# CABINET

WEDNESDAY, 24 SEPTEMBER 2025

12.00 PM, OR AT THE CONCLUSION OF FULL COUNCIL, WHICHEVER IS LATER, IN THE COUNCIL CHAMBER, COUNTY HALL, LEWES

MEMBERSHIP - Councillor Keith Glazier, OBE (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 15 July 2025 *(Pages 3 - 6)*

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. Local Government Reorganisation: Proposal for a single tier of local government across East Sussex *(Pages 7 - 200)*
   Report by the Chief Executive

6. Council Monitoring Report - Q1 2025/26 *(Pages 201 - 278)*
   Report by the Chief Executive

7. Transport for the South East (TfSE) - Transport Strategy Refresh 2025 *(Pages 279 - 284)*
   Report by Director of Communities, Economy and Transport

8. Ashdown Forest Trust Fund *(Pages 285 - 294)*
   Report by the Chief Operating Officer

9. Any other items considered urgent by the Chair

10. To agree which items are to be reported to the County Council

PHILIP BAKER
Deputy Chief Executive
County Hall, St Anne's Crescent

LEWES BN7 1UE 16 September 2025

Contact Hannah Matthews, Member Services Manager
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NOTE: *As part of the County Council's drive to increase accessibility to its public meetings, this meeting will be broadcast live on its website and the record archived. The live broadcast is accessible at: https://www.eastsussex.gov.uk/your-council/videos-of-council-meetings/webcasts*

**CABINET**

MINUTES of a meeting of the Cabinet held on 15 July 2025 at Council Chamber, County Hall, Lewes

PRESENT Councillors Keith Glazier, OBE (Chair), Nick Bennett (Vice Chair), Bob Bowdler, Penny di Cara, Claire Dowling and Carl Maynard

Members spoke on the items indicated

| | |
|---|---|
| Councillor Cross | - item 5 (minute 10) |
| Councillor Glazier, OBE | - item 5 (minute 10) |
| Councillor Maynard | - item 5 (minute 10) |
| Councillor Stephen Shing | - item 5 (minute 10) |
| Councillor Shuttleworth | - item 5 (minute 10) |
| Councillor Swansborough | - item 5 (minute 10) |
| Councillor Tutt | - item 5 (minute 10) |
| Councillor Ungar | - item 5 (minute 10) |
| Councillor Webb | - item 5 (minute 10) |
| Councillor Wright | - item 5 (minute 10) |

7. MINUTES OF THE MEETING HELD ON 24 JUNE 2025

7.1 The minutes of the Cabinet meeting held on 24 June 2025 were agreed as a correct record.

8. APOLOGIES FOR ABSENCE

8.1 Apologies for absence were received for Councillor Bob Standley.

9. REPORTS

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

10. LINDEN COURT DAY SERVICE FOR PEOPLE WITH A LEARNING DISABILITY

10.1 The Cabinet considered a report by the Director of Adult Social Care and Health.

10.2 It was RESOLVED to:

1) note the significant work that has been undertaken in relation to Linden Court, and thank the relatives and carers of adults attending Linden Court for their involvement;

2) agree to retain a day service at Linden Court for Adults with Learning Disabilities, capped at the current, actual maximum occupancy level of 25 adults per day; and

3) delegate authority to the Director of Adult Social Care and Health to agree revised session times (if required) for the Linden Court Day Service.

Reasons

10.3 The Council is legally required to set a balanced budget. As part of the 2025/26 Reconciling Policy Performance and Resources process, a proposal to close and reprovision day services at Linden Court in order to contribute towards the required savings was subject to

public consultation (from 3 October to 28 November 2024). As a result of the feedback received through the consultation period, the initial proposal was amended to include a satellite service to be provided in Eastbourne.

10.4 On 25 February 2025, Cabinet agreed to close the current provision at Linden Court, to reprovision the service at an alternative Council-run day service at Beeching Park in Bexhill (or, where more suitable, alternative independent sector provision) and to continue to provide a day opportunity in Eastbourne via the satellite service, which would help to minimise the impact of the proposal.

10.5 Since February 2025, significant additional activity has been undertaken, both internally and with the relatives and carers of adults attending Linden Court, in order to ensure that the amended proposal would deliver the expected savings. This included answering the key questions:

- Were we confident that the proposal for Linden Court could deliver the projected savings?
- Could we continue to meet eligible needs if Linden Court's current provision closed, in ways that were feasible and without incurring additional costs such that it would negate the savings?
- Was there an alternative option that could deliver the required savings?

10.6 Although it would not be possible to have a definitive view until all adult and carer reviews are completed, recent work with relatives and carers highlighted that the planned proposal for Linden Court might not achieve the required savings. Although the closure of Linden Court would not of itself change eligible needs, relatives and carers had clearly stated that the extended period of uncertainty and the potential significant disruption to current care and support arrangements had caused them to re-evaluate their ability to continue to provide full-time care at home. Three families stated that they would not be able to continue to provide full-time care at home if Linden Court were to close. Several other families informed the Council that they might not be able to continue to provide full-time care if Linden Court were to close. It was recognised that these were very difficult decisions for families to make.

10.7 The actual cost of residential care would be dependent on the specific needs of the adult. However, using an estimated cost of £75,000 per annum for full-time residential care for adults with a learning disability, it was clear that the forecast saving for Linden Court might not be realised as the costs of alternative service provision might be higher than in current modelling. The estimated full-year saving of £327,000 could be reduced by approximately £225,000 if three people moved into residential care earlier as a result of Linden Court closing.

10.8 Cabinet were recommended to note the work that had been carried out in relation to Linden Court and agree to retain a day service at Linden Court, but with a reduced capacity, so that Linden Court accommodated a maximum occupancy level of 25 people per day. There is potential that slight revisions to session times would be required, but the service would continue four days per week, as per existing provision. The recommended approach closely aligned with the proposal put forward by relatives of adults using the service and addressed the concerns that had been raised.

11. INTERNAL AUDIT ANNUAL REPORT AND OPINION 2024/25

11.1 The Cabinet considered a report by the Chief Operating Officer.

11.2 It was RESOLVED to note the internal audit service's opinion on the Council's control environment.

Reason

11.3 The report gives an opinion on the adequacy of East Sussex County Council's control environment as a contribution to the proper, economic, efficient and effective use of resources. The report covers the audit work completed in the year from 1 April 2024 to 31 March 2025 in accordance with the Internal Audit Strategy for 2024/25.

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

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

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| **Report to:** | **Cabinet** |
| **Date of meeting:** | **24 September 2025** |
| **By:** | **Chief Executive** |
| **Title:** | **Local Government Reorganisation: Proposal for a single tier of local government across East Sussex** |
| **Purpose:** | **To seek Cabinet approval of the full proposal for a single tier of local government in East Sussex following discussion at Full Council, prior to submission to Government by 26 September 2025** |

***RECOMMENDATIONS***

**Cabinet is recommended to:**

**1) Consider the business case setting out the proposal for a single unitary council for East Sussex, based on a Continuing Authority model, (Appendix 1) and approve its submission to Government by 26 September 2025.**

**2) Agree to request Government to cancel or postpone the county council elections scheduled to be held in May 2026.**

**3) Delegate to the Chief Executive, in consultation with the Leader of the Council, authority to finalise and submit the business case setting out the proposal and a covering letter formally requesting the cancellation or postponement of the county elections and for the County Council to have Continuing Authority status; and**

**4) Note the next steps in the process.**

## 1. Background

1.1 In December 2024 the Government published its English Devolution White Paper which, alongside setting out Government's ambitions in relation to devolution, announced a programme of local government reorganisation (LGR) for two-tier council areas and some existing unitary councils. Following the publication of the White Paper, Sussex and Brighton (covering the areas of East Sussex, West Sussex, and Brighton & Hove), alongside five other areas nationally, were approved to be part of the Devolution Priority Programme (DPP). The DPP programme enabled these areas to fast-track their plans for the creation of new Mayoral Strategic Authorities and for LGR.

1.2 On 5 February 2025 the Minister of State for Local Government and English Devolution wrote to all District, Borough and County Councils in two-tier areas and some unitary councils issuing a statutory invitation for proposals for a single tier of government within their respective areas. The area that our invitation related to was the County of East Sussex (which includes Brighton and Hove City Council). The Interim Plan submitted to Government in March 2025 set out the East Sussex proposal for a single unitary council on the existing County Council boundary, whilst remaining open to other options should the Government indicate flexibility in the criteria, or if residents demonstrated a clear desire for us to consider an alternative configuration.

1.3 Those areas included in the DPP were required to work collaboratively to submit to Government, by 26 September 2025, proposals for the creation of unitary councils in their area. If accepted, elections to what will become the new unitary authority would be held in May 2027 to enable the transition to vesting day on 1 April 2028. Alongside the LGR work, the new Mayoral Combined County Authority will be created in February 2026 with elections for a Mayor taking place in May 2026.

1.4 The East Sussex District, Borough and County Council Leaders and Chief Executives meet regularly to oversee the LGR process, provide strategic direction, and ensure that work is co-ordinated. The principles of our agreed shared approach are:

1) This is a joint endeavour in which all Councils have a shared ambition to work collaboratively to co-design the new unitary authority, whilst acknowledging and respecting the corporate roles, responsibilities and risks of the current authorities.
2) We will work together to deliver proposals which are in the best interests of the whole area.
3) We will be evidence led.
4) We will learn from others' experiences of Local Government Reorganisation and Devolution.
5) Decisions made by all sovereign bodies until vesting day will have the interests of the future Council as an explicit consideration.
6) There will be full transparency over resources including transition funding and agreed allocations reflecting costs incurred.
7) There is a commitment to appropriate levels for decision making, engagement and local member roles including in non-parished areas.
8) There is a commitment to robust scrutiny arrangements in transition/formation and beyond.
9) A comprehensive workforce plan to provide maximum stability is to be created as a priority.

1.5 'One East Sussex', the business case setting out the proposal for a single tier of Local Government for East Sussex as a unitary council on the current footprint of the county council (Appendix 1), with Brighton and Hove City Council remaining unchanged, is underpinned by a clear evidence base. It is the only option for LGR in East Sussex that:

- Aligns with existing service delivery footprints (e.g. social care, education, public health).
- Minimises disruption to statutory services and partnerships.
- Builds on established collaboration across the six councils.
- Meets the government's population guidance and maintains a coherent geographic identity.
- Creates operational savings and avoids the substantial costs of disaggregation.

For these reasons 'One East Sussex' is the option proposed for submission to Government. The business case (Appendix 1) provides detail of the evidence base and modelling of other options. This modelling includes a two unitary option on the county footprint, which, as set out in the business case, was found to be significantly more costly due to disaggregation costs and is therefore not supported.

1.6 The proposal has been discussed by the East Sussex County Council (ESCC) Devolution and LGR Member Reference Group (11 September*)* and Full Council (24 September) and has been considered by the Leader as Lead Member for Strategic Management and Economic Development (15 September). Views of the Devolution and LGR Member Reference Group are set out at Appendix 2. The proposal is also being considered and discussed by all East Sussex district and borough councils throughout September.

1.7 There has been some engagement with Brighton & Hove City Council (BHCC) as proposals have been developed. BHCC consulted in August with their residents on 4 possible options to extend BHCC's boundary to include parts of the county in Lewes District. At the time of preparing this report we are not aware of whether BHCC will be submitting a proposal to move the boundary or indeed whether they will propose a model for the whole of Sussex as suggested in their interim plan. Having evaluated the potential impact, all the options moving communities in Lewes District into Brighton and Hove are strongly opposed by the East Sussex councils. An update on the latest position will be reported at the meeting.

## 2. Development of the Proposal

2.1 The statutory invitation was issued to all the principal authorities in the County of East Sussex and therefore included BHCC. Government has expressed an expectation that one proposal is jointly submitted by all councils in the area of East Sussex. This issue is covered in the proposal.

2.2 In responding to the invitation to develop a proposal for LGR, the councils have had due regard to guidance from the Secretary of State as to what the proposal should seek to achieve and matters that should be taken into account in formulating a proposal.

2.3 LGR capacity funding from Government has been utilised to pay for external consultants to work with the six councils to deliver an evidence-led business case that follows Government criteria and guidance, and takes account of the outcomes from resident and stakeholder engagement, financial analysis, and the economic case for change. Consultants Roretti were jointly appointed by the six councils.

2.4 As part of the business case development the benefits, risks, costs and feasibility of a single East Sussex unitary council have been evaluated alongside other options, including BHCC consultation proposals. The business case recognises the importance of continuing to provide key services while the changes are being developed and implemented and clearly details how the six criteria set by government will be met. New authorities must:

i. Be a single tier of local government for the whole of the area concerned.
ii. Be the right size to achieve efficiencies, improve capacity and withstand financial shocks.
iii. Prioritise the delivery of high quality and sustainable public services
iv. Show how councils have sought to work together in coming to a view that meets local needs and is informed by local views.
v. Support devolution arrangements.
vi. Enable stronger community engagement and deliver genuine opportunity for neighbourhood empowerment.

<u>Engagement</u>

2.5 Extensive engagement formed a key part of the process to ensure that local residents and other stakeholders views have been fully considered in the development of the proposals. This was undertaken using surveys (online and in paper form), focus groups and other face to face engagement opportunities. A significant number of key stakeholder groups, including all town and parish councils and other local public sector organisations, were also approached directly to respond to the survey. To add qualitative feedback a focus group was held in each of the five district and borough areas. This provided further, in-depth feedback from residents to inform the report. The councils each sought to determine whether there was sufficient support from local people and other partners / stakeholders to endorse the proposals under consideration.

2.6 Care was taken to involve as many groups and communities as possible given the timescales for business case submission, including local focus groups across East Sussex and countywide User Voice Groups. It should be noted that this will not be the only opportunity for engagement – there will be further detailed and meaningful engagement with residents and stakeholders beyond the submission of the proposal which will help shape the proposed new authority.

2.7 In light of BHCC's consultation activity in August, which was notified just before launch, a specific additional consultation exercise has been undertaken by Lewes District Council (LDC) and ESCC. This was carried out to seek the views of local residents about the options for expansion being suggested by BHCC.

2.8 The survey attracted 7,472 responses, with 86 per cent preferring no changes to the current boundaries of Lewes District, increasing to 89 per cent in the areas directly affected by the proposals. Strong representations for remaining in East Sussex have been made by the town and parish councils in the areas identified for BHCC expansion, on the grounds that no credible evidence had been produced to demonstrate that residents and businesses of those areas would be better off as part of a new geography than continuing to work within existing networks and partnerships.

2.9 Letters have been received from local MPs with their views that the county of East Sussex should remain whole, supporting a countywide unitary authority for reasons of size, cost, sustainability and community identity, and noting that this is the option that makes sense geographically, socially and politically.

Working Groups

2.10 Officer working groups with representation from each of the six councils have assisted in ensuring the work was delivered within the very tight timescales required by central Government. Post-submission the working groups will shift their focus to preparing for transition. This will be on a tentative basis until Government feedback on the proposal has been received. Current working groups are finance, democratic services, assets, communication & engagement, and HR. Further groups will be set up as needed.

## 3. Next steps in the process

3.1 Following submission of our proposal, the Government is expected (as has been the case recently with councils in Surrey) to undertake its own statutory consultation exercise. Following the statutory consultation, the Secretary of State may seek advice from the Local Government Boundary Commission for England and may decide to implement a proposal with or without modification, or to not implement any proposal for the area.

3.2 Following the announcement of government's decision, which is anticipated to be in March 2026, the process of dissolving councils and establishing new unitary councils will begin with the laying of a structural change order (made under the Local Government and Public Involvement in Health Act 2007) before parliament.

3.3 Assuming the proposals are to be implemented, the new unitary council would be expected to take on full council roles from 1 April 2028, with the transitional arrangements to be confirmed ahead of this once secondary legislation comes into force to enable this. Elections would be held in May 2027.

3.4 The Government postponed the May 2025 elections in a number of county areas (including East Sussex) in February 2025 to help manage demands. If the proposal is accepted by Government it would mean that elections to what will become the new authority will take place in May 2027 ahead of vesting day in April 2028. Given these circumstances, rather than conducting an election in May 2026 for Councillors who would in effect serve terms of less than one year, followed by another election in May 2027 for a substantially restructured Council of 100 members, it is recommended that the Government be formally requested to cancel the 2026 election. While it is recognised that postponing the election is a significant decision and should not be undertaken lightly, the justification for last year's postponement is even more pertinent to the 2026 elections. This is due to factors such as cost (which although reduced due to the Mayoral election taking place at the same time would still be significant) , the demand on limited resources, the imminent transition of the Council to a new authority, and the logistical challenges of inducting new councillors who would soon face re-election, with a notice of election expected roughly ten months after they assume office.

3.5 Elections in Hastings Borough Council are also scheduled for 2026, and bearing in mind that this organisation will cease to exist in 2028 when it transitions into the new unitary it is recommended that support be given to any decision by HBC to request that their elections are cancelled.

3.6 The implication of LGR is that ESCC in its current form will not exist from 1 April 2028 (vesting day). The Government's expectation for a new unitary council being formed on predominantly the same footprint as one of the predecessor councils is that the transition process is done through the continuing authority route. The One East Sussex proposal developed in partnership with the District and Borough Councils is predicated on the continuing authority model underpinned by strong agreement and determination from all councils that we are creating a new unitary council.

3.7 This approach requires transferring only District and Borough staff (about 2,500), contracts, and property, not the County Council's larger workforce, including school based staff

(about 10,000) or assets. This minimises disruption, uses fewer resources, and lowers risks involved in moving back office systems. While it reduces transactional complexity for creating the new unitary, there is a concern that it could be seen as a County Council takeover and limit potential reorganisation benefits. However, all six councils have committed to collaboration and partnership in the interim plan, which helps address these concerns and supports the avoidance of missed opportunities.

3.8 In the event that a continuing authority model is agreed by Government following its consultation, the main transition function is initially discharged by the Implementation Executive and transfers to the Council's Executive following the 2027 elections.

3.9 Following submission of the proposal on 26 September 2025, communication and public engagement will continue with updates for residents, media work and briefings for stakeholders. Later in the year, printed information will be shared in community spaces such as libraries, leisure centres, family hubs, town halls, and there will be an opportunity to join an online public briefing session. There will be a programme of staff engagement via forums and online.

3.10 Recent guidance from the Ministry of Housing, Communities and Local Government (MHCLG) included several advice notes on the LGR process and timeline, financial decisions before LGR, and partnership working in social care in new unitary councils. The Government is clear that existing councils must be cognisant that some decisions could fetter the future decisions of new councils and they should therefore act accordingly. Examples of such decisions given in the advice notes are:

- sale and purchase of significant assets,
- transfer of local assets,
- entering into new contracts for service delivery including IT procurement,
- major organisational restructures and changes to staff terms and conditions,
- establishing companies,
- undertaking job evaluation,
- permanent appointments to senior positions,
- changes to unplanned borrowing and the spending of reserves,
- major changes to arrangements such as the local council tax support scheme and council tax exemption scheme.

3.11 The County Council is ensuring, in the way it operates, adherence to this guidance.

3.12 All of the East Sussex councils have responsibilities under the Equality Act 2010. Any change in how public services are delivered will have the biggest impact on those most reliant on them, who are often among the most vulnerable people in society and include people sharing one or more of the legally protected characteristics. If the proposal for the establishment of a single unitary council is accepted by Government, detailed implementation plans will be created. Equality impact assessments of these will set out both how the new council will continue to ensure it fulfils its legal requirements in relation to equality, diversity and inclusion, and will also include assessments of how each of the detailed plans are likely to impact people sharing different protected characteristics. There are potential equality and inclusion benefits and challenges in relation to this proposal, but at this stage with so much uncertainty over funding, structures, process and practical implications, it is not possible to assess specific impacts with confidence, nor to define appropriate mitigating actions. However, there are a range of issues (listed at Appendix 3) that the councils are aware of the need to consider.

## 4. Conclusion and reasons for recommendations

4.1 In response to the Government's invitation for a single tier of local government, a proposal was developed with district and borough involvement. The six councils collaborated to create an evidence-based business case based on resident and stakeholder feedback, financial analysis, and economic considerations. This report summarises the development and recommends, for the reasons set out above and in the appendices, the proposal for a single-tier government in East Sussex.

4.2 Should the proposal and suggested timetable be accepted by Government with an election anticipated in 2027 it is recommended that the election in 2026 be cancelled due to cost, resource constraints, the upcoming transition to a new authority, and the short term that new councillors would serve before re-election.

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

Contact Officer: Philip Baker
Tel. No: 01273 481564

Local Members
All

Background Documents

- Letter from Minister of State for Local Government and English Devolution to East Sussex Council Leaders 5 February 2025 - Letter: East Sussex and Brighton - GOV.UK
- Interim Plan submitted to government 21 March 2025 - East Sussex LGR Interim Plan
- Letter from Minister of State for Local Government and English Devolution 24 July 2025 - Local government reorganisation: letter to areas invited to submit final proposals - GOV.UK

# One East Sussex

## Business Case for Local Government Reorganisation in East Sussex

Date: 16/09/2025

Prepared by: East Sussex Working Group

(Eastbourne Borough Council, East Sussex County Council, Hastings Borough Council, Lewes District Council, Rother District Council, Wealden District Council)

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# 1 Foreword

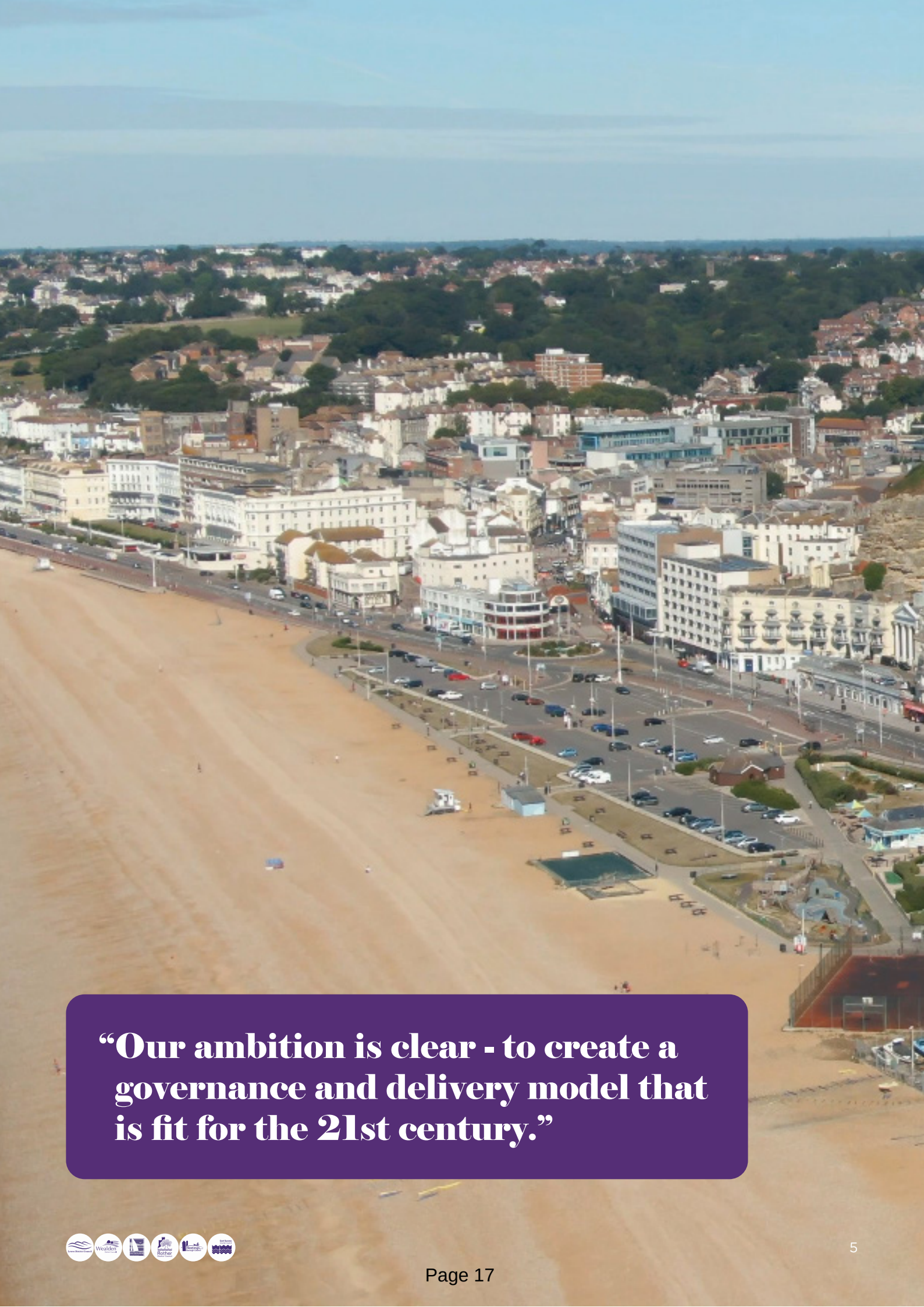
East Sussex stands at a decisive moment. As leaders of this diverse and dynamic county, we are united in our commitment to delivering a local democratic institution that is fit for the future and what our residents, businesses and communities need. This business case sets out our shared vision for achieving the exemplar unitary council that will help us to meet the challenges of today while unlocking the opportunities of tomorrow.

Our ambition is clear - to create a governance and delivery model that is fit for the 21st century. One that delivers high-quality, integrated public services, ensures financial resilience, and empowers local communities. In return, we expect the Government to deliver on its commitment to devolve power and funding, as well as follow through on commitments for national policy and funding reform on social care, homelessness and SEND, so that we can fully deliver on our ambitions to transform public services and boost economic prosperity.

The financial pressures facing local government should not be underestimated. This proposal is designed to support the long-term sustainability of public services in East Sussex, by reducing duplication, improving efficiency, and creating a more resilient organisation capable of adapting to future challenges. But no one should be under any illusions that sustainability would be secured by reorganisation alone. At best, it would push the financial cliff edge off by a few years, in the absence of a long-term sustainable needs-based funding settlement from Government.

This proposal is rooted in evidence, shaped by engagement, and aligned with the Government's criteria for reform. It supports the wider devolution agenda and the emerging Mayoral Strategic Authority (MSA) for Sussex. Through this alignment, East Sussex is well positioned to use our existing strong partnerships to play a leading role in driving regional growth, innovation, and inclusion; from strategic housing and infrastructure to skills, climate action, and economic development.

We are proud of East Sussex's unique identity, from its vibrant coastal towns to its rural heartlands, cultural heritage, and natural beauty. This business case is not about erasing that identity but strengthening it. Our model will ensure and enhance local voice and accountability, while enabling us to speak with one voice on the issues that matter most.



**“Our ambition is clear - to create a governance and delivery model that is fit for the 21st century.”**

# Our vision for East Sussex

The Leaders of the East Sussex councils have worked collaboratively throughout the development of this business case and are committed to a shared vision for a single unitary council for the area. This vision sees an efficient and effective council which will serve East Sussex in a comprehensive and inclusive manner.

Building on a well-established history of close collaborative working, we recognise the economies of scale that a unitary council could bring and the stronger capacity it could have to withstand shocks in the system. The risks that adult social care, children's services and homelessness in particular can produce, through changes in demand levels that are very much outside of the council's control, are very much recognised. It is seen that a council of this size would be better placed to manage those risks and ensure ongoing resilience, whilst also joining up services more effectively, such as homelessness, to deliver better, more coordinated services for local people. By contrast, other options that were considered, specifically proposals from Brighton & Hove City Council , that would involve changing existing district boundaries, were felt to have disadvantages including substantial additional costs from disaggregating services that would greatly diminish or possibly even negate any savings from reorganisation. Disaggregation within a district boundary could result in disproportionate financial cost and risk to an even greater extent than with disaggregation of county services, with no evidence shared to date that would demonstrate that there would be any advantages to offset the risks.

Leaders also recognise the value that a new unitary council could offer in terms of providing a stronger and more unified voice to help attract investment and promote economic growth, building on a history of collaboration with each other, business leaders, housing providers, educational institutions and others. To that end, discussions are also progressing with West Sussex County Council and Brighton & Hove City Council to establish a new Sussex Mayoral Strategic Authority to which central government could devolve more powers and funding to accelerate infrastructure delivery, tackle climate change and develop the skilled workforce needed to deliver more homes, create skilled jobs and generate growth that all residents can benefit from.

However, the Leaders acknowledge that a single unitary would bring with it risk of remoteness for local residents, a concern that came through strongly in resident feedback. To counter this there will be focus on maintaining a strong sense of local community and local voice across the area. It is understood that there are significant differences across the county that can only be catered for within a new single authority if there is a strong emphasis on listening to local people, hearing local voices and an acknowledgment of the diversity and difference which makes the area so rich and vibrant.

## “This vision sees an efficient and effective council which will serve East Sussex in a comprehensive and inclusive manner.”

Although it is understood that there is to be further guidance from Government on the matter of community engagement and empowerment, local representation and community-based approaches are considered by all Leaders to be of paramount importance to a successful future council. To this end, it is expected that how the local voice is heard will be a central feature of the planning of the new authority which will need further input from local people to be effectively co-designed.

Further to this, the Leaders see a vision for the future of the county which makes best use of technology and transformation to bring services closer to people. Digital solutions which are properly joined up and work for local people will be a strong feature of the new council, with the potential for every town and parish council to have access to the information they need electronically to be able to assist their local residents at point of contact.  This would provide a network of ‘front desks’ across the county.

Finally, the Leaders shared vision is for a council that fulfils the potential of East Sussex as a strong, coherent whole.  Through its increased, combined economic power, and in strong collaboration with the new Mayoral Strategic Authority, it will be able to help develop stronger local supply chains to support and enhance the economic wellbeing of the area.

# 2 Executive Summary

East Sussex is a unique place, known for its vibrant cultural heritage, spectacular countryside and coastal landscapes, and diverse local economy. The county has a distinctive blend of urban and rural characteristics which offer many opportunities and is highly valued by residents, businesses and visitors. However, it also presents practical challenges for the delivery of public services and tackling inequality, with sparsely populated areas more expensive to deliver services to and more likely to be affected by physical and digital isolation. East Sussex has a vibrant economy, supporting almost a quarter of a million jobs and generating economic output of around £9.9 billion, with growing specialist strengths in advanced manufacturing and digital technology. But relatively low productivity and infrastructure gaps are holding back achievement of its full economic potential.

It is this context that led to the six councils in East Sussex to be an early mover in responding to the Government's invitation to consider reorganisation. The councils already have a rich history of collaboration with each other as well as with partners across the public, private and voluntary sectors, to deliver high-quality public services and promote economic growth. Staff across each of the six councils have a high-level of job satisfaction and enjoy working in their current environment. They are widely committed to continuing to serve the people of East Sussex.

While the current six authorities are performing well and have a track record of achieving efficiencies through collaboration, there is a collective aspiration to deliver even more and even better for residents. Moreover, when faced with acute pressures in services such as social care, homelessness and SEND, there is also a sense that some councils may be approaching the limits of what can be achieved under their current structures, particularly in the absence of sustainable policy and funding solutions at a national level.

While local government reorganisation cannot and should not be relied on as a panacea for mounting public service challenges, the move to a unitary could offer a number of benefits consistent with the key principles set out when East Sussex councils submitted their Interim Plan to Government in March 2025:

- Achieving better value-for-money through economies of scale
- Delivering better outcomes for residents by freeing up more funding for frontline services through reduced management and overhead costs
- Tackling inequalities through scaled-up reform that shifts investment towards prevention and early intervention
- Addressing shared workforce shortages and challenges as well as developing a talent pipeline for the future
- Enhancing attractiveness to investors by providing a unified voice
- Establishing greater strategic presence and influence within Southeast England
- Creating the opportunity to secure more devolved powers and funding to unlock economic growth, deliver housing and infrastructure and tackle climate change, working with neighbouring areas

This business case sets out the preferred model for LGR for the ceremonial area of East Sussex and Brighton & Hove. This is the creation of One East Sussex - a single unitary authority covering the existing East Sussex County boundary, with Brighton & Hove City Council remaining as a separate unitary authority. This model has been developed collaboratively by all six East Sussex councils and is grounded in extensive engagement, robust financial modelling, and alignment with national policy objectives.

The preferred option also received the highest support from residents and stakeholders from across East Sussex, who recognised the potential for economies of scale to deliver better value, greater purchasing power in service contracts, reduced duplication and greater consistency in service delivery across the county. Nevertheless, there were also a number of significant reservations expressed, including the potential loss of local influence, the fear their area would be 'forgotten' in a single county-wide organisation and that local needs might either not be as well understood or harder to respond to in a bigger organisation.

It should also be noted that alternate proposals from Brighton & Hove City Council to extend into the boundary of Lewes District Council have been in development as part of a parallel process. While councils in East Sussex have engaged in discussions and been open in sharing data where it has been available, information on the detailed proposals being developed by Brighton & Hove City Council have been limited so a more comprehensive analysis has not been possible. Preliminary consultation on what has been known of the extension proposals were consulted on and were categorically opposed by Lewes residents surveyed. Strong representations opposing the aforementioned extension proposals have also been made by Newhaven, Peacehaven and Telscombe town councils, and Iford, Kingston, Rodmell and Piddinghoe Parish Councils. Additionally, there was a joint representation from the parish councils of the Lower Ouse. Broadly these all made the case that no credible evidence had been produced to demonstrate that residents and businesses of those areas would be better off in an entirely new geography rather than continuing to work within existing networks and partnerships. Indeed, losing the areas covered in the proposed boundary changes would reduce the diversity of East Sussex's economic mix, strip the county of its largest industrial cluster, diminish tax revenues, and weaken local supply chains .

The current proposal responds to the government's invitation for reorganisation and reflects the shared ambition of East Sussex leaders to deliver high-quality, integrated public services, improve financial resilience, and strengthen local voice. On that basis, the preferred model offers the greatest value for money, delivering a forecast net benefit of £25 million by 2032/33 through consolidation, transformation, and increased income. It avoids the high disaggregation costs and duplication associated with alternative models and provides a platform for long-term reform and innovation. The intention is to design a new unitary that can, over time, increase investment in universal services, prevention and early intervention; make greater use of digital and technological innovation to deliver services that better reflect how residents live their lives and how businesses operate; and generate more economic prosperity.

However, it does not resolve the underlying structural deficit (the gap between projected income and spending needs), which is forecast to reach £226 million by 2032/33. Additional funding and policy reform will be required to ensure sustainability.

Alternative options, including splitting East Sussex into two unitary authorities and boundary expansion by Brighton & Hove City Council were assessed but found to be less effective. The two-unitary model is not financially viable, with a projected cumulative deficit of £619 million by 2032/33. The Brighton & Hove City Council expansion variants offer only marginal population gains at disproportionate cost and risk to the proposed East Sussex unitary.

This business case is not a final blueprint but a platform for constructive dialogue with government. It reflects a clear consensus across East Sussex and a commitment to co-designing a future model that delivers for residents, communities, and the wider region.

# 3 Context: The invitation from Government

This business case has been developed in response to the formal invitation issued by the Ministry of Housing, Communities and Local Government (MHCLG) on 5 February 2025, and the subsequent request from the Minister of State for Local Government and English Devolution for a detailed proposal. It builds on the interim plan submitted in March 2025 and incorporates feedback received from the Government in May 2025.

The purpose of this submission is to present a clear, evidence-based case for how local government reorganisation should be done in East Sussex. It sets out the rationale for reform, the options considered, and the only viable model of a single unitary authority for East Sussex. It also outlines the methodology used to assess the proposal and seeks feedback from government to inform the next stage of development.

This business case is intended to:

- Respond to the Minister's request for a formal proposal following the interim plan.
- Provide a structured and evidence-led assessment of the case for change.
- Set out the only viable option of a single unitary authority for East Sussex, based on existing county boundaries.
- Demonstrate how the proposal meets the six government criteria for LGR
- Seek feedback from MHCLG on the direction of travel, methodology, and assumptions to support further refinement.

As mentioned, this is not a final blueprint. It is a submission designed to support constructive dialogue with government and partners. It reflects the current position of the East Sussex councils and is subject to further development through engagement, consultation, and technical analysis once the geographic boundaries are set.

## Options Considered

In line with government guidance and the statutory invitation issued in February 2025, this business case considers a range of structural options for local government reorganisation. These options have been assessed against the six government criteria and reflect both local priorities and the wider regional context, including the proposed Sussex and Brighton MSA.

In response to the Government's request of East Sussex County Council and Brighton & Hove City Council to submit plans for local government reorganisation, the preferred option is a single unitary authority for East Sussex and a single unitary authority for Brighton and Hove.

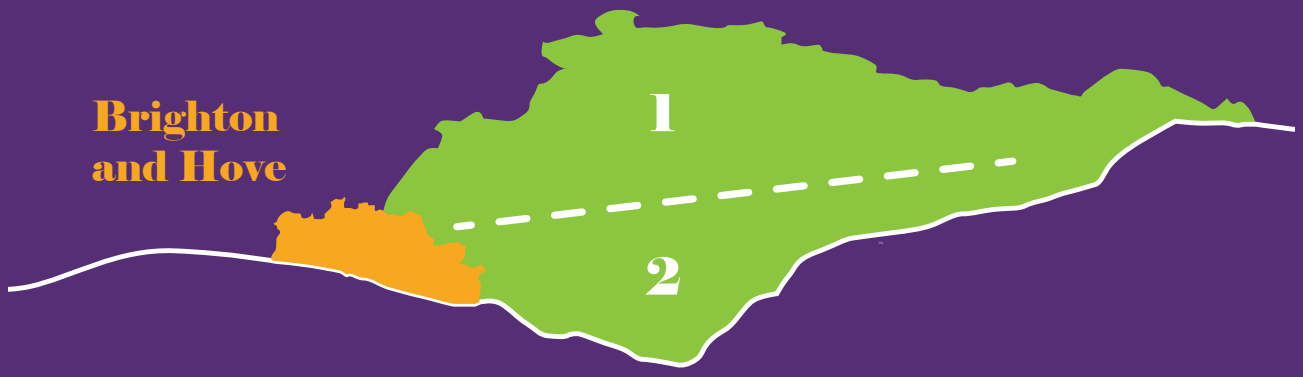
The following options have been considered for East Sussex only, with consideration for options proposed by Brighton and Hove City Council to expand its existing boundary:

### 3.1.1 Option 1: 'One East Sussex' A Single Unitary Authority within the existing boundaries of East Sussex County Council

This is the only viable model and has been jointly developed by East Sussex County Council and the five district and borough councils of East Sussex. It proposes the creation of a single unitary authority covering the existing East Sussex County Council boundary, with a population of approximately 555,500; whilst Brighton & Hove unitary council remains as is. The East Sussex model:

- Aligns with existing service delivery footprints (e.g. social care, education, public health).
- Minimises disruption to statutory services and partnerships.
- Builds on established collaboration across the six councils.
- Meets the government's population guidance and maintains a coherent geographic identity.
- Creates operational savings as a single authority and avoids the substantial costs of disaggregation.

### 3.1.2 Option 2: Two Unitary Authorities within the existing boundaries of East Sussex County Council




This model proposes the creation of two new unitary authorities based on East Sussex's existing district boundaries, with Brighton & Hove maintaining their current boundary. The exact boundaries for this model have not been geographically modelled due to the need for boundary changes, however a full financial model has been developed. This model introduces significant risks related to service disaggregation, particularly in social care and education. It also creates population asymmetry and may reduce strategic capacity.

### 3.1.3 Option 3: Brighton & Hove Boundary Expansion (Four Variants)

Brighton & Hove City Council has recently consulted on a potential boundary change with four variants that would involve absorbing parts of Lewes District into an expanded unitary authority. For baselining and comparison, Brighton & Hove's current population based on its existing footprint is approximately 277,965.

These options, first presented in July 2025, include:

1. Brighton & Hove plus East Saltdean, Telscombe Cliffs, and Peacehaven (approximately 301,130 population).
2. Brighton & Hove plus East Saltdean, Telscombe Cliffs, Peacehaven and Newhaven (approximately 313,955 population).
3. Brighton & Hove plus East Saltdean, Telscombe Cliffs, Peacehaven and Kingston (approximately 303,117 population).
4. Brighton & Hove plus East Saltdean, Telscombe Cliffs, Peacehaven, Newhaven and Kingston (approximately 315,942 population).

These proposals would require boundary changes and have implications for the East Sussex footprint. In his letter of invitation to the Leaders of two-tier councils and unitary council in East Sussex to develop proposals for reorganisation, dated 5 February 2025, the Minister of State for Local Government and English Devolution stated clearly that: "boundary changes are possible, but existing district areas should usually be the building blocks for proposals. More complex boundary changes will be considered only if there is strong justification in the final bid." This guidance was subsequently confirmed in the summary of feedback on interim plans that MHCLG published as a policy paper on 3 June 2025. While East Sussex councils are committed to evaluating all relevant proposals in good faith, these options were introduced at a relatively late stage in the process. As such, it has not been possible to apply the same level of detailed analysis and scrutiny to each of these variants as has been applied to Options 1 and 2.

It is important to note that the marginal population increase achieved through these proposals ranging from approximately 23,000 to 38,000 additional residents comes at a disproportionately high cost in terms of service disaggregation, governance disruption, and financial transition. In particular, the splitting of existing social care, education, and housing delivery lines would introduce significant operational complexity and risk, especially for vulnerable residents. The financial cost of disaggregating systems, staff, contracts, and assets would be substantial, and would likely outweigh the limited strategic benefit of modest population growth.

East Sussex has a highly constrained land supply, particularly in industrial floorspace, and already leans heavily towards the healthcare, education, and retail sectors. Losing the areas covered in the proposed boundary changes would reduce the diversity of East Sussex's economic mix, strip the county of its largest industrial cluster, diminish tax revenues, and weaken local supply chains. Newhaven, Peacehaven, East Saltdean, Telscombe Cliffs, and Kingston together make an outsized contribution to East Sussex, providing nearly 7% of its population and GVA, nearly 10% of its industrial floorspace, almost 10,000 jobs and over 1,000 businesses. Newhaven anchors the county's scarce industrial and logistics base, Kingston contributes high-level human capital, and Peacehaven supplies a significant labour force. Significant investment has been made in these areas over recent years, including nearly £40m in Newhaven alone. Alongside this, concerted effort has been invested in building effective relationships with numerous partners in the area, such as the Newhaven Port Authority. Retaining these areas is therefore critical to East Sussex's economic resilience and future growth capacity.

This proposed reconfiguration would fragment the East Sussex geography, undermine existing partnerships, and complicate alignment with the emerging MSA .

## 3.2 Approach to this business case

This business case is structured around the six criteria set out in the statutory invitation and the December 2024 English Devolution White Paper:

1. Right size and scale
2. High-quality and sustainable services
3. Financial sustainability
4. Local collaboration and consensus
5. Support for devolution
6. Community engagement and empowerment

The methodology used to assess these criteria includes:

- Data collation: financial, demographic, and service performance data.
- Stakeholder engagement: interviews, workshops, and thematic analysis.
- Options appraisal: a scoring matrix aligned to the six criteria.
- Financial modelling: baseline and reform scenarios, including savings and transition costs.
- Risk analysis: transition risks, service disruption, and political feasibility.

## 3.3 Next Steps

We are seeking feedback from MHCLG on the following:

- The strength of the case for a single unitary authority.
- The robustness of the methodology and assumptions.
- The alignment with national policy and devolution objectives.
- The proposed approach to local engagement, governance, and implementation.

We welcome the opportunity to refine this proposal in partnership with government and to co-design a model that delivers for residents, communities and the wider region.

# 4 Government Criteria & Methodology

The Government has set out six core criteria for assessing local government reorganisation proposals. These criteria are not only technical benchmarks but also reflect the broader ambitions of the December 2024 Devolution White Paper, which emphasises the need for simplified governance, stronger local leadership, and institutions capable of delivering integrated, sustainable public services. The East Sussex proposal has been developed with these objectives at its core and in direct response to the feedback received from MHCLG in May 2025.

This section sets out a detailed explanation of the criteria used for assessing each of the unitary options for East Sussex. It also outlines the methodology used to assess the options and develop the preferred proposal, ensuring that the process has been robust, evidence-led, and transparent.

## 4.1 The Six Government Criteria

### 4.1.1 Right Size and Scale

The Government expects new unitary authorities to be of sufficient size to deliver services efficiently, achieve economies of scale, and withstand financial and operational shocks. At the same time, they must retain a coherent geographic identity and be capable of engaging meaningfully with local communities. Size and scale directly affect an authority's ability to plan strategically, manage risk, and deliver services cost-effectively. Authorities that are too small may lack resilience and capacity, while those that are too large may struggle with local responsiveness.

The proposed single authority would serve a population of approximately 550,000, which is within the optimal range identified. This model avoids the inefficiencies and high disaggregation costs associated with smaller unitary options, while remaining locally recognisable and governable.

### 4.1.2 High-Quality and Sustainable Services

Reorganisation must lead to improved or at least maintained service quality across all service areas. It should avoid fragmentation, support integration, and enable long-term sustainability. Publicly delivered services such as social care, education, housing, and public health are increasingly interdependent. Fragmented governance and delivery can lead to duplication, inefficiency, and poorer outcomes for residents. This business case will assess how each option supports integrated service delivery, continuity of care, and opportunities for transformation

A single authority would allow for integrated planning and delivery across adult social care, housing, education, and public health. This would reduce duplication and enable consistent service standards across the county and support a shift towards prevention and early intervention, particularly in areas such as social care and homelessness.

### 4.1.3 Financial Sustainability

Proposals must demonstrate a credible path to long-term financial resilience, including the ability to manage transition costs and deliver ongoing savings. Local government faces significant financial pressures meaning that any new structure must be able to balance budgets, invest in transformation, and protect frontline services.

Financial modelling shows that the single authority model offers the greatest potential for savings through back-office consolidation, shared procurement, and rationalised assets. The model avoids the high transition and disaggregation costs associated with multi-unitary options.

### 4.1.4 Local Collaboration and Consensus

There must be clear evidence of joint working, shared vision, and political and stakeholder support across the affected area. Successful reorganisation depends on trust, cooperation, and shared ownership. Collaboration reduces risk, builds legitimacy, and ensures that proposals reflect local priorities and are deliverable.

This proposal has been developed collaboratively by all six councils in East Sussex, with shared data, joint governance, and aligned objectives. There has been engagement across local partnerships and focus groups with cross-sections of residents in each district and borough in East Sussex, all of which has informed the design of the model and the proposed preferred option. While some differences of opinion remain, there is some consensus on the need for reform and the benefits of a single authority.

### 4.1.5 Support for Devolution

The new structure should support the Government's wider devolution agenda and be capable of engaging with regional governance structures such as Mayoral Combined Authorities.

Devolution is central to the Government's strategy for growth and public service reform. Local authorities must be ready to take on new powers and responsibilities. The business case will demonstrate to what extent each option aligns with the proposed Sussex MSA, and supports regional coherence, and contributes East Sussex's ability to deliver devolved functions and attract investment.

The proposed single unitary model for East Sussex aligns with the emerging Sussex MSA provides a strong, coherent partner for regional governance, capable of engaging on strategic issues such as transport, housing, skills, and climate resilience.

### 4.1.6 Democratic Representation and Neighbourhood Governance

New unitary structures should enable stronger community engagement and deliver genuine opportunity for neighbourhood empowerment. A recurrent theme during resident engagement about LGR in East Sussex was that larger governance structures could lead to a loss of local representation and control, making it harder for residents to have their voices heard. Those concerns were echoed in feedback from Leaders and other elected members who fear that fewer councillors and larger wards could reduce accessibility and local accountability.

As a result, careful thought is being given to the design of both democratic representation and neighbourhood governance so that they can be genuinely responsive to local needs, as well as support the demonstration of clear local accountability. At this stage, it would not be appropriate to rush into determining the final options for either. Indeed, it is essential to consider the number of councillors and ward boundaries in tandem with neighbourhood governance, as the two need to be linked for councillors to be able to play their roles effectively and for communities to feel like they truly have a say. For example, more detailed thought needs to be given to how councillors involved in neighbourhood governance structures could have a role or a voice in the executive and scrutiny functions of the new unitary authority.

The six councils in East Sussex are agreed on principles that should underpin the development of final options for councillor representation and neighbourhood governance, set out in more detail later in this section.

## Democratic representation

When councils in East Sussex submitted their interim plan in March 2025, they set out key principles to shape the work to develop a coherent new structure. Those principles signalled the importance of enhancing local democracy, local identity, transparency, accessibility, local decision making and accountability (including through scrutiny). Further consideration has since been given to shaping how democratic representation for a new unitary would be designed, with three additional principles emerging to act as tests for the future options:

1. Subsidiarity, so that appropriate decisions are taken as closely as possible to the people and communities affected;
2. Pluralist inclusive decision-making, reflecting the diversity of East Sussex's demography and geography; and
3. Local by design so that structures can secure the confidence of residents and do not feel imposed

Considerable work has already been undertaken in East Sussex to consider the practical considerations set out in the Local Government Boundary Commission for England (LGBCE) guidance. In addition, models in place across existing county unitary councils with similar geographic characteristics will be considered alongside outcomes from recent LGBCE reviews. As set out in the interim plan submitted to government, the ratios of 4,000 - 5,000 electors per councillor (similar to the models that are applied in North Yorkshire, Cornwall, Somerset and County Durham) are being carefully reviewed.

Bearing in mind the ambitious timescales set by Government and the current demands on the LGBCE, it is proposed that the initial council size for a new unitary authority in East Sussex is based on 2 councillors per county division for the anticipated election in May 2027. This equates to 100 councillors for the single unitary authority and would result in approximately 4179 electors per councillor. This is within the range set out in the Interim Proposal and in line with LGBCE guidance of between 30 to 100 councillors. It should be noted that the number of electors per councillor would increase with the Government's plan to extend the vote to 16 and 17 year-olds.

This would be followed, once the unitary council was established, by a more fundamental review when work on the decision-making arrangements for the new authority has been undertaken, to be formalised by a LGBCE review requested by the new authority. This would be consistent with the approach taken in recently unitarised areas. Such an approach would also be informed by the Government's intention, as set out in the English Devolution and Community Bill, to introduce a requirement on councils to establish effective community governance, moving decision-making closer to residents. It is noted that the Government will undertake a review as to the best way to achieve its aims. While guidance on Government's intentions regarding localised representation and neighbourhood governance is awaited, the proposal for 100 councillors ensures that the new unitary will have sufficient capacity to adequately support Government ambitions, including through potentially newly established neighbourhood area committees.

It is recognised that a proposal for 100 councillors sits at the upper end of the expected range in the LGBCE guidance for council size. This reflects the varied nature of the county and a realistic appraisal of the roles and demands of elected councillors in East Sussex. In particular, it recognises the significant challenges involved in representing areas of the county with significant deprivation and where there is rising demand for services including SEND, adult social care, and housing and homelessness support.

The formal role of a councillor within the council has also been considered in putting forward this proposal. In taking on the responsibilities of the county, district and borough councils, the new unitary authority will have an executive with greater breadth of responsibility, will require enhanced scrutiny arrangements and involve councillors in regulatory functions including planning and licensing as well as aforementioned neighbourhood governance structures. Having 100 councillors will ensure that there is sufficient capacity for the discharge of the formal duties of the council without requiring a burdensome level of work and engagement from a smaller pool of elected members. Furthermore we would anticipate that there would be a heightened level of work required in the first term of the new unitary authority as it establishes itself and its own ways of working, meaning it would be prudent during that period to have a higher number of councillors than it will likely have following an LGBCE review.

Strong and well-established partnership working arrangements in East Sussex additionally necessitates councillor representation on a wide range of outside bodies. The councils that will form the new unitary currently have 327 member appointments to approximately 208 outside bodies. While currently some of these involve appointments from more than one of the councils that will make up the new unitary, the demand and need for representation is only expected to increase through the creation of the Mayoral Strategic Authority (MSA), and the deepening integration of health and care and closer working across wider public services. This is all in the context of rising demand for services and strained public sector finances. Given the pressures and likely impacts on how services will be provided in the future it will be vital that community voices continue to be heard within larger local government structures and feed through to the Sussex MSA, and to ensure the needs and priorities of East Sussex residents remain at the forefront of decision making by the unitary and its partners.

## Neighbourhood governance

The English Devolution and Community Empowerment Bill proposes to introduce a requirement on all local authorities in England to establish effective neighbourhood governance, with details of this obligation to be set out in regulations that will be made after the Bill is made an Act of Parliament. For councils in East Sussex, the matter of how best to ensure genuine and meaningful local influence over decisions in a bigger unitary authority is a priority due to the strength of feeling expressed about this issue during engagement about reorganisation, not just because it could become a statutory obligation.

Although more clarity on Government thinking in this area would be welcome following its intended review of good practice, any guidance must not be prescriptive, and no structures should be unilaterally imposed or abolished by central government. It should rest with the councils undergoing reorganisation to determine what would be most effective locally, recognising that neighbourhood governance structures need to be designed so they are valued by communities, not simply to function as a delivery mechanism for the new unitaries. Government signals about the potential role of town and parish councils in future neighbourhood governance have been ambiguous, but these should remain part of the suite of options available for consideration. This would be particularly important for areas like East Sussex which already have a number of local councils in operation.

The six councils in East Sussex have agreed the following principles to guide the assessment of future neighbourhood governance models:

1. **Building on foundations:** There are a number of existing structures to enable resident and community engagement in place across East Sussex. Those that have successful track records and local buy-in could potentially act as building blocks for a future model.
2. **Sustainability:** For any new model to work in practice and not just on paper, which is what residents rightly expect, significant investment of member and council staff time will be required. Ensuring that appropriate resourcing can be maintained over time will be critical.
3. **Fit for the future:** The new unitary will have a wider set of functions than any of the existing councils currently have so consideration needs to be given to how neighbourhood arrangements can meaningfully shape decisions and delivery in the future.
4. **Fairness:** East Sussex has a mixture of sparsely populated rural areas, market towns and continuous urban development along the coastal strip, each of which comes with its own challenges and opportunities. As a result, it may be that there would be value in allowing some variation in the structures that are set up, but there would at the same time need to be transparency and consistency in how these bodies are able to interact with the new unitary and the level of influence they are offered.

## Proposed councillor ratios

As previously noted, the primary concern of those residents who responded to the consultation relating to LGR in East Sussex was that it would result in reduced local representation and that their area would be forgotten. The proposed two councillors per electoral division would mean that residents and communities continue to have more than one elected local representative, ensuring that there is an appropriate level of local representation and a degree of continuity for them through the transition period. More than one councillor per division will also allow for the increased level of casework to be shared and not fall on an individual, ensuring that councillors will continue to be effective by having the capacity to engage with community groups, local town and parish councils, and residents. This engagement is vital for councillors to have close ties with their communities and enables strong democratic representation for residents that ensures genuine neighbourhood empowerment can be delivered.

The proposal to double the number of councillors per existing county electoral division therefore offers the most effective and deliverable approach to ensuring the new unitary has adequate local representation and the capacity to manage the transition process. This approach is similar to that taken in other areas, such as Somerset, Dorset and Buckinghamshire, which had multiple Members elected to existing or only slightly adjusted former county divisions in their inaugural unitary elections. Doubling up on existing county divisions offers a deliverable approach which avoids significant disruption and risk at a time of heightened demand. This approach supports the ambitious transition timescales, is in line with Government requirements, acknowledges the volume pressure on the LGBCE due to multiple LGRs across the country, and ensures that fundamental decisions for the new authority are not made prior to the commencement of that authority.

Having regard to the most recent recommendations of the LGBCE in relation to a number of authorities and noting that the LGBCE are clear that there is no fixed electorate ratio and therefore may be outside this range, the proposed council interim size of 100 would not sit significantly above the expected number of councillors the unitary would have after a formal LGBCE electoral review had been carried out.

5. **Collaborative leadership:** Many public service outcomes are not delivered by local government alone and rely on partnerships with other public sector organisations, some of which (health and police in particular) are considering their own service footprints at neighbourhood or community level. While strict alignment of geographies may not be possible or desirable, it would be helpful to ensure there is some degree of coherence across East Sussex, which could be particularly critical to unlocking the potential of public service reform to improve outcomes and drive out costs.

It is anticipated that the preferred models to maintain public accessibility and democratic accountability as well as find the appropriate balance between the two will be set out in the final proposal for LGR in East Sussex. These are intended to reflect fair representation ratios, investment in digital and in-person engagement tools, and options for embedding local accountability into the governance framework of the new authority.

Together, these measures are designed to ensure that the new unitary council not only maintains but enhances its role as a trusted, responsive, and locally rooted institution one that reflects the diversity of East Sussex's communities and empowers them to shape their future.

## 4.2 Methodology

The development of this business case has followed a structured, multi-stage methodology designed to ensure rigour, transparency, and alignment with government expectations. Each stage has been informed by the criteria set out in the statutory invitation and the December 2024 Devolution White Paper, as well as feedback received from MHCLG in May 2025. The approach has been collaborative, evidence-led, and designed to support robust decision-making.

### 4.2.1 Data Collation

Comprehensive data was gathered from all six councils, including:

- Financial data including budgets, reserves and liabilities
- Demographic trends and forecasts across the districts and boroughs, as well as in totality
- Service performance indicators such as corporate performance, social care, housing and education
- Organisational structures and workforce data
- Capital assets registers
- Contract registers

A consistent and comprehensive dataset was essential to ensure that all options could be assessed on a like-for-like basis. It enabled the identification of service pressures, financial risks, and opportunities for integration. The use of shared data also supported transparency and trust between partners, responding directly to government feedback encouraging the use of common assumptions and datasets across proposals.

### 4.2.2 Stakeholder Engagement

Engagement activities were undertaken to ensure that the business case reflects the views and insights of those who deliver, use, and are affected by local government services. These activities included:

- A series of interviews with the leaders and chief executives of each of the councils to gather direct and thematic feedback
- Weekly engagement sessions and workshops with finance teams
- Resident focus groups in each of East Sussex's five districts and boroughs, collating feedback on local identity and preferred models for LGR
- Thematic analysis of feedback from residents, partners, elected members and the use of user voice groups across East Sussex

Stakeholder engagement ensured that the proposal was grounded in local feedback and informed by operational experience. It helped identify key themes such as the importance of local identity, concerns about service continuity, and support for integrated delivery. This engagement also demonstrated local collaboration and consensus, a key government criterion, and helped shape the governance and service design elements of the proposal. More detail on the feedback from resident engagement is set out in the appendix.

### 4.2.3 Financial Modelling

Financial modelling was undertaken to provide a robust assessment of the financial implications of reorganisation. This included:

- Establishing a baseline of current costs and revenues
- Estimating transition and implementation costs
- Projecting long-term savings from integration and rationalisation
- Modelling council tax harmonisation scenarios
- Assessing payback periods and sensitivity to inflation and demand pressures

Financial sustainability is a core government criterion. The modelling provided a clear picture of the financial risks and benefits associated with each option. It also allowed for scenario testing and stress-testing of assumptions, ensuring there is transparency of the implementation costs, payback and the long-term financial viability. It is critical to reinforce that there is not a single unitarisation option that would lead to long term financial stability in the absence of funding reform.

# 5 Context: East Sussex Today

East Sussex is a unique place, known for its vibrant cultural heritage, spectacular countryside and coastal landscapes and diverse local economy. The county covers a population of 550,000 people over a geographical area of 1,725 square kilometres (660 square miles), with population density concentrated in several urban centres, three of which (Eastbourne, Hastings, Bexhill-on-Sea) represent around 43% of our total population. Significant parts of the county are also encompassed by natural environments of national and international significance, including the ancient Ashdown Forest near Crowborough, the South Downs National Park, the High Weald National Landscape, the Pevensey Levels, and 70 miles of coastline.

This distinctive blend of urban and rural characteristics offers many opportunities for our county and is highly valued by residents, businesses and visitors. However, it also presents practical challenges for the ways in which we can deliver our services and address demands or inequalities, as sparsely populated areas are more expensive to deliver services to and more likely to be affected by physical and digital isolation.

These opportunities and challenges mean it is more important than ever that we ensure our services enable a brighter future for East Sussex. We want to make the most of our local economic, cultural and natural assets to drive sustainable growth and address inequalities across the county.

## 5.1 Population

The East Sussex population is projected to grow by nearly 45,000 in the next 15 years, from 555,500 in 2023 to 600,300 in 2038. Most of the population growth is of residents aged 65 and over.

East Sussex has one of the oldest populations in England and is distinctive in the southeast for the age of its population. In parts of the county, one in 20 residents is aged 85 or older - the group with the highest need for social care services. Across the whole population, more than 8,000 people are aged over 90 and 213 people are over a hundred years old.

High deprivation levels rank parts of the county alongside the London Borough of Newham or Blackburn. More than 78,000 people live in areas among England's most deprived. The government's figures show that East Sussex includes the highest proportion of fuel-poor households in the Southeast England.

Population forecasts show an increase in the older population across the county but a much slower growth rate in the working-age population; in Eastbourne and Hastings the working age population is expected to decline. This trend will affect the local labour market, tax base, and demand for services. Meanwhile, Wealden is experiencing growth in both children and working age populations, for which its transport, healthcare and water service infrastructure is inadequate.

Diversity is increasing in some areas, especially among younger residents. In Eastbourne, 28% of primary school pupils are from ethnic minority backgrounds and Hastings has the highest proportion of LGBTQ+ residents at 4.6%. Despite these shifts, the county has 88.3% of the population identifying as White: British and Northern Irish.

## 5.2 Health and Wellbeing

There are good opportunities to live and age well in East Sussex, as reflected by the number of residents reporting a 'very good' or 'good' health status (34.4% and 42.7%, respectively. Life expectancy in the county has generally risen since the early 2000s and levels are above the national average. In 2023, women were expected to live until 83 years and men 79 years.

There are, however, indications that health and wellbeing levels vary significantly across East Sussex. While we can see higher indicators in Lewes and Wealden in terms of life expectancy and mortality rates, Hastings and Eastbourne score below the national average on mental health and frailty. Although East Sussex is overall ranked 93 out of 151 Upper Tier Local Authorities in the country on the Indices of Multiple Deprivation rank, there are significant areas of deprivation across the county. 22 out of the 329 areas measured are in the most deprived 10% nationally, with Hastings ranked as the 13th most deprived Lower Tier Local Authority out of 317 in the country. Those experiencing deprivation close to otherwise more affluent communities close by can feel significantly more enhanced levels of exclusion than might be the case in other areas. Those in our most deprived communities are more likely to be affected by social inequality and potential difficulties accessing Council and other public services.

# Integrated Community Teams

Case study

Integrated Community Teams (ICTs) in each East Sussex district unite local authorities, the NHS, public health, and VCSEs to address local health and wellbeing priorities. These teams focus on:

- Simplifying access to care
- Delivering proactive, personalised, multi-disciplinary support for those with complex needs such as frailty or dementia
- Promoting prevention through collaborative actions, like encouraging physical activity

For instance, rural day clinics for mobility issues have reduced neuro outpatient physiotherapy waiting times from 76 to 25 weeks, with all service users rating their experience as 'very good'.

In East Sussex overall, 20.3% of residents identify as disabled, and adult social care demand is high with 5,329 requests per 100,000 residents. The complexity of health and care needs is continuing to increase, particularly in areas with ageing populations and rural isolation.

## 5.3 Children and Young People

In East Sussex, more children achieve a good level of development at the Early Years Foundation Stage than national figures. However, levels of attainment at Key Stage 2 and Key Stage 4 are below national averages. As with other data, such attainment levels at an East Sussex geography hides levels of poorer educational outcomes within some areas of the county, in particular Hastings.

There are complex and systemic issues facing the education and children's services sector. Estimations reflect that, by 2029, the number of children and young people is expected to decline slightly by 1.4%. Demand for services and the complexity of cases continues to significantly increase, with 59.3 Child Protection Plans in place per 10,000 children aged 0-17 years. There are currently 690 looked after children. 41.6% of all children and young people aged 0-25 with Education Health and Care Plans (EHCPs) in East Sussex are placed in special schools which is over nine percentage points higher than the England average. EHCPs of SEND maintained by the Council increased by 87% from 2015 (2,645) to 2025 (4,940).

## 5.4 Housing Need and Supply

Across East Sussex, there is a shared vision for healthy, safe and affordable homes for all, with a focus on preventing homelessness and ending rough sleeping, and a priority on accelerating housing delivery and improved infrastructure. The imperative for this vision is clear as access to affordable and social housing is generally a challenge in East Sussex, with the average house price higher than the national average (£340,000 compared to £290,000). The cost of private rented housing also rose by up to 29% between 2019 and 2024, generally outstripping rises in earnings. In some parts of the county, homes are over 10 times the average annual earnings of residents.

High housing costs have an acute human toll. The draft East Sussex Housing Partnership Strategy (2025-2030) reports that there are currently over 1,200 households living in temporary accommodation, with some areas experiencing rates that are double the national average. The high cost of housing exacerbates the loss of young working age people to other areas with higher paying employment opportunities and/or more affordable housing, with knock-on effects for the local economy.

Housing delivery in East Sussex has not kept pace with need, remaining relatively static over the past 5 years, with a total of 9,131 net housing additions. Delivery of both market and affordable housing is not consistent in all areas, with some areas delivering at historically high levels while other areas are seeing much lower rates of delivery.

Although delivery remains lower than targets, consents remain at all-time highs (particularly in Wealden and Lewes District) so the planning system should not be seen as the exclusive or even primary blocker. In addition to constraints on land supply, build-out rates have been disappointing, informed by a number of factors not in councils' control and not addressed by reorganisation. These include higher interest rates, increasing cost of materials and labour, a lack of certainty over future affordable rent policy and the emergence of important but competing demands for investment to meet higher safety and energy performance standards.

While there are likely to be benefits from being able to bring functions such as housing, planning, transport and social care together within one tier of local government, an enhanced partnership relationship between central government and both the new unitary and the proposed Sussex MSA will also be crucial to delivery.

This enhanced relationship would involve additional funding and powers for the unitary that would ideally be made immediately available to districts and boroughs in recognition of a shared sense of urgency about tackling the housing emergency, including:

- funding and support to ensure the timely delivery of infrastructure and utilities to encourage higher build-out rates
- powers to ensure new homes are built to a carbon neutral standard, which has the added potential to reduce household fuel bills and improve health outcomes as well as reduce the need for future spending to improve energy efficiency and stock quality
- removing the cap for housing benefit subsidy rate for local authority homelessness placements as well as fully and sustainably address the disconnect between Local Housing Allowance and private rents in East Sussex

# East Sussex Housing Partnership

**Case study**

East Sussex Housing Partnership is an inter-sectoral collaboration involving six councils, housing providers, social services, criminal justice, public health and the voluntary and community sector. The partnership is currently finalising a shared strategy that will optimise all existing levers to help accelerate build-out and address housing need, by:

- Pulling together a pipeline of public sector assets to be brought forward for new development;
- Making the best use of existing stock, including a county-wide Empty Homes Programme drawing on shared resource;
- Enabling providers to benefit from economies of scale when planning their approach to compliance, e.g. staff training schemes;
- Expanding Local Employment and Skills Plans to build capacity in the local construction workforce, including links to Section 106 processes; and
- Developing a county-wide Supported Accommodation Strategy developed, in line with new regulations.

# Partnering with Government to boost economic prosperity

Case study

Newhaven is a Channel ferry port, significant because of its international ferry links to Dieppe, the port operations, its rail connectivity with two stations, and as a place of industry in a predominantly rural area. Recognising the potential for growth in marine and maritime sector, the Government has made it one of the beneficiaries of recent initiatives.

**Newhaven Unleashed**

The Newhaven Enterprise Zone has been designed to act as a catalyst to support good sustainable economic growth and business resilience. Established in 2023, it has a core focus on creating employment floorspace and growing the number of skilled jobs. Grant programmes include a Low Carbon Investment Fund to support enterprises in Newhaven to develop low carbon products and/or incorporate low carbon processes or services. To date, 78 new jobs and 635 sq m of floorspace has been created or refurbished.

**"Re-imagining Newhaven" Pathfinder Pilot**

After Lewes District Council initially secured funding from 3 different government funds, these separate allocations have been amalgamated into one programme called the Pathfinder Pilot. The consolidated 'Re-imagining Newhaven' capital grant allocation of just under £37m is enabling the delivery of 12 transformational projects in the town. Completed projects include a new 3G pitch at Newhaven Football Club, and refurbishment of the Ferry Terminal building. Projects currently in the delivery phase include a new fish processing plant which allows fish landed in Newhaven to be processed, stored and distributed from the site.

## 5.5 Economy and Employment

As with housing, councils in East Sussex have set out a shared vision for economic prosperity in the county. Developed in partnership with Team East Sussex, the East Sussex Prosperity Strategy sets out a roadmap to 2050 for securing better opportunities and living standards for the people who live in the county, as well as to help businesses to thrive and grow.

The Strategy builds on a recognition that the economy in East Sussex is diverse, supporting 246,000 jobs and generating around £9.9 billion. It is also polycentric: Eastbourne, Hastings and Bexhill are the largest urban areas, but no single centre dominates; most of the county is rural and protected within the South Downs National Park and High Weald National Landscape. Outward connections to London, West Sussex, Kent and London and indeed on to the European continent via France (discussed in more detail in section 5.6) are also important, positioning the region well to play a pivotal role within the wider economy of Southeast England.

The county's business landscape is also diverse: of the 23,000 enterprises, the majority are small employers. Business density and sector composition vary: most businesses are small employers and rural parts of the county account for 36% of the total business stock in East Sussex. There are growing specialist strengths in two of the sectors in the Government's Modern Industrial Strategy: advanced manufacturing and digital technology. The area's outstanding natural environment also drives demand for a thriving visitor economy, worth £5 billion annually. Finally, there is a shared view among councils and businesses that the East Sussex economy needs to both adapt to and capitalise on opportunities from climate, technological and demographic change in future.

East Sussex is an attractive place to live, but economic disparities are pronounced across the area. Productivity in East Sussex, as measured by Gross Value Added (GVA), has persistently lagged with GVA per filled job in the county at 73% of the UK equivalent. While the county has seen modest productivity growth in recent years, this has not been sufficient to significantly change the relative position. Ultimately, productivity translates into impacts on households as well as the wider economy. For example, in 2022, gross weekly earnings commanded by people working in East Sussex were around 90% of the UK average.

The Government has clearly recognised the ambition of councils and business partners in East Sussex to improve productivity and generate more growth, notably by establishing an Enterprise Zone (EZ) in Newhaven, one of only 48 in England. The EZ programme was set up by the government to drive local growth by offering a range of incentives to businesses, such as business rate relief and simplified planning. All business rate growth generated within the EZ is retained by the local authority to reinvest in local economic growth.

# Connect to Work

**Case study**

East Sussex was only the second area in the country to launch the devolved Connect to Work programme. Connect to Work follows a supported employment model where local authorities, housing, and voluntary sectors collaborate to help people with disabilities, mental health issues, unpaid carers, and those with care experience find jobs. The programme aligns individual and employer needs through profiling, job-matching, engagement, and ongoing support.

Just weeks after work started in East Sussex, the programme started to deliver results, with 60 people referred to the service in its first seven weeks. From September, the East Sussex programme will add more delivery partners and have a greater focus on supporting those at risk of homelessness, increasing employment opportunities, reducing demand on housing.

# Growth Hubs

Case study

The East Sussex Growth Hub is the first place for businesses to come for support. It provides a free service to help local businesses find information, specialist advice, funding, tools and resources to start, run or grow. The Growth Hub builds strong relationships with them all and connects them with the right support at the right time. Since April 24 it has delivered over £1m in grant funding, given over 1300 hours of business support to more than 400 businesses, delivered over 500 hours of support to start up businesses, and has made over 300 referrals to specialist advice to help them scale, innovate and export. Examples of particular success can be found in the Newhaven area where the Growth Hub has complemented regeneration activity by the Re-imagining Newhaven Board.

Alongside the Newhaven EZ, the Government also entered into an innovative funding arrangements with Lewes District Council to support business and jobs growth, as well as improvements to the public realm. Set out in more detail below, these initiatives can in some respects be considered precursors to the devolved powers now being offered to MSAs. This demonstrates that East Sussex has a track record of working as a trusted partner to Government, which stands to strengthen the foundations on which a new MSA would be built.

