for service cuts in prior years, as such the current financial planning does not include a savings programme capable of reducing the deficit expected in future years. The Council is currently in the process of developing a 3 year savings programme as part of its 25/26 budget setting process.

The Council's budget is aligned to its Corporate Plan and other supporting strategies and therefore seeks to use resources to meet the objectives of the organisation. A key priority, and area of pressure, is within Children's Social Care. The Council has begun to implement extensive actions to respond to the pressures in this service, with support from external consultants, to improve demand, supply and cost side challenges in the service. A time lag between action and impact is to be expected and we will keep a watching brief in 24/25 to establish whether arrangements are embedding effectively and producing the desired outcomes.

The action the Council is taking is reasonable, to seek to address the funding challenges faced. However, as the future risk remains, and whilst we did not identify an immediate action the Council should take which it is not currently exploring, should the financial risks emerge, the Council would not be financially sustainable in future. As a result, it would be unable to demonstrate the achievement of VfM, in effective use of resources, leads us to identify a significant weakness in arrangements and raise an associated key recommendation.

Executive summary (continued)



Governance

The Risk Management Framework is being updated in 24/25, as part of existing cyclical review arrangements, to ensure that it remains effective. Early drafts demonstrate that the Framework itself remains consistent, with changes reflecting minor terminology updates and clarity over risk appetite. The risk register includes information that allows Members to understand the key risks to the organisation and how they are being mitigated, we have noted some opportunities for improvement in the format to ensure transparency, accountability and context are achieved.

The Council continues to be supported by a well-established Internal Audit Shared Service, delivered by Orbis. The team completed 90% of the planned audits in 23/24 and therefore met its performance objectives, and undertaking a sufficient number of reviews to inform their opinion. The overall Head of Internal Audit Opinion for 23/24 is consistent with the prior year, a rating of 'Reasonable Assurance'. Officers respond to recommendations in a timely manner.

The Council continues to use the well-established and understood Reconciling Policy, Performance and Resources (RPPR) process for setting the budget and MTFP in 23/24. The process has been strengthened over several years and is supported by scenario planning, sensitivity analysis and benchmarking. There is a good level of engagement of officers throughout the year across all departments, Finance, the Corporate Management Team and Members.

Effective budget monitoring is achieved by a fully integrated Council Monitoring Report on financial performance, non-financial performance and risk. It is presented at Council-wide, directorate and individual service level. The information included within the report is extremely comprehensive. The high level of detail means Members are adequately informed and therefore able to thoroughly discuss, challenge and scrutinise the Council's reported financial and operational performance.

The Orbis shared service arrangements also cover Procurement Services. Preparations are progressing well for the 2023 Procurement Act coming into effect on 28th February 2025, including the setting up of a dedicated Procurement Team and training on the Act being rolled out. The Council does not have a current, updated Procurement Strategy in place, this expected to form part of the Council's preparations for the Procurement Act changes.

In conclusion, and based on our areas of focus and evidence considered, we found no evidence of significant weaknesses in the Council's arrangements for ensuring that it makes informed decisions and properly manages its risks. However, we have identified one area where the Council could improve arrangements and as such, have raised an improvement recommendations to support management in achieving best practice in their arrangements.

Executive summary (continued)



Improving economy, efficiency and effectiveness

Council arrangements to monitor performance remain the same as prior year, no opportunities for improvement were raised as part of that work and our review of 23/24 arrangements continues to observe a strong performance monitoring framework in place. Performance reporting clearly identifies the areas of operational under-performance and the causal factors associated with this. The Council is seeking to undertake further investigation to ensure a targeted response to the issues identified can be developed. Key issues are within Adult Social Care.

The Council actively engages with external reviews of its services to ensure it can deliver quality services. The latest Ofsted inspection of Children's Services was reported in February 2024, rating the service as Good with elements of Outstanding. It has also engaged the Local Government Association (LGA) to undertake a Peer Challenge of Adult Social Care in preparation for an anticipated Care Quality Commission (CQC) inspection. This highlighted some area for improvement, although none significant individually. The Council has developed an action plan to respond to the recommendations and has begun to progress this in 24/25.

The Council was part of the South East Local Enterprise Programme (SELEP), a Partnership between local authority areas in East Sussex, Essex, Kent, Medway, Southend and Thurrock. The government made the decision to discontinue the use of LEPs in August 23, with effect from 1 April 2024. In light of this, SELEP took the decision to close operations, with LEP functions and responsibilities transitioning to Upper Tier Local Authorities from April 2024, including the Council. The Council developed transitional plans and has begun to implement these, however the Council requires a final Transition Agreement to be in place, the responsibility of Essex County Council, before the transition can be completed. The Council has established arrangements and taken the necessary actions which are within its control.

Although the Council is supported by Orbis, who provide, Procurement services, this does not include Contract Management Services. Whilst Orbis provide a Contract Management Framework, managing contracts, and accountability for contract performance and associated risks, is the responsibility of individual departments within the Council rather than Orbis or a central team at the Council, as such central, Council-wide oversight of contract performance could be improved. Corporate-wide contract management was reviewed by Internal Audit in the year and received a Partial Assurance, suggesting improvements required in the process. The Council have responded to the recommendations and arrangements are currently being followed up by Internal Audit, to determine the effectiveness of the responses. The expectation from the Council is an improvement in the rating. Several other contract specific Contract Management reviews were also undertaken in year, which received Reasonable Assurances and so highlighted fewer opportunities for improvement.

In conclusion, and based on our areas of focus and evidence considered, we have not identified any significant weaknesses in arrangements to ensure the Council manages improving economy, efficiency and effectiveness. However, we have identified areas where the Council could improve arrangements and as such, have raised two improvement recommendations to support management in achieving best practice in their arrangements.

Executive summary (continued)



Overall summary of our Value for Money assessment of the Council’s arrangements

Auditors are required to report their commentary on the Council’s arrangements under specified criteria and 23/24 is the fourth year that these arrangement have been in place. The contents of this report relate only to those matters which came to our attention during the conduct of our normal audit procedures which are designed for the purpose of completing our work under the NAO Code and related guidance. Our audit is not designed to test all arrangements in respect of value for money. However, where, as part of our testing, we identify significant weaknesses, we will report these to you. In consequence, our work cannot be relied upon to disclose all irregularities, or to include all possible improvements in arrangements that a more extensive special examination might identify. A summary of our judgements are set out in the table below.

Criteria	2022/23 Auditor judgement on arrangements	2023/24 Risk assessment	2023/24 Auditor judgement on arrangements	Direction of travel
Financial sustainability	A No significant weaknesses in arrangements identified, but one improvement recommendation made.	No risks of significant weakness identified within the Audit Plan, the risk of weakness investigated became apparent during the course of our work and is therefore reported in this Annual Auditors Report.	R We have reported a key recommendation in respect of the Council’s ability, to ensure future financial sustainability. This is a result, of the local government sector wide challenges, of increasing service demand coupled with static or reducing government funding creating a financial gap, and future affordability challenges, as it stands in a climate of limited reserves. Whilst, the Council, is fully aware of the position and taking all possible action, to mitigate, the future risk remains, and this is why we have reported the significant weakness.	↓
Governance	G No significant weaknesses in arrangements identified.	No significant weaknesses in arrangements identified.	G No significant weaknesses in arrangements identified, but one improvement recommendation made to support the Council in improving arrangements to achieve best practice	↔
Improving economy, efficiency and effectiveness	G No significant weaknesses in arrangements identified.	No significant weaknesses in arrangements identified.	G No significant weaknesses in arrangements identified, but one improvement recommendation made to support the Council in improving arrangements to achieve best practice	↔

- G

No significant weaknesses in arrangements identified and limited improvement recommendation made.
- A

No significant weaknesses in arrangements identified, but a number of improvement recommendations made.
- R

Significant weaknesses in arrangements identified and key recommendations made.

Executive summary (continued)



Significant weakness identified in Financial Sustainability arrangements

As part of our work, we considered whether there were any risks of significant weakness in the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources.

We reviewed the Council's arrangements to deliver financial sustainability and have concluded that there was a significant weakness in arrangements.

Key factors in identifying a weakness in arrangements:

- A large overspend against budget for 23/24 of £30.1m, predominantly caused by pressures in Adults and Children's Social Care
- A track record of overspending, having overspent by £10.7m on services in 22/23 (and £1.8m in total) and forecasting an unmitigated overspend of £23.4m on services (and £9.4m in total, following mitigations) at quarter 1 of 24/25
- A significant increase in the overspend since 22/23 of £19.4m (181% increase)
- Unplanned use of reserves in both years required to mitigate the overspend
- Reliance on reserves of £14m in 24/25 to produce a balanced budget
- The Council has recognised £29.7m of risks to the 24/25 budget, there is evidence that some of these are beginning to emerge in the quarter 1 forecast overspend
- A medium term budget deficit of £83.6m (25/26 to 27/28) which suggests limited scope to replenish the Financial Management Reserve, or any other reserves, in the medium term and therefore exposing the Council to future financial risks.
- Limited savings currently identified to close the medium term gap

Based on our work undertaken and the evidence considered we do note that the action the Council is taking is reasonable, to seek to address the funding challenges faced. We note the Council continue to lobby appropriately with government and associated local government bodies, such as the LGA, the position they are in, and the growing gap in demand, and funding. A savings programme is in place, and the financial reporting, including the Section 25 report, is clear on the future financial risks. However, as the future risk remains, and whilst we did not identify an immediate action the Council should take which it is not currently exploring, should the financial risks emerge, the Council would not be financially sustainable in future. As a result, it would be unable to demonstrate the achievement of VfM, in effective use of resources

Key recommendation 1

The Council should continue to seek to be financially sustainable in the medium to longer term by continuing to raise the challenges faced in all appropriate forums, including with MHCLG. Savings plans should continue to be developed, to identify savings, via efficiency, and/or changes in services, to ensure the cost profile of the Council is as a lean as it can be, whilst providing the statutory services required. Conversations should continue, on suitable funding for demand led services alongside national local government reform, as being discussed at a national level.

Opinion on the financial statements and use of auditor's powers



Opinion on the financial statements



Audit opinion on the financial statements

We intend to issue an unqualified opinion on the Council's financial statements following the Audit Committee on 22 November 2024.

The full opinion will be included in the Council's Annual Report for 2023/24, which can be obtained from the Council's website.

Findings from the audit of the financial statements

The Council provided draft accounts in line with the national deadline.

Draft financial statements were of a reasonable standard and supported by detailed working papers.

Grant Thornton provides an independent opinion on whether the Councils financial statements:

- give a true and fair view of the financial position of the Council as at 31 March 2024 and of its expenditure and income for the year then ended, and
- have been properly prepared in accordance with the CIPFA/LASAAC Code of practice on local authority accounting in the United Kingdom 2023/24
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014.

We conducted our audit in accordance with:

- International Standards on Auditing (UK)
- the Code of Audit Practice (2020) published by the National Audit Office, and
- applicable law

We are independent of the Council in accordance with applicable ethical requirements, including the Financial Reporting Council's Ethical Standard.

Audit Findings Report

We report the detailed findings from our audit in our Audit Findings Report. A final version of our report is presented to the Council's Audit Committee alongside this report. Requests for this Audit Findings Report should be directed to the Council.

Opinion on the pension fund statements



Audit opinion on the financial statements

We intend to issue an unqualified opinion on the Pension Fund's financial statements following the Audit Committee on 22 November 2024.

Consistency report on the financial statements within the Pension Fund Annual Report

The Pension Fund is required to publish its Annual Report by 1 December 2024. We issue an auditor's consistency report which includes our opinion that the 2023-24 East Sussex Pension Fund financial statements within the Pension Fund Annual Report are consistent, in all material aspects, with those within the audited administering authority's Financial Statements.

We intend to issue an unqualified consistency report on the pension fund financial statements contained within the Pension Fund's Annual Report following the Audit Committee on 22 November 2024.

Grant Thornton provides an independent opinion on whether the Pension Fund's financial statements:

- give a true and fair view of the financial position of the Pension Fund as at 31 March 2024 and of its expenditure and income for the year then ended, and
- have been properly prepared in accordance with the CIPFA/LASAAC Code of practice on local authority accounting in the United Kingdom 2023/24
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014.

We conducted our audit in accordance with:

- International Standards on Auditing (UK)
- the Code of Audit Practice (2020) published by the National Audit Office, and
- applicable law

We are independent of the Pension Fund in accordance with applicable ethical requirements, including the Financial Reporting Council's Ethical Standard.

Findings from the audit of the financial statements

The Pension Fund provided draft accounts in line with the national deadline.

Draft financial statements were of a reasonable standard and supported by detailed working papers.

Audit Findings Report

We report the detailed findings from our audit in our Audit Findings Report. A final version of our report is presented to the Council's Audit Committee alongside this report, and will also be presented to the Pension Fund Committee. Requests for this Audit Findings Report should be directed to the Council or Pension Fund.

Use of auditor's powers

We bring the following matters to your attention:

2023/24

Statutory recommendations

Under Schedule 7 of the Local Audit and Accountability Act 2014, auditors can make written recommendations to the audited body which need to be considered by the body and responded to publicly.

We did not make any written recommendations under Schedule 7 of the Local Audit and Accountability Act 2014.

Public Interest Report

Under Schedule 7 of the Local Audit and Accountability Act 2014, auditors have the power to make a report if they consider a matter is sufficiently important to be brought to the attention of the audited body or the public as a matter of urgency, including matters which may already be known to the public, but where it is in the public interest for the auditor to publish their independent view.

We did not issue a public interest report.

Application to the Court

Under Section 28 of the Local Audit and Accountability Act 2014, if auditors think that an item of account is contrary to law, they may apply to the court for a declaration to that effect.

We did not make an application to the Court.

Advisory notice

Under Section 29 of the Local Audit and Accountability Act 2014, auditors may issue an advisory notice if the auditor thinks that the authority or an officer of the authority:

- is about to make or has made a decision which involves or would involve the authority incurring unlawful expenditure,
- is about to take or has begun to take a course of action which, if followed to its conclusion, would be unlawful and likely to cause a loss or deficiency, or
- is about to enter an item of account, the entry of which is unlawful.

We did not issue any advisory notices.

Judicial review

Under Section 31 of the Local Audit and Accountability Act 2014, auditors may make an application for judicial review of a decision of an authority, or of a failure by an authority to act, which it is reasonable to believe would have an effect on the accounts of that body.

We did not make an application for judicial review.

Value for Money Commentary on arrangements



The current local government landscape

It is within this context that we set out our commentary on the Council's value for money arrangements in 2023/24 and make recommendations where any significant weaknesses or improvement opportunities in arrangements have been identified.



National context

Local government in England remains a challenged sector. In recent years, generationally significant levels of inflation put pressure on councils' General Fund revenue and capital expenditure. The associated cost of living crisis drove an increase in demand for council services such as social care and homelessness. At the same time, the crisis impacted adversely on key areas of council income that were needed to service the increase in demand, for example fees and charges and the collection rates for council tax, business rates and rents.

In January 2024, the UK government announced an additional £600 million for local government, but the Spring Budget for 2024 brought little in the way of any further support. Rising costs of delivering services, coupled with workforce shortages in key areas, supply chain fragility, and rising interest rates for servicing debt, brought a level of crisis to the local government sector perhaps never experienced before. Current warning signs of difficulty include:

- Seven councils issuing eleven section 114 notices between 2019 and 2023, compared with two councils issuing notices between 2001 and 2018, with an increasing number of other councils publicly warning of a section 114 risk;
- Twenty councils being with government approval for exceptional financial support during 2024/25, totalling approximately £1.5 billion. Only six of these councils had previously issued a section 114 notice; and
- The Local Government Association warning that councils in England face a funding gap of £4 billion over 2023/24 and 2024/25.

Local government is coming under an increased spotlight in terms of how the sector responds to the financial challenge it faces. Since the start of 2024, the UK government has emphasised the need for increased productivity rather than increased funding. New plans were announced by the Chancellor in March 2024 for public sector productivity to deliver up to £1.8 billion worth of benefits by 2029. Councils have subsequently been asked to submit productivity plans, showing how they will improve service performance and reduce wasteful spend.

The general election that took place on 4 July 2024 led to a change in government, and changes to government policy and legislation relating to the sector are emerging at the time of producing this report.

Local context

East Sussex Council is an upper tier local authority for the county of East Sussex, which is divided into five district areas of Hastings, Eastbourne, Lewes, Wealden and Rother. Whilst the latter 3 areas are considered more rural, both Eastbourne and Hastings are mainly urban localities with higher population densities. In contrast, the area also has a rich natural environment, with over two thirds of the county being covered by one or more environmental designations such as Areas of Outstanding Natural Beauty, Environmental Stewardship Agreements and a National Park.

The population size is estimated to be circa 545,800 (2021 census). The county is characterised by a mix of urban, suburban, and rural areas. The population is diverse, encompassing a range of age groups, socioeconomic backgrounds, and cultural identities.

The county is divided into 50 electoral divisions, each represented by one Councillor. Local elections are held every four years, with the last full election taking place on 6 May 2021. Two by-elections were held in 2023/24, on 27 July and 3 August 2023, which saw one division won by the Green Party and the second won by the Liberal Democrats. The Authority moved into "no overall" control.

Overall, the workforce comprises 9,174 people and 7,383 'full time equivalent' employees as at 31 March 2024. They deliver a range of statutory and discretionary services to local residents. Services include education, social services, transport and highways, public health, libraries, waste management, and planning. The council also plays a key role in promoting economic development, protecting the environment, and supporting cultural and community initiatives across the county.

Financial sustainability



We considered how the audited body:	Commentary on arrangements	Assessment
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At 31 March 2024 the Council produced an underlying overspend of £30.1m before mitigations. This is almost entirely attributed to the Children's Directorate which produced a £30.4m overspend for the year. The overspend was able to be fully mitigated from a variety of sources including the Financial Management Reserve, Treasury Management overperformance, underspends in other areas of the budget and contingencies and provisions built into the budget to manage emerging risks. This is a similar picture to 22/23 where the overspend position was £10.7m on services (and £1.8m in total), due to the same pressures and mitigated from similar sources of funding.

The Council has set a balanced budget for 24/25, however this has required use of the Financial Management Reserve of £14.3m to do so, and £18.5m usage of reserves overall. This has been used, but to a much lesser extent, in prior years to partially mitigate unanticipated budget overspends.

In January 2024 the Council set its Medium Term Financial Plan (MTFP) for 24/25, 25/26 and 26/27. This has since been updated in June 2024 to cover 25/26 to 27/28. This latest position demonstrates that the Council has an £83.6m budget gap across the 3 year period which is currently unmitigated and could be a further pressure on reserves. As noted on page 17 the Council is in the process of developing its 3 year savings plan for 25/26 to 27/28 and therefore the extent to which savings can bridge the gaps is unknown. The Council continues to include general and specific contingencies within the medium term position to assist in responding to risks and protecting reserves. Despite these contingencies the track record of overspends, risks identified within the budget and forecast overspends for 24/25 are a threat to the medium term sustainability of the Council reserves. This challenge is explored further on page 20 and 21 where we have recognised a weakness in arrangements to achieve financial sustainability in the medium term, and made a key recommendation.

The Q1 position for 24/25 shows that there is continued pressure in Adults and Children's Social Care despite £19m investment in these services in the budget. Overall, there is a forecast £23.4m overspend on services. Every department is overspending but the largest overspends are £12.5m in Children's Social Care and £9.8m in Adults Social Care. As this is a forecast position the Council does have the opportunity to respond in the following 3 quarters to try to reduce these pressures by year end. Available mitigations have been mobilised immediately, which have reduced the forecast deficit to £9.4m. These include the use of corporate contingency, use of a social care grant announced after budget was set and continued overperformance of Treasury Management. Other budgetary control measures have been implemented and Officers and members continue to liaise to maximise opportunities. The remaining deficit would need to be met from reserves, in addition to the planned drawdown of £14.3m in the budget.

Overall, based on the medium term financial outlook, we have identified a weakness in the Council's ability to achieve financial sustainability and have raised a Key Recommendation to reflect the significance of the findings.

R

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ensures that it identifies all the significant financial pressures that are relevant to its short and medium-term plans and builds these into them;

- G No significant weaknesses in arrangements identified or improvement recommendation made.
- A No significant weaknesses in arrangements identified, but improvement recommendations made.
- R Significant weaknesses in arrangements identified and key recommendations made.

Financial sustainability (continued)



We considered how the audited body:

Commentary on arrangements

Assessment

The Council approved a total savings target for 23/24 of £1.779m, this comprised of £974k of new savings agreed for the financial year and savings unachieved in prior years and rolled forwards. The year end position shows that £664k of the target was achieved in year (38%), the majority of savings are still deemed to be deliverable but in future years and so have been rolled forwards (59%). This leaves 3% unachieved, deemed undeliverable. The Council has seen a decline in savings performance between 21/22, when the full £1.8m savings target was achieved, and performance in 22/23 and 23/24. There has been increased under delivery year on year despite the savings remaining relatively stable. Each year, including 23/24, the majority of undelivered savings have been temporarily funded, meaning that for one year only the saving has been replaced with funding from the budget (for example from reserves or underspends in certain departments), but the saving will still need to be made in future years, or be replaced with an alternative savings scheme and is ultimately rolled forwards each year.

This exerts pressure within the budgets of future years and therefore is unsustainable for the medium term. Within the 24/25 budget is focussing on delivering £693k in Business Services, included in existing savings plans for the financial year, and an additional £1.115m carried forward from 2023/24, split between Business Services and Communities, Economy and Transport directorates. No savings have been identified within the MTFP and therefore the Council is carrying a medium term financial gap. The Council is in the process of developing its 3 year plan for savings from 25/26 to 27/28. The Council has previously focussed on savings from traditional service line budget cuts, the Council is responding to the emerging 24/25 outturn overspend by initially introducing 10-15% budget reductions in services. Therefore, it is still partially reliant on savings of this nature. There is evidence that the Council is exploring more transformative approaches to savings in Children's Services and Adult Services, which is appropriate given these present the most significant financial and demand pressures to the Council. Governance arrangements are in place to support transformation in these services including a Children's Transformation Board, who are specifically focussed on progressing the IMPOWER Consultancy recommendations and in Adults they have an RPPR Board to drive improvements.

The Council effectively monitors savings delivery through its quarterly Council Monitoring Reports, which effectively draw members attention to savings delivery at Council-Wide, Directorate and Service line level. Performance is transparent and pressures easily identifiable via this reporting, the frequency is sufficient for actions to be taken between reports.

Overall, the Council has a track record of rolling forward undelivered savings into future years and continues to work to deliver these, work already being undertaken to make improvements in savings in 25/26. No recommendations made.

G

plans to bridge its funding gaps and identifies achievable savings

The Council has set a clear strategic direction based on a thorough data-driven understanding of the local area. It prepared and presents the State of the County report in June each year, providing a deep understanding of the underlying demographics and background to the Council's operating environment which informs the budget setting process.

The budget setting process at the Council is encompassed within the Reconciling Policy, Performance and Resources (RPPR) processes which include budget, MTFP and Capital Plans. The Council Plan, which sets the Council's priorities and how they will be achieved is reviewed annually alongside the RPPR process to ensure that financial, and non-financial plans, ultimately align to Council objectives. This is a well established, well-understood and robust process.

The design of the 24/25 budget is consistent with prior years in that it is focussed predominantly on statutory areas of spend in Adult and Children's Social Care which account for 75% of the net revenue budget. Children's Services are a particular area of pressure for the Council, producing the largest overspends each year with an £11.5m overspend in 22/23, £30.4m in 23/24 and forecast £12m in 24/25 before mitigations.