Within East Sussex, the economic activity rate (i.e. the proportion of 16–64-year-olds either in work or actively seeking work) is around 76%. This is notably lower than the average across the southeast. The employment rate is also about five percentage points below the regional average. The reasons for low activity rates are many and varied. Some people are unable to work because of ill health (and the data suggest this is a significant factor in the county). Others may be unable to work because of caring responsibilities – which becomes more likely as the dependency ratio increases. A third group may struggle to access suitable employment, for a range of reasons: skills and qualifications, a lack of opportunities to progress in the workforce to achieve their potential, or physical barriers to access (for example transport accessibility, availability and cost). East Sussex was at the vanguard of places delivering the Government's Connect to Work programme, reinforcing its trusted partner status when it comes to delivering a priority shared nationally and locally.

While there is an expectation that the new Sussex MSA would hold substantial powers and funding related to economic development, employment and skills; evidence from existing combined authorities shows that any strategic authority can only be effective if the primary authorities that become its constituent councils also operate on sensible economic footprints that enable them to discharge their own economic, transport, housing and planning functions effectively. Particularly in the context of enormous structural change, continuity wherever possible will be particularly valued by business and developers, many of whom have had a substantial

involvement in the development of the existing county-wide strategies as well as day-to-day relationships within local networks.

During the process of developing the East Sussex Prosperity Strategy, the importance of these local business networks at both town/district- and county-level was stressed, given the predominantly 'small and micro enterprise' nature of East Sussex's business base. These networks included recent sector focused coalitions of entrepreneurs (such as the tech-based Chalk consortium in Eastbourne), and active local chambers of commerce and business associations. These represent small and micro enterprises, as well as generating pride in place.

Building on the local partnerships and networks that already exist at county, district and town level within East Sussex would make it easier for a new MSA to hit the ground running when it assumes devolved responsibilities for the whole region.

## 5.6 Infrastructure and Access

Transport and digital infrastructure are unevenly distributed in East Sussex. All districts and boroughs in East Sussex experience net commuting outflows, although the pattern in Eastbourne is almost in balance, reflecting the town's large concentration of employment. Within the county, the largest inter-district flows are from Wealden into Eastbourne, and within the Hastings and Rother economic market area.

Connections beyond the county boundary are very important. Historically, proximity to London has been an important factor in the growth of East Sussex's coastal resorts, and today, the capital is both an important travel-to work destination and a key market for the county's leisure and visitor offer. The west of the county is also close to Crawley, Gatwick and the A23/M23 Corridor, while to the northeast, Tunbridge Wells is an important employment hub and service centre for much of Rother and Wealden, as well as for Hastings. Rail connections run from London to Lewes, Eastbourne, Uckfield and Hastings, and east-west along the Coast from Brighton to Ashford via Eastbourne and Hastings. The strategic and main road network follows a similar pattern, with the A27/A259 running along the coast, and the A21 and A22 running north to join the M25. The county also enjoys a number of strategic active travel links, including the South Coast and London to Eastbourne routes on the National Cycle Network. Finally, as noted earlier, Newhaven is an important light industrial centre and ferry port particularly for freight connections to France.

Rural isolation is a major barrier to service access, where 24% of rural residents cannot reach a town centre within 30 minutes. The poor connectivity and lack of public transport between rural and urban areas limits economic growth and increases the risk of isolation and loneliness among those affected, this is evidenced by Hastings having the highest rate of transport related social exclusion in the country. It also contributes to an over dependency on private cars, which in turn increases the county's emissions.

Digital connections have improved significantly in recent years: in Rother and Wealden (the two most rural districts in the county), full fibre coverage stood at 53% and 54% of premises respectively in 2023 (compared with just 6% and 17% two years earlier). However, while there are great opportunities in rural East Sussex for increased remote working and the use of digital technology to overcome relative isolation, it is important that infrastructure investment keeps pace with the economic potential.

As devolution extends across the country, new MSAs will be expected to play a substantial role in coordinating the funding and prioritisation of infrastructure across their region as the existing combined authorities currently do. The infrastructure

and investment pipelines will be set out in the MSA's LTP using evidence drawn from the constituent authorities, who play a key role in developing and operationalising schemes. Constituent councils will also have substantial highway responsibilities who play a key role in developing and operationalising schemes. Constituent councils will also have substantial transport responsibilities of their own which require sustainable and predictable investment, e.g roads maintenance and active travel. This reinforces the need to ensure that each unitary operates on a geographic footprint that is sensible and coherent from a transport and economic perspective.

The commitment in the English Devolution and Community Empowerment Bill to devolve more powers and funding to local areas through MSAs is one that councils in East Sussex have already signalled that they welcome, together with West Sussex councils and Brighton and Hove City Council. Swift follow-through on the offer of an integrated settlement to the new Sussex MSA is essential to accelerate infrastructure

# Waste and recycling services

Case study

All six authorities in East Sussex worked together successfully to design and deliver an easy to use and value for money recycling service for residents, after jointly assessing collection and disposal options. This and joint public information campaigns have helped increase recycling rates from 37 percent in 2019 to 46 percent in 2024.

Three of the five district and borough councils in East Sussex work together in a joint waste partnership with the aim of improving the quality and effectiveness of waste collection for residents and maximising shared opportunities between the two tiers of waste collection and waste disposal (a county council function). The partnership jointly procured a single contract with Biffa to provide waste collection, street and beach cleaning in 2019 – enabling efficiencies of scale and residents have seen a significant fall in missed bin collections.

The other two borough and district councils are not in the waste partnership but share most of their services and collaborate closely on waste collection and recycling programmes under an umbrella in-house service, which is branded Environment First.

Shared service plans to further improve efficiency and delivery were already being put in place before devolution and local government reorganisation were mooted. These include rationalised systems for environmental health/public protection and for planning services. These will be built on in preparation for unitarisation.

and housing delivery. The flexible and predictable long-term funding that integrated settlements offer would provide the Sussex MSA and constituent unitaries a powerful new tool to boost market confidence in the deliverability of the development pipeline, help align housing and infrastructure delivery to enhance economic, social and environmental outcomes, and assuage resident concerns about the pressures that can come with new development.

## 5.7 Natural Beauty and Culture

East Sussex benefits from some of the most beautiful and historic landscapes in the country. Over two thirds of the county are under environmental protection or designated for landscape value, including South Downs National Park, 26 Local Nature Reserves and four National Nature Reserves. These protections mean that the development of housing and infrastructure is heavily constricted in some areas. The threat of climate change is rendered more urgent in the context of our environmental assets. Current estimates indicate that the sea level may rise by 1.15m by 2100, presenting a significant risk to our coastal communities.

# Financial inclusion programme

Case study

The Financial Inclusion programme facilitates collaboration between local authorities and statutory and voluntary partners throughout the county, with the aim of enhancing residents' financial wellbeing and resilience. The programme prioritises maximising resident income, promoting inclusive support, and fostering increased capacity, cooperation, and shared insight among participating organisations.

Services and initiatives developed under this partnership have contributed significant improvements in financial wellbeing for East Sussex residents, amounting to millions of pounds. For instance, the county council, together with district and borough councils, utilised the Low-Income Family Tracker (LIFT) platform to systematically identify individuals eligible for, but not currently receiving, available support.

Between August and December 2024, these councils implemented a series of targeted benefit uptake campaigns, focusing on Healthy Start vouchers, free school meals, Council Tax Reduction, Pension Credit, and Attendance Allowance. Within just six months, through coordinated national and local campaign efforts and effective use of the LIFT platform, this strategic approach enabled residents to access an additional £1.3 million per annum.

East Sussex has a rich and unique cultural canvas which forms the backdrop for residents and visitors lives. Different things strike chords with different people but the spectacular traditions of Bonfire Night in Lewes and Jack in the Green in Hastings, the historical importance of Hastings, Battle and Rye, the landscapes of Seven Sisters and Beachy Head, Ashdown Forest and High Weald, the cultural offerings of Bloomsbury and Charleston, Towner, Glyndebourne and De La Warr Pavilion are all distinctly East Sussex and only part of the things that make us feel we belong to East Sussex. Thriving wine growers and many craft breweries are important contributors as is the unique and longstanding relationship between Newhaven and Dieppe which continues to be celebrated each year. With the rolling hills of the High Weald to the ancient woodlands of Ashdown Forest, East Sussex's rural heartlands offer a rich tapestry of heritage, community resilience, and natural beauty. These landscapes are deeply cherished by residents and visitors alike, forming a vital part of the county's identity.

## 5.8 Collaborative Approaches to Achieving Consistencies

Sharing resources, expertise and customer service is already second nature for all six councils in East Sussex. For example, an East Sussex procurement hub spends over £55 million a year on goods and services for Hastings, Rother and Wealden councils. One of its aims is to spend local: £4 million has been spent with local firms in the first quarter of this year alone.

Eastbourne and Lewes councils have been sharing services for a decade, with a joint operating model which has enabled annual savings of up to £2.7m. Shared service arrangements also exist across two or more councils in environmental health, legal services and building control. East Sussex County Council has also found efficiencies through former or existing shared services arrangements with neighbours Surrey and in Brighton & Hove on IT, HR and procurement and legal services.

## 5.9 Public service reform

The strength of the partnerships across East Sussex of councils, NHS, police, further education, businesses, independent care providers and the voluntary and community sector provide a robust and effective platform for delivering public sector reform. The pilot 'Partnerships for People and Places' with MHCLG and other departments proved effective and was highlighted as best practice evaluated by the Government. The work we have collectively done on financial inclusion (more detail below) has been very effective and our work on integrated neighbourhood teams with the NHS in East has created the operating model across Sussex.

The Joint Community Rehabilitation Service integrates NHS community therapists and council rehabilitation support workers delivering programmes to over 8,000 people each year. Health and Social Care Connect (HSCC) operates 24/7 365 days a year and provides an integrated contact centre which provides the public and professional access point for adult social care and NHS community services. It handles over 140,000 contacts each year providing triage, advice and clinical and professional triage. District and borough housing teams have embedded occupational therapists to stream DFG processes and the joint Housing Partnership, covered elsewhere, has delivered significant improvements.

This foundation of established joint working, learning and delivery will ensure the new unitary can embrace opportunities for faster public service reform with local partners in East Sussex and also make a robust contribution to the joint work at a Sussex level,

especially through the MSA. Pan Sussex arrangements are well established for NHS/ Social Care, community safety, road safety and economic growth and the new East Sussex unitary will be an effective partner as new opportunities arise.

## 5.10 Workforce

The six councils in East Sussex all place huge importance on having staff who are well motivated, highly trained, effectively supported and engaged. The wide range of peer reviews, inspections and staff surveys demonstrate how proud our staff our to serve the people, families, communities and businesses of East Sussex. These contributions are not only recognised in external reviews but are vital in achieving successful service delivery. These successes include in the high-risk social care services for our most vulnerable people. It is important to recognise that these services operate on the existing East Sussex and District Council footprints and any disaggregation risks disruption, uncertainty, reduced retention and recruitment and increasing costs. The Government guidance clearly indicates an expectation that the transition would be done as a continuing council model of local government reorganisation. This provides significant reassurance to staff that the implementation will be streamlined and minimise the number of staff to be TUPE'd. The six councils are determined to ensure clear, timely, joined up and open working with staff and the trade unions continues to underpin the collective approach to this work.

# 6 Case for Change

## 6.1 National and Local Drivers

### 6.1.1 National Drivers

The Government's ambitions for local government reorganisation were reaffirmed in the English Devolution White Paper, Power and Partnership: Foundations for Growth, published in December 2024. The White Paper sets out a clear direction for simplifying local government structures and embedding devolution as a constitutional principle. It calls for stronger local leadership, more integrated public services, and long-term financial sustainability as the foundation for national renewal. A single unitary authority would provide the scale and coherence needed to deliver joined-up services across health, housing, education, and social care. It would also create a single point of democratic accountability, enabling clearer leadership and more effective engagement with residents and partners.

The proposal aligns with the emerging Sussex MSA, which is expected to play a key role in regional economic development, transport, skills, and climate policy. A unified East Sussex authority would be well positioned to act as a strategic partner within this structure, contributing to and benefiting from devolved powers and funding.

### 6.1.2 Local Drivers

Locally, the case for reform is driven by the joint desire to improved customer outcomes and value for money for residents through consolidated services to deliver holistic delivery of services whilst achieving efficiencies through economies of scale.

### 6.1.3 Strategic Alignment

A single unitary authority would enable whole-system planning and delivery. It would allow for the integration of housing and social care strategies, ensuring that vulnerable residents receive coordinated support. It would also improve strategic commissioning, allowing the authority to align budgets and outcomes across services and sectors.

The model supports place-based prevention and early intervention, particularly in areas such as mental health, youth services, and homelessness.

### 6.1.4 Benefits of Reform

'One East Sussex' offers a range of benefits that address both national and local priorities.

- **Financial savings:** The consolidation of back-office functions, rationalisation of assets, and streamlined governance are expected to deliver on savings over time, although the future single unitary option would still result in a substantial operating deficit. These resources can be reinvested in frontline services and community priorities.
- **Improved outcomes:** Integrated service delivery will lead to better outcomes for residents, particularly in interdependent areas such as social care, housing, and education. A single authority can take a holistic view of need and design services accordingly.
- **Stronger voice:** A unified East Sussex will have greater influence in regional and national decision-making. It will be better placed to secure investment, shape policy, and represent the interests of its residents.

# 7 Options Appraisal

## 7.1 Options Considered and Appraisal Criteria

This section sets out our assessment of the structural options for LGR in East Sussex. In line with the government's statutory invitation and the six criteria outlined in the December 2024 English Devolution White Paper, we have undertaken a comparative appraisal of the following options:

- **Option 1: 'One East Sussex'** - a single unitary authority maintaining the existing area of East Sussex covering the existing county council boundary, with Brighton & Hove City Council remaining as is
- **Option 2: Two unitary authorities** within the existing East Sussex boundaries, with Brighton & Hove City Council remaining as is
- **Option 3: Expansion of Brighton & Hove City Council** to absorb parts of Lewes District (four variants)

Each option has been assessed against the six government criteria:

1. Right size and scale
2. High-quality and sustainable public services
3. Financial sustainability
4. Local collaboration and consensus
5. Support for devolution
6. Community engagement and empowerment

Our analysis draws on demographic, financial, and service performance data, as well as stakeholder engagement and lessons learned from other business cases submitted. The scoring reflects the extent to which each option meets the government's criteria and supports the long-term objectives of reform, including simplification, resilience, and improved outcomes for residents.

We have applied a consistent scoring framework across all options:

- 1 = Meets very few or none of the criterion's requirements
- 3 = Meets some of the requirements
- 5 = Meets most or all of the criterion's requirements

No weighting has been applied, in line with the government's guidance that all criteria are of equal importance. The scores are based on a combination of quantitative evidence (e.g. population thresholds, financial modelling) and qualitative assessment (e.g. stakeholder consensus, governance coherence).

The table below summarises the scoring across all options. A detailed rationale for each score is provided in the following section.

## 7.2 Summary of Options Appraisal Scoring

| Criterion | Option 1: Single East Sussex Unitary | Option 2: Two Unitaries (Coastal/ Inland) | Option 3: Brighton & Hove City Council - Expansion Option |
|---|---|---|---|
| 1. Right Size and Scale | 5 | 3 | 2 |
| 2. High-Quality and Sustainable Services | 4 | 3 | 2 |
| 3. Financial Sustainability | 4 | 3 | 2 |
| 4. Local Collaboration and Consensus | 5 | 3 | 1 |
| 5. Support for Devolution | 5 | 3 | 3 |
| 6. Community Engagement and Empowerment | 4 | 4 | 2 |
| Total (out of 30 ) | 27 | 19 | 12 |

## 7.3 Detailed Options Appraisal Rationale

| Criterion | Option 1: "One East Sussex" Single East Sussex Unitary | | Option 2: Two Unitaries for East Sussex | | Option 3: Brighton & Hove City Council - Expansion Option | |
|---|---|---|---|---|---|---|
| **1. Right Size and Scale** | A single unitary authority for East Sussex would serve a population of ~555,000, meeting the government's population guidance. It aligns with existing service footprints and enables strategic planning across a coherent geography. | **5** | The guiding principle of a 500,000 population for new authorities means this model would create asymmetry and the risk of reduced resilience. | **3** | The proposed expansion of Brighton & Hove into the district of Lewes would fragment East Sussex's geography and redraw local authority boundaries. The resulting size of Brighton and Hove City Council would still be significantly under the guiding principle of a 500,000 population for any of the proposed variants. The extension into Lewes would be disconnected from existing service footprints, undermining strategic coherence. | **2** |

| | | | | | | |
|---|---|---|---|---|---|---|
| **2. High Quality and Sustainable Services** | A single authority would enable integrated planning and delivery across adult social care, housing, education, and public health. It would reduce duplication, support consistent service standards, and enable a shift towards prevention and early intervention. The model supports whole-system approaches to complex challenges such as homelessness, SEND, and mental health. It also provides a platform for innovation and transformation, particularly in digital service delivery and community-based models. | **4** | While some integration would be possible within each unitary, the model introduces significant risks related to the disaggregation of statutory services, particularly in social care and education. Fragmentation could lead to service disruption, inconsistent standards, and increased costs. The model may also struggle to deliver consistent transformation across both authorities, particularly given the differing financial and demographic profiles. | **3** | This model would disrupt existing service footprints and partnerships, particularly in Lewes and East Sussex County Council. It risks fragmentation of services, loss of institutional knowledge, and reduced capacity for integrated delivery. The model does not support sustainable service transformation and may exacerbate existing inequalities in access and outcomes. | **2** |

| | | | | | | |
|---|---|---|---|---|---|---|
| **3. Financial Sustainability** | Financial modelling indicates that a single authority offers the greatest potential for savings through back-office consolidation, shared procurement, and rationalised assets. It avoids the high transition and disaggregation costs associated with multi-unitary options. | **4** | Some savings could be achieved through consolidation within each unitary, but the model introduces higher transition and disaggregation costs. The smaller scale of each authority may limit opportunities for efficiency and increase exposure to financial shocks. The inland authority, in particular, may struggle to achieve financial resilience given its smaller population and rural geography. | **3** | This model would require complex boundary changes and introduce significant transition costs. It offers limited opportunities for savings and may create new financial pressures for both Brighton & Hove City Council and the remaining East Sussex authorities. The model lacks a clear path to financial sustainability and may exacerbate existing inequalities in funding and service delivery. | **2** |
| **4. Local Collaboration and Consensus** | This proposal has been jointly developed by all six councils in East Sussex, with shared data, joint governance, and aligned objectives. Engagement has been extensive, and while some differences of opinion remain, there is broad consensus on the need for reform and the benefits of a single authority. The model builds on existing collaboration and provides a platform for deeper integration. | **5** | Support for this model is mixed. Some councils have expressed concerns about the potential loss of influence or control, particularly in smaller or rural areas. The model risks creating new silos and undermining existing partnerships. It may also lead to competition rather than collaboration between the two new authorities. | **3** | This proposal was introduced late in the process and has not been subject to the same level of engagement or scrutiny. There is no consensus among East Sussex councils, and the model is widely viewed as a threat to local identity and service coherence. It risks undermining trust and collaboration across the region. | **1** |

| | | | | | | |
|---|---|---|---|---|---|---|
| **5. Support for Devolution** | A single authority would provide a strong, coherent partner for the proposed Sussex and Brighton Mayoral Strategic Authority. It would enhance East Sussex's ability to attract investment, shape regional policy, and deliver devolved functions. The model aligns with the government's devolution agenda and supports the creation of a simplified, strategic governance structure. | **5** | While each authority could engage with the MSA, the model risks diluting East Sussex's voice and creating inconsistencies in regional engagement. It may also complicate the delivery of devolved functions and reduce strategic coherence. | **3** | This model aligns with Brighton & Hove City Council's ambitions for devolution but undermines the coherence of East Sussex as a strategic partner. It may create tensions between authorities and reduce the effectiveness of regional governance. Any change to existing boundaries, however small, has a significant fixed cost in terms of time, capacity, money, and uncertainty/ disruption to services, which includes staff in councils, schools and contractor organisations. This will potentially have a negative impact on vulnerable people and on tenants in council housing. | **3** |

| | | | | | | |
|---|---|---|---|---|---|---|
| **6. Community Engagement and Empower-ment** | The model includes proposals for area committees, local hubs, and participatory governance mechanisms to preserve and enhance local voice. Engagement activities have been extensive, and representation modelling has been undertaken to ensure fair councillor-to-resident ratios. The model supports stronger accountability and more meaningful engagement. | **4** | This model could offer improved access and responsiveness by creating smaller, more locally focused authorities. In theory, this could enhance community engagement, particularly in areas where residents feel disconnected from county-level decision-making. The likely geography of the two unitaries means there is a risk that smaller or more deprived areas (e.g. Hastings) could be marginalised within a larger coastal unit, while rural areas may struggle to maintain visibility in a more dispersed inland authority. Without robust mechanisms for neighbourhood governance and cross- boundary collaboration, the model could exacerbate existing inequalities in voice and influence. | **4** | Engagement has been limited, and the model is widely viewed as top-down and externally driven. It risks alienating affected communities and undermining trust in local government. There is no clear plan for preserving local voice or enhancing democratic accountability. | **2** |
| | | **27** | | **19** | | **12** |

## 7.4 Engagement and Feedback

Resident and stakeholder engagement has been a central pillar of the development of this business case. The process has been designed to ensure that the views of residents, elected members, officers, and partners are reflected in the design and evaluation of the proposed options for LGR in East Sussex. More detailed feedback from engagement to date is set out in the appendix.

### 7.4.1 Engagement Activities

Engagement has taken place through a range of channels, including:

- An online survey for resident consultation across the county.
- Weekly working groups with officers from all six councils.
- Interviews and workshops with council leaders and chief executives.
- Focus groups with residents across all five districts and boroughs.
- An online survey for stakeholders across the county
- Targeted engagement with user voice groups
- Regular engagement with Brighton & Hove City Council representatives, plus engagement with a West Sussex representative to ensure transparency
- Finance engagement and working sessions.

A separate consultation for Lewes residents also took place related to the proposals by Brighton & Hove City Council to extend the authority boundaries. 7,472 residents responded to the Lewes consultation survey, with overwhelming opposition (86%) to make a change to the Lewes district boundary.

Strong representations opposing the aforementioned extension proposals have also been made by Newhaven, Peacehaven and Telscombe town councils; and Iford, Kingston, Rodmell and Piddinghoe parish councils. Additionally, there was a joint representation from the parish councils of the Lower Ouse (Kingston, Iford, Rodmell, Northease, Southease and Piddinghoe). Broadly these all made the case that no credible evidence had been produced to demonstrate that residents and businesses of those areas would be better off in an entirely new geography rather than continuing to work within existing networks and partnerships. More detail on the results of the Lewes-specific survey is set out in the appendix.

### 7.4.2 Residents Survey

A survey was available to residents across East Sussex over May and June 2025. The survey gathered over 5,500 responses across East Sussex and revealed strong engagement across diverse demographic groups.

Broadly, 9 out of 10 residents identified at least one benefit associated with having just one single council across the area covered by East Sussex County Council and all five District and Borough Councils. The most common potential positive with this proposal was cost savings – comments referred to savings made through ‘economies of scale’, ‘greater purchasing power for service contracts’ and ‘staff reductions’.

Access to services was mentioned as a positive by a quarter of respondents – comments mentioned 'improved services', 'easier access to services', 'consistency in delivery across the county' and 'reduced duplication'.

Concerns included:

- 'our area would be forgotten' by a single, county-wide council.
- a new council wouldn't 'understand their area well enough'
- East Sussex was too big an area for a single unitary

Key themes that related to the process of change and were not specific to any one suggestion were:

| | |
|---|---|
| **Loss of local representation:** | Larger governance structures could lead to a loss of local representation and control, making it harder for residents to have their voices heard. |
| **Impact on services:** | Proposed changes could negatively impact local services. |
| **Administrative efficiency:** | Some respondents are sceptical about the efficiency and cost savings of the exercise. |
| **Skepticism and caution:** | Some prefer to maintain the current system or make only minor adjustments. |

### 7.4.3 Weekly working groups

Since the inception of the LGR programme, officers from all six East Sussex councils have participated in weekly working group meetings. These sessions have provided a structured forum for joint planning, data sharing, and the co-development of key components of the business case. In addition to regular meetings, a series of thematic workshops have been held to review and refine core content, including financial modelling, governance design, and service integration strategies.

This collaborative approach has ensured that the business case reflects a shared understanding of local priorities and challenges, and that all councils have had an active role in shaping the preferred model.

In the spirit of regional collaboration, the East Sussex working group has also engaged regularly with representatives from West Sussex County Council and Brighton & Hove City Council.

### 7.4.4 Interviews with council leaders and chief executives

As part of the development of this business case, a series of one-to-one conversations were held with council leaders and chief executives from all six constituent authorities. These discussions provided candid, strategic reflections on the opportunities, risks, and design considerations for a future unitary authority. While views varied across geographies and political perspectives, several consistent themes emerged.

| Theme | Summary of Feedback and Insights |
|---|---|
| **Local Identity & Representation** | • **Strong attachment to place:** Leaders and CEXs consistently emphasised the importance of local identity, particularly in areas like Hastings, Eastbourne, and Wealden. There is concern that a larger unitary could dilute this.<br>• **Democratic deficit fears:** Fewer councillors and larger wards could reduce accessibility and local accountability.<br>• **Town and parish councils:** Seen as vital to preserving local voice, but concerns exist about their uneven capacity and unclear future role.<br>• **Area committees:** Proposed as a solution, but met with scepticism about their effectiveness and whether they would be genuinely empowered. |
| **Financial Health & Redistribution** | • **Divergent financial positions:** Wealden is financially strong and investing in legacy infrastructure; Hastings, Eastbourne, and Rother face acute pressures<br>• **Concerns about redistribution:** Wealthier councils fear their reserves may be used to plug deficits elsewhere.<br>• **Legacy liabilities:** Risks from capital projects, housing companies, and cultural assets (e.g. De La Warr Pavilion) were raised.<br>• **Desire for transparency:** Leaders want clear frameworks for how resources will be pooled and allocated. |
| **Governance & Future Design** | • **Desire for empowered councillors:** Councillors with more strategic roles was a common aspiration.<br>• **Mixed views on governance models:** Some support for area committees; others see them as tokenistic or overly parochial.<br>• **Need for clarity:** On the roles of ward councillors, town/parish councils, and how local voice will be embedded in the new structure.<br>• **Design for purpose:** Strong consensus that governance should be built around outcomes, not inherited structures. |
| **Community Engagement & Trust** | • **Desire for co-design:** Councillors want to shape the new authority, not be absorbed into it.<br>• **Asset retention:** Communities are concerned about losing control of local assets and services. |

| Theme | Summary of Feedback and Insights |
|---|---|
| **Housing & Infrastructure** | • **Temporary accommodation crisis:** Especially acute in Hastings, Eastbourne, and Rother.<br>• **Council-led housebuilding:** Lewes and Wealden are actively investing, and fear this momentum could be lost.<br>• **Infrastructure delivery:** Frustration with delays in highways and planning integration; desire for stronger links between planning and transport.<br>• **Place-based investment:** Wealden in particular is focused on legacy infrastructure and community empowerment. |
| **Transition & Organisational Culture** | • **Staff morale and retention:** Concerns about TUPE, job losses, and cultural clashes.<br>• **Systems integration:** IT, HR, and finance systems vary widely; some councils are already aligning in anticipation.<br>• **Cultural differences:** Varying levels of ambition, innovation, and risk appetite between councils.<br>• **Desire for shared vision:** Leaders want to move beyond structural debate and start designing the "council of the future." |

## 7.4.5 Public focus groups: summary of findings

A series of facilitated focus groups were held across East Sussex to explore residents' views on local government reform. While not statistically representative, these sessions provided valuable qualitative insights into public hopes, concerns, and expectations.

### 7.4.5.1 Openness to reform, but concerns about scale

Most participants were open to the idea of a unitary authority in principle, recognising potential benefits such as:

- Clearer accountability
- Reduced duplication
- Strategic service integration
- Cost savings

However, concerns were consistently raised about the potential loss of local identity, reduced access to services, and diminished influence over decision-making. These concerns were often linked to the perceived scale of a new authority, rather than opposition to the unitary model itself.

### 7.4.5.2 Local identity and representation

Participants strongly identified with their local towns, villages, and communities rather than with the county as a whole. There was concern that a larger authority could dilute this sense of place and reduce the visibility of smaller or rural areas.

There was also concern that councillors in a larger unitary would represent more people, making them less accessible and less rooted in local knowledge. Some participants called for councillor- to-resident ratios to remain similar to current district and borough levels.

### 7.4.5.3 Services and outcomes

Residents expressed a desire for reform to lead to tangible improvements in services, particularly in social care, housing, education, and environmental protection. There was support for more joined-up, person-centred services and long-term strategic planning.

However, there was scepticism about whether structural change alone would deliver better outcomes. Some feared that the reorganisation could become a distraction from core service delivery or lead to further cuts.

### 7.4.5.4 Financial concerns

While many hoped that a unitary model would reduce duplication and deliver savings, there was concern about the cost of transition and the risk that savings would be absorbed by statutory pressures (e.g. adult social care).

There was also concern about the potential sale of local assets and the redirection of discretionary spending away from local priorities.

### 7.4.5.5 Governance and decision-making

Some participants welcomed the potential for stronger local leadership and more empowered councillors under a unitary model. Others feared a loss of local democracy, particularly if councillors became more remote or if independent voices were squeezed out.

There was support for devolving more powers to town and parish councils, but also confusion about their current role and capacity.

### 7.4.5.6 Boundaries and geography

There was no single preferred model for new boundaries, but some clear patterns emerged:

- Strong opposition to being joined with Brighton & Hove City Council.
- Support for the current East Sussex footprint as the least disruptive option.
- Interest in a rural/coastal split, particularly in Wealden and Hastings.
- Some support for a federated model (especially in Hastings), allowing for local identity to be preserved within a larger structure.

### 7.4.5.7 Transition and legitimacy

Participants raised concerns about the pace of change, the level of public awareness, and the legitimacy of the process. Some called for a public vote or wider consultation before decisions were made.

There was also concern about the potential loss of local knowledge if experienced staff and councillors left during the transition.

## 7.4.6 Stakeholder online survey

As part of the wider engagement, a five-week consultation was conducted with key stakeholders across the county, with the largest group of respondents being town and parish councils.

**Key Findings**

What stakeholders value in a new council:

- The top priority for stakeholders was the delivery of high-quality services that work well.
- Other important values included good access for residents, clear and honest decision-making, and value for money.

**Perceived benefits of a single council:**

- The most frequently cited benefit was that a unitary authority would be simpler and less confusing for both residents and professionals.
- Cost savings were also commonly mentioned as a potential advantage.
- These views aligned with feedback from the resident's survey. Concerns about a single council:
- The most significant concern was the loss of local connection and identity, particularly among town and parish councils.
- Stakeholders also feared a decline in service quality, especially during the transition period.
- Again, views aligned with feedback from the residents survey. Alternative boundary suggestions:
- A minority of stakeholders proposed alternative geographies, with a coastal/rural split being the most common.

**Notable contributions from key partners:**

- Sussex Police highlighted the need to maintain local partnership working and warned of restructuring impacts on policing.
- East Sussex Fire & Rescue Service emphasised the opportunity for investment and the importance of retaining the Combined Fire Authority model (East Sussex and Brighton and Hove).
- Town and Parish Councils expressed concern about increased responsibilities without additional funding, the risk of being overwhelmed by contacts, if the unitary can't cope with the volume and as mentioned throughout concerned about the loss of local voice.
- NHS Sussex (ICB) advocated for joint commissioning with the VCSE sector and stressed the importance of maintaining local engagement to meet diverse health needs.

## 7.4.7 Targeted engagement with user voice groups

As supplementary engagement, we engaged directly with four key service user groups to gather their perspectives and concerns. These sessions aimed to ensure that the voices of young people, older residents, citizens, and migrant communities were meaningfully included in shaping the future of local governance. The table below presents a thematic analysis of the feedback collected sharing cross-cutting themes that emerged.

| Theme | Summary |
|---|---|
| **Local Identity & Representation** | All groups expressed concern about losing local identity and representation in a larger authority. |
| **Equity & Inclusion** | Rural areas, older people, youth, and migrants were all highlighted as at risk of being overlooked. |
| **Access to Services** | Physical access (hubs), digital exclusion, and tailored services were recurring concerns. |
| **Voice & Participation** | Strong calls for meaningful engagement and structured feedback mechanisms. |
| **Funding & Resources** | Concerns about fair distribution and adequate funding, especially for vulnerable groups. |
| **Learning & Best Practice** | Desire to learn from other councils and build on existing strengths. |

# 8 Financial Modelling and Assumptions

## 8.1 Summary

The financial modelling undertaken forecasts that, compared to the 'as-is' model, the 'One East Sussex' single unitary will generate cumulative savings of £64m by 2032/33 with £25m annual recurring savings.

In contrast, the two unitaries model is forecast to incur a net cumulative additional cost of £329m by 2032/33 with £59m annual additional recurring costs.

We have not been able to do a detailed assessment of the Brighton & Hove City Council expansion as we do not know which of the four models consulted upon is the preferred option.

Despite the positive financial benefits of establishing the single unitary, this does not address the ongoing social care funding shortfall and consequently, without additional funding to address this, the single unitary model forecasts that all reserves will be depleted, with a cumulative deficit of £5m in 2028/29 increasing to £226m by 2032/33 and an annual recurring structural budget deficit of £61m.

This ongoing position is substantially worse for the two unitaries model due to the disaggregation and consequent duplication of costs, with a forecast cumulative deficit of £619m by 2032/33 and a recurring annual budget deficit of £144m.

Whilst a single unitary is clearly the preferred model, additional ongoing funding will be required, prior to establishing the new unitary, to address the social care funding shortfall and to ensure the new unitary council is financially sustainable.

## 8.2 Introduction

### 8.2.1 Models developed

Financial modelling has been developed to understand the implications of LGR in East Sussex.  Seven variants have been developed through three comparator models:

- 'As Is' comparator model summarising the existing consolidated MTFS of the six councils.
- Single unitary model with base, stretch and mid-point variants – explained below.
- A two unitaries model with base, stretch and mid-point variants – explained below.

For both the single and two unitary models, forecasts have been developed for:

- A **'base'**, low risk, model with prudent estimates of potential savings and higher implementation costs.
- A **'stretch'**, higher risk, model with more ambitious, higher value, but achievable, savings and lower implementation costs.
- A **'mid-point'** model which is the average of the base and stretch models, consequently representing a balance between prudence and ambition.

This financial narrative is based on the one unitary and two unitaries mid-point models and comparison with the 'as-is' model.

The financial modelling has been developed from 2025/26 through to 2032/33. This assumes that 2027/28 is an implementation year for new the unitary(ies) and 2028/29 is the first year of the new council(s). During the following five years, transformation activity is expected to be completed with 'steady state' (the point at which the new authority(ies) are fully established and reaching maturity) achieved by 2032/33

The work on the financial modelling for this business case is being done in the context of the Government reviewing the Fair Funding allocations, resetting Business Rates, simplifying grants and consulting on Temporary Accommodation funding. The prospect of multi-year funding settlements and simplified grants are very welcome but some aspects of the consultation – particularly the reduction in relative need from older people to working age adults, the council tax equalization not based in current local returns and the impact of the business rate reset has the potential for significant reductions. Given the demographics, the impact of the cost reductions in the NHS and in future as Sussex and Surrey Integrated Care Systems combined and a need to tackle perceived significant overfunding, also may bring significant pressure. It is not possible at this stage to anticipate the financial impact on the new unitary but it is important context in which the implementation will occur.

Models for three or more unitaries have not been considered as these would exacerbate the issues of the two unitaries model and would not be financially viable.

As LGR progresses and further details are understood, including government policy updates, it will be necessary to revisit these forecasts and revise the modelling to reflect known changes.

### 8.2.2 Brighton & Hove City Council expansion proposals

It has not been possible to undertake detailed financial modelling to consider the implications of the option(s) proposed by Brighton & Hove City Council to expand the existing council's footprint.

The range of options proposed by Brighton & Hove City Council include consideration (despite MHCLG guidance to the contrary) of adjusting the boundaries to include existing areas of Lewes District Council. The four options considered equate to a maximum of 36,000 Lewes residents transferring into an expanded Brighton & Hove City Council. This equates to 36% of current Lewes residents.

Extensive detailed work would be required to attribute actual and budgeted County Council and Lewes District Council costs and income to the areas transferring and to ensure an equitable approach that does not disadvantage either authority.

For some areas of spend where services are provided universally (consistently and equally to all locations and residents), the allocation of costs to the areas proposed to transfer to Brighton & Hove City Council could be based on simple area percentage allocations. However, for the major cost areas including adults and children's social care, in order to allocate these costs to the areas proposed

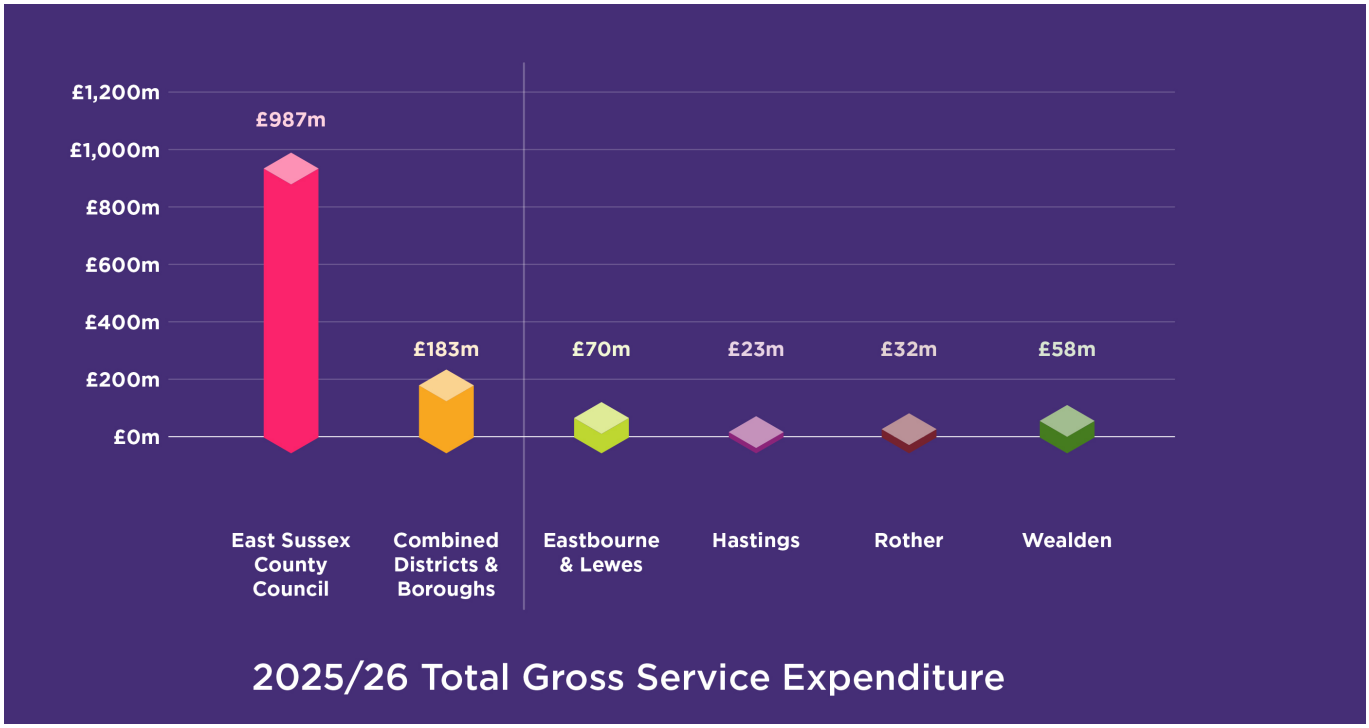
to transfer, this would necessitate a case-by-case review of client data and detailed analysis of every Children's and Adult social care record, in order to allocate costs to the transferring locations. Further work would also be required to allocate grants and income across the areas proposed to transfer.

The transfer of physical assets and the services being delivered from these would also require detailed analysis, recognising that whilst a physical asset may be located in a transferring area, the service provided would likely benefit other residents across a much wider location, parts of which would not be included in the transfer.

This disaggregation effort would be disproportionately disruptive and expensive for both councils and their residents, with no recognisable financial benefit. As noted in the table at section 7.3, this option would disrupt existing service footprints and partnerships, risking fragmentation of services and have additional fixed costs fixed cost in terms of time, capacity, money, and uncertainty/ disruption to services, which includes staff in councils, schools and contractor organisations. This will potentially have a negative impact on vulnerable people and on tenants in council housing.

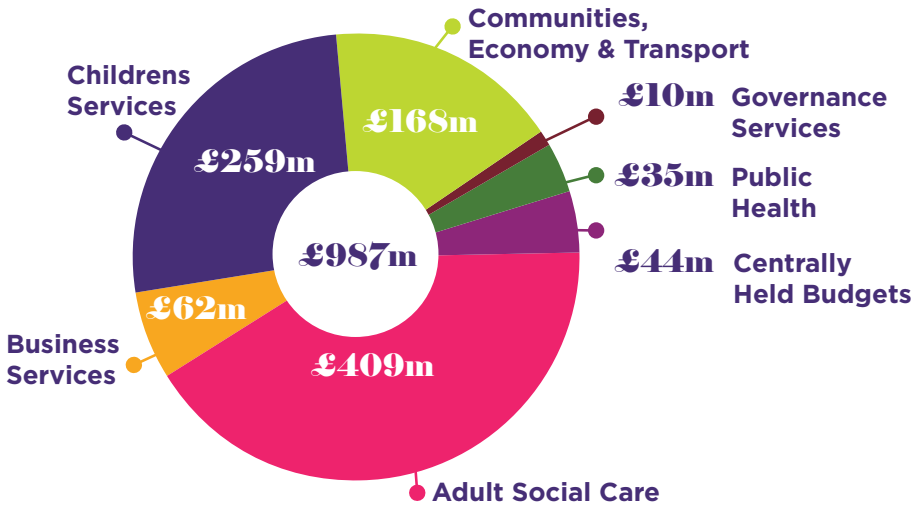
## 8.3 Overview and Context

The chart below shows the planned £1.171 billion gross service spend of the six councils in 2025/26 (Eastbourne and Lewes figures are combined). This chart also illustrates the difference in scale between the county, with annual spend of £1 billion and the five districts / boroughs with a combined spend of £183m.

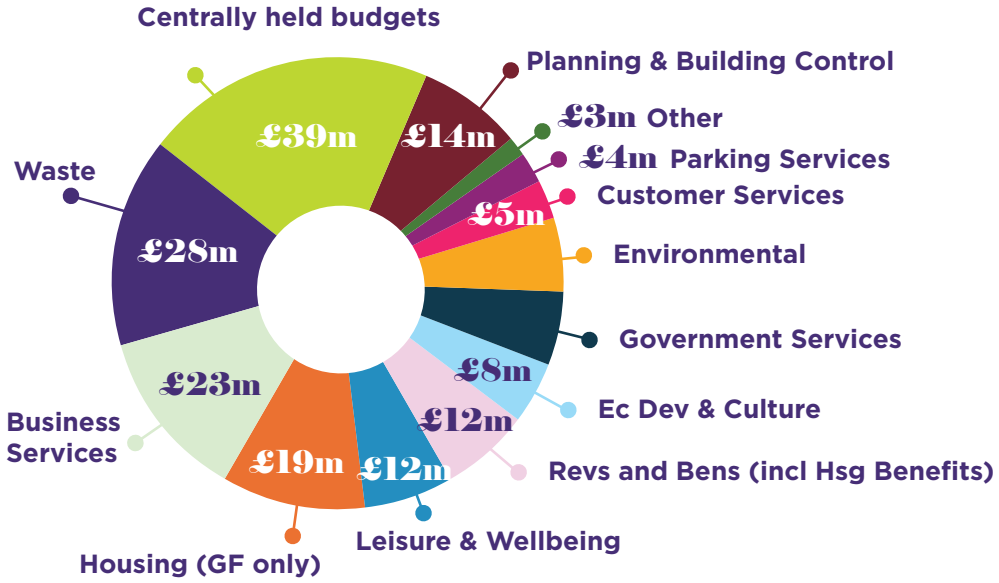


The charts below provide further analysis showing the cost of the services delivered by the county and the districts and boroughs in 2025/26. Through unitarisation, this complete range of services would be provided by a single (or two) unitary council(s).

## 2025/26 County Spending




## 2025/26 District & Borough Spending



## 8.4 Financial Modelling Approach

Each council's existing / updated MTFS for the period 2025/26 to 2028/29 has been used as the basis for developing the financial model.

The MTFS total service expenditure for each authority was analysed into the following cost categories:

- Staff:
  - Senior management
  - Front office
  - Service delivery
  - Support functions
- Premises costs
- ICT Costs
- All other costs

The six MTFS statements have been combined into a single, consolidated MTFS - the 'as-is' model - and this has been extrapolated through to 2032/33 using average inflation rates for each spend and income category. This time period covers five years after creation of the new unitary, allowing adequate time for initial consolidation, followed by longer term transformation and achieving steady state by 2032/33.

## 8.5 Cost/Benefit Analysis Modelling

### 8.5.1 Summary of modelling

The table below summarises the costs and savings forecast from implementing the single unitary and two unitaries models over the period 2025/26 to 2032/33. The main elements of change modelled are:

| | |
|---|---|
| Implementation: | The implementation / transition programme and related costs required to deliver the change and establish a new target operating model for the unitary council(s). |
| Disaggregation: | The costs of dividing and delivering county services across two new unitary councils. |
| Reorganisation: | The savings opportunities immediately available, in the short-term, from combining, rationalising, consolidating and eliminating duplication across the councils. |
| Transformation: | The longer-term opportunities available from increased scale and combining complementary functions to enhance service provision and reduce net costs. |
| Funding & Resources | Concerns about fair distribution and adequate funding, especially for vulnerable groups. |
| Learning & Best Practice | Desire to learn from other councils and build on existing strengths. |

The table below shows the net effect of these costs / savings across the period 2025/26 to 2032/33 and the resultant return (or loss) on investment.

| Implementation programme: Cost / benefit analysis | Cumulative to 2032/33 | |
|---|---|---|
| | One Unitary £m | Two Unitary £m |
| Implementation cost | 68.456 | 68.456 |
| Disaggregation cost | | 338.717 |
| **Total costs** | **68.456** | **459.964** |
| Reorganisation benefit | (47.591) | (43.061) |
| Transformation benefit | (40.508) | (12.665) |
| **Total Savings** | **(88.099)** | **(55.725)** |
| **Cumulative net cost / (benefit)** | **(19.642)** | **404.238** |

*it has not been possible to assess the Brighton & Hove City Council Expansion model for reasons outlined earlier in this section

This demonstrates the single unitary implementation programme generates a positive return on investment of £20m by 2032/33 whereas the two unitaries model forecasts a net programme cost of £404m by 2032/33.

The above calculation only considers the changes in costs / savings resulting from unitarisation and does not consider the underlying revenue budget.

Taking the underlying budget into consideration, compared to the 'as-is' model, the single unitary is forecast to generate cumulative savings of £64m by 2032/33 with £25m annual recurring savings.

In contrast, the two unitaries model is forecast to incur a net cumulative additional cost of £329m by 2032/33 with £59m additional annual recurring costs.

Whilst the single unitary is clearly the preferred model, prior to establishing the new unitary, additional ongoing funding will be required to address the social care funding shortfall to ensure the financial sustainability of the new council.

The above costs and benefits are considered in further detail in the following sections.

## 8.5.2 One-off implementation and transition costs

The one-off cost of implementing the transition programme has been modelled and is summarised in the table below. Implementation costs have been profiled to 2032/33 and do not include pay awards or inflation and are assumed to be funded through PWLB borrowing over 20 years.

| Total Implementation & Transition Costs | One Unitary £m | Two Unitaries £m |
|---|---|---|
| Redundancy & early retirement | 4.666 | 3.595 |
| Implementation & Programme | 30.308 | 45.461 |
| IT Consolidation & transformation | 22.050 | 54.975 |
| Branding & Comms | 1.750 | 1.750 |
| Shadow / continuing authority(ies) | 0.720 | 1.026 |
| Creation of new council(s) | 0.875 | 1.750 |
| Closedown of old councils | 0.694 | 0.694 |
| Elections to shadow / continuing authorities | 1.760 | 2.000 |
| Contingency | 5.634 | 9.995 |
| **Total implementation & Transition** | **68.456** | **121.246** |

*it has not been possible to assess the Brighton & Hove City Council Expansion model for reasons outlined earlier in this section

The implementation programmes are assumed to commence in 2026/27 and conclude in 2032/33 delivering the consolidation, rationalisation and transformation of all legacy district/borough and county services. The modelling for a new single unitary council has been predicated on East Sussex County Council operating as a continuing authority to minimise disruption while a new organisation is being designed and put in place. This model for handling the transition to a new organisation complies with guidance in the 'Anatomy of a structural changes order' circulated by MHCLG on 4 August 2025. The resultant unitary council(s) will deliver modern, digitised, efficient, value for money, best practice services with improved resident outcomes. The forecast implementation and transition costs are described below.

**Redundancy & early retirement:** These costs have been forecast based on the recent historic average cost of county redundancies applied to the staff savings forecast throughout this model. This forecast has been further adjusted to reflect that some staff reductions will be achieved through natural wastage.

**Implementation & programme:** The cost and profile of the potential additional resources required to deliver the required consolidation and transformation programme have been forecast. The model assumes that initial design stages of the programme would be mobilised from April 2026. Programme resourcing peaks during 2028/29 and ends in 2032/33.

**IT consolidation & transformation:** This forecast reflects the cost of consolidating and rationalising multiple, duplicate ICT systems and infrastructure and also the technology costs of supporting the broader transformation programme to streamline and optimise services.

**Branding & communications:** This provision has been included for the anticipated branding and resident communications work required to launch the new unitary council(s).

**Shadow / continuing authority(ies):** This forecast assumes that during 2027/28, each shadow / continuing authority will employ a Chief Executive, two senior officers and a Leader, Deputy Leader and three Cabinet Members.

**Creation of new council(s):** This forecast is an allowance to cover potential legal costs and design of governance arrangements, including the constitution, for the new council(s).

**Closedown of old councils:** This forecast is an allowance to cover closedown of the legacy councils, including final accounts, external audit and legal costs.

**Elections to shadow / continuing authorities:** This forecast is for the potential one-off cost of elections to the shadow / continuing authority(ies). Ongoing unitary council election costs are included elsewhere in the model.

**Contingency:** A contingency, estimated at 10% of total implementation and transition costs, has been included to fund potential unknown costs and to reflect the inherent risk in delivering a programme of this nature and scale.

### 8.5.3 Disaggregation costs

The two unitaries model includes estimated cost increases incurred through the division and duplication of county functions and consequent loss of economies of scale.

As county council annual spend is c£1bn, a relatively small percentage cost increase, through duplication and diseconomies of scale, generates a significant financial impact.

Some disaggregation costs could potentially be reduced through establishing and / or extending shared services. However, the modelling reflects a prudent approach, recognising that decisions regarding shared services would be for the new unitary(ies) and therefore assumes that sovereignty will prevail, with each new unitary maintaining separate functions.

Disaggregation costs have been forecast and profiled as shown in the table below and are described in the following section. The forecast £68m 2032/33 annual disaggregation cost shown below is an additional recurring annual cost.

| Disaggregation costs for two unitaries | 2032/33 In-year & recurring £m | Cumulative to 2032/33 £m |
|---|---|---|
| Senior management | 11.748 | 57.962 |
| Members | 0.318 | 1.499 |
| **Staffing (Excluding tiers 1-4):** | | |
| Front office | 0.124 | 0.612 |
| Service delivery | 6.440 | 31.773 |
| Support functions | 0.701 | 3.459 |
| ICT dissagregation | 21.263 | 111.628 |
| Other non-staffing | 27.315 | 131.785 |
| **Total Disaggregation Costs** | **67.908** | **338.717** |

**Senior Management:** These are the costs of enhancing and duplicating the top of existing county management structures across two unitaries to ensure adequate management structures. There is a corresponding saving arising from substantially reducing the existing management structures. However, this is shown separately as senior management staffing saving within the reorganisation savings (detailed below).

**Elected Members:** This reflects the additional cost of Special Responsibility Allowances incurred by maintaining two sets of Members across the two unitaries. There is a corresponding saving arising from an overall net reduction in Members from consolidating the six councils into two unitaries. However, this is shown separately as the Members saving within the reorganisation savings (detailed below).

**Staffing (excluding senior management):** The model assumes that by disaggregating staff (below senior management) across two unitaries, this will result in the need to duplicate some activities / posts and this will result in increased staff costs. For front office, service delivery and support staff, this increase has been estimated in the range of 2% to 4%, with a mid-point of 3% included in the table above.

**ICT Disaggregation:** This forecast assumes existing county council ICT costs would be duplicated and bolstered to achieve self-sufficiency for each unitary after exiting the current Orbis arrangement.

**Other non-staffing:** This forecast assumes there will be inefficiencies, duplication and diseconomies of scale by splitting existing county non-staff spend across two unitaries. This cost has been estimated in the range of 2% to 4%, with a mid-point of 3% included in the table above.

## 8.5.4 Reorganisation benefits / savings

Combining the six separate authorities into a single unitary or two unitaries will require initial reorganisation and consolidation activity and the potential savings have been forecast and profiled. The cumulative savings to 2032/33 are summarised in the following table and described in further detail below. The table also details the 2032/33 in-year recurring savings to demonstrate the permanent annual ongoing benefit.

| Reorganisation savings / benefits | 2032/33 In-year & recurring | | Cumulative to 2032/33 | |
|---|---|---|---|---|
| | One Unitary £m | Two Unitaries £m | One Unitary £m | Two Unitaries £m |
| Staffing - tiers 1-4 | (9.675) | (9.675) | (30.849) | (30.849) |
| Members | (1.341) | (1.341) | (6.324) | (6.324) |
| Elections | (0.358) | (0.225) | (1.687) | (1.125) |
| **Staffing (excluding senior management)** | | | | |
| Front office | (0.260) | (0.193) | (0.998) | (0.742) |
| Service delivery | (0.528) | (0.394) | (2.176) | (1.625) |
| Support functions | (1.002) | (0.285) | (3.675) | (1.174) |
| Non-staffing | (0.489) | (0.318) | (1.881) | (1.223) |
| **Total reorganisation savings / (benefits)** | (13.652) | (12.430) | (47.591) | (43.061) |

*it has not been possible to assess the Brighton & Hove City Council Expansion model for reasons outlined earlier in this section

**Senior Management:** This is the net saving achieved from reducing existing management structures, less costs of the additional management and enhanced salaries to ensure there is adequate management resourcing in the new unitary council(s).

**Members:** This savings reflects the net effect of establishing the appropriate number of Councillors with a county-wide interest in the new unitary(ies), whilst reducing overall numbers.

**Elections:** This saving is the forecast net effect of undertaking county-wide unitary Councillor elections whilst removing legacy district and borough Councillor elections.

**Staffing:** Savings have been forecast for each category of staff (front office / service delivery / support functions) to reflect the immediate efficiencies available from consolidating staff across the districts / boroughs and county.

**Non-staffing:** Savings have also been forecast for non-staff costs to reflect the immediate efficiencies available from consolidating costs..

Cumulative reorganisation savings for the one unitary model total £48m by 2032/33 with an annual recurring saving of £14m. Cumulative savings for the two unitaries model are lower at £43m, with an annual recurring saving of £12m.

## 8.5.5 Transformation benefits / savings

Using unitarisation as a catalyst for service improvement, savings opportunities are available in the medium to long-term from exploiting the synergies of combining district/borough and county functions. These savings assume fundamental and radical service redesign, including the consistent adoption of best practice and integrating services to realise benefits from increased digitisation, automation and early intervention and prevention.

These transformation savings / benefits have been forecast and the cumulative figures to 2032/33 are summarised in the table below and described in the following section. The table below also details the 2032/33 in-year recurring savings to demonstrate the permanent annual ongoing benefit of these savings.

| Transformation savings / benefits | 2032/33 In-year & recurring | | Cumulative to 2032/33 | |
|---|---|---|---|---|
| | One Unitary £m | Two Unitaries £m | One Unitary £m | Two Unitaries £m |
| Staffing (excluding senior management) | | | | |
| Front office | (0.771) | (0.464) | (2.528) | (1.522) |
| Service delivery | (1.127) | (0.620) | (3.631) | (1.997) |
| Support functions | (3.033) | (0.751) | (8.327) | (2.420) |
| Non-staffing | (7.123) | (0.831) | (17.280) | (2.100) |
| IT rationalisation | (1.892) | (0.946) | (5.494) | (2.747) |
| Property - office estate | (0.549) | (0.274) | (1.083) | (0.542) |
| Income - influenceable | (0.578) | (0.357) | (2.165) | (1.337) |
| **Total transformation savings / (benefits)** | (15.073) | (4.243) | (40.508) | (12.665) |

*it has not been possible to assess the Brighton & Hove City Council Expansion model for reasons outlined earlier in this section

**Staffing (excluding senior management):** Savings have been forecast for each category of staff (front office / service delivery / support functions) to reflect the potential transformational efficiency savings available from further rationalising staff across the districts / boroughs and county as services are redesigned to maximise the opportunities and benefits of unitarisation.

**Non-staffing:** Savings have also been forecast for non-staff costs to reflect the longer-term transformational efficiency opportunities available from rationalising costs across the districts / boroughs and county as services are redesigned to maximise the opportunities and benefits of unitarisation.

**IT Rationalisation:** This forecasts the potential saving achievable from rationalising and combining legacy district and borough ICT non-staff costs into a consolidated unitary ICT function(s).

**Property – office estate:** This forecast saving is not location specific but reflects the potential reduction in legacy district and borough accommodation costs as staff and functions are rationalised onto a reduced accommodation footprint.

**Influenceable income:** Potential income increases from non-statutory fees and charges have been forecast to reflect the potential opportunity for standardising fees across the districts and boroughs.

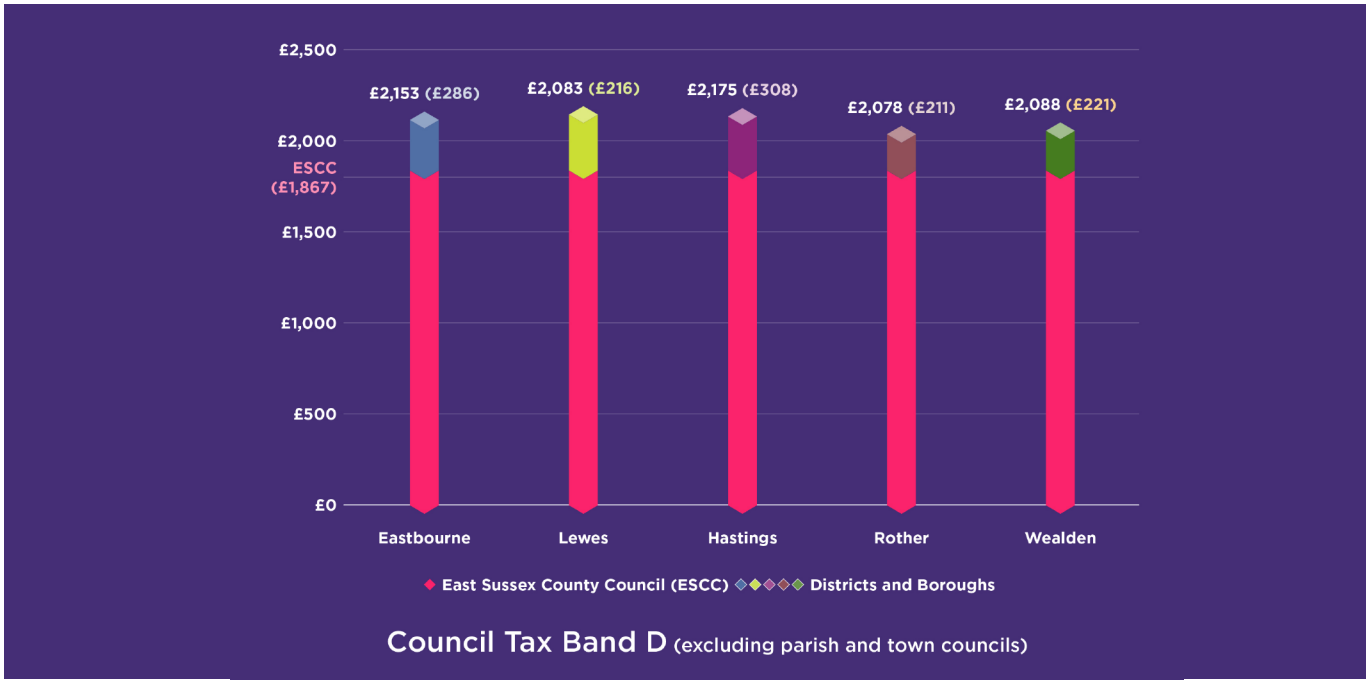
## 8.5.6 Other modelling considerations

## Council Tax Harmonisation

Council tax charges across the five districts and boroughs vary, although the County Council element is constant. The existing council tax band D charges must be harmonised to a single rate within seven years of establishing the new unitary council(s).

Decisions regarding timescales for harmonisation and future council tax charges will be a matter for the new unitary council and have not been considered in detail, but it is expected that, to maintain and maximise council tax yield, and ensure the most equitable approach for residents across the new unitary council(s), council tax harmonisation would be completed within a reasonable period.

The chart below shows the current variation in band D charges across the five districts and boroughs.



The model assumes that maximum council tax increases, within the referendum limit, will be applied annually and in the first year of unitarisation, the 5% referendum threshold will be applied to the whole local authority element of the council tax.

The council tax support schemes will also require standardisation across the new unitary council(s) and this will also be a matter for the new unitary council(s) to decide.

## Consultations: Fair Funding Review / Business Rates Reset / Council Tax administration

The government launched the Fair Funding Review 2.0 consultation in June 2025. Any potential impact of the review is yet to be confirmed and, consequently, has not been reflected in the model. The modelling undertaken does not incorporate forecasting for the impact of future government policy changes, population growth and demographic changes or potential future increasing resident demand from, for example, adult's and children's social care, home to school transport, homelessness, temporary accommodation.

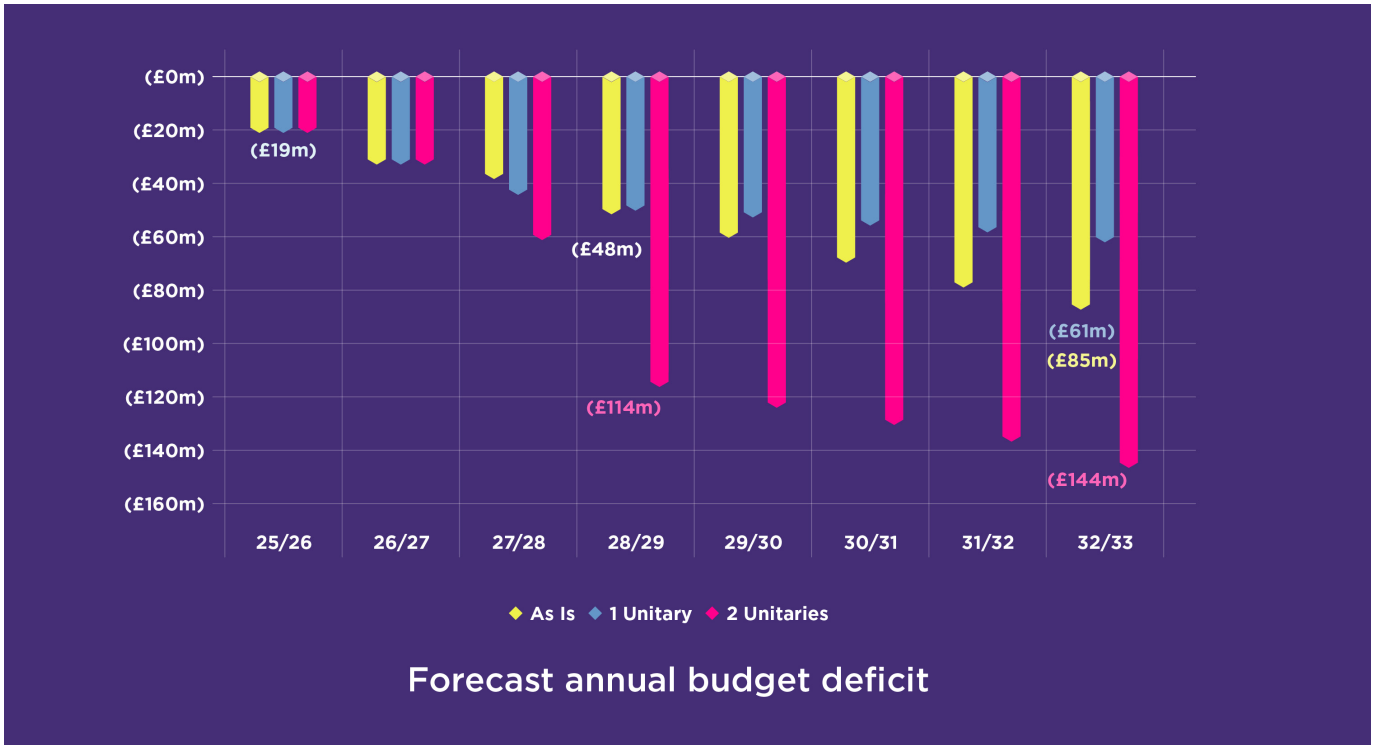
## 8.6 Modelling the MTFS and forecast annual budget

The above analysis focusses on the potential costs and savings generated from implementing unitarisation but does not specifically consider the underlying MTFS position.

The modelling undertaken also forecasts the potential impact on the MTFS and projects the combined reserves of the councils. This modelling is summarised below.

The cost / savings adjustments described above have been applied to the 'as-is' combined MTFS to forecast the projected MTFS position for the new unitary council(s).

The forecast annual budget deficits from the three MTFS statements for the 'as-is', one unitary and two unitary options are summarised in the chart below.




Forecast annual budget deficit

The ‘as-is’ MTFS includes a £19m annual budget deficit in 2025/26 (funded from reserves). This is forecast to increase to £48m in 2028/29 and £85m in 2032/33.

The one unitary model also forecasts an increasing annual budget deficit, but due to the net savings achieved from unitarisation, the annual budget deficit increases at a lesser rate following unitarisation, with a forecast £61m budget deficit in 2032/33, reflecting an ongoing recurring saving of £24m compared to the ‘as-is’ model and cumulative saving of £64m by 2032/33.

The two unitaries model forecasts an increasing annual budget deficit due to the additional disaggregation costs that are greater than the realisable savings. This results in an annual ongoing budget deficit in 2032/33 of £144m. This further demonstrates that the two unitaries model is not financially viable.

## 8.7 Impact of Social Care Costs

The ‘as-is’ model forecasts a £49m combined annual deficit for the six councils in 2028/29 and is comprised of £38m county council deficit and £11m district and borough council deficit.

The county council deficit of £38m is wholly attributable to the underfunding of social care costs and unitarisation does not address this nor introduce the additional funding required to ensure the ongoing financial sustainability of social care.

Extrapolating further, the forecast ‘as-is’ 2032/33 £85m annual budget deficit comprises £77m county council deficit attributable to social care underfunding, and £8m deficit relating to districts and borough councils.

In order to achieve future financial sustainability, it is imperative this historic social care funding shortfall is addressed through additional ongoing funding, otherwise the county council will require exceptional financial support within the next two years.

## 8.8 Summary and Conclusions

### 8.8.1 ‘One East Sussex’ Single Unitary for East Sussex option

The single unitary model provides the greatest value for money, maximising efficiency opportunities, standardisation and minimising the costs of transition and disaggregation. This option improves existing county council economies of scale and reduces net costs compared to the ‘as-is’ model.

However, without additional funding to address the existing social care budget shortfall, the single unitary model is not a financially sustainable option. Additional ongoing funding is required to achieve financial resilience and viability.

Depending on the outcomes of the fair funding review and the dedicated schools grant statutory override, the forecast position could be accelerated and exacerbated and require earlier additional funding to ensure ongoing financial sustainability prior to the creation of the new unitary.

### 8.8.2 Two Unitaries for East Sussex option

The two unitaries model is not financially viable due to the disaggregation costs far outweighing any savings. The two unitaries model also fails to payback implementation costs.

Specific boundaries have not been considered for the two unitaries model, as with existing district and borough boundaries (as preferred by MHCLG) there is no

equitable way to divide the population of East Sussex in equal populations across two unitaries other than, at best, a 33% / 67% split.

The two unitaries model significantly reduces savings, introduces substantial disaggregation and duplication costs and an increased transition and implementation cost.

The two unitaries option is financially unviable as disaggregation costs significantly outweigh any savings and increases the annual budget deficit rapidly, resulting in new unitary councils that would exhaust all reserves in their first year of existence, with an exponentially increasing structural budget deficit.

### 8.8.3 Expanded Brighton & Hove City Council option

The proposal to expand the existing footprint of Brighton & Hove City Council is not a viable option.

Additional disaggregation costs (above the cost of the single unitary model) would be incurred as, in addition to transferring a small proportion of legacy county and district / borough staff to the expanded Brighton & Hove City Council, it would also be necessary to increase some Brighton & Hove City Council staff grades to reflect increased responsibilities and new areas / locations.

There would also be diseconomies of scale across non-staff spend as legacy contracts for supplies and services would be novated and /or terminated and relet.

The implementation effort / cost required to achieve this transfer would be significant and wholly disproportionate with no recognisable benefits for residents.

In addition to the cost of implementation, this would be hugely disruptive for all councils involved and unnecessarily further drain essential scarce capacity during the broader, more significant and beneficial, implementation programme to deliver the preferred one unitary East Sussex model.

# 9 Implementation Plan

## 9.1 Overview

Delivering LGR in East Sussex will require a carefully phased, collaborative, co-designed implementation programme. Over the long term, the aim is to create a new organisation that invests more in prevention, early intervention and universal services; better harnesses digital and technological innovation to improve how services are delivered and accessed; leverages its asset base and purchasing power to secure both better value for money and more influence over the market; and can be resilient in the face of the climate emergency and future shocks  But that cannot happen overnight. Of paramount importance is the need to ensure that the new unitary authority is safe, legal, and operational from vesting day while respecting that the democratic mandate for future transformation will come after the new unitary has started electing its own councillors.

Moreover, the new organisation will be built while a new Sussex MSA is also being designed. As there will be a number of overlapping functions (e.g. housing and planning, economy and skills, and transport), there will be a need to consider how the strategic and constituent authorities can play distinct but complementary roles as their respective operating models are being developed. This parallel process has no blueprint or precedent. When earlier combined authorities were being designed, their constituent councils were generally in steady state and their officers able to play a significant role, even if their own capacity was overstretched. In future, constituent authorities will be designing themselves while collaborating on the design of their MSA while facing workforce reductions and turnover. Given a financial context that has already squeezed the corporate functions that would normally lead on organisational design to prioritise frontline services, the challenge of resourcing both unitary and MSA design without additional government support should not be underestimated.

This will require a significant change programme that ensures financial sustainability and continuation of services as well as looking to the future and ensuring together we can improve outcomes for residents.

This section outlines the proposed implementation approach, including governance, programme structure, key phases and critical dependencies. It reflects lessons from other LGR areas and is informed by the unique geography, demography, and service landscape of East Sussex.

### 9.1.1 Implementation objectives

- Ensure continuity of statutory services from day one.
- Minimise disruption to residents, staff, and partners and provide smooth transitions where there may be changes to how services are delivered
- Establish a single, coherent governance and operating model.
- Harmonise systems, policies, and processes across legacy councils.
- Deliver early wins and build momentum for transformation
- Embed local voice and accountability in the new structure
- Support staff through change with clear communication and engagement.
- Align with the emerging Sussex & Brighton MSA.

## 9.1.2 Longer-term transformation objectives

Increased investment in universal services that enhance community cohesion, civic pride and improve the public realm

- Reduced spending on acute services by investing more in prevention and early intervention to secure better resident outcomes
- Application of digital and technological innovation to enable the development and delivery of services that better reflect the way residents live their lives and the way businesses operate
- To generate more economic prosperity by presenting an even more united voice and reduce any barriers to growth from real or perceived fragmentation or friction

## 9.1.3 Indicative Implementation timeline

| Phase | Timeline | Focus |
|---|---|---|
| 1. Statutory consultation on reorganisation proposals | Q4 2025 – Q1 2026 (Government guidance indicates consultation will run from November 2025 to January 2026) | Communications and resident engagement |
| 2. Mobilisation and design planning | Q4 2025 – Q1 2026 | Programme governance, early engagement, risk mitigation, and transition planning. |
| 3. Transition | Q2 2026 – Vesting Day (April 2028) | TUPE and workforce planning, service continuity, ICT and systems integration, finance and HR harmonisation, branding, and communications. |
| 4. Future proofing | Vesting Day – 2029 | Strategic redesign of services, digital transformation, estate rationalisation, and delivery of long-term benefits. |

## 9.1.4 Programme Governance

Implementation  will be delivered through a robust programme delivery approach with an appropriate level of oversight and governance. This means establishing a clear and well understood decision-making framework supported by a risk register, and benefits realisation plan. Trade Unions and partners will also be engaged with as part of activity.

## 9.1.5 Key Workstreams

| Workstream | Purpose |
|---|---|
| Democracy, Legal & Governance | Structural Change Orders, constitution drafting, electoral planning, and governance design. This would also include the induction of members. |
| Finance | Budget setting, council tax harmonisation, reserves strategy. |
| People & Culture | TUPE planning, pay and grading review, organisational design, staff onboarding and engagement. |
| IT & Digital | Systems mapping, data migration, cyber security, and digital service design. |
| Assets, Estates & Commercial | Property rationalisation, asset transfer protocols, facilities management and procurement alignment. |
| Communications and engagement | Branding, resident communications and public engagement. |
| Service Continuity & customer service | Mapping critical services, identifying risks, and ensuring safe delivery on vesting day. |
| Partnerships | Maintaining and developing partnerships within East Sussex and across the region |
| Locality Working | Community networks, town and parish councils and community engagement. |

## 9.1.6 Implementation and Transition Costs

Initial modelling suggests that implementation and transition costs will be £68m, depending on the pace of integration and the extent of transformation. These costs will cover programme management, ICT investment, legal and HR support, transitional staffing and other factors set out in the table in paragraph 8.5.2.

A detailed financial plan will be developed in partnership with MHCLG, with a request for transitional funding to avoid drawing down on local reserves.

## 9.1.7 Risks and Mitigations

| Risk | Mitigation |
|---|---|
| Service disruption | Early continuity planning and dual running where necessary |
| Staff retention | Clear communication, early appointments, and retention incentives |
| Cultural misalignment | Joint values framework and organisational development |
| ICT failure | Phased integration and robust testing |
| Reputational risk | Transparent engagement with residents and partners |

## 9.1.8 Detailed Timeline and Milestones

| Date | Milestone | Description |
|---|---|---|
| November 2025 | Launch of statutory consultation on LGR proposal(s) | The Secretary of State is required to consult any council affected that has not submitted the proposal, as well as any other persons considered appropriate, before a proposal can be implemented. |
| Autumn 2025 | Government Order to postpone county and Hastings borough elections (TBC) | Postponement is being requested by the relevant councils. |
| January 2026 | Close of statutory consultation | Government guidance has not committed to a specific date. |
| March 2026 | Government decision on which proposal to be implemented | Based on current Government timeline, subject to Parliamentary approval. |
| May 2026 | Mayoral Election | Hold Mayoral elections for the new MCCA. |
| May 2026 | Legal Orders Drafted | Begin drafting Structural Change Order (SCO) in consultation with MHCLG. |
| June 2026 | Programme Mobilisation | Establish Programme Board and confirm governance structure. |
| June 2026 | Programme Plan Finalised | Publish detailed implementation roadmap and risk register. |
| August 2026 | Staff Engagement Launch | Begin formal staff engagement, information and TUPE planning. |
| August 2026 | Baseline Data Consolidation | Complete mapping of services, contracts, assets, and workforce. |
| September 2026 | ICT Systems Audit | Complete audit of digital infrastructure and begin integration planning. |

| | | |
|---|---|---|
| October 2026 | Draft Constitution | Begin drafting new constitution and governance framework. |
| November 2026 | Council Tax Harmonisation Modelling | Finalise modelling scenarios and begin public communications. |
| March 2027 | Structural change order made and Implementation Teams appointed | These must be set up no later than 21 days after the structural change order comes into force |
| June 2027 | TUPE Consultation Begins | Begin formal consultation with staff and unions. |
| December 2027 | Service Continuity Plans Signed Off | All critical services have continuity plans in place. |
| May 2027 | Elections | Hold elections |
| January 2028 | Branding and Communications Rollout | Launch new branding, website, and resident communications. |
| February 2028 | Budget Approved | Approve first unified budget for the new authority. |
| March 2028 | Final Testing and Readiness Review | Conduct final readiness checks across all workstreams. |
| April 2028 | Vesting Day | New unitary authority becomes operational. |

# 10 Conclusion

## 10.1 Proposed Partnership with Government

To ensure the successful implementation and long-term sustainability of the proposed single unitary model, we can only achieve the improved outcomes and financial efficiencies if government are able to provide:

- **Support to address the structural deficit,** including immediate real term increases in the overall funding which are not disproportionately reliant on Council Tax increases and reflect unavoidable additional costs resulting from national factors beyond local control, including changes in the National Living Wage and employer National Insurance Contributions· funding that accurately reflects levels of need, the cost of delivering national reforms and allows investment in prevention; and targeted funding for deprivation and feasible delivery timescales, including the allocated Levelling Up Partnerships, Plan for Neighbourhoods and Future Towns Funds in the immediate term.
- **Transitional funding** to support implementation costs, including programme management, ICT investment, and workforce transition, as set out in section 9.1.6
- **Confirmation that the transition to a new unitary council will be undertaken by East Sussex County Council operating as a a Continuing Authority** until a new organisation has been put in place, consistent with Government guidance.
- **Speed of decision making.** We want and need to do the work at pace and it is in the interests of our residents that we do so, but it will need a matching commitment from the Government to operate at pace, make decisions and provide timely feedback;
- **Effective and joined up discussions with government departments as well as MHCLG.** Streamlined and joined-up access to the right people especially so there is consistency with advice being given to other authorities on the DPP.
- **Temporary protection from any negative impacts of the Government's proposed funding reforms.** Our ability to manage negative financial adjustments which flow from any new distribution methodology will be severely limited. We would also welcome early discussions on the amount of the grant funding each council would receive on day one to assist with early financial planning.
- **Clarity on the future of health system reforms** and how they will align with the new governance structure.
- **Support for community governance reviews.**
- **Flexibility on council tax harmonisation,** allowing the new authority to manage the transition equitably and sustainably.
- **Early engagement on devolution opportunities,** including the role of East Sussex within the emerging Sussex & Brighton MSA.

## 10.2 Conclusion

This business case presents a compelling, evidence-based proposal for LGR in East Sussex. It reflects a shared vision across all six councils and is rooted in the principles of financial sustainability, service integration, and community empowerment.

The preferred 'One East Sussex' model of a single unitary authority for East Sussex offers the strongest platform for transformation, based on the existing district and borough Council boundaries. It enables whole-system thinking and delivery, allowing for the integration of services such as housing, social care, education, and public health. This will lead to improved outcomes for residents, particularly in areas of high need, by reducing duplication, enabling earlier intervention, and supporting more strategic commissioning.

While the financial modelling highlights a long-term structural deficit, it also shows that, when social care is excluded from consideration, the case for a single unitary becomes more compelling. The model delivers a positive return on investment, aligns with national policy, and positions East Sussex to play a leading role in regional growth and devolution.

We recognise that reorganisation alone is not a single solution to East Sussex's financial position. Sustained financial sustainability will require fairer funding allocations, transitional support, and continued innovation. However, this proposal provides a clear and credible path forward that is deliverable, locally supported, and designed to meet the needs of East Sussex's communities now and in the future.

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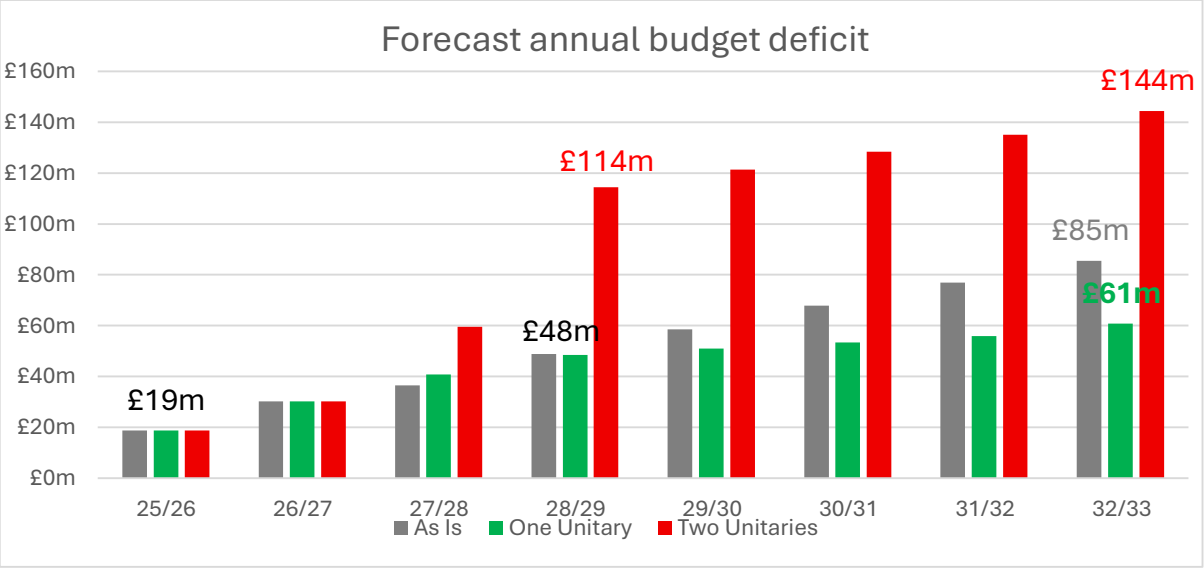
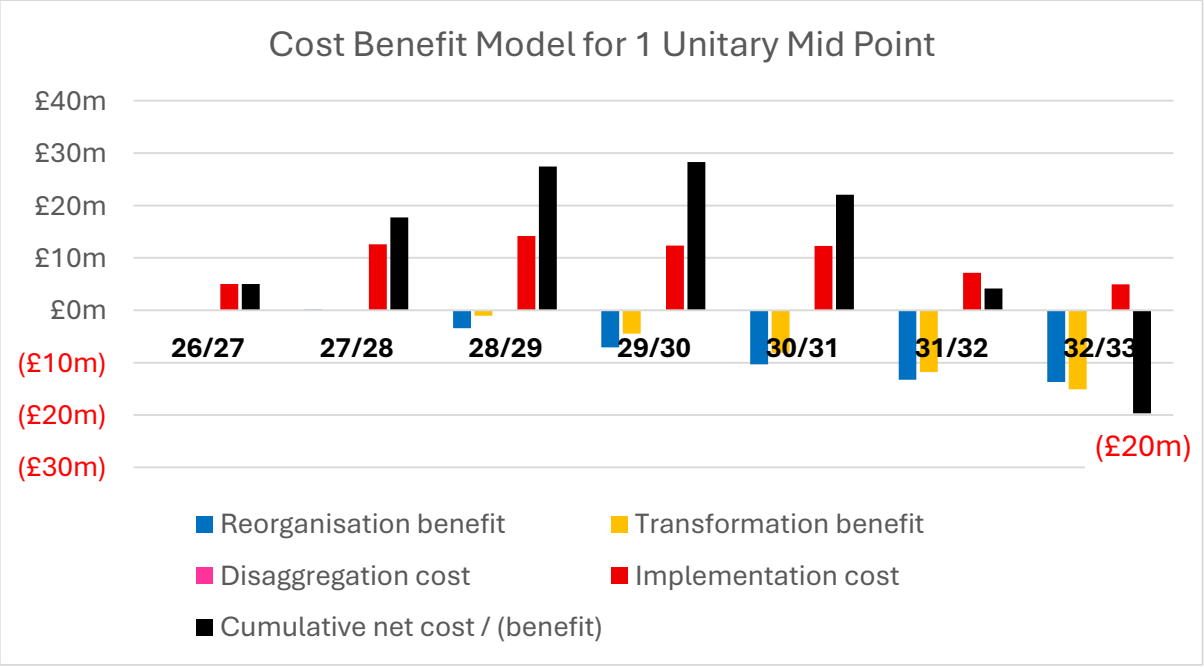
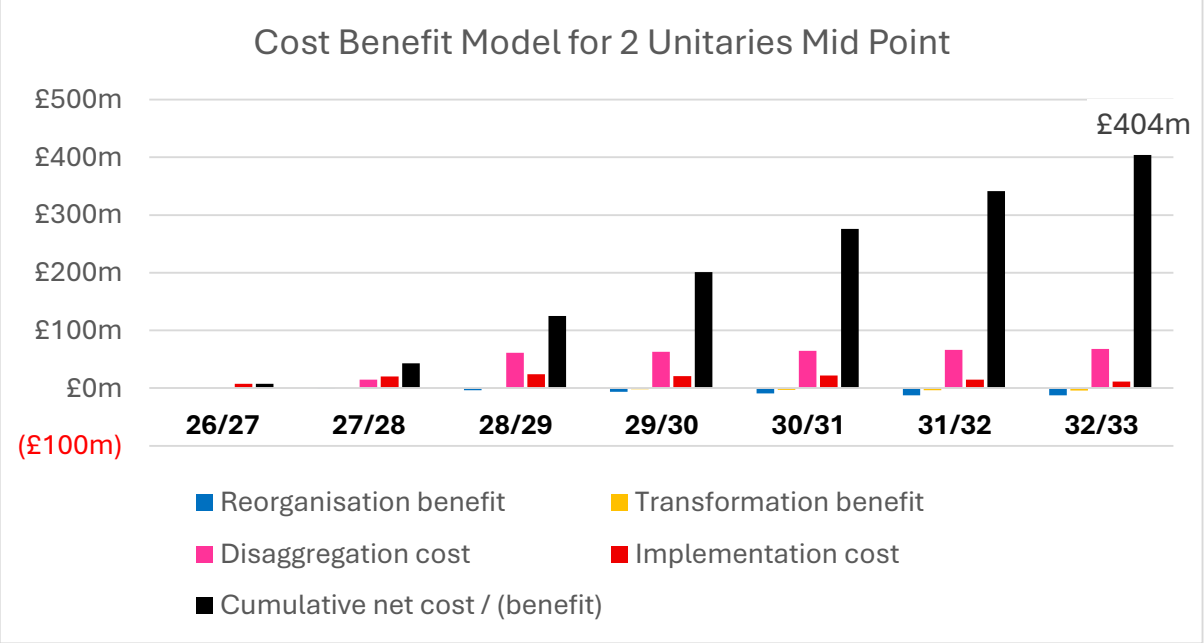
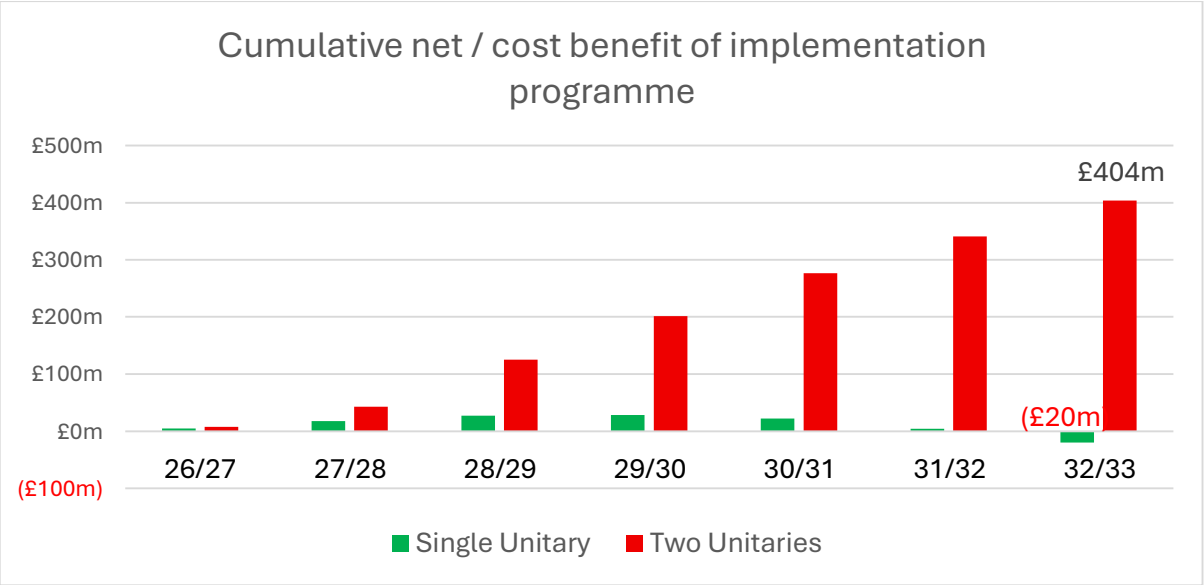
# 1 Options considered

## 1.1 Financial modelling for a single unitary and two unitaries across East Sussex






## 1.2 Brighton & Hove City Council expansion; information received

This section sets out information received related to Brighton & Hove City Council's proposal for an expansion of their boundary.

Brighton & Hove City Council Option Maps - Based on ONS and OS Open Data (Annex 1)

## 1.3 Understanding of Hastings Options

Local Partnerships produced analysis on options for consideration by Hastings Borough Council.

# 2 Government Criteria

## 2.1 Detailed breakdown of six statutory criteria

The Government set out criteria for unitary local government in an annex to the letter of invitation that was sent to the Leaders of councils across East Sussex and Brighton & Hove City Council on 5 February 2025.

## 2.2 Feedback on interim plan

On 7 May 2025, the Government wrote to the chief executives of East Sussex County Council, Eastbourne Borough Council, Hastings Borough Council, Lewes District Council, Rother District Council, Wealden District Council, and Brighton & Hove City Council to provide feedback on the interim plans submitted.

## 2.3 Summary of feedback to all 21 areas invited to submit proposals for LGR

On 3 June 2025, the Government published a summary of the feedback provided to the 21 areas in England invited to submit proposals for Local Government Reorganisation on their interim plans.

# 3 Context

## 3.1 Key statistics and sources (demographic insights pack): population, health, housing, economy, infrastructure

An independent review of key demographic, economic and other data related to the six councils that collaborated on this business case is set out in the East Sussex Insights pack. (Annex 2)

## 3.2 English Devolution White Paper

On 16 December 2024, the Government published the English Devolution White Paper which set out its intention to facilitate a programme of local government reorganisation for two-tier areas (section 4.2.3).

## 3.3 Invitation to submit proposals for reorganisation

On 6 February 2025, the Minister of State for Local Government and English Devolution wrote to "the Leaders of two-tier councils and unitary council in East Sussex" inviting them

to submit proposals for local government reorganisation and setting out the criteria against which proposals would be assessed.

### 3.4 Interim plan

On 21 March 2025, the county, district and borough councils of East Sussex jointly submitted an Interim Plan for working towards a single unitary based on existing county boundaries.

### 3.5 East Sussex Prosperity Strategy

In September 2024, the County Council and Team East Sussex, the county's business-led strategic advisory economic growth board, published this Strategy setting out an economic review of the area and a blueprint how councils and other partners East Sussex can secure better opportunities and living standards for the people who live in the county, and can help businesses to thrive and grow.

### 3.6 East Sussex in Figures

This briefing sets out key data about the economic performance of East Sussex.

### 3.7 East Sussex Housing Partnership Draft Strategy

From 1 June to 22 August 2025, the East Sussex Housing Partnership consulted on a draft Strategy aimed at improving housing in East Sussex and support the five local housing authorities' individual strategies, as well as guide future service planning and opportunities to secure additional funding. An updated Strategy will be presented to the District and Borough council cabinets over autumn and winter 2025.

### 3.8 State of the County

The State of the County report sets out the policy and financial context within which the County Council is working.

## 4 Engagement and Partnerships

### 4.1 Initial resident survey and stakeholder survey commissioned by all councils, including Lewes DC consultation on B&H extending the authority boundaries

This East Sussex LGR engagement activity slide pack (Annex 3) provides a summary of key consultation and engagement activity related to the three options covered in the business case.

## 4.2 Correspondence from Town and Parish Councils

Parish and town council representations about the Brighton & Hove City Council expansion option are set out below.

Telscombe Town Council (Annex 4)

Kingston Parish Council (Annex 5)

Rodmell Parish Council (Annex 6)

Peacehaven Town Council (Annex 7)

Newhaven Town Council (Annex 8)

Iford Parish Meeting (Annex 9)

Parishes of the Lower Ouse (POLO) (Annex 10)

Piddinghoe Parish Council (received by email – link to their response here)

## 4.3 Brighton & Hove City Council Consultation on expanding the city

Brighton & Hove City Council consulted on options to expand its city boundaries between 25 July and 25 August 2025. These options are relevant to this business case as they involved merging with local government wards to the east of the city (Lewes).

## 4.4 Focus group insights report

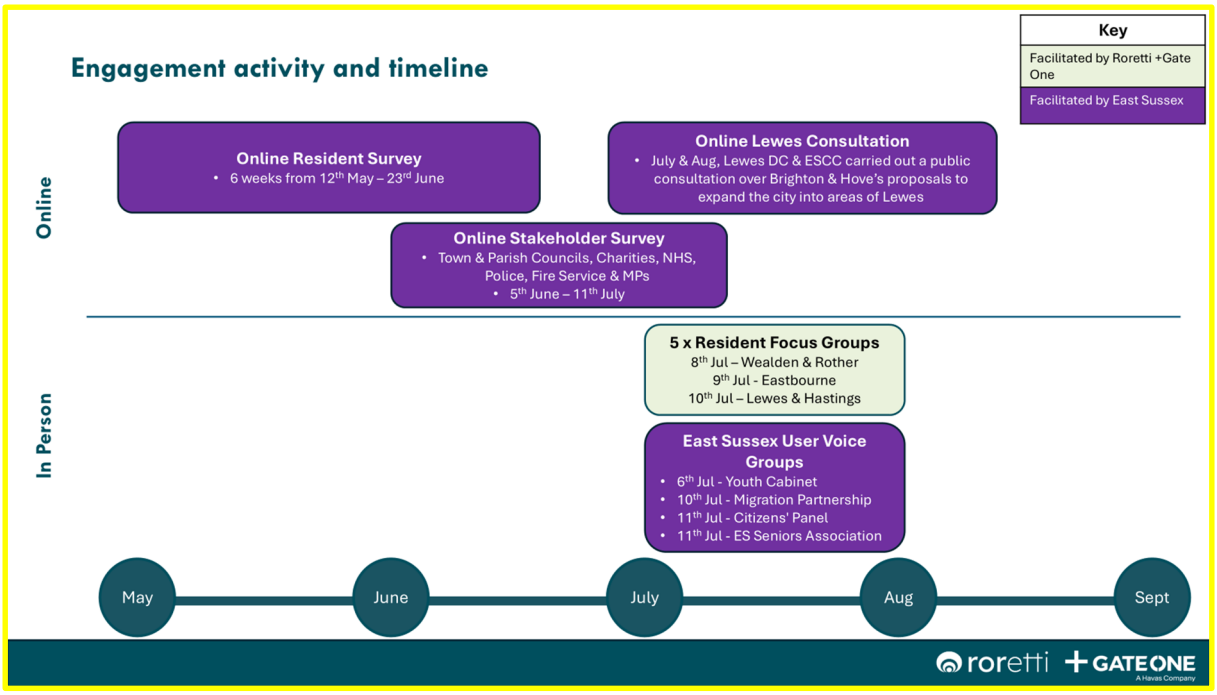
A summary of feedback from focus groups conducted by consultancy Roretti, partnered with Gate One is set out in this section. (Annex 11)

## 4.5 User Voice group insights report

A summary of feedback from focus groups involving four service user voice groups conducted in July 2025 is set out in this section. (Annex 12)

## 4.6 Engagement timeline and activities

A timeline and snapshot of key engagement activities is set out in this section.




# 5 Financial Modelling

More detailed information on the data and assumptions used for financial modelling of the options considered in this business case are set out in this section.

## 5.1 Financial Modelling Assumptions & Variants

**Unitary Transition Assumptions – Detailed Summary**

Each of the constituent councils has provided draft Medium-Term Financial Strategy (MTFS) figures covering the period from 2025/26 to 2028/29. These figures have been extrapolated to 2032/33 to support long-term financial modelling and scenario planning for the proposed unitary transition. The extrapolation assumes consistent trends in expenditure and income, adjusted for inflation and anticipated structural changes. These inputs form the baseline for assessing the financial sustainability and potential efficiencies of both the single and dual unitary models.

| Category | Assumption | Explanation | Base Model | Stretch Model | Inflation |
|---|---|---|---|---|---|
| **Elections** | Members doubled to 100 | More councillors means higher election costs | +20% cost | No increase due to efficiencies | 3% annually |
| | First election in 2027/28 | New unitary council starts elections in | Included | Included | — |

| | | | | | |
|---|---|---|---|---|---|
| | | 2027/28, then every 4 years | | | |
| | Two Unitary Model cost | Two councils cost more, but fewer wards reduce cost | Doubled then reduced to 75% | Reduced to 50% | 3% annually |
| | PCC, Parliamentary, By-elections | These elections costs stay the same | No change | No change | — |
| | Election | One-off cost for setup election | Included as implementation cost | Spread over 4 years | — |
| **Councillors / Members Allowances** | Members increase from 50 to 100 for a single unitary option (2 councillors per divisions) | More councillors need more budget | — | — | — |
| | Member allowances budget | Budget increases for more roles and responsibilities | +80% | +70% | — |
| | D&B allowances | District & Borough budgets removed | 100% saving | 100% saving | — |
| | Two Unitary Model SRAs | Special roles cost more in two councils | +£154k | +£154k | 3% annually |
| **Property Savings** | County estate retained | County buildings stay in use | No savings | No savings | — |
| | D&B estate consolidation | Fewer buildings needed after merging | Savings applied to total estate | Based on Rother figures | — |
| | Disposal/mothballing costs | Not included in model | Not included | Not included | — |
| **Top Tier Staffing** | CEX, COO, Deputy CEX salaries | Adjusted for size of new council | +10% | — | 3% annually |

| | | | | | |
|---|---|---|---|---|---|
| | Two unitary model salaries | Smaller scale means slightly lower pay | -10% | — | 3% annually |
| | Executive Directors (5 incl. Housing) for single unitary | New structure includes 5 directors | Adjusted salary | Adjusted salary | 3% annually |
| | Heads of Service for D&B functions | New roles to cover district functions | 3 @ £120k | 3 @ £100k | 3% annually |
| | Support Service Heads uplift for single unitary | Pay increase for broader responsibilities | 15 @ £15k | — | 3% annually |
| | Assistant Directors uplift for single unitary | Pay increase for broader responsibilities | 15 @ £15k | — | 3% annually |
| | D&B top-tier role reduction for single unitary | Reducing duplicate senior roles | 60% reduction | 100% reduction | — |
| | Single unitary Stretch uplift cost | Reduced cost for pay increases | — | Reduced to 80% | — |

## 5.2 Transition and Transformation Costs

An outline of the methodology and assumptions underpinning the financial modelling of transformation, implementation, and transition costs associated with the creation of a new unitary authority (or authorities) is set out below. The model supports strategic decision-making by providing a detailed cost forecast across multiple scenarios.

**Purpose of the Model**

The model estimates the financial implications of transitioning from a two-tier local government structure to a unitary model. It includes:

- One Unitary (1U) and Two Unitary (2U) scenarios
- Base and Stretch assumptions for each scenario
- Mid-point models for comparative analysis
- Annual cost profiles from 2025/26 to 2032/33
- Redundancy, programme delivery, IT, branding, elections, and authority costs
- Loan repayment modelling for capital funding

**Key Cost Categories**

1. **Redundancy & Early Retirement**
    - Forecasted based on displaced staff profiles and average pension strain costs.
    - Assumes 80% of displaced staff receive redundancy in base models, 60% in stretch models.
    - Costs are phased in line with staff off-boarding and transformation timelines.
2. **Implementation & Programme Delivery**
    - Includes programme management, PMO, change management, service design, legal, HR, finance, and communications.
    - Costs reflect both internal redeployment and external consultancy
    - Delivery resources are phased over quarters to align with transformation milestones.
3. **IT Consolidation & Transformation**
    - Covers system integration, rationalisation, and digital enablement.
    - Costs vary significantly between 1U and 2U scenarios due to scale and complexity.
4. **Branding & Communications**
    - Includes rebranding, resident communications, and stakeholder engagement.
    - Assumed flat cost profile with minor variations between scenarios.
5. **Setup**
    - Covers staffing (Leader, Deputy, Cabinet Members, Chief Exec, senior officers) and operational costs post-election in May 2027.
    - Costs differ between 1U and 2U based on structure and staffing levels.
6. **Creation of New Councils & Closedown of Old Councils**
    - Legal, constitutional, and audit costs for establishing new entities and winding down existing ones.
    - Based on benchmarks from other local government reorganisations.
7. **Elections**
    - Election costs included as implementation costs.
    - Ongoing election costs and savings are modelled separately.
8. **Contingency**
    - Applied across all categories to account for unforeseen costs.
    - Varies between base and stretch models.

**Modelling Assumptions**

- **Inflation**: 3% annually applied to salaries and allowances.
- **Staffing**: Top-tier staffing structures are adjusted for scale and scope, with uplifted salaries and new roles added.
- **Efficiencies**: Stretch models assume greater efficiencies in delivery and staffing reductions.
- **Capital Receipts**: Office estate disposals are factored into loan repayment models.
- **Loan Modelling**: Public Works Loan Board (PWLB) 20-year repayment profiles are included, with equalised annual repayments for comparison.

| Summary of key forecast figures | As Is<br>£m | One Unitary<br>£m | Two Unitaries<br>£m |
|---|---|---|---|
| Total one-off implementation and transition costs | - | 68.456 | 121.246 |
| Cumulative disaggregation cost to 2032/33 | - | - | 338.717 |
| 2032/33 Annual recurring disaggregation cost | - | - | 67.908 |
| 2032/33 Annual recurring cost / (benefit) | - | (24.661) | 58.952 |
| Net cumulative cost / (benefit) to 2032/33 | - | (63.716) | 329.291 |
| 2028/29 Cumulative (reserves) / deficit | 1.466 | 5.273 | 89.981 |
| 2032/33 Cumulative (reserves) / deficit | 290.078 | 226.362 | 619.369 |
| 2032/33 Annual budget deficit | 85.470 | 60.809 | 144.422 |

| Implementation programme:<br>Cost / benefit analysis | Cumulative to 2032/33<br>One Unitary<br>£m | <br>Two Unitaries<br>£m |
|---|---|---|
| Implementation cost | 68.456 | 121.246 |
| Disaggregation cost | | 338.717 |
| **Total Costs** | **68.456** | **459.964** |
| Reorganisation benefit | (47.591) | (43.061) |
| Transformation benefit | (40.508) | (12.665) |
| **Total Savings** | **(88.099)** | **(55.725)** |
| **Cumulative net cost / (benefit)** | **(19.642)** | **404.238** |

## 5.3 Council Tax Harmonisation

This section outlines the approach and assumptions used in modelling council tax harmonisation across the constituent authorities in East Sussex, as part of the transition to a unitary structure.

**Purpose of the Harmonisation Model**
The harmonisation model aims to assess the financial and practical implications of aligning council tax rates across the new unitary authority area. It supports strategic planning by:

- Estimating the impact on council tax yield
- Identifying areas with significant variance from the proposed unitary Band D rate
- Evaluating the feasibility of harmonising rates within referendum thresholds

**Data Sources and Assumptions**

- The model is based on data from the East Sussex budget book
- Band D council tax rates (excluding parish precepts) and tax base figures are used to calculate current yields.
- A hypothetical 4.99% increase is applied to model harmonisation, reflecting the referendum threshold for unitary authorities.
- The weighted average Band D charge across East Sussex is calculated to be **£2,107.54**, with harmonisation targeting **£2,212.70**.

**Key Findings**

- Harmonisation in a single year would result in **Rother and Wealden** exceeding the referendum threshold if treated as districts.
- However, newly reorganised councils under Local Government Reorganisation (LGR) may be **exempt from referendum limits in their first year**, allowing for full harmonisation.
- The model shows that harmonisation would result in increases ranging from **£37.96 (Hastings)** to **£135 (Rother)**, with percentage changes between **1.75% and 6.5%**.
- Additional income is generated by applying a 4.99% increase to district and borough rates in 2028/29 instead of the standard 2.99%.

**Policy Considerations**
The harmonisation strategy must:

- **Maintain overall council tax yield** to support the financial sustainability of the new authority.
- **Balance fairness and administrative simplicity**, minimising duplication and resident dissatisfaction.
- **Reflect the impact of parish and town council precepts**, which are currently excluded from the model.

## 5.4 Social Care Funding Shortfall

This section outlines the financial pressures facing East Sussex County Council (ESCC) in relation to Adult Social Care (ASC), Children's Social Care (CSC), Home to School Transport (HTST), and Special Educational Needs and Disabilities (SEND). These pressures are presented separately from the main business case to highlight the scale of the challenge that LGR alone will not resolve.

**Overview of Social Care Funding (2025/26)**
In 2025/26, ESCC is forecast to receive approximately £159 million in grant funding across ASC, CSC, HTST, and SEND. Key components include:

- Social Care Grant: £59.6m
- Improved Better Care Fund: £21.8m
- ASC Market Sustainability & Improvement Fund: £11.3m
- Dedicated Schools Grant – High Needs Block (SEND): £71.5m
- Children & Families Grant: £3.2m
- Unaccompanied Asylum Seeking Children: £2.9m
- Home to School Transport: £0.98m (rolled into RSG)

Despite this funding, the net revenue expenditure for social care services is forecast to rise significantly over the MTFP period:

| Year | Net Revenue Expenditure (£m) | Annual Deficit (£m) |
|---|---|---|
| **2025/26** | 434.2 | 10.8 |
| **2026/27** | 464.3 | 24.6 |
| **2027/28** | 494.9 | 29.5 |
| **2028/29** | 526.7 | 38.6 |

These deficits are after accounting for all known grants and income and reflect the growing demand and complexity of care provision.

The financial pressures in social care are driven by:

- **Demographic growth**: Increasing numbers of older people and children with complex needs.
- **Inflationary pressures**: Rising costs of care provision, staffing, and placements.
- **Policy and statutory duties**: Expanding responsibilities without commensurate funding.
- **Limited flexibility**: Many grants are ring-fenced or pass-ported, reducing scope for reallocation.

While LGR may deliver efficiencies in corporate services, property, and governance, it cannot address the structural funding gap in social care. The challenge is systemic and requires national policy reform, sustainable funding settlements, and potentially new models of care delivery.

**Implications for the Business Case**

- The main business case focuses on services outside social care, where LGR can deliver meaningful savings and transformation.

- The social care MTFP is presented separately to ensure transparency and realism in financial planning.
- The business case must acknowledge that additional funding or policy change will be required to address the social care shortfall.

## 5.5 Disaggregation Modelling

**Explanation of forecast disaggregation costs at £68m per annum, steady state**

**General Comments**

- Disaggregation costs have been forecast for two unitaries in total – separate costs have not been identified for unitary one and unitary two.
- Disaggregation costs are shown as gross figures (not net of savings) – savings are shown separately.
  For example: Savings from reducing D&B management are shown separately. Savings from reducing D&B ICT functions are shown separately.

| Disaggregation costs for Two Unitaries | 2032/33 In-Year & Recurring<br>£m | Cumulative to 2032/33<br>£m | Commentary & Assumptions |
|---|---|---|---|
| Senior Management | 11.748 | 57.962 | £12m cost is based on duplicating the existing top 4 management tiers of the county (and their PA support) in a second unitary council.<br>An additional cost has been included to reflect the addition of 3 ADs to manage legacy D&B services.<br>A cost reduction has also been included to reflect that each of the two unitaries will be smaller than county with reduced management responsibilities / salaries. |
| Members | 0.318 | 1.499 | The existing county cost for Members' Special Responsibility Allowances will be duplicated in the second unitary council. |
| **Staffing (Excluding senior management):** | | | Staff costs will increase by an average of 3% as a result of disaggregation.<br>This cost will arise as specific dedicated posts will need to be duplicated in each authority.<br>For example, this could include: Senior Social Work Practitioner, Head of Virtual School, Children's Safeguarding lead. |
| Front office | 0.124 | 0.612 | |
| Service Delivery | 6.440 | 31.773 | |
| Support functions | 0.701 | 3.459 | |
| ICT Disaggregation | 21.263 | 111.628 | ICT Disaggregation costs have been provided by the County COO. This forecast is based on the COO's knowledge of deconstructing ORBIS and more advanced discussions / planning that is underway to disaggregate Surrey's ICT costs.<br>The forecast assumes that existing County ICT costs are bolstered to create an independent (separate from ORBIS) function and then duplicated in the second unitary |

| | | | |
|---|---|---|---|
| | | | council. The £21m PA reflects a mid-point that includes a discounting factor to avoid overstating costs. |
| Other non- staffing | 27.315 | 131.785 | Non-staff costs will increase by an average of 3% as a result of diseconomies of scale and re-negotiation during contract novation and relets. The largest spend areas are Adults and Children's social care. These markets are fragile and providers will exploit the opportunity to increase costs during contract re-negotiations.<br>Other contracts maybe negotiated at reduced rates, but an average 3% increase has been assumed across all non-staff spend on supplies and services. |
| **Total Disaggregation costs** | 67.908 | 338.717 | |

**Explanation of the Two Scenarios**

- The **Base Model** assumes full duplication of services and systems with minimal efficiencies. It represents a high-cost scenario where each new authority operates independently.
- The **Stretch Model** assumes greater collaboration and smarter division of functions, reducing duplication and overheads. It reflects a more efficient and lower-cost approach to disaggregation.
- These scenarios help decision-makers understand the **financial trade-offs** involved in pursuing a two-unitary structure.

**Limitations of Modelling Alternative Proposals**

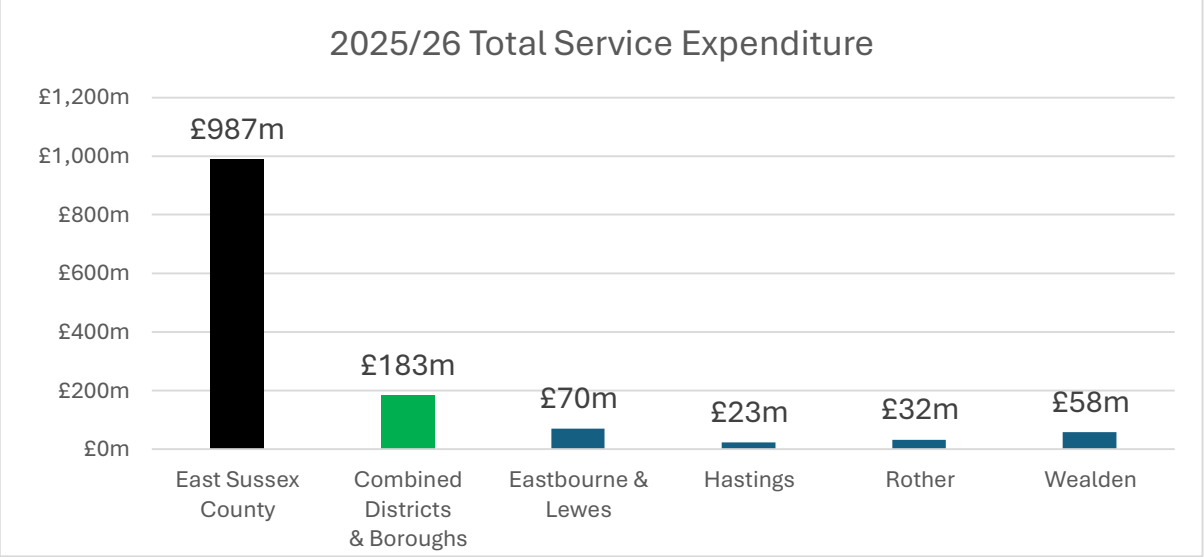
While this model provides a robust estimate disaggregation and cost projection for the two-unitary structure, it is important to note that, without a clear and detailed plan from Brighton & Hove City Council, we are unable to undertake meaningful modelling of alternative proposals that fall outside the scope of our own recommendations.

This limitation applies particularly to any hybrid or cross-boundary arrangements that may be suggested but lack sufficient operational detail to cost accurately.

## 5.6 Supplementary charts and tables

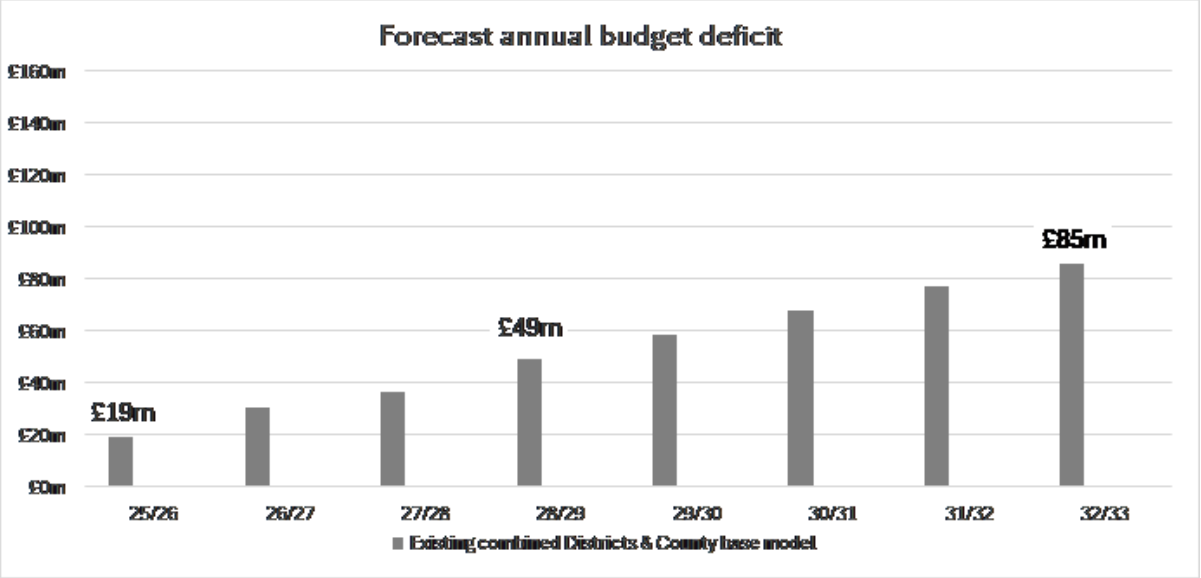
**Current Expenditure in East Sussex**

This financial year, the five district and borough Councils in East Sussex are projected to spend £183m combined, with the county council projected to spend £987m. This is a combined spend of £1.17bn in the county for 2025/26.




**Projected Budget Deficit**

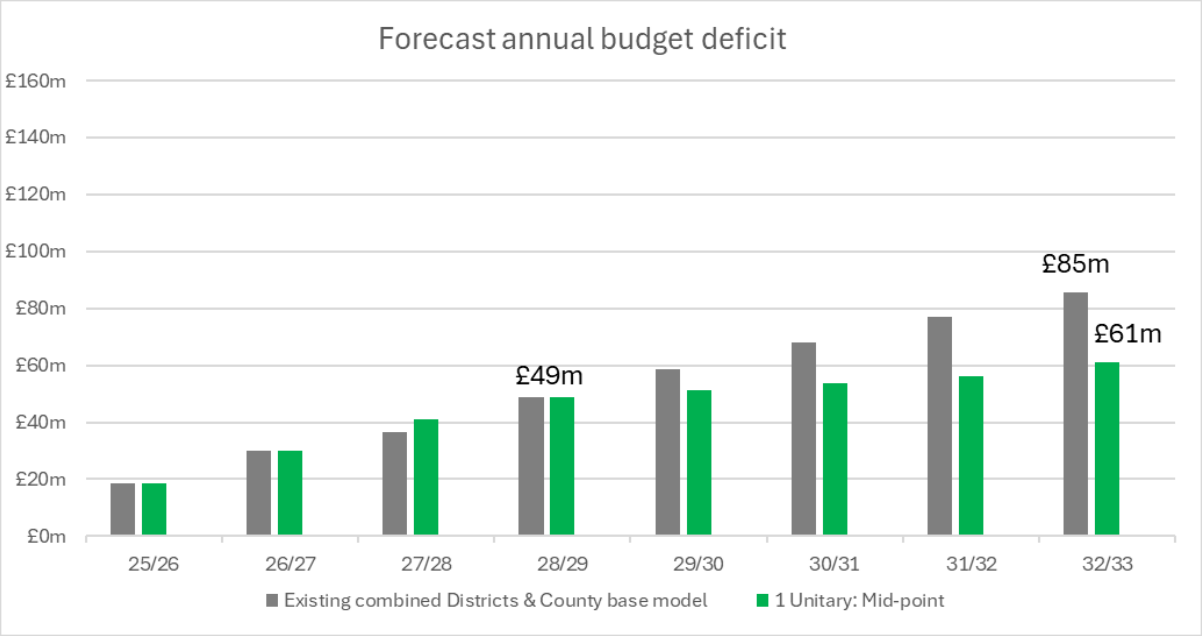
Nationally, local authorities continue to face budget pressures year-on-year and councils in East Sussex are no different. Combining the county council and district and borough council forecasts, the county faces a combined annual budget gap of £85m by 2032/33.




*Note: we have combined all the councils' financial plans into one consolidated base budget. For comparison purposes, we have broken down costs into categories such as (senior management, service delivery, front office (customer-facing staff), support functions (HR, finance, etc.), ICT (technology), premises, and all other costs. This helps us see where money is being spent and where savings might be possible.*

**Forecast Annual Budget Deficit: Single Unitary Authority for East Sussex**

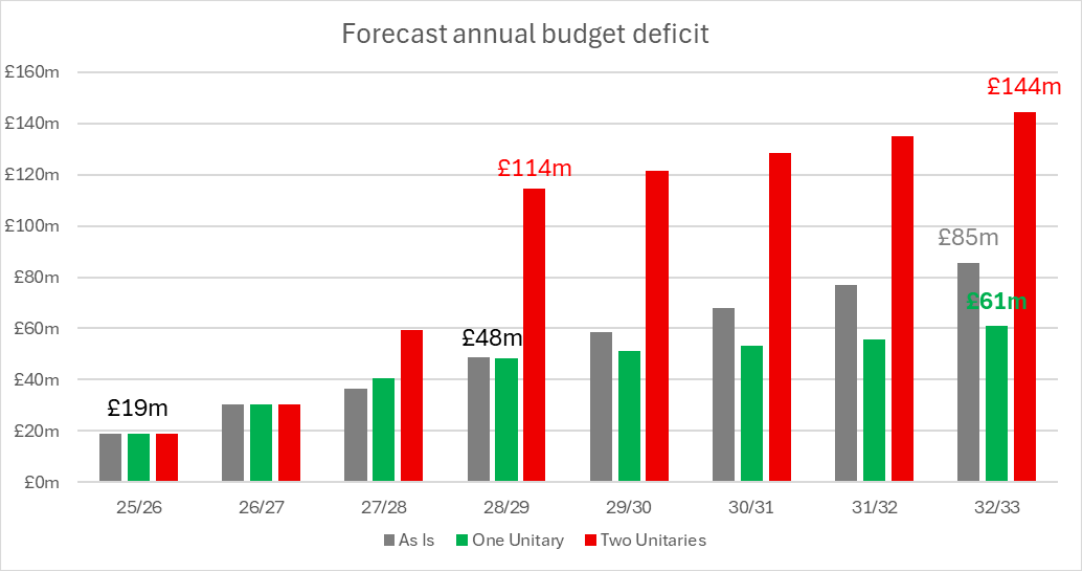
Local government reorganisation will not solve the financial challenges for East Sussex local authorities. However, the option of a single unitary authority for the county will reduce the budget gap by £24m by 2032/33.




*Note: this model takes into account savings that can be achieved from combining certain services that are run by each of the district and boroughs and the county council where applicable. Savings are typically achieved in staffing, technology (e.g. ICT) and organisational processes.*

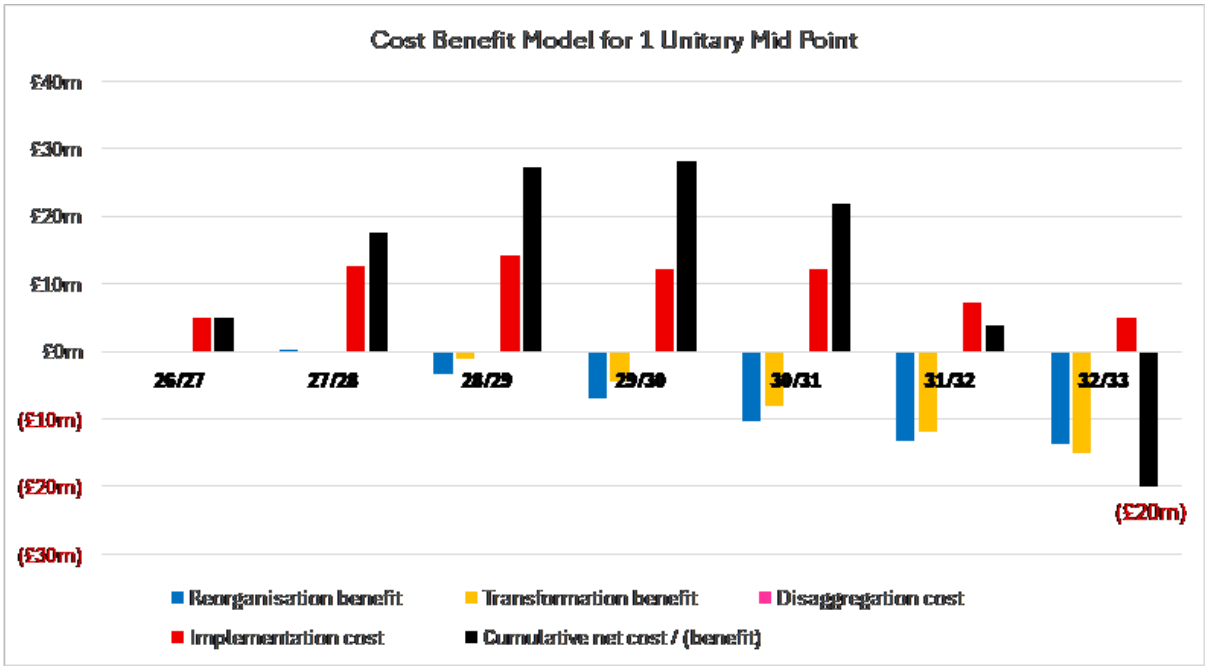
**Forecast Annual Budget Deficit: Two Unitary Authorities for East Sussex**

If the county was to be run as 2 unitary authorities, additional costs would be incurred from 'disaggregation' of high-cost services run by the county council (e.g. children's services, adult services) and not achieving the full savings opportunities from combining existing county, district and borough council services into a single unitary authority (as per the previous slide). The annual budget deficit would grow to £144m by 2032/33 under this option.



**Programme Costs and Benefits of a Single Unitary Authority for East Sussex**

There is a cost to implementing a single unitary for East Sussex as opportunities to bring services and functions into a single organisation are achieved. By 2028/29, opportunities from reorganisation and transformation emerge with benefits outweighing the disaggregation and implementation programme costs from 2031/32 onwards and cumulative £20m of net benefits being achieved by 2032/33. There are no disaggregation costs as high-cost services such as social care remain under a single unitary authority.




**Implementation cost:** The estimated cost of delivering a change programme to initially consolidate the six councils and subsequently rationalise and transform services.

**Disaggregation cost:** The costs of duplication and diseconomies of scale that result from splitting county functions into two new unitaries. For example, social care.

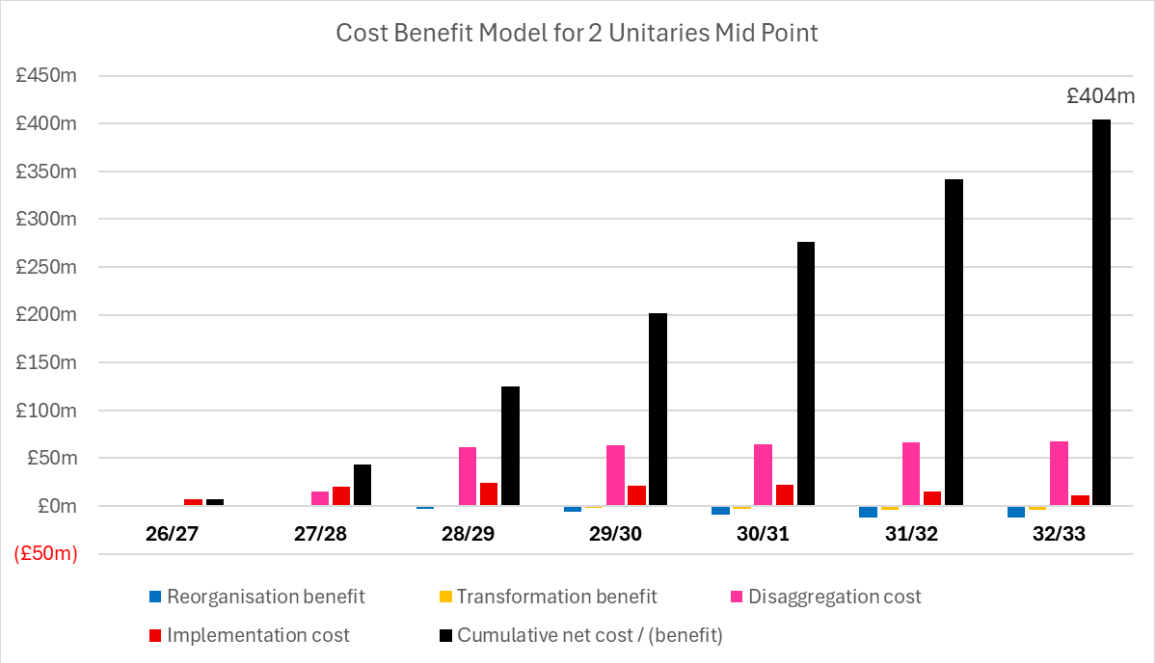
**Reorganisation benefit:** The short-term saving achievable from combining, consolidating and de-duplicating six councils into one (or two) new unitary council(s).

**Transformation benefit:** The longer-term benefit that can be realised from rationalising, bringing together and/or transforming the six councils including digitisation, automation and early intervention and prevention.

**Cumulative net cost / benefit:** The total of programme implementation and disaggregation costs, less the savings achieved from reorganisation and transformation. This shows whether the programme results in a net cost or net saving.

**Programme Costs and Benefits of Two Unitary Authorities for East Sussex**

By contrast, the programme cost benefit analysis shows that costs of two unitary authorities for East Sussex far outweigh the benefits. This is largely driven by the disaggregation of social care into two unitary authorities from a single unitary authority. The cumulative programme net cost is £404m by 2032/33 vs a net benefit of £20m of a single unitary authority.




## 5.7 Risks & Mitigations

The risks and mitigations outlined here are intended to support informed decision-making and provide assurance that financial resilience and adaptability have been built into the planning process. They also highlight areas where further engagement with government and partners will be essential to ensure a successful and sustainable transition.

| Risk Area | Description | Mitigation Strategy |
|---|---|---|
| **Disaggregation Costs** | The financial impact of separating services, systems, and staffing under a two-unitary model may be greater than anticipated, particularly in IT and non-staffing areas. | Use stretch modelling to test sensitivity; phase implementation to allow for adjustments; explore shared service arrangements where appropriate. |
| **Uncertainty Around External Proposals** | In the absence of a clear and detailed proposal from Brighton & Hove City Council, it is not possible to undertake robust financial modelling of alternative cross-boundary arrangements. | Focus modelling on the recommended options within East Sussex; clearly state scope limitations; remain open to future modelling if formal proposals are received. |
| **Social Care Funding Pressures** | The structural funding gap in Adult and Children's Social Care is not resolved by LGR and may continue to grow without national reform. | Present social care pressures transparently; engage with government on funding reform; maintain prudent reserves and contingency planning. |

| | | |
|---|---|---|
| **Governance and Election Costs** | Costs associated with establishing new governance structures, including elections and member allowances, may exceed initial estimates. | Include these costs in implementation planning; apply stretch modelling to identify efficiencies; align governance design with streamlined service delivery. |

# 6 Implementation

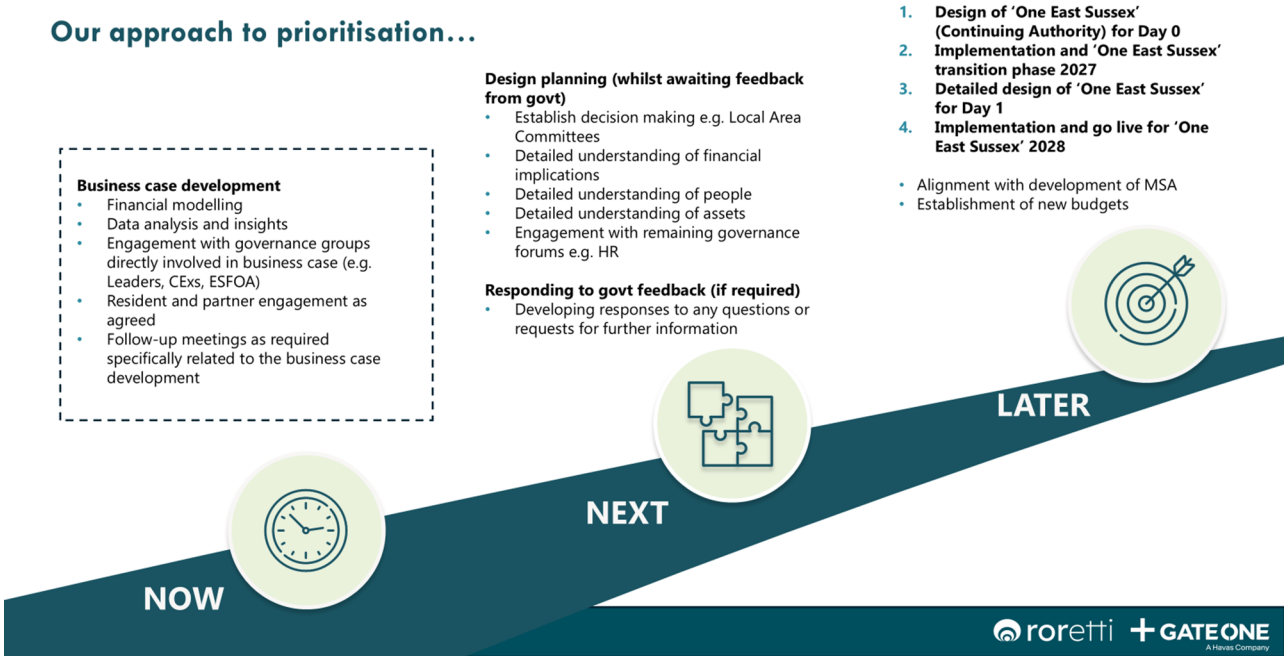
## 6.1 Gantt chart of timeline

A preliminary timeline of the implementation process is set out in this section.

| | Milestone | Description | 2025 | | | 2026 | | | | 2027 | | | | 2028 | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 |
| End Sep 2025 | Proposal Submission (DPP Areas) | Councils submit proposals for reorganisation. | | | | | | | | | | | | | | |
| Nov-25 | Launch of Statutory Consultation | Secretary of State consults affected councils and other stakeholders. | | | | | | | | | | | | | | |
| Autumn 2025 | Postponement Order for Elections (TBC) | Government may postpone county and Hastings borough elections. | | | | | | | | | | | | | | |
| Early 2026 | Close of Statutory Consultation | No fixed date; expected early in the year. | | | | | | | | | | | | | | |
| Mar-26 | Government Decision on Proposal | Decision on which proposal to implement; may affect councillor terms. | | | | | | | | | | | | | | |
| May-26 | Mayoral Election | Election for the new Mayoral Combined County Authority (MCCA). | | | | | | | | | | | | | | |
| May-26 | Drafting of Structural Change Order (SCO) Begins | Draft SCO in consultation with MHCLG. | | | | | | | | | | | | | | |
| May-26 | SCO Published & Implementation Executive Established | Legal mandate to manage transition; must reflect political balance and include all councils. | | | | | | | | | | | | | | |
| May-26 | Appointment of Implementation Teams | Must be completed within 21 days of SCO coming into force; includes officers from county and districts. | | | | | | | | | | | | | | |
| Jun-26 | Programme Mobilisation | Establish Programme Board and governance structure. | | | | | | | | | | | | | | |
| Jun-26 | Programme Plan Finalised | Publish roadmap and risk register. | | | | | | | | | | | | | | |
| Aug-26 | Staff Engagement Launch | Begin formal staff engagement and TUPE planning. | | | | | | | | | | | | | | |
| Aug-26 | Baseline Data Consolidation | Map services, contracts, assets, and workforce. | | | | | | | | | | | | | | |
| Sep-26 | ICT Systems Audit | Audit digital infrastructure and begin integration planning. | | | | | | | | | | | | | | |
| Oct-26 | Draft Constitution | Begin drafting governance framework. | | | | | | | | | | | | | | |
| Nov-26 | Council Tax Harmonisation Modelling | Finalise scenarios and begin public communications. | | | | | | | | | | | | | | |
| Dec-26 | TUPE Consultation Begins | Formal consultation with staff and unions. | | | | | | | | | | | | | | |
| Feb-27 | Service Continuity Plans Signed Off | All critical services have continuity plans in place. | | | | | | | | | | | | | | |
| 06-May-27 | Elections | Elections | | | | | | | | | | | | | | |
| May-27 | Implementation Executive Disbanded | Responsibility transfers to newly elected Executive. | | | | | | | | | | | | | | |
| May-27 | Branding and Communications Rollout | Launch new branding, website, and resident communications. | | | | | | | | | | | | | | |
| Jun-27 | 'One East Sussex' Council Established | Oversees transition and prepares for Vesting Day. | | | | | | | | | | | | | | |
| Feb-28 | Final Budget Approved | First unified budget | | | | | | | | | | | | | | |
| Mar-28 | Final Testing and Readiness Review | Final readiness checks across all workstreams. | | | | | | | | | | | | | | |
| 01-Apr-28 | Vesting Day | Unitary authority becomes operational. | | | | | | | | | | | | | | |

## 6.2 Now Next Later

A framework for understanding the three broad phases of activity involved in local government reorganisation is set out in this section.



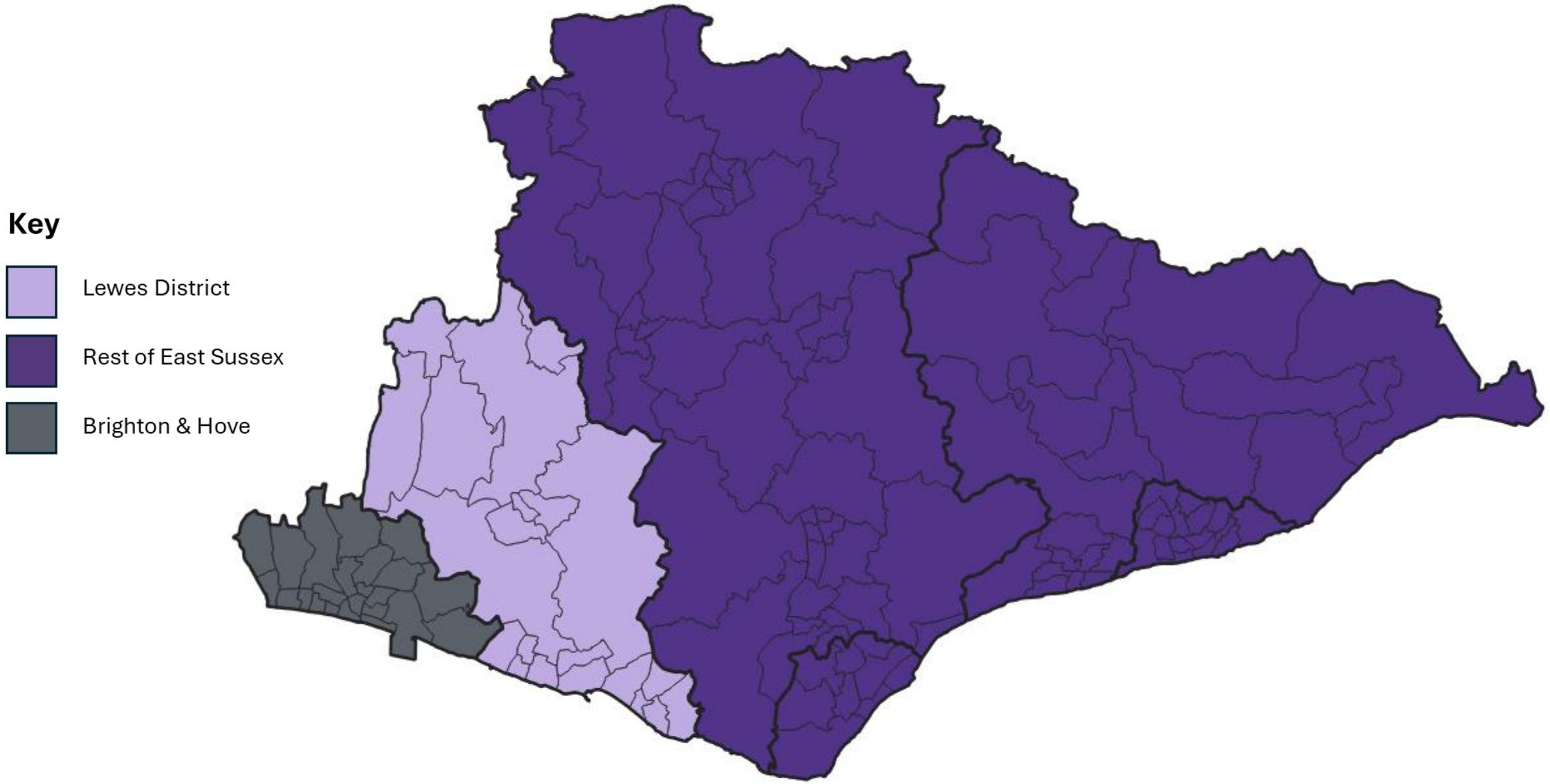

## 6.3 Other

More information on the Voluntary, Community and Social Enterprise (VCSE) sector across East Sussex is available on the East Sussex VCSE Alliance website.