G

plans finances to support the sustainable delivery of services in accordance with strategic and statutory priorities

Financial sustainability (continued)



We considered how the audited body:	Commentary on arrangements	Assessment
(continued)	<p>It is clear that Council processes and analysis, including their detailed Key Performance Indicator (KPI) monitoring, have been able to pinpoint the specific causal factors in the overspends, being Looked after Children, Home to School transport and SEND Provision. As such the Council has been able to take specific and targeted actions in these service areas. The response we have observed is extensive and seeks to tackle a combination of demand, supply and cost side factors. These include the reopening of Lansdowne Children's Home, the establishment of an Early Intervention Strategy, the establishment of a reunification framework and the Connected Families Intervention programme. All are focussed on early intervention as a priority, to put demand reduction at the forefront of actions taken.</p> <p>Of particular note is the Council's work with IMPOWER Consultants on the Valuing Care Approach. Recommendations made from the work were based on a deep understanding of root causes of pressures, being increasing demand and supply of appropriate cost effective Children's Social Care Placements. The Consultancy have worked closely with the Council, who have been well engaged in the process, to implement the 3 phased approach to secure appropriate types of placement for the right amount of time. These Consultants have also assisted with securing and retaining quality foster placements and building the skills and capacity in commissioning internally. The programme is in its infancy and therefore sustained financial and operational improvements are yet to be observed but early signs of improved outcomes are positive. estimated savings totalling £2.3m have been identified between 24/25 (£1.4m) and 25/26 (£0.9m) which could increase to £4.3m in total if the target number of placements are identified. In additional to this a further £1.5m of savings have already been realised. Unfortunately, these have been outstripped by unanticipated increases in demand in 24/25, hence forecast overspends continuing. In addition, at the end of 23/24 the Council's KPI monitoring showed reductions in the numbers of Looked After Children to within target levels.</p> <p>Therefore, although pressure continue the response is deemed to be comprehensive, and a time lag between action and impact is to be expected. We will keep a watching brief in 24/25 to establish whether arrangements are embedding effectively and producing the desired outcomes.</p> <p>Overall, Council plans finances to support the sustainable delivery of services in accordance with strategic and statutory priorities, and we have not identified any improvement opportunities in this area.</p>	
ensures its financial plan is consistent with other plans such as workforce, capital, investment and other operational planning which may include working with other local public bodies as part of a wider system	<p>The Council has evidenced that it regularly updates its key strategies which support delivery of it corporate objectives, as set out in the Council Plan, which is reviewed and updated annually. We would expect key strategies to be reviewed at least every 3-5 years to ensure that they remain fit for purpose, there is evidence this is adhered to. In the 23/24 year the Council has updated both its People Strategy and Climate Change Plan, which support key objectives.</p> <p>The People Strategy 2024-2029 identifies the interventions that are planned to support the development of the future workforce. It demonstrates a clear commitment to involving employees in decision making, providing training and improving wellbeing with the aim of greater retention and recruitment of the workforce. It clearly sets out strategic level objectives at Council Level whereas setting the required staffing compliment is the responsibility of individual departments. This feeds into the budget setting process to ensure the establishment is affordable.</p> <p>To ensure effective monitoring of the People Strategy the Council have identified a set of deliverables which will be measured to determine how successful the strategy has been in meeting its objectives. These will be monitored via an annual review which will be presented to the Human Resources Management Board and, where appropriate, on to the Corporate Management Team. Therefore arrangements are in place to ensure effective monitoring of the strategy.</p>	G

Financial sustainability (continued)



We considered how
the audited body:

Commentary on arrangements

Assessment

(continued)	<p>The Council Climate Emergency Plan 2023-25, which seeks to achieve net zero status by 2050. The Plan has been developed based on scenario planning and modelling investment and emission data. The correlation between increased investment and reduced emissions has been incorporated into Council financial plans, which include both revenue and capital investment in climate change projects.</p> <p>The Council sets its Capital Strategy and Programme within the RPPR process, alongside the budget each year. Capital Programme expenditure for the year 23/24 is £77.5m against a budget of £85.9m, a net variation of £8.4m. This is an overall difference of 9.7%, which consists of overspend, slippage and spend in advance, and is not considered to be significant, the Council fully understands the specific projects and causes of the slippage and have taken action accordingly in 24/25. This includes allowing for a corporate slippage risk factor within the programme for 24/25 to respond to emerging risks and reviewing assumptions, based on historical trend data, to improve the accuracy of assumptions in the programme.</p> <p>Overall, the Council's financial plans align with its strategic objectives and supporting strategies, we have not identified any opportunities for improvement.</p>	
identifies and manages risks to financial resilience, e.g. unplanned changes in demand, including challenge of the assumptions underlying its plans	<p>The 24/25 budget accounts for known pressures, which are built into budget estimates and funded, these include pressures from social care placements, inflation and national living wage increases on the social care provider market. The budget also considers unforeseen risks and uncertainties. These uncertainties are estimated to be £29.7m and therefore, if they emerged in full, could be an additional pressure to the breakeven budget set for 24/25. These uncertainties include pay and non-pay inflation, social care and climate risks over and above those that can be estimated reliably. The risks highlighted are within our expectation for the Council's services and operating environment and we have not noted any significant omissions and therefore consider members to be well informed of risks. Members understanding the likelihood, as well as impact, of these risks would be beneficial and this has been considered as part of our overarching financial sustainability Key Recommendation on page 20 and 21.</p> <p>The Council undertakes sufficiently detailed monitoring of reserves and contingencies within the quarterly monitoring reports.</p> <p>Overall, the Council ensures members are well-informed of the risks within the budget and MTFP, we have identified an opportunity to provide further detail, further assisting members in their decision making and recognised this as part of our Key Recommendation. No further issues have been identified in this area.</p>	G

Financial sustainability (continued)



Significant weakness identified

In the prior year, 22/23, the Council’s outturn was a total revenue overspend of £10.7m (and £1.8m in total). In 23/24 the overspend increased to £30.1m. This shows a track record of overspending. In both years the deficits were mitigated by use of the Financial Management Reserve, better than anticipated investment income due to high interest rates and use of general contingencies that are set aside each year to protect reserves.

As at 31 March 24 the Financial Management Reserve stands at £35.8m, however there is planned usage of this specific reserve of £15.1m (including £14.3m to balance the budget) in 24/25, reducing it to £20.7m. The 24/25 budget monitoring is currently forecasting a £9.4m overspend for 24/25 after mitigations.

The latest medium term outlook is a deficit of £83.6m (25/26 to 27/28) which suggests limited scope to replenish the Financial Management Reserve, or any other reserves, in the medium term and therefore exposing the Council to future financial risks.

We would suggest an annual or medium term budget gap in excess of 5% of the net revenue budget to be significant. Per Table 1 the total gap over the medium term is below this at 4%, the gap is also below this in all years except 25/26. In 25/26 this is close to 10%. As such there is greater pressure in 25/26 and so the Council should prioritise its actions to target this particular financial year in addressing the medium term outlook and this is reflected in our recommendation

	24/25	25/26	26/27	27/28	Total
Budget Gap	14.3	55.3	16.5	11.8	97.9
Net Revenue Budget	552.4	591.8	623.5	671.9	2,439.6
%	2.59%	9.34%	2.65%	1.76%	4.01%

The Council has a series of reserves set aside which include General Fund Reserves (unallocated for non-specific use), Service Reserves (set aside to fund specific financial risks or projects in specific departments) and Strategic Reserves (set aside to mitigate financial risks of any kind that hinder the Council in meeting its objectives). At the end of 23/24 General Fund, Earmarked Service Reserves and Earmarked Strategic Reserve totalled £92.8m. This represents 16.8% of the net revenue budget for 24/25. Grant Thornton published a paper ‘Lessons from recent Public Interest reports’ in 2021 which includes a strong emphasis on the importance of maintaining an adequate level of reserves. There is no formal definition as to what constitutes adequate, but Grant Thornton’s view is that reserves should be a minimum of 5% of net spending and preferably be somewhere between 5% and 10%. The level of reserves at the start of 24/25 is above this threshold.

The medium term financial gap between 24/25 and 27/28 is greater than the reserves balance, and so if no mitigating actions were taken these reserves would be completely eradicated before the end of 27/28. In reality, the Council sets aside contingencies within its budget each year - a general contingency and some specific contingencies, for known pressures. For 24/25 to 26/27 this is around £5.3-£5.4m per year for general contingencies and £6.2m of specific contingencies per year for inflation and energy price rises. Despite the contingencies in place, £43m of reserves would be needed to close the gap in 25/26 without other supporting actions, but in 26/27 contingencies would be sufficient to protect reserves from further usage. This would slow the depletion of reserves but does not fully respond to the pressures, further supporting our view that focus is needed on reducing the budget gap in 25/26 through measures other than contingencies.

After consideration of contingencies, the Council currently estimates that by 31 March 2029 its total General Fund and Earmarked Reserves will stand at £45.5m which is 6.6% of net revenue expenditure. The Council has recognised £29.7m of risks to the 24/25 budget, as well as the 24/25 emerging overspend of £9.4m. These issues, if they materialised, could potentially eradicate reserves despite contingencies set aside.

Although there is an assessment of magnitude of these risks, of £29.7m, these are uncertain and so not accounted for in the budget. There is no assessment of likelihood, and therefore without this information it is not clear to decision makers whether the budget includes sufficient contingencies to address the risks should they occur.

Financial sustainability (continued)



Significant weakness identified (continued)

The Council has a limited savings programme due to having exhausted its options for service cuts in prior years, as such the current financial planning does not include a savings programme that could meet some of the deficit expected in future years. We have made an improvement recommendation in this regard as the Council is currently in the process of developing a 3 year savings programme as part of its 25/26 budget setting process, and we are aware this includes savings being asked of Children's Services which is expected to be more transformative in nature, therefore the Council are already seeking improvements. Savings are a key mechanism by which the budget gaps can be addressed, protecting reserves with a view to replenishing them in the medium to long term.

We have noted extensive actions being taken in response to pressures in Children's Services, therefore on an operational level we believe arrangements in that service line to be robust. Although Children's Services is a key source of financial pressures in the budget and MTF the financial position is Council-wide and so the weakness identified in financial sustainability is not mitigated by the actions in Children's Services alone.

Based upon the evidence we believe there is a significant weakness in arrangements to deliver financial sustainability. This is due to unmitigated funding gaps in medium term financial planning that substantially threaten delivery of the plan. If unaddressed the Council will need to rely on use of contingencies and reserves to cover unplanned spending. The Council has a track record of overspends, overspending is currently forecast for 24/25.

The Council is taking reasonable actions to respond which includes continuing to lobby appropriately with government and associated local government bodies, such as the LGA, the position they are in, and the growing gap in demand, and funding. However should the financial risks identified in the Council's own reporting emerge, the Council would not be financially sustainable in future. As a result, it would be unable to demonstrate the achievement of VfM, in effective use of resources, leading to a weakness in arrangements being identified.

Key Recommendation 1 – The Council should continue to seek to be financially sustainable in the medium to longer term by continuing to raise the challenges faced in all appropriate forums, including with MHCLG. Savings plans should continue to be developed, to identify savings, via efficiency, and/or changes in services, to ensure the cost profile of the Council is as lean as it can be, whilst providing the statutory services required. Conversations should continue, on suitable funding for demand led services alongside national local government reform, as being discussed at a national level.

Governance (continued)



We considered how the Audited Body:

Commentary on arrangements

Assessment

monitors and assesses risk and gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud

The Risk Management Framework is being updated in 24/25, with changes reflecting minor terminology updates and clarity over risk appetite. Review and challenge of risks is extensive with oversight from Corporate Management Team, the Audit Committee, departmental Risk Co-Ordinators and Finance regularly throughout the year. Risk reporting is achieved via the Council Monitoring Reports which are present to Members quarterly. The reports are fully integrated, combining risk, financial performance, non-financial performance and savings at directorate and organisation-wide level. As such, Members have a clear picture of the impact of risk on performance and vice-versa.

The format of the Council risk register is effective in linking risks to strategic objectives and provides detail of the actions being taken to mitigate the risk, however we have identified an opportunity to improve the information presented to Members. Further details, and our improvement recommendation, are on page 26. The number and type of risks are representative of the activities, environment and challenges the Council faces specifically.

The Council continues to be supported by a well-established Internal Audit Shared Service, delivered by Orbis. Internal Audit effectively liaise with officers and members in developing their Plan each year, before final approval, which has ensured that there is coverage across key financial systems, a range of operational area/services and a range of risks. The team completed 90% of the planned audits in 23/24 and therefore met its performance objectives, and undertaking a sufficient number of reviews to inform their opinion. The overall Head of Internal Audit Opinion for 23/24 is consistent with the prior year, a rating of 'Reasonable Assurance'. This is positive but does highlight several areas of improvement in the recommendations. The recommendations are readily accepted and progressed by management.

Overall, a minor improvement recommendation in relation to risk management arrangements has been identified.

A

approaches and carries out its annual budget setting process

The Council continues to use the well-established and understood Reconciling Policy, Performance and Resources (RPPR) process for setting the budget and MTFP in 23/24. The process for producing the budget begins in July each year, via the 'State of the County' report which provides important analysis and context about the environment the Council operates in and ultimately provides Members with the detailed information they require to scrutinise key assumptions being made in developing the budget. The process continues to engage officers throughout the year across all departments, Finance and the Corporate Management Team before final approval by Members each January.

The process is supported by scenario planning, sensitivity analysis, benchmarking and has been updated over several years following VFM and Local Government Association Peer Reviews. As such it is clear that the Council undertakes a significant amount of work to assure Members of the robustness of the estimates within the budget. The information models the potential impact of changes in several income and funding streams (such as Adult Social Care Grants, Business Rates, Council Tax and Inflation) on the medium term position, taking it from an initial forecast budget gap of £83.6m across 25/26 to 27/28 to £31.2m. However, this would only be achieved should each scenario materialise in full, and so the Council continues to explore mitigations to the current gap.

Overall, the Council ensures members are well-informed of future financial uncertainties, no recommendations have been made

G

Governance (continued)



We considered how the Audited Body:

Commentary on arrangements

Assessment

ensures effective processes and systems are in place to ensure budgetary control; to communicate relevant, accurate and timely management information; supports its statutory financial reporting; and ensures corrective action is taken where needed, including in relation to significant partnerships

Monthly performance monitoring takes place through DLTs, and quarterly monitoring takes place through CMT and Cabinet. Performance is reported to Cabinet in the quarterly Council Monitoring Report. Prior to this is it sighted by Corporate Management Team (CMT) and monthly monitoring is undertaken by individual departments in the intervening period.

The report is a fully integrated report on financial performance, non-financial performance and risk. It is presented at Council-wide, directorate and individual service level. The information is supported by detail narrative of the causes of the performance and actions taken as well as useful tabular summaries - for non-financial performance this includes target performance, trend data, RAG rating and actual performance for each KPI set at the start of the year, it also includes the responsible directorate and owner. As a result, the information is comprehensive and allows members to gain a full picture of performance, including the interdependencies between risk, finance and operations. It also allows them to understand performance at granular, service-level detail to ensure that individual departmental challenges are not masked in the overall position by overperforming departments. Although the information is extensive it is thoroughly discussed at Cabinet meetings by Members, who focus on key issues at hand, and so does not appear to be excessive or overwhelming to decision makers. Discussion does cover financial, non-financial and risk performance and therefore scrutiny covers all aspects of the reporting.

Overall, no recommendations in relation to budget monitoring have been identified and therefore reflects, continued, strong arrangements in this area.

G

ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency, including from audit committee

Review of Cabinet minutes, publicly available webcasts of Committee meetings, attendance at Audit Committee and discussions with officers has provided assurances that papers provide comprehensive detail on key issues to decision makers and achieve transparency. Members are engaged in discussion on issues within these papers and there is a good level of challenge and scrutiny observed.

Improvement recommendations raised internally, or by External or Internal Audit, are accepted and responded to in a timely manner.

The Council is well supported by their Audit Committee. The Committee meets sufficiently regularly, every quarter, and attendance at the committee is strong, with most members attending every meeting or sending a substitute in their absence. They provide appropriate challenge of financial and non-financial items, and the members of the Committee demonstrate mix of knowledge and expertise. There is a two way support system in place, with meetings also attended by the Chief Operating Officer, Chief Finance Officer, the Head of Internal Audit and staff from Grant Thornton who provide detailed presentations and papers and encourage and answer questions from the committee effectively, this ensures members are well informed across risk, governance and audit matters.

Best practice suggests that the committee should contain at least one independent member. In July 23 the Committee agreed to the appointment of two independent members of the Audit Committee, therefore best practice has been achieved.

Overall, no recommendations in relation to challenge and transparency in decision making have been identified and therefore reflects, continued, strong arrangements in this area.

G

Governance (continued)



We considered how the Audited Body:

Commentary on arrangements

Assessment

monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of staff and board member behaviour and where it procures and commissions services.

The Council Constitution sets out the rules and procedures under which the council operates. The Constitution has the important purpose of providing a guide for members, employees, local people, businesses and other organisations to understand how the council's decision-making works. It was recently updated in July 2024 and is therefore considered up to date, with the review demonstrating that the Council seeks to ensure it remains relevant and fit for purpose. The Constitution contains Codes of Conduct for members, and the Council also has a separate Code of Conduct Policy which sets out standards for employee behaviour. Despite having these policies in place complaints regarding the Council's standards can occur and where individuals feel their complaints have not been dealt with effectively by Council processes can escalate these to the Local Government Ombudsman. 63 complaints were escalated to the Ombudsman in 23/24 of which only 32 required investigation by the Ombudsman, several were closed after initial enquiries as they were not relevant to Ombudsman's remit or didn't meet the definition of a complaint. Of the 32 investigated, 28 were upheld and so found to require resolution by the Council i.e. the Council were found to be at fault. This is 88% compared to 85% at other similar authorities and as such the Council is not an outlier. Although only 2 of the 28 cases had appropriate remedies implemented before the case reached the Ombudsman (which is also in line with similar authorities), following Ombudsman investigation the Council did provide satisfactory remedies in 100% of the upheld cases and so all have been appropriately responded to, retrospectively. The Council may benefit from understanding the underlying reasons for the cases being escalated to the Ombudsman, but currently the performance is reflective of similar authorities and not a significant concern.

Procurement and Contract Standing Orders (PCSOs) are also contained in the Council Constitution and so have also recently been updated. Procurement service continue to be provided for by Orbis Procurement. Orbis is a shared service arrangement consisting of East Sussex County Council, Surrey County Council and Brighton and Hove Council. Preparations are in progress for the 2023 Procurement Act. The Act was initially expected to come into effect at the end of October 24, this has been deferred nationally to 28th February 2025. Orbis have been working towards the initial date despite the deferral and have made good progress with preparations within their control, with outstanding areas being due to information not yet provided by central government. A Programme Team is in place working across 19 workstreams. Staff training in relation to the new requirements of the Act has been rolled out. The Council does not have a current, updated Procurement Strategy in place. This is an active decision due to the fact that the service is currently in a state of change, as it is being reorganised, and it would be the Council's preference to wait until the Procurement Act 2023 has embedded to understand the impact of the requirements on the Council. The Council are aware of the need to be fully prepared and compliant with the Procurement Act upon its implementation in February 2025. Given that the implementation date for the Act becoming law has been deferred from October 2024 to February 2025, the Council does have time with which to develop such a Strategy.

G

Governance (continued)



We considered how the Audited Body:	Commentary on arrangements	Assessment
[continued]	<p>In line with the Local Government Transparency Code for Contracts and Purchase Orders the Council has published its active contracts and purchase orders on its website, over £5k, since quarter 2 of 23/24. The information achieves appropriate transparency by providing the public with details of what the contract is for, who the supplier is, the total value of the contract, start date, end date and any extension. Having reviewed the information at quarter 4 of 23/24 it is clear that a range of suppliers are used, with no over reliance on certain suppliers observed. The largest contract on the register is for £1bn with Veolia for a 30 year Integrated Waste Management Contract. This contract was reviewed by Internal Audit in year and received positive assurances, demonstrated by its Reasonable Assurance rating.</p> <p>Overall appropriate arrangements are in place to ensure appropriate standards are met, and no recommendations have been made.</p>	

Governance (continued)



Areas for improvement

Risk Register Formatting

To ensure that Members are provided with sufficient information to manage the risks to the organisation it is important that certain information is included within the risk register. This includes:

- A clear link to corporate objectives in the Council Plan for each risk
- Allocation of each risk to a responsible officer
- A clear risk score, allocated between impact and likelihood, as per the Risk Management Framework
- A RAG rating of each risks score
- A target risk score
- Direction of travel

Currently the Council Risk Register is reported as part of the Council's Integrated Monitoring Reports, and as a stand-alone risk register. Each includes a risk reference number, detailed description of the risk, mitigating actions being taken, a RAG rating post mitigations and trend information on the direction of travel. The stand-alone risk register also includes the RAG rating pre and post-mitigations. However no responsible officer is allocated to each risk, no details of the risk score itself, or how its allocated between likelihood and impact, or a target is presented. This could be improved to achieve better accountability, context and transparency.

A report is also presented at each meeting of the Pension Fund Committee and Pension Board setting out the risks faced by the Fund. The report sets out the risks, the mitigating actions, risk rating pre and post mitigations and the risk owner. As such there is sufficient information to understand the risks, this report does also include information with which to hold relevant officers to account and understand the impact of the actions being taken. However, it is not clear from the register itself how the risk score has been arrived at, based on likelihood and impact or what the target risk score is. Trend analysis of the risk scores over the last 2 years is provided which, if a target was provided, would give useful context to this information. Therefore, improvement could be achieved in this respect, in line with the Council risk register.

Improvement recommendation 1: The Council should review the format of both the Council, and Pension Fund, risk register to ensure that the best practice is achieved in the information it presents to decision makers, notably including a clear link to objectives within the Council Plan, target risk score for each risk, a responsible individual for each risk and information on the impact vs likelihood score for each risk, consistently in the two registers.

Improving economy, efficiency and effectiveness



We considered how the audited body:

Commentary on arrangements

Assessment

uses financial and performance information to assess performance to identify areas for improvement

Council arrangements to monitor performance remain the same as prior year, no opportunities for improvement were raised as part of that work and our review of 23/24 arrangements continues to observe a strong performance monitoring framework in place. Members are presented with a full suite of integrated financial, non-finance and strategic risk information with which to reliably base their decisions upon. We have observed a positive culture of discussion, challenge and clarification at Cabinet meetings in relation to performance information, which is evidence of effective transparency and accountability. The significant volume of information does not overwhelm members and discussion is focussed on key issues highlighted in the reporting. The information is suitably up to date, KPIs reviewed regularly to ensure they remain reflective of Council priorities and data integrity observed.

Operational performance for 23/24 was positive with 64% of KPI targets achieved, 40% improved or were at the maximum compared to prior year, therefore showing an improving trajectory in many cases. The majority of below target metrics (6) are in Children's Services and we have already noted several actions taking place in this department to generate improvements.

The Council submits annual RA return forms (budgeting costs) to Ministry of Housing, Communities & Local Government (MHCLG) who collate the data nationally to compare unit costs of Council services with all other County Councils. Data from this tool highlighted that the Council had very high comparative unit costs in Adult Social Care. The pressure highlighted by this data concurs with the Council's own performance reporting which has identified the operational root cause to be high numbers of carers supported through short-term crisis intervention. These individuals are not referring themselves for support, resulting in the need for immediate short-term solutions, instead of longer term more cost effective solutions. The Council wishes to seek more detail for reasons for the drop in referrals from carers needing support, and so more evidence of the Council response to this pressure is expected in 24/25.

Overall, performance monitoring arrangements are good, with further actions expected to respond to areas of underperformance in 24/25.

G

evaluates the services it provides to assess performance and identify areas for improvement

The Council actively engages with external reviews of its services to ensure it can deliver quality services. The latest Ofsted inspection of Children's Services was reported in February 2024, rating the service as Good with elements of Outstanding - a positive result. This is downgrade from the 2018 rating of Outstanding and so the Council has developed an Action Plan, presented alongside the report to Cabinet. The Action plan effectively links the improvements identified by Ofsted to a series of specific tasks, a responsible owner and a target date, and so is effective in ensuring accountability. The final action plan was shared with Ofsted in May 24 to ensure they were also aware of the actions agreed and could hold the Council to account as required. The action plan is monitored quarterly by the Children's Department as part of their existing quarterly monitoring arrangements. This includes scrutiny from the Director of Children's, Heads of Service and Performance Managers as required. Liaison with the Director of Children's has confirmed that all actions have been completed with the exception of the IRO dashboard, which requires resourcing to be allocated. This is considered a timely response and informal feedback from Ofsted is positive in terms of progress made by the Council.

G

Improving economy, efficiency and effectiveness (continued)



We considered how the audited body:

Commentary on arrangements

Assessment

(continued)

A Local Government Association (LGA) Peer Challenge of Adult Social Care took place in 23/24 and the report was presented to July 24 Cabinet. The review was commissioned by the Council in order to help them prepare for any Care Quality Commission (CQC) inspections which could occur in the next 18 months. This shows a proactive approach to gaining feedback and fostering improvement, it is clear that the Council are seeking quality in this service. Cabinet were presented with the findings promptly and there was evidence that the Council were well engaged in the process (including submitting their own self assessment against industry standards from Jan 23 and 235 People speaking to the peer reviewers). As a result of the findings the Council are currently develop an Adult Social Care Priority Development Plan, which is in draft form, focussed on Prevention, Waiting Times, Safeguarding, Quality and Value for Money. Many actions responding directly to these priority areas have already commenced. Supporting governance arrangements to ensure the Plan is progressed have been agreed - an Improvement and Assurance Board will have responsibility for developing the workstreams under each priority and monitoring progress. Ensuring delivery will be the responsibility of a sub-group of the People Scrutiny Committee. These groups are now in place and have met in 24/25.

Overall, no recommendations in relation to engagement with external performance reviews have been identified and therefore reflects, continued, strong arrangements in this area.

ensures it delivers its role within significant partnerships and engages with stakeholders it has identified, in order to assess whether it is meeting its objectives

Local Enterprise Partnerships (LEPs) were introduced across England in 2011 as partnerships between councils, businesses and other stakeholders, focussed on driving productivity and job creation, and as a more locally-driven replacement for the nine regional development agencies abolished in 2010. East Sussex formed part of the South East Local Enterprise Partnership (SELEP), which also included Essex, Kent, Medway, Southend and Thurrock.

In March 2023, as part of its overall levelling-up and devolution agenda, the government announced that it was minded to discontinue funding LEPs from April 2024 onwards, a position that they formally confirmed in August 2023. In light of this, SELEP took the decision to close operations, with LEP functions and responsibilities transitioning to Upper Tier Local Authorities (UTLAs) from April 2024.

The Council has therefore taken on relevant local SELEP responsibilities from 1 April 2024 and has established a series of governance arrangements to ensure there is dedicated resource, clear responsibilities and smooth management of the transition. The overall transition is being overseen, internally, by the underlying Economic Development, Skills and Infrastructure Service who has been responsible for overseeing the LEP work previously and so have a deep understanding of the programmes of work and specific projects involved. They are supported in this role by a series of LEP specific groups, one example being Team East Sussex (TES) who are an independent, business-led, body, with representation from local business members, voluntary and community sector, education and Council Leaders cross East Sussex. The aim of the group is to ensure that the transition can be facilitated locally and meet the interests of relevant stakeholders.

G

Improving economy, efficiency and effectiveness (continued)



We considered how the audited body:

Commentary on arrangements

Assessment

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(continued)

The framework for the transition has been established in advance of the transition from April 24. The SELEP Transition Plan, accompanied by the Council's 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. These were approved in December 2023 and March 2024, respectively. Responsibility for monitoring the implementation of the internal integration plan sits with the Economic Development, Skills and Infrastructure Service. The SELEP Transition Plan and East Sussex Integration Plan are supported by other governance arrangements. This includes an internally drafted East Sussex Assurance Framework that will support the transition of the legacy capital funded programmes. Internal Governance Boards are being established to manage and monitor the LEP requirements and follow formal governance processes where decisions need to be taken

Although the key framework documentation, and governance arrangements, have been developed in a timely manner, ahead of the transition, some arrangements are continuing to evolve and are not yet fully implemented. Notably a Transition Agreement from Essex County Council, as the current Accountable Body, to transfer the responsibilities to the partner authorities. Although the Council can control the pace of internal arrangements, the delays to the Transition agreement sit with Essex County Council.