# Brighton and Hove options maps

Based on ONS and OS Open Data

## Current boundaries

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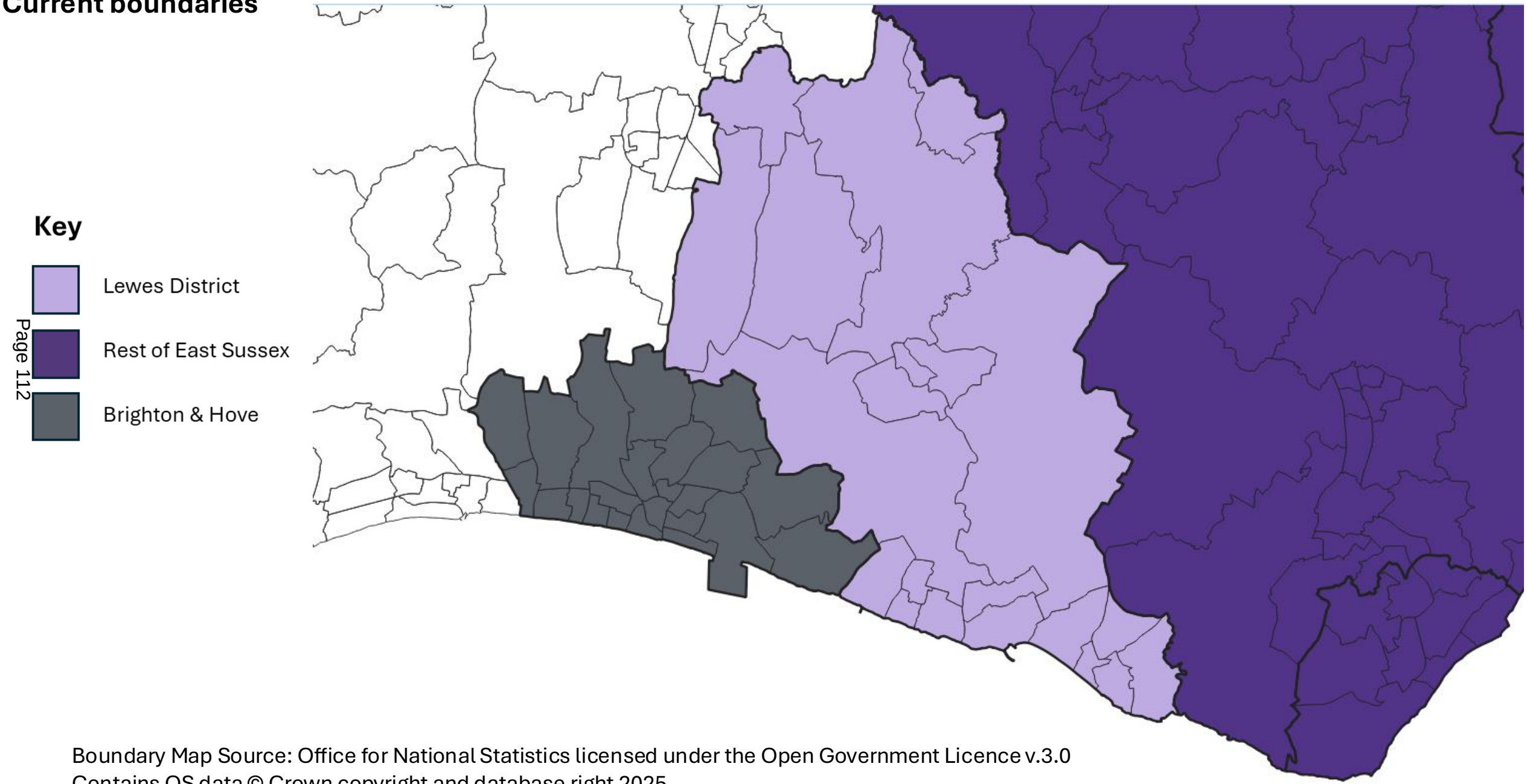
## Current boundaries



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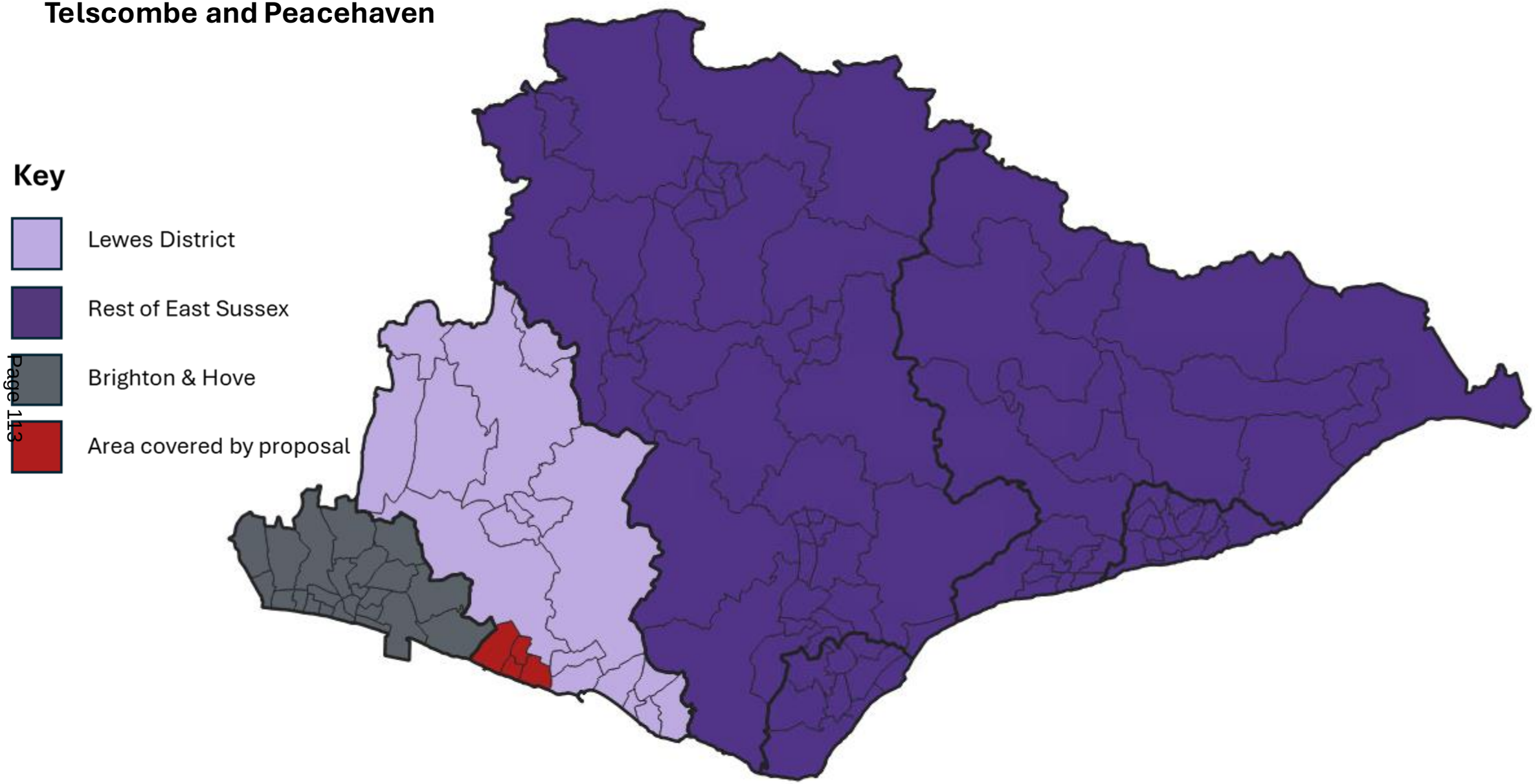
# Option 1 – East Saltdean, Telscombe and Peacehaven



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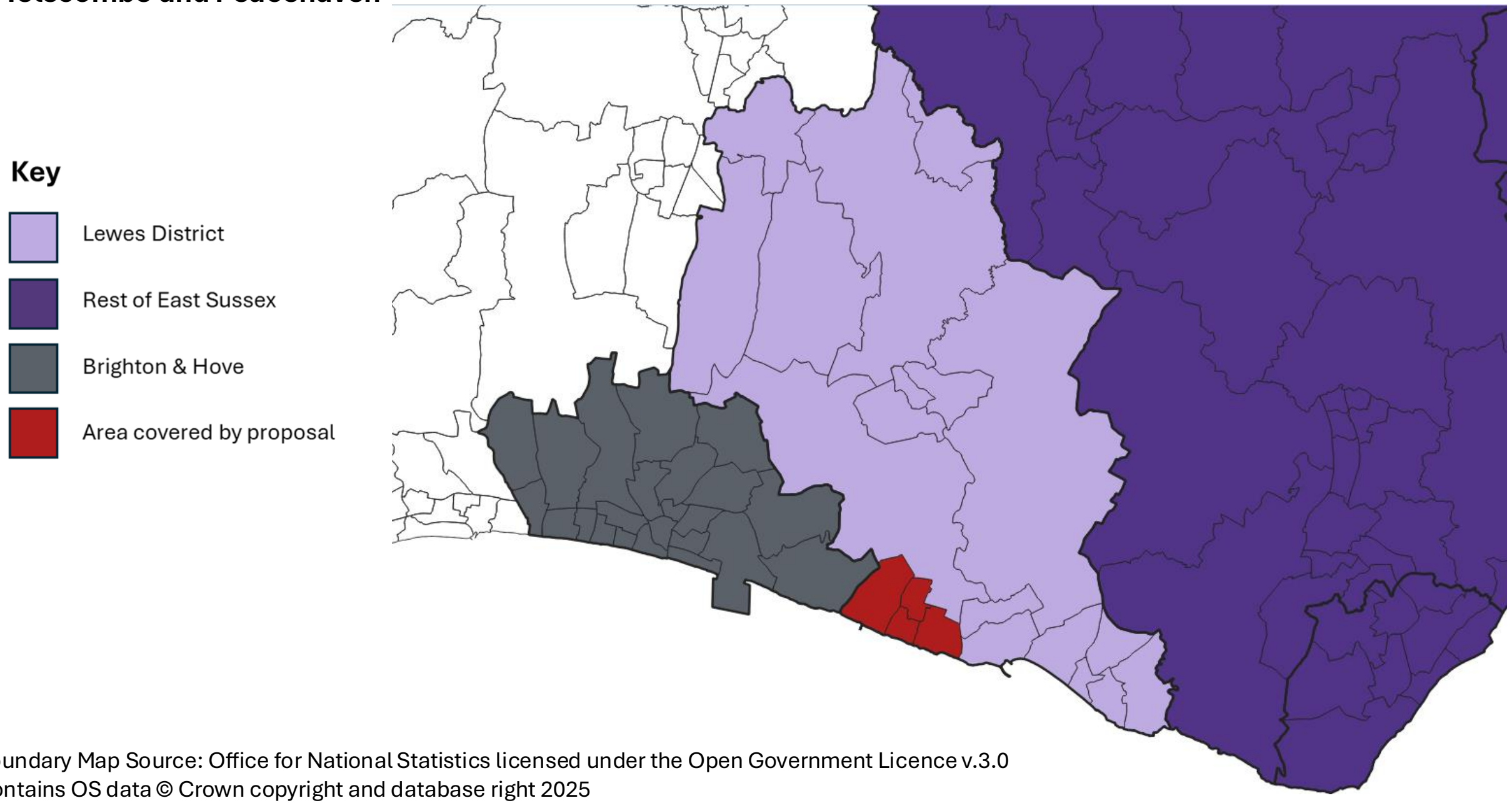




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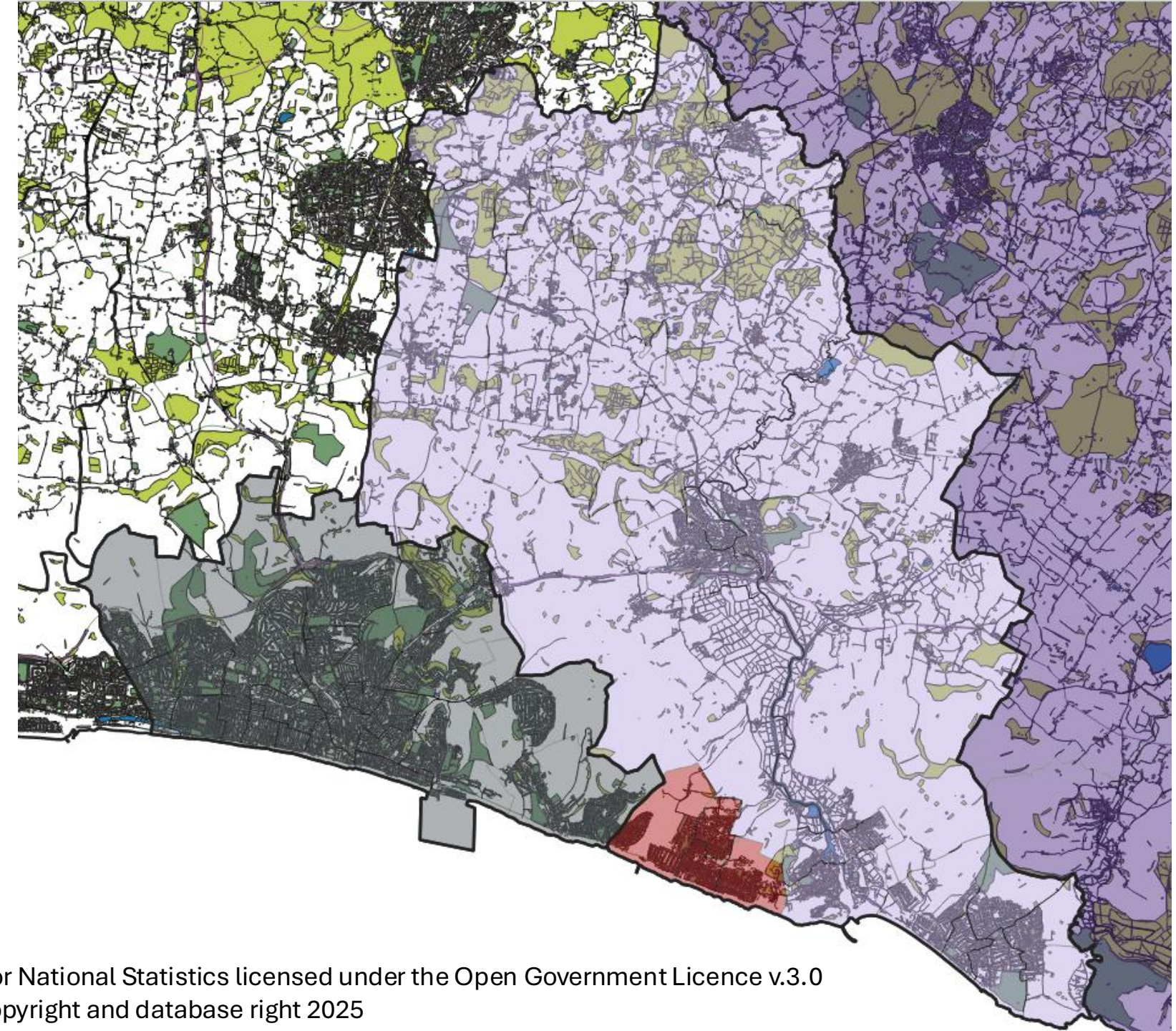


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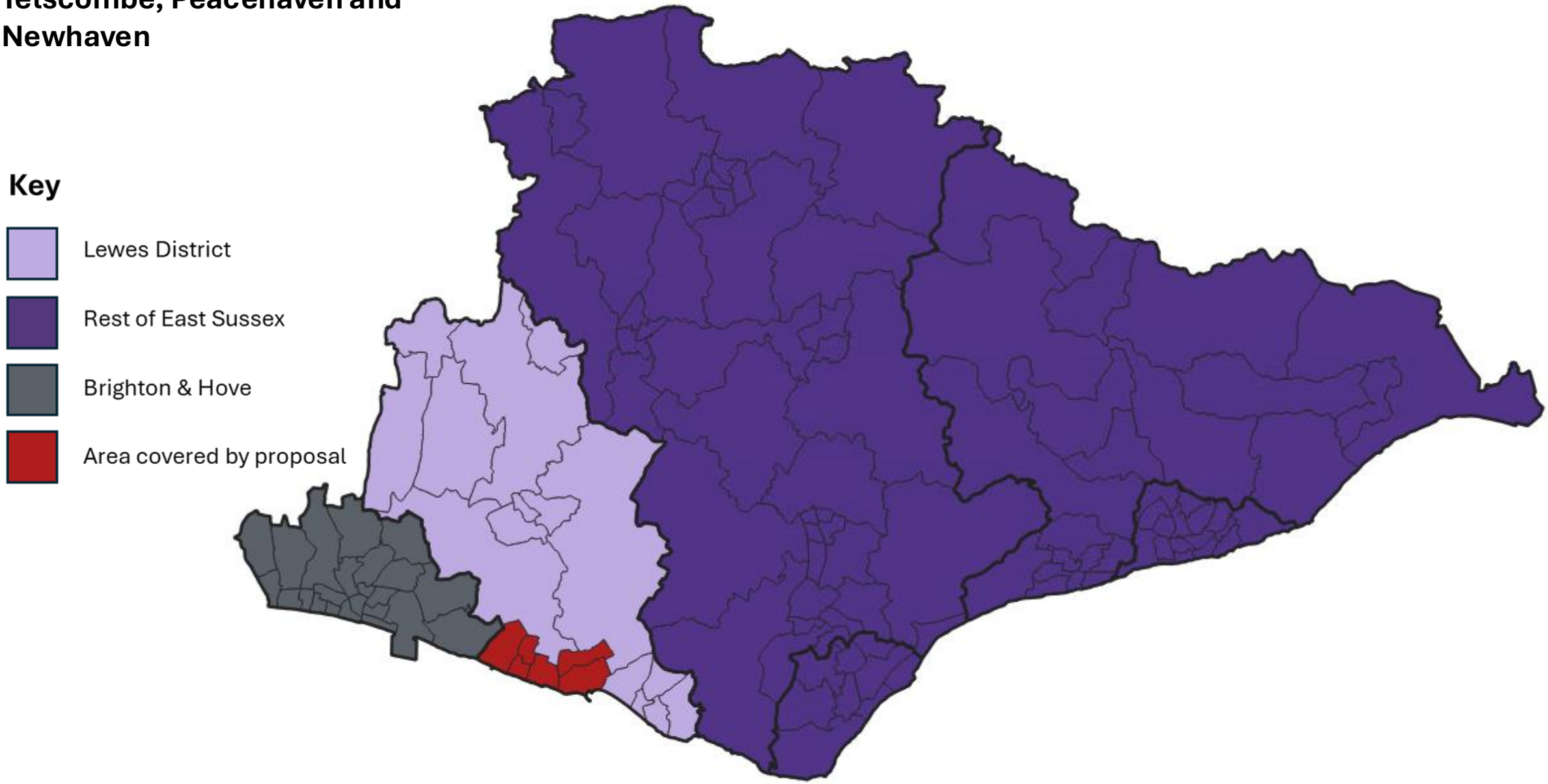
# Option 2 – East Saltdean, Telscombe, Peacehaven and Newhaven



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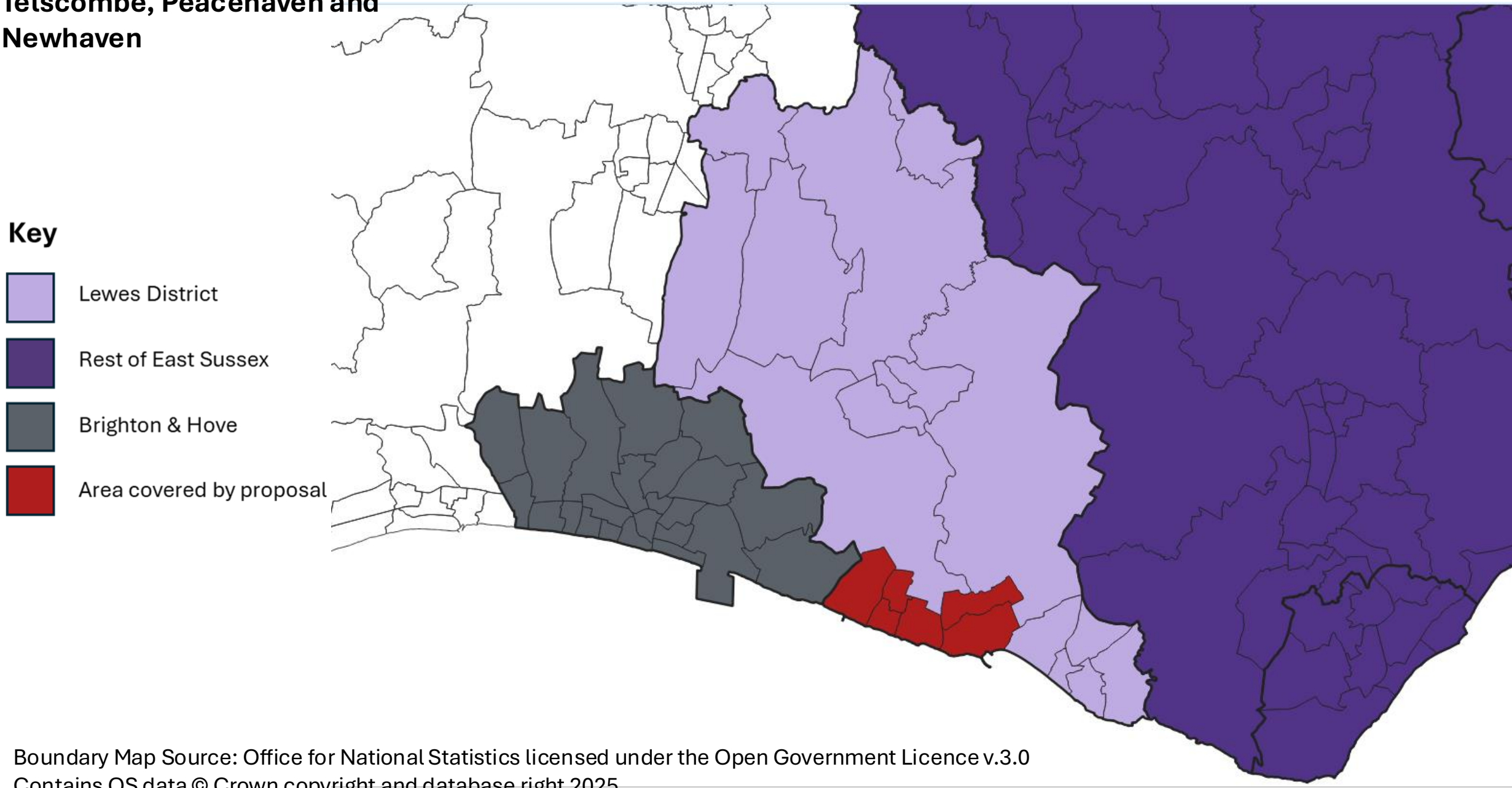




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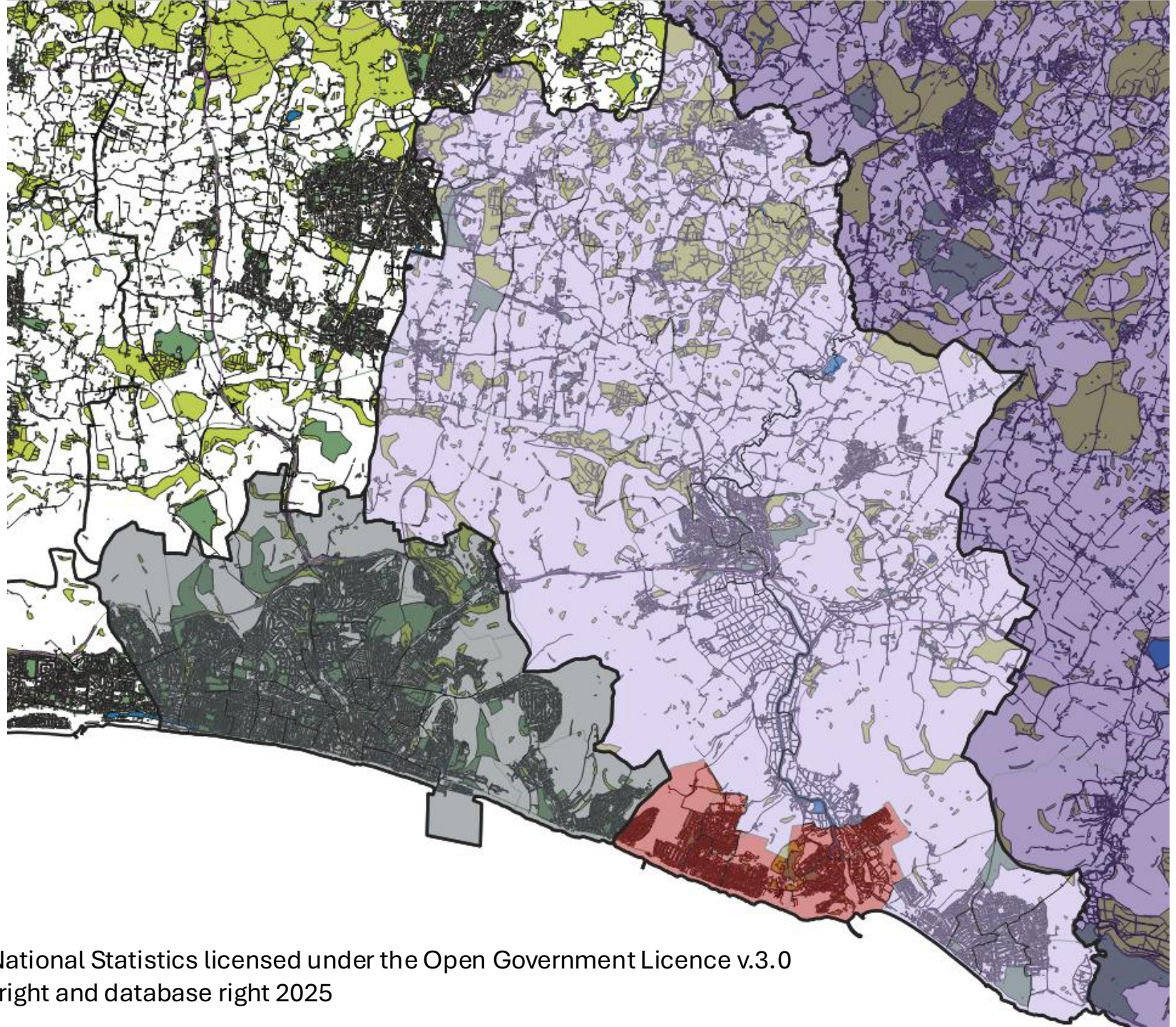




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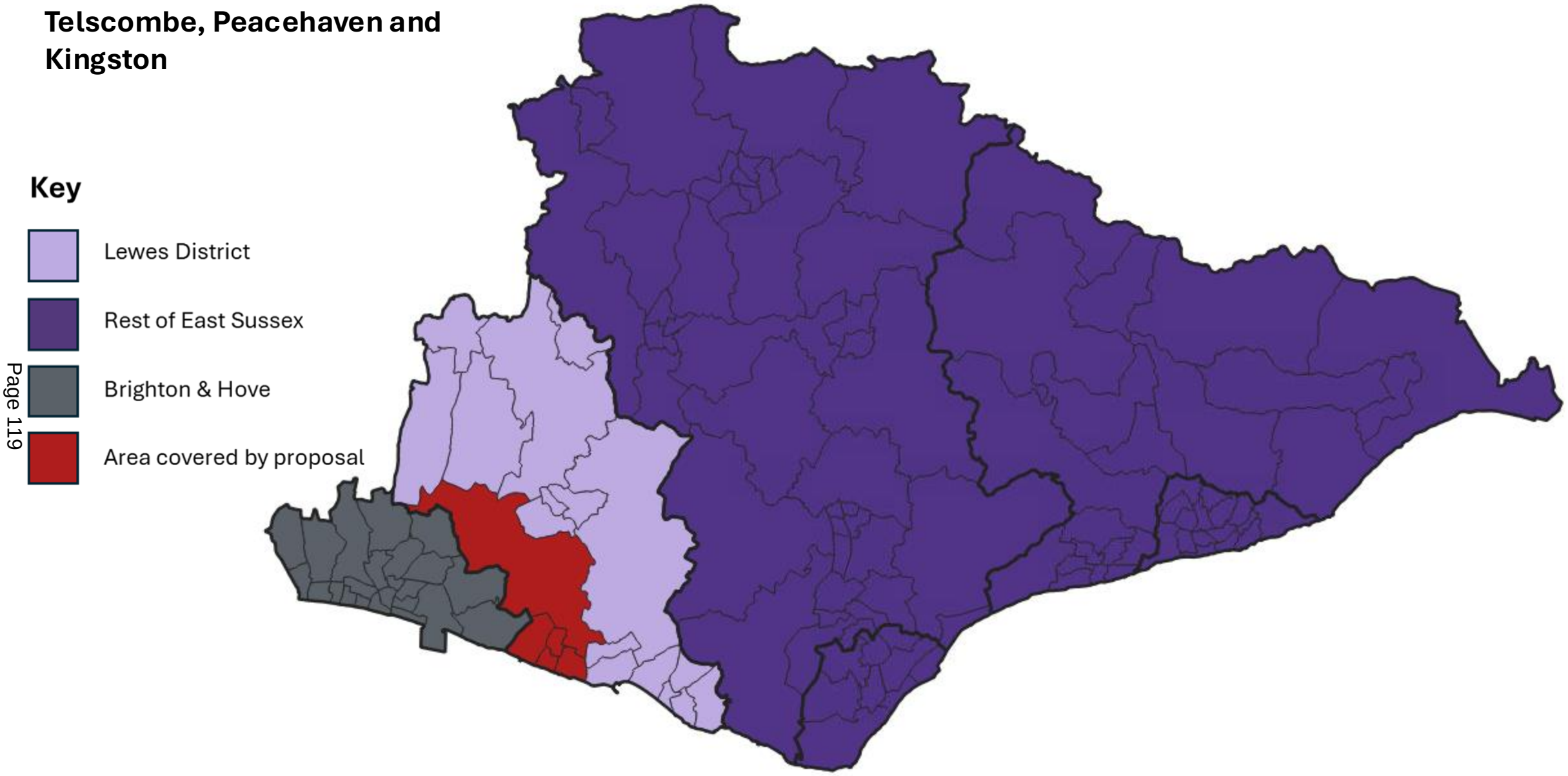
## Option 3 – East Saltdean, Telscombe, Peacehaven and Kingston



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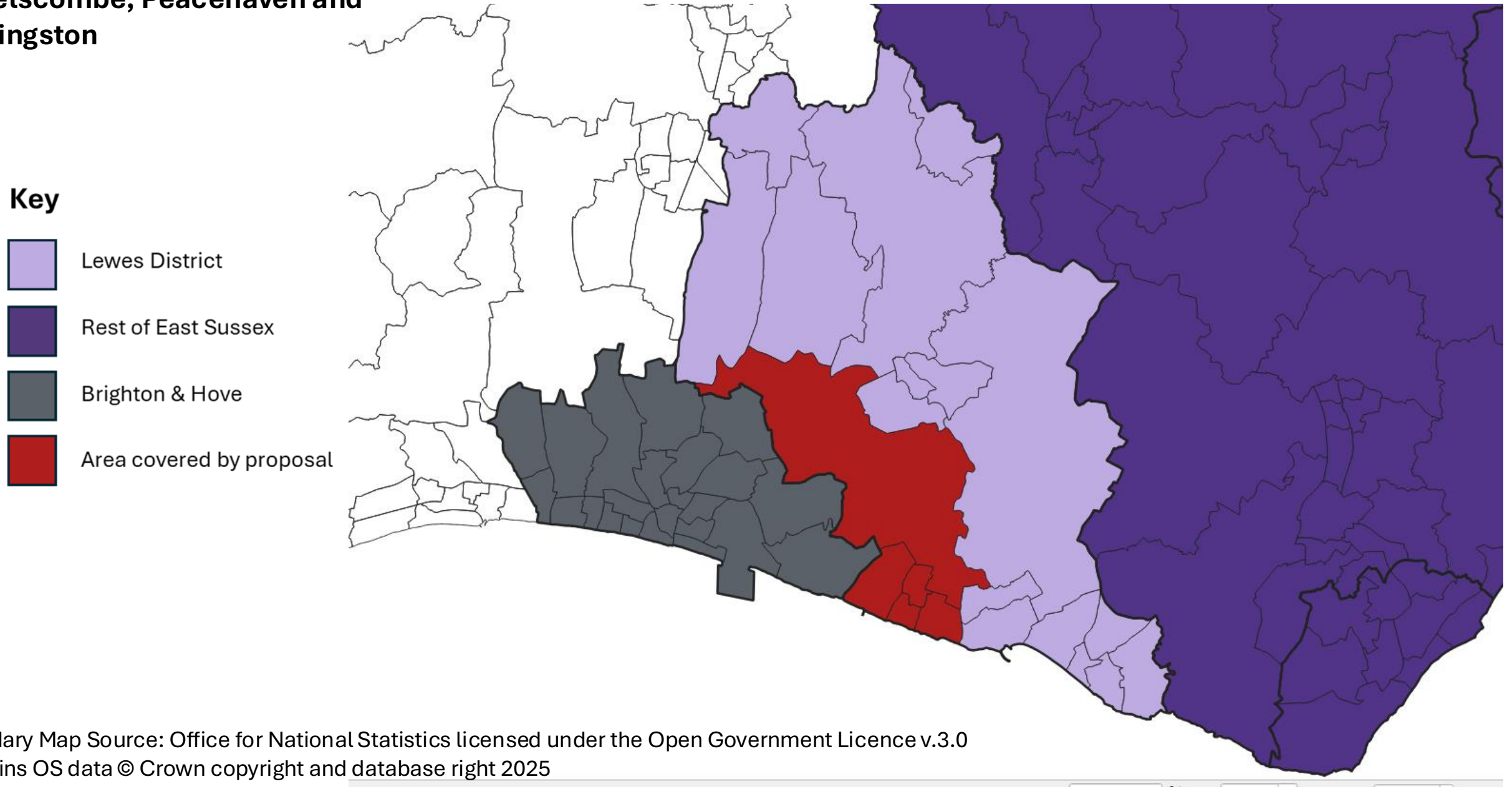




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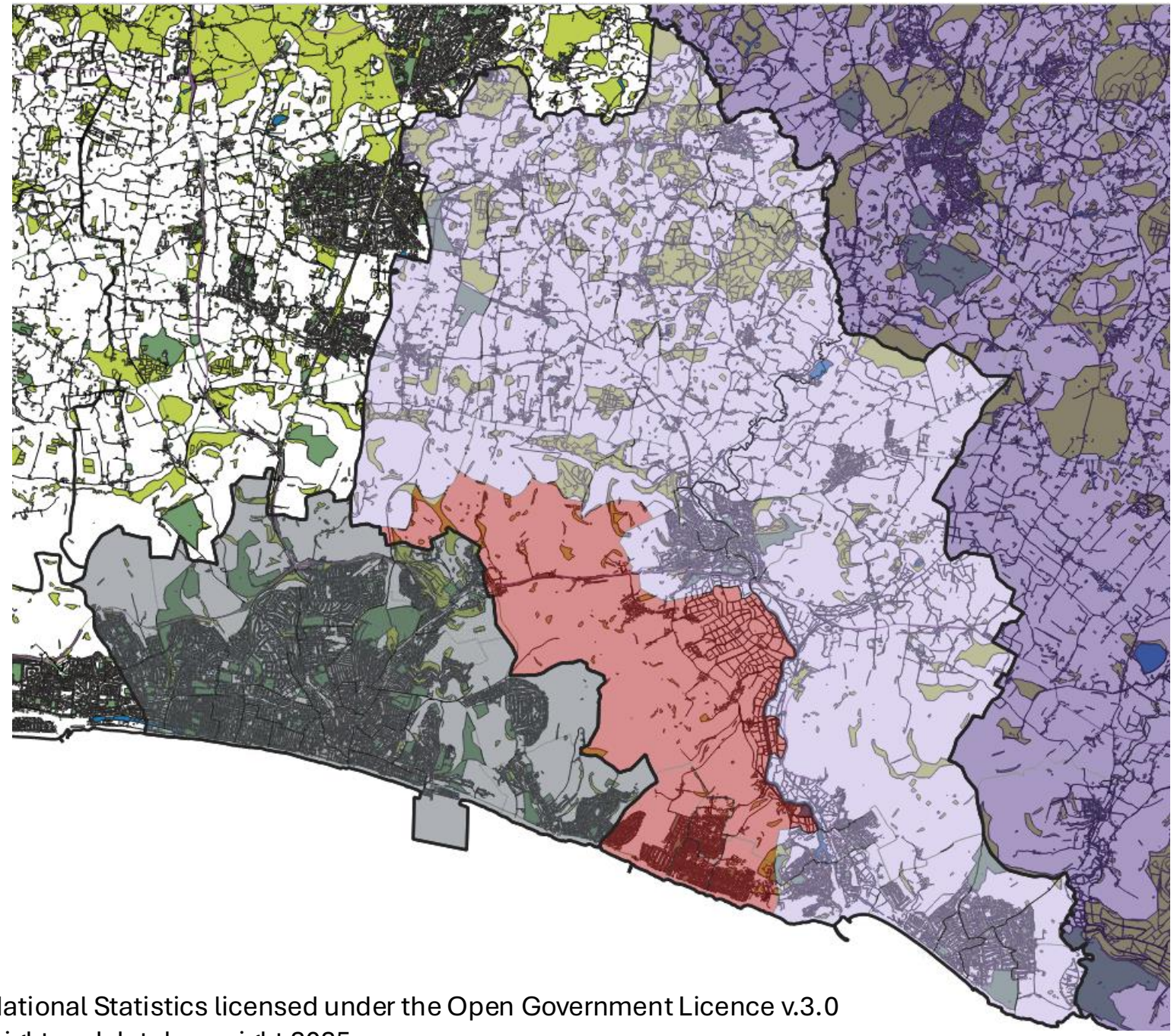
## Option 3 – East Saltdean, Telscombe, Peacehaven and Kingston

**Key**

- Lewes District
- Rest of East Sussex
- Brighton & Hove
- Area covered by proposal



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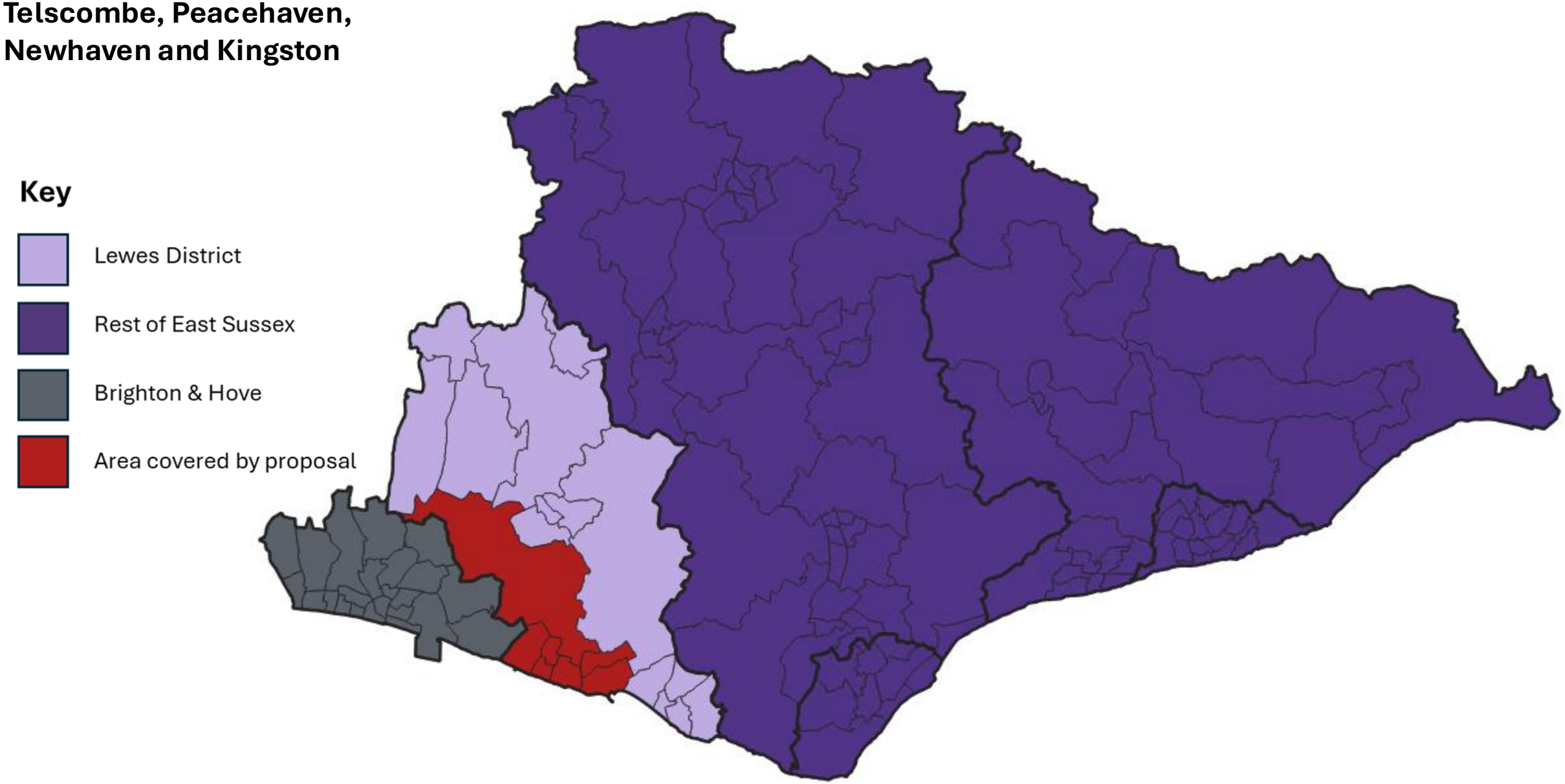
# Option 4 – East Saltdean, Telscombe, Peacehaven, Newhaven and Kingston



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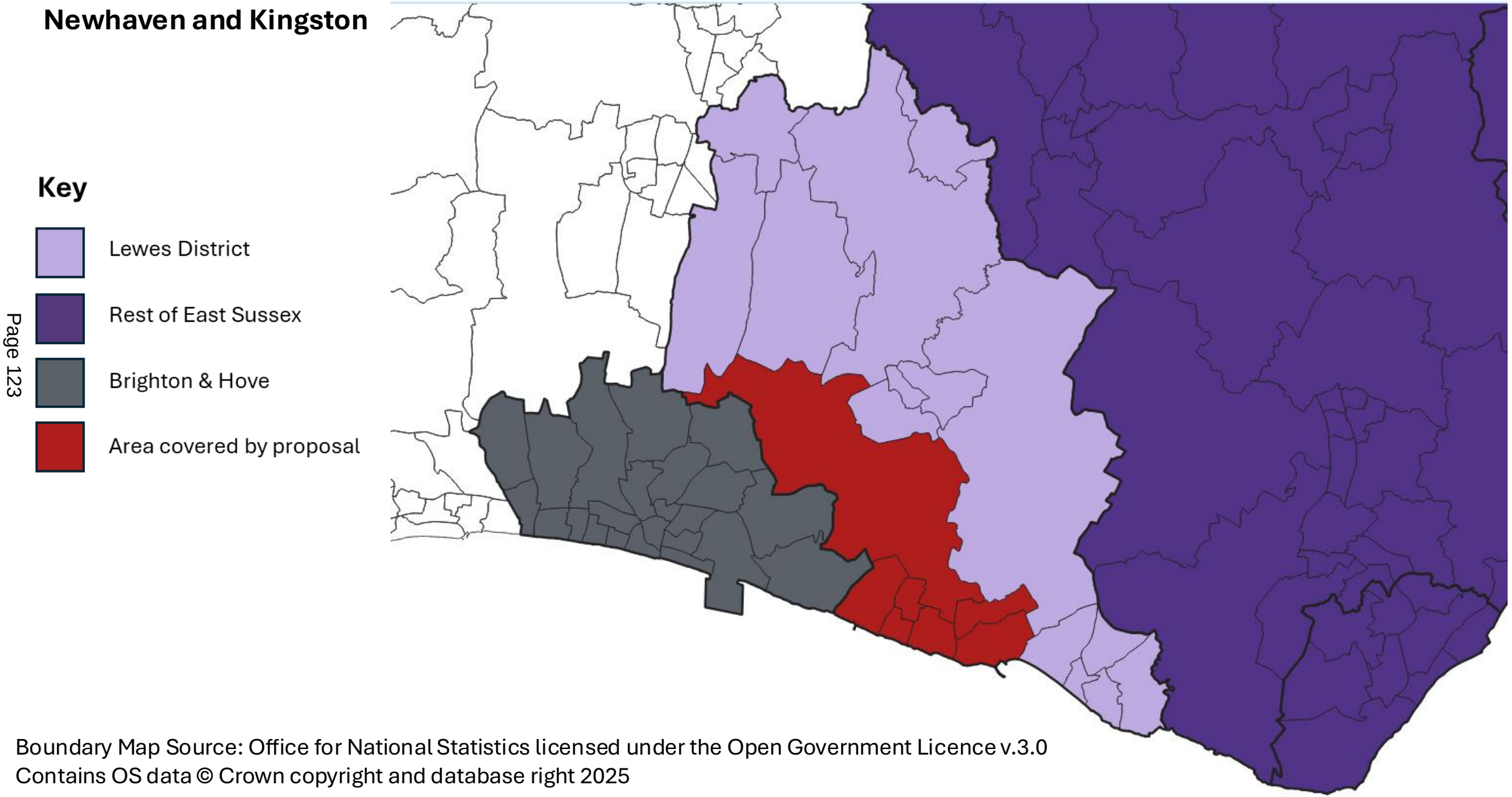
# Option 4 – East Saltdean, Telscombe, Peacehaven, Newhaven and Kingston



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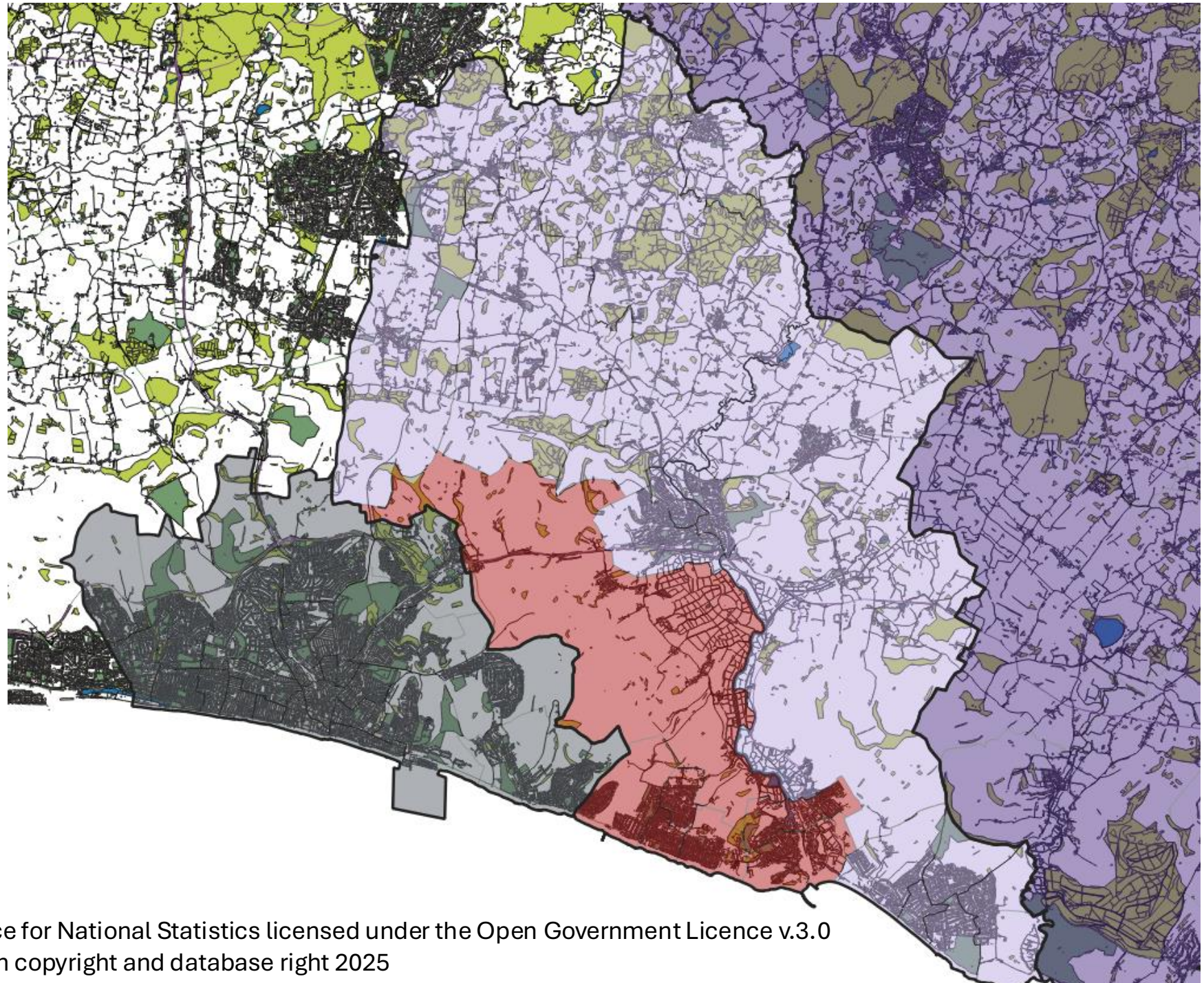
# Option 4 – East Saltdean, Telscombe, Peacehaven, Newhaven and Kingston

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# East Sussex Insights pack

# 01

# Introduction

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# Executive Summary

The purpose of this report is to provide an analysis of the population characteristics across East Sussex, with a focus on local authority level insights that inform service planning, policy development, and transformation in the context of local government reorganisation.

The findings are designed to inform strategic planning, policy development, and service transformation as East Sussex County Council explores a transition to a single-tier unitary authority.

## East Sussex Overview

### Ageing Population

- East Sussex has one of the oldest populations in England, with 26.5% aged 65+ and 1 in 20 residents over 85.
- Rother leads with 32.5% aged 65+, while Hastings has the youngest demographic profile.

### Health and Social Care Demand

- High levels of frailty, disability (20.3%), and mental health needs.
- Adult social care demand is significant, with 10,195 people in receipt of long-term support (2024).

### Economic Disparities

- GVA per hour varies widely from £31.40 in Hastings to £33.90 in Wealden.
- Highlights the need for place-based economic strategies.

### Housing and Temporary Accommodation

- Over 1,100 households are in temporary accommodation across the county with Eastbourne and Hastings under acute pressure.
- Housing affordability and quality remain persistent challenges.

### Transport and Access

- Rural isolation and high car dependency (e.g., 88% car ownership in Wealden) indicates limited access to services.

### Diversity and Inclusion

- While the county is predominantly White British (88.3%), diversity is increasing among younger populations, especially in Eastbourne.
- Hastings has the highest proportion of LGB+ residents (4.6%).

# Strategic Implications for LGR

## 1. Demographic and Geographic Complexity

- East Sussex has a significantly older population, with high concentrations of residents aged 65 and over, and 85 and over.
- Rural geography and economic disparities are likely to increase the cost and complexity of delivering services across the county.

## 2. Need for Locally Responsive Integration

- Population needs vary widely, from ageing and isolated communities in Rother and Wealden to younger, more diverse, and deprived populations in Hastings and Eastbourne.
- A future governance model must integrate services like housing, social care, and transport while remaining responsive to local differences.

## 3. Financial Sustainability and Disparity

- Financial viability varies across districts and boroughs. Wealden maintains strong reserves, while Hastings and Eastbourne face significant financial pressures.
- A unitary authority must manage these disparities transparently to ensure fair resource distribution and avoid perceptions of inequity.

## 4. Trade-Offs in a Constrained Budget Environment

- Budget constraints will likely force difficult decisions, especially around discretionary services.
- Non-statutory services such as leisure, culture, green spaces, and community assets are often the first to face cuts, despite their role in prevention and wellbeing.
- Reducing these services could lead to long-term costs, particularly for vulnerable populations.

## 5. Preserving Local Identity and Engagement

- Strong local identities and civic participation are deeply rooted in districts such as Lewes and Wealden.
- A larger governance structure risks diluting this engagement unless mechanisms are built in to preserve local voice and accountability.

# 02

# Council Demographic Insights



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# East Sussex County Council

## Demography

**Older population:** **26.5% aged 65+** (vs. 18.7% in England), **1 in 20 residents** are over 85

**Mixed place:** **7 years** variation in life expectancy between most and least deprived areas and ESCC is largest employer

**Infrastructure is limited** as access to town centres within 30 minutes is not possible for 24% of residents

## Service Delivery Challenges

**Adult Social Care:** High service demand (5,329 requests per 100,000); carers report strong access to information (71.8%)

**Health Needs:** 20.3% of residents identify as disabled plus elevated frailty and mental health challenges in parts of the county

**Education & Children's Services:** Below national average attainment at Key Stages 2 and 4; rising complexity in SEND provision

## Opportunities

**Enhance engagement:** A single unitary model means engagement county-wide with more residents

**Joined up prevention:** Creating holistic pathways for residents to improve preventative work at scale

**Whole system approach to housing and social care:** Opportunity to create a single aligned strategy to support residents in most need

## Challenges

**Increasing complexity of demands** amongst both adult and children's services requiring multidisciplinary responses

**Recruitment challenges**: growing difficulties in recruiting and retaining talent across adult social care, children's services, and education

**Engagement deficit** can reduce trust in decision-making, and make it more difficult to co-design services or implement reforms

# Eastbourne Borough Council

## Demography

**Diverse population: 28% of primary pupils** from ethnic minority backgrounds

**Aging population:** leading to an expected 6.8% decline in working age residents by 2037

**Seasonal population shifts:** Eastbourne can expect a 30% seasonal increase as a result of tourism

## Service Delivery Challenges

**Housing challenges:** 359 households in temporary accommodation

**Mental health condition** score of **92.5%** (below England average of 100)

**Frailty score** of **112.5 –** symptomatic of an aging population

## Opportunities

**Leverage diversity** to enhance inclusive service design

**Invest in youth employment and vocational training**

**Strengthen partnerships** with education and health providers

## Challenges

**Housing affordability and quality** remain persistent challenges

Seasonal economy creates **service delivery fluctuations**

**Need for culturally competent** services and engagement

# Lewes District Council

Lewes District Council

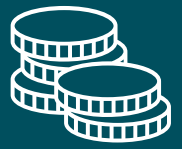
## Demography

**Balanced age profile** with pockets of affluence and deprivation with a mix of urban and rural communities

**Environmentally conscious population:** with strong civic engagement and active voluntary and community sector

**Highest rate of frailty in county** (121.2)

## Service Delivery Challenges



**Financially solvent** according to general fund reserves of 2023 unaudited accounts

**Planning appeals: 36.6% major planning applications overturned on appeal**

**Strong performance** in **environmental health** and **air quality**

## Opportunities

Position as a **leader in green infrastructure** and sustainability

Improve planning consistency through **clear policy standardisation**

**Build on civic engagement** for co-designed services

## Challenges

Addressing **inequalities** between urban and rural areas

Balancing **growth** with **environmental protection**

**Tourism, culture and place-based** services **vulnerable** under a larger authority

# Wealden District Council

## Demography

**75% of Wealden residents are homeowners**, with low ethnic diversity (3.4%)

**High car dependency as primary mode of transport** (>5% using public transport for commuting)

**Strong community identity in market towns and village** but lack of affinity with Wealden as a local identity

## Service Delivery Challenges

**Best performing district in waste recycling** (48.2%)

**Rural isolation impacts access to services**

**Growth in both children and working age populations**

## Opportunities

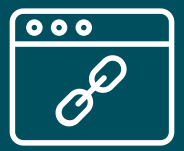
Scale **best practices in waste and environmental services**

**Expand digital and mobile service delivery models** and **invest in aging infrastructure and transport**

Opportunity to **explore devolved decision making** to ward councillors

## Challenges

**Rurality increases cost and complexity of service delivery**



**Risk of digital exclusion among older residents when compounded with rural isolation**

**Need for tailored health and social care models**

# Rother District Council

## Demography

**Highest proportion of over-85s in the UK - 4.9% in 2022, projected to rise to 7.8% by 2037**

**Reducing working age residents** due to younger people leaving for employment opportunities outside the district

Fragmented sense of identity due to different urban/rural needs

## Service Delivery Challenges

**Housing challenges**: **160 households** in temporary accommodation

**Reaching isolated areas of deprivation** in rural communities

**Strong community networks:** but limited transport infrastructure

## Opportunities

**Improve rural transport and community outreach**

**Potential regeneration and collaboration** legacy of Levelling up Programme, Fund, and Plan for Neighbourhoods

**Maintain and enhance strong social capital VCSE**

## Challenges

**Infrastructure gaps in housing**

**Health Needs:** Risk of social isolation and unmet care needs

**Address skills and lack of quality employment across district**



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# Hastings Borough Council

## Demography

Youngest and most deprived population in East Sussex, **Baird Ward contains LSOAs among most deprived 1% in England**

**Working age decline:** Projected decline by 8-12% by 2041

**Children and young people** expected to decline by 5.6%

## Service Delivery Challenges

**Poorer health outcomes:** especially in mental health and child wellbeing

**Housing challenges**: **532 households** in temporary accommodation

**Lowest recycling rates** and highest residual waste

## Opportunities

Targeted regeneration and **levelling up investment**

**Expand mental health and youth services** as part of a single social care and prevention strategy

**Strengthen housing support** and community safety in most deprived areas

## Challenges

Persistent deprivation and health inequalities

**Landslide challenges:** appropriate budgetary planning for slope stabilisation projects

Balancing **regeneration** with affordability and inclusion

# 2.2 Themes from CEX and Leader meetings



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# Summary of themes (1)

## 1. Strategic vision and local identity

**Common Themes:**

**Strong Local Identities**: Each area has a distinct sense of place—Hastings with its cultural vibrancy and deprivation challenges, Wealden with its rural patchwork and community cohesion, and Eastbourne with its tourism economy.

- **Fear of Losing Local Character**: Councillors expressed concern that a larger unitary authority could dilute local distinctiveness and responsiveness.

## 2. Localism and community engagement

**Common Themes:**

- **Need for Neighbourhood-Level Delivery:** There is strong consensus that services must remain locally accessible, especially in rural and coastal areas.
- **Community Infrastructure:** Councils like Wealden and Hastings highlighted the importance of community centres, local forums, and embedded officers.

**Risks**:

- Loss of local contact points (e.g. wardens, contact centres)
- Reduced visibility and influence of smaller or rural communities

## 3. Housing and homelessness

**Common Themes:**

- **Temporary Accommodation Crisis**: Hastings, Eastbourne, and Rother are under severe pressure, with TA consuming large portions of budgets.
- **Council-Led Housebuilding**: Lewes and Wealden are actively building or acquiring homes and fear this momentum could be lost in a larger structure.

**Opportunities:**

- A unitary model could enable **strategic housing planning** and **shared expertise** across districts.

## 4 .Financial sustainability and risk

**Common Themes:**

- **Divergent Financial Health**: Wealden has strong reserves; Hastings and Eastbourne face potential insolvency within 2–3 years.
- **Concerns Over Resource Redistribution**: Wealthier or more stable councils fear their funds will be used to plug deficits elsewhere.

**Risks:**

- "County takeover" narrative, especially in Wealden and Hastings
- Loss of control over locally generated developer contributions (e.g. S106, CIL)

# Summary of themes (2)

## 5. Service Delivery and Transformation

**Opportunities:**

- **Planning**: Shared planning services could address recruitment challenges and delays.
- **Waste**: Already shared in some areas (e.g. Wealden, Rother, Hastings), seen as scalable.
- **Housing + Social Care Integration**: Seen as a major opportunity for better outcomes.

**Risks:**

- **Loss of Non-Statutory Services**: Leisure, play, culture, and green spaces are at risk of being deprioritised.
- **Staff Morale and Retention**: Concerns about TUPE, job losses, and cultural clashes.

## 6. Governance and representation

- **Democratic Deficit**: Fewer councillors could mean less access and weaker representation, especially in rural areas.
- **Professionalisation of Councillors**: Calls for better pay, training, and expectations to attract diverse, capable representatives.

**Suggestions:**

- Area committees or neighbourhood boards
- Embedding community engagement into the structure (e.g. local forums, participatory budgeting)

## 7 . Engagement and Public Perception

**Common Themes:**

- **Low Public Awareness**: Most residents don't understand LGR or its implications.
- **Mistrust of County Council**: Particularly strong in Hastings and Wealden, where "county takeover" fears are prominent.
- **Need for Transparent, Inclusive Design**: Councillors want to co-design the new authority, not be absorbed into it.

## 8. Political Dynamics and Alternative Models

**Common Themes:**

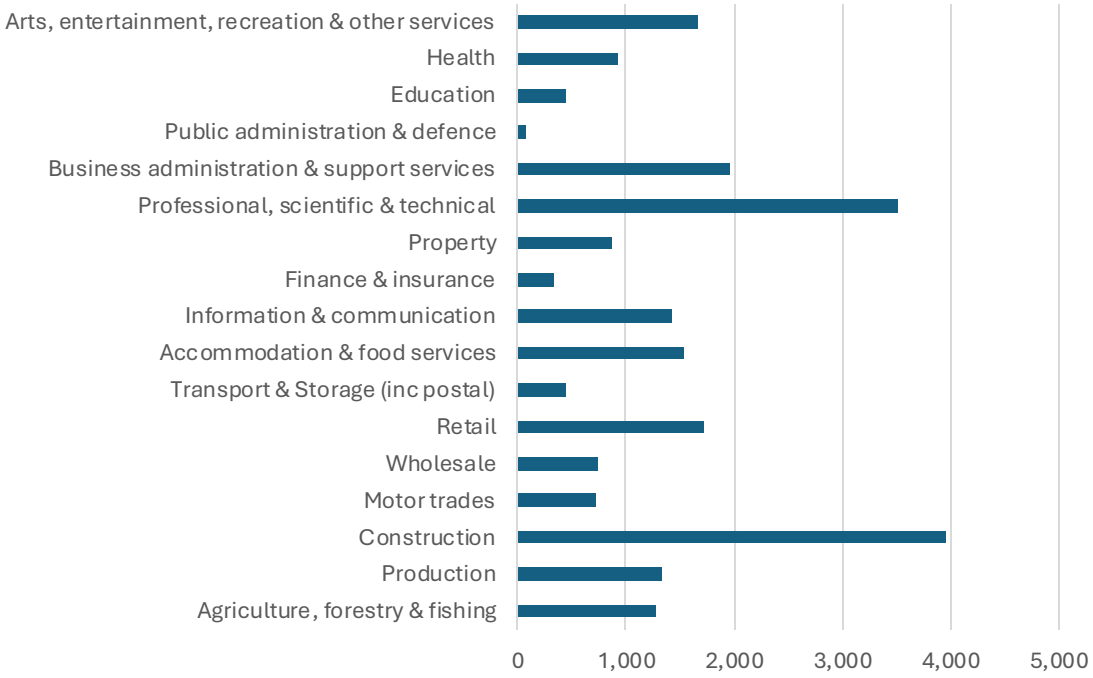
- **Tensions Around the East Sussex Model: Hastings and Wealden expressed interest in exploring alternatives (e.g. federated or coastal models).**
- **Perceived Predetermination: Some councillors felt the process was being driven by a pre-agreed agenda (e.g. "Lewis-County pact").**

# 3 Appendices: Data Sources

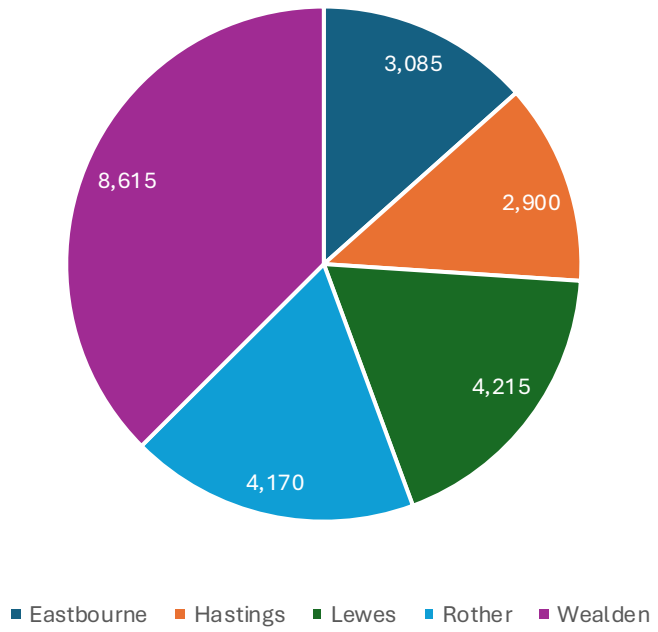
The figures presented in this report are based on the most recent publicly available data, including mid-2023 population estimates and area measurements from the 2021 Census. While every effort has been made to ensure accuracy, these figures are subject to change as new data becomes available or as methodologies are updated by official statistical agencies.

# Businesses in East Sussex

## Number of Businesses in East Sussex by Sector

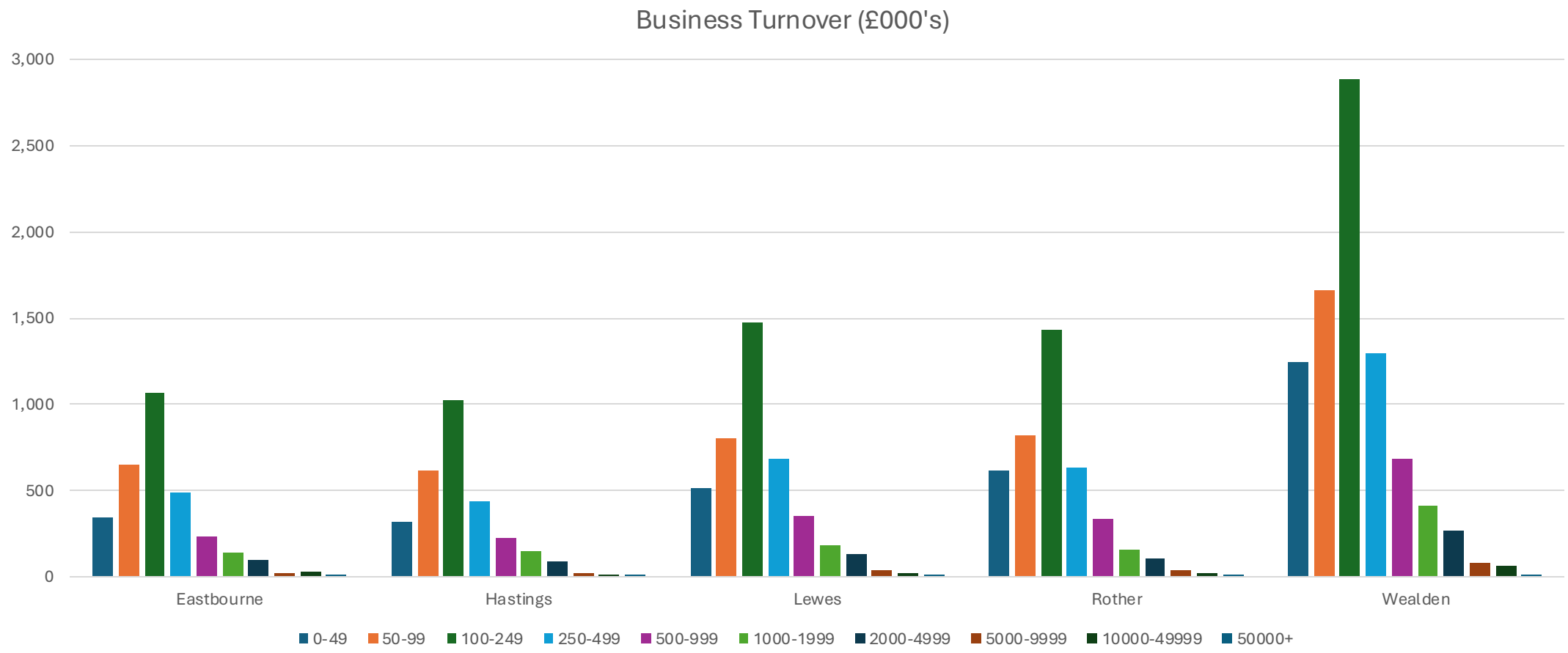



## Number of Businesses by District



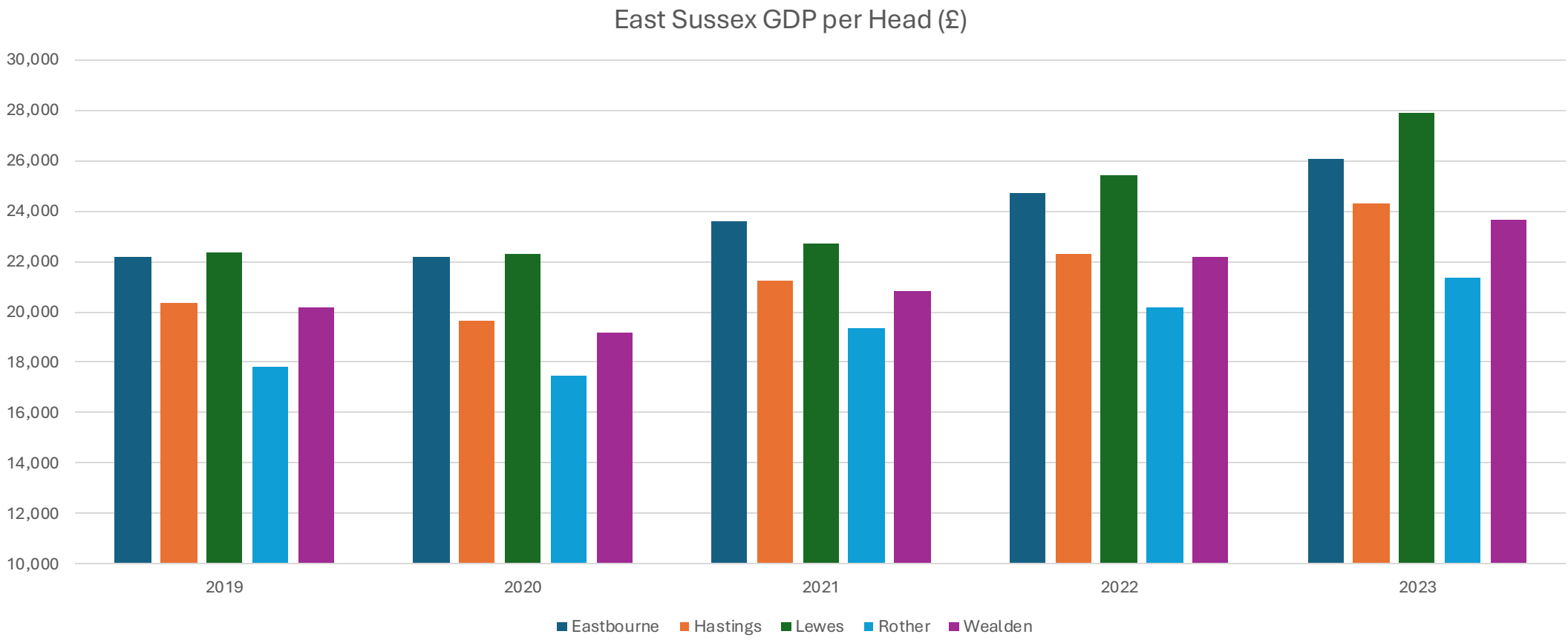

Source: [UK business: activity, size and location - Office for National Statistics]

# Businesses in East Sussex



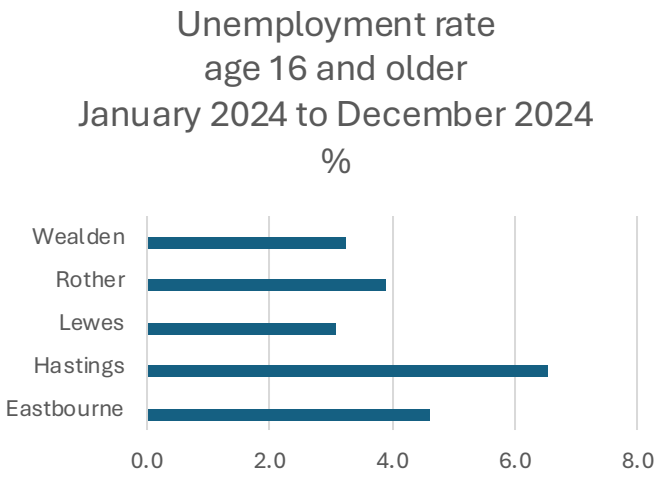

Source: [UK business: activity, size and location - Office for National Statistics]

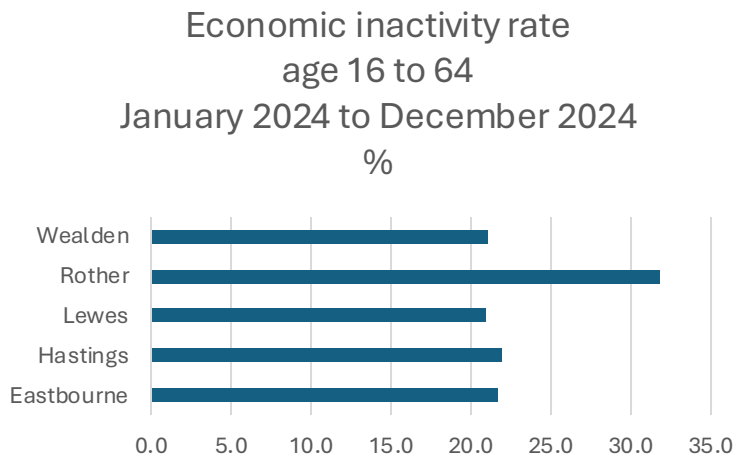
# East Sussex GDP

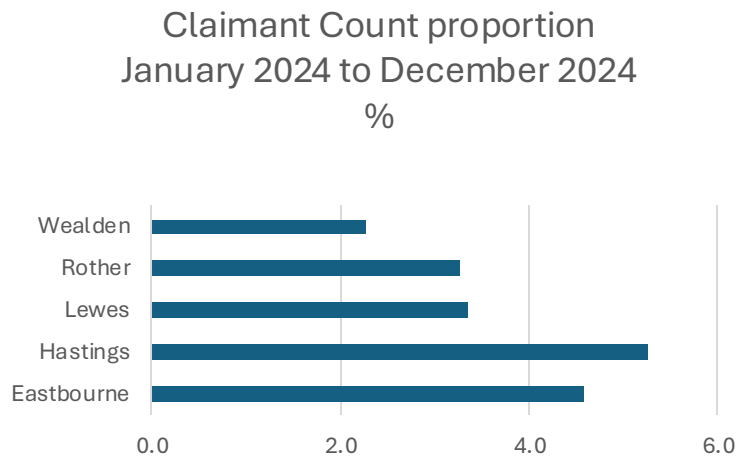



Source: Regional economic activity by gross domestic product, UK: 1998 to 2023

# Labour Market Indicators

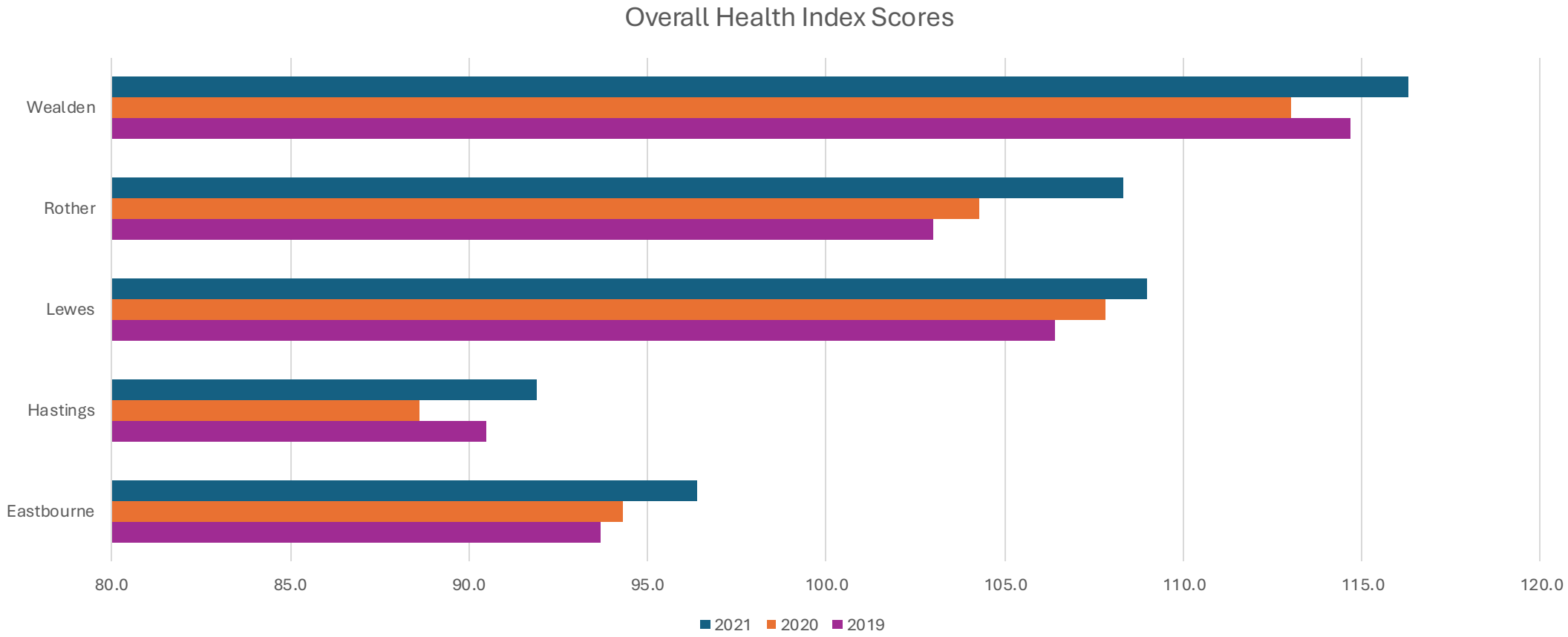


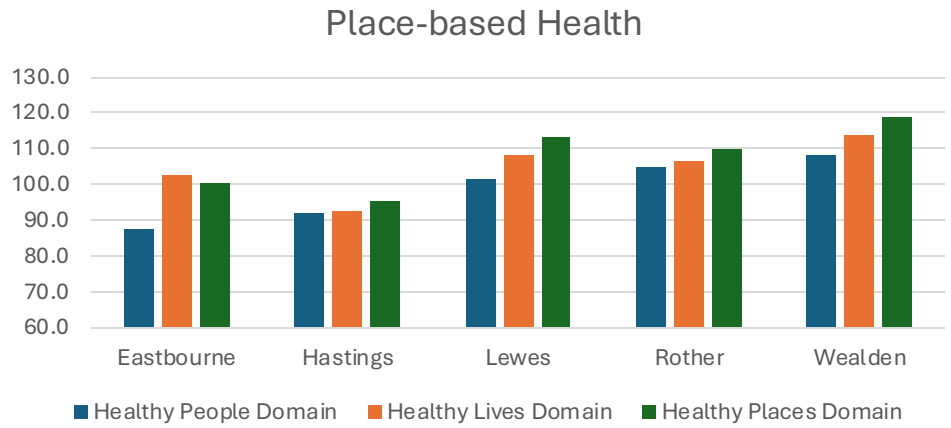

Source: ONS, Employment and Labour Market

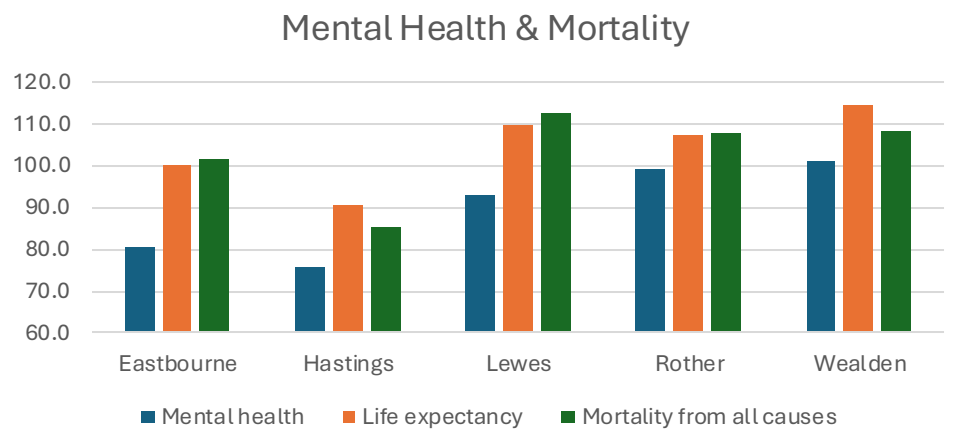
# Health Index Scores

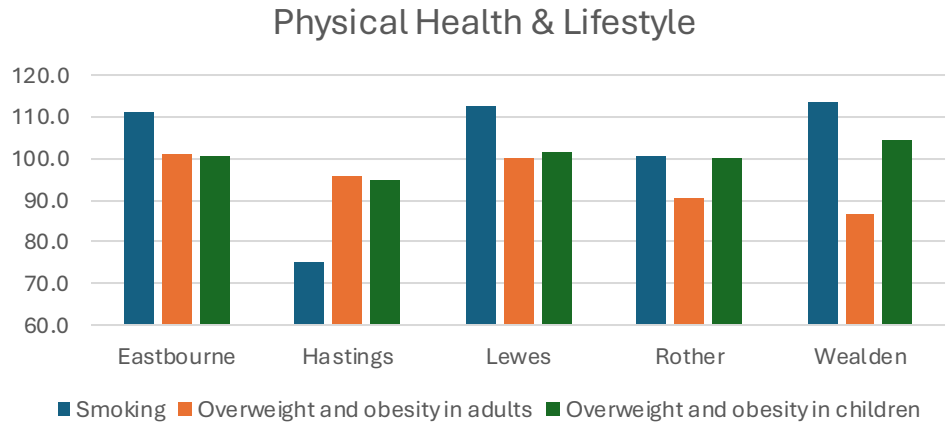


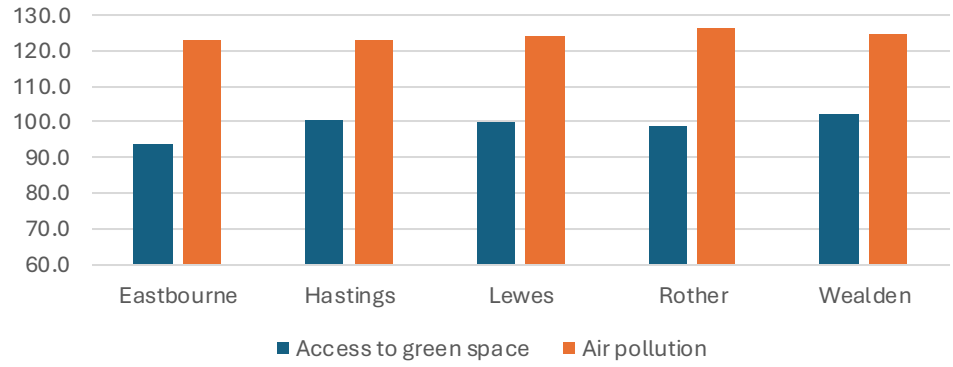

Source: Health in England: 2015 to 2021

# Detailed Health Index Scores



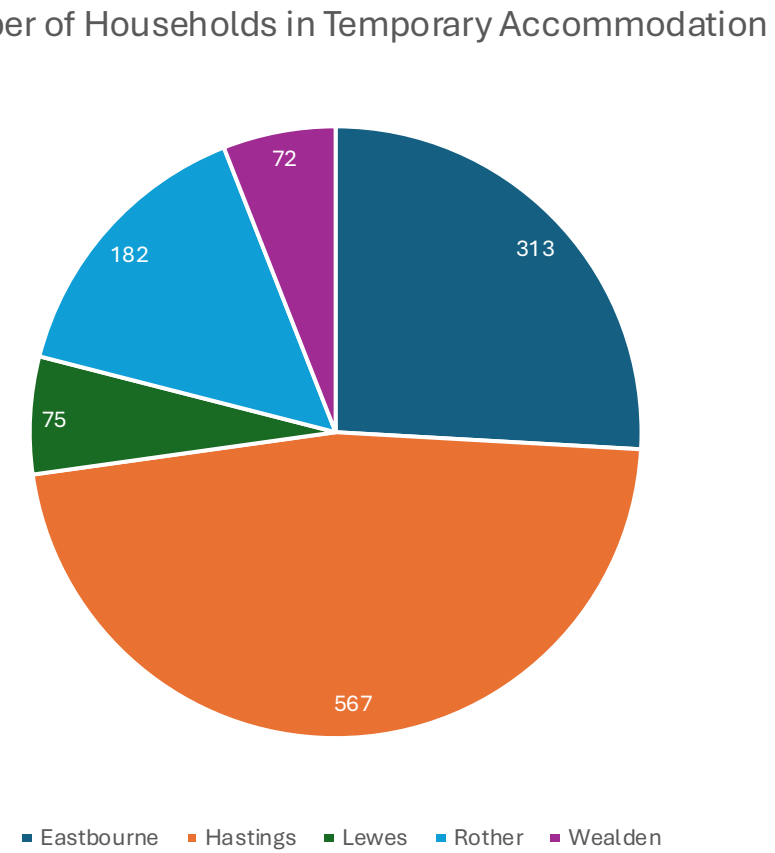



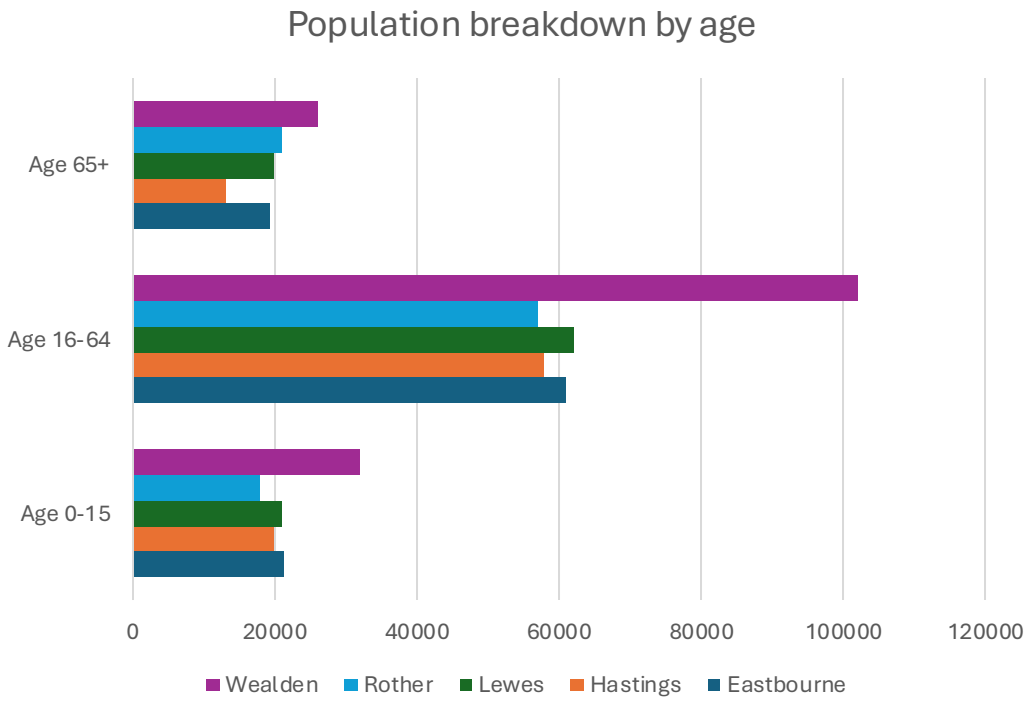

Source: [Health in England: 2015 to 2021]

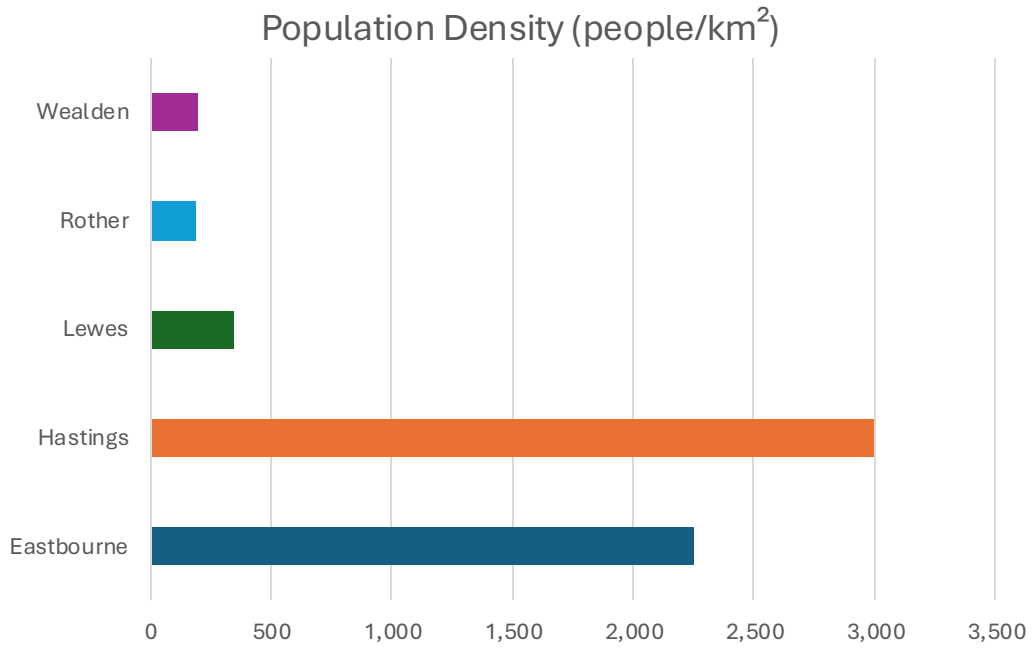
# Temporary Accommodation




Source: Statutory homelessness in England: January to March 2025

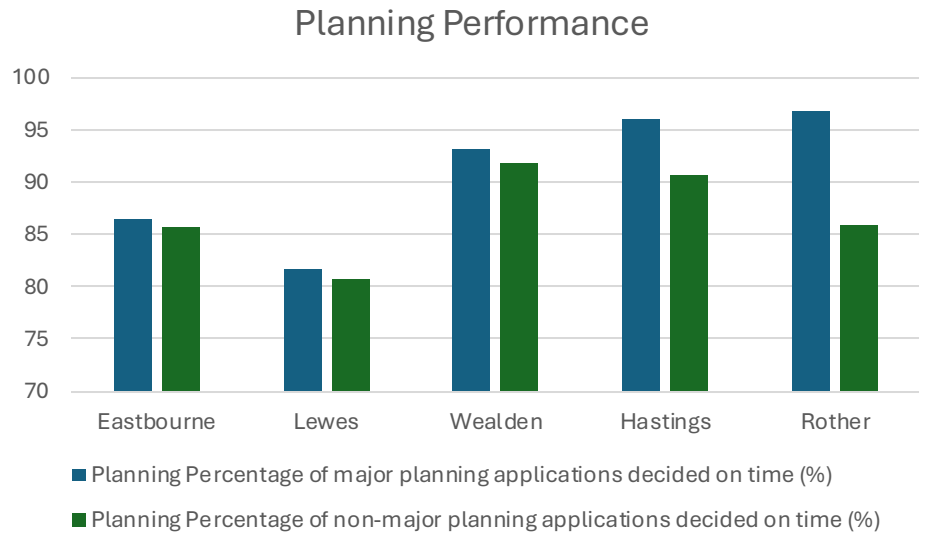
# Population Profile

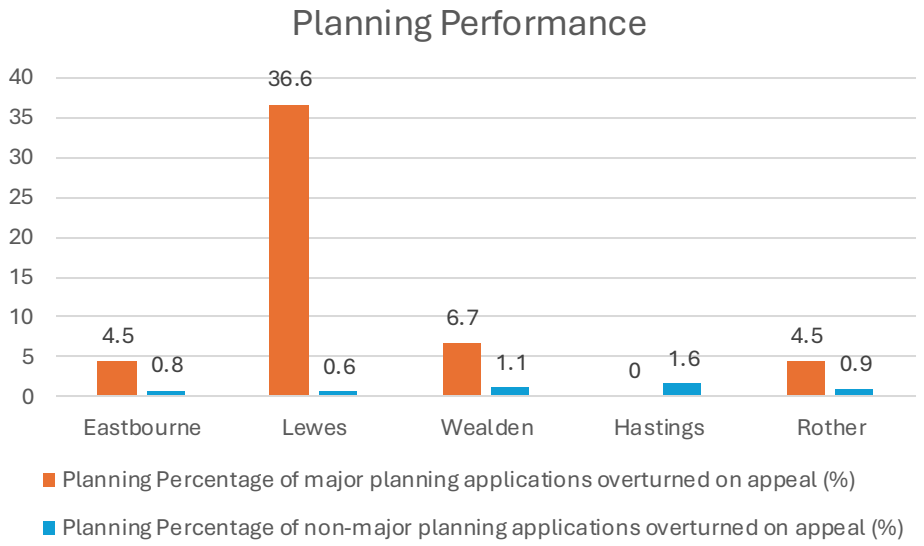



Source: Population profiles for local authorities in England

# District Performance: Planning



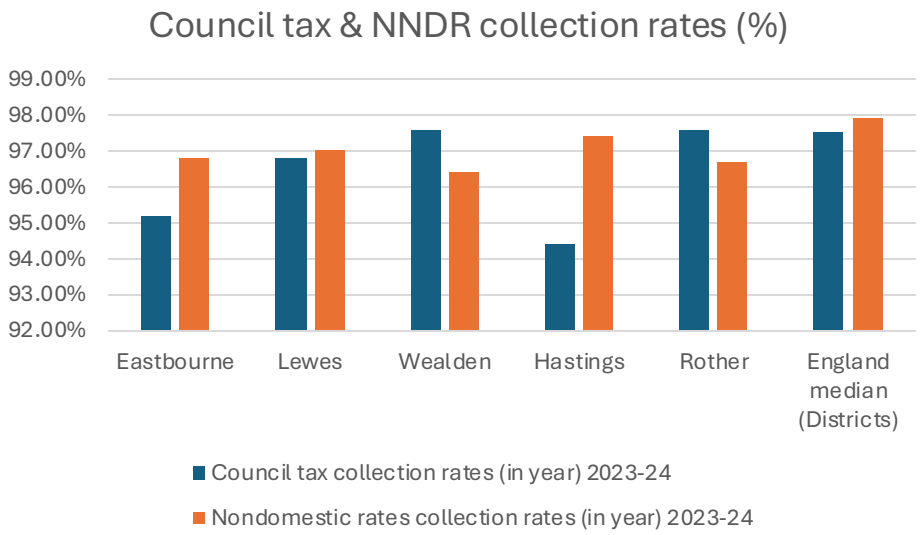



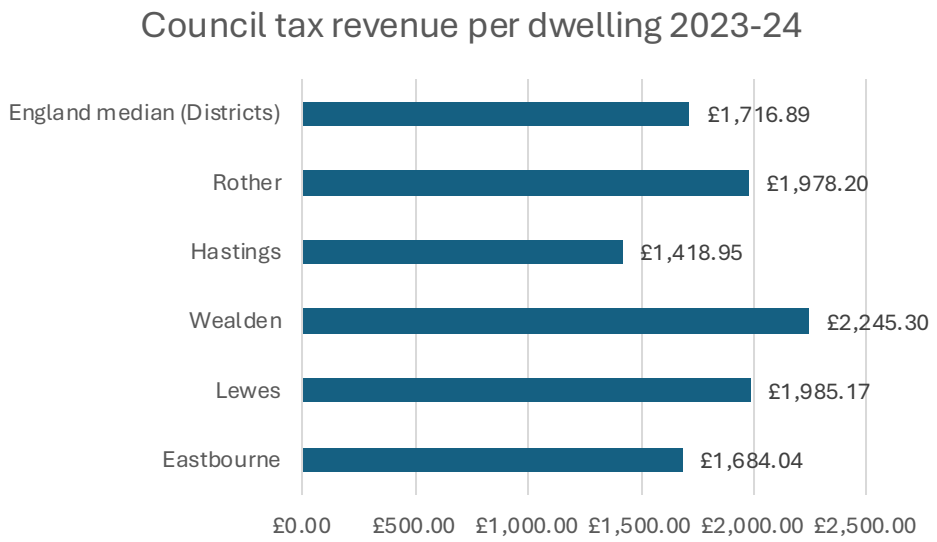

Source: https://oflog.data.gov.uk/?

# District Performance: Waste

Source: https://oflog.data.gov.uk/?

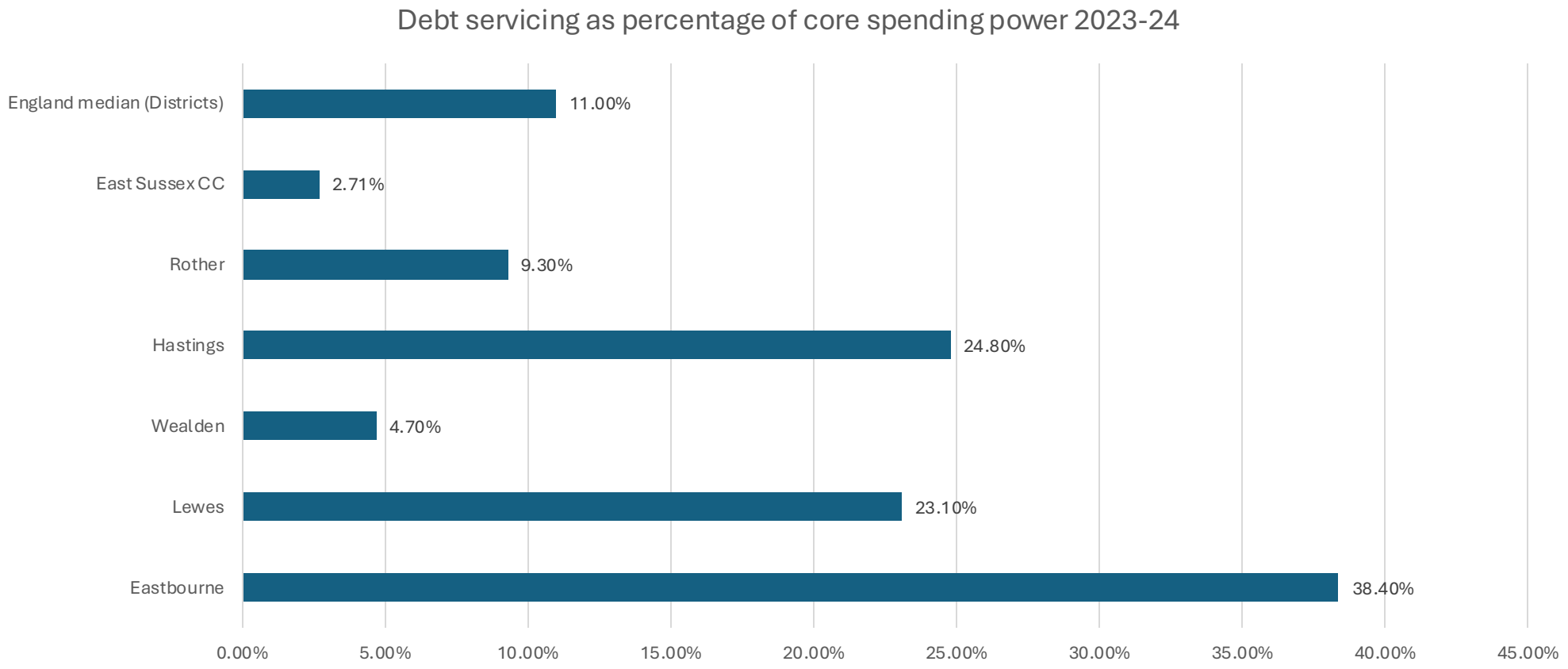
# District Performance: Council Tax & NNDR




Source: https://oflog.data.gov.uk/?

# Council Spending Power

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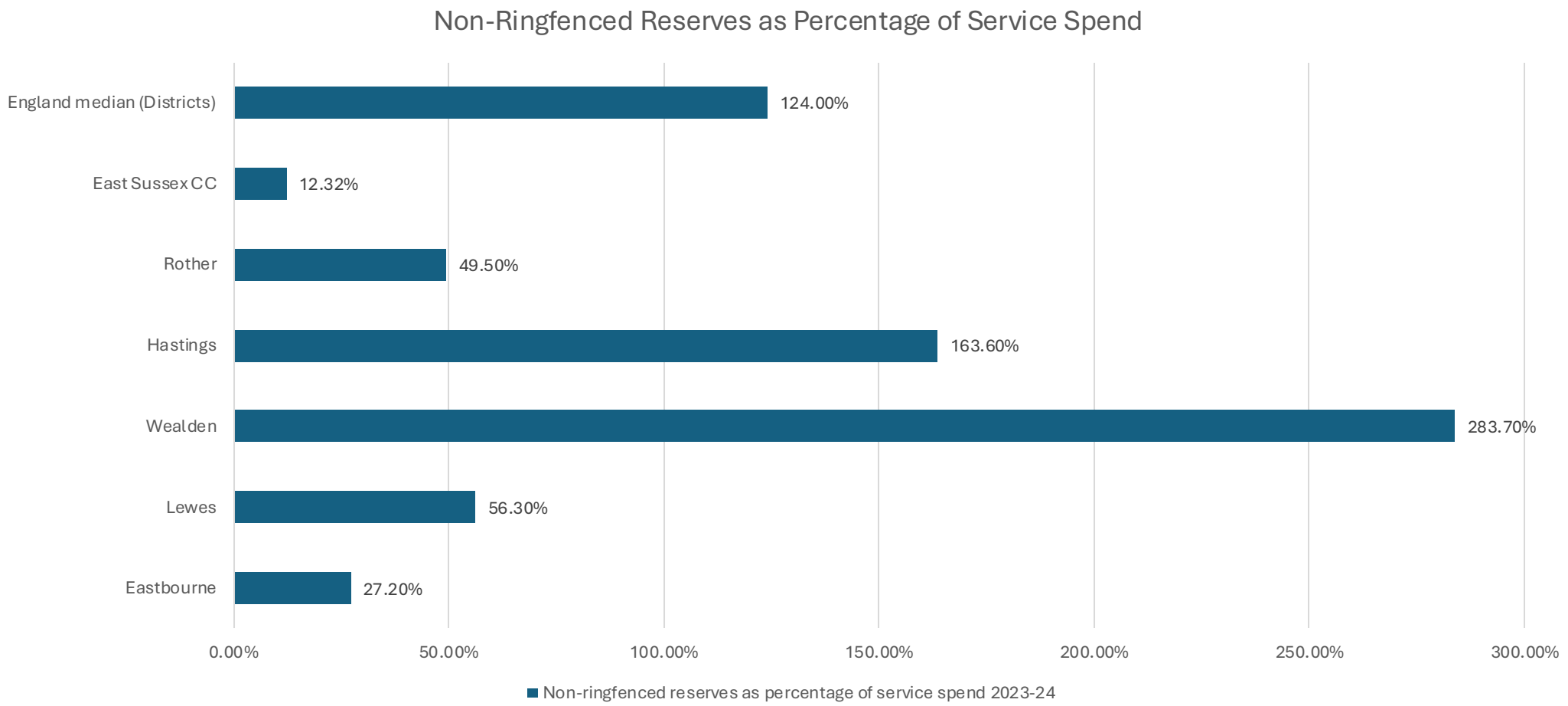


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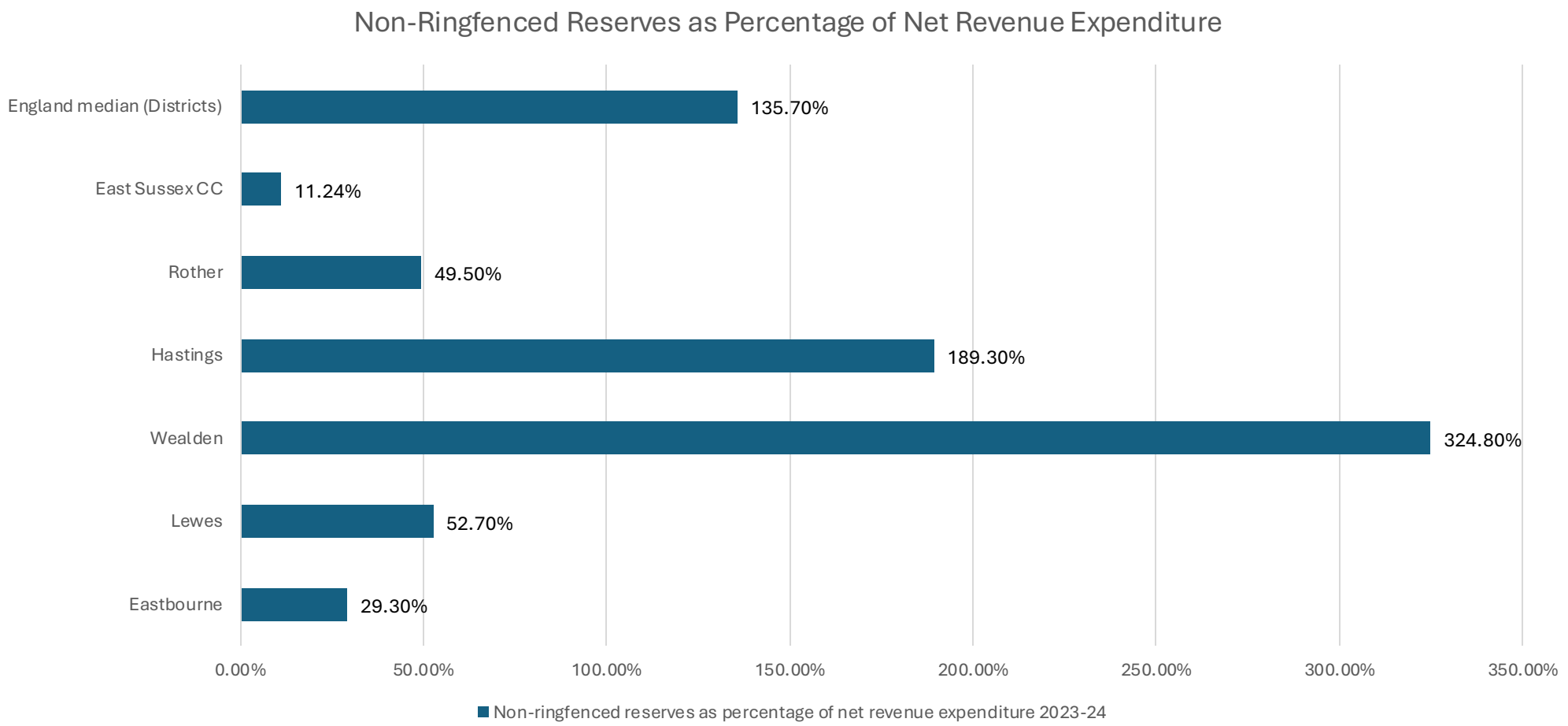
# Council Spending Power




Source: https://oflog.data.gov.uk/?

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A Havas Company

## Local Government Reorganisation (LGR)

To inform the local government reorganisation plans in East Sussex, extensive engagement took place

The engagement took three main forms: a residents' survey, a stakeholder engagement and resident focus groups

A separate consultation for Lewes residents also took place, this related to the proposals by Brighton & Hove to extend the authority boundaries. The results of this are included here also

# The Resident Survey

Residents were invited to complete the engagement survey which was open for 6-weeks during May & June 2025.



- 5,654 residents from across East Sussex responded This is about 1% of the East Sussex population (555,000).

| Area | Responses received | Population of area (2023) | Proportional response |
|---|---|---|---|
| Eastbourne | 974 | 103,796 | 0.9% |
| Hastings | 633 | 90,817 | 0.7% |
| Lewes | 1,294 | 101,356 | 1.3% |
| Rother | 1,055 | 94,862 | 1.1% |
| Wealden | 1,585 | 164,653 | 1.0% |
| **East Sussex** | **5,654** | **555,484** | **1.0%** |

## Demographics

- Responses by gender: 52.8% were females, 41.4% were male.
- The majority of responses were from those aged 45-84 years old. We welcome the increase in responses from younger residents following dedicated promotion to younger audiences to improve proportionality.
- 21.81% of respondents identified themselves as having an impairment or disability. The proportion of the East Sussex population that identify themselves as disabled is 20.3% (2021 Census).

# The Resident Survey

Respondents were asked what they thought would be the "good things" and some of the "potential problems" with having just one single council across the area covered by East Sussex County Council and all five District and Borough Councils

91% of respondents wrote at least one good thing with this proposal

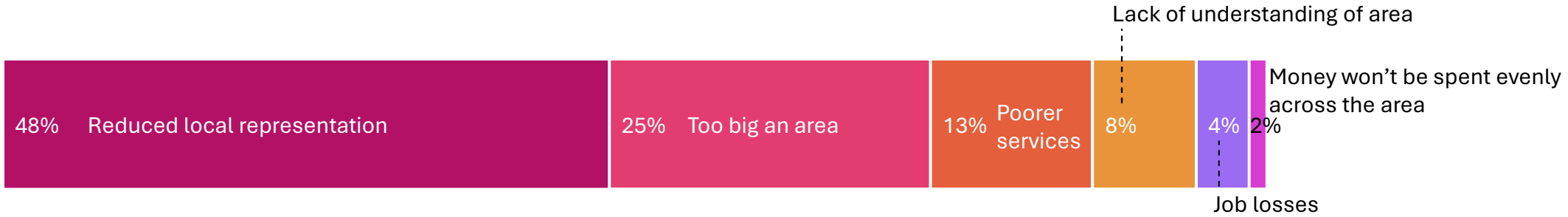
- The most common opportunity with the proposal for one council across the East Sussex area was given by residents as cost savings – comments referred to savings made through 'economies of scale', 'greater purchasing power for service contracts' and 'staff reductions'.
- Access to services was also mentioned as a potential opportunity of this option by a quarter of respondents – comments mentioned 'improved services', 'easier access to services', 'consistency in delivery across the county' and 'reduced duplication'.
- A full summary of broad comment themes is shown below:

*This was a free-text box question, respondents were able to write whatever they wished to. The categories have been created during the analysis stage to allow presentation of the feedback.*

# The Resident Survey

97% of respondents listed a concern with the one East Sussex suggestion

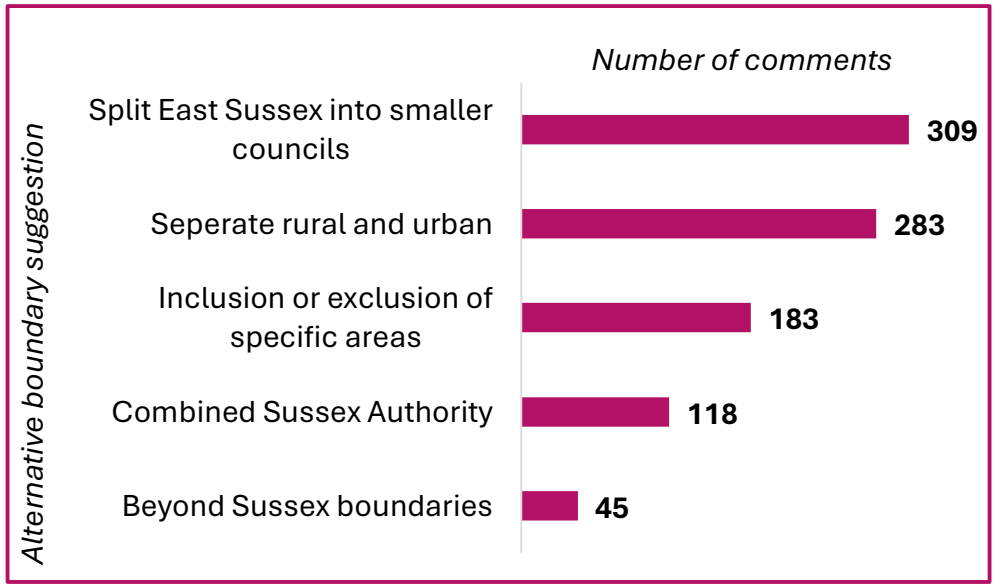
- There were 2,729 comments that thought the proposal for one council across the East Sussex area would result in reduced local representation – comments tended to focus on concern ‘our area would be forgotten’ by a single, county-wide council.
- These comments were similar to the 8% (468) of people who thought a new council wouldn’t ‘understand their area well enough’
- A quarter of responses (1,445) to this question were concerned with the fact they thought East Sussex was too big an area for a single unitary
- A full summary of broad comment themes is shown below:




*This was a free-text box question, respondents were able to write whatever they wished to. The categories have been created during the analysis stage to allow presentation of the feedback.*

# The Resident Survey

- 988 (17.5%) people suggested an alternative geographic boundary from the proposal for one council across the East Sussex area.
- These have been categorised as shown in the chart:




- The potential opportunities for these alternatives were given by residents as:
  - The council would be closer to its residents (enhanced 'local voice')
  - A council over a smaller area would be more responsive and accountable
  - Services would improve if they were tailored to smaller geographies

- There were concerns raised with these alternatives too:
  - A council over a smaller area would have higher costs and funding shortages
  - You would lose the economies of scale
  - If the new authorities are too small, inefficiency can creep in to service delivery and community representation

# The Resident Survey

There were some **key themes** emerging from the resident engagement.

- **Loss of local representation**: Larger governance structures could lead to a loss of local representation and control, making it harder for residents to have their voices heard.
- **Impact on services**: proposed changes could negatively impact local services.
- **Desire for consultation**: Respondents express a desire for more consultation and involvement in the decision-making process to ensure that any changes reflect the needs and preferences of local communities.
- **Protection of natural areas**: Respondents emphasised the need to protect natural areas such as national parks and areas of outstanding natural beauty, regardless of any boundary changes.
- **Addressing deprivation**: There are specific socio-economic challenges that need to be addressed, and any changes should ensure that these areas receive adequate support.

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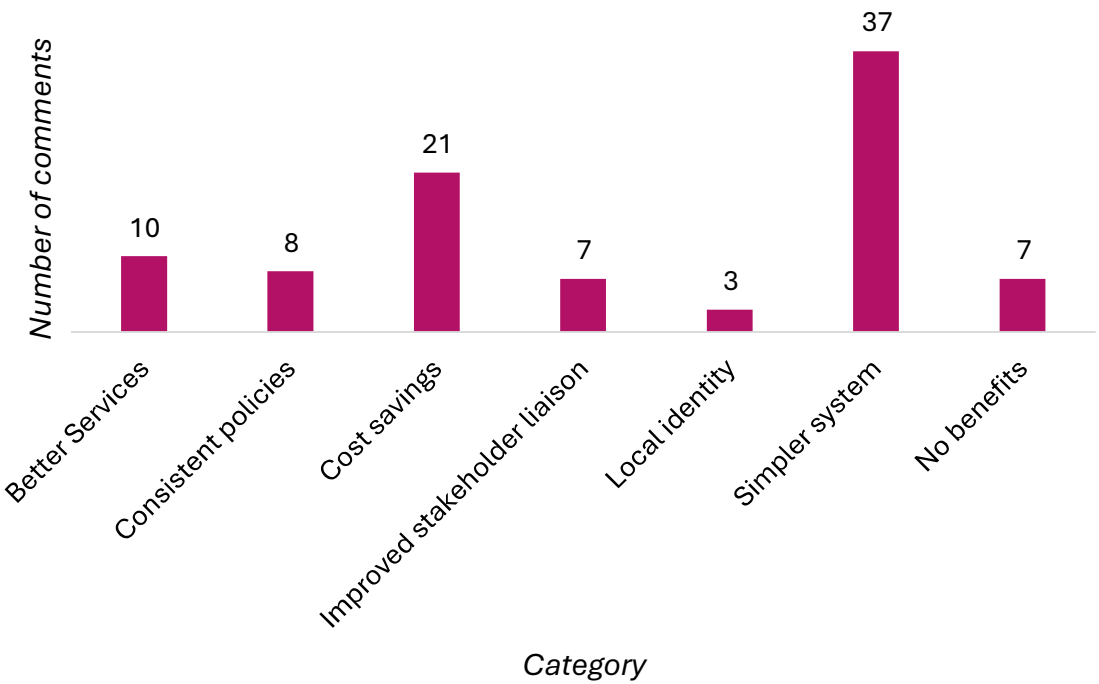
# Stakeholder engagement

Professional partners and stakeholders across the county were invited to contribute to our engagement – 89 responded

- 37 were Town or Parish councils
- 18 charities
- We also heard from all three main emergency services and 1 Member of Parliament

- We asked stakeholders what they thought would be the “benefits” of the proposal for one council across the East Sussex area, their comments have been categorised as follows:



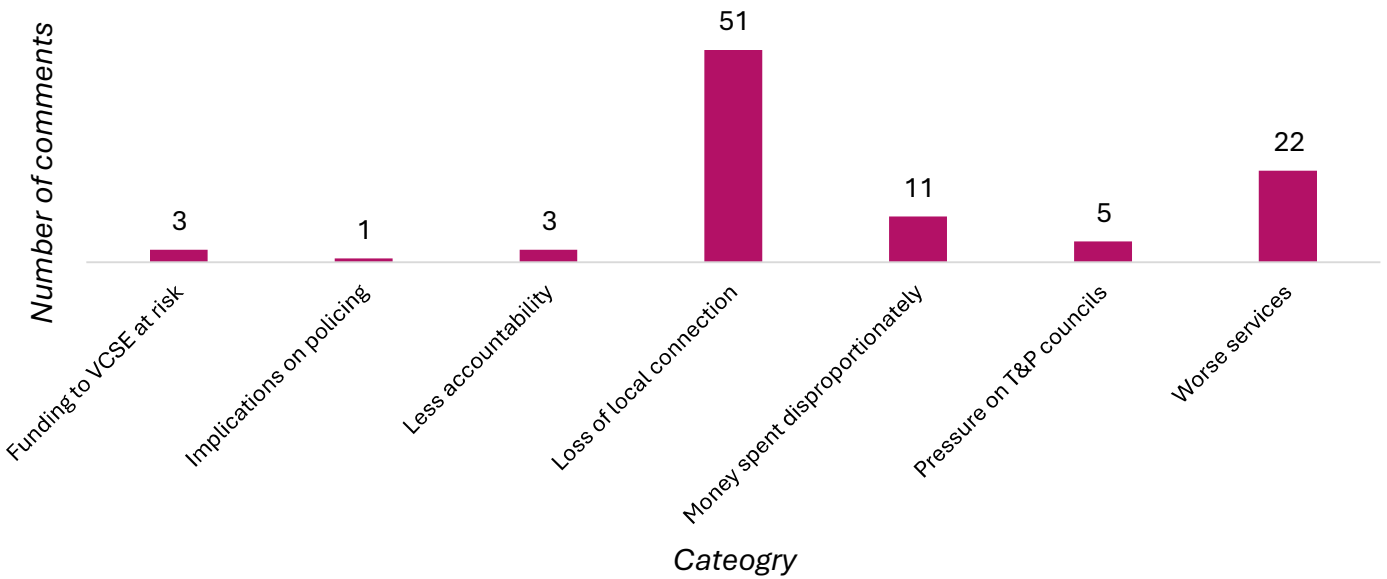

- Comments that mentioned a single unitary authority being ‘simpler or less confusing’ for residents and professional partners was the most popular - 37 out of 86 comments.
- There were a notable amount (21) of comments that mentioned LGR would ‘result in cost savings’ for the new authority.

*This was a free-text box question, respondents were able to write whatever they wished to. The categories have been created during the analysis stage to allow presentation of the feedback.*

8

# Stakeholder engagement

- Similarly, stakeholders were asked to comment on “any problems” they could see with one unitary council across East Sussex. The comments have been categorised and presented below:




- Much like the concerns shared by residents, stakeholders are also worried about a ‘loss of local connection and understanding of their place’ from a new authority - 51 out of 83 comments related to loss of local connection/identity.
- There were 22 comments that had concerns about council services worsening, particularly during the first few years as we transition from two-tier to unitary.

*This was a free-text box question, respondents were able to write whatever they wished to. The categories have been created during the analysis stage to allow presentation of the feedback.*

9

# Stakeholder engagement

- Received from stakeholders were 20 specific descriptions of an alternative geography to the proposal for one council across the East Sussex area, meaning less than a quarter of participating organisations opted to suggest something.
- The suggestions we did receive were very mixed and only one – 'a coastal/rural split' – was in a notable quantity, with seven comments about this alternative. No other suggestions received more than two.

- Summary of comments in response to benefits and problems from those suggesting the coastal/rural alternative.

| Benefits with coastal/rural | Any problems with coastal/rural |
|---|---|
| Better understanding of the needs in each area | Less funding reaching rural areas |
| Improved targeted support for residents | New geographies could cause a lack of understanding from new council |

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# Stakeholder engagement

## Notable contributions

- Crime and disorder is significantly important to a vast number of people. Often, these problems are solved by joint action and partnership working at the district/borough level. It is imperative that partnership working, and joint funding arrangements continue and any local government services seek to enhance the well-established track record of joint problem-solving to continue to combat local issues proactively and preventatively.
- LGR proposals should focus on how they contribute to bringing investment, will empower local leaders and communities, and positive community outcomes to our area.
- Town and Parish councils being expected to take on additional services with no additional funding or manage assets that don't generate income
- Health needs vary significantly across East Sussex. It will be essential to maintain strong local engagement mechanisms to ensure services remain responsive to the distinct needs of everyone

# Resident Focus Groups

A resident focus group took place in each of the five district and borough areas across East Sussex, these were facilitated and documented by a consultant and the key themes that emerged from the conversations are summarised here.



There were many conversations about the opportunities these changes may bring about,

- Most participants were open-minded to the idea of a unitary council model in East Sussex, one of the benefits was seen as reducing confusion about which council is responsible for which services.
- There was hope that the creation of a unitary council(s) would result in cost savings as a result of functions that exist across all councils combining e.g. finance, human resources.
- Residents thought this change created an opportunity for services to become more joined-up, for example: adult social care and housing.
- Thinking about local democracy, residents felt optimistic that more people might be attracted to the role of being a local councillor as they would have more power in a unitary authority.

# Resident Focus Groups

There were of course, concerns too about this change to local government,

- Residents felt unsure about how any new unitary council could work with the Mayoral Strategic Authority, more detail is needed to help understand how the two will compliment each other
- From a financial point of view, while many recognised LGR could bring about cost savings, others thought the cost of the change itself would be high and prevent future cost savings. Concerns were also raised that even more money will go to the statutory services meaning some of the 'nice to dos' miss out.
- People were worried that a larger organisation would be less responsive and accessible, there were worries they might not be able to walk into the council offices anymore.
- Concern about local representation was raised by some who felt that their current district and borough councillors are local people who have connections to their area, if this change results in councillors representing larger areas it might make them more remote and less accessible to residents.
- Similarly, people were worried about being joined with larger areas. Those in the more rural areas/villages want their voices heard and not lost to the larger towns.

# Resident Focus Groups

Suitable geographies for the reorganisation was also discussed, just like it was asked as part of both the resident survey and stakeholder engagement. All the options mentioned here were discussed in at least one of the five focus groups.

| Option | Perceived benefits | Perceived drawbacks |
|---|---|---|
| Current East Sussex County Council boundary | Less disruptive than other options | Current setup doesn't work for some people and keeping the current boundary will lead to more of the same |
| Rural/Costal split of East Sussex | Smaller areas with shared identities and challenges | Concern residents wouldn't get a say in other area. People living on coast valued rural areas and vice versa. |
| Split East and West Sussex in three i.e. East, Central and West. | It was felt not many people identify with "mid-Sussex" so it gives a chance to improve local identity | It feels like a random boundary suggestion, lacks justification. |

# Lewes district boundary consultation

During July & August, Lewes District Council (LDC) and East Sussex County Council (ESCC) carried out a public consultation over Brighton & Hove City Council's proposals to expand the city boundaries into areas of Lewes district.



- 7,472 residents have responded to the Lewes consultation survey
- 86% of those did not want to make a change to the Lewes district boundary

| Respondent type | Responses | Percentage of responses |
|---|---|---|
| Lewes resident | 6,568 | 88% |
| Resident of elsewhere | 527 | 7% |
| A business or organisation | 43 | 0.5% |
| Councillor or MP | 34 | 0.5% |

## Where in Lewes?

- The most common area for responses to come from was Newhaven with 1,512 (23% of total).
- Peacehaven, Seaford and Lewes town were the other most represented areas

# Lewes district boundary consultation

Preferred boundary options beyond 2028

- “No change to the current Lewes district boundary” was the most common preference from residents – 86% of all respondents opted for no change
- The second most popular option was for “Brighton & Hove to include East Saltdean, Telscombe Cliffs and Peacehaven” however, this was only the preference for 8% of respondents. All other options received less than 3% of the vote.



Reasons for preference, each respondent was asked to write why they had chosen the option they did, the most common themes within these comments is summarised below

- Respondents saying they “wanted to keep the current Lewes district boundary” was the most common with over 3,000 comments saying this.
- Again, over 3,000 comments were made that referred to “not wanting to be part of Brighton & Hove”.
- There were 2,243 comments from respondents who felt their area “is better within Lewes district”.
- Other comments referred to things such as “I’m worried my area will be negatively impacted by joining Brighton”, “Brighton has financial issues”, and “our small town/village isn’t suitable to join a large urban area like Brighton”.

# Lewes district boundary consultation

Specific responses were received from many of the town or parish councils within the areas affected by the consultation. The key points within their submissions are summarised here:

- There was concern the distinct identity of these places, and the connections they have with the surrounding geography, will be lost e.g. connection to the Ouse Valley and the South Downs creating an eastward orientation.
- Infrastructure and service concerns were raised, particularly in some of the areas vulnerable flood risk it was felt these places are best served by the current East Sussex structures and expertise as this is lacking in Brighton & Hove. Accessibility of services (tailored to rural needs) was also a concern as the BHCC offices would mean residents having to travel 5 times the distance the council office.
- Also, despite some socio-economic challenges in these areas, there was feeling that recent regeneration attempts are beginning to show results and a change in council boundaries may disrupt this.
- There is opposition from the communities involved as they feel they would be overlooked in favour of urban priorities if their areas were to be brought within any reorganised Brighton & Hove authority boundary.

# TELSCOMBE TOWN COUNCIL

TOWN CLERK & RFO: MRS STELLA NEWMAN, PSLCC

TELEPHONE: (01273) 589777

TELSCOMBE CIVIC CENTRE
360 SOUTH COAST ROAD
TELSCOMBE CLIFFS
EAST SUSSEX
BN10 7ES

22nd August 2025

Mr J McMahon, OBE, MP
Minister of State for Local Government & English Devolution
Parliamentary Office
House of Commons
LONDON
SW1A 0AA

Dear Mr McMahon

**Re: Proposed Local Government Reorganisation – Opposition to the Inclusion of Telscombe & East Saltdean within Brighton and Hove City Council**

I am writing on behalf of Telscombe Town Council and the residents of Telscombe and East Saltdean to formally object to the proposal that Telscombe Town Council's administrative area be incorporated into Brighton and Hove City Council as part of the ongoing Local Government Reorganisation (LGR) discussions.

We believe that the inclusion of Telscombe Cliffs and East Saltdean in these proposals fails to meet the Government's core criteria for Local Government Reorganisation, as outlined by the Department for Levelling Up, Housing and Communities (DLUHC). Below, we outline our concerns and the reasoning behind our position.

Telscombe Cliffs is a semi-rural coastal town with a distinct identity, culture, and geography. It does not share the urban characteristics or planning needs of Brighton and Hove. Its inclusion in a city-based authority does not represent a coherent, functional geography and would ignore the clear differences in character, land use, and governance needs between Telscombe Cliffs, East Saltdean and the Brighton and Hove urban area.

Telscombe Cliffs includes a rural historical village and Telscombe Tye, a 211 acre area of registered common land with specific management and protection needs. The area does not naturally align with the urban travel-to-work patterns or economic focus of Brighton and Hove. It would be more appropriate and effective to remain aligned with other rural and semi-rural communities in East Sussex under a Unitary Authority.

The proposal clearly fails the criteria requiring a good deal of local support as Telscombe Town Council opposes the inclusion in Brighton and Hove and residents have expressed their clear desire to remain under East Sussex governance through existing channels. The current governance model reflects the will of the local community and any attempt to forcibly shift governance would erode democratic legitimacy.

Telscombe Cliffs and East Saltdean, along with Peacehaven and Newhaven, already benefits from a strong, locally effective governance model that is aligned with East Sussex's rural governance structure. This includes a Joint Neighbourhood Plan between Telscombe and Peacehaven Town Councils, developed to reflect local priorities and planning needs.

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There is also a 3-Towns Community Bus, a shared and locally managed transport service that connects Telscombe Cliffs, East Saltdean, Peacehaven, and Newhaven, enabling mobility and access to essential services for many residents.

These services and planning frameworks would face disruption or even dissolution if Telscombe Cliffs and East Saltdean were moved into an urban council structure that does not share the same priorities or funding mechanisms. Such a change would reduce service quality, increase administrative confusion, and distance decision-making from those it directly affects.

Telscombe Tye is a unique and protected area of registered common land within the South Downs National Park that plays a vital role in the character, environment, and recreational life of the local area. It is rich in archaeological importance, highlighting prehistoric and historic human activity. The Tye has Bronze Age Barrows, a Cross Dyke and an old funeral track which is now a registered restricted byway which was historically used by funeral processions heading to St Laurence Church. The track also has associations with highwaymen and smugglers and links Telscombe Village across the Tye and down to the sea. Its continued stewardship requires an authority with experience managing rural and environmental assets, and a governance structure that recognises commoners' rights, heritage protections, and community involvement.

Based on the Government's own criteria, it is clear that Telscombe Cliffs and East Saltdean does not represent a credible geography for inclusion in a city-based authority, there is a lack of local support for the proposal, and the change would undermine effective governance and disrupt vital community infrastructure.

We therefore respectfully urge the Department and any other relevant authorities to remove Telscombe Cliffs and East Saltdean from any proposal to include it within Brighton and Hove City Council, and we steadfastly affirm our continued position within the East Sussex Unitary Authority structure.

Yours faithfully

Stella Newman
Town Clerk & RFO
On behalf of Telscombe Town Council
stella.newman@telscombetowncouncil.gov.uk

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# KINGSTON PARISH COUNCIL

www.kingston-pc.gov.uk

Julie O'Donnell
Clerk to Kingston Parish Council
Kingston Community Pavilion
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Church Lane
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e-mail: clerk@kingston-pc.gov.uk

19th August 2025

Jim McMahon OBE MP
Minister of State for Local Government
House of Commons
London
SW1A 0AA

Dear Mr McMahon

**Kingston Parish Council Response to Proposed Unitary Authority Expansion**

This response is on behalf of Kingston Parish Council (KPC) but the points made apply to the vast majority of the Kingston Ward, which is included in two of the expansion proposals being put forward by Brighton and Hove City Council (B&H CC) to create an enlarged Unitary Authority (UA). It is apparent that the proposal to annexe areas outside the natural limits of the City are for the expedience of the City Council, and not for the benefit of the residents of those areas.

Kingston is largely a rural ward which feels very remote from Brighton, both geographically and culturally. Because of the South Downs, we literally look eastwards; i.e. to East Sussex. There is a large section of uninhabited downland between the eastern boundary of Brighton and the settlements of the Ouse Valley of at least two miles, but which feels like a lot more due to the topography and its emptiness. While the ancient parish boundaries abut the boundary of the city UA, the communities are a world apart.

Our District Council services have been working well under the management of a very efficient council. East Sussex would have been greatly improved if the 2025 County Council elections had been held and the anticipated removal of the incumbent administration had not been prevented by the LGR agenda. A case has not been made that services would be improved if Kingston were incorporated into Brighton. Indeed, services are likely to be degraded by such a move as the distance between provider and service user will be extended. Lewes town centre is 2 miles from the village centre. Lewes, as the historic County Town of all Sussex, hosts the East Sussex County Council headquarters as well as Lewes District Council offices. B&H CC offices are based at Hove Town Hall, which is 11 miles away, and involves driving through congested streets or two changes of bus or train; it is very possible to walk or cycle into Lewes and many residents of the Ouse valley do so regularly.

One of the rationales put forward by Bella Sankey, with whom KPC have met, is that the current population size of B&H is smaller than being stipulated by your department for consideration as a UA. The case for a new UA being formed with the current Brighton and Hove UA as a starting point would be better made by extending the boundary westward. The City Council area already covers the neighbouring town of Portslade, which is part of a large conurbation which extends for 20 miles to Littlehampton, at the mouth of the river Arun. The coastal conurbation is only interrupted by the River Adur between Shoreham and Lancing and many residents of this coastal strip are unlikely to realise where the boundaries between existing authorities or communities lie and for many the distinction will be limited to which logo is on the refuse bins. If population size is a consideration, then neither West Sussex nor B&H form the ideal size. The population of West Sussex is 882 000, and for Brighton its 277 000, (East Sussex as proposed is 546 000, near the ideal). Therefore, it would be logical and practical to incorporate areas of West Sussex into the enlarged B&H CC area, if it is considered to be too small. Extending the boundary to the Adur would transfer nearly 36 000, and if the Arun is the western limits of the newly created UA, a further c180 000. In other words, the population of the Sussex Coast Unitary Authority would be near the ideal at 505 500, and West Sussex would be reduced in population size to c 650 000. The population of Kingston Ward is c 1900, so will add little to the population size of an enlarged Brighton UA. Even by adding the Coastal strip to the East of Brighton, particularly East Saltdean, Telscombe Cliffs and Peacehaven only adds an additional 22 000, people. Expanding Eastwards does not address the criteria your department considers to be an imperative when considering UA size.

Kingston's natural administrative alignment with ESCC/LDC reflects its position embedded in East Sussex; the effect of annexation by BHCC would be to sever administrative ties with these bodies. Were the proposal to succeed, it would run counter to Kingston's community identity and disrupt existing governance arrangements. Kingston’s remoteness from Brighton means inefficiencies are likely to result from our inclusion, and not efficiencies. Bella Sankey has often used the term “efficiencies of scale” without realising it has a bedfellow, “the law of diminishing returns”

When asked why BHCC was not considering expanding West to satisfy its (and West Sussex’s’ target population) Bella Sankey said it was “financially unviable” for Brighton and Hove UA to extend westwards. No explanation has been provided as to why this might be the case. The urban areas of BHCC and West Sussex share a boundary of over 2 miles, through which cuts three main arterial road connections, the A27, the A270 and the A259, numerous residential streets as well as a rail connection with regular services between the communities along the coastal strip and further to London and Portsmouth. Whereas the West-East road connection between Brighton and East Sussex are heavily congested. In Newhaven the A259 is one of the most heavily congested roads in the South of England. Likewise, during peak hours, the A27 becomes grid locked. There are no alternative routes East-West. This road network is so heavily congested that 10 000[1] vehicles a day use the north-south connecting road on the Western bank of The River Ouse, the C7, to access the A27 and other routes away from the south coast. This 10 000 figure does not include the vehicles that use the other North-South route, the A26, on the Eastern bank of the River Ouse, which will include much of the traffic, including freight, using the Newhaven to Dieppe ferry crossing. The communities that live along the C7 are seeking to improve travel conditions and options by introducing schemes to reduce volumes and speeds along what should be a quiet country road. This would increase pressure on the other roads connecting these annexed areas, particularly if B&H UA seek to build more homes on this coastal strip to meet housing targets.

One potential reason for B&H CC hoping to incorporate Kingston ward into an enlarged UA is the value of the houses here, and therefore the Council Tax revenue. This may well benefit a poorly run council to balance its books but ignores the fact that East Sussex too has the kind of demands on its services that B&H CC has. Eastbourne, Bexhill and Seaford are towns well known for their incoming

[1] Sources. Safer C7 Project: Draft Project Report 06.06.24

retirement community. As well as a degree of relative comfort in many parts of East Sussex, there are high levels of deprivation. Large tracts of East Sussex are in the 25% of most deprived areas in the country.[2] Hastings is the 20th most deprived local Authority Area out of 370 LA's. East Sussex's financial viability should not be sacrificed to alleviate the profligacy of another's. B&H CC has a debt of £1350 per resident as opposed to £470 pp for Lewes and £396 pp for East Sussex. Therefore, the combined debt for the UA area is £866 per person, i.e. two thirds that of Brighton.

Kingston is a semi-rural community which feels remote from Brighton. All our services are based nearby, the Household Waste Recycling site is two miles distant, as is the library and the District Council leisure facilities. Our health services are provided locally, and we have an Urgent Treatment Centre based at the community Hospital in Lewes. There are cultural and artistic events held in Lewes, and the outlying villages and we are an established, functioning community. While many residents do utilise the facilities offered by a large city like Brighton, we don't need to be residents of their council area to do so, which is the same for many other communities further away in East Sussex, to the north of the Downs and indeed the residents of the coastal conurbation to the west. We feel differently to residents of Brighton about the South Downs and their importance to our sense of place. We live mindful of the Downland Landscape on our doorstep and try to reflect the diversity and richness of the natural environment in our gardens and villages.

There is enormous public resistance to the areas currently in the County Council area of East Sussex being run from a large city. The notion that all areas will become part of one enlarged unitary authority is fallacious. The needs and priorities of the large urban conurbation will undoubtedly and inevitably, take precedence over those of the rural hinterland. Residents of East Sussex affected by these proposals believe we would forever be an afterthought.

We fully support the submission made by East Sussex Council to form a Unitary Authority on existing County Council boundaries.

Yours sincerely,

Kingston Parish Council

[2] Source Indices of Deprivation 2015 and 2019. Accessed 6th August 2025 20:40 hrs

# RODMELL PARISH COUNCIL

Conifers,
Green Road,
Wivelsfield Green,
RH17 7QL
22nd August 2025

Jim McMahon OBE MP
Minister of State for Local Government
House of Commons
London
SW1A 0AA

Dear Mr McMahon

**Rodmell Parish Council Response to Proposed Unitary Authority Expansion**

**Executive Summary**

Rodmell Parish Council (RPC) strongly opposes Brighton & Hove City Council's proposed annexation of Kingston Ward, arguing it is driven by financial expedience rather than community benefit. The Council stresses that Rodmell's services, identity, and geography are firmly rooted in East Sussex, and that governance from Brighton would reduce efficiency, neglect rural needs, and burden residents with Brighton's higher debt. RPC supports East Sussex Council's proposal for a unitary authority based on existing county boundaries.

**Précis**

- Context: Rodmell Parish Council (RPC) responds to Brighton & Hove City Council (B&H CC) proposals to expand into East Sussex and annex Rodmell Ward.
- Main Objection: Expansion is for B&H CC's expedience, not residents' benefit; Rodmell is geographically and culturally distinct from Brighton.

- Geography: South Downs form a natural barrier; Rodmell looks eastward to Lewes and East Sussex, only 2 miles away, versus 11 miles to Hove Town Hall.
- Services: Current services from East Sussex County Council (ESCC) and Lewes District Council (LDC) work well and are accessible; incorporation into Brighton would degrade access and efficiency.
- Population Argument: Expansion eastwards adds little to population size (~500 in Rodmell); better case would be to expand westward into West Sussex to meet UA size criteria.
- Transport Issues: East–West road links between Brighton and East Sussex are heavily congested; links westward are stronger and more practical.
- Financial Motives: RPC suspects B&H CC is targeting Rodmell for its higher-value housing and council tax revenue; highlights Brighton's higher debt (£1,350 per resident vs £470 Lewes, £396 East Sussex).
- Community Identity: Rodmell is rural, with services, culture, and health provision rooted in Lewes and East Sussex. Residents value the South Downs landscape as part of their identity.
- Public Resistance: Strong opposition across East Sussex communities to governance from a large city; fear rural needs would be overlooked in favour of urban priorities.
- Preferred Solution: RPC supports East Sussex Council's proposal for a unitary authority based on existing county boundaries.

Yours Sincerely

Rodmell Parish Council

George Dyson
Town Clerk

☏ (01273) 585493
✉ TownClerk@peacehaventowncouncil.gov.uk

Community House,
Meridian Way,
Peacehaven,
East Sussex,
BN10 8BB.

To Whom it may concern,

Peacehaven Town Council opposes any plans to change the current boundary of Lewes District as part of Local Government Reorganisation.

When the Minister of State for Local Government and English Devolution wrote to Council leaders on 5th February 2025, the Minister laid out criteria for unitary local government in a schedule. We believe that Peacehaven's needs will be overwhelmingly better met by being in the East Sussex Unitary rather than any variant of Brighton & Hove City Council. We believe the following points should be considered as per the Minister's letter.

Peacehaven is currently in sensible economic area with an appropriate tax base which does not create an undue advantage or disadvantage for one part of the area. Peacehaven's businesses are currently Ouse Valley and Seaford/ Lewes Town oriented, often with branches in several of the local towns, there is a risk that we could lose business to Brighton.

Geography and topography is better as we are in the East Sussex area. The watershed is at Telscombe Tye and our South Downs dry valley in the North of town flows and sometimes floods into the Ouse. There is no evidence to show that extra housing supply would not go to meet local needs if we were to become part of Brighton Unitary.

There is no evidence or analysis to suggest that there are any benefits for Peacehaven to being part of a Brighton Unitary Authority. Local engagement suggests a strong local opposition to this change.

Single tier arrangements in an East Sussex Unitary Authority are clear within the East Sussex proposal about improvements for Peacehaven: Peacehaven would remain in the Lewes district administrative area, with no transition costs. There would be substantial administrative upheaval if district were to be divided and all Peacehaven's service provision moved to Brighton & Hove. The only way in and out of Brighton is the A259, and the long stretch of the A259 to Brighton is already jammed in rush hours: employment, social, and educational needs for Peacehaven residents should be concentrated locally, or on the short Eastbound route to Lewes Town, not Westward.

The optimal numbers as set are met in the East Sussex Unitary Authority proposal.

There is a concern that consumer spending, employment, and businesses could be shifted Westward for the benefit of Brighton residents and to the detriment of Peacehaven.

If Lewes District is divided and East Sussex loses services to the Brighton Unitary Authority, including Social Services, Education, transition costs will likely be higher than any potential savings for any of the parties involved. There would also be significant impacts on the NGOs and charities such as Lewes District Citizens Advice, Sussex Community Development Association, SEN services in Schools, and Alcohol & Drugs related advice services.

Peacehaven residents could suffer financially as they become liable for Brighton & Hove City Council Debts.

There will be severe fragmentation of Social Services such as Social Care and Children's Services.

Peacehaven will likely lose its leadership role with Family Hub & youth services, currently shared with other towns in Lewes District, all social services would be disrupted for many years if Peacehaven services were shifted into the Brighton & Hove Unitary Authority.

Brighton & Hove City Council chose not to work co-operative with Lewes District, especially in their late decision to propose that areas to the East should be incorporated into the Brighton & Hove Unitary area.

Additionally, the Government guidance on boundary changes specifies that the existing District areas should be considered the building blocks for proposals unless there is a strong justification for more complex boundary changes. No such justification exists in this instance.

Yours sincerely, and on behalf of Peacehaven Town Council,

George Dyson
Town Clerk

Newhaven Town Council

Town Council Offices
18 Fort Road, Newhaven
East Sussex BN9 9QE
Tel: (01273) 516100

Email: admin@newhaventowncouncil.gov.uk

Mr. J. McMahon, OBE MP,
Minister of State for Local
Government & English Devolution,
Parliamentary Office.
House of Commons,
London.
SW1A 0AA.

12th August 2025

Dear Mr. McMahon,

**Brighton and Hove City Council's Interim Plan for Local Government Reorganisation – Option C (uniting the coastal corridor) and D (coast and downs partnership).**

The Town Council has instructed me to write and set out its views regarding the above matter.

Following detailed analysis of the above proposals and a meeting with Cllr Sankey (Leader of Brighton & Hove City Council) on 30th July 2025, Newhaven Town Council are in broad agreement that any plans for eastward expansion to include Newhaven should be rejected.

As the Town Council, we align with Lewes District Council, which has consistently opposed these proposals, and whose position reflects a strong understanding of local needs and widespread support for Newhaven to remain under the existing East Sussex governance structure.

Newhaven has a distinct identity, deeply rooted in the geography, history, and culture of East Sussex. Its position along the River Ouse ties it naturally to the Ouse Valley, a defining geographical feature that lies predominantly within East Sussex. It also shares significant cultural, social, and economic ties with neighbouring Seaford (together often referred to as 'Seahaven'), with whom it shares a bay. The additional separation of Newhaven from nearby South Heighton under the proposed boundaries would also disrupt shared heritage and longstanding community networks.

Newhaven's governance needs are best served within the established structures and service models of East Sussex. The Towns' vulnerability to riverine flooding for example, is already well-managed through existing local expertise and infrastructure, which Brighton & Hove City Council (BHCC) lacks.

Additionally, the severing of Newhaven from existing District boundaries and East Sussex County Council electoral divisions (Newhaven and Bishopstone and Ouse Valley West) cannot be justified. Cllr Sankey acknowledged that the merger would likely prompt a boundary review, further delaying the implementation of Local Government Reform (LGR), and impeding electoral processes. Newhaven is part of the Lewes parliamentary constituency, and disrupting this alignment between our authority and parliamentary representative would similarly confuse residents and reduce effective representation.

Although Newhaven has faced socio-economic challenges, recent regeneration initiatives — funded through national 'levelling up' schemes managed by Lewes District Council — are beginning to show results. A sudden administrative shift risks undermining this progress, and there are also concerns that BHCC's significant debt burden could divert much-needed investment away from Newhaven.

Whilst we support addressing the ongoing housing crisis, we believe Newhaven (which sits predominantly outside the South Downs National Park) would be disproportionately impacted under a Brighton-led authority, which lacks the broader land base of East Sussex. Increased development pressure on an already stretched transport infrastructure — concerns echoed by the MP for Lewes and acknowledged by Roads Minister Lilian Greenwood — would also be unsustainable.

Whilst we recognise BHCC's need to expand its population to form a viable unitary authority, the preference for eastward over westward growth is unclear—especially given BHCC's strategic ties to Shoreham Port. Cllr Sankey has also cited an 'engagement exercise' with just 597 respondents as part of their justification for this direction of expansion, yet the exercise findings revealed that *'…a significant number of respondents are opposed to combining with areas east of the city'*. Cllr Sankey and BHCC have similarly yet to provide any compelling financial or strategic justification for including Newhaven.

Given that BHCC appears set on expanding East, it is interesting to note that all of its models include East Saltdean, Telscombe Cliffs and Peacehaven, areas it is more geographically aligned with due to its urban sprawl. However, the natural boundary created by the significant hill between Newhaven and Peacehaven makes Options C & D even more unclear and further reinforces the case for excluding Newhaven.

For these reasons, we believe BHCC's proposal fails to meet the government's LGR criteria, and we therefore urge that Options C and D be withdrawn from any considerations.

Yours faithfully,

Ken Dry,
Town Clerk.
Ken.Dry@newhaventowncouncil.gov.uk

IFORD PARISH MEETING
c/o FISHERS
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22 August 2025

Mr Jim McMahon OBE, M.P.
Minister of State for Local Government and English Devolution
House of Commons
London
SW1A 0AA
Jim.mcmahon.mp@parliament.uk Also sent by post

and

Councillor Bella Sankey
Leader of Brighton and Hove City Council
Hove Town Hall
Norton Road
Hove
BN3 3QB
Bella.Sankey@brighton-hove.gov.uk Also sent by post

Dear Minister and Councillor Sankey,

**Re: Brighton and Hove City Council (BHCC) – consultation on proposed eastward expansion**

Last month BHCC launched its consultation on its four options for its eastward expansion of its boundaries, (the B&HCC proposals), one of which to include Kingston Ward, part of Lewes District Council (LDC). Iford is a parish of the Ouse valley and forms part Kingston Ward.

LDC is one of the second-tier authorities, which with East Sussex County Council submitted their interim plan to you on 21 March 2025 to become a unitary authority. That plan proposes the creation of a coherent new unitary authority, reflecting the integrity of the geography.

On Wednesday, 13 August 2025, Iford held an extra-ordinary Parish Meeting to decide:

> **Which, if any, of the four options proposed by Brighton & Hove City Council for eastwards expansion does the meeting support or oppose?**
>
> **and**
>
> **In either case does the meeting support or oppose the sending of a letter to the Minister of State for Local Government, Jim McMahon OBE MP to express its support or as the case may be, opposition to any of the four options**?

The meeting strongly opposed all four of BHCC's proposals and unanimously supported the sending of a letter to you to express its opposition. This is that letter.

The meeting unanimously expressed the desire that the areas concerned be governed by the new unitary authority for East Sussex. It does so on the triangle of:

1. **Geography:** our parish is tied to Lewes, it and the parishes along the Ouse valley are separated from BHCC by the Downs.

2. **History**: our parish's history and that of the others along the Ouse valley is with Lewes, with East Sussex and to the coast at Newhaven; and

3. **Identity:** Culturally our parish's identity is tied to the historic town of Lewes, the Ouse Valley and the rural and smaller borough and town geography of Lewes District and East Sussex. B&HCC's unique identity is described in its interim plan as:

   " *...a cosmopolitan, dynamic city by the sea, located on the edge of the South Downs National Park. This inspiring place to live, work and visit is home to over 280,000 people and attracts 10 million visits each year. The city's success is a result of continually adapting innovating and growing while maintaining its independent spirit and distinct identity."*

   To subsume small Ouse valley villages in B&HCC's unitary authority would result in a loss of their proud identity and be a mis-match. B&HCC's particular identity as a city was reflected in the grant to it of city status on 31 January 2001: an identity that has not changed in the intervening period.