The lack of Transition agreement has caused challenges to the Council including officers undertaking responsibilities under new arrangements whilst also undertaking those associated with the continuation of SELEP until it is fully transitioned under an official Transition Agreement. This has had a direct financial impact as the Council has been unable to access funding from Government, allocated to support the transition and so many activities have been delayed and will need to be achieved in a shorter timeframe due to the time-limited nature of the funding. The Council are also unable to access some residual revenue funds held by SELEP which will be reallocated to partners to support LEP transfer activities once the Transition Agreement is signed.

As part of the 22/23 audit we became aware of a 'deep dive' investigation by the Department for Levelling-Up, Homes and Communities (DLUHC) Assurance and Compliance Team into alleged weaknesses in the Council's arrangements in respect of regeneration schemes funded by LEP money. The initial draft was received in March 24 and the Council challenged its findings, a second version was provided in May 24. We reviewed these as part of our audit work in the prior year and identified that although there were weaknesses in procurement and project arrangements these were not significant in nature. The finalised version of the report has not yet been received by the Council, with the reasons for the delay being cited as the change of government meaning communications have stalled. We do note that, despite the lack of finalised report, the Council has progressed actions to support the transition and is expecting to internally review arrangements in 24/25.

The Internal Audit Plan for 24/25 includes a review of Transition of Local Enterprise Partnerships and this will provide the Council with assurance that the transition has taken place in accordance with government guidance and that the new arrangements are properly governed and controlled, allowing them to take any corrective actions required.

Overall, arrangements in relation to the SELEP are in a transitional phase, although the Council has acted to progress the actions within its control and as a result we have not identified any current need for improvement.

Improving economy, efficiency and effectiveness (continued)



We considered how the audited body:

Commentary on arrangements

Assessment

As previously noted, procurement services are provided by Orbis Procurement. Whilst Orbis provide a Contract Management Framework, managing contracts, and accountability for contract performance and associated risks, is the responsibility of individual departments within the Council rather than Orbis or a central team at the Council. As such, there is the opportunity to improve centralised, Council-wide oversight of contract performance (see page 31 for further details and our improvement recommendation)

Orbis updated its Contract Management Framework in August 2023, therefore it is considered up to date. Orbis also provided training on the new framework to 87 individual contract managers across 3 sessions in January 2024. In addition, these managers have been provided with eLearning modules and self-service learning via an internal portal across several modules including change management, risk, financial, governance and monitoring. The training is deemed to be comprehensive and able to support individual departments in applying the new framework.

Internal Audit reviewed Contract Management in 23/24 as part of their work and this received 'Partial Assurance', being the second lowest rating in a 4-grade system. The processes and controls have been subject to follow-up review in 2024/25, which will determine how successful the impact of the new framework and training on contract management have been on improving arrangements. Early indications from discussions between officers and Internal Audit are that all recommendations have been responded to and an improvement in rating is anticipated once the report is published.

The Partial Assurance Review related to corporate level arrangements, i.e. those that are Council-wide. However several other contract management related reviews were undertaken by Internal Audit in 23/24, as below, each of the received a Reasonable Assurance rating which is positive in its assurances and therefore suggests that issues are not pervasive across all contracts.

- Integrated Waste Management Services – Contract Management
- Contract Management Group Cultural Compliance Follow-Up
- Health Visiting Contract – Contract Management
- Domestic Violence and Abuse Refuge Contract – Contract Management
- Highways Contract Management

Overall, contract management arrangements are developing, with ongoing improvements being identified. We have highlighted the opportunity for further improvement with regards to oversight of arrangements.

A

commissions or procures services, assessing whether it is realising the expected benefits

Improving economy, efficiency and effectiveness (continued)



Areas for improvement

Centralised Contract Management Oversight

Discussions with Officers confirmed that Orbis, nor the internal Council Procurement Team, do not currently have any arrangements in place to monitor the performance of suppliers, resolve arising issues or track the delivery of benefits in relation to contracts. It is not that arrangements are not in place at all, but that these arrangements are not carried out centrally. Instead, contract management, and accountability for contract performance, resides in the departmental services and as such, there scope to increase centralised, Council-wide oversight of contract performance and associated risks. If there are any specific contracts for which information is required, liaise with the service to obtain the information they require on an ad-hoc basis. The Internal Audit review of Contract Management in year received Partial Assurance and therefore noted improvement required within the processes and controls in this area. The Council have responded to the recommendations and await follow up from Internal Audit to conclude on the effectiveness of that response. Given the need for improvement in contract management highlighted by Internal Audit we believe that the Council would benefit from ensuring it has arrangements in place to ensure that contract management processes are applied consistently and monitored effectively, centrally. We note that steps have already been taken to update the Contract Management Framework and provide training, therefore the focus should now be on ensuring that arrangements to monitor contracts at whole Council level are developed, to improve oversight and take action accordingly should performance not be in line with expectation for individual contracts.

Improvement recommendation 2: The Council should seek to strengthen contract management by ensuring arrangements are in place to monitor the performance of individual contracts centrally, to provide a Council-wide picture of performance and take action accordingly.

Pension Fund



We considered how the audited body:	Commentary on arrangements	Assessment
<p>As administering body for the East Sussex Pension Fund, how the Council:</p> <ul style="list-style-type: none">• ensures that it makes informed decisions and properly manages its risks (Governance• uses information about its costs and performance to improve the way it manages and delivers its services (3Es)• plans and manages its resources to ensure it can continue to deliver its services. (FS)	<p>The Council oversees the governance and administration of the East Sussex Pension Fund, with a Pension Fund Committee and a Pension Board in place to make key decisions and provide oversight.</p> <p>The administration of the fund is carried out by the Chief Finance Officer of the Council and the Pension Fund Team, with regular updates provided to the Pension Fund Committee.</p> <p>Investment performance is reported quarterly, overall positive returns were made on the Fund for 23/24 although below the benchmark set. Within the overall performance, some individual fund managers have made a negative return and/or performed below their individual benchmark, but these have been offset in the overall position.</p> <p>The Pension Fund's valuation. At the most recent triennial revaluation showed that it is 123% funded and therefore the Fund's long-term investment objective of maintaining a funding level at or close to 100% of the estimated liabilities is being achieved. The Fund's assets exceed anticipated liabilities by £763m, making it affordable and well-managed.</p> <p>Internal audit have reviewed several aspects of the Pension Fund Team processes and controls in 23/24 and all receive positive assurances with some minor improvement recommendations, these have been accepted by management and transparently reported to the Pension Fund Committee.</p> <p>With regard to risk management, the Fund's risk register is well-structured, addressing a range of risks. While there is one red-rated risk, this has not impacted performance and therefore risks are observed to be well managed. Minor improvement opportunities in the format of the risk register have been identified and included in our improvement recommendation on page 26.</p> <p>Overall, the Pension Fund is well governed and managed, with a positive performance on investments and overall fund value. Compliance and internal audit are satisfactory, and risk management is being actively managed, albeit with a minor improvement opportunity.</p>	<p>A</p>

Value for Money Recommendations raised in 2023/24



Recommendations raised in 2023/24

Recommendation	Type of recommendation *	Criteria impacted	Evidence	Impact or possible future impact	Actions agreed by Management
KR1 The Council should continue to seek to be financially sustainable in the medium to longer term by continuing to raise the challenges faced in all appropriate forums, including with MHCLG. Savings plans should continue to be developed, to identify savings, via efficiency, and/or changes in services, to ensure the cost profile of the Council is as a lean as it can be, whilst providing the statutory services required. Conversations should continue, on suitable funding for demand led services alongside national local government reform, as being discussed at a national level.	Key	Financial sustainability	24/25 Budget and MTFP State of the County Report 23/24 Council Monitoring Reports 24/25 Council Monitoring Report Q1	Reserves are a finite resource, which require replenishment in the medium-term to protect against future financial risks.	Actions: We recognise the challenges we face and through our well established Reconciling Policy Performance and Resources (RPPR) process we will strive to set a balanced budget for 2025/26 and a sustainable Medium Term Financial Plan. We will be dependent on government recognising the challenges Local Government faces, particularly across social care services, and our lobbying efforts will continue as we seek a longer term fair funding solution. Responsible Officer: Chief Finance Officer Executive Lead: Chief Executive Due Date: 11 February 2025 (2025/26 Budget Setting) and ongoing in 2025/26

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* Explanations of the different types of recommendations which can be made are summarised in Appendix B.

Recommendations raised in 2023/24

Recommendation	Type of recommendation *	Criteria impacted	Evidence	Impact or possible future impact	Actions agreed by Management
<p>IR1</p> <p>The Council should review the format of both the Council, and Pension Fund, risk register to ensure that the best practice is achieved in the information it presents to decision makers, notably including a clear link to objectives within the Council Plan, target risk score for each risk, a responsible individual for each risk and information on the impact vs likelihood score for each risk, consistently in the two registers.</p>	Improvement	Governance	Council and Pension Fund Risk Quarterly Registers	Members being made aware of risk scoring details, link to objectives, target risk score and who is responsible allows them to hold officers to account for the success of its actions, understand the effectiveness of actions in meeting objectives and take further action accordingly	<p>Actions: We will take on board the comments raised and review the risks registers for the County Council and Pension Fund to ensure best practice principles are being followed</p> <p>Responsible Officer: Deputy Chief Finance Officer and Head of Pensions</p> <p>Executive Lead: Chief Operating Officer and Chief Finance Officer (Pension Fund)</p> <p>Due Date: 1 April 2025</p>
<p>IR2</p> <p>The Council should seek to strengthen contract management by ensuring arrangements are in place to monitor the performance of individual contracts centrally, to provide a Council-wide picture of performance and take action accordingly</p>	Improvement	Governance	Internal Audit Contract Management Detailed Report Internal Audit Annual Report 23/24 Contract Management Framework Contract Management Training Discussions with Finance Officers and Orbis Procurement	Having a Council-wide view of performance improves the ability for the Council to understand the impact of individual contract performance on meeting is corporate objectives..	<p>Actions: The implementation of the Procurement Act 2024 will provide the opportunity to review contract management and performance report of such activity</p> <p>Responsible Officer: Director of Procurement</p> <p>Executive Lead: Chief Operating Officer</p> <p>Due Date: 1 September 2025</p>

Appendices

Appendix A: Responsibilities of the Council

Public bodies spending taxpayers' money are accountable for their stewardship of the resources entrusted to them. They should account properly for their use of resources and manage themselves well so that the public can be confident.

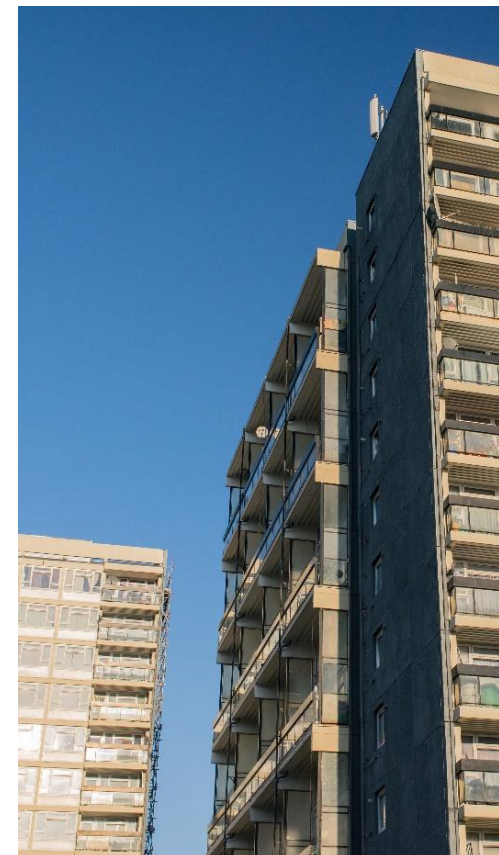
Financial statements are the main way in which local public bodies account for how they use their resources. Local public bodies are required to prepare and publish financial statements setting out their financial performance for the year. To do this, bodies need to maintain proper accounting records and ensure they have effective systems of internal control.

All local public bodies are responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness from their resources. This includes taking properly informed decisions and managing key operational and financial risks so that they can deliver their objectives and safeguard public money. Local public bodies report on their arrangements, and the effectiveness with which the arrangements are operating, as part of their annual governance statement.

The Chief Financial Officer (or equivalent) is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Chief Financial Officer (or equivalent) determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Chief Financial Officer (or equivalent) is required to prepare the financial statements in accordance with proper practices as set out in the CIPFA/LASAAC code of practice on local authority accounting in the United Kingdom. In preparing the financial statements, the Chief Financial Officer (or equivalent) is responsible for assessing the Council's ability to continue as a going concern and use the going concern basis of accounting unless there is an intention by government that the services provided by the Council will no longer be provided.

The Council is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.



Appendix B:

Value for Money Auditor responsibilities



Value for Money arrangements work

All councils are responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness from their resources. This includes taking properly informed decisions and managing key operational and financial risks so that they can deliver their objectives and safeguard public money. The audited body's responsibilities are set out in Appendix A.

Councils report on their arrangements, and the effectiveness of these arrangements as part of their annual governance statement.

Under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to satisfy ourselves that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The National Audit Office (NAO) Code of Audit Practice ('the Code'), requires us to assess arrangements under three areas:



Financial Sustainability

Arrangements for ensuring the Council can continue to deliver services. This includes planning resources to ensure adequate finances and maintain sustainable levels of spending over the medium term (3-5 years).



Governance

Arrangements for ensuring that the Council makes appropriate decisions in the right way. This includes arrangements for budget setting and management, risk management, and ensuring the Council makes decisions based on appropriate information.



Improving economy, efficiency and effectiveness

Arrangements for improving the way the Council delivers its services. This includes arrangements for understanding costs and delivering efficiencies and improving outcomes for service users.

2023/24 is the fourth year of the Code, and we undertake and report the work in three phases as set out in the Code.

Phase 1 – Planning and initial risk assessment

As part of our planning we assess our knowledge of the Council's arrangements and whether we consider there are any indications of risks of significant weakness. This is done against each of the reporting criteria and continues throughout the reporting period

Information which informs our risk assessment

Cumulative knowledge and experience of the audited body	Annual Governance Statement and the Head of Internal Audit annual opinion
Interviews and discussions with key stakeholders	The work of inspectorates and other regulatory bodies
Progress with implementing recommendations	Key documents provided by the audited body
Findings from our opinion audit	Our knowledge of the sector as a whole

Phase 2 – Additional risk-based procedures and evaluation

Where we identify risks of significant weakness in arrangements we will undertake further work to understand whether there are significant weaknesses. We use auditor's professional judgement in assessing whether there is a significant weakness in arrangements and ensure that we consider any further guidance issued by the NAO.

Phase 3 – Reporting our commentary and recommendations

The Code requires us to provide a commentary on your arrangements which is detailed within this report. Where we identify weaknesses in arrangements we raise recommendations. A range of different recommendations can be raised by the Council's auditors as follows:

- **Statutory recommendations** – actions which should be taken where significant weaknesses are identified with arrangements. These are made under Section 24 (Schedule 7) of the Local Audit and Accountability Act 2014 and require discussion at full Council and a public response.
- **Key recommendations** – actions which should be taken by the Council where significant weaknesses are identified within arrangements.
- **Improvement recommendations** – actions which should improve arrangements in place but are not a result of identifying significant weaknesses in the Council's arrangements.

Appendix C:

Follow-up of previous recommendations

Recommendation	Type of recommendation *	Date raised	Progress to date	Addressed?	Further action?
1 Financial Sustainability - Members and officers must develop a robust strategy to secure financial sustainability over the medium to long term and to retain safe levels of reserves. This must include consideration of the steps needed to prepare the organisation for another period of significant service transformation, after several years of organisational stability. This must include a sustainable funding solution for Children Services.	Improvement	November 2023	<p>The Council has continued to face pressures in Children's Services which have caused a larger, more significant overspend in 23/24. However, the Council has taken several steps to respond to the pressures, both operationally and budgetary. The actions are fairly recent in their implementation and therefore at this stage limited evidence of an improvement in financial outcomes has been observed. But we acknowledge the comprehensive response observed.</p> <p>This latest position demonstrates that the Council has an £83.6m budget gap across the 3 year period. Our work has identified a weakness in arrangements to secure medium term financial sustainability due to the pressure this position puts on future reserves, despite the Council setting aside contingencies in its budget annually. These contingencies slow the depletion of reserves but do not mitigate the issue in the short to medium term completely. The budget setting process also identifies a series of risks and uncertainties which are not planned for in the budget and could represent additional financial pressures should they materialise. Further details are found on pages 20 and 21, where we have raised a Key Recommendation in 23/24 in relation to the need to protect and replenish reserves in the medium term.</p>	No	We have raised a key recommendation, which supersedes this improvement recommendation, to ensure that the Council is focused on addressing the challenging medium term position. See Key Recommendation KR1.
2 Improving Economy, Effectiveness and Efficiency - The Council needs to complete the external review of the MBOS project to deliver a new integrated finance, payroll and HR system and act promptly on the options presented to ensure and adverse impact on value for money is mitigated or minimised.	Improvement	November 2023	The external review has been completed. A decision was taken on May 2024 by CMT to implement Oracle over three phases stretching forward from Christmas 2024 to April 2026.	Yes	No

*Explanations of the different types of recommendations which can be made are summarised in Appendix B.

Appendix C:

Follow-up of previous recommendations

Recommendation	Type of recommendation *	Date raised	Progress to date	Addressed?	Further action?
<p>3 Financial Sustainability (Prior Year) - The Council should consider implementing a longer MTFP horizon (e.g., 5 years) to improve visibility to members and the public on how the impact of the large in year funding deficit currently projected for 2025/26 could be mitigated over multiple years. This could be used to highlight the Council's expectations for the path of funding and cost pressures in key areas such as social care.</p>	Improvement	22/23	<p>In January 24 the Council set its MTFP for 24/25, 25/26 and 26/27. We would expect an MTFP to cover a 3 to 5 year planning horizon to ensure the medium term outlook can be effectively captured. Therefore, the January MTFP only covers 2 years of future outlook, as 24/25 is part of the annual budget setting process. The latest MTFP from June 24 covers the period 25/26 and 27/28, 3 financial years. This is within the minimum threshold of 3-5 years we would expect for a medium term planning horizon. Our recommendation was based in the fact the Council would benefit from a longer term horizon given the financial pressures it has experienced in recent outturns, to respond to the emerging risk. The Council have confirmed that they would always aim to provide a longer term Medium Term Financial Plan. However, with the service pressures currently being faced, combined with national uncertainty of a new government this is not possible. The government have committed to providing longer term funding certainty, but this is likely to be for 26/27 onwards. 25/26 will again, mostly likely, be a one year settlement.</p>	Partially	<p>Although the current approach covers an appropriate planning period there remains scope for improvement and the recommendation remains open.</p>
<p>4 Improving Economy, Effectiveness and Efficiency (Prior Year) - Consider introducing further contract management training for Council employees, particularly given the constraints on resourcing that leads to contract management being added to primary officer responsibilities. As noted previously in our report, the effectiveness of the contract management training currently delivered should be reviewed.</p> <p>Update 22/23 - the training should be reviewed to ensure it is addressing the needs of contract managers.</p>	Improvement	22/23	<p>The recommendation was partially addressed in 22/23, and the recommendation updated. Training is yet to be rolled out. A suite of training is to be undertaken in conjunction with the implementation of the 2023 Procurement Act which comes into effect from 28th February 2025, following an extension to the target date, nationally.</p>	No	<p>The recommendation remains open, to be reviewed in 24/25 following the implementation of the Procurement Act.</p>



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Report to:	Cabinet
Date of meeting:	28 January 2025
By:	Deputy Chief Executive
Title:	Scrutiny Review of Local Speed Limit Policy – Report of the Place Scrutiny Committee
Purpose:	To provide an opportunity for the Cabinet to consider the report of the Place Scrutiny Committee.

RECOMMENDATION

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

1 Background

1.1 In July 2024 the Place Scrutiny Committee established a Review Board to undertake a review of Local Speed Limit Policy. This was in response to the frequency with which concerns about road safety and speed limits were being raised with Members across the county, and followed a debate at Full Council in July 2023 of a Notice of Motion regarding reviewing and updating Policy PS05/02 on Local Speed Limits.

1.2 A decision was taken by the Review Board early in the review to split the terms of reference into two parts and to conduct the review in two phases, in recognition of both scrutiny time and capacity constraints, and the dependence of some elements on further progression of the Local Transport Plan 4 (LTP4). This initial review did not therefore consider the new scheme prioritisation process for the LTP4; the outcomes of the recent review of the speed limits on all 'A' and 'B' roads in the county; or evidence from officers of other local authorities and the Welsh administration on the implementation of 20mph limits and zones. The Place Scrutiny Committee may decide to include these topics in its future work programme through a second review, as outlined in paragraph 4 of the scrutiny review report (appendix 1).

1.3 The scope of this review included:

- Consideration of the purpose of a local speed limit policy and examining how local speed limits are reviewed, assessed and delivered by East Sussex County Council (ESCC).
- Examining whether the ESCC local speed limit policy PS05/02 is in line with national Department for Transport (DfT) guidance.
- Reviewing examples of other local authority speed limit policies (e.g. our nearest neighbours and those with similar road networks to ESCC).
- Reviewing initial national and local written evidence on the impact and effectiveness of lower speed limits and zones (including 20mph limits).
- Exploring other measures local authorities and developments are bringing forward to deliver low speed environments in both urban and rural areas.
- Exploring how ESCC currently communicates the local speed limit policy and wider policy context to residents and considers potential improvements.
- Reviewing the amount of officer time spent carrying out assessments of road safety concerns and preparing petition reports.

2 Supporting information

2.1 The Place Scrutiny Committee has completed the review of Local Speed Limit Policy. The review makes seven recommendations which address the areas covered by the scope of the review. A copy of the report is attached at appendix 1.

2.2 Overall, the review found that the Council's local speed limit policy and approach to setting speed limits is in line with the current Department for Transport guidance and is broadly similar to the approach taken by other local authorities. The review has made a number of recommendations to better communicate the Council's policy approach and has suggested changes in the process for responding to the number of requests the Council receives for changes to local speed limits. The review has focused on developing recommendations which are realistically achievable within the Council's sphere of influence and available resources.

2.3 The Committee's report will be submitted to the County Council on 11 February 2025. The Cabinet has the opportunity to comment to the County Council on the recommendations in the Scrutiny Committee's report, although it cannot alter the report. Elsewhere on this Cabinet meeting agenda (item 7b) there is a separate report by the Director of Communities, Economy and Transport commenting on the Scrutiny Committee's report and recommendations.

3. Conclusion and reasons for recommendations

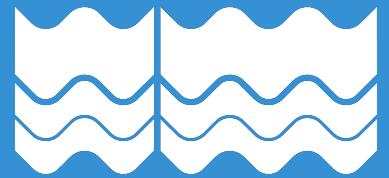
3.1 Cabinet is invited to consider any comments it wishes to make to the County Council on the report of the Place Scrutiny Committee.

PHILLIP BAKER
Deputy Chief Executive

Contact Officer: Martin Jenks, Senior Scrutiny Adviser
Tel. No. 01273 481327
Email: martin.jenks@eastsussex.gov.uk

Local Members: All

Background Documents: None



Scrutiny Review of Local Speed Limit Policy

Report by the Review Board:

Councillor Matthew Beaver
Councillor Julia Hilton
Councillor Ian Hollidge (Chair)
Councillor Eleanor Kirby-Green
Councillor Philip Lunn
Councillor Steve Murphy
Councillor Paul Redstone
Councillor Brett Wright

November 2024

Place Scrutiny Committee - 28 November 2024

Cabinet - 28 January 2025

Full Council - 11 February 2025 or 25 March 2025

The report of the Scrutiny Review of Local Speed Limit Policy

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Recommendations

Recommendation		Page
1	The Board recommends that the Council regularly reviews Policy PS05/02 Local Speed Limits when there is a change in national guidance.	8
2	The Board recommends that the ESCC website pages are updated to provide clearer information on the purpose of local, county wide speed limits and the wider policy context they are applied in.	9
3	The Board recommends that officers review the speed limit assessment process and criteria that other local authorities have introduced to manage demand to identify any potential efficiencies in officer time.	12
4	The Board recommends that the Council introduces a step-by-step process and guide for changes to local speed limits.	15
5	<p>The Board recommends:</p> <p>1) A review is undertaken on the information provided to local communities, including Parish Councils; and</p> <p>2) Information is provided on the Road Safety section on the ESCC website, including case studies, on the potential cost of designing and implementing signed only speed limits and also speed limit schemes where traffic calming is required. In addition, information is provided on the length of time it can take to deliver speed limit schemes.</p>	17
6	The Board recommends that officers refresh the information on speed limits on the ESCC website pages and create a speed limit change enquiry page.	17
7	<p>The Board recommends that the Council considers whether additional communication materials are required that:</p> <p>1) Outline the Council's approach to assessing local speed limits and the prioritisation process to help local communities understand the types of speed reduction measures that might be possible;</p> <p>2) Explain that potential schemes that meet our policy, but are not currently a priority for the County Council, may be implemented if externally funded and delivered through the Community Match programme or a Section 278 agreement; and</p> <p>3) Assist with the recruitment of volunteers to local Community Speed Watch groups (e.g. through Parish and Town Councils).</p>	18

Introduction

1. The Place Scrutiny committee has observed that after potholes, concerns about road safety including speeding concerns are the most frequently raised issues with local Councillors as part of their constituency work. This is reflected in the topic also frequently being raised with councillors and officers on a county-wide basis. In addition, in July 2023 a Notice of Motion was debated at Full Council regarding reviewing and updating Policy PS05/02 on Local Speed Limits. During the debate it was suggested that the Place Scrutiny committee could look at the issues raised by the Motion as part of a scrutiny review.
2. A scoping meeting was held by the committee to discuss and explore in more detail what the focus of a potential scrutiny review could be. At the Place Scrutiny committee meeting held on 12 July 2024 the committee agreed to proceed with a scrutiny review of Local Speed Limit Policy with the following scope:
 - Consideration of the purpose of a local speed limit policy and examining how local speed limits are reviewed, assessed and delivered by East Sussex County Council (ESCC).
 - Examining whether the ESCC local speed limit policy PS05/02 is in line with national Department for Transport (DfT) guidance.
 - Reviewing examples of other local authority speed limit policies (e.g. our nearest neighbours and those with similar road networks to ESCC).
 - Reviewing national and local evidence on the impact and effectiveness of lower speed limits and zones (including 20mph limits).
 - Exploring other measures local authorities and developments are bringing forward to deliver low speed environments in both urban and rural areas.
 - Exploring how ESCC currently communicates the local speed limit policy and wider policy context to residents and considers potential improvements.
 - Reviewing the amount of officer time spent carrying out assessments of road safety concerns and preparing petition reports.
3. The Review Board gathered evidence for the review over a number of meetings held with officers who are involved in delivering the service and Sussex Police. The Board also examined evidence on the approach other local authorities are taking to local speed limits, the [Department for Transport Circular 1/2013 Guidance: Setting Local Speed Limits \(updated March 2024\)](#), and national studies undertaken on the impact of setting lower speed limits.
4. The Board did not have the capacity within the time available to hear detailed evidence from officers of other local authorities on their approaches to 20mph limits and zones, or the outcome of the review of speed limits on all 'A' and 'B' roads in the County. The Board suggests that the Place Scrutiny Committee may wish to consider these subjects as part of its future work programme.

Background

5. Speed limits should be evidence-led and self-explaining and seek to reinforce peoples' assessment of what is a safe speed to travel. They should encourage self-compliance. Speed limits tell road users about the maximum permitted speed for a road. This is not the target speed people should travel at and often the appropriate and safe speed is significantly lower. Factors that impact the safe speed to travel include weather, light conditions, forward visibility, road width etc. There are three national speed limits that apply to the road network:
 - 30mph - where there is a system of street lighting
 - 60mph - which is the national speed limit on single carriageway roads
 - 70mph - which is the national speed limit on dual carriageways and motorways
6. These national limits are not always appropriate for all roads and local transport authorities, such as ESCC, can set different limits where they may be more appropriate for the road conditions. To introduce a speed limit other than that imposed by restricted road status requires the making of a Traffic Regulation Order (TRO) and the provision of traffic signs to give a continual reminder of that speed limit. Where the road in question is part of the Strategic Road Network (SRN) which is the responsibility of National Highways, they are responsible for setting the speed limit, not ESCC (e.g. the A21 outside of Hastings). East Sussex has a low proportion of roads that are the responsibility of National Highways in comparison with other neighbouring local authorities.
7. The Department for Transport (DfT) circular 1/2013, which was updated in March 2024, provides guidance and advice to local authorities when considering setting local speed limits. Local speed limits are determined by transport authorities having regard to guidance issued by DfT and ensuring compliance with all relevant legislation. Research has indicated that neighbouring local authorities are following this guidance to ensure that there is a safe distribution of speeds, that speed limits are self-enforcing, that vehicle speeds are safe and appropriate for the road and its surroundings and there is consistent approach to setting local speed limits, between different authorities.
8. The ESCC Policy PS05/02 Local Speed Limits (Appendix 2) was developed in order to set out ESCC's approach to setting local speed limits. ESCC is not required to change speed limits from the national default limits but does have statutory duties under Section 39 of the Road Traffic Act 1988 to take steps to reduce collisions and injuries on the road network in East Sussex. The Council also has a duty to investigate with Sussex Police the cause of serious road collisions, also referred to as Killed and Seriously Injured (KSI) road collisions. In this context ESCC annually develops a Casualty Reduction Programme and has also developed an innovative programme to change driver behaviour with the aim of reducing the number of KSIs on the County's roads.
9. The DfT circular 1/2013 states that 'Speed limits are only one element of speed management'. Local speed limits should not be set in isolation. They should be part of a package with other speed management measures including:

- a. engineering and road geometry that respect the needs of all road users and raise the driver's awareness of their environment
 - b. education
 - c. driver information
 - d. training and publicity
10. The DfT circular continues '*The aim of speed management policies should be to achieve a safe distribution of speeds consistent with the speed limit that reflects the function of the road and the road environment*'. The principal aim is to provide a consistent message between the speed limit and the road layout and characteristics which will encourage the self-enforcement of the speed limit.
11. In the past ESCC has reviewed the speed limits on the county's roads when the DfT guidance has changed, when specific funding has been allocated or when a road safety issue had been identified at a specific location. This has led to the introduction of 30mph limits in most rural villages and changes to speed limits (e.g. 20mph, 40 mph or 50 mph) on other roads. More recently, during 2024, the Road Safety Team has undertaken a review of speed limits on all 'A' and 'B' classification roads in the county.
12. All road safety concerns that are raised by Members and residents are assessed by a member of the Road Safety Team and where appropriate improvements introduced. When considering how ESCC assesses and prioritises road safety concerns, including requests for lower speed limits, it is important to consider not only the Local Speed Limit Policy PS05/02 but also the wider policy and operational context. This includes the East Sussex Local Transport Plan (LTP), as well as the LTP related criteria and prioritisation process followed when setting the annual Capital Programme for Local Transport Improvements, and the Annual Casualty Reduction, Community Focused Road Safety and Speed Management Programmes.

Review Board Findings

Purpose of the local speed limit policy and wider policy context.

Local speed limit policy

14. The Board heard evidence from officers that the purpose of the local speed limit policy PS05/02 is to achieve a safe distribution of speeds consistent with the speed limit that reflects the function of the road and the road environment.
15. It is based on the DfT guidance as set out in Circular 1/2013 to ensure that the approach taken is consistent with other transport authorities across the country and that speed limits are self-enforcing. A self-enforcing signed only speed limit can be achieved where the mean vehicle speeds are below those set out in policy PS05/02. Where average speeds are higher and it is assessed a lower speed limit is required, traffic calming measures will be required to reduce speeds to at or below the mean vehicle speed.
16. The Board heard that the primary determinant when assessing and selecting a speed limit should be the appearance and character of the road. Road users may not automatically comply with a limit if it is set unrealistically low for a particular road function and condition. When looking at the character of the road environment, consideration is given to the amount of frontage development which may indicate the greater presence of Vulnerable Road Users (VRUs) such as pedestrians, wheelers and cyclists. Other criteria used to determine the appropriate speed limit for a road include:
 - the type/function of road (e.g. road classification, primary route etc.);
 - the measured average (mean) speed of vehicles which would suggest whether a new limit would be self-enforcing;
 - vulnerable road users;
 - where there is a history of speed related personal injury crashes at a location, engineering measures are investigated to reduce vehicle speeds to below the required average speed for the limit.
17. The Board also heard from officers that in most locations the majority of drivers drive at or near to the posted speed limit. For the small minority who do not drive at an appropriate speed, a change in the speed limit is unlikely to change their driving behaviour, and engineering measures (such as traffic calming measures and changes to the road layout) or enforcement measures will be required to tackle speeding behaviour. Consequently, reducing a speed limit by signs alone is unlikely to be effective in dealing with speeding.
18. The adopted Policy PS05/02 allows for 20mph zones or speed limits to be considered where they are likely to be self-enforcing. An effective and self-enforcing 20mph speed limit can be achieved with signs alone on roads where the mean (average) speed of traffic is below 24mph. On roads where mean speeds are higher, appropriate traffic management/calming measures would need to be introduced.

Wider policy context

19. The wider policy context is two-fold. Firstly, there are a range of measures that ESCC utilises to fulfil the Council's statutory duties under Section 39 of the Road Traffic Act 1988 to take steps to reduce collisions and injuries on the road network. Where appropriate these may include a change to the speed limit in line with the local speed limit policy.
20. Secondly, within the context of the adopted East Sussex Local Transport Plan 4 (LTP4) there are a number of policies therein, including the local speed limit policy which specifically cross-refers to Policy PS05/02, that will be considered when potential transport and road safety schemes are being assessed for potential inclusion in future capital programme. Please refer sections 45-48 below on the LTP4, and sections 49-53 on lower speeds in new development.
21. The Board concluded that if speed limits are set too low there will be poor compliance. Some Board members also observed that there is a potential conflict between some residents' desire to have lower speed limits near to where they live whilst at the same time wanting to be able travel more quickly through other parts of the county. The Board heard from Sussex Police that it can be common, at speed enforcement sites, that a higher proportion of speeding tickets are often issued to local people, whilst most speeding complaints are made by people who live in the local area.
22. The Board noted that neighbouring authorities, who are also members of Transport for the South East (TfSE), have speed limit policies which are broadly in line with the national guidance. This ensures that a consistent message about speed limits is given to road users across a wider geography than East Sussex. The Board heard evidence that other local authorities (e.g. Surrey County Council and Kent County Council) have in the last two to three years reviewed some of their speed limit policies including where they relate to 20mph speed limits and zones.
23. The Board concluded that it is important that Policy PS05/02 Local Speed Limits is reviewed when there are changes to national guidance.

Recommendation 1:

The Board recommends that the Council regularly reviews Policy PS05/02 Local Speed Limits when there is a change in national guidance.

24. The Board also concluded that more information about the purpose of local speed limits and the wider policy context should be provided on the Council's website pages to explain how we set local speed limits. This could include case studies. For example, further information on the purpose of speed limits could be provided on the website page: [Speeding and speed limits | East Sussex County Council](#)

Recommendation 2:

The Board recommends that the ESCC website pages are updated to provide clearer information on the purpose of local, county wide speed limits and the wider policy context they are applied in.

DfT guidance and other councils' approach to speed limits

25. The Board heard evidence from officers that the DfT Circular 1/2013 guidance recommends which factors are taken into account in any decisions to introduce or change local speed limits. These are reflected in the ESCC Policy PS05/02 and include:
- history of collisions
 - road geometry and engineering
 - road function
 - composition of road users (including existing and potential levels of vulnerable road users)
 - existing traffic speeds
 - road environment
26. The Board had the opportunity to review the contents of the current DfT guidance and compare it with ESCC's speed limit policy. The Board also considered evidence from Sussex Police, officers and written evidence from other councils who had based their policies on the DfT guidance. From the evidence seen by the Board it concluded that ESCC's policy is compliant with the DfT guidance.
27. The Board also reviewed examples of other councils' speed limit policies which included:
- Surrey County Council (SCC)
 - West Sussex County Council (WSCC)
 - Buckinghamshire Council
 - Oxfordshire County Council
 - Durham County Council
 - Hampshire County Council
 - Kent County Council (KCC)
28. The majority of Board members found that ESCC's speed limit policy is broadly in line with the majority of examples from neighbouring and other local authorities with a similar road network. All refer to, and are based on, the DfT guidance and state that speed limits should be self-enforcing. Almost all examples given use the average speed of 24mph as the cut off point for signed only 20mph limits to be self-enforcing.

29. However, there are some differences. For example, WSCC uses a cut off of an average speed of 26mph for signed only 20mph limits but still requires them to be self-enforcing. Surrey County Council's speed limit policies also include a separate policy for rural roads and for outside schools. Although there were some specific differences, these often reflect local circumstances and there were no consistently different approaches to that taken by ESCC.

Funding for 20mph speed limits and zones

30. Several authorities have prioritised the roll out of new 20mph speed limits and zones and have allocated significant additional funding to enable this (e.g. Surrey £2.5 million, Oxfordshire £8 million, Cornwall £4 million). In terms of this recent investment that some local authorities have made we are unaware whether they are using existing grant funding (and diverting funding away from other priorities) or funding the investment from borrowing or reserves.
31. Although it is recognised that 20mph speed limits are often well supported by local communities, national research including a study commissioned by the DfT has evidenced that signed only 20mph speed limits only produce a negligible change in driver behaviour with average speeds reducing by about 1mph to 2mph.
32. The Board considered examples of other authorities' approach to 20mph speed limits from Oxfordshire, Cornwall, Surrey, and Buckinghamshire councils and the Welsh Government's approach. The Board noted the comments from officers that, as a result of the approaches other local authorities were taking, there was a risk that the increased number of requests for 20mph limits, alongside all the other requests for transport improvements received (e.g. pedestrian and cycle improvements, bus infrastructure improvements, traffic management and traffic calming, junction improvements etc), would further significantly exceed the level of funding available. Therefore, a prioritisation process would be required to identify which schemes would be implemented.
33. The Board heard that the current ESCC speed limit policy has clear criteria to enable the introduction of 20mph limits and zones, but the Board noted that some improvements in initial communications would be beneficial. Any scheme requests will be assessed using the Casualty Reduction and LTP4 prioritisation process to ensure they support the current policies and priorities.
34. The Board concluded that, given ESCC's current financial position and the limited availability of external funding, it would be unlikely that the Council could adopt a similar approach of allocating large sums of capital funding to implement 20mph speed limits and zones (see section 58 below for more details on funding).

How local speed limits are assessed

35. The Review Board heard that when road safety concerns are received by the Council, including requests to lower the speed limit, the correspondence is examined, and a desk top study is carried out. This includes checking to see if there is a scheme already planned for the area and whether there is a crash history for that site/location. If required, a site visit is carried out to examine the issues raised and to make sure there are not any other issues evident that might be affecting the situation. The site assessment includes consideration of the following:
- Existing road signs and street furniture
 - the character of the road and road function;
 - the road environment; and
 - the composition of road users/traffic.
36. If the request meets the policy criteria in Policy PS05/02 and there is a history of speed related personal injury crashes (recorded by Sussex Police) then it will be considered for inclusion within the annual Casualty Reduction Programme. If there is not a history of speed related crashes, a scheme to reduce the speed limit will be assessed for potential inclusion within the capital programme of local transport improvements.
37. The Board heard evidence from Sussex Police that they assess requests to change speed limits against the DfT guidance contained in circular 1/2013 and consider that all speed limits should be self-enforcing. Speed limits are also assessed when the Council is consulted on planning applications for new developments (more detail is given section 49 below).
38. The Board noted that, when considering setting local speed limits, it is important to balance the needs of vulnerable road users against the need for vehicles to be able to travel across the county in an efficient and effective way. The Board saw examples where some local authorities have assessed their A & B class roads and stated that new requests for lower speed limits would not be considered due to the function of the road (e.g. Oxfordshire County Council). This would keep the strategic route network available for travel around the county. Other local authorities have stated that they will not consider 20mph limits on roads that have an existing speed limit above 30mph (e.g. Surrey County Council). These factors could be used to filter out requests for changes to speed limits that are unlikely to be successful (see recommendation 4).
39. The Board observed that there appears to be a disconnect between the desires of local communities who want to see lower speed limits and the national evidence that signed only speed limits will only reduce traffic speeds by 1 to 2 mph. In addition, due to finite funding it is necessary that schemes are prioritised that will deliver the greatest benefit to our local communities. This is evidenced by the high number of requests that the Council receives and the relatively low number of schemes that are implemented as a result of community requests (also see section 54-55).

40. The Board concluded that the Council needs to be clearer with the community about the criteria that are used to review speed limits and the financial constraints that exist (see sections 58-62). In many cases local councillors would like to be able to implement more transport and road safety schemes but are unable to do so as the limited available funding has to be prioritised to meet a number of wider policy objectives.
41. The Board discussed a number of measures that may improve the situation, including how officer time is used and the assessment process. However, the Board also noted that the Council has a legal responsibility to investigate crashes that take place on our road network and take appropriate steps to reduce collisions and injuries.

Recommendation 3:

The Board recommends that officers review the speed limit assessment process and criteria that other local authorities have introduced to manage demand to identify any potential efficiencies in officer time.

Impact of lower speed limits

42. The Board heard evidence from officers that the experience of the introduction of 20mph speed limits by other councils was consistent with the national research studies on the impact of lower speed limits, which showed that signed only speed limits would reduce average speeds by 1-2mph at best. It was therefore likely that in many locations in Wales and Oxfordshire the new 20mph zones would not be self-enforcing and therefore would have a poor level of compliance. In Wales, although there was initially a good level of compliance due to significant additional police enforcement, levels of speeding have since increased and, due to a lack of compliance and following a high number of complaints, a number of the new limits are being reverted back to 30mph. A Board member noted that other local authorities are reporting greater reductions in average speeds as a result of introducing signed only 20 mph speed limits.
43. The Board also considered evidence from the national research on 20mph zones from the [Centre for Public Health, Queens University, Belfast](#) and [Atkins](#) studies. These studies had found that reducing speed limits to 20mph in towns and city centres did not significantly reduce road traffic collisions, casualties or driver speeds.
44. The Board also heard that a number of 20mph schemes, either as specific projects or as part of wider transport schemes, have been delivered across the county through under the auspices of the previous Local Transport Plan (LTP3) and the Council's capital programme for local transport improvements. However, the Board were advised that many of these have been funded through external sources such as the Government's Local Sustainable Transport Fund, Local Growth Fund, development funding rather than via County Council funding allocations.

East Sussex Local Transport Plan and lower speeds in new development

Local Transport Plan 4 (LTP4)

45. The Board heard that the vision of the adopted East Sussex LTP4 focuses on ‘planning for people and places’ and moves away from planning solely for vehicles. There is a transition towards enabling sustainable modes of transport (walking, wheeling, cycling and use of public transport), more choice and enabling integrated journeys. The LTP4 has series of high-level policies which support low speed environments and connectivity including:
- B1 - Healthy Lifestyles
 - B2 - Active Travel
 - B3 - Road Safety
 - B4 - Placemaking
 - D1 - Strategic connectivity - [Keeping East Sussex connected](#)
 - D3 - The needs of business and the visitor economy
46. Policy B3 Road Safety in the adopted LTP4 sets out in paragraphs 6.77 - 6.79 that:
- To be effective, speed limits need to be set at a level which appears reasonable to a driver and be reflective of the environment through which the road passes.
 - The delivery of lower speed limits including 20mph speed limits and zones in the county is done in accordance with the ESCC adopted Policy PS05/02. This reflects national guidance and best practice for setting speed limits.
 - The policy allows for lower speed limits, including the introduction of 20mph limits/zones, to be considered where they are likely to be self-enforcing. This may be through engineering measures to bring the speed down.
47. The LTP4 policies clearly highlighted that the adopted ESCC Policy PS05/02 is the determinant for setting lower speed limits in the county.
48. The Board also heard that local transport schemes for low-speed environments could be brought forward as part of the implementation of LTP4, but this would be subject to the funding being available and such schemes being identified as a priority relative to all the other scheme requests received for inclusion in ESCC’s capital programme of local transport improvements. The existing scheme prioritisation process used to assess and identify which transport schemes, including lower speed limits, that are to be included in annual capital programme of local transport improvements is currently being reviewed as part of the post-adoption work on the LTP4.

Transport Development Control for new developments

49. The Transport Development Control Team considers the potential impact on the transport network of planning applications for new developments. They have 21 days to submit comments during which time they can make recommendations to local planning authorities (the district and borough councils and South Downs National Park Authority) on improvements, changes, conditions, and legal agreements to attach to planning permissions.
50. The Board heard that ESCC's design guidance follows the DfT Manual for Streets and has been in place since 2007. The Transport Development Control Team seek to ensure the design of new residential developments supports lower speeds. Whilst comments are made to the respective planning authorities on a development's layout in relation to Manual for Streets, ESCC does not have any authority over the final development design.
51. The Transport Development Control Team's guidance states that:
"The design speed for new streets is a key principle to their success in achieving a sense of place. All residential roads should therefore be designed to achieve an 85th percentile speed of 20mph."
52. The Board heard that this is an example of the way that ESCC seeks to ensure low speed environments are designed into new developments. The Board also saw examples of other low speed environment schemes that had been implemented in Lewes Town Centre and Eastbourne Town Centre phase 1. The Board found that ESCC has been implementing 20mph limits and zones and low speed environments as part of transport schemes and has been promoting low speed environments in new residential developments for over fifteen years.
53. The Board concluded that ESCC has policies and processes in place which can support the development of low-speed environments including 20mph limits and zones. This can be in new residential developments, industrial estates and as part of larger transport related schemes such as those in town centres where there may be high numbers of vulnerable road users who would benefit from a low-speed environment.

Funding and use of resources

Use of officer time

54. The Board heard from officers that the Road Safety Team receives around 4,000 pieces of correspondence a year relating to road safety concerns. Over recent years, the Team also received between six to twenty petitions a year, with around one third of them relating to a request for a lower speed limit.
55. The Board noted the amount of officer time involved in assessing road safety concerns and requests to lower speed limits, which often do not lead to a scheme being implemented. However, it is important to highlight that assessing the concerns raised is a key element of ensuring ESCC fulfils the Council's statutory duties under Section 39 of the Road Traffic Act 1988.

56. The Board considered examples of the processes in place at other local authorities. Some councils state they will not consider requests to change speed limits unless there have been material changes such as the occurrence of a number of KSIs, or a change in the road environment (e.g. Hampshire County Council, Oxfordshire). Some require there to be evidence of personal injury collisions and provide a link to a 'crash map' for people to check if there has been any reported KSIs before proceeding with a request (e.g. Kent County Council). Others such as Surrey and Kent County Councils set out a step-by-step approach, where making a request is dependent on meeting the criteria at each step/stage of the process.
57. The Board considered the potential for introducing a step-by-step or sifting process. Members considered that this could reduce the number of requests for speed limit changes that are unlikely to proceed, which would be helpful both in addressing community expectations and reducing officers' time spent on assessments. This could enable officers time to be re-focussed on other road safety work.

Recommendation 4:

The Board recommends that the Council introduces a step-by-step process and guide for changes to local speed limits.

Funding and scheme prioritisation

58. The Board reviewed the various sources of funding available for local transport schemes, which are used to fund transport and road safety improvements, including speed limit and traffic calming schemes. The main source of funding ESCC has for this work is the Integrated Transport Block funding the Council receives from central Government, which is currently around £3 million per year. This is used to fund a range of local transport schemes, not just those related to road safety. External funding is also secured through bids to external funding sources where available (e.g. the Local Growth Fund) and Community Infrastructure Levy (CIL) or Section 106 planning agreement payments. Funding is also available to help fund schemes jointly with communities through the ESCC Community Match Fund.

59. The Board heard from officers that the total costs for the design and implementation of a signed only speed limit speed limit vary but could range between £20,000 - £30,000. However, schemes that require traffic calming to reduce the average speed and ensure a speed limit is self-enforcing will cost considerably more to implement. The cost of designing and implementing a traffic calming scheme will vary significantly and will be dependent on the type of measures introduced, traffic management, extent of the scheme, any changes to drainage etc. (Buckinghamshire Council cited costs of up to £100,000 for traffic calming schemes, however it is important to highlight that this would be at the lower end of the cost for implementing a scheme). Some councils publish estimated costs for various traffic calming measures together with typical costs for schemes. As a consequence of the relatively high cost of transport and road safety schemes, funding has to be prioritised carefully.
60. The Board heard in evidence that transport and road safety schemes including lower speed limits, active travel, School Streets, etc. are assessed either through the road safety prioritisation processes and/or the LTP prioritisation process, which includes a scored high level sift, and if the proposed scheme scores highly enough it goes forward for further development and implementation. The annual funding for the Casualty Reduction Programme is prioritised to reduce road casualties and is targeted at locations that have had four or more KSIs in the last three years.
61. The Board explored the time it takes to deliver schemes on the highway, including transport and road safety schemes, and that due to the legislative framework these contain a number of stages. The stages include feasibility, preliminary design, consultation and communications, seeking Lead Member approval to proceed post-consultation, detailed design, undertaking surveys and the Traffic Regulation Order (TRO) process which involves statutory consultees. Members heard that schemes can take between two to four years to design and implement, but this can vary depending on the scale and complexity of the scheme. If there are significant concerns raised at the consultation stage, further design and engagement may be required which can delay continued development and implementation of a scheme. Similarly, objections at the TRO stage can also delay implementation as these objections need to be reported to and considered by the County Council's Planning Committee or possibly mean a scheme does not proceed.
62. The Board concluded that funding appears to be the main constraint on the number of local transport schemes that ESCC can deliver, and that the length of time it takes to deliver schemes can be a source of concern with local communities. There can be a significant period of time between a request being made and a scheme being implemented.

Recommendation 5:

The Board recommends:

- 1) A review is undertaken on the information provided to local communities, including Parish Councils; and***
- 2) Information is provided on the Road Safety section on the ESCC website, including case studies, on the potential cost of designing and implementing signed only speed limits and also speed limit schemes where traffic calming is required. In addition, information is provided on the length of time it can take to deliver speed limit schemes.***

Communications and engagement

63. The Board heard from officers that there is information on the ESCC Council website, including on our road safety policies, prioritisation process and speed limits. Officers gave examples of other local authorities who take a similar approach to providing information on their speed limit policies and for requests to change speed limits. The Board explored suggested changes to the way the Council presents the information on the website with officers and the creation of a dedicated speed limit request page with the following information on it:

- The context upon which speed limits are assessed (e.g. DfT Guidance, Speed Limit policy)
- The factors which are considered when assessing a speed limit
- A photographic guide on how the speed limit policy is used to assess the appropriate speed for the road.
- A step by step explanation of the assessment process
- Information on how to report speeding to the Police
- Information on how to join Community Speed Watch

64. The Board considered that refreshing the web page information and creating a speed limit enquiry page, incorporating the step-by-step process, would be helpful in better communicating the Council's policy approach to local speed limits. The Board also considered that the proposed webpage content includes the policy context as mentioned in recommendation 2.

Recommendation 6:

The Board recommends that officers refresh the information on speed limits on the ESCC website pages and create a speed limit change enquiry page.

65. The Board also considered other forms of communication and engagement, noting that not everyone looks at website information. In particular, it is important to communicate with Parish Councils and other community groups who often make requests for changes to speed limits. The Board concluded that it was important to maintain active communication with stakeholders on the Councils' approach to speed limits.
66. The Board also heard from Sussex Police about the important role of local Community Speed Watch groups and the impact they have on driver behaviour. They are part of a range of speed management measures that increase compliance with speed limits. Board members highlighted the challenge of recruiting sufficient volunteers for these groups and considered what could be done to promote their work.