Additionally:

- East Sussex County Council and its second-tier authorities' interim plan is well prepared; that of B&HCC is not, in particular it does not have regard to the Secretary of State's guidance on proposals for unitary local government as set out in the Schedule to your letter to East Sussex and Brighton dated 6 February 2025;
- Neither the B&HCC interim plan, nor the B&HCC proposals have taken account of the matters identified in your letter of 6 February 2025 under the heading **Developing proposals for unitary government**;
- B&HCC has not, despite requests in public meetings and in writing from Kingston's Ward councilor, provided the data upon which B&HCC says it is relying to reject expansion westwards. Moreover, written enquiry of B&HCC's Programme Director as to the source of the requirement to increase the existing unitary authority's population to between 300,000 and 400,000 has received no reply. This stated requirement contradicts the English Devolution White Paper's statement that "*decisions will be made on a case by case basis.*";
- With the exception of one lone voice at the public meeting in East Saltdean on Friday, 1 August that supported the joining of East and West Saltdean, all that was said there was very hostile towards B&HCC's proposals, despite B&HCC's Councillors Sankey and Hewitt seeking to answers residents' questions and allay their concerns;
- With the exception of one lone hand at the meeting in Peacehaven on Tuesday, 12 August all that was said there was also very hostile towards B&HCC's proposals, despite B&HCC's Councillor Hewitt seeking to answers residents' questions and allay their concerns;
  At each meeting of these two meetings there were between 200 and 250 people, including at the latter, a representative of the local M.P., who is the Prime Minister's PPS, who will have witnessed first-hand the strength of feeling.
  A meeting of parishioners in Kingston parish attracted 100 of its parishioners, at which they expressed their strong opposition to B&HCC proposals; and
- It has been noticed that B&HCC's proposals would enlarge, for local government purposes, Labour's control, whereas westward expansion would give it no such advantage, a cynical approach, which diminishes trust in politics, in particular because B&HCC has been unable to articulate any benefits for the areas subject to B&HCC's proposals.

It is for all the foregoing reasons that Iford Parish Meeting considers the B&HCC proposals to be flawed with no evidence of benefit and that therefore they should be abandoned.

Yours faithfully,

Christopher Baker
Chairman
Iford Parish Meeting

POLO

PARISHES OF THE LOWER OUSE

To:

Cllr. Keith Glazier OBE – Leader, East Sussex County Council

Cllr.Zoe Nicholson – Leader, Lewes District Council

CC: Cllr Sarah Osborne – ESCC, Cllr Stella Spiteri – LDC Kingston Ward

24 August 2025

**RESPONSE BY THE KINGSTON WARD PARISHES OF THE LOWER OUSE TO PROPOSED UNITARY AUTHORITY EXPANSION BY BRIGHTON AND HOVE CITY COUNCIL**

We are writing on behalf of POLO (the Parishes of the Lower Ouse) to express the unanimous rejection by these 5 parishes of the proposal by Brighton and Hove City Council (BHCC) to remove the ward of Kingston from East Sussex and to absorb it into an expanded Brighton and Hove Unitary Authority.

No convincing rationale for the proposals has been provided, whether in terms of benefits to a B&H unitary authority, to an East Sussex Unitary Authority, or to the residents of the Lewes District Council ward of Kingston.

*Contextual Information*

*The Lewes District Council ward of Kingston lies to the east of Brighton. Kingston ward comprises the parish of St. Anne (Without), and part of Falmer located in the west of the ward, and five small parishes in the east of the ward. These five parishes are ranged along the Lewes-Newhaven Road, which follows the path of the River Ouse between Lewes and Newhaven, a distance of 6.5 miles, running north-south.*

*The five Lower Ouse parishes are: Kingston Parish Council (pop 830), Iford Parish Meeting (pop 209), Rodmell Parish Council, including Northease (pop 527), Southease Parish Meeting (50) and Piddinghoe Parish Council. (234).*

*Kingston ward is a sparsely populated rural area. The parishes and settlements are set amidst agricultural land, within an area of outstanding natural beauty. All the Lower Ouse Parishes lie within the boundary of the South Downs National Park. All the villages have conservation areas. Responsibility for planning lies with the SDNPA.*

*Representatives of the 5 parishes meet three times per year as POLO (the Parishes of the Lower Ouse). The purposes of POLO include: encouraging parish collaboration on issues of common interest and co-ordinating and lobbying on matters of common concern.*

The five Lower Ouse parishes are united in their rejection of the proposals for the following reasons:

- Brighton and Hove City Council – its services and systems – have been designed for an urban, densely populated and relatively compact, well connected environment. In contrast, the parishes of Kingston, Iford, Rodmell, Southease and Piddinghoe are separated by agricultural land and bounded by steep ridges of the South Downs National Park, and by a river and railway, with no public road bridges to allow east-west travel. Most residents are without access to piped gas, and many households rely on septic tanks for sewerage. The villages are served by a single bus service between Lewes and Newhaven with a very limited daily service and no service in the evenings.
  If the ward of Kingston was taken over by Brighton and Hove it is unlikely that the needs of these small settlements on the periphery of the authority would be given much consideration in terms of the design and provision of services, or fair consideration in decision making and prioritisation. It is highly likely that the efficiency and appropriateness of services for these rural villages and businesses such as farms, would deteriorate, and that there would be limited accountability by the authority to local users.

- The Lower Ouse parishes are very close – geographically, culturally and historically – to Lewes, and a long way from Brighton and Hove. The POLO parishes lie along the 6.5 mile C7, a road which runs north-south between Lewes and Newhaven. As the name suggests, the road leads directly to Lewes or to Newhaven. There are no east west routes for residents or businesses in these parishes, because of their physical location between the Downs, the river and the railway line. To get to Brighton by public transport, it is necessary to first travel to Lewes to catch a train or bus to travel the 8 – 11 miles distance depending on the route taken. To drive to Brighton, it is necessary to first drive towards Lewes to join the A27 east-west route, or to Newhaven to join the A259 coast road, which already suffers from chronic congestion and which can only get worse if more homes are built along the route. Parking in Brighton is notoriously expensive.

- Because of their close proximity and direct access to Lewes, most residents travel to Lewes (or Newhaven) for public services, GP, dentist, urgent treatment centre, schools, waste and recycling centre, shops, libraries, leisure and other amenities. To have to travel to Brighton and Hove for such services would be a cause of major inconvenience, increased cost, travel time, road congestion etc. It would particularly disadvantage elderly residents, and children/adults with 'special needs' who may be more reliant on public transport, less mobile, and have greater need of the services.
  Providing local services such as household waste and recycling collection for remote rural areas would be an additional cost for Brighton and Hove and it is likely that efficiency would decrease.
  As the historic County town of East Sussex, the headquarters of East Sussex County Council, district council offices, the police HQ and County Court are all located nearby in Lewes. The corresponding offices and services in B&H at Hove Town Hall are 11 miles distant. Services by

Lewes District Council are generally thought to be good, (recognising budget constraints), and local accountability to residents is also good.

- Culturally and historically, the villages and settlements in the Lower Ouse Valley ward have been linked to the ancient market town of Lewes since Saxon times, when Lewes was established as a crossing point over the River Ouse. All the villages appear in the Domesday Book. Then, as now, these were rural agricultural settlements close to the River Ouse, and they share their history with the market town of Lewes.

- Children in the ward of Kingston can currently attend primary school relatively close to home, but could be disadvantaged at the age of 11 in terms of transition to secondary education, if the local secondary schools are part of a different authority. The nearest secondary schools are located in Lewes and Newhaven. Many residents would be unhappy about their children having to travel to and from Brighton every day and having few school friends living nearby. Brighton and Hove would need to meet the cost of additional travel to school.

- The population size of Kingston ward is very low relative to the extent of the land it covers. Government guidance for proposals for new Unitary Authorities recommends a population of around 500,000. The population of West Sussex is around 880,000. An East Sussex Unitary Authority, as proposed by East Sussex (ie. retaining its existing boundaries, including Newhaven, Telscombe, Peacehaven and Kingston ward), would have 546,000, close to the recommended figure. Brighton and Hove, in contrast, have a current population of only around 277,000. The population of the Ward of Kingston is 1904 (2021 Census). Incorporating the ward of Kingston into a Brighton and Hove Unitary Authority is not therefore going to assist in boosting its population towards the 500,000 target.

- It would be more logical and effective to incorporate areas of West Sussex into an enlarged B&H than seeking to extend east wards. Extending the boundary westwards to the River Adur (Shoreham) would transfer a population of nearly 36,000, or to the River Arun (Littlehampton) a further 180,000. This would give an enlarged B&H UA a population of 505,500 and reduce West Sussex to around 650,000, thereby bringing both authorities closer to the target. Moreover, there are strong east-west road (A27) and rail links between B&H and the urban communities along the coast to the west of Hove, such as Shoreham and Worthing. These form a more homogenous and continuous urban settlement than eastwards towards Newhaven.

- B&H have indicated that by extending eastwards to include the coastal strip to Newhaven, they will gain the land they need to build more homes. This fails to take account of some significant geographical obstacles. At the back of the coastal strip, the South Downs form a physical barrier to building, and land within or bordering the national park would probably be protected from extensive development.

Secondly, the only A road along the coast is the A259, a very slow, congested urban road, which would not be able to function if there were a significant increase in road users as a result of extensive housing development. The faster east-west road route (the A27) is inland, just south of Lewes. There is no direct road access to the A27 from towns along the A259 coast road, due to the barrier formed by the South Downs
There is no rail route along the coast between Newhaven and Brighton, due presumably to the cliffs. The only rail route is via Lewes.

For these reasons, the Parishes of the Lower Ouse reject the proposal that they should become part of a Brighton and Hove Unitary Authority and fully support the submission by East Sussex Council, formulated with the participation of the component district and town councils, to form a Unitary Authority using existing County Council boundaries.

Yours sincerely

The Parishes of The Lower Ouse (POLO)

Chair: Alex Pett – ouse.valley.polo@gmail.com

Convener: Sue Carroll – ouse.valley.polo@gmail.com

# East Sussex Local Government Reform

# Public Focus Groups Write-Up

## Summary

Most participants were open to the idea of a Unitary Authority, recognising possible benefits such as clearer accountability, better services, and cost savings. However, there were strong concerns about losing local identity, having less say in decisions, and reduced access to services under a more centralised system. These concerns often related to the size of the new authority, rather than a debate about whether or not a Unitary was appropriate.

There were varied views on any potential new boundaries. The only overarching consensus was that the people did not want to be joined with Brighton and Hove. Otherwise, the rural/coastal split and current East Sussex footprint (either as a normal Council or a Federated model) where most popular.

## Hopes and Fears

Participants expressed hopes and fears about reforming local government in East Sussex. Below is a summary of key themes, showing where people saw potential benefits and where they raised concerns.

## Clarity and Transparency

Many people hoped the reforms would reduce confusion about which council is responsible for what. Currently, residents feel "passed between" different levels of government without clear answers. A single unitary authority could make responsibilities easier to understand and improve transparency.

*"No overlapping of roles and responsibilities"*

However, we also heard concern about how the new Unitary would work with the Mayoral Strategic Authority (MSA), with a request for more clarity on how they would work together to ensure transparency.

People also talked about the role of Town and Parish Councils in the new model. Some felt they could be given more responsibilities and powers (they close the gap between Unitary and local). We heard from other people who questioned what their current role was.

## Financial Impact

There was hope that the creation of a single Unitary Authority would result in cost savings.

"Cost saving through less duplication – e.g. shared HR, admin, finance functions."
"Good value – if duplication is removed and resources reassigned."

People expressed concerns about the ability to realise this cost savings, both in terms of the potentially significant cost of the transition itself and the ability to make savings over the longer-term.

*'That the re-org will cost a fortune and fail'.*

People also talked about how it would impact where money was spent and how any savings would be made. For example, people expressed concern around the sale of local assets and the redirection of discretionary spend to statutory services.

*"Budgets being pooled leads to social care taking all the money"*

Overall, there was a feeling that this change will not resolve the financial challenges in local government.

## Services and Outcomes

People wanted the change to have a positive impact on the things that they care about. From holistic person-centred services, economic growth, being able to walk round safely, better funding for schools, hospitals, roads, through to environmental protection.

The increased ability to join-up services and create a long-term strategic view were particularly highlighted.

*"Better partnership between adult social care, housing and environmental health to improve outcomes"*

While many could see the opportunity, there were significant questions about how this change would actually make a difference to the things that mattered to them.

*"I fear that local services will be further cut back in this exercise e.g. pest control"*

*"Our landscapes are needing help. Will a bigger authority be more cohesive in their conservation policy"*

People expressed a desire for change and improvement. Some expressed a view that this is "*Just arranging the deckchairs*" rather than dealing with fundamental issues. With some suggesting this as an opportunity to "*reimagine the services of the future*".

People also questioned what would happen to local assets and services where there had been a difference in views between the County Council and D&B in the past. For example, they talked about a swimming pool being closed by County and reopened by the local council.

People were worried that a large organisation would be less responsive and accessible. They talked about not being able to walk into the local government offices to get issues resolved and difficulty in communicating, with potentially slower response times.

This was also raised when thinking about partnership working. For example, we heard about a charity with strong links and joint working with the local authority because they were 'next door', but other charities doing similar roles in other areas of the district not having these close links. People requested that 'there needs to be a strong focus on localities'.

## Local Democracy and Decision Making

Some participants expressed optimism that councillors could have more power, attracting more people to the role and making the position more meaningful and effective.

'*Better quality councillors because they have more power*'

There was also hope that a Unitary model would enable more to be done, as there would be less political division between D&B and County Council.

'*At the moment local & county council are hampered by political ideology resulting in often no action. I am hopeful that a change in structure will benefit all*'

People also welcomed the devolution of some powers from central government.

*'Should produce and deliver more effective projects, infrastructure in the area, due to less hurdles to jump through for Mayoral Authority'.*

However, many expressed concerns that these changes would result in an erosion of local democracy.

People felt Councillors now are local people, with knowledge and connections in the local area, and are accessible to them. There was a concern that in the future Councillors would have to represent a larger number of people, making them more remote and less accessible. One focus groups specifically asked that Councillors should still cover the same number of people as the current D&B Councillors.

Some also expressed concerns that it would lead to a reduction in independent Councillors and a reduction in "political spread".

There were different opinions on what the future of decision making should look like. Some hoped more "Decisions based on metrics" while others worried about "spreadsheet decisions not people decisions" and decision being taken top-down, without local knowledge e.g. "'Force fed planning decision'".

## Influence and Identity

People were worried about being joined with larger areas. For example, how to ensure small populations in rural areas have their voices heard compared to larger towns, or towns raising concerns about being grouped with even larger towns or cities such as Brighton.

*"Getting lost when competing with bigger towns in the county"*

This was also reflected in specific issues.

*"Eastbourne, Bexhill, Hastings - tourist economy lost in East Sussex".*

People expressed concern that this could increase competition and inequality between areas.

People were worried about the erosion of identity and their areas uniqueness. They typically identified with smaller geographical areas. It was the clubs, churches, neighbours, community groups and local landmarks, that were the most important to people. They expressed concern about how this would change. For example, people talked about *"The loss of Rother's identity"* and *"Not sure if I want to be in one melting pot".*

## Transition

There were a range of concerns raised about the transition:

- Legitimacy – people were not informed of these potential changes before voting in the general election.
- Who was consulted - People felt that this was a significant change and that many more people needed to be involved in the consultation, with a wider range of people being reached. Some suggested that people should have a vote on the changes.
- Speed - There was a feeling that this is being 'rushed through'. That the pace of change should be slowed down and that East Sussex should defer and come off the priority programme.
- Sustainability - Questions were raised on whether central government will change its mind.
- Loss of local knowledge – Staff and Councillors with extensive local knowledge leaving during the transition.
- The change will fail – People gave examples of local changes to integrate which they perceived to have failed.

## Geographies and Boundaries

Some people felt there was not sufficient information about the purpose of the new unitary to be able to make an informed decision i.e. form should follow function. Others felt there just wasn't enough information or time to consider in full. However, the points below related to those who did share an opinion.

There was a clear and widely held view among participants that they did not want to be joined with Brighton and Hove.

*"How can a restructure with Brighton and Hove not become Brighton centric".*

The only consideration was how to benefit from and align with Brighton and Hove economic growth.

The discussion on boundaries varied between focus groups, with some groups developing potential ideas; some reviewing existing proposals (e.g. Hastings); and some having a broader discussion which related more to the hope and fears.

The options below were covered in one or more of the focus groups.

| **Option** | **Perceived benefits** | **Perceived drawbacks** |
|---|---|---|
| Rural/Coastal or North/South split of East Sussex | Smaller area, shared identity and challenges.<br><br>"Authority footprint over area with needs and ambitions in common" | People questioned if this would mean they wouldn't have a say on what happens in the other area. To note: when talking about identity, people on the coast valued the rural areas and vice versa. |
| Current East Sussex Footprint | Less disruptive than other models.<br><br>Some felt it should be the presumed model unless the business case was able to make a strong case for an alternative approach. | Others felt the current County Council did not work well for them and saw this as more of the same, while losing their local voice. |
| Split into three across West and East Sussex (i.e. West, Central/Mid and East). | Limited number of people identified with 'Central' or 'Mid-Sussex. | Others felt it was an arbitrary split. |
| Federated Model (Hastings only) | Achieve efficiencies while keeping identity and voice of local areas. | |
| Whole Sussex model | | Discounted as too large an area |
| Split East and West Sussex into four (North West, North East, South West and South East) | Not sufficiently discussed to draw out key benefits and drawbacks. | |

There were also some comments about going back to how things were split up before, but this was not elaborated on.

As highlighted above, not everyone expressed a clear preference. However, the feeling of those that did clearly express a view were as follows:

| **Area** | **View** |
|---|---|

| | |
|---|---|
| Wealden | Rural/Coastal followed by current East Sussex footprint. Some interest in three-way split and even the four way split. |
| Rother | Less clear boundary suggestions discussed, but some expressed support for rural/coastal option. |
| Eastbourne | Less clear boundary suggestions discussed, but some support for rural/coastal split. |
| Lewes | East Sussex footprint most supported |
| Hastings | Federated Model, followed by Rural/Coastal split. |

## Methodology and Limitations

- The focus groups were not representative, and findings cannot be extrapolated into the views of everyone in these areas.
- Only 60 minutes in Eastbourne and Lewes.
- Push back against the identity exercise as people didn't see its relevance. Given time constraints and this push back, the identity exercise was not carried out for all of the focus groups.

# East Sussex Local Government Reform

# User Voice Groups – Supplementary engagement

## Summary

As part of the ongoing engagement process, council officers attended four distinct service user voice groups held in July 2025. These sessions were designed to gather insights and feedback from diverse communities across East Sussex.

Each group provided valuable perspectives on how the proposed changes may impact their communities. The feedback was thematically analysed and cross-referenced to identify common concerns and priorities.

## Thematic analysis of the feedback from the four service user groups

## Youth Cabinet (6 July 2025)

**Key Themes:**

- **Identity & Representation:**
  - Young people do not strongly identify with "East Sussex" as a place.
  - Concern that local identities (e.g., Bexhill, Seaford) may be diluted in a larger authority.
- **Youth Voice & Participation:**
  - Strong concern about lack of youth involvement in the restructure.
  - Recommendations for structured youth representation (e.g., local youth groups feeding into a central youth council).
- **Equity & Rural Inclusion:**
  - Fear that rural areas will be overlooked in funding and service provision.
  - Emphasis on tailoring services to diverse local needs.
- **Funding & Services:**
  - Concerns about insufficient funding for youth services, especially in rural areas.
  - Desire for increased investment in youth engagement and services.
- **Communication & Accountability:**
  - Need for two-way communication between young people and decision-makers.
  - Suggestions for feedback loops and ongoing engagement.

The findings highlight a disconnect between young people and the broader East Sussex identity, alongside strong concerns about being excluded from decision-making processes.

There is a clear call for more inclusive, locally tailored services, especially in rural areas, and for structured youth representation to ensure meaningful engagement and accountability.

## East Sussex Seniors' Association (ESSA) Health and Community Care Group (11 July 2025)

**Key Themes:**

- **Access & Local Contact:**
  - Worry about losing local points of contact and representation.
  - Importance of physical hubs for older people who may not be digitally connected.
- **Equity in Service Distribution:**
  - Concerns about fair distribution of resources, especially in rural areas.
  - Fear that centralisation could exacerbate existing inequalities.
- **Health & Integration:**
  - Questions about how the new structure will align with NHS services.
  - Desire for services to be based on proximity and need, not just administrative boundaries.

## Citizens' Panel (11 July 2025)

**Key Themes:**

- **Digital Exclusion:**
  - Strong concerns about increased reliance on digital services.
  - Many residents lack access or skills to engage online.
- **Loss of Local Voice:**
  - Fear that local improvements and representation will be lost.
  - Emphasis on preserving local access and visibility of services.
- **Efficiency vs. Equity:**
  - Hope that restructuring could bring efficiency and cost savings.
  - But only if it draws on best practices and ensures alignment across systems.
- **Learning from Others:**
  - Recommendation to study other councils' experiences with unitary transitions.
  - Importance of maintaining or improving service quality.

## Migration Partnership Board (10 July 2025)

**Key Themes:**

- **Continuity of Engagement:**
  - Concern about the future of the Partnership Board under the new structure.

    - Desire to ensure ongoing engagement with migrant communities.
- **Inclusion of Marginalised Voices:**
    - Emphasis on ensuring lesser-heard voices are included in LGR discussions.
    - Follow-up from partners requesting continued involvement.

## Cross-Cutting Themes Across All Groups:

| Theme | Summary |
|---|---|
| **Local Identity & Representation** | All groups expressed concern about losing local identity and representation in a larger authority. |
| **Equity & Inclusion** | Rural areas, older people, youth, and migrants were all highlighted as at risk of being overlooked. |
| **Access to Services** | Physical access (hubs), digital exclusion, and tailored services were recurring concerns. |
| **Voice & Participation** | Strong calls for meaningful engagement and structured feedback mechanisms. |
| **Funding & Resources** | Concerns about fair distribution and adequate funding, especially for vulnerable groups. |
| **Learning & Best Practice** | Desire to learn from other councils and build on existing strengths. |

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**APPENDIX 2**

Devolution and Local Government Reorganisation Scrutiny Member Reference Group – views to Cabinet

1.1 The cross Place and People Scrutiny Committees' Member Reference Group (MRG) met on 11 September 2025 and agreed the following comments to be put to Cabinet for its consideration of 'Local Government Reorganisation (LGR): Proposal for a single tier of local government across East Sussex' on 24 September 2025.

1.2 The MRG expressed its support for the Cabinet agreeing to submit to Government the 'One East Sussex' proposal for a single unitary council on the current county council boundary. The MRG recognised the transparent and partnership-based approach that has been taken in the development of the business case between the county council and the five district and borough councils, and the robust evidence base that supported it.

1.3 The MRG expressed its strong opposition to any proposals for LGR that would change the boundaries of East Sussex, including any proposals that would result in parts of Lewes District Council being in a separate unitary council. The MRG noted that resident engagement had shown an overwhelming majority of residents in Lewes District opposed changes to the existing boundaries.

1.4 The MRG recognised the public engagement that had already taken place in the development of the proposal and expressed a desire that further engagement and consultation activity take place to ensure that changes are well understood by residents and that they get the opportunity to feed into the development of the new unitary. The MRG recognised that Government has not indicated that there will be a greater role of town and parish councils in its proposals for neighbourhood governance but commented that the Council should continue to proactively engage with town and parish councils as LGR progresses.

1.5 The MRG noted the concerns expressed in the consultation that LGR may result in residents feeling that their services are less local. The MRG commented that it would be important for services to remain locally accessible for residents, and that neighbourhood governance structures were designed to ensure that residents felt that decisions were taken close to them, particularly local planning decisions.

1.6 The MRG noted that any proposal for LGR in East Sussex would result in a reduction in the overall number of councillors and therefore residents may feel their elected representative is more distant and less able to represent them. The MRG emphasised the importance of ensuring that concerns about a drop in local representation are taken into account when developing and implementing local neighbourhood governance arrangements to mitigate the risk that a new council would feel less local to residents.

1.7 The MRG expressed concern that LGR in East Sussex may not lead to lower Council Tax for residents.

1.8 The MRG commented that the Council should seek to learn from the experiences of other authorities that have recently unitarised as part of the implementation of LGR in East Sussex.

**Equality statement for LGR proposal**

All of the East Sussex councils have responsibilities under the Equality Act 2010 to ensure that, in the exercise of their functions, they have due regard to the need to:

(a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act.

(b) advance equality of opportunity between persons who share a relevant protected characteristic (as defined by the Act) 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 Act 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 councils may also consider other matters such as the impact of rurality, deprivation, care experience, and being a carer, where relevant.

Any change in how public services are delivered will have the biggest impact on those most reliant on them, who are often among the most vulnerable people in society and include people sharing one or more of the legally protected characteristics.

If the proposal for the establishment of a single unitary council is accepted by Government, detailed implementation plans will be created. Equality impact assessments of these will set out both how the new council will continue to ensure it fulfils its legal requirements in relation to equality, diversity and inclusion, and will also include assessments of how each of the detailed plans are likely to impact people sharing different protected characteristics.

There are potential equality and inclusion benefits and challenges in relation to this proposal, but at this stage with so much uncertainty over funding, structures, process and practical implications, it is not possible to assess specific impacts with confidence, nor to define appropriate mitigating actions.

However, the councils are aware of the need to consider a range of issues, including (but not limited to) the following:

- Ensuring no disruption or delay in service delivery, especially for the most vulnerable, including during transition arrangements.
- Effective communication of transitions and any changes in services to people currently using services, especially where there are cognitive, sensory, language, digital or other barriers to understanding.

- Anticipating and addressing barriers and opportunities arising from changes to the ways services are delivered.
- Using assessment of equality impact throughout the transition and implementation processes.
- Identifying opportunities to tackle inequalities, including potential to shifting investment towards prevention and early intervention and connecting services currently delivered by different councils.
- Addressing practical challenges for service delivery across urban and rural areas, specifically considering physical and digital isolation.
- Working with the skills, experience and community links held by VCSE organisations across the county to support transition.
- Using equality data to inform planning, implementation and monitoring throughout the transition process and in the new authority.
- Ongoing consideration of patterns of deprivation across the county and ensuring appropriate interventions.
- Maintaining a focus on community cohesion across the county.
- Identifying impacts and opportunities inherent in any changes to political representation and how local people are engaged in decision-making.
- Ensuring ongoing compliance with equality legal duties through the transition and in the new authority.
- Monitoring staffing implications, including any changes to staffing structures, working policies and locations; providing ongoing communication about changes and impacts; and ensuring change processes are followed.

**Title:** **Council Monitoring Report – Q1 2025/26**

**Report to:** **Cabinet**

**Date:** **24 September 2025**

**Report by:** **Chief Executive**

**Purpose:** **To report Council monitoring for Q1 2025/26**

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**RECOMMENDATIONS:**

**Cabinet is recommended to:**

**1) note the latest monitoring position for the Council; and**

**2) approve the amendment of the outturn for the unclassified roads measure set out in paragraph 2.2**

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## 1. Introduction

1.1 This report sets out the Council's position and year-end projections for the Council Plan targets, Revenue Budget, Capital Programme, and Savings Plan, together with Risks at the end of June 2025.

1.2 Broad progress against the Council's four strategic priority outcomes is summarised in paragraph 5 and an overview of finance and performance data is provided in the Corporate Summary at Appendix 1. Strategic risks are reported at Appendix 8.

## 2. Update on the year end position for the Council Plan 2024/25

2.1 Outturns are now available for the 6 Council Plan measures for 2024/25, which were carried over from quarter 4. Measures are carried over when action has been completed but outturn data is not available for reporting at year-end. Outturns for these measures are provided in Appendix 3 Adult Social Care and Health and Appendix 4 Business Services Department. Overall, 75% of targets (45 of the 60 Council Plan measures) for 2024/25 were met or exceeded.

2.2 It is recommended that the outturn of 31% for the unclassified roads measure is replaced with a null outturn (represented as 'not available' in the Council Plan) for the 2024/25 year due to identified data quality issues. Further information is provided in Appendix 6.

## 3. Overview of Council Plan 2025/26 outturns and strategic risks

3.1 The Council Plan 2025/26 and the Portfolio Plans 2025/26 – 2027/28 have been updated with available 2024/25 outturns and final performance measure targets. All plans are published on the Council's website. The Corporate Summary (Appendix 1) contains a forecast of performance against targets.

3.2 The Strategic Risk Register, Appendix 8, was reviewed and updated to reflect the Council's risk profile. Risk 12 (Cyber Attack), Risk 15 (Climate), Risk 9 (Workforce) and Risk 6 (Local Economic Growth) have updated risk definitions and risk controls. Risk 22 (Oracle), Risk 4 (Health), Risk 5 (Reconciling Policy, Performance and Resources), Risk 20 (Placements for Children and Young People in Our Care), Risk 1 (Roads), and Risk 18 (Data Breach) have updated risk controls.

## 4. Budget Outturn

4.1 The detailed revenue projections for each department are set out in the relevant appendices which show a projected overspend of £25.8m by 31 March 2026. All departments other than Governance Services are overspending, reflecting the difficult financial situation that the Council, along with many others, face.

4.2 The 2025/26 budget, set in February 2025, included a number of modelled assumptions, particularly in demand-led social care services, with regard to the number of people who would access our services plus the costs of the delivery of the services required to meet their assessed needs. Whilst additional budget was provided for growth in demand, demographic changes and inflationary pressures, departments are reporting below how in a number in service areas demand is now modelled to exceed the assumptions made in the latter part of 2024. Costs are also rising as the impact of increases in staffing costs and the complexity of need that needs to be supported continue grow.

4.3 The main headlines are:

- Children's Services (CSD) is forecast to overspend by £16.7m; the main financial pressure continues to come from the statutory demand-driven areas of Looked After Children (LAC), Child Protection, and Home to School Transport.

  LAC placements remain the largest financial pressure within Children's Services, with overspends forecast on agency residential and secure placements, due in part to the volume of high-need placements and increased cost of high-cost placements.

  The LAC placement budget had £3.210m growth in 2025/26, which was calculated based on an assumed 1.23% increase in numbers. In reality, LAC numbers have only increased by 0.16% since 2024/25, but there is a higher number of placements for young people with complex needs costing over £10k per week, increasing from 15 in 2024/25 to 21 in Q1 2025/26. This is a national trend as recently highlighted in a report by the Local Government Association. The risk remains of children who are currently unknown to the service entering into high-cost care placements from hospital, youth justice settings, or adoption breakdowns throughout this year and it is hard to quantify a forecast for the unknowns.

  Actions undertaken to mitigate the costs include: the Connected Families Intervention Practitioners (CFIP) contributing to a significant reduction in child protection numbers and cost avoidance through enabling children at the edge of care to remain living safely within their families; the Foundations programme aimed at avoiding repeat care proceedings for parents/carers who have previously had children removed from their care; Family Group Conferencing and support for Kinship carers; embedding of the Valuing Care approach to achieve step-downs and reunifications; a new "Heading Home" strategy to support reunification planning and monitoring; and the establishment of a commissioning and placements service in 2024/25 to focus on improved market management and challenging provider costs; and work with the Regional Care Cooperative (RCC) to improve placement sufficiency and market management across the South East.

  The service is ambitious to realise a 3% reduction in LAC numbers this year. It should not be assumed that this will translate to an equivalent 3% reduction in costs across all placement types, as it is more likely that reunifications will be achieved for children in lower cost placements. The risk remains that any additional or extended high-cost placements could have a material impact on the forecast throughout this year.

  The overspend in Home to School Transport can be mainly attributed to the number of clients with Special Educational Needs and/or Disabilities (SEND). Spend on these clients is set to increase by 10% from 2024/25; linked both to Education, Health and Care Plan (EHCP) numbers and unit costs increasing. Significant work has gone into implementing cost reduction measures within the service including a review of solo routes and optimisation of routes.

  Not included in the figures reported above is the position of the Dedicated Schools Grant (DSG), which, in accordance with the statutory accounting override set out in the Schools and Early Years Finance (England) Regulations 2020, allow local authorities to carry forward DSG deficits on their balance sheets. As of 31 March 2025, East Sussex has a cumulative DSG surplus of £2.8m, which is very unusual, as most local authorities have significant DSG deficits. However, it is projected that there will be a deficit of £19.1m by the end of 2025/26, which will

be taken directly to the balance sheet and presented in the statement of accounts as negative reserves.

This sudden transition to a DSG deficit is caused by pressures within the High Needs Block of DSG, which is used to fund education for children and young people with SEND or who attend Alternative Provision. There is an accelerating demand for special school placements which, as East Sussex's maintained schools are full, means that children are placed increasingly in Independent and Non-Maintained Special Schools (INMS) at inflated cost. There is limited control over the annual increases in costs at INMS as there is no legal framework in which to challenge the costs of provision. Additionally, there is an increase in the number of children for whom parents are requesting costly bespoke provision outside of school, such as private tutoring and agencies.

- The forecast overspend for Adult Social Care is £9.0m which largely relates to the Independent Sector, where the overspend is forecast to be £8.7m. This is due to an increase in demand and more people being supported, however it should be noted that support is being provided at a lower average cost than previous years, because the service is managing the market, being prudent with packages of support and reviewing more people. There is an overspend in Directly Provided Services of £0.316m due to staffing cost pressures, increasing costs and demand for equipment services to support people in their homes and legal fees.
- Communities, Economy and Transport is showing a forecast overspend of £0.1m. The largest overspend is in Highways where the cost of electricity for street lighting and depots is higher than budgeted, offset by underspends in other areas.
- There is a forecast overspend of £0.2m for Business Services Property Services due to increased procurement costs for the new Digital Hub and loss of income from a courier service contract.

4.4 Within Centrally Held Budgets (CHB), including Treasury Management (TM), and corporate funding there is a forecast underspend of £10.8m, which includes the general contingency:

- There is currently an estimated £0.9m underspend on TM, based on a reduced in-year capital borrowing requirement and greater than anticipated returns on investments. It should be noted that there has been a fall in cash investment balances; whilst above benchmark returns are being achieved, the level of balances has fallen by 36% in one year to £137.2m at the end of June 2025.
- Within CHB the forecast underspend of £9.9m is due to the General Contingency of £5.7m, using £3.3m from the provision for budgetary risks, and £1.5m available from not transferring this contribution to the Capital Programme, offset by £0.6m debt impairment.
- Corporate Funding budgets are underspending by £0.2m, due to the additional allocations of Social Care-related grant and New Homes Bonus.

4.5 The net impact of the above is an unplanned draw from reserves of £14.9m in 2025/26. This is in addition to the planned £11.4m draw to present a balanced position in setting the 2025/26 budget. Use of the Capital reserve has the potential to increase the requirement to borrow, leading into increased costs in the future; use of Collection Fund surplus and Insurance and Local Government Reorganisation Reserves will likely hinder the Council's management of future risk and transformation. The Council's strategic reserves are £16.5m at 1 April 2025 - for comparison, the latest published budget gap after likely funding scenarios for 2026/27 is £24.6m. Any reduction in reserves reduces the flexibility available in dealing with the challenge of addressing next year's projected deficit and setting a balanced budget, without having to seek further savings or exceptional financial support. To address the projected in-year overspend and reduce the required draw from reserves, the Council continues with several actions introduced last year, including:

- Additional controls on spending, including the requirement for purchase orders above £1,000 to be supported by a business case and approved by a reviewing board.

- An updated recruitment protocol, including CMT approval of non-core role recruitment.

4.6 The total savings identified to be delivered in 2025/26, including slippage from previous years, are £14.3m. Departments are reporting that £13.2m will be able to be delivered in 2025/26, with £1.0m slipping to future years, and £0.2m not being able to be achieved but being replaced by other permanent savings. The impact of the slippage has been reflected in the revenue monitoring position. The departmental appendices provide more detail.

4.7 The Capital Programme net expenditure for the year is projected to be £95.6m against a budget of £103.0m. A slippage risk factor has been applied to the capital programme to reflect likely slippage based on a risk assessment of historic levels of actual expenditure and slippage at a project/programme level. The risk factor will be held at a corporate level to enable services / project managers to manage project budgets at a local level, whilst ensuring greater robustness to the planning and monitoring process at a corporate level. The net forecast expenditure after applying this risk factor is £84.8m.

- The programme is forecasting total slippage of £8.1m which is further to reprofiling undertaken as part of the State of the County review. The quarter 1 slippage relates wholly to the Bus Service Improvement Plan (£8.1m) from a mixture of the 2025/26 (new) programme and previous years' programme.
- The programme is projecting an overspend of £0.7m, relating to: House Adaptations for Disabled Children's Carers Homes (0.5m) historic commitments and the Bexhill and Hastings Link Road (£0.2m).

## 5. Progress against Council Priorities

### Driving sustainable economic growth

5.1 The Council has spent £398m with 992 local suppliers over the past 12 months. This equates to 61% of our total procurement spend, which is above our target of 60%. The Procurement team continues to promote our contract opportunities to local suppliers, as well as building local supply chain opportunities into our tenders where possible. 17 contracts, with a value of £3.83m, were agreed in quarter 1 and as part of these we secured £1.24m in social value commitments. This equates to 32% of the contract value, and will include apprenticeships, the creation of local jobs and careers awareness programmes amongst other initiatives (Appendix 4).

5.2 Work on our highways has continued, with 7,080 potholes repaired in quarter 1, 4,903 of these being carriageway potholes and the remainder primarily footway potholes. We completed 42 road improvement schemes in quarter 1 to improve the condition of the roads (Appendix 6).

5.3 The Skills East Sussex Engineering Task Group delivered engineering clubs at schools in Hastings in quarter 1, to help meet the Skills East Sussex priorities. We also procured partners during quarter 1 to deliver eight Skills Bootcamp courses during 2025/26. Delivery of the Bootcamps is due to start in quarter 2 (Appendix 6).

5.4 67 businesses in East Sussex were supported through business support programmes during quarter 1. 47 of these were supported through the Growth Hub, 17 through Newhaven Business Grants and 3 through Rural Business Grants (Appendix 6).

5.5 Skills East Sussex celebrated a decade of working to improve local employment and skills levels and boost economic prosperity in East Sussex in quarter 1. Achievements over the last 10 years have included securing over £60m of additional funding for the delivery of employment and skills initiatives and capital infrastructure; launching one of the UK's first Growth Hubs and developing adult learning and employment programmes such as Moving on Up, Support into Work and Multiply (Appendix 6).

### Keeping vulnerable people safe

5.6 The number of children with a Child Protection Plan has reduced to 579 at the end of quarter 1, down from 614 in quarter 4 2024/25. This has been achieved through effective multi-disciplinary work with children and families, reducing risk and effecting change with families. The rate of

Looked After Children decreased slightly in quarter 1 to 67.1 per 10,000 (695 children) down from 67.3 per 100,000 at quarter 4 2024/25, which is below the national average rate for England, at 73.9 in Q4 2024/25, and IDACI (expected rates based on levels of deprivation) at 70.0, Q4 2023/24, but higher than the rate for our statistical neighbours (62.8, quarter 4 2024/25) (Appendix 5).

5.7 The 2024/25 outturn (reported a quarter in arrears) for the percentage of people affected by rape, sexual violence and abuse who have improved coping strategies was 86.6% against a target of 88%. The provider has attributed the lower performance to staff changes across the organisation and data accuracy. Guidance on inputting information has now been created to resolve the issue. (Appendix 3).

5.8 A new contract to provide safe accommodation for people seeking safety from domestic abuse in East Sussex began on 1 July 2025. The new provider, Interventions Alliance, has taken over the 37 existing units of accommodation in the county. Plans to provide an additional 18 units within the first 6 months of the contract are underway (Appendix 3).

5.9 Trading Standards made 45 interventions during quarter 1 to protect vulnerable people. These interventions included installing call blockers and CCTV for vulnerable people who had been repeatedly targeted by scammers. 63 businesses received training or advice from Trading Standards during quarter 1 (Appendix 6).

**Helping people help themselves**

5.10 The Council's Connected Families Intervention Practitioners (CFIP) have continued to deliver support and interventions with parents and carers of children on Children in Need or Child Protection Plans. They work with parents across the county providing dedicated support to address their personal issues, in order to support families to stay together and improve the wellbeing and life chances of children. In quarter 1, interventions with 78% of families we worked with were successfully concluded. This supported parents and carers to achieve stability in relation to their mental health, drug and alcohol use, safety from abuse or causing others harm (Appendix 5).

5.11 The Early Years Funding team works closely with parent and carers, early years providers and other agencies to ensure the take up of the Department for Education's (DfE) free early education entitlement for three- and four-year-olds. Four schools in East Sussex were successful in bidding to the DfE and will all receive capital funding of up to £150K to establish school-based nurseries. These new nurseries will help increase the number of places available for families to access funded early education and childcare places (Appendix 5).

5.12 The 2024/25 outturn (reported a quarter in arrears) for the number of IMD1 NHS Health Checks conducted, shows that there was a decrease of 16% in 2024/25, compared to 2023/24, against a target of a 9% increase. The overall NHS Health Check activity by Hastings and Rother Healthcare reduced by 43% between 2023/24 and 2024/25. Furthermore, unlike in previous years, overall health check activity across East Sussex did not increase in quarter 4 as expected. This may be linked to significant changes in how the programme is to be delivered from 2025/26, alongside wider operational pressures (Appendix 3).

5.13 4.32% of the local smoking population set a quit date in 2024/25 (reported a quarter in arrears), against a target of 7%. However, individuals who do set a quit date achieve good outcomes with the stop smoking service, with 59% achieving a four-week quit against a target of 50%. As smoking declines nationally the service is engaging with the more entrenched smoking community, which may be impacting on the number who want to quit. Public Health have begun a number of programmes to help encourage people to access stop smoking support (Appendix 3).

**Making best use of resources now and for the future**

5.14 During quarter 1, the Leader and Chief Executive continued to raise issues and priorities for the county with our local MPs, including through a specific update on our State of the County report. This set out the uncertain and stark financial position the Council faces and asked for MPs'

support in lobbying Government to recognise the specific and unique needs of East Sussex, which are more acute than much of the rest of the South East, and that these must be appropriately reflected in new funding arrangements (Appendix 7).

5.15 We completed 5 energy efficiency schemes during quarter 1, including 2 solar PV schemes, 2 insulation schemes and 1 estate rationalisation. The total Council carbon emissions outturn for 2024/25 (reported a quarter in arrears) saw a 36% reduction against a target of 50%. Carbon emissions from the Council's electricity consumption fell by 3% during 2024/25. As the grid carbon emissions factor remained the same in 2024/25 as in 2023/24, the 3% emissions reduction is principally down to the Council reducing its electricity use. In 2024/25, external temperatures for East Sussex were lower than in 2023/24. This colder weather increased heating demand and prevented the Council from seeing a reduction in emissions from fossil fuel heat, which have remained at the same level year on year (Appendix 4).

5.16 The Council has continued to work with a range of partners to develop and deliver carbon reduction and climate change adaptation work in quarter 1. This included finalising a climate change adaptation toolkit, which will be rolled out to 3 Council services during 2025/26. We also continued discussions with GB Energy about options for securing third party funding for rooftop solar panels on schools (Appendix 6).

5.17 The quarter 1 sickness absence figure for the whole authority (excluding schools) is 2.08 days lost per Full Time Equivalent (FTE) role, a 3.8% decrease compared to quarter 1 2024/25. The year end estimate for 2025/26 (based on the quarter 1 data) is 8.86 days/FTE, so the target of 9.10 days/FTE is predicted to be met (Appendix 4).

5.18 The Council has continued work to ensure its office hubs are used efficiently, and during quarter 1, 2 properties were marketed for sale, Sandbanks in Hailsham and the former Rangers' Workshop in Rye. A public consultation has also begun on the disposal of the Tilling Green Playing Fields in Rye. In addition, marketing of vacant space in South and East Blocks at County Hall has commenced (Appendix 4).

5.19 The Government's consultation on the proposed established of a Mayoral Combined County Authority for Sussex closed early in quarter 1. The consultation followed our successful application, along with West Sussex County Council and Brighton & Hove City Council, to join the national devolution priority programme, working on an accelerated timescale towards a mayoral election in May 2026. Subject to further national and local decisions, work will continue to prepare for the creation of the combined authority, including the legislation required. As part of the Government's separate plans for the reorganisation of local government, the Council has continued to work with district and borough council partners to develop a final reorganisation proposal for a single unitary council for East Sussex, which is due to be submitted to Government in September 2025 (Appendix 7).

5.20 The Council's East Sussex Wellbeing and Employment Service won the 'excellent support' category at the National Homeless Link awards during quarter 1. The award recognises the holistic approach to bringing together housing, health, wellbeing and support into skills and employment for people who are homeless and living in temporary accommodation and for people who are at risk of being homeless (Appendix 3).

**Becky Shaw, Chief Executive**

## How to read this report

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

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

## Cover report, Appendix 1 and Appendix 2

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

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

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

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

## Departmental Appendices 3-7

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

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

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

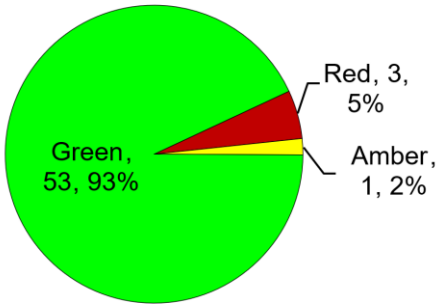
**Strategic Risk Register Appendix 8**

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

# Council Monitoring Corporate Summary – Q1 2025/26

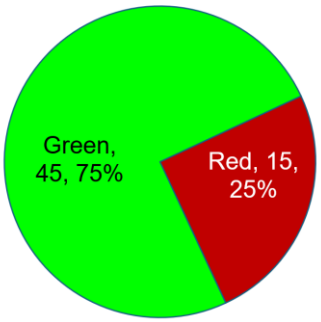
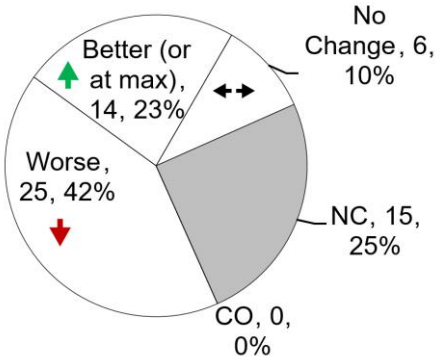
## Council Plan performance targets

| Priority | Red | Amber | Green |
|---|---|---|---|
| Driving sustainable economic growth | 0 | 1 | 23 |
| Keeping vulnerable people safe | 1 | 0 | 15 |
| Helping people help themselves | 1 | 0 | 9 |
| Making best use of resources now and for the future | 1 | 0 | 6 |
| **Total** | **3** | **1** | **53** |

| Performance overview Q1 2025/26 | Measures off target by department |
|---|---|
|  | There are 57 measures in the Council Plan. In Q1, 3 departments had measures that were off target.<br>BSD – 1 Red measure<br>CET – 1 Amber measure<br>CSD – 2 Red measures |

## Final Council Plan outturn summary for year ending 2024/25

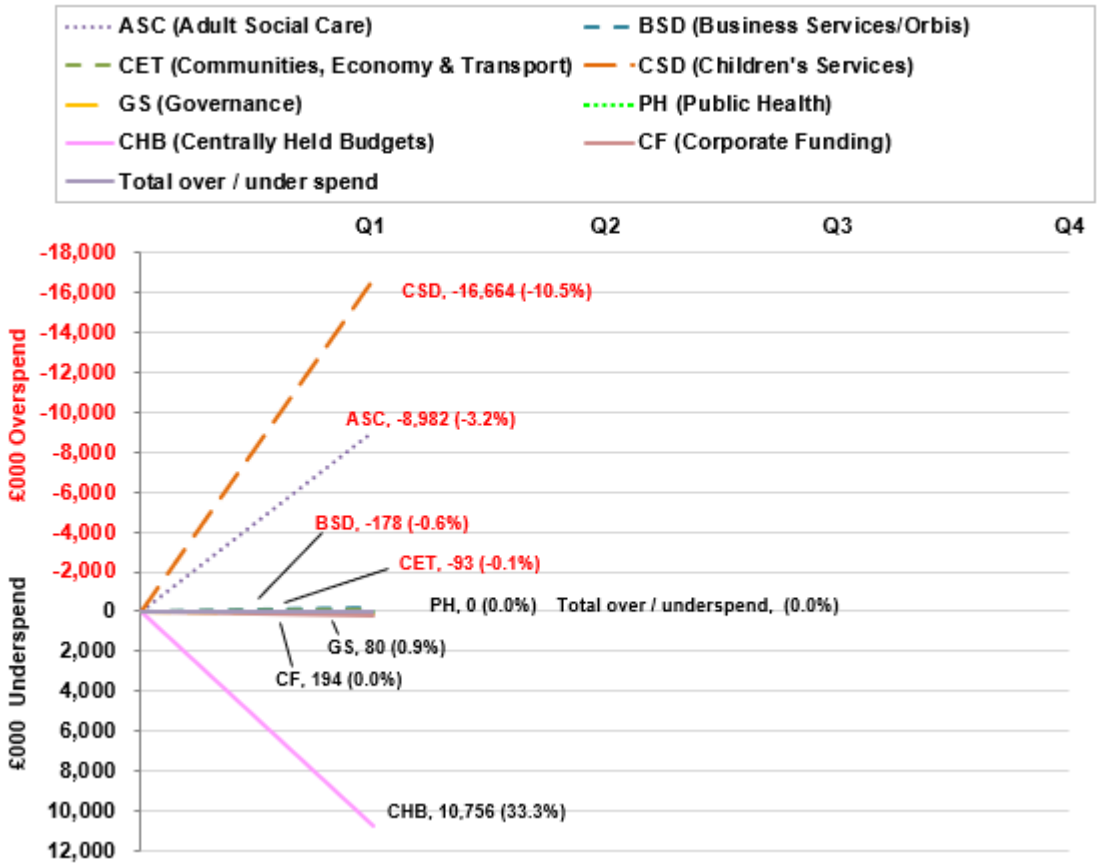
6 measures were reported as carry overs at the end of Q4 2024/25. Outturns for these measures are now available and the charts below summarise the final year end position for the 60 council plan targets in 2024/25. Where available, performance improvement relative to 2023/24 is summarised under Direction of travel.

| 2024/25 – Final | Direction of travel since 2023/24 |
|---|---|
|  |  |

**Direction of Travel key**:

No Change: ←→, Not Comparable: **NC**, Carry Over: **CO,** Worse: ↓**,** Improved (or at maximum): ↑

## Revenue budget outturn (net £000)




## Revenue budget summary (£000) 2025/26

**Services:**

| Divisions | Planned Gross | Planned Income | Planned Net | 2025/26 Gross | 2025/26 Income | 2025/26 Net | (Over)/ under spend Gross | (Over)/ under spend Income | (Over)/ under spend Net |
|---|---|---|---|---|---|---|---|---|---|
| Adult Social Care | 422,497 | (138,544) | 283,953 | 433,262 | (140,327) | 292,935 | (10,765) | 1,783 | (8,982) |
| Public Health | 38,185 | (38,185) | - | 38,326 | (38,326) | - | (141) | 141 | - |
| Business Services / Orbis | 64,668 | (33,404) | 31,264 | 65,014 | (33,572) | 31,442 | (346) | 168 | (178) |
| Children's Services | 638,290 | (480,230) | 158,060 | 664,087 | (489,363) | 174,724 | (25,797) | 9,133 | (16,664) |
| Communities, Economy & Transport | 174,299 | (98,052) | 76,247 | 175,237 | (98,897) | 76,340 | (938) | 845 | (93) |
| Governance Services | 9,767 | (502) | 9,265 | 9,673 | (488) | 9,185 | 94 | (14) | 80 |
| **Total Services** | **1,347,706** | **(788,917)** | **558,789** | **1,385,599** | **(800,973)** | **584,626** | **(37,893)** | **12,056** | **(25,837)** |

**Centrally Held Budgets (CHB):**

| Divisions | Planned Gross | Planned Income | Planned Net | 2025/26 Gross | 2025/26 Income | 2025/26 Net | (Over)/ under spend Gross | (Over)/ under spend Income | (Over)/ under spend Net |
|---|---|---|---|---|---|---|---|---|---|
| Treasury Management (TM) | 21,680 | (6,900) | 14,780 | 21,680 | (7,800) | 13,880 | - | 900 | 900 |
| Capital Programme | 1,450 | - | 1,450 | - | - | - | 1,450 | - | 1,450 |
| Pensions | 4,702 | - | 4,702 | 4,702 | - | 4,702 | - | - | - |
| General Contingency | 5,650 | - | 5,650 | - | - | - | 5,650 | - | 5,650 |
| Provision for Budgetary Risks | 4,039 | - | 4,039 | 722 | - | 722 | 3,317 | - | 3,317 |
| Reserves Movts | 3,097 | (2,307) | 790 | 3,097 | (2,307) | 790 | - | - | - |
| Apprenticeship Levy | 772 | - | 772 | 772 | - | 772 | - | - | - |
| Levies, Grants and Other | 162 | (70) | 92 | 162 | (70) | 92 | - | - | - |
| Debt Impairment | - | - | - | 561 | - | 561 | (561) | - | (561) |
| **Total Centrally Held Budgets** | **41,552** | **(9,277)** | **32,275** | **31,696** | **(10,177)** | **21,519** | **9,856** | **900** | **10,756** |

**Corporate Funding:**

| Divisions | Planned Gross | Planned Income | Planned Net | 2025/26 Gross | 2025/26 Income | 2025/26 Net | (Over)/ under spend Gross | (Over)/ under spend Income | (Over)/ under spend Net |
|---|---|---|---|---|---|---|---|---|---|
| Business Rates | - | (102,987) | (102,987) | - | (102,987) | (102,987) | - | - | - |
| Revenue Support Grant | - | (4,452) | (4,452) | - | (4,452) | (4,452) | - | - | - |
| Service Grant | - | - | - | - | - | - | - | - | - |
| Council Tax | - | (399,222) | (399,222) | - | (399,222) | (399,222) | - | - | - |
| Social Care Grant | - | (72,437) | (72,437) | - | (72,561) | (72,561) | - | 124 | 124 |
| New Homes Bonus | - | (517) | (517) | - | (587) | (587) | - | 70 | 70 |
| **Total Corporate Funding** | **-** | **(579,615)** | **(579,615)** | **-** | **(579,809)** | **(579,809)** | **-** | **194** | **194** |
| **TOTAL** | **1,389,258** | **(1,377,809)** | **11,449** | **1,417,295** | **(1,390,959)** | **26,336** | **(28,037)** | **13,150** | **(14,887)** |

| Divisions | Planned Gross | Planned Income | Planned Net | 2025/26 Gross | 2025/26 Income | 2025/26 Net | (Over)/ under spend Gross | (Over)/ under spend Income | (Over)/ under spend Net |
|---|---|---|---|---|---|---|---|---|---|
| Planned one-off Use of Reserves 2025/26 | - | (11,449) | (11,449) | - | (11,449) | (11,449) | - | - | - |
| Use of LGR Reserve to cover operational overspend | - | - | - | - | (4,200) | (4,200) | - | 4,200 | 4,200 |
| Use of Capital Reserve to cover operational overspend | - | - | - | - | (7,187) | (7,187) | - | 7,187 | 7,187 |
| Additional use of Insurance Reserve | - | - | - | - | (2,000) | (2,000) | - | 2,000 | 2,000 |
| Use of Collection Fund surplus | - | - | - | - | (1,500) | (1,500) | - | 1,500 | 1,500 |
| **FINAL TOTAL** | **1,389,258** | **(1,389,258)** | **0** | **1,417,295** | **(1,417,295)** | **0** | **(28,037)** | **28,037** | **0** |

## Revenue Savings Summary 2025/26 (£'000)

| Service description | Original Target for 2025/26 | Target including items c/f from previous year(s) | Achieved in-year | Will be achieved, but in future years | Cannot be achieved |
|---|---|---|---|---|---|
| ASCH | 7,420 | 7,420 | 7,096 | 269 | 55 |
| BSD/Orbis | 1,060 | 1,060 | 980 | - | 80 |
| CS | 3,239 | 3,239 | 2,526 | 611 | 102 |
| CET | 1,553 | 2,298 | 2,215 | 83 | - |
| GS | 233 | 233 | 233 | - | - |
| **Total Savings** | **13,505** | **14,250** | **13,050** | **963** | **237** |
| ASCH | | | 55 | - | (55) |
| BSD / Orbis | | | - | 80 | (80) |
| CS | | | 102 | - | (102) |
| CET | | | - | - | - |
| GS | | | - | - | - |
| **Subtotal Permanent Changes** [1] | | | **157** | **80** | **(237)** |
| **Total Savings & Permanent Changes** | **13,505** | **14,250** | **13,207** | **1,043** | **0** |

| Memo: treatment of savings not achieved in the year (£'000) | Temporary Funding [2] | Part of reported variance [3] | Total |
|---|---|---|---|
| ASCH | 269 | - | 269 |
| BSD / Orbis | - | 80 | 80 |
| CS | - | 611 | 611 |
| CET | 55 | 28 | 83 |
| GS | - | - | 0 |
| **Total** | **324** | **719** | **1,043** |

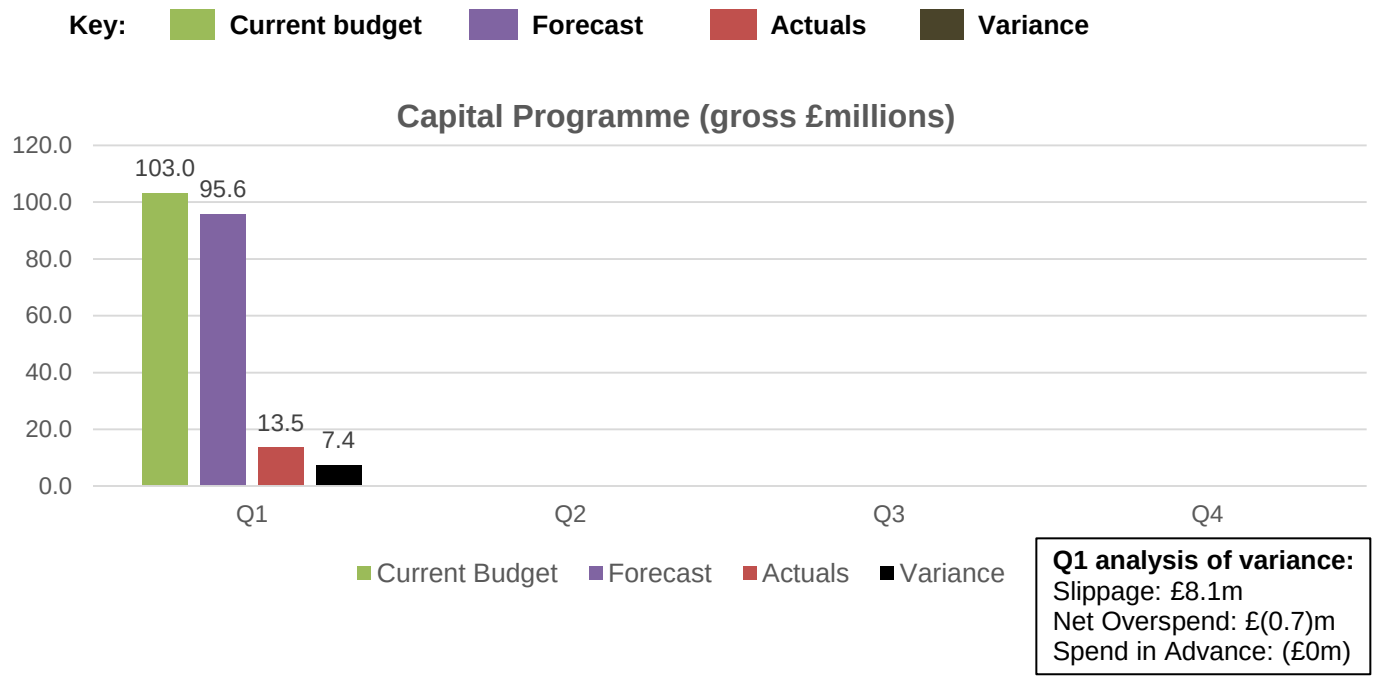
[1] Where agreed savings are reasonably unable to be achieved other permanent savings are required to be identified and approved via quarterly monitoring.

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

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

**APPENDIX 1**

## Capital Programme (gross £ millions) – approved projects




**Q1 analysis of variance:**
Slippage: £8.1m
Net Overspend: £(0.7)m
Spend in Advance: (£0m)

## Capital Programme Summary 2025/26 (£'000)

| | Budget 2025/26 | Forecast 2025/26 | Variation (Over) / under 2025/26 budget | Variation analysis: (Over) / under spend | Variation analysis: Slippage to future year | Variation analysis: Spend in advance |
|---|---|---|---|---|---|---|
| Adult Social Care | 1,969 | 1,969 | 0 | 0 | - | - |
| Business Services | 38,175 | 38,180 | (5) | (5) | - | - |
| Children's Services | 2,592 | 3,071 | (479) | (479) | - | - |
| Communities, Economy & Transport | 60,245 | 52,406 | 7,839 | (244) | 8,096 | -13 |
| **Gross Expenditure (Planned Programme)** | **102,981** | **95,626** | **7,355** | **(728)** | **8,096** | **-13** |
| *Corporate Slippage Risk Factor* | *(18,890)* | *(10,807)* | - | - | - | - |
| **Net Expenditure** | **84,091** | **84,819** | **(728)** | - | - | - |
| Developer Contributions | 1,771 | 1,771 | - | - | - | - |
| Other Specific Funding | 21,191 | 21,191 | - | - | - | - |
| Capital Receipts | 1,288 | 1,288 | - | - | - | - |
| Formula Grants | 36,599 | 36,599 | - | - | - | - |
| Reserves and Revenue Set Aside | 9,192 | 9,192 | - | - | - | - |
| Borrowing | 14,050 | 14,778 | ***(728)*** | - | - | - |
| **Total Funding** | **84,091** | **84,819** | ***(728)*** | **0** | **0** | **0** |

## Treasury Management

The Treasury Management Strategy (TMS), which provides the framework for managing the Council's cash balances and borrowing requirement, continues to reflect a policy of ensuring minimum risk, whilst aiming to deliver secure realistic investment income on the Council's cash balances. Cash investment balances as at 30 June 2025 have fallen by 36% in one year, from £213.7m at Q1 2024/25 to £137.2M at Q1 2025/26.

The average level of Council funds available for investment purposes during Q1 was £151.9m. The total amount received in short term interest for Q1 was £1.798m at an average rate of 4.74%, compared to £1.742m at an average rate of 4.96% for Q4 2024/25.

The Bank of England Base Rate was cut by 0.25% on the 8 May, the rate at 30 June was 4.25%. The prospect for interest rates is for further reductions into 2025/26 to a 3.75% level by 31 March 2026. Where possible a number of fixed term deposits with local authorities and banks were placed for periods up to 1 year in Q1, this will help secure investment returns into 2025/26.

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

Cashflow is monitored on a rolling 18 month forecast and no short-term borrowing was required in Q1.

In Q1 an opportunity was taken to repay a Barclays Market Loan with the assistance of Treasury Advisors (MUFG). A cost-effective early repayment of a £6.45m loan was agreed, securing an appreciable discount of £1m to the Council. The discount can be spread over a 10-year period in line with accounting regulations and generates a saving of around £100k to the Treasury Budget for 2025/26. The repayment was funded by cash on deposit held in liquidity accounts, the original maturity date of the Barclays Market Loan was October 2058.

The Council's external debt, totalling £200.1m at Q1, is held as long-term loans and now fully with the PWLB. No long-term borrowing was undertaken in Q1.

The Treasury Management budget is currently forecasted to underspend by £0.9m.This is based on the position outlined above with regard to balances held and investment returns. A reduced in-year capital borrowing requirement alongside an ongoing strategy to delay borrowing in a falling interest rate environment has meant that the council has delayed new external borrowing; and returns on investments in year were greater than anticipated as the Base Rate did not fall as fast as originally anticipated.

The performance of the Council's treasury management activity, against benchmarks and the key indicators set in the Treasury Management Strategy, as approved by Full Council on 6 February 2024, are set out at Appendix 2.

## Reserves and Balances 2025/26 (£000)

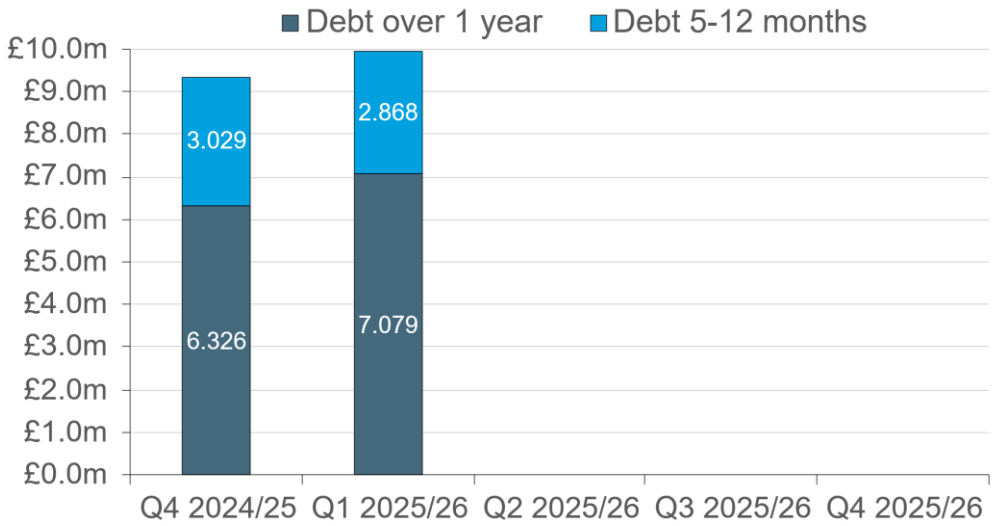
| Reserve / Balance | Balance at 1 Apr 2025 | Forecast net use at Q1 | Net use at Q1 * | Movement | Balance at 31 Mar 2026 |
|---|---|---|---|---|---|
| **Statutorily ringfenced or held on behalf of others:** | | | | | |
| Balances held by schools | 16,043 | - | - | - | 16,043 |
| Public Health | 3,998 | (2,891) | (2,891) | - | 1,107 |
| Other | 5,491 | (1,414) | (1,414) | - | 4,077 |
| **Subtotal** | **25,532** | **(4,305)** | **(4,305)** | **0** | **21,227** |
| **Service Reserves:** | | | | | |
| Corporate Waste | 19,844 | (5,109) | (5,109) | - | 14,735 |
| Capital Programme | 9,060 | (9,060) | (9,060) | - | - |
| Insurance | 7,678 | (2,000) | (2,000) | - | 5,678 |
| Local Government Re-organisation | - | 4,200 | 4,200 | - | 4,200 |
| **Subtotal** | **36,582** | **(11,969)** | **(11,969)** | **0** | **24,613** |
| **Strategic Reserves:** | | | | | |
| Priority / Transformation | 5,187 | (592) | (592) | - | 4,595 |
| Financial Management | 11,276 | (5,670) | (5,670) | - | 5,606 |
| **Subtotal** | **16,463** | **(6,262)** | **(6,262)** | **0** | **10,201** |
| **Total Reserves** | **78,577** | **(22,536)** | **(22,536)** | **0** | **56,041** |
| General Fund | 10,000 | - | - | - | 10,000 |
| **Total Reserves and Balances** | **88,577** | **(22,536)** | **(22,536)** | **0** | **66,041** |

* Currently excludes any transfers relating to Q1 variances.

## Changes to Fees & Charges

There are no changes to fees and charges during the quarter.

## Outstanding debt analysis (£ millions)




The value of debt aged over 5 months at Quarter 1 has increased by £0.592m to £9.947m compared to the 2024/25 outturn position of £9.355m.

The majority £9.676m (97.27%) of all debt over 5 months old relates to Adult Social Care and Health (ASCH), which has increased by £0.740m compared with the 2024/25 outturn position of £8.936m.

The debt over 5 months related to income due to other departments has decreased by £0.148m to £0.271m, compared with the 2024/25 outturn position of £0.419m.

Adult Social Care client contribution income represents most of the Council's debt collection activity and the recovery process can be lengthy due to the sensitive and often complex nature of individual circumstances. However, the rising level of debt in this area is a high priority area of focus for 2025/26. A strategic review, including establishing a project board, has started to analyse the end-to-end income collection and debt recovery processes with the aim of both reducing existing debt and preventing further debt from being accrued.

# Treasury Management Prudential Indicators – Q1 2025/26

The Chartered Institute of Public Finance and Accountancy published the revised Treasury and Prudential codes in 2021, which now requires quarterly reporting of performance against forward looking prudential indicators. The performance of the Council's treasury management activity, against benchmarks and the key indicators in the Council's Treasury Management Strategy, as approved by Full Council at its meeting of 11 February 2025, are set out below.

## Investments

Cash investment balances as at 30 June 2025 have fallen by 36% in one year, from £213.7m at Q1 2024/25 to £137.2m. The average investment return over Q1 was 4.74% performing above the benchmark rate by 42 basis points (or 0.42 percentage points). Performance has improved as a result of reinvesting maturing investments in a duration matched to a peak in the forecast Bank of England (BoE) bank interest rate.

| | Average Investment Balance | Average Investment Return | Average Benchmark Rate* | Difference |
|---|---|---|---|---|
| Quarter 1 2025/26 | 151.972 | 4.74% | 4.32% | +0.42% |

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

During Q1 we have monitored the security of the Council's investments, to assess the risk of those investments losing their value. These risks were assessed using the financial standing of the groups invested in, the length of each investment, and the historic default rates. Our investment strategy sets an allowable risk level of 0.050% (i.e. that there is a 99.95% probability that the Council will get its investments back). The actual indicator ranged between 0.007% and 0.008%, reflecting the high proportion of investments held in highly secure and/or very liquid investments.

| | |
|---|---|
| **Investment Risk Benchmark** | 0.050% |
| **Maximum Investment Risk Experienced Q1** | 0.008% |

## Borrowing

The table below shows the Council's total external borrowing and average rate as at 30 June 2025.

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

During Q1 an opportunity was taken to repay the Council's only market loan held with Barclays of £6.450m early. The loan was due to mature in 2058/59 and was at a rate of 4.25%. Assistance was provided by Treasury Advisors (MUFG) to arrange a repayment where an appreciable discount was calculated in favour of the Council of just over £1m. Under accounting regulations this discount can be spread over a 10 year period equally to 2034/35.

The table below shows the Q1 forecast of the Capital Financing Requirement (CFR) compared to the estimate within the 2025/26 strategy approved in February 2025. The CFR is expected to give rise to new borrowing requirement of £93.250m by the end of the year, compared to the original estimate of £70.000m following an increased capital programme borrowing need in 2024/25 carried forward. The strategy currently forecasts that the level of reserves and balances in the medium term allows for internal borrowing (using internal resources such as useable reserves or temporary working capital) of at least £75.000m in 2025/26, It is therefore expected that new borrowing of £18.250 may be required to support the capital programme during 2025/26, although the timing of borrowing will be considered in the context of the wider treasury management position and economic environment.

| **Capital Financing Requirement (CFR) (Underlying Borrowing Need)*** | **Original Estimate 2025/26 £m** | **Revised Forecast 2025/26 £m** |
|---|---|---|
| Opening CFR | 268.971 | 287.839 |
| Borrowing Requirement | 15.812 | 14.050 |
| Minimum Revenue Provision | (8.111) | (8.496) |
| **Closing CFR** | **276.672** | **293.393** |
| **External Borrowing as at 30 June 2025** | **-** | **200.143** |
| **Forecast Underborrowing (if no action taken)** | **-** | **93.250** |

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

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

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

**Authorised Borrowing headroom cannot be less than zero*

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

| **Maturity Structure of Borrowing** | **Lower Limit Set** | **Upper Limit Set** | **Actual as at 30 June 2025** |
|---|---|---|---|
| Under 12 months | 0% | 25% | 0% |
| 12 months to 2 years | 0% | 40% | 3% |
| 2 years to 5 years | 0% | 60% | 7% |
| 5 years to 10 years | 0% | 70% | 23% |
| Over 10 years | 0% | 90% | 67% |

# Adult Social Care and Health – Q1 2025/26
# Summary of progress on Council Priorities, issues arising, and achievements

## Adult Social Care (ASC)

### Demand for care and support services

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

- Overall contacts handled by Health and Social Care Connect (HSCC) Access and Assessment, excluding HSCC Health, continue to increase, with a 5.0% increase in contacts handled in 2024/25 compared to 2023/24, and a 7.8% increase in contacts handled in April to May 25 compared to the same period in 2024.
- Between 2023/24 and 2024/25 new 'care' contacts relating to requests for support around care needs increased by 14.2%.