Recommendation 7:

The Board recommends that the Council considers whether additional communication materials are required that:

- 1) Outline the Council's approach to assessing local speed limits and the prioritisation process to help local communities understand the types of speed reduction measures that might be possible;***
- 2) Explain that potential schemes that meet our policy, but are not currently a priority for the County Council, may be implemented if externally funded and delivered through the Community Match programme or a Section 278 agreement; and***
- 3) Assist with the recruitment of volunteers to local Community Speed Watch groups (e.g. through Parish and Town Councils).***

67. The Board noted that finding solutions to road safety issues and speeding concerns requires partnership working as well as an effective local speed limit policy. During the review the Board became aware that Sussex Police was withdrawing from the Sussex Safer Roads Partnership (SSRP). Although this is outside of the scope of the review, the Board considered that it will be important for the Council to establish the future arrangements for partnership working with Sussex Police and other partners to ensure a coordinated and strategic approach to road safety across Sussex.

Conclusions

68. The Board has considered a wide range of information and evidence on the policy approach to local speed limits both in ESCC and other local authorities. It has also considered other measures the Council takes to implement low speed environments through local transport schemes, the LTP4 and the planning system.

69. Overall, the Board found that the Council's local speed limit policy and approach to setting speed limits is in line with the current DfT guidance and is broadly similar to the approach taken by other local authorities. The Board has made a number of recommendations to better communicate the Council's policy approach and has suggested changes for dealing with the number of requests the Council receives for amendments to local speed limits.

Appendix 1:

Scope and terms of reference of the review

The Review was established to consider and make recommendations on the following scope of the review which included:

1. The purpose of a local speed limit policy and how local speed limits are reviewed, assessed and delivered by East Sussex County Council (ESCC).
2. Whether the ESCC local speed limit policy PS05/02 is in line with national Department for Transport (DfE) guidance.
3. Examples of other local authority speed limit policies (e.g. our nearest neighbours and those with similar road networks to ESCC).
4. National and local evidence on the impact and effectiveness of lower speed limits and zones (including 20mph limits).
5. Other measures local authorities and developments are bringing forward to deliver low speed environments in both urban and rural areas.
6. How ESCC currently communicates the local speed limit policy and wider policy context to residents and consider potential improvements.
7. The amount of officer time spent on carrying out assessments of road safety concerns and preparing petition reports.

The aims of the review were to:

- Gain an understanding of assessment criteria and processes used to set local speed limits
- Establish whether the current local speed limit policy PS05/02 is in line with national guidance.

The review also sought to

- Explore whether improvements could be made in how the Council communicates the local speed limit policy and wider policy context to residents, and
- Whether the amount of officer time spent on undertaking assessments could be reduced.

Board Membership and project support

Review Board Members: Councillors Ian Hollidge (Chair), Matthew Beaver, Julia Hilton, Eleanor Kirby-Green, Philip Lunn, Steve Murphy, Paul Redstone and Brett Wright.

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

Ismina Harvey and Kelly Burr provided ongoing support to the Board throughout the review.

Review Board meeting dates

Scoping meeting - 21 May 2024

Board meetings

04 September 2024

04 October 2024
 22 October 2024
 30 October 2024
 08 November 2024
 19 November 2024

Witnesses providing evidence

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

ESCC officers

Nick Skelton, Assistant Director Communities

Ismina Harvey, Head of Communities

Kelly Burr, Team Manager Road Safety

Lisa Simmonds, Infrastructure Planning & Policy Manager

Jon Wheeler, Team Manager - Infrastructure Planning & Place

Michelle Edser, Team Manager Transport Development Control

Mark Weston, Assistant Manager - Implementation Team, Transport Development Control

Other representatives

Chief Inspector Matthew Wightwick, Sussex Police

Evidence papers

Item	Date considered
ESCC Policy PS05/02 Local Speed Limits. March 2018.	4 Sept 2024
Department for Transport Circular 1/2013 Guidance: Setting Local Speed Limits. March 2024.	4 Sept 2024
Atkins, AECOM and Maher (2018) 20mph Research Study: Process and Impact Evaluation. London: DfT	4 Oct 2024
ESCC Local Transport Plan 4. October 2024	22 Oct 2024
Hunter RF, Cleland CL, Busby J, <i>et al</i> (15 November 2022). Investigating the impact of a 20 miles per hour speed limit intervention on road traffic collisions, casualties, speed and volume in Belfast, UK: 3 year follow-up outcomes of a natural experiment J Epidemiol Community Health 2023;77:17-25.	4 Oct 2024

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Appendix 2: Policy PS05/02 Local Speed Limits

EAST SUSSEX COUNTY COUNCIL, LEAD MEMBER - COMMUNITIES AND SAFETY POLICY SUMMARY

LOCAL SPEED LIMITS	PS05/02
<p>PURPOSE OF POLICY</p> <p>To achieve a safe distribution of speeds consistent with the speed limit that reflects the function of the road and the road environment</p>	
<p>SPECIFIC POLICIES</p> <ol style="list-style-type: none"> 1. On trunk roads, speed limits (in common with other orders regulating traffic) are the responsibility of the Department for Transport (DfT), through its executive agency, Highways England. The County Council has no jurisdiction over this class of road. 2. On all other roads Orders are made by the County Council subject to the Statutory requirements for the advertisement of the proposals and considerations of any objections. 3. The principle determinant of a proposed speed limit should be the appearance and character of the road as described in Appendix A. 	
<p>SUPPORTING STATEMENT</p> <p>Adherence to the criteria ensures consistency in the introduction of Local Speed Limits on a countywide basis and supports the work that has been undertaken with neighbouring authorities. It is recognised that, where appropriate, a lower speed limit can assist in the reduction of the number and severity of casualties and help to improve environmental aspects and quality of life for local residents. Reference should always be made to the latest national guidance available.</p>	
References — Further Information	Date of Approval
<p>Road Traffic Regulation Act 1984 Department for Transport — Circular Roads 01/2006 Department for Transport — Circular Roads 02/2006 Department for Transport — Traffic Advisor Leaflet 1/04 Department for Transport — Traffic Advisory Leaflet 2/06 Department for Transport- Circular Roads 01/2013 H & T Committee — Agenda Item 10 H & T Committee — Agenda Item 18 Cabinet Committee — Agenda Item 5 Lead Member for Transport and Environment — Agenda Item 11 Lead Member for Communities & Safety - Agenda Item ??</p>	<p>17.03.1993 19.10.1994 15.11.2000 25.06.2007 16/03/2018</p>

APPENDIX 2

SPECIFIC POLICIES (CONTINUED)

4. Subject to paragraphs 5 and 6 below, villages may be considered for the introduction of a 30 mph speed limit in accordance with recommendations of DfT guidance for setting local speed limits providing that there are 20 or more properties served by private accesses which adjoin the main road (on one or both sides of the road), located over a length of not less than 600 metres, and clearly visible to drivers.
5. Speed limits should be set in accordance with the table below :-

Speed Limit	Average Speed Below
20	24
30	33
40	42
50	52
60	62

6. Where the average speed is above the figures quoted in paragraph 5 for a particular speed limit being investigated then, subject to available resources, either:-
- a) Where the history of injury crashes at the site justifies the necessary expenditure, engineering measures appropriate to the function of the road should be investigated to reduce vehicle speeds below the figures quoted in paragraph 5 for a particular speed limit. **If** this can be achieved a Traffic Regulation Order (TRO) for the proposed speed limit may then be made in conjunction with the introduction of engineered measures.
- b) Where engineering measures are not appropriate due to the function of the road or cannot be justified by the history of crashes a TRO may be considered for a higher limit than that originally proposed which reflects the speed quoted in paragraph 5.

7. 20mph Speed Limits and Zones

20mph speed limits or zones can positively contribute to quality of life and encourage healthier modes of transport such as walking or cycling. They can also help in creating a sense a place, better serving the local communities' needs. However, to ensure that they are effective, they will only be pursued if the following general criteria are met: -

- a) It can be demonstrated that there are clear benefits to be gained in terms of casualty reduction, particularly involving vulnerable road users;
- b) The lower limit is an integral part of either an area wide traffic calming scheme, a School/ Community Safety Zone or a Town Centre Management Scheme; and
- c) The lower limit is effectively self-enforcing

Proposed Speed Limit Criteria — Route Assessment

Below gives an indication of appropriate speed limits, reference should be made to the latest Department for Transport guidance for more detailed information.

SPEED LIMIT/ CHARACTER OF ENVIRONMENT	CHARACTER OF ROAD	TRAFFIC COMPOSITION
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20 mph Speed Limit

Town centres, residential areas, in the vicinity of schools	Constrained in terms of vehicle movement with existing conditions or engineered features influencing vehicle speed with available alternative routes for through traffic	Mean vehicle speed below 24 mph High proportion of vulnerable road users in direct conflict with traffic
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30 m h Speed Limits

Built up areas, visible properties with frontage access, the road giving a clear indication to drivers of the need to reduce speed	Urban streets Roads through villages and identified rural settlements with 20+ visible properties within a 600m length	Mean vehicle speed below 33mph Significant number of vulnerable road users in conflict with vehicular traffic
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40 m h Speed Limits

Less built up areas, set back properties with frontage access indicating to drivers the need to reduce speed	Urban Suburban distributor roads buildings set back from the road Rural Roads through villages and identified rural settlements over a minimum length of 600m	Mean vehicle speed below 42mph Urban Vulnerable road users segregated from road space Rural A noticeable presence of vulnerable road users
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50 mph Speed Limits

Limited frontage development	Higher quality urban distributors with few points of access Low standard classified roads	Mean vehicle speed below 52mph
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60 mph Speed Limits (Dual Carriageways)

Limited frontage development	High standard rural classified roads	Mean vehicle speed below 62mph
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Note: Vulnerable road users include pedestrians (particularly children, the elderly and disabled) and cyclists.

Report to: Cabinet

Date of meeting: 28 January 2025

By: Director of Communities, Economy and Transport

Title: Scrutiny Review of Local Speed Limit Policy – Observations on the Scrutiny Committee’s report

Purpose: To provide the Cabinet Briefing with the opportunity to consider the response of the Director of Communities, Economy and Transport to the recommendations of the Scrutiny Review of Local Speed Limit Policy.

RECOMMENDATIONS

Cabinet is recommended to:

- 1) note and welcome the report of the Place Scrutiny Committee; and**
 - 2) advise the County Council that, in considering the report of the Scrutiny Committee, the Council be recommended to welcome the report and agree the response of the Director of Communities Economy and Transport to the recommendations and their implementation as set out in the action plan attached as appendix 1 to this report.**
-

1. Background

1.1 The Place Scrutiny Committee at the meeting on 12 July 2024 agreed to establish a Review Board to undertake a Scrutiny Review of Local Speed Limit Policy. The scope of the review encompassed reviewing the existing Local Speed Limit Policy and comparing it with the current Department for Transport (DfT) guidance and other local authorities’ approach to speed limits. In particular, it examined how the Council might better communicate its policy approach to setting local speed limits and the wider policy context they are set within. The review also considered the resources available to implement schemes to lower speed limits and the amount of officer time spent carrying out assessments of road safety concerns and preparing petition reports.

2. Supporting information

2.1 The Scrutiny Review of Speed Limit Policy is welcomed by the Department and in particular the opportunity afforded by this review to examine our approach to setting speed limits and confirm that ESCC local speed limit policy aligns with DfT guidance and is broadly in line with the approach taken by other authorities. We also welcome the opportunity to review how we communicate our policy and decision making process to our local communities, and to explore options to manage demand.

2.2 The Department’s response to the Review Board’s recommendations is set out in the action plan attached at appendix 1.

3. Conclusion and reasons for recommendations

3.1 The Scrutiny Review has highlighted the Council's local speed limit policy and approach to setting speed limits is in line with the current DfT guidance and is broadly similar to the approach taken by other local authorities.

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

RUPERT CLUBB

Director of Communities, Economy and Transport

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LOCAL MEMBERS

ALL

BACKGROUND DOCUMENTS

None

PLACE SCRUTINY COMMITTEE, SCRUTINY REVIEW OF LOCAL SPEED LIMIT POLICY – ACTION PLAN			
SCRUTINY RECOMMENDATION		DIRECTOR'S RESPONSE AND ACTION PLAN	TIMESCALE
R1.	The Board recommends that the Council regularly reviews Policy PS05/02 Local Speed Limits when there is a change in national guidance.	The Department recognises the importance of Policy PS05/02 aligning with national guidance. The department will continue to review the Policy when there is a change in guidance.	Ongoing - following a change in guidance
R2.	The Board recommends that the ESCC website pages are updated to provide clearer information on the purpose of local, county wide speed limits and the wider policy context they are applied in.	The Department will review existing webpages to include clear information on the purpose of speed limits and policy context. In doing so, it is hoped that this will help local communities to gain a better understanding of how requests for changes to speed limits are considered, and the likelihood of any such requests being successful.	6 months
R3.	The Board recommends that officers review the speed limit assessment process and criteria that other local authorities have introduced to manage demand to identify any potential efficiencies in officer time.	The Department receives a high number of requests from communities who wish see lower speed limits in their area. Due to finite funding, these requests need to be prioritised so that we continue to deliver the schemes that are of the greatest benefit to the community. The Department will undertake a review of the current assessment process to identify potential efficiencies in officer time.	12 months
R4.	The Board recommends that the Council introduces a step-by-step process and guide for changes to local speed limits.	The review of the website being undertaken under R2 will include the introduction of a step-by-step process guide.	6 months

		In doing so, it is hoped that this will help local communities to gain a better understanding of how requests for changes to speed limits are considered, and the likelihood of any requests being successful.	
R5.	The Board recommends: 1) A review is undertaken on the information provided to local communities, including Parish Councils; and 2) Information is provided on the Road Safety section on the ESCC website, including case studies, on the potential cost of designing and implementing signed only speed limits and also speed limit schemes where traffic calming is required. In addition, information is provided on the length of time it can take to deliver speed limit schemes.	Whilst the Community Match pages of the ESCC website contains detailed case studies on the costs of schemes, it would be beneficial to set out case studies relating to speed limit requests. The review of the website being undertaken under R2 will include a selection of case studies, costs and information on the length of time it takes to deliver speed limit schemes.	6 months
R6.	The Board recommends that officers refresh the information on speed limits on the ESCC website pages and create a speed limit change enquiry page.	The review of the website being undertaken under R2 will include the introduction of a dedicated speed limit enquiry page.	6 months
R7.	The Board recommends that the Council considers whether additional communication materials are required that: 1) Outline the Council's approach to assessing local speed limits and the prioritisation process to help local communities understand the types of speed reduction measures that might be possible; 2) Explain that potential schemes that meet our policy, but are not currently a priority for the	The Department acknowledges the Board's concern that not everyone is able to access the ESCC website to find information and will carry out a review of whether additional communications are required. The Department also notes the Board's view on the importance of Community Speed Watch and notes the challenges Sussex Police face in recruiting volunteers for this scheme.	6 months

	<p>County Council, may be implemented if externally funded and delivered through the Community Match programme or a Section 278 agreement; and</p> <p>3) Assist with the recruitment of volunteers to local Community Speed Watch groups (e.g. through Parish and Town Councils).</p>	<p>The Department will review whether additional communications are required to assist the Police in recruiting volunteers to the Community Speed Watch initiative.</p>	
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Report to:	Cabinet
Date:	28 January 2025
By:	Chief Finance Officer
Title of report:	Treasury Management Policy and Strategy 2025/26
Purpose of report:	This report proposes the Treasury Management Policy and Strategy for 2025/26. The Council is also required to set Prudential Indicators as set out in the Prudential Code which are included in this strategy for approval.

RECOMMENDATIONS

Cabinet is recommended to recommend Council to:

- 1) **approve the Treasury Management Policy and Strategy Statement for 2025/26;**
 - 2) **approve the Annual Investment Strategy for 2025/26;**
 - 3) **approve the Prudential and Treasury Indicators 2025/26 to 2027/28;**
 - 4) **approve the Minimum Revenue Provision (MRP) Policy Statement 2025/26 at Appendix 1 (Section 3).**
-

1. Background

1.1 A requirement under the Chartered Institute for Public Finance and Accountancy (CIPFA) Code of Practice for Treasury Management in the Public Services is to prepare a Treasury Management Policy and Strategy setting out the Council's policies for managing investments and borrowing.

1.2 The Local Government Act 2003 and supporting regulations requires the Council to 'have regard to' the Prudential Code and to set Prudential Indicators for the next three years to ensure that the Council's capital investment plans are affordable, prudent and sustainable.

1.3 The Treasury Management Policy and Strategy Statement (TMSS) for 2025/26 is presented in **Appendix 1** of this report. The strategy includes the Treasury Management Policy Statement, the Treasury Management Strategy Statement, the Annual Investment Strategy, Prudential and Treasury Indicators for the next three years and the annual Minimum Revenue Provision (MRP) Policy Statement.

1.4 The 2025/26 TMSS has been prepared within the context the financial challenge being faced by the County Council over the Medium Term Financial Plan. A summary of the outlook for Local Government finances is outlined in **Annex F** of Appendix 1 of this report. The treasury management strategy for the year seeks to compliment the Council Plan by:

- ensuring the investment portfolio is working hard to maximise income by seeking appropriate investment opportunities that meet the Council's security requirements during 2025/26;
- reviewing the Capital Programme to reduce the level of investment of core council funded programmes that would otherwise increase the Council's borrowing requirement;
- utilising cash balances to fund the Council's borrowing need in order to minimise borrowing costs as far as possible;

- ensuring effective management of the borrowing portfolio by exploring rescheduling opportunities and identifying and exploiting the most cost effective ways of funding the Council's borrowing requirement.

Investment Strategy

1.5 The 2025/26 Investment Strategy has been set in the context of moderate investment returns as a result of expected decreases in the Bank of England (BoE) Base Rate. The Base Rate peaked at 5.25% during 2024/25, with markets and economists' current expectation that rates will start to fall further into 2025/26 and beyond as the BoE is expected to tighten monetary policy in order to contain the impact of inflation. At the time of writing, Link Asset Services are forecasting that Monetary Policy Committee will cut Base Rate to 3.50% by December 2026. The investment performance for 2025/26 is therefore forecast at 4.10%. The average rate of return for 2023/24 was 4.89% and for the first six months of 2024/25 was 5.42%.

1.6 The Strategy is also being set in the context of the Council's deficit revenue budget forecast for 2025/26 and medium-term financial plan to 2027/28. Annex F of Appendix 1 will outline the context for the outlook of Local Government finances in general. Additionally, Paragraph 1.4 outlines the principles that will be applied during the year to ensure the Investment Strategy appropriately contributes to mitigating the Council's ongoing deficit revenue position.

1.7 The planned use of reserves, creditor spend and debt maturities have all contributed to the falling investment balances during 2024/25. Cash balances are expected to reduce further into 2025/26 due to the Council's forecast deficit position and borrowing need. However, in this context, the Council's risk appetite for investments will not be modified to increase income. The strategy will continue to prioritise security of the Council's funds. New investment options will be explored within the current risk appetite and strategy parameters.

1.8 There are no changes proposed in the Annual Investment Strategy for 2025/26.

1.9 Officers continue to seek out Environmental Social & Governance (ESG) investment opportunities with counterparties that meet the Council's investment parameters. There are currently limited available products within the market that meet both the Council's security requirements and the Council's shortened investment time horizon due to the strategy to use cash to initially fund the Council's liquidity and borrowing requirement. Nevertheless, appropriate ESG investment products will continue to be researched and considered into 2025/26.

1.10 The MHCLG (formally DLUHC) introduced a statutory over-ride following the introduction of IFRS9 in 2018 in respect of unrealised capital gains or losses on marketable pooled funds, which is due to end after 31st March 2025 subject to consultation. The Council's investment in the CCLA Pooled Property Fund would be subject to this provision and carries the requirement to account for any unrealised capital gain or losses on the fund in 2025/26 and beyond. The valuation of the fund is currently below initial investment, and therefore provision has been made in the 2025/26 revenue budget to account for an anticipated capital loss. It should be noted that the investment also provides regular dividend income that contributes towards the Council's investment income budget.

Borrowing Strategy

1.11 The Borrowing Strategy and the Capital Programme identifies a borrowing need of £29m over the next 3 years (between 2025/26 and 2027/28). This level of borrowing is following a review of the Capital Programme outside of normal Capital Strategy updates, to reduce the level of investment of core council funded programmes that would otherwise increase the Council's borrowing requirement and therefore borrowing costs within the Treasury Management revenue budget. The review has reduced the borrowing requirement by £50m from £79m originally planned for the period between 2025/26 and 2027/28.

1.12 Officers will seek to use cash from the Council's own reserves to initially fund borrowing whilst interest rates remain relatively elevated. This will decrease the Council's cash balances,

reducing counterparty risk, and reduce borrowing costs. Modelling of the Council's capital plans and cashflows has identified an appropriate level of internal borrowing of around £75m in the longer term. This has not changed from 2024/25, when it was increased from £50m on the basis that it is preferable to maximise internal borrowing as far as possible at a time where interest rates are higher. This strategy will be kept under constant review as there are risks that are required to be managed and balanced during the year. The Capital Programme will need to be funded in the most cost-effective way. Maximising internal borrowing will reduce investment balances and therefore investment income. Therefore officers will review the interest rate forecast, cashflow needs, the revenue deficit and the Capital Programme to ensure this remains the most appropriate strategy through the year.

1.13 The budget within the Medium Term Financial Plan (MTFP) is calculated using the Treasury Management Tool that reflects the costs of borrowing in support of the targeted basic need programme offset by returns on investment of the Council's balances. It is therefore reflective of a point in time. The treasury management tool, developed as part of the Capital Strategy, is reviewed regularly for reasonableness.

1.14 The liability benchmark in Section 2.3 of Appendix 1 demonstrates that if the Council were to internally borrow to utilise its cash-backed reserves and balances whilst maintaining a buffer for cash requirements, external borrowing could be avoided until 2026/27. The benchmark also suggests that if reserve balances continue to decrease as currently anticipated, then the Council may need to borrow to finance day-to-day activity in addition to its capital programme by 2029/30. This indicator will be used to assist with future borrowing decisions, in conjunction with the Treasury management Tool.

Revenue impact

1.15 The Treasury Management budget within the MTFP supports the cost of borrowing which includes MRP provision and interest. It is proposed that an increase of £3.7m is made to the Treasury Management budget in 2025/26 due to the current falling interest rate environment in conjunction with reducing investment balances. With interest rates expected to normalise at a lower level in the medium term, alongside increasing costs of capital programme borrowing, it is modelled that further increases to the budget will be required in future years. Due to the Council's challenging revenue budget position, the capital programme will continue to be reviewed to minimise the borrowing costs of the overall capital programme within Treasury Management and the revenue budget.

Supporting Information

Treasury Management Reporting

2.1 As well as this annual strategy, the CIPFA Code requires the Council reports as a minimum:

- A mid-year review;
- An annual report at the close of the year;
- Quarterly updates on treasury activity.

2.2 This Council meets this requirement with the Treasury Management Annual Report 2023/24 and mid-year report 2024/25 presented to Cabinet on 10 December 2024. Additionally, the treasury management quarterly monitoring position is reported to Cabinet as part of the Reconciling, Policy, Performance and Resources quarterly monitoring.

Economic Background

2.3 The Council takes advice from Link Asset Services on its treasury management activities. A detailed view of the current economic situation and forecasts, as prepared by Link Asset Services is included in **Appendix 1 (Annex B)** to this report.

3. Conclusion and recommendations

3.1 This policy sets out the acceptable limits on ratings, investment periods, amounts to be invested and the borrowing strategy. Cabinet will be aware that the financial position is kept under constant review and if at any time it is felt that any of these limits represent an unacceptable risk appropriate and immediate action will be taken accordingly.

3.2 Cabinet is recommended to recommend the 2025/26 Treasury Management Policy and Strategy Statement to Council for approval.

IAN GUTSELL

Chief Finance Officer

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Local Member(s): All

BACKGROUND DOCUMENTS

CIPFA Prudential Code and CIPFA Treasury Management Code – available on request

[Local Government Act 2003 – Capital Finance](#)

[MHCLG Statutory Guidance on Local Authority Investments and the Minimum Revenue Provision](#)

Appendix 1

TREASURY MANAGEMENT POLICY AND STRATEGY 2025/26



CONTENTS

- 1. INTRODUCTION**
 - 1.1. Background
 - 1.2. Reporting Requirements
 - 1.3. Treasury Management Strategy for 2025/26
 - 1.4. Treasury Management Policy Statement
 - 1.5. Current Portfolio Position
- 2. BORROWING STRATEGY**
 - 2.1. Capital Prudential Indicators
 - 2.2. Borrowing Strategy for 2025/26
 - 2.3. Liability Benchmark
 - 2.4. Policy for Borrowing in Advance of Need
 - 2.5. Debt Rescheduling
 - 2.6. Interest Rate Risk & Continual Review
- 3. MINIMUM REVENUE PROVISION POLICY STATEMENT**
- 4. ANNUAL INVESTMENT STRATEGY**
 - 4.1. Annual Investment Strategy for 2025/26
 - 4.2. Investment Policy – Management of Risk
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- 5. OTHER TREASURY ISSUES**
 - 5.1. Banking Services
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ANNEXES:

- Annex A Counterparty List
- Annex B Economic Background & Prospect for Interest Rates
- Annex C Prudential & Treasury Indicators
- Annex D Scheme of Delegation
- Annex E Investment Product Glossary
- Annex F Local Authority Outlook

1. INTRODUCTION

1.1 Background

The Council is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in counterparties or instruments commensurate with the Council's risk appetite, providing adequate liquidity initially before considering investment return.

The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer-term cash flow planning, to ensure that the Council can meet its capital spending obligations. This management of longer-term cash may involve arranging long or short-term loans or using longer-term cash flow surpluses. On occasion, when it is prudent and economic, any debt previously drawn may be restructured to meet Council risk or cost objectives.

The contribution the treasury management function makes to the authority is critical, as the balance of debt and investment operations ensure liquidity or the ability to meet spending commitments as they fall due, either on day-to-day revenue or for larger capital projects. The treasury operations will see a balance of the interest costs of debt and the investment income arising from cash deposits affecting the available budget. Since cash balances generally result from reserves and balances, it is paramount to ensure adequate security of the sums invested, as a loss of principal will in effect result in a loss to the General Fund Balance.

CIPFA defines treasury management as:

“The management of the local authority’s borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”

1.2 Reporting Requirements

1.2.1 Capital Strategy

The CIPFA 2021 Prudential and Treasury Management Codes require all local authorities to prepare a capital strategy report, to provide the following:

- a high-level long-term overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services
- an overview of how the associated risk is managed
- the implications for future financial sustainability

The aim of the capital strategy is to ensure that all elected members on the Council fully understand the overall long-term policy objectives and resulting capital strategy requirements, governance procedures and risk appetite.

This capital strategy is reported separately from the Treasury Management Strategy Statement; non-treasury investments will be reported through the former. This ensures the separation of the core treasury function under security, liquidity and yield principles, and the policy and commercialism investments usually driven by expenditure on an asset.

1.2.2 Treasury Management reporting

The Council is currently required to receive and approve, as a minimum, three main treasury reports each year, which incorporate a variety of policies, estimates and actuals.

- a. Prudential and treasury indicators and treasury strategy** (this report) - The first, and most important report is forward looking and covers:

- the capital plans, (including prudential indicators);
 - a minimum revenue provision (MRP) policy, (how residual capital expenditure is charged to revenue over time);
 - the treasury management strategy, (how the investments and borrowings are to be organised), including treasury indicators; and
 - an investment strategy, (the parameters on how investments are to be managed).
- b. A mid-year treasury management report** – This is primarily a progress report and will update members on the capital position, amending prudential indicators as necessary, and whether any policies require revision.
- c. An annual treasury report** – This is a backward looking review document and provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.

This Council delegates responsibility for implementation and monitoring treasury management to Cabinet and responsibility for the execution and administration of treasury management decisions to the Section 151 Officer. Cabinet therefore receives the Mid-Year and Annual treasury reports in December each year.

The above reports are required to be adequately scrutinised before being recommended to the Council. This role is undertaken by the Audit Committee.

- d. Quarterly reports** – In addition to the three major reports detailed above, from 2023/24 quarterly treasury reporting is incorporated into the quarterly Council Monitoring process.

1.3 Treasury Management Strategy for 2025/26

The strategy for 2025/26 covers two main areas:

Capital issues

- the capital expenditure plans (section 2) and the associated prudential indicators (Annex C);
- the minimum revenue provision (MRP) policy (Section 3).

Treasury management issues

- the current treasury portfolio position (section 1.5);
- treasury indicators which limit the treasury risk and activities of the Council (Annex C);
- prospects for interest rates (Annex B);
- the borrowing strategy (section 2);
- policy on borrowing in advance of need (section 2.2);
- debt rescheduling (section 2.3);
- the investment strategy (section 4);
- creditworthiness policy (section 4.4); and
- the policy on use of external service provider (section 5.3).

These elements cover the requirements of the Local Government Act 2003, the CIPFA Prudential Code, MHCLG MRP Guidance, the CIPFA Treasury Management Code and MHCLG Investment Guidance.

1.4 Treasury Management Policy Statement

The policies and objectives of the Council's treasury management activities are as follows:

- i) This Council defines its treasury management activities as:

'The management of the authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks'.

- ii) This Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the Council, and any financial instruments entered into to manage these risks.
- iii) This Council acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management, and to employing suitable comprehensive performance management techniques, within the context of effective risk management.

1.5 Current Portfolio Position

A summary of the Council's borrowing & investment portfolios as at 30 November 2024 and forecast at the end of the financial year is shown in **Table 1** below:

Table 1	Actual at 30 November 2024			Forecast to 31 March 2025		
	£'000	% of portfolio	Average Rate	£'000	% of portfolio	Average Rate
Investments						
Banks	29,000	17%	4.95%	25,000	17%	4.75%
Local Authorities	84,500	49%	5.44%	95,000	63%	5.20%
Money Market Funds	55,200	32%	4.83%	25,000	17%	4.50%
CCLA Pooled Property Fund*	5,000	2%	4.45%	5,000	3%	4.45%
Total Investments	173,700	100%	5.08%	150,000	100%	4.98%
Borrowing						
PWLB loans	205,140	97%	4.45%	205,140	97%	4.45%
Market loans	6,450	3%	4.25%	6,450	3%	4.25%
Total external Borrowing	211,590	100%	4.44%	211,590	100%	4.44%

*£4,235,334 capital valuation 30 November 2024

2. BORROWING STRATEGY

The capital expenditure plans of the Council are set out in the Capital Strategy Report being considered by Full Council on 11 February 2025. The treasury management function ensures that the Council's cash is organised in accordance with the relevant professional codes so that sufficient cash is available to meet this service activity and Capital Strategy. This will involve both the organisation of the cash flow and, where capital plans require, the organisation of appropriate borrowing facilities. The strategy covers the relevant treasury / prudential indicators, the current and projected debt positions, and the Annual Investment Strategy.

Any capital investment that is not funded from these new and/or existing resources (e.g. capital grants, receipts from asset sales, revenue contributions or earmarked reserves) increases the Council's need to borrow, represented by the Capital Financing Requirement (CFR). However, external borrowing does not have to take place immediately to finance its related capital expenditure: the Council can utilise cash being held for other purposes (such as earmarked reserves and working capital balances) to temporarily defer the need for external borrowing. This is known as 'internal borrowing'.

The Council's primary objective is to strike an appropriate balance between securing cost certainty, securing low interest rates.

2.1 Capital Prudential Indicators

The Authority's capital expenditure plans are a key driver for Treasury Management activity. The output of the capital expenditure plans is reflected in the prudential indicators, which are designed to assist members' overview and confirm capital expenditure plans.

Tables 2 and 3 show the capital expenditure plans of the Authority, and the implications of these on the Capital Financing Requirement over the 3 year period to 2027/28.

The liability benchmark shown in section 2.3 measures the authority's external debt levels net of the external investments, with the inclusion of a liquidity buffer against the Authority's CFR projection. This measure assumes that the authority will internally borrow almost all its available cash balances held in reserves and balances, with an allowance ensure it is able to meet its cash obligations.

There are four components to the Liability Benchmark: -

1. **Existing loan debt outstanding:** the Authority's existing loans that are still outstanding in future years.
2. **Loans CFR:** this is calculated in accordance with the loans CFR definition in the Prudential Code and projected into the future based on approved prudential borrowing and planned MRP.
3. **Net loans requirement:** this will show the Authority's gross loan debt less treasury management investments at the last financial year-end, projected into the future and based on its approved prudential borrowing, planned MRP and any other major cash flows forecast.
4. **Liability benchmark (or gross loans requirement):** this equals net loans requirement plus short-term liquidity allowance.

The Liability Benchmark has been produced below in section 2.3 and notes included to explain each element and the Authority's assumptions and forward view.

2.2 Borrowing Strategy for 2025/26

The Council has been carrying an internal borrowing position since 2019/20, a policy which reduces cost and reduces investment counterparty risk as the Council are using cash from its own reserves to fund its borrowing requirement as opposed to entering into external borrowing.

There is £5m expected to be funded via borrowing in the 2024/25 Capital Programme. No new external borrowing is expected to be undertaken to fund this, and this will be funded through cash balances. This is expected to increase the Council's under-borrowed position compared to its CFR from £55m at 31 March 2024 to £57m by 31 March 2025 (net of other movements).

The Council's Capital Programme 2025/26 to 2027/28 forecasts £200m of capital investment over the next three years with £171m met from existing or new resources. The increase in the Council's borrowing need over this period is therefore £29m as shown in **Table 2** below.

2024/25 Projected £m	Table 2	2025/26 Estimate £m	2026/27 Estimate £m	2027/28 Estimate £m	Total £m
85	Capital Expenditure	112	47	41	200
(80)	Financed by: New & existing resources	(96)	(38)	(37)	(171)
5	Borrowing Need	16	9	4	29

Table 3 below shows the actual expected external borrowing against the capital financing requirement, identifying any under or over borrowing.

2024/25 Estimate	Table 3	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate
£m		£m	£m	£m
217	External Debt at 1 April	212	207	206
(5)	Expected change in Debt	(5)	(1)	(5)
212	External Debt at 31 March	207	206	201
272	CFR* at 1 April	269	277	277
5	Borrowing need (Table 2)	16	9	4
(8)	MRP	(8)	(9)	(9)
269	CFR* at 31 March	277	277	272
57	Under / (Over) borrowing	70	71	71

**CFR in Table 3 is the underlying need to borrow and excludes PFI and lease arrangements, which are included in the CFR figure in the Prudential Indicators in Annex C*

Table 2 demonstrates that the Council has a borrowing need of £29m over the next three years. The strategy will initially focus on meeting this borrowing need from internal borrowing; avoiding external borrowing by utilising the Council's own surplus funds. Modelling of the movement of reserves and the Council's capital expenditure plans demonstrates that the Council's long-term reserves can support a level of at least £75m of internal borrowing across 2025/26. This will mitigate the increase in the cost of borrowing and reduce counterparty risk within the Council's investment portfolio by reducing the portfolio size. The strategy and budget have been prepared based on this assumption. The Liability Benchmark, in section 2.3 below, demonstrates that if the Council were to utilise its cash-backed reserves and balances as far as possible, external borrowing can be avoided until 2026/27.

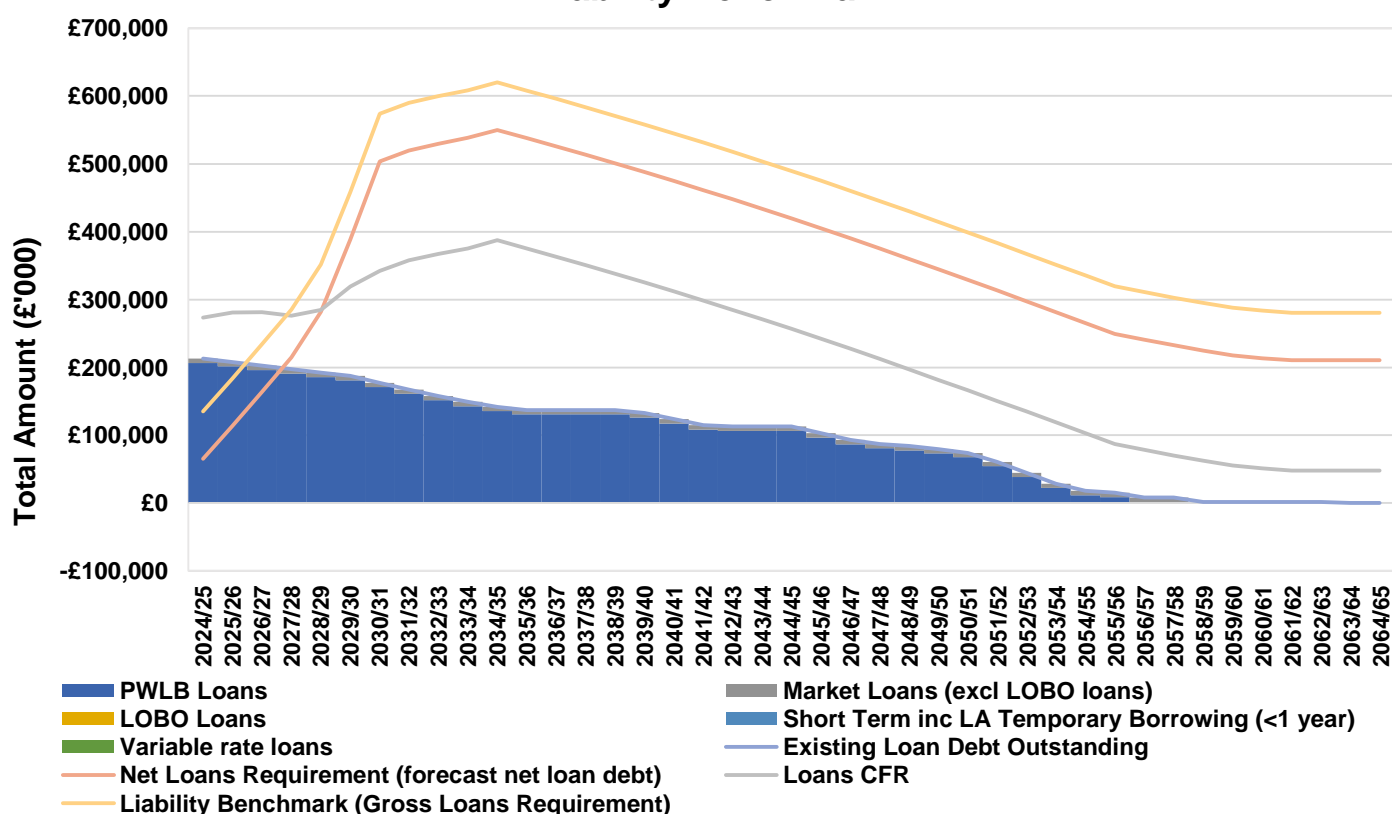
The Council's priority is to strike a balance between cost and certainty, and therefore the internal borrowing position will be carefully monitored to avoid incurring higher borrowing costs in the future at a time when the authority may not be able to avoid new borrowing to finance capital expenditure or refinance maturing debt.

2.3 Liability Benchmark

The Liability Benchmark is a measure of the Council's borrowing need were it to fully utilise its cash-backed reserves and balances to avoid external borrowing. It assumes a liquidity buffer is maintained to ensure the Council's obligations are able to be met.

The Council's liability benchmark is shown below:

Liability Benchmark



- 1) **External Debt** – The maturity profile of the current portfolio of external debt is shown by the bars. The debt has a very gradual maturity profile which means that there are no requirements to pay back large amounts of debt in any one year.
- 2) **Loans CFR** – This is the projections of the Council's underlying borrowing requirement (or CFR) based on the Council's capital plans, and is shown by the grey line. The 2024/25 opening Loans CFR was £276m, and it is expected to peak at £387m in 2034/35. This only shows the Loans CFR projection based on the current capital programme of the Council, therefore if ongoing borrowing is required beyond 2034/35 then the CFR would rise further and for longer.
- 3) **Net Loans Requirement** – The expected net treasury position is shown by the orange line. This shows a projection of the loans requirements measured by opening external debt for 2024/25 (£218m) less the opening external investments for 2024/25 (£202m). The projections are then based on the expected borrowing within the capital programme and the expected movement in reserves and balances, and shows the borrowing requirement if the Council were to utilise all of its reserves and balances for internal borrowing. This shows that the Council had more external debt than external investment as at 31/03/24, which is expected to continue into 2025/26 and beyond as reserves reduce and borrowing is required in the capital programme. The Net Loans Requirement also peaks in 2034/35 as a result of the end of current capital planning period.

The graph shows that the Net Loans Requirement will become greater than the Loans CFR value in 2029/30, suggesting that if reserves balances continue to decrease as currently anticipated, then the Council will need to borrow to finance its day-to-day expenditure in addition to its capital programme.

- 4) **Liability Benchmark** – The liability benchmark shows the Net Loan Requirement, but with a buffer of £70m incorporated to ensure the Council has sufficient cash to meet its cash obligations. This measure shows the level to which the Council can internally borrow based on the projection of the capital programme, movement of reserves and allowing for a liquidity buffer. Where the liability benchmark rises above the current debt

portfolio, this shows a need for external borrowing, and where the benchmark reduces back below the current portfolio, it shows that the Council will be over-borrowed based on current plans.

This graph demonstrates that the Council may not need to externally borrow until 2026/27, and that the external borrowing requirement will peak at £620m in 2034/35, before falling.

Whilst the Liability Benchmark is a good indicator of the Council's direction of travel in terms of borrowing need, it assumes that capital borrowing stops after the current capital planning period, and ignores future borrowing beyond the planning period. Therefore it should not be used in isolation when making long term decisions, but as part of a range of factors.

2.4 Policy on Borrowing in Advance of Need

The Council will not borrow purely in order to profit from investment of extra sums borrowed. Any decision to borrow in advance will be within approved Capital Financing Requirement estimates and will be considered carefully to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds. Risks associated with any borrowing in advance activity will be subject to prior appraisal and subsequent reporting.

2.5 Debt Rescheduling

Officers continue to regularly review opportunities for debt rescheduling, but there has been a considerable widening of the difference between new borrowing and repayment rates, which has resulted in much fewer opportunities to realise any savings or benefits from rescheduling PWLB debt.

The reasons for any rescheduling to take place will include:

- the generation of cash savings and / or discounted cash flow savings;
- helping to fulfil the treasury strategy;
- enhance the balance of the portfolio (amend the maturity profile and/or the balance of volatility).

The strategy is to continue to seek opportunity to reduce the overall level of Council's debt where prudent to do so, thus providing in future years cost reduction in terms of lower debt repayments costs, and potential for making savings by running down investment balances to repay debt prematurely as short term rates on investments are likely to be lower than rates paid on current debt. All rescheduling will be agreed by the Chief Finance Officer.

2.5 Interest Rate Risk & Continual Review

The total borrowing need in **Table 2**, as well as the debt at risk of maturity shown in **Table 4** is the extent to which the Council is subject to interest rate risk.

Table 4	2025/26	2026/27	2027/28
	£m	£m	£m
Maturing Debt	5	6	5
Debt Subject to early repayments options	0	0	0
Total debt at risk of maturity	5	6	6

Officers continue to review the need to borrow taking into consideration the potential increases in borrowing costs, the need to finance new capital expenditure, refinancing maturing debt, and the cost of carry that might incur a revenue loss between borrowing costs and investment returns.

Against this background and the risks within the economic forecast, caution will be adopted with the 2025/26 treasury operations. The Chief Finance Officer will continue to monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances:

- if it was felt that there was a significant risk of a sharp FALL in borrowing rates, then borrowing will be postponed.
- if it was felt that there was a significant risk of a much sharper RISE in borrowing rates than that currently forecast, fixed rate funding will be drawn whilst interest rates are lower than they are projected to be in the next few years.

3. MINIMUM REVENUE PROVISION POLICY STATEMENT

Under Regulation 27 of the Local Authorities (Capital Finance and Accounting) (England) regulation 2023, where the Council has financed capital expenditure by borrowing, The Council it is required to pay off an element of the accumulated General Fund capital spend each year (the Capital Financing Requirement - CFR) through a revenue charge (the Minimum Revenue Provision - MRP). The 2003 Regulations have been further amended with full effect from April 2025 to expressly provide that in determining a prudent provision local authorities cannot exclude any amount of CFR from its calculation, unless by an exception set out in statute.

The Ministry of Housing, Communities and Local Government (MHCLG) regulations require the full Council to approve an MRP Statement in advance of each year. A variety of options are available to Councils, so long as the principle of any option selected ensures a prudent provision to redeem its debt liability over a period which is commensurate with that over which the capital expenditure is estimated to provide benefits (i.e. estimated useful life of the asset being financed).

The Council is recommended to approve the following MRP Statement for 2025/26 onwards:

For borrowing incurred before 1 April 2008, the MRP policy will be:

- Annuity basis over a maximum of 40 years.

From borrowing incurred after 1 April 2008, the MRP policy will be:

- Asset Life Method (annuity method) – MRP will be based on the estimated life of the assets, in accordance with the proposed regulations. A maximum useful economic life of 50 years for land and 40 years for other assets. This option will also be applied for any expenditure capitalised under a capitalisation directive.

For PFI schemes, leases and closed landfill sites that come onto the Balance Sheet, the MRP policy will be:

- Asset Life Method (annuity method) - The MRP will be calculated according to the flow of benefits from the asset, and where the principal repayments increase over the life of the asset. Any related MRP will be equivalent to the “capital repayment element” of the annual charge payable that goes to write down the balance sheet liability.

There is the option to charge more than the prudent provision of MRP each year through a Voluntary Revenue Provision (VRP).

For loans to third parties that are being used to fund expenditure that is classed as capital in nature, the policy will be to charge an MRP over the life of the loan.

In view of the variety of different types of capital expenditure incurred by the Council, which is not in all cases capable of being related to an individual asset, asset lives will be assessed on a basis which most reasonably reflects the anticipated period of benefit that arises from the expenditure. Also, whatever type of expenditure is involved, it will be grouped together in a manner which reflects the nature of the main component of expenditure. This approach also allows the Council to defer the introduction of an MRP charge for new capital projects/land purchases until the year after the new asset becomes operational rather than in the year borrowing is required to finance the capital spending.

4. ANNUAL INVESTMENT STRATEGY

The MHCLG and CIPFA have extended the meaning of ‘investments’ to include both financial and non-financial investments. This report deals with financial investments. Non-financial investments are covered in the Capital Strategy.

The Council’s investment policy has regard to the following:

- MHCLG’s Guidance on Local Government Investments (the “Guidance”)
- CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes 2021 (the “Code”)
- CIPFA Treasury Management Guidance Notes 2021

The Council’s investment priorities will be the security of capital first, portfolio liquidity second and then yield (return). The Authority will aim to achieve the optimum return (yield) on its investments commensurate with proper levels of security and liquidity and with regard to the Authority’s risk appetite.

4.1 Annual Investment Strategy for 2025/26

Investments will be made with reference to the core balance and cash flow requirements and the outlook for interest rates.

Greater returns are usually obtainable by investing for longer periods. However, based on the forecast of Bank Rate below, it is recommended that an “agile” investment strategy is recommended as an appropriate way of optimising returns.

While most cash balances are required in order to manage the ups and downs of cash flow, where cash sums can be identified that could be invested for longer periods, the value to be obtained from longer term investments will be carefully assessed.

- If it is predicted that Bank Rate is likely to rise significantly within the time horizon being considered, then consideration will be given to keeping most investments on short term or variable terms.
- Conversely, if it is predicted that Bank Rate is likely to fall within that time period, consideration will be given to locking in the higher rates currently obtainable, for longer periods.

It is currently expected that the Bank Rate will fall during the remainder of 2024/25, with the prospect for Bank Rate to be cut further into 2025/26 and 2026/27. Link Asset Service’s (LAS) Bank Rate forecasts for financial year ends (March) are:

Year	2024/25	2025/26	2026/27	2027/28
Bank Rate	4.50%	3.75%	3.50%	3.50%

LAS’s view on the prospect for interest rates, including their forecast for short term investment rates is appended at Annex B.

The primary principle governing the Council’s investment criteria is the security of its investments, although the return on the investment is also a key consideration. After this main principle, the Council will ensure that:

- It maintains a policy covering both the categories of investment types it will invest in and the criteria for choosing investment counterparties with adequate security, and monitoring their security;
- It has sufficient liquidity in its investments;
- It receives a yield that is aligned with the level of security and liquidity of its investments;
- Where possible, it actively seeks to support Environmental, Social and Governance (ESG) investment products and institutions that meet all of the above requirements.

The preservation of capital is the Council’s principal and overriding priority.

4.1.1 Changes from 2024/25 Strategy

No new changes to the strategy are proposed.

4.2 Investment Policy – Management of risk

The guidance from the MHCLG and CIPFA place a high priority on the management of risk. This authority has adopted a prudent approach to managing risk and defines its risk appetite by the following means: -

- i) Minimum acceptable credit criteria are applied in order to generate a list of highly creditworthy counterparties. This also enables diversification and thus avoidance of concentration risk. The key ratings used to monitor counterparties are the short term and long-term ratings.
- ii) Other information: ratings will not be the sole determinant of the quality of an institution; it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To achieve this consideration the Council will engage with its advisors to maintain a monitor on market pricing such as “credit default swaps” and overlay that information on top of the credit ratings.
- iii) Other information sources used will include the financial press, share price and other such information pertaining to the banking sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.
- iv) This authority has defined the list of types of investment instruments that the treasury management team are authorised to use.
 - a. **Specified investments** are those with a high level of credit quality and subject to a maturity limit of one year. The limits and permitted instruments for specified investments are listed within Table 7.
 - b. **Non-specified investments** are those with less high credit quality, may be for periods in excess of one year, and/or are more complex instruments which require greater consideration by members and officers before being authorised for use. The limits and permitted instruments for non-specified investments are listed within Table 8.
- v) Lending limits (amounts and maturity) for each counterparty will be set through applying the credit criteria matrix (within Table 7).
- vi) This authority will set a limit for the amount of its investments which are invested for longer than 365 days, detailed in the Treasury Indicators in Annex C.
- vii) Investments will only be placed with counterparties from countries with a specified minimum sovereign rating of AA- (see paragraph 4.3).
- viii) This authority has engaged external consultants, (see paragraph 5.3), to provide expert advice on how to optimise an appropriate balance of security, liquidity and yield, given the risk appetite of this authority in the context of the expected level of cash balances and need for liquidity throughout the year.
- ix) All investments will be denominated in sterling.
- x) As a result of the change in accounting standards for 2025/26 under IFRS 9, this Authority will consider the implications of investment instruments which could result in an adverse movement in the value of the amount invested and resultant charges at the end of the year to the General Fund.

However, this authority will also pursue value for money in treasury management and will monitor the yield from investment income against appropriate benchmarks for investment

performance. Regular monitoring of investment performance will be carried out during the year and included within the quarterly reporting.

4.3 Sovereign Credit Ratings

The current approved strategy of lending to sovereign nations and their banks which hold a minimum of AA- remains in place. The proposed Maximum investment limits and duration periods will remain the same as in the previous strategy at £60 million and one year respectively. The list of countries that qualify using this credit criteria (as at the date of this report) are shown below:







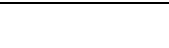
AAA Germany, Netherlands, Singapore, Sweden
AA+ Canada, Finland, USA
AA Abu Dhabi (UAE)
AA- United Kingdom

4.4 Creditworthiness Policy

The Council applies the creditworthiness service provided by the Link Group. This service employs a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies which is then supplemented with the following overlays:

- credit watches and credit outlooks from credit rating agencies;
- credit default swap (CDS) spreads to give early warning of likely changes in credit ratings;
- sovereign ratings to select counterparties from only the most creditworthy countries.