Against the context of this increased demand activity levels also continued to increase, including:

- a 3.6% increase in Appearance of Need Tools completed in the period April to May 25 compared to the same period in 2024
- a 4.0% increase in assessments completed in the period April to May 2025 compared to the same period in 2024
- a 5% increase in reviews conducted in the period April to May 2025 compared to the same period in 2024

### Health and Social Care integration.

To build on the progress in 2024/25, the East Sussex Health and Care Partnership has reviewed and refreshed our Shared Delivery Plan (SDP) for 2025/26 for endorsement by our Health and Wellbeing Board (HWB). This has taken into account the NHS 2025/26 priorities and operational planning guidance published in January 2025, as well as alignment with other strategies, annual plans, insights and evidence, and will help us to be clear about the drivers and scope of our joint work together in East Sussex within our Sussex Integrated Care System in 2025/26.

An informal HWB development session took place in June, as part of the broader programme to deliver our ongoing SDP objective of strengthening the leadership role of the East Sussex HWB. It focussed on the Joint Strategic Needs Assessment (JSNA) theme of the importance of the “life course” approach, a good start in life, living well, ageing well and a good end in life, and how our work as a system contributes to this. A key focus was understanding the collaborative work that supports a good start to life for our children and young people. The session also explored the wider context of change, some of the challenges and risks influencing our work as health and care system partners in 2025/26, and the potential impacts on collaboration at an East Sussex level. An important topic was the national announcement that all Integrated Care Boards (ICBs) must reduce their organisational costs by 50% by December 2025/26, in part through reconfiguring to larger footprints, as part of a broader move to stabilise NHS finances and reduce duplication. The expectations we have of ourselves as partners working for the common good of the East Sussex population, how our HWB can continue to be strengthened, and how we help lead and hold ourselves mutually to account for this, will be vitally important.

Our 5 Integrated Community Team (ICT) joint management and planning groups (MPGs) aligned to our borough and district footprints have continued to meet and work on joint action plans. Members include local team leads from general practice, community pharmacy, social care, public health, housing, Voluntary, Community and Social Enterprise (VCSE) organisations, mental health and community health services. Plans will include developing multi-disciplinary teams working in

neighbourhoods to offer proactive care for people with more complex health and care needs.

Our joint plans for ICTs will support the shift from hospital to a neighbourhood health service in the community set out in the Government's 10 Year Health Plan '*Fit for the future'* (published in July 2025), through enabling better coordination and increased integration of services in our local communities and neighbourhoods, and the shift to prevention. We expect to be able to further evolve and strengthen our plans for ICTs in light of 'Fit for the Future' as the detailed guidance emerges.

Whole system collaboration continues to focus on improving hospital discharge and reducing the number of people who remain in hospital after they have no clinical need to stay due to their complex onward care needs. Actions include supporting people to stay active whilst in hospital and minimise deterioration in health and wellbeing, establishing hubs to better coordinate the transfer of care, two Social Work Teams supporting 'discharge to recover and assess' beds and a discrete scheme commissioned to help people arranging and paying for their own care. Funding allocations have been agreed until the end of Q2 2025/26. Despite a reduction in Discharge To Assess (D2A) beds overall performance is improving, but this is reliant on our health and care system investing in the right type of support to respond to people's increasingly complex needs appropriately after being in hospital.

**Third Sector support**

During Q1 the mobilisation of the new Community and Voluntary, Community and Social Enterprise Development Programme, and the development of the initial delivery plans began. Providers and Council officers met regularly to ensure a collaborative partnership approach, alongside the continuous learning approach. Both are key components that will ensure the programme is contributing to Council strategies, while at the same time supporting people, communities, groups and organisations to develop activities that directly benefit them.

During Q1 the Council's Communications Team and third party provider Tribe delivered a campaign to promote volunteering amongst residents in the county. The results of the campaign are being analysed and will be used to direct outreach and further promotion of the Tribe platform which support the on-line promotion of volunteering opportunities and activities. There has been a strong uptake in Council teams that engage volunteers, using Tribe, to promote and recruit to the Council's volunteering opportunities, the June campaign included examples of these volunteering roles. Four East Sussex locals give us the low-down on volunteering.

**Safer Communities**

**When they leave the service the % of those affected by rape, sexual violence and abuse who have improved coping strategies** - The Q4 2024/25 outturn (reported a quarter in arrears) was 85.1%, meaning the outturn for the whole of 2024/25 was 86.6%, below the target of 88%. **(ref i).** The provider has attributed the lower performance to staff changes across the organisation and data accuracy. Guidance on inputting information has now been created to resolve the issue.

**Domestic Abuse Commissioning Activity**

The six projects funded by the Domestic Abuse Small Grants Fund have started delivery. The projects consist of support for victim/ survivors from ethnic minority backgrounds, older people, those in temporary accommodation, and those with multiple compound needs (MCN), as well as child to parent abuse initiatives and whole family approaches.

A new contract awarded to Interventions Alliance to take over 37 existing units of safe accommodation successfully started on 1 July 2025. Plans to provide the additional 18 units within the first 6 months of the contract are underway. The contract will be in place until 31 March 2030.

The MCN Safe Accommodation and Community Support Service, also delivered by Interventions Alliance, continues to be implemented. A building has been purchased, planning permission granted, and works are underway to complete the renovations required. The contract runs from 1 January 2025 to 31 March 2028.

**Domestic Abuse Related Death Reviews (DARDRs) (formally Domestic Homicide Reviews (DHRs))**

Local Child Safeguarding Practice Review (LCSPR) / Domestic Homicide Review (DHR) Clare was signed off by the Safer Communities Partnership Board (SCPB) and East Sussex Safeguarding Children Partnership in February 2025. The report was then signed off by the National Child Safeguarding Practice Review Panel in April 2025.

The Chair of the SCPB was notified by Sussex Police of two deaths which met the DARDR threshold and the families of the deceased are being notified and commissioning of two independent chairs to take the reviews forwards is underway.

**Drug and alcohol treatment and recovery**

In Q1 the majority of the treatment and recovery services funded through the Drug and Alcohol Treatment and Recovery Grant (DATRIG) commenced. Two further services will go live in Q2. Work on the recommissioning of the new treatment service, to go live in April 2026, continues and the tender went live at the end of Q1.

As it is known that being in treatment is a protective factor, along with the fact that we have influence over numbers in treatment and reduced time in reporting the previous measure has been replaced by deaths in treatment as a proportion of all in treatment. The deaths in treatment figure for March 2025 was 1.21%, this is the lowest since October 2019 (also 1.21%), and the actual number of deaths in treatment in the 12 months to March 2025 (34) is at its lowest since the 12 months to October 2020 (also 34). The treatment provider has a national strategy to increase the number of people accessing their services, and through the DATRIG (Drug and Alcohol Treatment and Recovery Improvement Grant) an outreach provision continuing the legacy of Project ADDER is working predominantly with opiate and crack users who are at highest risk of drug related harm or death to support these individuals to access harm reduction advice and structured treatment

**Preventing Violent Extremism**

During Q1, the Council received Home Office ratings for the annual Prevent assurance process. All benchmarks were met, and 4 of the 7 exceeded expected outcomes. Strengths were identified in risk assessment processes and training.

During Q1, the Safer East Sussex Team (SEST) delivered 22 Community Safety Prevent awareness and training sessions, with a focus on educational inputs for learners expressing hateful or extreme views, alongside engagement at 8 events to support community cohesion.

**<u>Public Health</u>**

**Successful smoking quits through the OneYou East Sussex service**

4.32% of the local smoking population (2,910 people) set a quit date in 2024/25 (reported a quarter in arrears) against a target of 7% (4,720 people) **(ref iii)**. However, individuals do achieve good outcomes on the programme with 59% achieving a four-week quit, against a target of 50%. This is positive, and as smoking prevalence declines nationally the service is increasingly engaging with more entrenched smoking populations. Public Health is supporting referral generation through targeted communications campaigns (e.g. upcoming pan Sussex webinar for GPs), developing bespoke referral pathways with partner organisations (including primary and secondary care), undertaking behavioural insights to understand why marginalised communities with high smoking prevalence are not accessing stop smoking support, and establishing prescribing pathways to enable equitable access to stop smoking medications for One You East Sussex service users.

**GP practices in East Sussex deliver a targeted NHS Health Check service**

At the end of 2024/25 (reported a quarter in arrears), there was a 16% decrease in the number of IMD1 NHS Health Checks conducted, when compared to 2023/24 **(ref ii)**. 449 IMD1 NHS Health Checks were conducted in Q4 bringing the annual total to 1,738 against a target of 2,244. The

overall NHS Health Check activity by Hastings and Rother Healthcare reduced by 43% between 2023/24 and 2024/25 which has impacted upon achievement of this target. Furthermore, unlike in previous years, overall health check activity across East Sussex did not increase in Q4 as typically expected. This may be linked to significant changes in how the programme is to be delivered from 2025/26, alongside wider operational pressures. The new system, introduced in 2025/26, provides each GP Practice with an allocated amount of activity to be delivered. Where it is identified that a Practice is unlikely to achieve its planned activity levels, this will be transferred to another Practice that is able to deliver additional activity.

**Achievements**

The Sexual and Reproductive Health Needs Assessment has been published as part of a regular five-year review. The data is collected from national, regional and local sources to identify the gaps in provision and to confirm the services that work well for residents. The latest data suggests that our services are effective, fit for purpose and meet resident needs.

The Council's East Sussex Wellbeing and Employment Service won the 'excellent support' category at the National Homeless Link awards. The award recognises the holistic approach to bringing together housing, health, wellbeing and support into skills and employment for people who are homeless and living in temporary accommodation and for people who are at risk of being homeless. The service forms one part of the Councils' Homelessness Prevention Programme.

The East Sussex Climate and Health Public Survey has now concluded, receiving just under 600 responses over a six-week consultation period. The survey aimed to understand how residents perceive the impact of climate change on their health and wellbeing. Among the climate-related issues reported, 'Extreme Winds' emerged as the most frequently mentioned concern, followed by 'Flooding' and 'Extreme Temperatures'. This valuable public engagement plays a crucial role in shaping the East Sussex Systemwide Climate Change Health Impact Assessment, ensuring that local voices inform future plans and policy to ensure we build and enhance our resilience as a system.

The new East Sussex Public Health Hot Food Take Away (HFT) Guidance has been published. It contains Public Health information and background on the obesity crisis, and evidence between the links to healthy weight, lifestyles and environments that reduce health inequalities in East Sussex. The guidance identifies tools and mechanisms for developing HFT approaches, including evidence for Local Planning Authorities to justify the development of restrictive policies within their Local Plans. Since publication, the guidance has been used as a case study for the Town and Country Planning Association's 'Restricting the appeal and availability of junk food' document: https://www.tcpa.org.uk/resources/restricting-the-appeal-and-availability-of-junk-food-in-england-the-role-of-local-councils/

**Revenue Budget Summary**

**ASC and Safer Communities**

The net ASC and Safer Communities budget of £283.953m for 2025/26 includes a 4% inflationary uplift of £10.724m to support the care market across the Independent Sector. This uplift is in addition to £9.626m to fund growth and demographic pressures and service demands, with the costs of the increases being partially funded by £7.515m raised through the 2% ASC Care Precept. The department has savings targets of £7.420m for 2025/26.

The net forecast ASC outturn for 2025/26 is £292.935m, which is an overspend of £8.982m. The overspend largely relates to the Independent Sector, where the overspend is £8.666m.

This is due to an increase in demand compared to quarter 4 2024/25 and periods before, which informed the modelling for 2025/26 and therefore would not have captured the 7.4% growth. More people are being supported but at a lower average cost compared to quarter 4 2024/25 (a decrease of 3.5%) because we are managing the market, being prudent with packages of support and reviewing more people.

There is an overspend in Directly Provided Services of £0.316m due to staffing cost pressures, increasing costs and demand for equipment services to support people in their homes. Legal costs have also increased due to an increased volume and complexity of cases and an increased need to instruct barristers to provide specialist legal advice and representation.

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

**Public Health**

The Public Health (PH) budget of £38.185m comprises of the PH grant allocation of £32.570m and additional income and grants of £3.903m. On top of this are planned draws from reserves of £1.712m.

As at 30th June 2025 the General Public Health Reserve of £2.171m is projected to reduce to £0.318m by the end of the financial year. The Health Visiting Reserve of £1.827m is projected to reduce to £1.327m.

**Homes for Ukraine**

| HFU Grant Funding | Funding b/fwd £'000 | Expected Funding £'000 | Total Funding £'000 | Planned Usage £'000 | Funding c/fwd £'000 |
|---|---|---|---|---|---|
| Tariff Funding | 4,767 | 106 | 4,874 | 2,526 | 2,300 |
| Thank you Payments | - | - | - | 48 | - |
| **Total** | **4,767** | **106** | **4,874** | **2,574** | **2,300** |

**Capital Programme Summary**

The ASC Capital programme budget for 2025/26 is £1.969m, with both schemes forecasted to be on-line at Q1.

Construction works on Phase 2 of the Supported Living scheme at Jasmine Lodge and The Meads are ahead of schedule, with completion of the works and handover of the buildings back to the Council expected by September 2025.

**APPENDIX 3**

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

**Priority – Keeping vulnerable people safe**

| Performance measure | Outturn 24/25 | Target 25/26 | RAG Q1 25/26 | RAG Q2 25/26 | RAG Q3 25/26 | RAG Q4 25/26 | Q1 2025/26 outturn | Note ref |
|---|---|---|---|---|---|---|---|---|
| No exceptions | | | | | | | | |

**Council Plan measures marked carry over at year end 2024/25 – Final Outturn**

**Priority – Keeping vulnerable people safe**

| Performance measure | Outturn 23/24 | Target 24/25 | RAG Q1 24/25 | RAG Q2 24/25 | RAG Q3 24/25 | RAG Q4 24/25 | 2024/25 outturn | Note ref |
|---|---|---|---|---|---|---|---|---|
| The % of people affected by domestic violence and abuse who have improved safety/support measures in place upon leaving the service (CP) | 96% | 90% | G | G | G | G | 95.2% | |
| When they leave the service the % of those affected by rape, sexual violence and abuse who have improved coping strategies (CP) | 90% | 88% | G | G | A | R | 86.6% | i |

**Priority – Helping people help themselves**

| Performance measure | Outturn 23/24 | Target 24/25 | RAG Q1 24/25 | RAG Q2 24/25 | RAG Q3 24/25 | RAG Q4 24/25 | Q4 24/25 outturn | Note ref |
|---|---|---|---|---|---|---|---|---|
| GP practices in East Sussex deliver a targeted NHS Health Check service (CP) | 9% of the eligible population in the 20% most deprived areas (IMD1) received a health check | Increase coverage of IMD1 NHS Health Checks by 9% (i.e., uptake by total eligible population) | G | A | R | R | 16% decrease | ii |
| National outcome measure: Achieve independence for older people through rehabilitation / intermediate care (CP) | 92.5% | >90% | G | G | G | G | 92.5% | |
| Successful smoking quits through the OneYou East Sussex service (CP) | New measure for 24/25 | 7% of local smoking population to set a quit date, with 50% achieving four-week quit | G | G | R | R | 4.32% set a quit date<br>59% achieve a four-week quit | iii |

**Savings exceptions 2025/26 (£'000)**

| Service description | Original Target For 2025/26 | Target including items c/f from previous year(s) | Achieved in-year | Will be achieved, but in future years | Cannot be achieved | Note ref |
|---|---|---|---|---|---|---|
| Older People's Directly Provided Services | 712 | - | 712 | - | - | |
| Learning Disability Directly Provided Services | 804 | - | 550 | 199 | 55 | |
| Vulnerable Adults Supported Accommodation | 129 | - | 129 | - | - | |
| Adults with Mental Health needs Supported Accommodation | 178 | - | 178 | - | - | |
| Housing Related Floating Support | 1,937 | - | 1,937 | - | - | |
| Substance Misuse Contracts | 641 | - | 641 | - | - | |
| Learning Disability Commissioning | 50 | - | 50 | - | - | |
| Strategy | 180 | - | 180 | - | - | |
| Operations | 770 | - | 700 | 70 | - | |
| Community Development | 500 | - | 500 | - | - | |
| Planning, Performance and Engagement | 425 | - | 425 | | | |
| Public Health | 1,094 | - | 1,094 | - | - | |
| **Total Savings** | **7,420** | **0** | **7,096** | **269** | **55** | |
| | | | - | - | - | |
| Operations | | | 55 | - | (55) | |
| **Subtotal Permanent Changes** [1] | | | **55** | **0** | **(55)** | |
| **Total Savings and Permanent Changes** | **7,420** | **0** | **7,151** | **269** | **0** | |

| Memo: treatment of savings not achieved in the year (£'000) | Temporary Funding [2] | Part of reported variance [3] | Total | Note Ref |
|---|---|---|---|---|
| Learning Disability Directly Provided Services | 199 | - | 199 | |
| Operations | 70 | - | 70 | |
| | - | - | - | |
| **Total** | **269** | **0** | **269** | |

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

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

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

## Revenue Budget 2025/26 (£'000)

**Adult Social Care – Independent Sector:**

| Divisions | Planned Gross | Planned Income | Planned Net | 2025/26 Gross | 2025/26 Income | 2025/26 Net | (Over)/ under spend Gross | (Over)/ under spend Income | (Over)/ under spend Net | Note ref |
|---|---|---|---|---|---|---|---|---|---|---|
| Physical, Sensory and Memory and Cognition Support | 194,592 | (103,438) | 91,154 | 200,951 | (102,949) | 98,002 | (6,359) | (489) | (6,848) | |
| Learning Disability Support | 102,541 | (10,584) | 91,957 | 103,374 | (9,628) | 93,746 | (833) | (956) | (1,789) | |
| Mental Health Support | 27,080 | (2,365) | 24,715 | 27,277 | (2,533) | 24,744 | (197) | 168 | (29) | |
| **Subtotal** | **324,213** | **(116,387)** | **207,826** | **331,602** | **(115,110)** | **216,492** | **(7,389)** | **(1,277)** | **(8,666)** | |

**Adult Social Care – Adult Operations**

| Divisions | Planned Gross | Planned Income | Planned Net | 2025/26 Gross | 2025/26 Income | 2025/26 Net | (Over)/ under spend Gross | (Over)/ under spend Income | (Over)/ under spend Net | Note Ref |
|---|---|---|---|---|---|---|---|---|---|---|
| Assessment and Care Management | 36,335 | (2,912) | 33,423 | 37,213 | (3,607) | 33,606 | (878) | 695 | (183) | |
| Directly Provided Services - Older People | 18,027 | (6,194) | 11,833 | 17,565 | (6,287) | 11,278 | 462 | 93 | 555 | |
| Directly Provided Services - Learning Disability | 9,262 | (605) | 8,657 | 9,354 | (605) | 8,749 | (92) | - | (92) | |
| **Subtotal** | **63,624** | **(9,711)** | **53,913** | **64,132** | **(10,499)** | **53,633** | **(508)** | **788** | **280** | |

**Adult Social Care- Strategy, Commissioning and Supply Management**

| Divisions | Planned Gross | Planned Income | Planned Net | 2025/26 Gross | 2025/26 Income | 2025/26 Net | (Over)/ under spend Gross | (Over)/ under spend Income | (Over)/ under spend Net | Note Ref |
|---|---|---|---|---|---|---|---|---|---|---|
| Commissioners, Commissioned Services and Supply Management | 10,486 | (4,129) | 6,357 | 10,271 | (4,148) | 6,123 | 215 | 19 | 234 | |
| Supporting People | 4,252 | - | 4,252 | 4,252 | - | 4,252 | - | - | - | |
| Equipment and Assistive Technology | 8,909 | (4,487) | 4,422 | 9,477 | (4,771) | 4,706 | (568) | 284 | (284) | |
| Carers | 2,387 | (1,693) | 694 | 2,347 | (1,653) | 694 | 40 | (40) | - | |
| **Subtotal** | **26,034** | **(10,309)** | **15,725** | **26,347** | **(10,572)** | **15,775** | **(313)** | **263** | **(50)** | |

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

| Divisions | Planned Gross | Planned Income | Planned Net | 2025/26 Gross | 2025/26 Income | 2025/26 Net | (Over)/ under spend Gross | (Over)/ under spend Income | (Over)/ under spend Net | Note Ref |
|---|---|---|---|---|---|---|---|---|---|---|
| Planning, Performance and Engagement | 6,000 | (1,135) | 4,865 | 6,250 | (1,293) | 4,957 | (250) | 158 | (92) | |
| Service Strategy | 661 | (160) | 501 | 1,109 | (160) | 949 | (448) | - | (448) | |
| Safer Communities | 1,965 | (842) | 1,123 | 3,822 | (2,693) | 1,129 | (1,857) | 1,851 | (6) | |
| **Subtotal** | **8,626** | **(2,137)** | **6,489** | **11,181** | **(4,146)** | **7,035** | **(2,555)** | **2,009** | **(546)** | |

| Divisions | Planned Gross | Planned Income | Planned Net | 2025/26 Gross | 2025/26 Income | 2025/26 Net | (Over)/ under spend Gross | (Over)/ under spend Income | (Over)/ under spend Net | Note Ref |
|---|---|---|---|---|---|---|---|---|---|---|
| **Total Adult Social Care** | **422,497** | **(138,544)** | **283,953** | **433,262** | **(140,327)** | **292,935** | **(10,765)** | **1,783** | **(8,982)** | |

**Public Health – Core Services:**

| Divisions | Planned Gross | Planned Income | Planned Net | 2025/26 Gross | 2025/26 Income | 2025/26 Net | (Over)/ under spend Gross | (Over)/ under spend Income | (Over)/ under spend Net | Note Ref |
|---|---|---|---|---|---|---|---|---|---|---|
| Mental Health & Best Start | 3,608 | - | 3,608 | 3,616 | - | 3,616 | (8) | - | (8) | |
| Health Visiting | 8,446 | - | 8,446 | 8,556 | - | 8,556 | (110) | - | (110) | |
| Risky Behaviours and Threats to Health | 14,005 | (3,903) | 10,102 | 13,843 | (3,903) | 9,940 | 162 | - | 162 | |
| Health Systems | 2,994 | - | 2,994 | 2,992 | - | 2,992 | 2 | - | 2 | |
| Communities | 774 | - | 774 | 774 | - | 774 | - | - | - | |
| Central Support and One-off funding | 3,977 | - | 3,977 | 4,042 | - | 4,042 | (65) | - | (65) | |
| Recovery & Renewal | 12 | - | 12 | 12 | - | 12 | - | - | - | |
| Funding/Savings to be released | 3,055 | - | 3,055 | 3,255 | - | 3,255 | (200) | - | (200) | |
| Projects - Reserve | 1,314 | - | 1,314 | 1,236 | - | 1,236 | 78 | - | 78 | |
| Public Health Grant Income | - | (32,570) | (32,570) | - | (32,570) | (32,570) | - | - | - | |
| Draw from General Reserves | - | (1,712) | (1,712) | - | (1,853) | (1,853) | - | 141 | 141 | |
| **Total Public Health** | **38,185** | **(38,185)** | **0** | **38,326** | **(38,326)** | **0** | **(141)** | **141** | **0** | |

## Capital programme 2025/26 (£'000)

| Approved project | Budget: total project all years | Projected: total project all years | Budget 2025/26 | Actual 2025/26 | Variation (Over) / under 2024/25 budget | Variation analysis: (Over) / under spend | Variation analysis: Slippage to future year | Variation analysis: Spend in advance | Note ref |
|---|---|---|---|---|---|---|---|---|---|
| Supported Living Projects | 6,421 | 6,421 | 1,829 | 917 | - | - | - | - | |
| Greenacres | 2,598 | 2,598 | 140 | - | - | - | - | - | |
| **Total ASC Gross** | **9,019** | **9,019** | **1,969** | **917** | **0** | **0** | **0** | **0** | |

**Business Services – Q1 2025/26**
**Summary of progress on Council Priorities, issues arising, and achievements**

## Key cross cutting programmes

### Carbon

In line with the annual delivery plan in our Climate Emergency Action Plan 2025-2030, in Q1 we completed five energy efficiency projects:

- 2 Solar PV: Heathfield and Peacehaven (The Joff) Youth Hubs
- 2 Insulation (loft): Battle Teaching and Learning Centre and Robertsbridge Primary School
- 1 Estate Rationalisation: Phoenix Centre

The Council Plan target for 2025/26 is to complete 10 energy efficiency projects. A pipeline of property capital and maintenance projects with carbon saving opportunities has been compiled and is being reviewed for potential savings. In the absence of dedicated government or internal funding, carbon reduction initiatives are being achieved through our buildings maintenance programme. Support for good practice has continued by working with sites that have high or unusual energy use patterns to identify savings. Following the success of the workshops held in 2024/25, a further energy saving workshop will run in Autumn 2025. Work has commenced to identify sites with relatively high water use, to offer advice and signpost free support from water companies to help combat higher water prices and reduce waste.

The total Council carbon emissions outturn for 2024/25 (reported a quarter in arrears) saw a 36% reduction **(ref i)**, compared to the baseline year 2019/20, against a target of 50%. Emissions for 2024/25 were 1.4% lower compared to 2023/24, versus the annual reduction target of 13%. Carbon emissions from the Council's electricity consumption fell by 3% during 2024/25. As the grid carbon emissions factor remained the same in 2024/25 as in 2023/24, the 3% emissions reduction is principally down to the Council reducing its electricity use. The carbon emission factor is the figure used to convert electricity consumption from the national grid into equivalent carbon emissions. Carbon emission factors are produced each year by the Department for Energy Security and Net Zero and applied widely in the UK. The UK grid carbon emission factor changes from year to year to reflect the change in fuel mix in UK power stations (i.e. between renewables, nuclear, natural gas, oil and coal) and as the proportion of imported electricity also changes. The carbon emission factors used for reporting in 2024/25 are based on the fuel mix used in 2022, this is due to the time it takes to collate and analyse the data (more information can be found on the gov.uk conversion factors 2023 website).

The carbon emission factors for electricity fell by over 24% between 2019/20 and 2022/23 as renewables increasingly replaced coal in the generation mix. However, for 2023/24, this trend reversed, and the carbon emissions factor increased. This was due to a post-covid increase in national electricity demand and a relatively poor year for wind generation in 2021 which carried over into 2022. As a result, 2024/25 emissions remain at the 2023/24 level (see above on time lag).

In 2024/25, external temperatures for East Sussex were lower than in 2023/24. This colder weather increased heating demand and prevented the Council from seeing a reduction in emissions from fossil fuel heat, which have remained at the same level year on year. Investments made in various decarbonisation of heat projects previously, and provision of energy efficiency awareness training provided mitigation. Subsequently, even though weather was colder, emissions did not rise but remained static.

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

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

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

**Oracle Implementation**

Following the successful go-live of Phase 2 of the Oracle Implementation (covering Finance with dependent HR processes, Procurement and Recruitment) on 17 April 2025, the programme has been in a 'hypercare' period of enhanced support from the programme team and partners. Given the stability of the system and the low volumes of issues that are now being raised, the programme has now exited 'hypercare' for Phase 2.

During Q1 the focus of the programme has therefore shifted towards Phase 3 (payroll), which is in its delivery and planning stages. The functional and technical requirements for Phase 3 are currently being extensively scoped, designed and built. Once the scope is confirmed, key activities such as testing, data migration and reconciliation will require detailed planning and timeframes set against them as part of establishing a target go-live date for this final phase.

**Human Resources and Organisational Development (HROD)**

Recruitment on Oracle went live as part of the Phase 2 Oracle implementation in April 2025. This followed a significant programme of work to build the recruitment module appropriate to the business needs of the Council. The Recruitment Support Team have played a key role in supporting managers in the use of the system and to date, feedback on its use has been positive.

We have been awarded the Silver Award as part of the Public Health Wellbeing at Work accreditation. This recognition reflects our ongoing commitment to supporting the health and wellbeing of all staff while ensuring our initiatives remain effective and good value for money.

In support of our work responding to the recruitment and retention challenges we are facing, our external facing job pages on the Council's website have been extensively reviewed in order to make them more accessible and user friendly for prospective applicants.

As part of our ongoing training programme, Health and Safety refresher training has been launched and staff and managers are being proactively encouraged and supported to undertake it.

**Attendance Management and Wellbeing**

The 2025/26 Q1 sickness absence figure for the whole authority (excluding schools) is 2.08 days lost per Full Time Equivalent (FTE) role, a decrease of 3.8% since Q1 last year. The year end estimate for 2025/26 (based on three month's data) is 8.86 days/FTE, so the target of 9.10 days/FTE is predicted to be met.

Compared to Q1 2024/25, overall sickness absence has decreased. The most notable reductions in days lost were:

- neurological disorders: reduction of 276 days
- depression: reduction of 202 days

Stress and mental health continue to be the leading causes of absence:

- stress-related absence increased by 126 days
- overall mental health-related absence rose by 439 days

This trend highlights the continued need for focused attention and support in this area.

Actions underway:

- HR Review: The HR Team is currently analysing the rise in stress and mental health absences to identify underlying causes and ensure targeted support for managers.
- Early Intervention Pilot: this is now live in Adult Social Care (ASC) for Musculoskeletal related absences, enabling proactive manager engagement from the first week of absence.

Wellbeing Programme Enhancements:

- Targeted workshops
- Evaluation of support using the Most Significant Change method (e.g. Time to Talk feedback)
- Expansion of the Mental Health First Aiders network
- Ongoing Menopause Cafés

## Procurement

### Procurement, contract and supplier management activities

The Council has spent £398m with local suppliers over the past 12 months. This equates to 61% of our total procurement spend, which is above our target of 60%. 992 local suppliers were used. The Procurement team continues to promote our contract opportunities to local suppliers, as well as building local supply chain opportunities into our tenders where possible.

### Social Value

In Q1, a total of 41 contracts commenced, of which 24 were out of scope of the Social Value Measurement Charter, which quantifies the economic, social and environmental benefits of the procurement. Of the contracts which were out of scope of the charter, 16 accessed existing pre-approved list of suppliers (Frameworks) with predefined contractual terms and 8 were included in the Adult Social Care and Health Social Value trial, which uses a qualitative rather than quantitative approach to Social Value, so financial proxy figures are not used to calculate the social value commitment. The 17 in-scope contracts had a total contract value of £3.83m and secured £1.24m in Social Value commitment, which equates to an outturn of 32% against a target of 10%.

The Social Value commitments for Q1 included:

- Apprenticeships
- Professional development opportunities and work experience offered to local people
- Creation of local jobs
- Promotion of digital inclusion and increasing digital awareness for priority groups
- Career awareness programmes and jobs for the long term unemployed
- Money spent on locally based micro businesses/SME's/social enterprises
- Sub-contracting to locally based voluntary and community groups and environmental programmes with local groups, schools and colleges

### Procurement policy

The Procurement Policy Team has been focussed on the following activities during Q1:

- Preparing the Council's Modern Slavery Statement for 2024/2025.
- Publishing internal guidance and providing training on the National Procurement Policy Statement to ensure the Council is compliant in having regard to the relevant priorities in its procurement activity.

- Holding further sessions with Departmental Management Teams to familiarise services with the Council's new Procurement and Contract Standing Orders and the Procurement Act.
- Incorporating carbon reduction requirements into several significant Health and Social Care contracts, including in the Voluntary, Community and Social Enterprise sector, which has been a challenging sector to date.
- Following the successful pilot in Adult Social Care, the development of an East Sussex Social Value model has commenced. This framework aims to align more closely with the Council's established priorities and align with the national approach to securing and delivering social value benefits.

### Contract and Commercial Advisory

Much of the Contract and Commercial Advisory's focus in Q1 was on Oracle support, specifically around investigating the necessary changes required in both system and process in order to obtain greatest benefit from the improved financial controls available within Oracle, as part of improving the requisition process. Alongside this, the team have been proactively engaging with Procurement colleagues to ensure the Council is compliant with the Contract Management obligations as prescribed in the Procurement Act 2023.

## Internal Audit

Through the delivery of sufficient audit coverage in Q1, the Chief Internal Auditor continues to be able to provide assurance over the adequacy and effectiveness of governance, risk management and control for the Council.

Internal Audit have continued to focus on delivery of the Annual Internal Audit Plan and were able to complete 27.9% of the plan to draft report stage by the end of Q1, against a Q1 target of 22.5% (90% target for the year). All high priority actions agreed with management as part of individual audit reviews are subject to action tracking, whereby we seek written confirmation from services that these have been implemented. As at the end of Q1, it was confirmed that 11/12 (91.6%) of the high-risk actions due to be implemented on a 12-month rolling basis had been actioned (against a target of 97%). The one outstanding action relates to the need to introduce a declaration to the staff loan application process that requires staff to confirm that they have considered the affordability of the loan. This has still not yet been implemented (this was an outstanding action reported at the end of Q4), however progress is being made in this area and a revised implementation date has been agreed.

## Property

In Q1, Property launched the marketing of two properties for sale – Sandbanks, in Hailsham and the former Rangers' Workshop, Rye. Public consultation has started over the Council's intention to dispose of Tilling Green Playing Fields in Rye. In addition, marketing of vacant space in South and East Blocks at County Hall has commenced. A review of the Council's operational and non-operational assets was completed in Q1, which identified several assets that could potentially be rationalised. Business cases will be explored where appropriate in line with the Property Asset Investment Strategy.

The team has begun to establish new customer service standards within Soft Facilities Management contracts and mobilised the new Postal Hub hardware.

The Schools Maintenance team has worked on the delivery of the planned maintenance programme, engaging with consultants and contractors to brief projects ahead of design and tendering, working with schools and CSD colleagues to arrange and progress the summer programme of works to be delivered while schools are closed. The Non-Schools Maintenance Team have worked on the delivery of the planned maintenance programme, engaging with client departments to arrange and progress projects with the minimum impact on service delivery.

The Compliance Team has continued work on the proposed Area Controller of Premises service, is managing the rollout of the 2025 servicing contract, and is working with the contractor to update our Water Services Management Plan.

The proposed Grove Park Special Educational Needs Secondary school received unanimous approval of the planning application at Planning Committee in April 2025 and final tenders will be due in Q2. Two externally funded (Youth Investment Fund) projects at Peacehaven (The Joff) and Heathfield Youth Hubs completed construction in July. Contractors were also appointed to carry out the refurbishment of the Hollington Youth Hub, and construction commenced in May.

## IT and Digital

The Microsoft Copilot M365 discovery work continued to be a focus for Q1, with 33 pilots underway to investigate how AI can be used safely and responsibly to enhance productivity and enable efficiencies. Usage is being monitored to enable evaluation of the relative benefits, and these results will inform a business case that will be fed into the Reconciling, Policy, Performance and Resources process.

Work to replace the Council's office and contact centre telephony platforms concluded during Q1 with 12,000 telephone numbers, 400 call queues and 6 contact centres migrated onto new platforms. This migration modernises a key aspect of the Council's infrastructure – moving from desk-based landline phones to a digital service which is aligned to hybrid working. The use of mobile phone and other IT equipment continues to be targeted to reduce the number of smartphones used and lower the associated costs.

The Windows 11 device refresh project continued at pace during Q1. With the end of support for Windows 10 approaching in October 2025, the project has now refreshed 82% of devices with those staff experiencing the benefits of a faster device and upgraded operating system. In order to extend the use of, and get better value from devices, we will now refresh them every 5 years (this was previously every 4 years). The scale at which this is done (across 3 councils through the Orbis Partnership) has many benefits and in this case, a saving of 18% per device has been achieved through this joint procurement.

## Revenue Budget Summary

The 2025/26 Business Services net revenue budget is £31.264m. There are £1.060m planned savings in BSD this financial year (ref ii), of which £0.080m relating to the planned reduction in the cost of the Digital Postal Hub is not expected to be achieved at this time. The current outturn forecast is a £0.178m overspend (ref iv). In Property there is a forecast overspend of £0.178m (ref iii). This is attributed to the loss of income from a courier service contract to East Sussex Fire and Rescue Service which has now ended and increased procurement costs for the new Digital Postal Hub, which includes the unachieved savings target of £0.080m. No other service areas are reporting any variances at this stage although there is a risk to the full achievement of income for Business Admin as a result of the academisation of schools.

## Capital Programme Summary

The 2025/26 capital budget is £38.175m. As at Q1 all projects are forecast to be delivered within the allocated budget (ref v).

**Performance exceptions Q1:**

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

| Performance measure | Outturn 24/25 | Target 25/26 | RAG Q1 25/26 | RAG Q2 25/26 | RAG Q3 25/26 | RAG Q4 25/26 | Q1 2025/26 outturn | Note ref |
|---|---|---|---|---|---|---|---|---|
| No exceptions | | | | | | | | |

**Council Plan measures marked carry over at year end 2024/25 – Final Outturn**

**Priority – Making best use of resources in the short and long term**

| Performance measure | Outturn 23/24 | Target 24/25 | RAG Q1 24/25 | RAG Q2 24/25 | RAG Q3 24/25 | RAG Q4 24/25 | 2024/25 outturn | Note ref |
|---|---|---|---|---|---|---|---|---|
| Reduce the amount of CO2 arising from County Council operations | 36% reduction on baseline year (2019/20) emissions | 50% reduction on baseline year (2019/20) emissions (emissions not to exceed 6,211 tonnes CO2e) | R | R | R | R | 36% reduction on baseline year emissions | i |

**Savings exceptions 2025/26 (£'000)**

| Service description | Original Target For 2025/26 | Target including items c/f from previous year(s) | Achieved in-year | Will be achieved, but in future years | Cannot be achieved | Note ref |
|---|---|---|---|---|---|---|
| Planned savings – BSD Property | 254 | 254 | 174 | - | 80 | |
| Planned savings – BSD IT&D | 26 | 26 | 26 | - | - | |
| Planned savings – Finance | 142 | 142 | 142 | - | - | |
| Planned savings – BSD | 638 | 638 | 638 | - | - | |
| **Total Savings** | **1,060** | **1,060** | **980** | **0** | **80** | **ii** |
| | | | - | - | - | |
| To be identified | | | - | 80 | (80) | |
| **Subtotal Permanent Changes** [1] | | | **0** | **80** | **(80)** | |
| **Total Savings and Permanent Changes** | **1,060** | **1,060** | **980** | **80** | **0** | |

| Memo: treatment of savings not achieved in the year (£'000) | Temporary Funding [2] | Part of reported variance [3] | Total | Note Ref |
|---|---|---|---|---|
| Planned savings – BSD Property | - | 80 | 80 | ii |
| | - | - | - | |
| | - | - | - | |
| **Total** | **0** | **80** | **80** | |

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

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

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

## Revenue Budget 2025/26 (£'000)

| Divisions | Planned Gross | Planned Income | Planned Net | Projected Gross | Projected Income | Projected Net | (Over)/ under spend Gross | (Over)/ under spend Income | (Over)/ under spend Net | Note ref |
|---|---|---|---|---|---|---|---|---|---|---|
| Finance and Bus Admin | 13,974 | (7,851) | 6,123 | 13,974 | (7,851) | 6,123 | - | - | - | |
| HR & OD | 3,568 | (1,107) | 2,461 | 3,568 | (1,107) | 2,461 | - | - | - | |
| IT & Digital | 13,798 | (4,155) | 9,643 | 13,798 | (4,155) | 9,643 | - | - | - | |
| Procurement | - | - | - | - | - | - | - | - | - | |
| Property | 29,554 | (20,291) | 9,263 | 29,900 | (20,459) | 9,441 | (346) | 168 | (178) | iii |
| Contribution to Orbis | 3,774 | - | 3,774 | 3,774 | - | 3,774 | - | - | - | |
| **TOTAL BSD** | **64,668** | **(33,404)** | **31,264** | **65,014** | **(33,572)** | **31,442** | **(346)** | **168** | **(178)** | **iv** |

## Capital programme 2025/26 (£'000)

| Approved project | Budget: total project all years | Projected: total project all years | Budget Q1 | Actual to date Q1 | Projected 2025/26 | Variation (Over) / under Q1 budget | Variation analysis: (Over) / under spend | Variation analysis: Slippage to future year | Variation analysis: Spend in advance | Note ref |
|---|---|---|---|---|---|---|---|---|---|---|
| SALIX Contract | 350 | 350 | - | - | - | - | - | - | - | |
| Lansdowne Unit (CSD) | 39 | 39 | - | - | - | - | - | - | - | |
| Youth Investment Fund | 7,003 | 7,003 | 1,745 | 1,459 | 1,745 | - | - | - | - | |
| Hollington Youth Centre | 3,037 | 3,037 | 3,037 | 234 | 3,037 | - | - | - | - | |
| Special Educational Needs | 3,673 | 3,673 | 3,673 | 12 | 3,673 | - | - | - | - | |
| Special Educational Needs - Grove Park | 17,120 | 17,120 | 3,350 | 244 | 3,350 | - | - | - | - | |
| Special Provision in Secondary School (Priory and Robertsbridge) | 14 | 14 | 14 | 19 | 19 | (5) | (5) | - | - | |
| Disabled Children's Homes | 24 | 24 | 17 | - | 17 | - | - | - | - | |
| 14 Westfield Lane | 17 | 17 | 546 | 99 | 546 | - | - | - | - | |
| Core Programme - Schools Basic Need | 61,874 | 61,874 | 4,966 | 370 | 4,966 | - | - | - | - | |
| Core Programme - Capital Building Improvements Corporate | 45,482 | 45,482 | 6,909 | 561 | 6,909 | - | - | - | - | |
| Core Programme - Capital Building Improvements Schools | 40,401 | 40,401 | 5,094 | 986 | 5,094 | - | - | - | - | |
| Core Programme - IT & Digital Strategy Implementation | 71,234 | 71,234 | 8,800 | 677 | 8,800 | - | - | - | - | |
| Core Programme - IT & Digital Strategy Implementation Oracle | 26,513 | 26,513 | 24 | - | 24 | - | - | - | - | |
| IT & Digital - Utilising Automation | 24 | 24 | - | - | - | - | - | - | - | |
| **Total BSD Gross** | **276,805** | **276,805** | **38,175** | **4,661** | **38,180** | **(5)** | **(5)** | **0** | **0** | **v** |

# Children's Services – Q1 2025/26
# Summary of progress on Council Priorities, issues arising, and achievements

## Early Help and Social Care

### Transformation

The transformation programme is making good progress responding to the series of reforms included in the Government's Families First Partnership programme and the Children's Wellbeing and Schools Bill. The following progress has been made:

- **Earlier Intervention** – the recruitment of Team Around the Family Co-ordinators is underway and the communications and engagement work is beginning advertising the Professional Help Line, both of which will be launched September/October 2025. This resource, alongside the Family Hubs, will provide support to key partners to help families at an earlier stage and avoid the need for specialist services.
- **Family Help** – we are taking a phased approach to the integration of early help keywork with social work teams. The first phase of these changes will launch in January/February 2026 with our Family Help teams based in Eastbourne. The structure and configuration of teams has been agreed and staff involved have been briefed.
- **Multi-Agency Child Protection Teams** – we are in the early stages of planning for this part of the reforms, working closely with our partners in Health and the Police. A pan-Sussex Strategic Transformation Group has been established as part of the Safeguarding Children Partnership governance arrangements to ensure strategic input from partners during this design and planning phase.
- **Family Network Approach** – this new focus will support family led plans continuing work on a draft model, guidance and workforce development offer which will be developed and finalised over the summer. This is building on our well embedded Family Group Conferencing model in East Sussex.

### Family and Youth Hubs

The Government's Youth Investment Fund programme to improve Youth Hubs in East Sussex is nearing completion. Heathfield Youth Hub will be a new multipurpose facility for children and young people serving Heathfield and the surrounding villages. The Joff Youth Hub, situated in Peacehaven, is undergoing a major extension and refit and will serve the Havens. Both Youth Hubs are expected to open in Q2.

Major refurbishment works on the Hollington Youth Hub began in April 2025 following a capital grant from the Government Work should be completed Feb 2026.

During the closures the Youth work programmes have been delivered from local community venues.

The new and refurbished Hubs will deliver a range of activity programmes and support services for young people that focus on emotional and physical well-being, delivered by the Council and a range of partner organisations.

### Child in Need (CIN) cases and Child Protection Plans (CPP)

Child in Need numbers remain broadly stable at 951 (June 2025) plus 152 children allocated to Children's Disability Service. This reflects the number of children having their Child Protection Plans stepped down to Child in Need plans whilst the volume of new cases coming from the Duty and Assessment Team (DAT) remains relatively high in Q1.

Our proportion of Child in Need Plans that have been open for at least 9 months has remained stable at 27% (256 plans). As at June 2025, 87% of Child in Need cases had a visit within the required timescales of 30 days.

Child Protection Plan levels have reduced to 579 at end of Q1 (547 plus 11 unborn children), down from 614 in Q4 2024/25. This has been achieved through effective multi-disciplinary work with children and families, reducing risk and effecting change with families.

Child Protection Plan visits within 20 days from referral remain stable at 93% (June 2025), meaning that we are confident that children are being seen and spoken to by social workers, who use visits to progress children's plans.

**Connected Practice**

Significant progress has been made through the development and upcoming launch of Practice Lead programmes in Motivational Interviewing, Attachment, and Reunification—each designed to strengthen our model of Connected Practice. These programmes, set to launch in the autumn, reflect our commitment to embedding evidence-informed approaches across our work.

**Connected Families**

The Connected Coaches team work with young people (aged 11+) who are identified as being on the edge of care or are being supported back into the care of their family. This work is informed by multidisciplinary planning and intensive support delivered by a team of connected coaches and clinical practitioners. Alongside an allocated Social Worker, the team plan and deliver interventions that support the young person and address parent/carers needs and wider systemic issues. The aim is to reduce risk, increase stability and promote the care of young people within their family.

In Q1 the Connected Coaches team successfully concluded interventions with 10 young people supporting them to remain living within their family network. Achieving increased stability for these young people improved their outcomes and avoided the need for them to become looked after (achieving a cost avoidance of £1.073m based on a 12-month placement projection). The team also made a saving of £0.023m through supporting a young person to be reunified home, a key future focus for the team. 93% of young people worked with in 2024/25 have sustained living within their families.

The Connected Families Intervention Practitioners (CFIP) are adult focused specialist practitioners, delivering support and interventions with parents/carers experiencing domestic abuse, problematic mental health and/or problematic drug and alcohol use. These are parents and carers of children open to Children's Social Care on Children in Need or Child Protection Plans. The team are working with parents across the county with the aim of providing dedicated support to address their personal issues to support families to stay together and improve the wellbeing and life chances of children.

In Q1, we successfully concluded interventions with 78% of families we worked with. Parents/carers were supported to achieve stability in relation to their mental health, drug and alcohol use, safety from abuse or causing others harm. A recent audit showed that CFIP was involved with 73% of families who were stepped down from Child Protection to Child in Need plans in Q1. Engagement and outcome rates remain high which indicates the positive impact the CFIP practitioners are having when addressing key issue affecting parents and carers.

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

The LAC rate at the end of Q1 was 67.1 (695 children) this remains below the national average rate for England (73.9, Q4 2024-25) and IDACI (expected rates based on levels of deprivation) at 70.0, Q4 2023-24. The rate is above our statistical neighbours (62.8, Q4 2024-25).

56 children entered care in Q1, with 47 children discharged. The admissions were made up of several large sibling groups, some smaller sibling groups of 2 and 3, a small number of single children and 4 separated children, being transferred via the National Transfer Scheme (NTS). Of this cohort 27 were accommodated through Section 20 (s20) of the Children's Act, 7 were admitted to care through emergency orders and 22 entered care through planned Care Proceedings. The demand for s20 looked after children admissions for adolescents with complex

needs across mental health, special educational needs and social care continues to be the most challenging area across the service from a practice and cost perspective.

As part of our approach to enabling more children to live safely with their families, the service has been focused on supporting children to be reunited with their families or wider network where it is possible to do so. In Q1, 17 children were successfully reunified with family/friends. All children supported under s20 are regularly considered in terms of options to support reunification/step down through the Valuing Care Panel. A refreshed reunification framework has recently been developed, based on nationally recognised best practice, to support the service in maximising these arrangements. When children do need to come into our care the Valuing Care Panel supports the plans for our children to live in the right placement, for the right length of time and remove any barriers where necessary.

**Mockingbird**

The Mockingbird Family Model consists of a "constellation" of foster homes, including a "hub" home that provides support, resources, and planned and emergency respite care to the other "satellite" homes. The core aim is to improve placement stability, strengthen relationships between foster carers, children, and young people, and to create a more positive experience of care by reducing isolation and enhancing support systems.

East Sussex's first Mockingbird constellation was launched at the end of March 2025. This was funded through a Department for Education (DfE) grant. Mockingbird families share experience and understanding, celebrate successes, and support each other through challenging times. The Home Hub carers arrange monthly meetings and social events such as lunches, picnics and fun activities to bring people together. They also provide day care and offer short breaks for children and young people.

**Discovery Child Initiative (Specialist Services)**

The Discovery Child initiative aims to reduce harm to child victims of exploitation and harm caused by perpetrators, whilst reducing risk to children on the periphery of exploitation. This is being done through early identification, multi-agency information sharing, rapid intervention, safeguarding and work to disrupt the sexual and criminal exploitation of children and young people, break the cycle of abuse and send a signal to perpetrators about the consequences of their actions.

Through strong partnership working with Sussex Police and other partners, we have achieved a three-week reduction in the time taken for an intelligence submission to be evaluated and actions set, from 28 days in March 2024 prior to the pilot starting, to 7 days. 26 joint Police and Social Care visits have been offered to vulnerable children and a total of 85 criminal disruptions against child exploitation were achieved in 2024/25 (up from 18 in 2023/24). This is the highest number of recorded Police disruptions across both Sussex and Surrey. This positive work has enabled the number of successful child protection disruptions to increase from 11 in 2023/24 to 59 in 2024/25.

Contextual safeguarding measures have been deployed in Police led operations recently within Hailsham and Eastbourne. This has resulted in criminal and child protection disruptions, including the identification and charging of adult drug dealers and the reductions of criminal offending, following 61 disruptions across both towns.

**Health and Wellbeing Project for care experienced young people**

This project provides care experienced young people with opportunities to participate in activities that benefit their mental wellbeing by providing access to Personal Health Budgets and links to community provision. As well as seeking to improve care experienced young people's health and wellbeing outcomes the programme aims to deliver earlier intervention/support and reduce the need for escalation into mental health services. Young people co-produce their Health and Wellbeing plans. A Mental Health Nurse Specialist is based in the team providing direct support to young people with a focus on supporting them to manage their mental health, particularly the impact of trauma, self-esteem, anxiety and isolation related issues.

The project has supported over 350 young people during the last three years. The evaluation of the project has shown significant improvements in participants physical health, mood, motivation and sleep as well as reduced social isolation. Having a creative, flexible and responsive approach that can remove some of the barriers to accessing community resources remains a work in progress as part of this project.

## Education

### East Sussex Area Special Educational Needs and Disabilities (SEND) Inspection Improvement Plan

Following the Area SEND Inspection in November 2024 and the publication of the inspection report in February 2025 the East Sussex local partnership (the Council and NHS Sussex) were required to update their strategic plans to address the recommendations from the report. The Area SEND Inspection Improvement Plan was published in April 2025, and the existing SEND strategy has been extended to the end of 2025/26 academic year.

### Improving Alternative Provision in East Sussex

Significant progress is being made on transforming the Alternative Provision offer in East Sussex. We have continued to work closely with the London South East Academy Trust (LSEAT) in preparation for the launch of the East Sussex Academy provision in September. During Q1, LSEAT have been working with primary and secondary schools to deliver outreach work to pupils at risk of exclusion. LSEAT have also provided provision and support directly to 40 excluded pupils who have been out of education for up to 2 years. They successfully secured engagement from over 80% of these pupils who have now gone on roll of the satellite provision run by East Sussex Academy.

The local authority has worked with partners in the Alternative Provision sub-group, and consulted widely with stakeholders, to develop our Alternative Provision Strategic Plan. This sets out our ambition for children who need to access alternative provision. The Plan will be used to ensure alternative provision delivers positive educational and progression outcomes for young people. It will also ensure that the significant resources the local authority and educational settings commit to alternative provision are joined up across the system and that children and young people get the right support at the right time.

### SEND Supporting Transition

All children and young people with an Education, Health and Care Plan (EHCP) have an annual review to determine how well the provision and support in the plan is being delivered and whether any changes are required. The EHCP Transitions Service supports schools with the review process for children in priority year groups to ensure that the review is person-centred and supports planning for transition to the next phase of education or adulthood. In Q1, the practitioners have undertaken 295 annual reviews, the majority for Year 6, Year 9 and college pupils.

There has been overwhelmingly positive feedback about the EHCP Transitions Service. Some of the highlights from evaluations received are:

- 93% of parents agreed or strongly agreed that they had the opportunity to share their views within the annual review and that their needs, feelings and wishes were listened to
- 100% of settings strongly agreed the annual review was person-centred
- 100% of settings agreed or strongly agreed that the annual review focused on the child/young person's future aspirations
- 100% of respondents agreed or strongly agreed that they felt prepared ahead of this meeting
- 100% of respondents agreed or strongly agreed that they felt confident about the next steps following this meeting

### School Admissions

National Offer Day for primary phase admissions was on 16 April 2025. This year 91.2% of East Sussex residents who applied on time were offered their first preference, and 98.0% were offered one of their preferences. This figure is slightly down on the previous year when 93.7% of East Sussex residents who applied on time were offered their first preference, and 98.8% were offered one of their preferences. The reason for this slight drop is largely because of changes in parental preference for different schools which sometimes means that specific schools have more applications than places available. Overall primary school pupil numbers are decreasing and as a result schools are concerned about low pupil numbers. We continue to work closely with schools on their future sustainability through our Small Schools Strategy.

### Expanding Places in Early Years

The Early Years Funding team works closely with parent/carers, early years providers and other agencies to ensure the take up of the DfE's free early education entitlement for three- and four-year-olds. During Q1, four schools in East Sussex were informed by the DfE that their bids for capital funds to establish a school-based nursery were successful. Chyngton Primary School, Little Common Church of England Primary School, Pashley Down Infant school and Pevensey and Westham School will all receive capital funding of up to £150K to set up a nursery. The team have been supporting the schools to get ready for opening. These new nurseries will help increase the number of places available for families to access funded early education and childcare places.

During Q1, the team have also been supporting voluntary run provisions to look at moving to Community Interest Companies. These provide a more sustainable and robust business model for the voluntary sector. This includes offering drop-in sessions for trustees/committee members. In June a marketing campaign was launched to promote the use of wraparound provision and to also promote the use of working families tax credits to support with the cost of childcare.

### Proportion of all new EHC Plans issued within 20 weeks (ref ii)
### (a) Including Exception Cases
### (b) Excluding Exception Cases

Of all new EHC Plans issued during Q1; (a) 42.3% (52 out of 123) including exceptions and (b) 43.0% (52 out of 121) excluding exceptions were issued within statutory timescales. These compare with figures for the comparative period last year of (a) 74.6% (91 out of 122) including exceptions and (b) 74.6% (91 out of 122) excluding exceptions.

Since Q3 2024/25 we have seen a steady decline in timescale performance due to late statutory advice from partners in Health and Social Care. This is primarily as a result of staffing issues and, in relation to social care advice, high volume of demand in the Multi Agency Safeguarding Hub (MASH). A significant amount of work has been undertaken to streamline the process for professionals and work is underway to recruit new staff to the MASH. Timeliness of advice is included as an area of focus in the Area SEND Inspection Improvement Plan, so this is a priority for the Council. There is considerable risk to performance in this area due to the broader demands and capacity pressures for statutory partners. The number of requests for plans continues to rise, and anticipation of SEND reform is driving further demand.

## Communications Planning and Performance

### Partnership working

A new Multi-Agency Neglect Toolkit has been created to support the needs of a wide range of professionals in their work with children and young people. The Council's Practice Educator has collaborated with professional stakeholders to ensure that professionals in education, health and early help and social care can access a new model of practice and carry out work that is a priority across the county. The toolkit now includes standardised documents for assessing neglect and resources specific to different professions.

## Revenue Budget Summary

Based on current financial modelling, the Q1 predicted outturn for the end of 2025/26 is £174.724m. This is a forecast year-end overspend of £16.664m **(ref xvi)**.

In 2025/26 CSD has a net budget of £158.060m. There has been £13.301m additional budget given for growth and inflation, however £3.239m has been removed for permanent savings **(ref ix)**. This equates to a net increase of £10.062m. This year, all £3.239m of savings have been achieved.

CSD's year-end outturn for 2024/25 was £157.585m. This was against a budget of £146.985m, representing a £13.647m overspend. The CSD 2024/25 Q1 forecast was £157.375m, only £0.210m less than the final outturn figure. This shows the accuracy and consistency of the forecasting throughout the year.

The main financial pressure continues to come from the statutory demand-driven areas of Looked After Children, Child Protection, and Home to School Transport.

Not included in the figures reported above is the position of the Dedicated Schools Grant (DSG), which, in accordance with the Schools and Early Years Finance (England) Regulations 2020, is required by local authorities to be shown on their balance sheets. As of 31 March 2025, East Sussex has a cumulative surplus of £2.837m, which is very unusual, as most local authorities have significant deficits. However, there is an in-year forecast deficit of £19.133m on the DSG, which will result in an overall deficit by the end of 2025/26. £15.196m of the overspend is related to costs of provision for children with Education & Health Care Plans. The statutory override has been extended until March 2028, at which point any deficit will then be offset against useable council reserves.

### Commissioning and Transformation overspend of £12.284m (ref xiii)

Commissioning and Transformation is a new division in which all LAC placement expenditure sits. It has a budget of £69.600m and forecast expenditure of £81.884m at the end of 2025/26, based on current financial modelling.

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

Looked After Children placements

For 2025/26 a budget of £52.183m has been set for LAC placements. £1.000m of this budget is being transferred to pay for the Connected Families teams in Specialist Services, which are focused on prevention activity to support children to remain living with their families. A further £0.100m budget will be contributed to the South-East Regional Care Co-operative (RCC), which has been established to enhance regional commissioning, improve market shaping, and ensure there are sufficient placements to meet the needs of children in care.

LAC placements remain the largest financial pressure within Children's Services, with a Q1 overspend forecast of £12.109m for 2025/26. At the end of 2024/25, the LAC placement overspend was £9.087m.

£15.058m overspend is forecast on agency residential and secure placements, with £0.109m underspend forecast on agency foster carers, £2.465m underspend on agency semi-independent living, and £0.287m underspend forecast on in-house East Sussex foster carers.

The rate of LAC has remained reasonably consistent since the start of 2024/25 at 67 per 10 000, equating to 695 children. This is below the average for England (73.9), and below the expected IDACI rate (70), however is higher than the statistical neighbour average of 62.8. The rate of children entering care has been relatively consistent over the past four years with a slight increase

last year, however the rate of children ceasing to be looked after has reduced in the last year and is lower than the England and statistical neighbour rate. This is an area of focus for the service and it is what the financial modelling and forecast overspend is currently based on.

In-depth analysis, modelling and planning has been undertaken for the LAC budget forecast across Children's Services and finance. The 2025/26 forecast includes several assumptions:

- Costs have been calculated based on service level intelligence on each child in terms of what may change in terms of placement (e.g. forecasted end dates, step downs, reunifications and those turning 18). A risk with this model is that placement step downs may not be achievable given the sufficiency challenges nationally, or that children's needs change.
- An estimate for growth has been included in the forecast (£4.488m). This is based on local and national trends, particularly recognising the increasing pressures regarding adolescents with complex needs. This also considers the changes in placement mix we have seen with an increasing percentage of children requiring residential and specialist provision, the increase in costs we are experiencing in supported accommodation market since Ofsted registration became mandatory, and the reductions (a national and local trend) in foster carer sufficiency. A further significant factor is the increase in price across all placement types.
- A 3.4% inflationary increase has been forecast across all care providers for 2025/26. This equates to around £1.926m. Providers are increasingly challenging regarding inflationary increases and they seek higher annual uplifts due to national insurance costs and operational costs. Blanket uplifts are not applied in Children's Services and negotiation takes place on all placements.

The service is ambitious to realise a 3% reduction in LAC numbers this year. It should not be assumed that this will translate to an equivalent 3% reduction in costs across all placement types, as it is more likely that reunifications will be achieved for children in lower cost placements.

The rationale for the projected increase in costs for 2025/26 is provided below:

- 16 children with very high levels of need entered care into high-cost placements in 2024/25. The total 2024/25 forecast for these 16 unplanned entries to high-cost placements was £8.727m. Most of these children entered care in Q3 2024/25 and 7 of these children were included in the top 10 highest cost placements as at the end of 2024/25. These 7 children remain in the top 10 of the highest cost placements (as at the end of Q1 2025/26) due to their complexity of needs (these include children entering care from hospital and adoption breakdowns). These 7 children in high-cost placements are forecast to cost £8.178m in 2025/26. The risk remains of children who are currently unknown to the service entering into care from hospital, youth justice settings, or adoption breakdowns throughout this year and it is hard to quantify a forecast for the unknowns.
- Increase in the number of children in residential provision. In Q1 2024/25, 113 children were placed in residential children's homes (16.5% of all LAC), in Q1 2025/26 this has increased to 130 children (19% of all LAC). This relates to the needs of the children but also the lack of sufficiency in foster carers meaning that children who are suitable for foster care are in some cases having to be placed in residential provision.
- Increase in cost and complexity of the top 20 highest-cost placements in the past 12 months. There has been an 8% increase (from £14,831 per week to an average of £16,063 per week) in the past year, and a 43% increase in the length of placements. These placements are for adolescents with a high complexity of need across social care, health and education. Many children have emotional/mental health concerns, increasing numbers have a neurodiverse profile, and behaviours that challenge. A number require deprivation of liberty orders to ensure appropriate levels of safeguarding. The service has a small number of children currently placed in Care Quality Commission (CQC) registered settings due to the level of need, with no Ofsted registered provision being able to meet needs. These 3.2% (20 children) of LAC numbers,

excluding Separated Children, contribute to 21% of the total LAC placement spend, excluding Separated Children.

- Increase in the average price of all placements. This is particularly significant in relation to placements costing over £10,000 per week. In Q1 2024/25, 15 children were in placements over £10,000 per week. This has increased to 21 in Q1 2025/26. This is a national trend as recently highlighted in a report by the Local Government Association. This equates to a weekly increased spend of £105,741 (this would total £5.498m if assumed to continue for the full year).

The following action is being undertaken to mitigate costs and reduce pressure.

- Connected Families Intervention Practitioners (CFIP) – this service has achieved a reduction in children subject to child protection planning in Q1 2025/26. In 2024/25 CFIP delivered £0.650m savings through reunifying children with families, and £6.019m cost avoidance through enabling children on the edge of care to remain living safely within their families. £1.861m cost avoidance has been achieved in 2025/26 through safely reducing the number of children on Child Protection plans and Children In Need plans, this has supported avoidance of children requiring care. This work will further support the reduction in the rate of children becoming looked after and will further contribute to reunification planning.
- Maintained delivery of successful Foundations programme (aimed at avoiding repeat care proceedings for parents/carers who have had children previously removed from their care), Family Group Conferencing and support for Kinship carers.
- Further embedding Valuing Care approach. This has achieved £3.718m of savings to date through step downs and reunifications. Further workforce development and integration into care planning and fostering assessment is underway. Valuing Care panels focus on plans for children and multi-disciplinary working to remove barriers to transition of placements.
- New 'Heading Home' strategy developed to support reunification planning and monitoring.
- A commissioning and placements service was established in 2024/25, with increased capacity. The service is focused on improved market management, challenging provider costs and working at a regional level with the RCC to improve placement sufficiency and management across the South East. It is engaged in local frameworks which are being strengthened through the RCC. Development work is underway with Integrated Care Board's regarding integrated commissioning models to establish consistency.

Income from NHS Sussex has been included in the forecast to jointly fund placements that support the health needs of a small number of looked after children. Work is taking place to continue to increase the level of health contributions to children's care packages.

The Commissioned Services budget will underspend by £0.068m this year due to the suspension of contributions of £0.240m to the NHS this year, with the CAMHS (Children and Adolescent Mental Health Services) adoption service to be delivered in-house and funded from this budget at a cost of £0.100m (a reduction from £0.112m when provided externally), therefore there is a total saving of £0.140m in this area for 2025/26.

Children's Disability Service (CDS) Placements will overspend by £0.245m, with £0.092m small mitigations against the £0.337m pressure in short-term agency placements for children with disabilities. The pressure is including uplifts in fees charged by providers and new commitments for children.

**Early Help and Social Care overspend of £2.847m (ref xii)**

Early Help and Social Care has a budget of £45.268m and forecast expenditure of £48.115m at the end of 2025/26.

£0.100m savings were approved to come from the division this year and it is set to achieve them **(ref viii)**. This is from a higher level of funding received via the Children and Families grant this year.

The Early Help service is reporting a £0.296m overspend due to Keyworker staffing. A recruitment freeze is in place in order to alleviate the pressure.

The portion of the Looked After Children budget related to staffing sits within Early Help & Social Care. This is currently forecast to be £0.364m overspent, but this will be further scrutinised throughout the year.

Locality Social Work and Family Assessment is forecasting a £1.736m overspend. £1.280m of this is related to salaries of staff members hired to meet demand within the statutory area of Child Protection. The Council is looking at ways of reducing this spend, such as holding vacancies and reducing the number of newly qualified social workers who are hired. Of the forecast salary spend, only £0.012m is related to agency social workers, with the rest being permanent. East Sussex has one of the lowest levels of agency social workers in the country.

There is £0.695m pressure in Locality relating to accommodation costs for vulnerable families and children, the most significant pressure relates to the Intentionally Homeless families which the Local Authority has a statutory duty towards.

There is a £0.450m pressure within Connected Families (Specialist Services), due to previous invest to save funding being fully utilised in 2024/25. This service is considered essential in delivering cost avoidance and savings through preventive interventions and supporting reunification. It is also key to the Government's social care reforms through the Families First Programme.

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

There is £0.031m overspend forecast within the Management team and £0.028m underspend forecast within Separated Children.

**Communication, Planning and Performance (including Home to School Transport) overspend of £1.462m (ref xv)**

Communication, Planning and Performance has a budget of £33.369m and forecast expenditure of £34.831m at the end of 2025/26.

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

Outdoor Education is forecast to overspend by £0.079m, as the transfer of Buzz Active to Bedes has not yet been agreed but the saving **(ref v)** was deducted from the budget at the beginning of the year. In year mitigations are being sought including staffing structures and management of activity equipment in relation to both sales and purchasing.

There is £0.003m underspend forecast in Planning and Performance, £0.008m overspend forecast in Safeguarding, and £0.053m underspend forecast within Equalities and Participation.

Home to School Transport has a forecast overspend of £1.434m. The forecasts are calculated based on an extrapolated model of current and previous clients, with a growth figure added for recent applications, and an assumption made about unrecoverable income owed by other Local Authorities.

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

Of the forecast £29.602m spend, 62% relates to clients with SEND. Spend on these clients is set to increase by 10% from 2024/25. This is linked both to EHCP numbers and unit costs increasing. The increases have slowed since 2023/24, when there was a 19% increase in pupil numbers and 15% increase in unit costs. However, the numbers are set to increase again by 13% this year and the unit costs by 5%. The increase in unit costs is dictated by general inflation as well as the higher National Insurance contributions paid for drivers this year.

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

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

A new Personal Transport Budget strategy has been rolled out and 184 families have been contacted with the enhanced offer. To date, a small number of families have accepted and been transferred from a solo taxi contract, resulting in £0.146m annual saving (also included in **ref vi)**. This is combined with the £0.200m saving mentioned above to produce the total reported saving of £0.346m.

**Education overspend of £0.303m (ref xiv)**

Education has a budget of £154.634m and forecast outturn expenditure of £154.937m at the end of 2025/26.

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

There is £0.205m overspend within the SEND and Safeguarding service. £0.105m of this is for staffing required to deal with the level of demand in the Elective Home Education team, and £0.100m is attributed to agency staff to deal with the demand in the Assessment & Planning team.

Participation and Planning is showing an overspend of £0.126m as a result of both staffing costs and feasibility studies related to works in schools which don't go ahead and can't then be capitalised.

Inclusion and Partnerships is showing an underspend of £0.026m due to their reduction in spend on consultants for schools requiring support.

**Central Resources underspend of £0.232m (ref xi)**

Central Resources has a budget of £1.279m and forecast expenditure of £1.047m at the end of 2025/26.

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

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

**Capital Programme Summary (ref xxx)**

The total capital budget for 2025/26 is £2.429m and the forecast spend is £2.908m, an overspend of £0.479m **(ref xviii)**.

The overspend is due to the Housing Adaptations for Disabled Children **(ref xvii)**. There is no budget set for this programme this year, but it is demand-led and statutory. East Sussex provides top-up funding towards projects which are funded from the Disabled Facilities Gant managed by the district and borough councils within East Sussex. The projects are for the provision of suitable facilities in private residences to enable disabled children to remain living with their families. The £0.479m overspend is due to a backlog of adaptations agreed in prior financial years.

All other projects are forecast to budget.