This weighted scoring system then produces an end product of a series of colour coded bands which indicate the relative creditworthiness of counterparties. These colour codes are used by the Council to determine the suggested duration for investments. The Council (in addition to other due diligence consideration) will use counterparties within the following durational bands provided they have a minimum A- (UK Banks) and AA- (Non-UK Banks) credit rating:

Y	P	B	O	R	G	N/C
						
<i>Up to 5yrs</i>	<i>Up to 2yrs</i>	<i>Up to 1yr</i>	<i>Up to 1yrs</i>	<i>Up to 6 months</i>	<i>Up to 100 days</i>	<i>Not to be used</i>

Typically the minimum credit ratings criteria the Council use will be a Short Term rating (Fitch or equivalents) of F1 and a Long Term rating of A- for UK Banks. There may be occasions when the counterparty ratings from one rating agency are marginally lower than these ratings but may still be used. In these instances consideration will be given to the whole range of ratings available, or other topical market information, to support their use.

The primary principle governing the Council's investment criteria is the security of its investments, although the return on the investment is also a key consideration. After this main principle, the Council will ensure that:

- It maintains a policy covering both the categories of investment types it will invest in and the criteria for choosing investment counterparties with adequate security, and monitoring their security;
- It has sufficient liquidity in its investments.

All credit ratings are monitored daily. The Council is alerted to changes to ratings of all three agencies through its use of the LAS credit worthiness service. If a downgrade results in the counterparty or investment scheme no longer meeting the Council's minimum criteria, its further use as a new investment will be withdrawn immediately.

In addition to the use of credit ratings, the Council is advised of information re movements in Credit Default Swap against the iTraxx benchmark and other market data on a weekly basis. Extreme market movements may result in downgrade of an institution or removal from the

Council's lending list. The counterparties in which the Council will invest its cash surpluses is based on officer's assessment of investment security, risk factors, market intelligence, a diverse but manageable portfolio and their participation in the local authority market.

Table 7 below summarises the types of specified investment counterparties available to the Council, and the maximum amount and maturity periods placed on each of these. A full list of the Council's counterparties and the current limits for 2025/26 are appended at Annex A.

Criteria for Specified Investments

Table 7	Country/ Domicile	Instrument	Min. Credit Criteria/LAS colour band	Max. Amount	Max. maturity period
Debt Management and Deposit Facilities (DMADF)	UK	Term Deposits (TDs)	N/A	unlimited	12 Months
Government Treasury bills	UK	TDs	UK Sovereign Rating	unlimited	12 Months
UK Local Authorities*	UK	TDs	UK Sovereign Rating	£60m	12 Months
Banks – part nationalised	UK	<ul style="list-style-type: none"> TDs Deposits on Notice Certificates of Deposit (CDs) 	N/A	£60m	12 Months
Banks	UK	<ul style="list-style-type: none"> TDs Deposits on Notice CDs 	Blue	£60m	12 Months
			Orange	£60m	12 Months
			Red	£60m	6 Months
			Green	£60m	100 Days
Building Societies	UK	<ul style="list-style-type: none"> TDs Deposits on Notice CDs 	Blue	£60m	12 Months
			Orange	£60m	12 Months
			Red	£60m	6 Months
			Green	£60m	100 Days
Individual Money Market Funds (MMF) CNAV and LVNAV	UK/Ireland/ EU domiciled	AAA Rated Money Market Fund Rating	N/A	£60m	Liquid
VNAV MMF's and Ultra Short Dated Bond Funds	UK/Ireland/EU domiciled	AAA Rated Bond Fund Fund Rating	N/A	£60m	Liquid
Banks – Non-UK	Those with sovereign rating of at least AA-**	<ul style="list-style-type: none"> TDs Deposits on Notice CDs 	Blue	£60m	12 Months
			Orange	£60m	12 Months
			Red	£60m	6 Months
			Green	£60m	100 Days

* Local Authorities appear on both Specified and Non-specified investment list – an investment with a LA for up to a year is Specified, and between 1-2 years is Non-specified. The maximum amount that can be lent to any single Local Authority is £60m across both specified and Unspecified Investments

***See Paragraph 4.3 for full list of countries that meet these criteria*

Non-Specified investments are any other types of investment that are not defined as specified. The identification and rationale supporting the selection of these other investments and the maximum limits to be applied are set out in **Table 8** below:

Table 8	Minimum credit criteria	Maximum investments	Period
UK Local Authorities**	Government Backed	£60m	2 years
Corporate Bond Fund(s)	Investment Grade	£30m	2 - 5 years
Pooled Property Fund(s)	N/A	£30m	5+ years
Mixed Asset Fund(s)	N/A	£30m	2 - 5 years
Short Dated Bond Fund(s)	N/A	£30m	2 – 5 years

*** Local Authorities appear on both Specified and Non-specified investment list – an investment with a LA for up to a year is Specified, and between 1-2 years is Non-specified. The maximum amount that can be lent to any single Local Authority is £60m across both specified and Unspecified Investments*

The maximum amount that can be invested will be monitored in relation to the Council's surplus monies and the level of reserves. The approved counterparty list will be maintained by referring to an up-to-date credit rating agency reports, and the Council will liaise regularly with brokers for updates. Where Externally Managed Funds are not rated, a selection process will evaluate relative risks & returns. Security of the Council's money and fund volatility will be key measures of suitability. Counterparties may be added to or removed from the list only with the approval of the Chief Finance Officer. A full list of the Council's counterparties and the current limits for 2024/25 are appended at Annex A.

4.5 Investment Risk Benchmarking

The weighted average benchmark risk factor for 2025/26 is recommended to be 0.05%. This is unchanged from 2024/25. This is a measure of the percentage of the portfolio deemed to be at risk of loss by reference to the maturity date, value of investment, and credit rating of the individual investments within the portfolio compared to the historic default data for those credit ratings.

This benchmark is a simple target (not limit) to measure investment risk and so may be breached from time to time, depending on movements in interest rates and counterparty criteria. The purpose of the benchmark is that the in-house treasury team can monitor the current and trend position and amend the operational strategy depending on any changes. Any breach of the benchmarks will be reported with supporting reasons in the mid-year or end of year reviews.

This matrix will only cover internally managed investments, excluding externally managed cash that has been subject to an individual selection process. It also excludes funds lent to other Local Authorities, consistent with the CIPFA Accounting Code.

4.6 Investment Performance Benchmarking

The performance of the Council's investment portfolio will be measured against the overnight SONIA Rate.

5. OTHER TREASURY ISSUES

5.1 Banking Services

NatWest currently provides banking services for the Council.

5.2 Training

The CIPFA Treasury Management Code requires the responsible officer to ensure that members with responsibility for treasury management receive adequate training in treasury management. This especially applies to members responsible for scrutiny.

The scale and nature of this will depend on the size and complexity of the organisation's treasury management needs. Organisations should consider how to assess whether treasury management staff and board/ Council members have the required knowledge and skills to undertake their roles and whether they have been able to maintain those skills and keep them up to date.

As a minimum, authorities should carry out the following to monitor and review knowledge and skills:

- Record attendance at training and ensure action is taken where poor attendance is identified.
- Prepare tailored learning plans for treasury management officers and board/Council members.
- Require treasury management officers and board/Council members to undertake self-assessment against the required competencies (as set out in the schedule that may be adopted by the organisation).
- Have regular communication with officers and board/Council members, encouraging them to highlight training needs on an ongoing basis."

In further support of the revised training requirements, CIPFA's Better Governance Forum and Treasury Management Network have produced a 'self-assessment by members responsible for the scrutiny of treasury management', which is available from the CIPFA website to download.

The training needs of treasury management officers are periodically reviewed.

A formal record of the training received by officers central to the Treasury function and members who are responsible for decision making and scrutiny of the Treasury function will be maintained by the Principal Accountant (Treasury).

5.3 Policy on the use of External Service Providers

The Council uses Link Asset Services as its external treasury management advisors.

The Council recognises that responsibility for treasury management decisions remains with the Council at all times and will ensure that undue reliance is not placed upon our external service providers. It also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed, documented and subject to regular review.

5.4 Lending to Third Parties

The Council has the power to lend monies to third parties subject to a number of criteria. These are not treasury type investments rather they are policy investments. Any activity will only take place after relevant due diligence has been undertaken.

5.5 Updates to Accounting Requirements

- IFRS9 – local authority override – English local authorities

The MHCLG enacted a statutory over-ride from 1.4.18 for a five-year period until 31.3.23 following the introduction of IFRS 9 in respect of the requirement for any unrealised capital gains or losses on marketable pooled funds to be chargeable in year. This has been extended to 31.3.25 and the effect of allowing any unrealised capital gains or losses arising from qualifying investments to be held on the balance sheet until 31.3.25: this is intended to allow authorities to initiate an orderly withdrawal of funds if required. In addition, IFRS9 impacts the write-down in the valuation of impaired loans. The ending of the statutory override is currently subject to consultation, and any changes to current policy will be considered in accordance with this strategy.

▪ **IFRS 16 – Leasing**

The CIPFA LAASAC Local Authority Accounting Code Board has deferred implementation of IFRS16 until 1.4.24, the 2024/25 financial year. Once implemented, this has the following impact to the Treasury Management Strategy:

- The MRP Policy sets out how MRP will be applied for leases bought onto the balance sheet. Where a lease (or part of a lease) is brought onto the balance sheet, having previously been accounted for off-balance sheet, the MRP requirement is regarded as having been met by the inclusion in the charge for the year in which the restatement occurs, of an amount equal to the write-down for that year plus retrospective writing down of the balance sheet liability that arises from the restatement;
- The Council's Capital Financing Requirement authorised limit and operational boundary expectations for 2025/26 onwards have been increased to reflect the estimated effect of this change.

Bank with duration colour	Country	Fitch Ratings				Moody's Ratings		S & P Ratings		CDS Price	ESCC Duration	Link Duration Limit	Money Limit
Specified Investments:		L Term	S Term	Viab.	Supp.	L Term	S Term	L Term	S Term		(Months)	(Months)	(£m)
UK Counterparties:													
Lloyds Bank PLC (RFB)	UK	AA-	F1+	a	WD	A1	P-1	A+	A-1	36.64	12	12	60
Lloyds Bank Corporate Markets Plc (NRFB)	UK	AA-	F1+	-	WD	A1	P-1	A	A-1	-	12	12	
Bank of Scotland PLC (RFB)	UK	AA-	F1+	A+	WD	A1	P-1	A+	A-1	36.64	12	12	
NatWest Bank (RFB)	UK	A+	F1	a	WD	A1	P-1	A+	A-1	-	12	12	60
NatWest Markets Plc (NRFB)	UK	A+	F1	WD	WD	A1	P-1	A	A-1	50.66	6	6	
Royal Bank of Scotland (RFB)	UK	A+	F1	a	WD	A1	P-1	A+	A-1	-	12	12	
HSBC UK Bank (RFB)	UK	AA-	F1+	a	WD	A1	P-1	A+	A-1	-	12	12	60
HSBC Bank (NRFB)	UK	AA-	F1+	a	WD	A1	P-1	A+	A-1	36.60	12	12	
Barclays Bank UK (RFB)	UK	A+	F1	a	WD	A1	P-1	A+	A-1	-	6	6	60
Barclays Bank (NRFB)	UK	A+	F1	a	WD	A1	P-1	A+	A-1	57.13	6	6	
Santander UK	UK	A+	F1	a	WD	A1	P-1	A	A-1	-	6	6	60
Santander Financial Services (NRFB)	UK	A+	F1	-	WD	A1	P-1	A-	A-2	-	6	6	
Goldman Sachs International Bank	UK	A+	F1	-	WD	A1	P-1	A+	A-1	53.73	6	6	60
Handelsbanken PLC	UK	AA	F1+	-	WD	-	-	AA-	A-1+	-	12	12	60
SMBC Bank International Plc	UK	A-	F1	-	WD	A-	P-1	A	A-1	38.14	6	6	60
Standard Chartered Bank	UK	A+	F1	a	WD	A1	P-1	A+	A-1	36.60	12	12	60
Clydesdale Bank PLC	UK	A-	F1	bbb+	WD	A1	P-1	A	A-1	-	6	6	60
Nationwide Building Society	UK	A	F1	a	WD	A1	P-1	A+	A-1	-	6	6	60
Non UK Counterparties:													
Royal Bank of Canada	Canada	AA-	F1+	aa-	WD	Aa1	P-1	AA-	A-1+	-	12	12	60
Toronto-Dominion Bank	Canada	AA-	F1+	aa-	WD	Aa2	P-1	A+	A-1	-	12	12	60
Nordea Bank Abp	Finland	AA-	F1+	aa-	WD	Aa3	P-1	AA-	A-1+	-	12	12	60

Continued Counterparty list Bank with duration colour	Country	Fitch Ratings				Moody's Ratings		S & P Ratings		CDS Price	ESCC Duration	Link Duration Limit	Money Limit
		L Term	S Term	Viab.	Supp.	L Term	S Term	L Term	S Term		(Months)	(Months)	(£m)
NRW.BANK	Germany	AAA	F1+	-	WD	Aa1	P-1	AA	A-1+	-	12	24	60
Landwirtschaftliche Rentenbank	Germany	AAA	F1+	-	WD	Aaa	P-1	AAA	A-1+	-	12	24	60
BNG Bank N.V.	Netherlands	AAA	F1+	-	WD	Aaa	P-1	AAA	A-1+	-	12	24	60
DBS Bank Ltd.	Singapore	AA-	F1+	aa-	WD	Aa1	P-1	AA-	A-1+	-	12	12	60
Oversea-Chinese Banking Corp. Ltd.	Singapore	AA-	F1+	aa-	WD	Aa1	P-1	AA-	A-1+	-	12	12	60
United Overseas Bank Ltd.	Singapore	AA-	F1+	aa-	WD	Aa1	P-1	AA-	A-1+	-	12	12	60
Svenska Handelsbanken AB	Sweden	AA	F1+	aa	WD	Aa2	P-1	AA-	A-1+	-	12	12	60
First Abu Dhabi Bank PJSC	UAE	AA-	F1+	a-	WD	Aa3	P-1	AA-	A-1+	-	12	12	60
Bank of New York Mellon	USA	AA	F1+	aa-	WD	Aa1	P-1	AA-	A-1+	-	12	24	60

Yellow	Purple	Blue	Orange	Red	Green	No Colour
Up to 5yrs	Up to 2yrs	Up to 1yr (semi nationalised UK banks)	Up to 1yr	Up to 6 months	Up to 100 days	Not to be used

Non-Specified Investments:			
	Minimum credit Criteria	Maximum Investments	Period
UK Local Authorities	Government Backed	£60m	2 years
Corporate Bond Fund(s)	Investment Grade	£30m	2 – 5 years
Pooled Property Fund(s)	N/A	£30m	5+ years
Mixed Asset Fund(s)	N/A	£30m	2 - 5 years
Short Dated Bond Fund(s)	N/A	£30m	2 - 5 years

ANNEX B

ECONOMIC OVERVIEW

Provided by Link Asset Services, December 2024

- The third quarter of 2024 saw:
 - GDP growth stagnating in July following downwardly revised Q2 figures (0.5% q/q).
 - A further easing in wage growth as the headline 3myy rate (including bonuses) fell from 4.6% in June to 4.0% in July;
 - CPI inflation hitting its target in June before edging above it to 2.2% in July and August;
 - Core CPI inflation increasing from 3.3% in July to 3.6% in August;
 - The Bank of England initiating its easing cycle by lowering interest rates from 5.25% to 5.0% in August and holding them steady in its September meeting;
 - 10-year gilt yields falling to 4.0% in September.
- Over the aforementioned period, the economy's stagnation in June and July pointed more to a mild slowdown in UK GDP growth than a sudden drop back into a recession. However, in the interim period, to 12 December, arguably the biggest impact on the economy's performance has been the negative market sentiment in respect of the fallout from the Chancellor's Budget on 30 October.
- If we reflect on the 30 October Budget, our central case is that those policy announcements will prove to be inflationary, at least in the near-term. The Office for Budgetary Responsibility and the Bank of England concur with that view. The latter have the CPI measure of inflation hitting 2.5% y/y by the end of 2024 and staying sticky until at least 2026. The Bank forecasts CPI to be elevated at 2.7% y/y (Q4 2025) before dropping back to sub-2% in 2027. Nonetheless, since the Budget, the October inflation print has shown the CPI measure of inflation bouncing up to 2.3% y/y with the prospect that it will be close to 3% by the end of the year before falling back slowly through 2025. The RPI measure has also increased significantly to 3.4% y/y.
- How high inflation goes will primarily be determined by several key factors. First amongst those is that the major investment in the public sector, according to the Bank of England, will lift UK real GDP to 1.7% in 2025 before growth moderates in 2026 and 2027. The debate around whether the Government's policies lead to a material uptick in growth primarily focus on the logistics of fast-tracking planning permissions, identifying sufficient skilled labour to undertake a resurgence in building, and an increase in the employee participation rate within the economy.
- There are inherent risks to all the above. The worst-case scenario would see systemic blockages of planning permissions and the inability to identify and resource the additional workforce required to deliver large-scale IT, housing and infrastructure projects. This would lead to upside risks to inflation, an increased prospect of further Government borrowing & tax rises in the June 2025 Spending Review (pushed back from the end of March), and a tepid GDP performance.
- Regarding having a sufficiently large pool of flexible and healthy workers, the initial outlook does not look bright. Research from Capital Economics has alluded to an increase of some 500,000 construction workers being needed to provide any chance of the Government hitting its target of 300,000 new homes being built in each of the next five years (234,000

net additional dwellings in England in 2022/23). But the last time such an increase was needed, and construction employment is currently at a nine-year low, it took 12 years to get there (1996 to 2008). Also note, as of October 2024, job vacancies in the construction sector were still higher than at any time in the 20 years preceding the pandemic.

- Currently, it also seems likely that net inward migration is set to fall, so there is likely to be a smaller pool of migrant workers available who, in the past, have filled the requirement for construction worker demand. The Government plans to heavily promote training schemes, particularly to the one million 16- to 24-year-olds who are neither in education nor work. But it is arguable as to whether the employee shortfall can be made up from this source in the requisite time, even if more do enter the workforce.
- Against this backdrop, there may be a near-term boost to inflation caused by a wave of public sector cash chasing the same construction providers over the course of the next year or so, whilst wages remain higher than the Bank currently forecasts because of general labour shortages, including in social care where Government accepts there is a 150,000 shortfall at present.
- Unemployment stands at a low 4.3% (September), whilst wages are rising at 4.3% y/y (including bonuses) and 4.8% (excluding bonuses). The Bank would ideally like to see further wage moderation to underpin any further gradual relaxing of monetary policy. Indeed, over the next six months, the market is currently only pricing in Bank Rate reductions in February and May – which would see Bank Rate fall to 4.25% - but further cuts, thereafter, are highly likely to be even more data-dependent.
- If we focus on borrowing, a term we are likely to hear throughout 2025 is “bond vigilante”. Essentially, this represents a generic term for when the market is ill at ease with the level of government borrowing and demands a higher return for holding debt issuance. In the UK, we do not need to go back too far to recall the negative market reaction to the Truss/Kwarteng budget of 2022. But long-term borrowing rates have already gradually moved back to those levels since their recent low point in the middle of September 2024. Of course, the UK is not alone in this respect. Concerns prevail as to what the size of the budget deficit will be in the US, following the election of Donald Trump as President, and in France there are on-going struggles to form a government to address a large budget deficit problem too. Throw into the mix the uncertain outcome to German elections, and there is plenty of bond investor concern to be seen.
- Staying with the US, Donald Trump's victory paves the way for the introduction/extension of tariffs that could prove inflationary whilst the same could be said of further tax cuts. Invariably the direction of US Treasury yields in reaction to his core policies will, in all probability, impact UK gilt yields. So, there are domestic and international factors that could impact PWLB rates whilst, as a general comment, geo-political risks continue to abound in Europe, the Middle East and Asia.
- In the past month, the US Core CPI measure of inflation has indicated that inflation is still a concern (3.3% y/y, 0.3% m/m), as has the November Producer Prices Data (up 3.0 y/y v a market estimate of 2.6% y/y, 0.4% m/m v an estimate of 0.2% m/m) albeit probably insufficient to deter the FOMC from cutting US rates a further 0.25% at its December meeting. However, with Trump's inauguration as President being held on 20 January, further rate reductions and their timing will very much be determined by his policy announcements and their implications for both inflation and Treasury issuance.

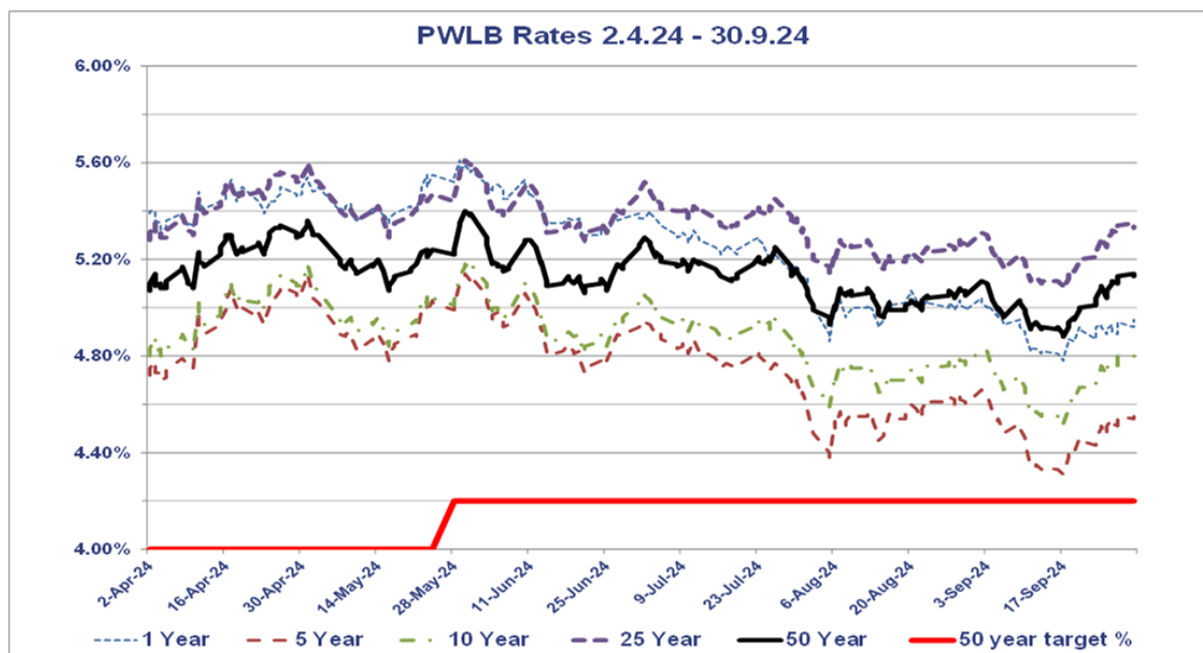
- Looking at gilt movements in the first half of 2024/25, and you will note the 10-year gilt yield declined from 4.32% in May to 4.02% in August as the Bank's August rate cut signalled the start of its loosening cycle. More recently, however, 10 year gilt yields have spiked back up to 4.35%.
- The FTSE 100 reached a peak of 8,380 in the third quarter of 2024 (currently 8.304), but its performance is firmly in the shade of the US S&P500, which has breached the 6,000 threshold on several occasions recently, delivering returns upwards of 25% y/y. The catalyst for any further rally (or not) is likely to be the breadth of AI's impact on business growth and performance.

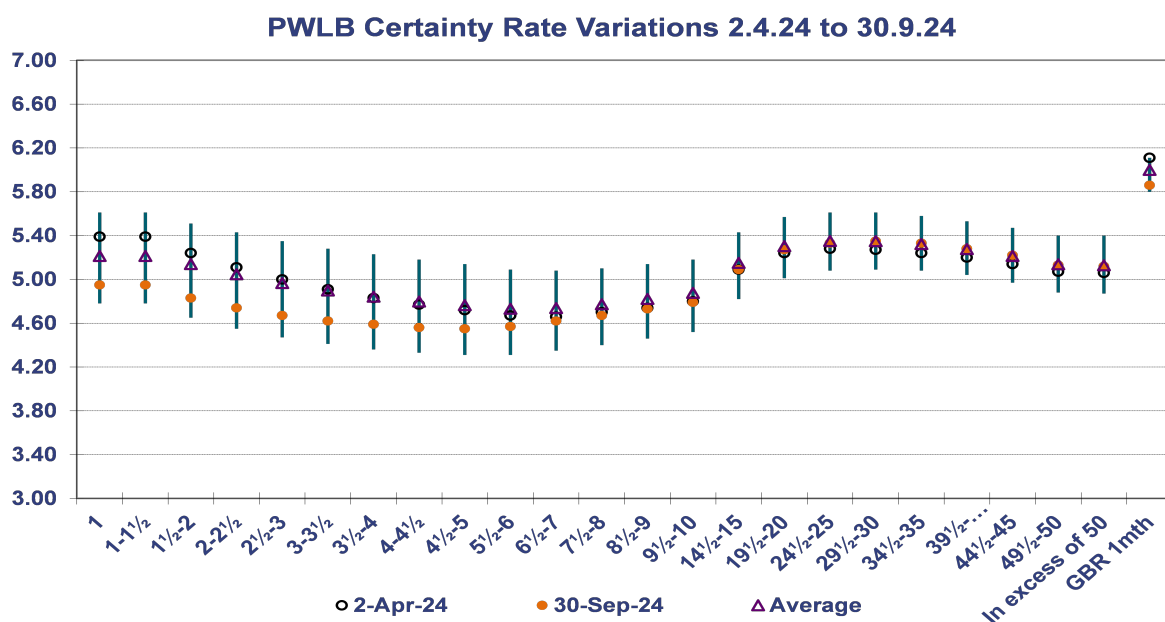
MPC meetings: 9 May, 20 June, 1 August, 19 September, 7 November 2024

- On 9 May, the Bank of England's Monetary Policy Committee (MPC) voted 7-2 to keep Bank Rate at 5.25%. This outcome was repeated on 20th June.
- However, by the time of the August meeting, there was a 5-4 vote in place for rates to be cut by 25bps to 5%. However, subsequent speeches from MPC members have supported Governor Bailey's tone with its emphasis on "gradual" reductions over time.
- Markets thought there may be an outside chance of a further Bank Rate reduction in September, following the 50bps cut by the FOMC, but this came to nothing.
- On 7 November, Bank Rate was cut by 0.25% to 4.75%. The vote was 8-1 in favour of the cut but the language used by the MPC emphasised "gradual" reductions would be the way ahead with an emphasis on the inflation and employment data releases, as well as geo-political events.

In the chart below, despite a considerable gilt market rally in mid-September, rates started and finished the six-month period under review in broadly the same position.

PWLB RATES 02.04.24 - 30.09.24





HIGH/LOW/AVERAGE PWLB RATES FOR 02.04.24 – 30.09.24

	1 Year	5 Year	10 Year	25 Year	50 Year
02/04/2024	5.39%	4.72%	4.80%	5.28%	5.07%
30/09/2024	4.95%	4.55%	4.79%	5.33%	5.13%
Low	4.78%	4.31%	4.52%	5.08%	4.88%
Low date	17/09/2024	17/09/2024	17/09/2024	17/09/2024	17/09/2024
High	5.61%	5.14%	5.18%	5.61%	5.40%
High date	29/05/2024	01/05/2024	01/05/2024	01/05/2024	01/05/2024
Average	5.21%	4.76%	4.88%	5.35%	5.14%
Spread	0.83%	0.83%	0.66%	0.53%	0.52%

Prospects for Interest Rates

The Authority has appointed Link Group as its treasury advisor and part of their service is to assist the Authority to formulate a view on interest rates. Link provided the following forecasts on 11 November 2024. These are forecasts for Bank Rate, average earnings and PWLB certainty rates, gilt yields plus 80 bps.

Link Group Interest Rate View	11.11.24												
	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27
BANK RATE	4.75	4.50	4.25	4.00	4.00	3.75	3.75	3.75	3.50	3.50	3.50	3.50	3.50
3 month ave earnings	4.70	4.50	4.30	4.00	4.00	4.00	3.80	3.80	3.80	3.50	3.50	3.50	3.50
6 month ave earnings	4.70	4.40	4.20	3.90	3.90	3.90	3.80	3.80	3.80	3.50	3.50	3.50	3.50
12 month ave earnings	4.70	4.40	4.20	3.90	3.90	3.90	3.80	3.80	3.80	3.50	3.50	3.50	3.50
5 yr PWLB	5.00	4.90	4.80	4.60	4.50	4.50	4.40	4.30	4.20	4.10	4.00	4.00	3.90
10 yr PWLB	5.30	5.10	5.00	4.80	4.80	4.70	4.50	4.50	4.40	4.30	4.20	4.20	4.10
25 yr PWLB	5.60	5.50	5.40	5.30	5.20	5.10	5.00	4.90	4.80	4.70	4.60	4.50	4.50
50 yr PWLB	5.40	5.30	5.20	5.10	5.00	4.90	4.80	4.70	4.60	4.50	4.40	4.30	4.30

- Following the 30 October Budget, the outcome of the US Presidential election on 6 November, and the 25bps Bank Rate cut undertaken by the Monetary Policy Committee (MPC) on 7 November, we have significantly revised our central forecasts for the first time since May. In summary, our Bank Rate forecast is now 50bps – 75bps higher than was previously the case, whilst our PWLB forecasts have been materially lifted to not

only reflect our increased concerns around the future path of inflation, but also the increased level of Government borrowing over the term of the current Parliament.

- If we reflect on the 30 October Budget, our central case is that those policy announcements will be inflationary, at least in the near-term. The Office for Budgetary Responsibility and the Bank of England concur with that view. The latter have the CPI measure of inflation hitting 2.5% y/y by the end of 2024 and staying sticky until at least 2026. The Bank forecasts CPI to be 2.7% y/y (Q4 2025) and 2.2% (Q4 2026) before dropping back in 2027 to 1.8% y/y.
- The anticipated major investment in the public sector, according to the Bank, is expected to lift UK real GDP to 1.7% in 2025 before growth moderates in 2026 and 2027. The debate around whether the Government's policies lead to a material uptick in growth primarily focus on the logistics of fast-tracking planning permissions, identifying sufficient skilled labour to undertake a resurgence in building, and an increase in the employee participation rate within the economy.
- There are inherent risks to all the above. The worst-case scenario would see systemic blockages of planning permissions and the inability to identify and resource the additional workforce required to deliver large-scale IT, housing and infrastructure projects. This would lead to upside risks to inflation, an increased prospect of further Government borrowing & tax rises, and a tepid GDP performance.
- Our central view is that monetary policy is sufficiently tight at present to cater for some further moderate loosening, the extent of which, however, will continue to be data dependent. We forecast the next reduction in Bank Rate to be made in February and for a pattern to evolve whereby rate cuts are made quarterly and in keeping with the release of the Bank's Quarterly Monetary Policy Reports (February, May, August and November).
- Any movement below a 4% Bank Rate will, nonetheless, be very much dependent on inflation data in the second half of 2025. The fact that the November MPC rate cut decision saw a split vote of 8-1 confirms that there are already some concerns around inflation's stickiness, and with recent public sector wage increases beginning to funnel their way into headline average earnings data, the market will be looking very closely at those releases.
- Regarding our PWLB forecast, the short to medium part of the curve is forecast to remain elevated over the course of the next year, and the degree to which rates moderate will be tied to the arguments for further Bank Rate loosening or otherwise. The longer part of the curve will also be impacted by inflation factors, but there is also the additional concern that with other major developed economies such as the US and France looking to run large budget deficits there could be a glut of government debt issuance that investors will only agree to digest if the interest rates paid provide sufficient reward for that scenario.
- So far, we have made little mention of the US President election. Nonetheless, Donald Trump's victory paves the way for the introduction/extension of tariffs that could prove inflationary whilst the same could be said of further tax cuts and an expansion of the current US budget deficit. Invariably the direction of US Treasury yields in reaction to his core policies will, in all probability, impact UK gilt yields. So, there are domestic and international factors that could impact PWLB rates whilst, as a general comment, geo-political risks abound in Europe, the Middle East and Asia.

- Our revised PWLB rate forecasts below are based on the Certainty Rate (the standard rate minus 20 bps) which has been accessible to most authorities since 1 November 2012. Please note, the lower Housing Revenue Account (HRA) PWLB rate started on 15 June 2023 for those authorities with an HRA (standard rate minus 60 bps).

Gilt yields and PWLB rates

The overall longer-run trend is for gilt yields and PWLB rates to fall back over the timeline of our forecasts, but the risks to our forecasts are to the upsides. Our target borrowing rates are set **two years forward** (as we expect rates to fall back) and the current PWLB (certainty) borrowing rates are set out below: -

PWLB debt	Current borrowing rate as at 11.11.24 p.m.	Target borrowing rate now (end of Q3 2026)	Target borrowing rate previous (end of Q3 2026)
5 years	5.02%	4.30%	3.90%
10 years	5.23%	4.50%	4.10%
25 years	5.66%	4.90%	4.40%
50 years	5.42%	4.70%	4.20%

Borrowing advice: Our long-term (beyond 10 years) forecast for Bank Rate has been increased to 3.25% (from 3%). As all PWLB certainty rates are currently significantly above this level, borrowing strategies will need to be reviewed in that context. Overall, better value can be obtained at the shorter end of the curve and short-dated fixed LA to LA monies should also be considered. Temporary borrowing rates will, generally, fall in line with Bank Rate cuts.

Our suggested budgeted earnings rates for investments up to about three months' duration in each financial year are set out below.

Average earnings in each year	Now	Previously
2024/25 (residual)	4.60%	4.25%
2025/26	4.10%	3.35%
2026/27	3.70%	3.10%
2027/28	3.50%	3.25%
2028/29	3.50%	3.25%
Years 6 to 10	3.50%	3.25%
Years 10+	3.50%	3.50%

We will continue to monitor economic and market developments as they unfold. Typically, we formally review our forecasts following the quarterly release of the Bank of England's Monetary Policy Report but will consider our position on an ad hoc basis as required.

Our interest rate forecast for Bank Rate is in steps of 25 bps, whereas PWLB forecasts have been rounded to the nearest 10 bps and are central forecasts within bands of + / - 25 bps. Naturally, we continue to monitor events and will update our forecasts as and when appropriate.

ANNEX C

PRUDENTIAL AND TREASURY INDICATORS 2025/26 to 2027/28

The Council's capital expenditure plans are a key driver of treasury management activities. The output of the capital expenditure plans is reflected in prudential indicators. Local Authorities are required to 'have regard to' the Prudential Code and to set Prudential Indicators for the next three years to ensure that the Council's capital investment plans are affordable, prudent and sustainable. The Code sets out the indicators that must be used but does not suggest limits or ratios as these are for the authority to set itself.

The Prudential Indicators for 2025/26 to 2027/28 are set out in **Table A** below:

Table A	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate
Capital Expenditure £m (gross) Council's capital expenditure plans	£112m	£47m	£41m
Capital Financing Requirement £m* Measures the underlying need to borrow for capital purposes (including PFI & Leases)	£352m	£347m	£336m
Ratio of financing costs to net revenue stream** Identifies the trend in the cost of capital (borrowing and other long term obligation costs) against net revenue stream	3.22%	2.82%	2.87%

**The CFR includes an estimate for leases that will be bought onto the balance sheet under a change in leasing accounting regulations. Where it may not be currently possible to be precise about such adjustment figures until detailed data gathering has been substantially completed at the end of the 2024/25 financial year, the impact on the Capital Financing Requirement includes initial estimates of the likely effect of this change, and these indicators may need to be amended mid-year once the detailed impact is known.*

*** the ratio of financing costs to net revenue stream illustrates the percentage of the Council's net revenue budget being used to finance the Council's borrowing. This includes interest costs relating to the Council's borrowing portfolio and MRP. This was previously reported net of the investment income from the Council's investment portfolio, but this is no longer allowable under the 2021 Code, and therefore the ratio is higher than previously reported.*

The Treasury Management Code requires that Local Authorities set a number of indicators for treasury performance in addition to the Prudential Indicators which fall under the Prudential Code. The Treasury Indicators for 2025/26 to 2027/28 are set out in **Tables B & C** below. These have been calculated and determined by Officers in compliance with the Treasury Management Code of Practice.:

Table B	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate
Authorised Limit for External Debt £m* The Council is expected to set a maximum authorised limit for external debt. This represents a limit beyond which external debt is prohibited, and this limit needs to be set or revised by Full Council.	£382m	£377m	£366m
Operational boundary for external debt £m* The Council is required to set an operational boundary for external debt. This is the limit which external debt is not normally expected to	£362m	£357m	£346m

exceed. This indicator may be breached temporarily for operational reasons.			
Principal Sums invested for longer than 365 days	£60m	£60m	£60m
Control on interest rate exposure: Upper limit for fixed interest rate exposure Identifies a maximum limit for fixed interest rates for borrowing and investments.	100%	100%	100%
Control on interest rate exposure: Upper limit for variable interest rate exposure Identifies a maximum limit for variable interest rates for borrowing and investments.	15%	15%	15%

**The Authorised Limit and Operational Boundary includes an estimate for leases that will be bought onto the balance sheet under a change in leasing accounting regulations under IFRS16. Where it may not be currently possible to be precise about such adjustment figures until detailed data gathering has been substantially completed at the end of the 2024/25 financial year, the impact on the Authority Limit and Operational Boundary includes initial estimates of the likely effect of this change, and these indicators may need to be amended mid-year once the detailed impact is known.*

Table C Maturity Structure of fixed interest rate borrowing The Council needs to set upper and lower limits with respect to the maturity structure of its borrowing.		
	Lower	Upper
Under 12 months	0%	25%
12 months to 2 years	0%	40%
2 years to 5 years	0%	60%
5 years to 10 years	0%	70%
Over 10 years	0%	90%

ANNEX D

SCHEME OF DELEGATION

1. Full Council

In line with best practice, Full Council is required to receive and approve, as a minimum, three main reports each year, which incorporate a variety of policies, estimates and actuals. These reports are:

i. Treasury Management Policy and Strategy Report

The report covers:

- the capital plans (including prudential indicators);
- the Capital Strategy;
- a Minimum Revenue Provision Policy (how residual capital expenditure is charged to revenue over time);
- the Treasury Management Strategy (how the investments and borrowings are to be organised) including treasury indicators; and
- an investment strategy (the parameters on how investments are to be managed).

ii. A Mid-Year Review Report and a Year End Stewardship Report

These will update members with the progress of the capital position, amending prudential indicators as necessary, and indicating whether the treasury strategy is meeting the strategy or whether any policies require revision. The report also provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.

2. Cabinet

- Recommendation of the Treasury Management Strategy to Full Council
- Approval of the Treasury Management quarterly update reports;
- Approval of the Treasury Management mid-year and outturn reports.

3. Audit Committee

- Scrutiny of performance against the strategy.

4. Role of the Section 151 Officer

The Section 151 (responsible) Officer:

- recommending clauses, treasury management policy/practices for approval, reviewing the same regularly, and monitoring compliance;
- submitting regular treasury management policy reports;
- submitting budgets and budget variations;
- receiving and reviewing management information reports;
- reviewing the performance of the treasury management function;
- ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function;
- ensuring the adequacy of internal audit, and liaising with external audit;
- recommending the appointment of external service providers.

There are further responsibilities for the S151 Officer identified within the 2017 Code in respect of non-financial investments. They are identified and listed in the Capital Strategy where relevant.

ANNEX E

INVESTMENT PRODUCT GLOSSARY

Bank / Building Society: Accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies, other than multilateral development banks. These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail.

Bank / Building Society Secured (Covered Bonds): These investments are secured on the bank's assets, which limit the potential losses in the unlikely event of insolvency, and means that they are exempt from bail-in.

Corporate Bonds: Bonds issued by companies other than banks and registered providers. These investments are not subject to bail-in but are exposed to the risk of the company going insolvent.

Enhanced Cash / Ultra Short Dated Bond Funds: Funds designed to produce an enhanced return over and above a Money Market Fund. The manager may use a wider range of alternative options to try and generate excess performance. These could include different counterparties, instruments as well as longer dated investments.

Equity Fund: Equity funds are pooled investment vehicles that will focus investments primarily in UK equities.

Government: Loans, bonds and bills issued or guaranteed by UK government, local authorities and supranational banks. These investments are not subject to bail-in, and there is a minimal risk of insolvency.

Money Market Funds: An open ended fund that invests in short term debt securities, offers same-day liquidity and very low volatility.

Mixed Asset Funds: Rather than focus on a particular asset class, these funds will look to invest across a broader range of classes in an effort to provide investors with a smoother performance on a year-to-year basis. Primarily, the asset classes will be equities and fixed income, but the latter will include both corporate and government-level investments.

Pooled Property Funds: Shares in diversified property investment vehicles. Property funds offer enhanced returns over the longer term but are more volatile in the short term. The funds have no defined maturity date, but are available for withdrawal after a notice period

Short Dated Bond Funds: Funds designed to produce an enhanced return over and above an Ultra Short Dated Fund. The manager may use a wider range of alternative options to try and generate excess performance. These could include different counterparties, instruments as well as longer dated and a proportion of lower rated investments. The return on the funds are typically much higher but can be more volatile than Ultra-Short Dated bond funds, so a longer investment time horizon is recommended.

ANNEX F

LOCAL GOVERNMENT OUTLOOK

Since the Autumn Budget Statement on 30 October 2024, which was accompanied by new national economic forecasts from The Office for Budget Responsibility (OBR), there have been further developments in the economic outlook. Latest figures showed that the economy unexpectedly shrank by 0.1% in October, driven by declines in construction and production. Inflation, as measured by the Consumer Prices Index (CPI) stood at 2.6% in the year to November 2024, up from 2.3% in October. Rises since September have been driven by higher energy and fuel prices and further increases are expected in the coming months before rates stabilise. The Bank of England cut interest rates by a quarter of one percent to 4.75% in November but indicated that any further reductions were likely to be gradual to contain inflation. In line with this approach, and rises in inflation, rates were held at the same level in December.

The Chancellor launched Phase 2 of the Spending Review on 12 December 2024. This confirmed line-by-line reviews of all expenditure as part of a 'zero-based review' and that the missions and milestones set out in the Prime Minister's Plan for Change would be prioritised. Latest indications are that the outcome of the Spending Review will be announced in June 2025. This will set the overall funding trajectory for public services, including local government, for the remainder of the parliament, and is expected to be accompanied by further significant plans for local government reform and reorganisation.

The Council continues to experience significant financial pressures in Adults and Children's social care, due to demand, complexity and increasing unit cost, with a projected aggregate service overspend of £24.2m as of Quarter 2 2024/25. In order to meet these additional pressures and present a balanced budget for 2025/26, the Council has had to invest an additional £54.9m in departmental budgets.

The provisional Local Government Finance Settlement, received on 18 December 2024, provided the detailed funding picture for local government and was again for one year only. It indicated that Core Spending Power would increase by an average 6.0% for local authorities in England, based on the presumption that all councils will levy the maximum increase in Council Tax. The Council Tax referendum limit was maintained at 3% and the Adult Social Care precept at 2%.

The detailed allocation of additional funding announced at the Budget was confirmed, including distribution of a significant proportion of new or repurposed grant based on formulas related to deprivation. This resulted in East Sussex receiving very limited allocations, despite the high levels of need for services in significant parts of the county. While additional funding was announced, including a £8.9m increase in the Social Care Grant, a £1.5m allocation of Children's Social Care Prevention Grant, offset by a loss of £0.5m Services Grant, it was not sufficient to address the ongoing impact of increased service demands and high levels of inflation in prior years, together with the impact of increases in the national living wage and increases in employers' national insurance contributions on our providers, especially in social care. As a result, the council will be required to draw a significant amount from service reserves to present balanced budget.

Whilst it is welcome to note the Government's commitment to a spending review, business rates reform and multi-year settlements from 2026/27, unless the Council receives a significant and permanent increase in funding, the cumulative deficit, which is currently projected to be £56.2m by 2027/28, will continue to grow, which would be a completely unsustainable financial position. The council is therefore wholly reliant on the on the multi-year settlement in 2026/27 and wider local government reforms.

Report to: Cabinet

Date of meeting: 28 January 2025

By: Chief Operating Officer

Title: The Conservators of Ashdown Forest – 2024/25 forecast outturn position and updated medium term financial plan including the 2025/26 budget.

Purpose: To present the forecast financial position as at the end of 2024/25 and the updated medium term financial plan, with the 2025/26 Core budget for approval.

RECOMMENDATIONS

Cabinet is recommended to:

- 1) note the Quarter 2 budget position for the Conservators' 2024/25 Core Budget;
- 2) note the Conservators of Ashdown Forest medium term financial plan; and
- 3) approve the 2025/26 Core Budget.

1 Background

1.1 This report sets out the financial position of the Conservators of the Ashdown Forest (COAF) for 2024/25 at Appendix 1, against the approved budget agreed by the Board of Conservators at their meeting on 20 November 2023 and was presented to Cabinet in January 2024. It also shows the COAF Medium Term Financial Plan (MTFP).

2 Financial Year 2024/25

2.1 The 2024/25 original budget set out a deficit budget of £130,129, being a surplus on the Core Budget of £1,402, and a deficit on the Countryside Stewardship (CS) budget of £131,531. At the end of September there is a forecast surplus of £15,990 in the Core budget.

2.2 Core budget expenditure is higher than budgeted. This is mostly due to the building of a boardwalk from the visitor centre and is funded from a Farming in a Protected Landscape grant (other restricted funding). There was a capital purchase of a new vehicle for the deer ranger and this has been funded by donations.

2.3 The current 2024/25 Core budget projections indicate that no additional contribution from ESCC will be required.

2.4 The current Countryside Stewardship (CS) budget is forecast to overspend by £25,996 this year. This is less than the budgeted overspend of £131,531 and similar to the previous year. The position reflects the difficulties that have been had securing contractors to undertake works on the forest. The Conservators are developing a three-year forest management plan and new procurement policy to lock in contractors over the coming three years. The deficit will be funded from the CS reserve.

2025/26 Budget and Medium Term Financial Plan to 2027/28

2.5 The COAF 2025/26 budget and MTFP is shown at appendix 2. There is a small, budgeted surplus in the Core budget. It is therefore unlikely that ESCC will need to make an additional financial contribution. CS has a budgeted deficit of £24,726 which reflects an increase in planned works for 2025/26. The CS deficit will be funded from the CS reserve.

2.6 The CS programme comes to an end at the end of 2025; the Conservators will apply for the replacement CS scheme when the government announces the funding schemes available. The CS expenditure and income streams included from 2026/27 are therefore indicative pending that announcement.

3 Recommendations

3.1 Cabinet is recommended to:

- note the Quarter 2 budget position for the Conservators' 2024/25 Core Budget.
- note the Conservators of Ashdown Forest medium term financial plan.
- approve the 2025/26 Core budget.

ROS PARKER
Chief Operating Officer

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Email: jill.fisher@eastsussex.gov.uk

LOCAL MEMBERS

Councillors Galley, Howell, Lunn & Georgia Taylor

Ashdown Forest Finances to 31 March 2025
Income and Expenditure Forecast and Budget Summary
Core Budget and Countryside Stewardship Budget Combined

	2024/25 Original Budget	2024/25 Current Budget	2024/25 Forecast
CORE INCOME	£	£	£
Licences & Forest Rate	204,485	204,485	207,025
Unrestricted funding (WDC, AFT, T/PCs)	470,990	470,990	555,953
Income generation and Donations	18,913	18,913	22,027
Forest Products incl. Meat and Deer Carcasses	27,250	27,250	23,040
Visitors	16,792	16,792	20,768
Financial	4,792	4,792	15,000
Recharges from Countryside Stewardship programme	185,574	185,574	171,997
Unrestricted Core Income	928,796	928,796	1,015,810
Other Restricted Core Funding/Grants (specific purpose)	63,500	63,500	170,000
TOTAL CORE INCOME	992,296	992,296	1,185,810
COUNTRYSIDE STEWARDSHIP INCOME			
Grant funding for CS work programme	654,589	654,589	748,281
TOTAL CS INCOME	654,589	654,589	748,281
TOTAL CORE AND COUNTRYSIDE STEWARDSHIP INCOME	1,646,885	1,646,885	1,934,071

	2024/25 Original Budget	2024/25 Current Budget	2024/25 Forecast
CORE EXPENDITURE	£	£	£
Core Forest Staff Costs	430,231	430,231	459,176
Operational expenses	335,769	335,769	334,974
Administration Overheads	104,084	104,084	108,483
Financial	32,445	32,445	32,024
Visitors	22,650	22,650	11,576
Expenditure from Ringfenced Funding (primarily education prog)	24,810	24,810	146,182
Core capital expenditure	40,805	40,805	75,805
Governance/Charity set-up	100	100	1,600
TOTAL CORE EXPENDITURE	990,894	990,894	1,169,820

COUNTRYSIDE STEWARDSHIP EXPENDITURE			
Countryside Stewardship Work Programme Project Expenditure	387,603	331,603	334,738
Staff Costs	398,517	398,517	347,527
Countryside Stewardship Staff Recharges		56,000	40,000
TOTAL COUNTRYSIDE STEWARDSHIP EXPENDITURE	786,119	786,120	722,265
TOTAL CORE AND COUNTRYSIDE STEWARDSHIP EXPENDITURE	1,777,014	1,777,014	1,892,085

SURPLUS OF INCOME OVER EXPENDITURE	(130,129)	(130,129)	(41,986)
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Core Budget surplus/(deficit)	1,402	1,402	15,990
CS Budget surplus/(deficit)	(131,531)	(131,531)	(25,996)
Total Budget surplus/(deficit)	(130,129)	(130,129)	(41,986)

Ashdown Forest Medium Term Financial Plan

	2025/26	2026/27	2027/28
INCOME SUMMARY	£	£	£
Licences & Forest Rate	209,147	214,444	220,005
Unrestricted funding (WDC,T/PCs)	201,544	204,429	207,261
Car Parking	360,000	360,000	365,760
Income generation and Donations	24,027	23,910	23,963
Forest Products incl. Meat and Deer Carcasses	26,118	26,538	26,899
Visitors	22,620	23,552	24,530
Financial	15,000	5,000	4,000
CS Recharges	163,815	171,664	179,148
Other Restricted Funding	60,000	60,000	67,250
Total Core Income	1,082,271	1,089,537	1,118,816

Countryside Stewardship Funding from Natural England	748,261	748,261	748,261
Total Countryside Stewardship Income	748,261	748,261	748,261

TOTAL INCOME	1,830,532	1,837,798	1,867,077
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	2025/26	2026/27	2027/28
EXPENDITURE SUMMARY	£	£	£
Core Forest Staff Costs	470,509	458,521	474,195
Operational expenses	213,598	216,656	220,123
Administration Overheads	131,543	134,043	136,187
Financial	32,856	33,481	34,016
Visitors	10,851	11,057	11,234
Capital purchases -Core	41,866	42,662	43,344
Governance/charity set up	1,642	100	102
Car Parking	132,855	135,380	137,545
Expenditure from Ringfenced Funding	37,445	38,294	46,273
Total Core Expenditure	1,073,165	1,070,194	1,103,019

Staff Costs (Countryside Stewardship)	429,734	450,739	470,763
CS Work Programme Project Expenditure	343,253	349,636	355,115
Total CS Expenditure for Funded Projects	772,987	800,375	825,878
TOTAL EXPENDITURE	1,846,152	1,870,569	1,928,897

Core Budget Surplus/(Deficit)	9,106	19,343	15,797
CS Budget Surplus/(Deficit)	-24,726	-52,114	-77,617
Total Budget Surplus/(Deficit)	-15,620	-32,771	-61,820

Movement in Reserve Balances	Core £	HLS* £	CS £
Reserves at 01/04/2024	410,654	223,304	426,025
Forecast movement 2024/25	15,990	-	(25,996)
Forecast balance 31/3/2025	426,644	223,304	400,029
Forecast movement 2025/26	9,106	-	(24,726)
Forecast balance 31/3/2026	435,750	223,304	375,303

*The Higher Level Stewardship (HLS) programme ceased in 2016 the balance of funds will be spent in the spirit of the original agreement under the guidance of Natural England.