**APPENDIX 5**

## Performance exceptions

| Performance measure | Outturn 24/25 | Target 25/26 | RAG Q1 25/26 | RAG Q2 25/26 | RAG Q3 25/26 | RAG Q4 25/26 | Q1 outturn | Note ref |
|---|---|---|---|---|---|---|---|---|
| Rate of Looked After Children (per 10,000 children) | 66.7 (691 children) | 64.7 (670 children) | R | | | | 67.1 (695 children) 60.7 (629 children excl Separated Children | i |
| Proportion of all new EHC Plans issued within 20 weeks<br>(a) Including Exception Cases<br>(b) Excluding Exception Cases | (a) 68.5%<br>(b) 71.3% | (a) 65%<br>(b) 70% | R | | | | (a) 42.3%<br>(b) 43.0% | ii |

**APPENDIX 5**

**Savings exceptions 2025/26 (£'000)**

| Service description | Original Target For 2025/26 | Target including items c/f from previous year(s) | Achieved in-year | Will be achieved, but in future years | Cannot be achieved | Note ref |
|---|---|---|---|---|---|---|
| Looked After Children | 1,593 | 1,593 | 1,593 | - | - | iii |
| Education | 360 | 360 | 360 | - | - | iv |
| Buzz Active | 107 | 107 | - | 107 | - | v |
| Home to School Transport | 728 | 728 | 346 | 382 | - | vi |
| All divisions | 229 | 229 | 5 | 122 | 102 | vii |
| Supporting Families programme | 100 | 100 | 200 | - | - | viii |
| Communication, Planning and Performance | 122 | 122 | 122 | - | - | |
| **Total Savings** | **3,239** | **3,239** | **2,526** | **611** | **102** | ix |
| Attendance | | | 102 | - | - | x |
| All divisions | | | - | - | (102) | |
| **Subtotal Permanent Changes** [1] | | | **102** | **0** | **(102)** | |
| **Total Savings and Permanent Changes** | **0** | **0** | **2,628** | **611** | **0** | |

| Memo: treatment of savings not achieved in the year (£'000) | Temporary Funding [2] | Part of reported variance [3] | Total | Note Ref |
|---|---|---|---|---|
| Savings underachieved in-year | - | 611 | 611 | |
| **Total** | **0** | **611** | **611** | |

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

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

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

**APPENDIX 5**

## Revenue Budget 2025/26 (£'000)

| Divisions | Planned Gross | Planned Income | Planned Net | 2025/26 Gross | 2025/26 Income | 2025/26 Net | (Over)/ under spend Gross | (Over)/ under spend Income | (Over)/ under spend Net | Note ref |
|---|---|---|---|---|---|---|---|---|---|---|
| Central Resources | 3,116 | (1,837) | 1,279 | 3,061 | (2,014) | 1,047 | 55 | 177 | 232 | **xi** |
| Early Help and Social Care | 57,503 | (12,235) | 45,268 | 64,344 | (16,229) | 48,115 | (6,841) | 3,994 | (2,847) | **xii** |
| Commissioning and Transformation | 75,423 | (5,823) | 69,600 | 90,599 | (8,715) | 81,884 | (15,176) | 2,892 | (12,284) | **xiii** |
| Education | 306,241 | (151,607) | 154,634 | 307,964 | (153,027) | 154,937 | (1,723) | 1,420 | (303) | **xiv** |
| Communication, Planning and Performance | 37,621 | (4,252) | 33,369 | 39,733 | (4,902) | 34,831 | (2,112) | 650 | (1,462) | **xv** |
| Schools | 158,386 | (158,386) | - | 158,386 | (158,386) | - | - | - | - | |
| DSG Non Schools | - | (146,090) | (146,090) | - | (146,090) | (146,090) | - | - | - | |
| **Total CSD** | **638,290** | **(480,230)** | **158,060** | **664,087** | **(489,363)** | **174,724** | **(25,797)** | **9,133** | **(16,664)** | **xvi** |

## Capital programme 202/26 (£'000)

| Approved project | Budget: total project all years | Projected: total project all years | Budget 2025/26 | Actual 2025/26 | Variation (Over) / under 2025/26 budget | Variation analysis: (Over) / under spend | Variation analysis: Slippage to future year | Variation analysis: Spend in advance | Note ref |
|---|---|---|---|---|---|---|---|---|---|
| Housing Adaptations for Disabled Children's Carers' Homes | 1,547 | 1,547 | - | 74 | 479 | (479) | - | - | **xvii** |
| Schools Delegated Capital | 30,326 | 30,326 | 1,150 | (58) | 1,150 | - | - | - | |
| Conquest Centre redevelopment | 341 | 341 | - | - | - | - | - | - | |
| Youth Investment Fund | 193 | 193 | - | - | - | - | - | - | |
| Children's Services Essential System Developments | 1,279 | 1,279 | 1,279 | 146 | 1,279 | - | - | - | |
| **Total CSD** | **33,686** | **33,686** | **2,429** | **162** | **2,908** | **(479)** | **0** | **0** | **xviii** |

# Communities, Economy & Transport – Q1 2025/26
# Summary of progress on Council Priorities, issues arising, and achievements

## Economy and environment

### Employability and Skills

The Skills East Sussex Engineering Task Group delivered engineering clubs at schools in Hastings in Q1. We also procured partners to deliver eight Skills Bootcamp courses during 2025/26. Delivery of the Bootcamps is scheduled to start in Q2. We are expecting to achieve the targets for the year against both elements of this measure **(ref i)**.

225 Industry Champions were supporting schools and colleges with activities such as career talks and Open Doors workplace visits, at the end of Q1. 334 pupils attended Open Doors visits during Q1. A celebration event for Industry Champions was held in June 2025, to thank them for offering over 1,800 young people from 35 schools/colleges 152 Open Doors visits between September 2024 and July 2025.

Working with colleagues in West Sussex County Council and Brighton & Hove City Council, we are currently drafting a Get Sussex Working Plan for submission to the Government in Q2. The plan will have a pan-Sussex overview and 3 implementation plans, one for each authority.

Skills East Sussex celebrated a decade of working to improve local employment and skills levels and boost economic prosperity in East Sussex in Q1. As the county's strategic body for employment and skills, Skills East Sussex has grown from a modest local partnership into a nationally recognised model of best practice. Work over the last decade has included:

- securing over £60m of additional funding for the delivery of employment and skills initiatives and capital infrastructure
- launching six industry sector task groups
- establishing one of the UK's first Career Hubs, which now supports dozens of schools with programmes such as Open Doors, ICAN Careers Fairs and Steps to Success
- developing adult learning and employment programmes such as Moving on Up, Support into Work and Multiply

### Apprenticeships

Q1 has seen 41 new apprentice starts and we are now spending, on average, over £100,000 of Apprenticeship Levy funding on apprenticeships monthly. The majority of new apprenticeship starts within the Council have been for management apprenticeship qualifications and within Children's Services for front line care staff. In line with central government changes to the criteria for eligible use of the Levy, enrolments for Level 7 senior leader masters degree apprenticeships are being discontinued at the end of 2025 for anyone over the age of 22 years old.

The Government has recently released a programme of 'Skills Boot Camps' and we are currently working through our approach to ensure that we make the best use of these without detrimentally impacting on the Council's Levy spend.

### Cultural investment and recovery

The East Sussex, Brighton & Hove, and West Sussex Local Visitor Economy Partnership (LVEP) has launched the 'How to Sell Sussex to Visitors' toolkit. This project was launched in response to the 2021 Sussex Visitor Economy Baseline Review, which identified the need for a clear, unified identity for Sussex. The LVEP has a goal to help grow the visitor economy from £5 billion to £7.5 billion. The Toolkit is supported by a graphic language document which will be used for joint campaigns. In addition, a series of photography assets are available. With numerous consumer-facing brands already active in Sussex's visitor economy, the primary aim of this project is not to replace these brands, but to promote the broader use of consistent Sussex messaging. A

comprehensive plan to promote the toolkit with the help of the LVEP Advisory Board and Destination Forum is in progress. The resources are being shared with stakeholders, along with a set of social media templates for Sussex Day and English Wine Week.

An Experience Sussex tourism digital marketing plan is now in place and a campaign on Expedia in Q1 saw almost 1,400 travellers book to visit and over 154 room nights secured. 200 East Sussex businesses are now listed on the Experience Sussex website, and there was a 31% increase is users of the site in Q1 2025/26, when compared to Q4 2024/25.

**Business Support**

67 businesses in East Sussex were supported through business support programmes in Q1. 47 of these were supported through the Growth Hub, 17 through Newhaven Business Grants and 3 through Rural Business Grants. The support has led to increased profitability, new jobs and new product development.

**Environment and climate change**

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

- finalising the climate change adaptation toolkit, which will be rolled out to 3 services during 2025/26
- continuing discussions with GB Energy about options for securing third party funding for rooftop solar panels on grant-maintained schools
- continuing to provide environmental advice to local planning authorities in East Sussex
- assessing the tenders for the fourth round of Sussex Solar Together, which will be available to residents in autumn 2025
- continuing to host the Sussex Nature Partnership and the Sussex Air Quality Partnership
- continuing to develop the local nature recovery strategy for East Sussex and Brighton & Hove, which is currently planned to be published by early 2026

**Planning**

100% of County Matter applications were determined within the statutory determination period during Q1. 100% of County Council development applications were determined within 8 weeks or within an agreed extension of time during Q1.

**Highways, transport and waste**

**Highways improvements and road condition**

7,080 potholes were repaired in Q1, with 4,903 of these being carriageway potholes; the remainder were primarily footway potholes. We completed 42 road improvement schemes in Q1 to improve the condition of the roads.

Following the exceptionally high percentage of unclassified roads reported as requiring maintenance in 2024/25 further work was undertaken to determine the underlying issues. This validation work raised questions around the accuracy of the condition survey that had been undertaken. A piece of work looking at a sample of the roads that had been surveyed was commissioned from a different highway condition survey contractor, TRL Ltd, to assess the validity of the original results. During Q1 we received the results of this validation work which indicate that the original survey did overestimate the percentage of unclassified roads requiring maintenance. We have discussed these findings with the Department for Transport who have agreed that, due to the data quality issues identified, this result will not be included in their national statistics on unclassified road condition.

As a result of the issues identified it is recommended that the outturn for Q4 2024/25 is updated from 31% to 'not available' in public documentation, including the 2025/26 Council Plan **(ref ii)**.

We have not renewed the contract with XAIS, the contractor who was commissioned to carry out the 2024/25 survey, and have commissioned TRL Ltd to do the 2025/26 survey. We are confident that following this change, the issues experienced with last year's survey will not be encountered in future. Each year we assess 50% of the unclassified road network, with 100% of the road network assessed within a two-year period. This goes above the DfT expectation that local authorities will assess their entire road network over a maximum four-year period. The outturns reported are based on combining the results of the surveys from the latest two years. As the survey undertaken in 2024/25 is of insufficient quality to be used the DfT has agreed that we can use the survey results from 2022/23, which looked at the same roads, to calculate our outturn for 2025/26 in the national statistics.

It is proposed that, while this approach is not ideal, in the absence of a suitable alternative, that this is used for reporting against the Council Plan measure for 2025/26. For context, of the 50% of the roads assessed in 2022/23, 16% required maintenance.

**Road safety**

Planning for the road safety schemes to be constructed during 2025/26 continued in Q1, with 5 schemes scheduled to be completed in Q2.

The Council runs courses aimed at giving children and adults the skills they need for riding their bikes on the road. We delivered 140 Bikeability courses to 1,211 individuals in Q1. 130 'Wheels for All' sessions were delivered to 1,617 attendees in Q1.

**Transport and parking**

£18.5m of capital funds were allocated to bus priority measures in East Sussex as part of the Government's Bus Service Improvement Plan (BSIP). 5 bus priority schemes across Eastbourne, Newhaven and Peacehaven were identified, and a public consultation on all schemes took place in summer 2023. 3 of the 5 schemes are progressing into detailed design with construction to follow in 2026/27. In Q4 2024/25, a Project Adjustment Request was approved by the Department for Transport to transfer funds from 2 of the bus priority measures to the Exceat bridge project. Approval to reallocate these funds was given by Cabinet in Q1 2025/26. The Council has allocated the 2025/26 BSIP capital funding to the Newhaven bus priority scheme. To meet DfT programme targets the scheme has been split into 2 phases, the Drove phase and the Denton Corner phase. The Denton Corner phase is progressing into detailed design with construction scheduled to follow in 2026/27. The Drove phase is still to be scheduled. We aim to deliver the Telscombe Cliffs to Peacehaven bus priority scheme at the earliest opportunity if future BSIP funding is available.

Following approval by the Department for Transport and the Office for Zero Emission Vehicles, the Council has received the full allocation of £4.441 million from the Government's Local Electric Vehicle Infrastructure Fund, which will support the delivery of on-street electric vehicle charge points across the county. A tender for the procurement of a Chargepoint Operator was published in mid-April, with bids due back by the end of June. Following a period of evaluation and approval, we expect to award the tender in Q2/Q3.

**Waste**

The 2024/25 outturn (reported a quarter in arrears) for the amount of waste re-used, recycled or composted or used beneficially was 55%. Although total household waste has continued to increase, the recycling and reuse figures have also increased, meaning we met our target for the year.

### Rights of Way (RoW) and Countryside Sites

We completed 95% of high priority maintenance work on schedule in Q1. The proactive annual clearance programme has started and the dry weather in Q1 has also enabled bridge projects to begin.

## Communities

### Trading Standards

Trading Standards made 45 active interventions in Q1 to protect vulnerable people, including installing call blockers and CCTV for vulnerable people who have been repeatedly targeted by scammers. 63 businesses received training or advice from Trading Standards in Q1. This included advice on food standards labelling following notifications from the Food Standards Agency and advice on product safety and trademarks, in particular in response to a national wave of counterfeit Labubu dolls.

### Libraries

635 IT for You sessions were attended in Q1. The Library service continues to recruit volunteers to support the sessions. The were 501 enrolments on Family Learning Programmes in Q1, to help people develop their English, maths and language skills.

## Revenue Budget Summary

The CET revenue budget is £76.247m and is forecast to overspend by £93k. The largest overspend is in Highways where the cost of electricity for streetlighting and depots is much higher than budgeted **(ref vi)**. The underspend in Planning and Environment is in Transport Development Planning where there are staff vacancies and additional s278/s38 income contributions **(ref vii)**. The underspending in Communities **(ref v)**, and Customer, Library and Registration **(ref iv)** is mostly due to staff vacancies. It is likely that £83k of the planned 2025/26 savings will not be achieved this year **(ref iii)**.

## Capital Programme Summary

The CET capital programme has a gross budget of £60.245m and there is slippage of £8.096m, overspend of £244k and spend in advance of £13k. The slippage is across the two Bus Service Improvement Plan schemes where project staff sickness has resulted in delays in the delivery of critical tasks. Action has been taken to try and accelerate spend on the projects **(ref ix and x)**. The overspend is mostly due to ongoing archaeology on the Bexhill to Hastings Link Road scheme **(ref viii)**.

**APPENDIX 6**

## Performance exceptions (Q1 – RAG status Red, Amber, and amendment)

### Priority – Driving sustainable economic growth

| Performance measure | Outturn 24/25 | Target 25/26 | RAG Q1 25/26 | RAG Q2 25/26 | RAG Q3 25/26 | RAG Q4 25/26 | Q1 outturn | Note ref |
|---|---|---|---|---|---|---|---|---|
| Deliver East Sussex Skills priorities for 2021-2026 | a) Delivered seven interventions that meet the Skills East Sussex priorities<br>b) Delivered fourteen embedded numeracy interventions | a) Deliver six interventions that meet the Skills East Sussex priorities<br>b) Eight Level 3 sector related Skills Bootcamp courses delivered | A | | | | a) 1 intervention delivered<br>b) 0 Bootcamp interventions delivered | i |

## Performance update 2024/25 outturn

### Priority – Driving sustainable economic growth

| Performance measure | Outturn 23/24 | Target 24/25 | RAG Q1 24/25 | RAG Q2 24/25 | RAG Q3 24/25 | RAG Q4 24/25 | 2024/25 outturn | Note ref |
|---|---|---|---|---|---|---|---|---|
| Percentage of Unclassified roads requiring maintenance | 17% | 25% | G | G | G | R | Recommended amendment from:<br>'31%'<br>To<br>'Not Available' | ii |

## Savings exceptions 2025/26 (£'000)

| Service description | Original Target For 2025/26 | Target including items c/f from previous year(s) | Achieved in-year | Will be achieved, but in future years | Cannot be achieved | Note ref |
|---|---|---|---|---|---|---|
| Trading Standards | 94 | 94 | 94 | - | - | |
| Road Safety | 18 | 18 | 18 | - | - | |
| Registration Service | 119 | 119 | 119 | - | - | |
| Library – Adult learning | 92 | 92 | 92 | - | - | |
| Library - Stock | 100 | 100 | 100 | - | - | |
| Parking – on Street | 110 | 855 | 855 | - | - | |
| Parking - Other | 410 | 410 | 410 | - | - | |

| | | | | | | |
|---|---|---|---|---|---|---|
| Parking - Rother DC | 28 | 28 | - | 28 | - | |
| Waste – Booking system | 50 | 50 | 50 | - | - | |
| Waste | 65 | 65 | 65 | - | - | |
| Rights of Way and Countryside Sites | 48 | 48 | 48 | - | - | |
| Highways | 50 | 50 | 50 | - | - | |
| Economy Division (Service-Wide) | 369 | 369 | 314 | 55 | - | |
| **Total Savings** | **1,553** | **2,298** | **2,215** | **83** | **0** | |
| | | | - | - | - | |
| | | | - | - | - | |
| **Subtotal Permanent Changes** [1] | | | **0** | **0** | **0** | |
| **Total Savings and Permanent Changes** | **0** | **0** | **2,215** | **83** | **0** | **iii** |

| **Memo: treatment of savings not achieved in the year (£'000)** | **Temporary Funding** [2] | **Part of reported variance** [3] | **Total** | **Note Ref** |
|---|---|---|---|---|
| Parking Rother DC | - | 28 | 28 | |
| Economy | 55 | - | 55 | |
| **Total** | **55** | **28** | **83** | |

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

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

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

**Revenue Budget 2025/26 (£'000)**

| **Divisions** | **Planned Gross** | **Planned Income** | **Planned Net** | **Projected Gross** | **Projected Income** | **Projected Net** | **(Over)/ under spend Gross** | **(Over)/ under spend Income** | **(Over)/ under spend Net** | **Note ref** |
|---|---|---|---|---|---|---|---|---|---|---|
| Management and Support | 6,310 | (3,186) | 3,124 | 6,298 | (3,175) | 3,123 | 12 | (11) | 1 | |
| Customer and Library Services | 9,642 | (4,115) | 5,527 | 9,554 | (4,134) | 5,420 | 88 | 19 | 107 | **iv** |
| Communities | 3,242 | (940) | 2,302 | 3,055 | (900) | 2,155 | 187 | (40) | 147 | **v** |
| Transport & Operational Services | 124,699 | (79,780) | 44,919 | 124,832 | (79,885) | 44,947 | (133) | 105 | (28) | |
| Highways | 22,097 | (4,993) | 17,104 | 22,787 | (5,162) | 17,625 | (690) | 169 | (521) | **vi** |
| Economy | 2,477 | (550) | 1,927 | 2,946 | (1,019) | 1,927 | (469) | 469 | - | |
| Planning and Environment | 5,832 | (4,488) | 1,344 | 5,765 | (4,622) | 1,143 | 67 | 134 | 201 | **vii** |
| **Total CET** | **174,299** | **(98,052)** | **76,247** | **175,237** | **(98,897)** | **76,340** | **(938)** | **845** | **(93)** | |

## Capital programme 2025/26 (£'000)

| Approved project | Budget: total project all years | Projected: total project all years | Budget Q1 | Actual to date Q1 | Projected 2025/26 | Variation (Over) / under Q1 budget | Variation analysis: (Over) / under spend | Variation analysis: Slippage to future year | Variation analysis: Spend in advance | Note ref |
|---|---|---|---|---|---|---|---|---|---|---|
| The Keep | 1,096 | 1,096 | 212 | - | 212 | - | - | - | - | |
| Gypsy and Traveller Site Refurbishment | 700 | 700 | 137 | 53 | 137 | - | - | - | - | |
| Peacehaven Library | - | - | - | - | - | - | - | - | - | |
| Libraries | 5,139 | 5,139 | 489 | 1 | 489 | - | - | - | - | |
| Broadband | 33,800 | 33,800 | 338 | 15 | 338 | - | - | - | - | |
| Bexhill and Hastings Link Road | 126,247 | 128,347 | - | - | 200 | (200) | (200) | - | - | viii |
| BHLR Complementary Measures | 1,800 | 1,800 | 132 | 3 | 132 | - | - | - | - | |
| Economic Intervention Fund | 8,884 | 8,884 | - | - | - | - | - | - | - | |
| Economic Intervention Fund - Loans | 3,000 | 3,000 | 22 | 9 | 35 | (13) | - | - | (13) | |
| Community Focused Road Safety Interventions | 750 | 750 | 422 | 23 | 422 | - | - | - | - | |
| Safer Roads Fund A2100 | 840 | 840 | 864 | - | 864 | - | - | - | - | |
| Climate Emergency Works | 8,859 | 8,903 | 242 | 33 | 286 | (44) | (44) | - | - | |
| Flood and Coastal Resilience Innovation | 4,891 | 4,891 | 840 | 17 | 840 | - | - | - | - | |
| Flood Management SuDS | 600 | 600 | - | 9 | - | - | - | - | - | |
| Newhaven Port Access Road | 23,271 | 23,271 | 28 | 3 | 28 | - | - | - | - | |
| Local Electric Vehicle Infrastructure | 4,541 | 4,541 | 500 | - | 500 | - | - | - | - | |
| Real Time Passenger Information | 3,181 | 3,181 | 267 | (18) | 267 | - | - | - | - | |
| Bus Service Improvement Plan | 18,500 | 18,500 | 5,877 | 155 | 1,281 | 4,596 | - | 4,596 | - | ix |
| BSIP Passenger Transport | 3,815 | 3,815 | 183 | 282 | 183 | - | - | - | - | |
| Bus Service Improvement Plan 2025-26 | 4,555 | 4,555 | 4,555 | - | 1,055 | 3,500 | - | 3,500 | - | x |
| PAX Software System | 37 | 37 | 5 | - | 5 | - | - | - | - | |
| Queensway Gateway Road | 3,313 | 3,313 | 470 | 365 | 470 | - | - | - | - | |
| Hastings and Bexhill Movement & Access Package | 9,583 | 9,583 | 2,346 | 150 | 2,346 | - | - | - | - | |
| Eastbourne/South Wealden Walking & Cycling Package | 6,936 | 6,936 | 1,892 | 21 | 1,892 | - | - | - | - | |
| Hailsham/Polegate/Eastbourne Movement & Access Corridor | 2,251 | 2,251 | 310 | 19 | 310 | - | - | - | - | |
| Eastbourne Town Centre Movement & Access Package A | 6,936 | 6,936 | 2,290 | 33 | 2,290 | - | - | - | - | |
| Eastbourne Town Centre Movement & Access Package B | 5,454 | 5,454 | 4,328 | 305 | 4,328 | - | - | - | - | |
| Other Integrated Transport Schemes | 66,646 | 66,646 | 4,063 | 254 | 4,063 | - | - | - | - | |
| A22 Corridor Package | 3,393 | 3,393 | 1,112 | 274 | 1,112 | - | - | - | - | |
| A22 North of Hailsham | 118 | 118 | 242 | 56 | 242 | - | - | - | - | |
| Community Match Fund | 780 | 780 | 397 | 39 | 397 | - | - | - | - | |
| Emergency Active Travel - Tranche 2 | 438 | 438 | 403 | 18 | 403 | - | - | - | - | |
| Area-wide traffic management scheme – Schools Streets | 200 | 200 | 154 | - | 154 | - | - | - | - | |
| ATF Eastbourne Liveable Town Centre | 274 | 274 | 117 | 50 | 117 | - | - | - | - | |

**APPENDIX 6**

| Approved project | Budget: total project all years | Projected: total project all years | Budget Q1 | Actual to date Q1 | Projected 2025/26 | Variation (Over) / under Q1 budget | Variation analysis: (Over) / under spend | Variation analysis: Slippage to future year | Variation analysis: Spend in advance | Note ref |
|---|---|---|---|---|---|---|---|---|---|---|
| Hastings Town Centre Public Realm and Green Connections | 9,689 | 9,689 | 772 | (82) | 772 | - | - | - | - | |
| Exceat Bridge | 10,591 | 10,591 | 2,587 | 141 | 2,587 | - | - | - | - | |
| Queensway Depot Development | 1,956 | 1,956 | 1 | - | 1 | - | - | - | - | |
| Urban Tree Challenge | 262 | 262 | 15 | 2 | 15 | - | - | - | - | |
| Core - Highways Structural Maintenance | 499,175 | 499,175 | 16,667 | 5,064 | 16,667 | - | - | - | - | |
| Visibly Better Roads | 5,800 | 5,800 | 248 | (6) | 248 | - | - | - | - | |
| Core Programme - Bridge Assessment Strengthening | 38,785 | 38,785 | 3,480 | 253 | 3,480 | - | - | - | - | |
| Core Programme - Street Lighting - Life Expired Equipment | 39,248 | 39,248 | 2,596 | 21 | 2,596 | - | - | - | - | |
| Core - Street Lighting - SALIX scheme | 2,961 | 2,961 | - | - | - | - | - | - | - | |
| Core Programme - Rights of Way Surface Repairs and Bridge Replacement | 10,417 | 10,417 | 642 | 130 | 642 | - | - | - | - | |
| **Total CET Gross (Planned Programme)** | **979,712** | **981,856** | **60,245** | **7,692** | **52,406** | **7,839** | **(244)** | **8,096** | **(13)** | |

# Governance Services – Q1 2025/26
# Summary of progress on Council Priorities, issues arising, and achievements

## Reconciling Policy, Performance and Resources (RPPR)

The State of the County report was considered by Cabinet in June 2025 and Council in July 2025. The report sets out our latest assessment of the demographic evidence base, the policy context and the most challenging financial position the Council has ever faced, which form the backdrop for planning for 2026/27 and beyond. Pressures on services have continued to grow as the needs in our communities increase and become more complex, and costs have escalated due to national factors beyond our control. Funding for local authorities from Government, as set out in the Spending Review in June, will not grow at the same level as need, and significant reforms are planned to the way this funding is allocated to individual councils. If the multi-year settlement to be announced later in the year does not provide the funding we need, other avenues will need to be sought to meet our legal requirement to set a balanced budget. To address the unsustainable financial position, we have taken every possible step, including instituting strict spending and recruitment controls, reprioritising spend, reducing our office estate and maximising income. We have taken the additional and significant steps of bringing forward further difficult service reductions and drawing on service reserves to balance the budget. However, despite all the action we have taken, fundamentally there remains a large gap between the income we currently expect to receive in the coming years and the costs of providing services. We are refreshing the Council Plan and Portfolio Plans for 2025/26 which include some small changes to performance measures and targets to reflect our yearend position for 2024/25. The updated plans, which set out how we will deliver our priorities in the coming year and beyond, will be available on our website in Q2.

Government consultation on the proposed establishment of a Mayoral Combined County Authority for Sussex closed early in Q1, followed by its assessment of the responses received from local people and stakeholders. The consultation followed our successful application, along with West Sussex County Council and Brighton & Hove City Council, to join the national devolution priority programme, working on an accelerated timescale towards a mayoral election in May 2026. Subject to further national and local decisions, work will continue to prepare for the creation of the combined authority, including the legislation required. As part of the Government's separate plans for the reorganisation of local government, the Council has continued to work with district and borough council partners to develop a final reorganisation proposal for a single unitary council for East Sussex, which is due to be submitted to Government in September 2025. This included jointly undertaking a public engagement exercise during Q1. If the proposal is accepted by Government, elections to a shadow authority are expected to take place in 2027.

## Corporate Lobbying

Throughout Q1 the Leader and Chief Executive continued to raise issues and priorities for the county with our local MPs, including through a specific update on our State of the County report. This set out the uncertain and stark financial position the Council faces and asked for MPs' support in lobbying Government to recognise the specific and unique needs of East Sussex, which are more acute than much of the rest of the South East, and that these must be appropriately reflected in new funding arrangements.

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

## Supporting democracy

During Q1 we supported 26 meetings including: 1 County Council meeting; 2 Cabinet meetings; 9 Lead Member meetings; 6 Scrutiny Committees and Review Boards and 8 other committees and

panels. The webcasts of meetings were viewed 2,770 times in Q1. The most viewed meeting was the Council meeting on 20 May 2025, which received 923 views, either live or as a recording.

In Q1 the Member Training and Development programme continued to deliver a range of courses and briefings in support of Members and the roles they hold. Courses delivered included sessions on Early Help and Children's Social Care, Equality Impact Assessments for Elected Members, Highways, and Managing Grass Verges. Most training sessions continue to be delivered remotely with resources, such as slides and a recording from training sessions, being saved to the Councillors' area of the intranet for future reference. The Member Reference Group also met on 4 June and discussed a number of issues, including, upcoming I.T. developments and forthcoming member training and development sessions.

The Council's scrutiny committees have continued to use a variety of approaches to ensure timely scrutiny input on a range of issues in Q1. A reference group on devolution and local government reorganisation held its first meeting, with participating Members from both Place and People Scrutiny Committees. The group considered and commented on the latest position with both programmes of work and agreed to hold further meetings at key points to provide scrutiny input as these progress. The People Scrutiny Committee held its first reference group focusing on national Children's Services Reforms and the local response to these, and continued its reference group work on the Health and Social Care Integration Programme. The committee also received a briefing from Public Health on the Climate Change Impact Assessment. The Health Overview and Scrutiny Committee met in Q1 and considered reports on the NHS Sussex Winter Plan 2024/25 and the Non-Emergency Patient Transport Service.

Health and Wellbeing Board members attended a strategy session on the Life Course Approach as part of the Board's series of 'deep dives' on specific issues which are held 2-3 weeks before each formal meeting to inform the future Health and Wellbeing Strategy.

Q1 saw the start of the busiest time of year for school admission appeals, when cases relating to the September school intake are heard by Independent Appeal Panels. During Q1, a total of 434 appeals were worked on, comprising 194 new appeals received in Q1 and 240 carried over from Q4 2024/25.

Of these, 215 appeals were heard over 37 virtual hearings, with 7 of these hearings extending over multiple days. 182 appeals were either withdrawn by families or became unnecessary because a place at a preferred school became available before the hearing. The remaining 37 appeals are scheduled to be heard in Q2. Of the 215 appeals heard, 40 were successful and 175 were dismissed by the Independent Appeal Panels.

The East Sussex School Appeals Service also received 1 Independent Review Panel request during Q1, which was heard by an Independent Appeal Panel in Q1.

**Legal Services**

During Q1, Legal services assisted Trading Standards in the successful prosecution of a trader for tobacco and alcohol offences (including selling alcohol and nicotine to minors), resulting in a 12 month suspended sentence, a fine of £230, a victim surcharge of £154 and a costs order for £500. In Q1, the Service also provided advice in relation to one judicial review application, which was transferred to the Immigration Tribunal. The case related to a disputed age assessment of an asylum seeker which had determined he was an adult. The Home Office had also determined this asylum seeker to be an adult. The age assessment conducted by the Council was based on a number of factors other than age, including inconsistencies in his account and his demeanour. The Court found the Council's assessment to be procedurally fair and noted that the decision was finely balanced but nonetheless concluded that on arrival he was a child. Consequently, the Council will continue to be responsible for his accommodation and support until he is 21 or until any earlier resolution of his application for leave to remain.

During Q1 the Service advised in relation to 65 Court of Protection cases compared to 67 in Q1 2024/25 and 65 Community Deprivation of Liberty Safeguards applications compared to 79 in Q1 2024/25. The Service also advised on matters relating to safeguarding vulnerable adults and continuing health care, and inquest hearings. In addition, the Service gave legal advice on 46 adult social care matters.

The Service continues to work closely with Children's Services, providing advice and representation, including in pre-proceedings and court applications for care proceedings. Our priority is to keep children within their family when it is safe to do so, and for public law applications to be a necessary and proportionate response to achieve the best outcome for the child. At the end of Q1 2025/26, there were 40 ongoing pre-proceedings, this is the same number as at the end of Q1 2024/25. At the end of Q1 2025/26, there were a total of 48 ongoing care proceedings for 85 children compared to 56 for 105 children at the end of Q1 2024/25. In Q1 2025/26 concluded proceedings took on average 46 weeks to conclude per child compared to an average of 45 weeks in Q1 2024/2025.

During Q1, the Service completed agreements to secure financial contributions to the Council of over £1.4m, together with the delivery of additions and improvements to the highway network across the county. The Service also advised on 51 new property matters compared to 66 in Q1 2024/25. In addition, the Service has completed two academy conversions in Q1 alongside the legal property work to enable both Uckfield and Rye leisure centres to remain open. The Service also advised on 62 new contract and procurement matters compared to 59 in Q1 2024/25. The Service assisted Income Recovery in securing the recovery and repayment of debts totalling £48,808 in Q1 compared to £29,214 in Q1 2024/25.

## Coroner Services

The Council provides staff and accommodation to the East Sussex Coroner in undertaking the judicial role of investigating violent, un-natural or sudden deaths of unknown cause and deaths in custody. Accommodation includes the provision of mortuary, pathology, histology, toxicology and body removal services, as well as court and office accommodation and relevant hardware, software and information technology support.

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

During Q1, 369 deaths were reported to the Coroner compared with 475 in Q1 2024/25. Of those deaths 208 (56%) went on to have a post mortem compared to 232 (49%) in Q1 2024/25. 71 Inquests were opened during Q1 compared to 87 during Q1 2024/25. 66 Inquests were closed in Q1, compared to 102 in Q1 2024/25. This decrease was due to limited disruption to the Service in Q1 where the court rooms were moved to new accommodation at Westfield House. In Q1, 1 inquest with a jury was held, the same number as in Q1 2024/25. In Q1, 12 Inquests in writing were held, which do not require court bookings, compared to 18 in Q1 2024/25. There were 252 open inquests compared to 257 in Q1 2024/25. At the end of Q1 60 Inquests were over 12 months old compared to 43 at the end of Q1 2024/25.

## Regulation of Investigatory Powers Act (RIPA)

There were no Authorisations under RIPA during Q1.

## Local Government Ombudsman complaints

The Ombudsman issued 26 decisions in Q1. 9 of these cases related to Adult Social Care (ASC), 12 related to Children's Services (CS) and 5 to Corporate Services (CORP). 18 cases were closed before a full investigation for a variety of reasons. This included insufficient evidence of fault, complaints being out of the Ombudsman's jurisdiction, because the complaint had not been

through our internal complaint process or because the Ombudsman had sufficient information to uphold the complaint.

Of the 8 cases that were fully investigated 2 related to ASC and 6 related to CS, of which, 7 were closed with the complaint partly or fully upheld as follows:

ASC – The client's mother complained that the Council and its care provider failed to ensure her daughter received all the 1:1 support she had been assessed as needing, resulting in her lacking support with social activities and leading to her becoming withdrawn. The Council accepted the client did not receive all her 1:1 support and offered to pay financial redress for two and a half years. However, the Ombudsman found that the client did not receive all her 1:1 support for three and a half years from March 2020. The Council has extended the financial redress to cover the period from March 2020.

CS – The client's mother complained that the Council had not provided the education set out in her child's Education Health and Care Plan (EHCP). She said that this impacted her child's education and emotional wellbeing and that it caused her distress and financial strain. The Ombudsman found the Council at fault for a delay of 8 months in providing the education set out in the EHCP. The Council has agreed to apologise in writing to the client for the identified delay and for the impact this had on their education and wellbeing. The Council has also agreed to apologise in writing to the client's mother for the unnecessary and avoidable uncertainty this caused her and to make a payment of £1,900 to remedy the two terms of lost provision.

CS – The client's mother complained that, in respect of the section 17 assessment report regarding her son, the Council failed to arrange a proper assessment visit with them, spoke to the client when he had taken drugs and included inaccurate facts and defamatory information about the client's mother in the report, which it failed to substantiate or correct. The Ombudsman found fault with the Council because it did not arrange a proper assessment visit with the client's mother or allow her the opportunity to comment on negative conclusions reached about her as part of the assessment. The Council has agreed to meet with the client's mother and consider if any further changes to the assessment are possible. The Council has also agreed to apologise to her, pay her £300 and improve its procedures for the future.

CS – The client's mother complained that the alternative provision offered by the Council was not suitable for her son, after he was permanently excluded from primary school. She also complained about delays in reviewing his EHCP. The Ombudsman found no fault in the alternative provision initially offered by the Council. However, there was a delay in reviewing the client's plan which meant the type of interim provision was not changed as quickly as it should have been. The Council has agreed to apologise and pay £200 to the client's mother in recognition of her delayed appeal rights and £1,500 to her son for his educational benefit.

CS – The client's mother complained that her child missed some educational provision. She also complained that there was a delay in holding an annual review and in providing the final EHCP. The Ombudsman found the Council at fault because it did not check that provision was being put in place by a school after it had been told that the child was not attending. The Council has agreed to pay the client's mother £900 in recognition of the uncertainty that this caused.

CS – The client's mother complained that the Council delayed issuing her son's EHCP which meant that she paid school fees for five weeks longer than she otherwise would have done. The Ombudsman found the Council at fault for a delay in issuing the EHCP and it has agreed to apologise for the injustice caused by the delays, pay the client's mother an amount equivalent to the school fees which she unnecessarily privately funded and to pay a further sum of £600 for the child's educational benefit. The Council has also agreed to remind relevant staff of the importance of ensuring EHCPs are issued within the statutory timescales.

CS – The client's mother complained that the Council failed to provide the Speech and Language Therapy and Occupational Therapy from her child's EHCP since September 2023. She also complained that the Council failed to provide suitable education for her child while absent from

school and declined to complete an early annual review. The Ombudsman found fault with the Council for a delay in providing some of the EHCP provision from June 2024 until November 2024 and Alternative Provision of education in September 2024. The Council has agreed to apologise to the client's mother and pay her a total of £550 to recognise the distress, frustration and lost opportunity caused.

**Web activity**

There were almost 1.6 million unique pageviews of the Council website in Q1 from over 824,000 visits. At least 55,000 visits were driven to the website from marketing and publicity campaigns.

The jobs section of the website (previously the highest-traffic section) was moved to the Oracle platform during Q1, with the job adverts still publicly available, but no longer included in the statistics for the Council's main website. The page for school term dates is now the most visited part of the Council site.

**Media and information work**

The press office issued 25 press releases in Q1, generating 79 stories, of which 5 were on TV or radio. 119 media enquiries were handled. There was positive coverage of the launch of the Lane Rental Scheme designed to reduce roadwork disruption and good coverage of the annual surface dressing programme. Local Government reorganisation continues to generate enquiries and a press release about the start of the consultation received media coverage.

**Effective publicity and campaigns**

A campaign to stop people using their phones while driving achieved strong public engagement and initial evidence of behavioural change. Adverts ran on radio, social media and on buses, petrol pumps and bus shelters during Q1. There were 68,000 views of the main campaign web page and 45,000 clicks from YouTube adverts alone. Surveys run before and after the campaign (albeit from a limited sample) suggested a decrease in phone use while driving, 15% said they had read a text message while driving before the campaign and 9% after. The campaign was created by the Council but was also run by partners in West Sussex and Brighton & Hove.

Publicity for a residents' survey on local government reorganisation helped drive more than 5,600 responses (comparing favourably to similar surveys in other counties). The Council's communications team produced a video which was viewed more than 50,000 times on social media and the web and the Council's introductory web page on devolution and Local Government Reorganisation has had 8,000 visits from the public.

**South East 7 (SE7)**

SE7 Leaders and Chief Executives met jointly in Q1 to share information on how councils were responding to common challenges. The Board discussed proposed changes in Integrated Care Board budgets and geographies, reflecting on the significant risks for councils. Other areas of discussion included local government reorganisation (LGR) proposals, pension reforms, and the Connect to Work programme being piloted in East Sussex. SE7 Chief Executives also continue to meet regularly and in Q1 discussed Government proposals for reforming local authority funding, shared pressures in SEND, and devolution and LGR, including with officials from the Ministry of Housing, Communities and Local Government.

When they met in Q1, Leaders and Chief Executives also discussed shared lobbying priorities. In light of the Spending Review on 11 June, the Board agreed that SE7 remained an important voice for the needs of the South East as distinguished from London. This was identified as a key lobbying message alongside specific areas of focus, including the need for Government to address the potential impact of NHS reforms, street works by utilities companies, and bureaucratic burdens exacerbating councils' costs. The partnership continues to work collaboratively to identify opportunities for voicing these messages as effectively as possible.

## Revenue Budget Summary

Governance Services' has a net budget of £9.265m and at Q1 is forecast to underspend by £80k. The underspend is mostly on staff costs however staff costs can fluctuate in year especially in the Legal and Coroner services and this position is likely to change.

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

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

## Savings exceptions 2025/26 (£'000)

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

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

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

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

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

**APPENDIX 7**

## Revenue Budget 2025/26 (£'000)

| Divisions | Planned Gross | Planned Income | Planned Net | Projected Gross | Projected Income | Projected Net | (Over)/ under spend Gross | (Over)/ under spend Income | (Over)/ under spend Net | Note ref |
|---|---|---|---|---|---|---|---|---|---|---|
| Corporate Governance | 5,790 | (115) | 5,675 | 5,728 | (115) | 5,613 | 62 | 0 | 62 | |
| Corporate Support | 3,977 | (387) | 3,590 | 3,945 | (373) | 3,572 | 32 | (14) | 18 | |
| **Total Governance** | 9,767 | (502) | 9,265 | 9,673 | (488) | 9,185 | 94 | (14) | 80 | |

## Capital programme 2025/26 (£'000)

| Approved project | Budget: total project all years | Projected: total project all years | Budget Q1 | Actual to date Q1 | Projected 2025/26 | Variation (Over) / under Q1 budget | Variation analysis: (Over) / under spend | Variation analysis: Slippage to future year | Variation analysis: Spend in advance | Note ref |
|---|---|---|---|---|---|---|---|---|---|---|
| No current programme for Governance | - | - | - | - | - | - | - | - | - | |
| **Total GS Gross (Planned Programme)** | - | - | - | - | - | - | - | - | - | |

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# Strategic Risk Register – Q1 2025/26

| Ref | Strategic Risks | Risk Control / Response and Post Mitigation RAG score | RAG |
|---|---|---|---|
| 5 | **RECONCILING POLICY, PERFORMANCE & RESOURCE**<br>There is ongoing uncertainty in relation to future funding levels, the longer-term local government funding regime and the impact of national reforms, particularly across Children's Social Care and Adult Social Care. The impact of a period of high inflation/cost of living are leading to higher demand for Council services and have increased the direct cost of providing services. Together these create a risk of insufficient resources being available to sustain service delivery at the agreed Core Offer level to meet the changing needs of the local community.<br><br>Our revenue budget for 2025/26 includes a draw from reserves to provide a balanced budget alongside implementing savings. Total strategic reserves are projected to be £4.5m by 2029, which excludes any additional draws required to balance budgets in 2025/26 or beyond. This compares with a cumulative deficit of £70.8m by 2028/29. We are reliant on the multi-year settlement in 2026/27, fair funding review and business rates review delivering sufficient funding to meet the needs of our residents.<br><br>Additionally, there are risks and uncertainties regarding the capital programme over the current Medium Term Financial Plan period and beyond, which could impact on the ability to deliver the Council's priorities and set a balanced budget. Funding uncertainty (including capital grants, receipts and developer contributions), inflation, supply chain issues and high interest rates could all constrain our ability to implement our Capital | We employ a robust Reconciling Policy, Performance and Resources (RPPR) process for business planning, which ensures a strategic corporate response to resource reductions, demographic change, and regional and national economic challenges; and directs resources to priority areas. We take a commissioning approach to evaluating need and we consider all methods of service delivery. We work with partner organisations to deliver services and manage demand, making best use of our collective resources. We take a 'One Council' approach to delivering our priorities and set out our targets and objectives in the Council Plan. We monitor our progress and report it quarterly.<br><br>The Council reviews and updates its 20-year Capital Strategy annually as part of the RPPR process, which sets the framework in which the capital programme is planned and allows the Council to prioritise investment to support its objectives. The development and delivery of the capital programme is overseen by a Capital Strategic Asset Board (CSAB), which is a cross departmental group, who also hear from Departmental Capital Board/Sub Boards who oversee priority areas.<br><br>Our plans take account of known risks and pressures, including social, economic, policy and demographic changes and financial risks. However, we continue to operate in changing and uncertain contexts. Current and forecast economic conditions continue to shape a very challenging financial outlook both for the Council itself and many of the county's residents and businesses. Alongside this we continue to face ongoing challenges as a result of the persistent legacy of Covid, the increased cost of living and other national and international factors. We will continue to use the latest information available on these challenges to inform our business planning. On 10 June 2025, the Lead member for Resources and Climate Change approved the commissioning of CIPFA to undertake a resilience and governance review in relation to the financial challenge faced by the Council. Officers will consider the recommendations in the report and take forward actions accordingly.<br><br>We will also continually review our performance targets, priorities, service offers and financial plans, and will update these as required. As part of this we will continue to take action wherever we can to mitigate financial and service delivery pressures – making best use of new technology, investing in our workforce, seeking efficiencies, and checking that our services are effective and provide value for money. | Red |

| Ref | Strategic Risks | Risk Control / Response and Post Mitigation RAG score | RAG |
|---|---|---|---|
| | Strategy and increase the pressure on the revenue budget via increased borrowing costs. | We lobby, individually and in conjunction with our networks and partners, for a sustainable funding regime for local government in general and for children's social care and adult social care specifically, to meet the needs of the residents of East Sussex. If the funding reforms do not lead to an increase in funding for our services, we will need to consider further options, including seeking Exceptional Financial Support. | |
| **12** | **CYBER ATTACK**<br>The National Cyber Security Centre (NCSC) has highlighted the enduring and significant threat to UK infrastructure. From ransomware attacks to AI-enabled intrusion, malicious actors are looking to maximise their disruptive and destructive efforts in an increasingly connected world.<br>Cyber-attacks are growing more frequent, sophisticated, and damaging when they succeed. Ransomware remains the most significant cyberthreat to the UK, primarily driven by financially motivated organised crime groups.<br>The UK's Strategic Defence Review acknowledges daily cyber-attacks as a persistent threat and emphasises a shift towards digital warfare capabilities. Amid a rise of state aligned groups, whilst the UK is not disproportionately targeted, there is an increase in aggressive cyber activity and ongoing geopolitical challenges. There is an accelerated need to keep pace with the dynamic threat landscape.<br>Furthermore, while AI presents huge opportunities, it is also transforming the threat landscape. Cyber criminals are adapting their business models to embrace this rapidly developing technology - using AI to increase the volume and impact of cyber attacks against citizens and organisations. Meanwhile the proliferation of advanced cyber intrusion tools is lowering the barrier for entry to criminals and states alike. | Most attacks leverage software flaws, gaps in boundary defences or social engineering-based insertion methods (such as legitimate looking emails which trigger viral payloads or impersonation of Service Desk support). These are becoming harder to identify and filter and rely on user security vigilance in tandem with technical controls.<br>IT&D use modern security tools to assure our security posture: Monitoring network activity and identifying security threats; Keeping software up to date with regular patching regimes; Continually monitoring evolving threats and re-evaluating the ability of our toolset to provide adequate defence against them; Ongoing communication with the security industry to find the most suitable tools and systems to secure our infrastructure. IT&D continues to invest in new tools, which use pre-emptive technology to identify threats and patterns of abnormal behaviour.<br>Services hosted in ISO 27001 accredited Orbis Data Centres.<br>As well as mitigations against attack, the following measures are currently in place to minimise the impact should there be a successful attack:<br>• Behavioural analysis systems defend against hostile activity<br>• Resilient systems enhanced with immutable backups enable quick recovery<br>• Robust protocols for response escalation and communication | **Red** |

| Ref | Strategic Risks | Risk Control / Response and Post Mitigation RAG score | RAG |
|---|---|---|---|
| 22 | **DELIVERY OF ORACLE IMPLEMENTATION**<br>There is a risk that the overall implementation of Oracle (across phases 1 to 3) may not achieve the outcomes planned which results in:<br>•higher delivery costs<br>•longer timescales<br>•a reduced quality of back office services from a substandard technical implementation<br>•risk of not meeting statutory or contractual requirements such as payments of Pay as You Earn (PAYE) / National Insurance (NI), pensions, suppliers and employees<br>•general organisational issues<br>•an inadequate control environment<br>•lack of user buy-in and adoption due to a lack of organisational readiness impacting on core business processes<br>•additional pressure on business as usual capacity from high resource demands during delivery<br>•risk to employee wellbeing from high workloads and delivery timescale<br>Failure to implement would result in the use of an unsupported and unlicenced system (or subject to ransom charges on some level of support) as the SAP system passes its expiry date and would miss out on efficiencies that can be gained through the new system. | Phases 1 and 2 of the implementation, covering Enterprise Performance Management, Finance, Procurement, Oracle Helpdesk and Recruitment, are now live and have successfully exited the period of 'hypercare' (effectively the warranty period for the build quality of the system). These areas of Oracle functionality are now in BAU and the operational risks are therefore being managed on a day-to-day basis through the functional areas and through the Oracle system support team, with the support from the Oracle programme where required. This includes keeping documentation and training materials up to date, managing the Oracle quarterly updates and resolving any queries or issues that may arise, as for any other BAU type activity.<br>Phase 3 (payroll, and employee and manager self-service) is currently in its planning stage. An earliest realistically achievable go-live date for this phase is currently being considered, the delivery of which will include appropriate governance (including risk identification and mitigation, as well as audit), technical implementation, organisational readiness and plans for post go-live support.<br>To complete the phase 3 implementation, it is necessary to ensure that sufficient programme resource is in place, and this is therefore kept under constant review. In addition, a positive ongoing working relationship with our implementation partner, Infosys, needs to be in place. The project lead and other key stakeholders therefore have regular conversations with Infosys senior staff and escalate issues where necessary.<br>It is also necessary for the organisation to prioritise programme activity at key points in time and this is also therefore kept under constant review | Red |
| 15 | **CLIMATE**<br>Mitigation: the Council needs to play its part in meeting both the international agreement to keep | **Climate change mitigation:** the Council's science-based target is to reduce scope 1 and 2 carbon emissions by 50% every 5 years (equating to 13% per year). The focus is on buildings, as they | Red |

| Ref | Strategic Risks | Risk Control / Response and Post Mitigation RAG score | RAG |
|---|---|---|---|
| | the average global temperature increase under 1.5°C above pre-industrialisation levels, as well as the legally binding national target to reach 'net zero' by 2050.<br><br>Adaptation: the Council needs to adapt relevant services to the predicted impacts of climate change in East Sussex, including more frequent and intense flooding, drought, episodes of extreme heat, and accelerated coastal erosion. If services are not sufficiently adapted to climate change this will lead to an increase in heat related deaths (particularly amongst the elderly), damage to essential infrastructure, property damage from flooding, and disruption to supply chains. | contributed 79% of carbon emissions in 2020/21, though funding constraints mean that the target is extremely challenging to meet.<br><br>The target for 2025/26 is for the delivery of a further 10 capital schemes, as part of business-as-usual asset management work. In Q1 a total of 5 schemes were completed. A pipeline of additional projects is being developed. The estimated outturn is for 10 capital schemes to be completed this year.<br><br>**Climate change adaptation:** the Council is working to ensure that all relevant Council service areas will integrate adaptation into their service planning by 2030 (within the constraint of the resources available). In addition, the Council has some direct responsibilities for county-wide climate change adaptation, for example as the Lead Local Flood Authority.<br><br>The target for 2025/26 is to develop service-based guidance and tools on integrating climate adaptation and trial with 3 services. The 3 service areas are currently being identified. The corporate Climate Emergency Board oversees progress for both mitigation and adaptation.<br><br>Ultimately there is not sufficient funding available for the Council to be able to keep pace with the science-based target to half emissions every five years. Although grant funding will be sought to mitigate against this, it is unlikely to be sufficient. The council will continue to work on what it can to reduce emissions with the funding it has available including working with its supply chain on Scope 3 emissions. | |

| Ref | Strategic Risks | Risk Control / Response and Post Mitigation RAG score | RAG |
|---|---|---|---|
| 20 | **PLACEMENTS FOR CHILDREN AND YOUNG PEOPLE IN OUR CARE**<br><br>Inability to secure sufficient high quality placements for children in our care, suitable accommodation for care experienced young people and respite provision, leading to significant financial pressure and poorer outcomes for children/young people.<br><br>The risk of the failure of one or more key providers in the independent sector is an increasing concern, set against necessary regulatory tightening of profit which might further impact the market. | Effective demand management, robust management of front door<br><br>Delivery of early help services, implementation of Family Hub programme throughout 2023-24, and Level 2 Family Keyworkers<br><br>Implementation, monitoring and evaluation of Edge of Care 'Connected Families', The Family Hubs programme has been implemented across East Sussex delivering early intervention and support within communities, Connected Families (Connected Coaches and Intensive Practitioners), Foundations, SWIFT are delivering intensive evidence based interventions alongside Social Workers to maximise the opportunity for children to be cared for within their own family. There has been a 14% reduction in the number of children subject to child protection plans since February 2024, this is as a direct result of the launch of the Connected Families Intensive Practitioners (CFIP service).<br><br>Further delivery of kinship/Special Guardianship Order placements.<br><br>Capital bid for Sorrel Drive.<br><br>In 2023/24 Children's Services worked with IMPOWER to enhance our approach to using data to shape placement sufficiency. We have developed trajectory planning, implemented the 'Valuing Care' approach to ensure children receiving the right care for their needs and value for money achieved, and improved support for in house foster carers, including an investment in allowances. An analysis of the children becoming Looked After during Q1 2024-2025, indicates that a high proportion (81%) are entering into foster care or kinship care provision rather than residential care.<br><br>Fostering Recruitment & Retention Strategy completed. East Sussex County Council is part of the South East Sector Led Improvement Programme, Regional Fostering Strategy and piloting Mockingbird hub.<br><br>Uplift to fostering allowance (for in house carers, Special Guardianship Orders, Kinship carers) approved by the Chief Management Team to help secure sufficient supply of in house foster carers as an alternative to more expensive care packages.<br><br>The valuing care tools have been embedded into the business as usual with a strong focus on reunification. In Q4 A strategic group was set up to drive forward the valuing care agenda which will report into the Transformation Board chaired by the Director of Children's Services.<br><br>Fostering allowance uplift has been made part of the recruitment drive. Both elements are attempting to mitigate the increased costs due to the lack of placements for Looked After Children.<br><br>Q1 has seen a significant rise in foster carer applications in this period. The new Duty and Commissioning team have added capacity to the service and we are already seeing impact with placements and prices.<br><br>Q2 has continued the trajectory above with tighter discussions and process, however the market continues to present a challenge. | Red |

| Ref | Strategic Risks | Risk Control / Response and Post Mitigation RAG score | RAG |
|---|---|---|---|
| 19 | **SCHOOLS AND INCLUSION, SPECIAL EDUCATIONAL NEEDS AND DISABILITIES (ISEND)**<br>For Children with Special Educational Needs. Inability to secure statutory provision due to lack of availability of specialist placement within the county and increasing demand for placements in this sector. This would put the Council at risk of judicial review and/or negative Local Government Ombudsman judgements for failing to meet our duties within the Children and Families Act 2014, with associated financial penalties and reputational damage. | Effective use of forecasting data to pre-empt issues.<br>Work with statutory partners to develop contingency plans.<br>Work with the market to increase provision where needed.<br>Expanding internal interim offer for children. | Red |
| 1 | **ROADS**<br>Extreme weather events over recent years, including the last winter, have caused significant damage to many of the county's roads, adding to the backlog of maintenance in the County Council's Asset Plan: and increasing the risk to the Council's ability to stem the rate of deterioration and maintain road condition. | The changing climate is now influencing the rate of road deterioration, with more extreme events such as warmer wetter winters; and drier summers punctuated by unseasonal heavy downpours (drying and shrinking the substructure of roads). Additional funding over the last few years has helped maintain road condition, however, the latest condition and funding modelling showed the potential for continued deterioration over the next 10 years.<br>The highway's maintenance budget for 2025/26 only includes government grant. In previous years we have increased spend through borrowing. We no longer have the flexibility to borrow because of the broader revenue pressure on Council services. This means the level of funding available is below the £25 million needed each year to keep our roads in a steady condition. This funding shortfall, alongside rising costs, presents a considerable challenge in maintaining current standards across the whole network. As a result, we are now taking a more targeted approach to managing network condition—prioritising routes of highest importance to ensure we maintain a safe and resilient core network.<br>This means making difficult decisions about where limited resources can have the greatest impact. In East Sussex, we are focusing on A and B roads and key non-principal routes* that form part of our resilient network, because they are vital for emergency services, public transport, and the local economy. Mitigations include encouraging road users to report potholes so we can intervene as soon as possible in accordance with our policies; closely managing the operational performance of the highway contractor; and lobbying Government for additional investment as, without it, it will be increasingly difficult to manage the risks of further decline.<br>In conjunction with this, new technologies and materials are being trialled to introduce improvements to practices and ensure works are as efficient as possible. This includes introducing a new Asset Management system with enhanced capabilities for data management and funding | Red |

| Ref | Strategic Risks | Risk Control / Response and Post Mitigation RAG score | RAG |
|---|---|---|---|
| | | modelling, and introducing smart street lighting systems that allow greater control over levels of lighting, reducing energy consumption.<br><br>* Due to poor delivery planning by the appointed contractor, the routine Coarse Visual Inspection (CVI) survey of the U-road network, used to produce data for maintenance planning, is recommended to Cabinet to have a 'zero return' for 2024. This area will be re-surveyed, by a new highway condition survey contractor, in 2026 to re-establish a reliable condition baseline for that area. See Appendix 6 for full details. | |
| 4 | **HEALTH**<br><br>Failure to secure maximum value from partnership working with the National Health Service (NHS). If not achieved, there will be impact on social care, public health and health outcomes and increased social care operational and cost pressures, as well as shared Integrated Care System objectives for jointly managing patient flow through our System.<br><br>An increase in activity and complexity in the presentation of patients through our acute hospital sites, has resulted in an increase in the NCTR (No Criteria to Reside) numbers and presents a system risk in respect of adequate patient flow.<br><br>Integrated Care Board (ICB) operating costs and programme funding will need to reduce by 50% by Q3 2025/26 as per a national mandate. For NHS Sussex this means a reduction of 53% which presents a risk to the way ESCC works with the NHS to jointly commission services locally and get the best value out of the collective resources available for our population, and could have implications for the Sussex Integrated Care System (ICS) which would impact on alignment with the Sussex Combined Mayoral Authority Devolution plans. | East Sussex was allocated £5,088m, as part of the national Government Discharge Fund Grant for 2024/25, to support local authorities to build additional adult social care and community-based reablement capacity to reduce hospital discharge delays by delivering sustainable improvements to services for individuals - focussed on improving discharge to home, alongside increased therapy and assessment provision and associated plans to reduce the use of bedded discharge pathways. Collaborative work continues with ICB and NHS colleagues on our Hospital Discharge Transformation work and how as a system we can support and expedite discharges from both local and out of county hospitals, to address the increase in the number of patients who no longer meet the Criteria to Reside (NTCR) in an acute hospital bed. In light of this, two Hospital Social Work Teams currently support discharge either through established routes via SPOT purchase or Discharge To Assess beds in the community. Additional capacity has been provided through joint ESCC and ICB investment. This was utilised through a temporary increase of D2RA ('discharge to recover and assess') and spot-purchased beds in the community to the end of Q1 2025/26. An additional scheme to expedite discharges of self-funding patients from acute sites was commissioned with Xyla. This supports 15 placements a month and oversight of this is through place-based Operational Executive (OPEX). System funding allocations have been agreed for Q1 2025/26 for Hospital Discharge Schemes, the use of which is being monitored at Place.<br><br>Building on our ICT development work in 2024/25, we have now established the shadow leadership infrastructure for our 5 Integrated Community Teams (ICTs) in East Sussex across primary, community and social care, linking with mental health, VCSE and housing. This will enable the development of joint local action plans based on population needs and challenges and aligned to the strategic objectives of our health and care system, building on relevant tests of change and other pilot activity to support integrated care through closer working at the neighbourhood level. Over time this is expected to reduce the need for urgent and unplanned attendance and admission to hospital, through moving to a model of better coordinated and proactive multi-disciplinary care for people with complex health and care needs, for example due to multiple long term conditions and frailty.<br><br>In March 2025 it was nationally mandated that Integrated Care Board (ICB) operating and programme funding costs will need to reduce by 50% by Q3 2025/26, with running costs of £18.76 per head of weighted population set as a national target for ICBs, excluding certain services. This target means each ICB, or the regions they are a part of, must reduce their overall spend per head of weighted population to this level. For NHS Sussex this equates to a reduction of 53%, and comes on top of already having recently restructured significantly to deliver a 30% running costs reduction in 24/25. This presents a risk to the way ESCC works with the NHS to jointly commission | Red |

| Ref | Strategic Risks | Risk Control / Response and Post Mitigation RAG score | RAG |
|---|---|---|---|
| | | services locally and get the best value out of the collective resources available for our population. This could also have implications for the Sussex Integrated Care System (ICS) more broadly, for example if the ICS footprint changes to a larger scale to accommodate the reduction, which would impact on alignment with the Sussex Combined Mayoral Authority Devolution plans. A national ICB model blueprint has recently been produced which describes the future strategic role of ICBs, and signals potential transfers of current Continuing Healthcare, SEND and safeguarding functions, all of which would need primary legislation to enact (and would therefore be post cost reductions). Notwithstanding feedback about the lack of engagement with Local Government (LG) as a key partner, and the importance of coterminous footprints with the NHS for a future Sussex MCA, NHS Sussex will 'cluster' with NHS Surrey Heartlands and NHS Frimley from Q3 2025/26 prior to the creation of a combined NHS Surrey and Sussex ICB from Q1 2026/27. Discussions are ongoing to secure appropriate (East Sussex) Place based decision making, resource allocation and local authority representation within the new NHS organisation. | |
| **23** | **LOCAL GOVERNMENT REORGANISATION AND DEVOLUTION**<br>Both the proposed creation of a new Mayoral County Combined Authority for Sussex and the proposed transition from a two tier local authority arrangement to a unitary government model for East Sussex will have a significant effect on our workforce. These are likely to lead to additional workloads for staff over the next few years. The timescales for implementation are challenging and will place considerable additional pressures on teams. This could result in resources being diverted from the ongoing delivery of services and a consequential deterioration in service delivery. | Through our RPPR process we will continue to review the resources required to support Devolution and Local Government Reorganisation and will lobby Government for additional funding to help support the significant additional workload this will place on the Council. We will also continue our work on supporting staff through change and will ensure all staff are aware of the full range of support available to them.<br>Additional mitigations will be implemented as the potential impact on both the Council and our local area becomes clearer. | **Amber** |
| **9** | **WORKFORCE**<br>An inability to attract and retain the high calibre staff needed in key services and roles could lead to a reduction in the expertise and capacity required to deliver statutory services to our residents, including to prevent harm to children, young people and vulnerable adults at the required level and standards, impacting on the achievement of the Council's strategic objectives. | A number of strategies have been put in place to support our recruitment and retention aims. Work being undertaken includes:<br>- ongoing use of apprenticeships, traineeships, intern arrangements and more flexible work arrangements etc as a way of bringing in new talent to the Council.<br>- the launch of a new recruitment website 'East Sussex County Council Careers' which contains a range of engaging content about working for the Council as well as step by step guidance on applying for our jobs.<br>- the delivery of mentoring to young people in care by Adecco (the Councils Agency supplier) as part of their social value offer.<br>- engagement with employees at ESCC who are under 25, to get feedback on what attracted them to the Council as an employer; and to begin establishing a forum for young people to highlight any issues, and to attract candidates from a younger demographic to the Council. | **Amber** |

| Ref | Strategic Risks | Risk Control / Response and Post Mitigation RAG score | RAG |
|---|---|---|---|
| | | - continued delivery of inclusive recruitment training to managers<br>- ongoing promotion of guidance to managers on making reasonable adjustments for disabled candidates.<br>- guidance on the use of volunteers as a route into the workplace is being developed. The intention is for such opportunities to support people who are out of work to come back into the workplace through gaining confidence and experience of work<br>- a review of the current leadership development offer following the delivery of our two leadership development programmes: 'Ladder to Leadership' and 'Head of Service Masterclasses'. | |
| **18** | **DATA BREACH**<br>A breach of security/confidentiality leading to destruction, loss, alteration, unauthorised disclosure of, or access to, personal data. This includes breaches that are the result of both accidental and deliberate causes. A personal data breach is a security incident that has affected the confidentiality, integrity or availability of personal data regardless of whether information has been accessed, altered or disclosed via electronic or manual means. While AI presents huge opportunities, used inappropriately, the risk of data breach is heightened.<br>Risks to individuals, reputational damage, fines from the Information Commissioner's Officer (ICO), compensation claims. | Policy and guidance procedures in place to support practice.<br>Data Protection Officer (DPO), Caldicott Guardians and Information Governance Officers monitor breach reporting and put in place mechanisms to minimise recurrence.<br>Staff training to develop awareness. E-learning and policy delivery mechanism expanded to enhance skills and increase awareness of responsibilities under General Data Protection Regulation legislation.<br>Technical security measures operated by Information Technology and Digital (IT&D), including access control and segregation of duties. | **Amber** |

| Ref | Strategic Risks | Risk Control / Response and Post Mitigation RAG score | RAG |
|---|---|---|---|
| 6 | **LOCAL ECONOMIC GROWTH**<br>The devolution of powers, responsibilities, functions and funding through a Mayoral Combined County Authority (MCCA) for Sussex will lead to significant changes, impacts and opportunities for East Sussex County Council (ESCC) in enabling and supporting the local economic growth for our residents, businesses and visitors.<br>Possible consequences if the devolution is not managed successfully include:<br>• Ineffective structures and mechanisms to position and make the case for local economic growth in East Sussex<br>• The county unable to access future investment opportunities if East Sussex does not influence strategy development and adoption to determine strategic priorities at MCCA level<br>• Lack of development of a credible pipeline of investments that will seek to maximise the levels of funding<br>•Lack of funding secured from MCCA for major programmes, which then limits our ability to raise GVA and productivity in the area;<br>• Loss of an effective 'business voice' through the current local economic growth board (Team East Sussex) and its various subgroups able to provide intelligence and set the strategic direction for the county. | In July 2025 the Government approved the Sussex and Brighton MCCA, to cover East Sussex, West Sussex and Brighton and Hove, to be established from May 2026.<br>At this stage the details are unclear as to how the devolved functions will operate between the new MCCA and existing upper tier authorities (and then subsequently the unitary authorities, as a result of Local Government Reorganisation from May 2027). Our risk control/response will be adjusted as information becomes available to consider the wider impact / opportunity this will have on the local economy through the development at a Sussex wide level of jointly agreed strategies and the resulting funded and commissioned programmes.<br>As part of our initial response to mitigate these risks we are undertaking the following:<br>• new Local Transport Plan 4 to 2050 is in place and we are developing a series of accompanying transport modal strategies, alongside investment plans to support the implementation of the devolved MCCA transport powers.<br>• We and strategic partners are developing an investment plan in 2025 to accompany the 'East Sussex Prosperity to 2050' economic growth strategy to articulate our investment propositions and asks to the new devolved MCCA and Government, whilst also addressing the Governments emerging Industrial Strategy and Sector Plans.<br>• We run the East Sussex Growth Hub services and Government have confirmed funding 2025/26 and in future years will provide a multi-year funding settlement for 2026-28.<br>• We ensure the business voice continues to be heard through Team East Sussex, our local strategic advisory economic growth board for the county, which continues to meet on a quarterly basis.<br>The Council is in a good position to mitigate risks on employment support and skills as it will be contributing to the development of the Get Sussex Working Plan by September 2025 and the Local Skills Improvement Plan by March 2026, alongside delivering major Government funded programmes for Connect to Work, Skills Bootcamps and Careers hub to name a few. | **Amber** |
| 21 | **Annual Care Act reviews and Deprivation of Liberty Safeguarding (DoLS) assessments**<br>Demand exceeding capacity for annual Care Act reviews and Deprivation of Liberty Safeguarding (DoLS) assessments | • These are known issues for virtually all local authorities with social care responsibilities as this activity falls within our duties under the Care Act 2014 and Mental Capacity Act 2005.<br>• We have measures for Care Act reviews and DoLS assessments included in the Council Plan for scrutiny from Members and the public. As of Q4 2024/25, we are meeting our target for adult Care Act reviews (outturn is 6 days against a target of 6 days) and carer Care Act reviews (outturn is -1 day against a target of 6 days, meaning reviews started on average 1 day before their proposed start date). We are also meeting our target for the number of people with a DoLS episode awaiting allocation of a Best Interest Assessor (429 people against a target of 650).<br>• We use regular benchmarking. For example, we have the 3rd lowest number of reviews overdue by more than 12 months out of 18 local authorities in the South East (comparing March 2025 data to August 2023 South East data, which is the latest available). | **Amber** |

| Ref | Strategic Risks | Risk Control / Response and Post Mitigation RAG score | RAG |
|---|---|---|---|
| | | Mitigations and actions:<br>• We are continuing to increase the number of reviews completed year-on-year to help meet increasing demand, and to prioritise reviews according to people's needs. The number of adult Care Act reviews completed increased by 10% in 2024/25 compared to 2023/24, and the number of carer reviews increased by almost 9%.<br>• A project to reduce Care Act waiting times began in April 2024. Since then, the median wait time for adult and carer reviews (combined) has reduced from 7 days to 3 days. As of March 2025, there were no carer reviews overdue by more than 12 months.<br>• We have oversight of performance at all levels of the Council to ensure visibility, accountability and grip. Weekly and monthly reporting is sent to Operational Managers at all levels, and then scrutinised by the Waiting Times Steering Group and the Improvement and Assurance Board on a regular basis.<br>• Since October, we have piloted the delegation portal with our strategic partner Care for the Carers, making it easier and quicker for them to process carer reviews.<br>• Young carers reviews are undertaken by Imago Community, ensuring a timely assessment and review for this cohort. | |

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| **Report to:** | **Cabinet** |
| **Date of meeting:** | **24 September 2025** |
| **By:** | **Director of Communities, Economy and Transport** |
| **Title:** | **Transport for the South East (TfSE) - Transport Strategy Refresh 2025** |
| **Purpose:** | **To demonstrate East Sussex County Council's support for TfSE's Transport Strategy Refresh 2025.** |

**RECOMMENDATIONS:**

**Cabinet is recommended to:**

1) **note the updated refreshed TfSE Transport Strategy 2025; and**
2) **note the continued support from East Sussex County Council towards the refreshed strategy as a constituent authority of TfSE's geography.**

## 1 Background

1.1 Transport for the South East (TfSE) is the sub-national transport body (STB) for the South East of England. Established in 2017, TfSE is made up of sixteen upper tier authorities including Brighton and Hove, East Sussex, Hampshire, Isle of Wight, Kent, Medway, Portsmouth, Southampton, Surrey and West Sussex and the six Berkshire authorities. The TfSE geography is shown at Appendix 1.

1.2 In 2020, TfSE adopted their first Transport Strategy with the intention to refresh it every five years. Their refreshed transport strategy has been updated to reflect a review of the evidence base, national and local policy changes; intensified decarbonisation efforts, post-Brexit trade dynamics, and shifts in travel behaviour due to the Covid-19 pandemic.

1.3 A public consultation on the refreshed Transport Strategy started on 10 December 2024 and closed on 7 March 2025. The consultation sought the views of stakeholders on the draft refreshed Transport Strategy, alongside the supporting Integrated Sustainability Appraisal. East Sussex County Council submitted a formal response in March 2025 which was approved by Cabinet on 4 March.

1.4 Following the consultation, TfSE have updated the strategy following all the feedback received. The draft final Transport Strategy has been considered by the TfSE Partnership Board on 21 July 2025 and is expected to be submitted to Government in October 2025.

1.5 The TfSE Strategic Investment Plan (SIP), which provides a framework for delivering the TfSE Transport Strategy by outlining the structure for investment in strategic transport infrastructure, services and regulatory interventions, will be updated during 2025/26.

## 2 Supporting information

<u>TfSE Transport Strategy 2025 – summary key points</u>

2.1 Transport for the South East's mission is "to grow the South East's economy through a safe, sustainable, and integrated transport system that enhances residents' quality of life and protects the environment".

2.2 The refreshed TfSE Transport Strategy continues the shift away from traditional approaches of planning transport infrastructure and services for a future based on recent trends and forecasts to an approach of choosing a preferred future and setting out a plan for how this can be achieved. This change in approach would see a transition away from 'planning for vehicles' towards 'planning for people and places'. This approach is consistent with the East Sussex Local Transport Plan 4 (LTP4) which was adopted in October 2024.

*Vision, Goals and Priorities*

2.3 The draft Strategy vision, whilst similar to the previous Transport Strategy vision, has been updated to highlight 'for the South East to offer the highest quality of life for all and be a global leader in achieving sustainable, net zero carbon growth". It also continues to be underpinned by three strategic goals – economy, society and environment.

*Principles and Strategy Approach*

2.4 TfSE has developed a framework that applies a set of refreshed principles to identify strategic issues and opportunities in the South East, to help achieve the vision of the Transport Strategy. The six principles that underpin the strategy are:

- Vision and validate – The East Sussex LTP4 refers to this principle as 'planning for people and places'.
- Triple access planning – considers transport, digital and social factors.
- Movement and Place – balancing the needs of movement with creating vibrant, liveable spaces which has also been reflected in the East Sussex LTP4.
- User Hierarchy – prioritising pedestrians, cyclists, and public transport over cars (as does LTP4).
- Avoid – Shift – Improve – a strategy to reduce transport carbon emissions.
- Environmental Net Gain – should leave the environment better off than before.

2.5 The East Sussex LTP4 embraces the above principles as part of its strategy. The notable difference is that we do not explicitly state "avoid – shift – improve". LTP4 is about providing choice, and we acknowledge that some choices will not necessarily meet the decarbonisation aspirations, at least in the short-term.

2.6 To support the realisation of the vision, TfSE have prioritised five missions. Each mission has a statement and context, outcomes, priorities (including short- and longer-term as appropriate) and it outlines what success will look like. The five missions being:

- Strategic connectivity - regional transport corridors and access to transport and services.
- Resilience - reliable and smooth journeys for all users.
- Inclusion and integration - inclusive, affordable, and integrated transport network.
- Decarbonisation - leading the South East towards a net zero transport future by 2050.
- Sustainable growth - unlock investment, to create healthy and vibrant connected communities.

*Transport Strategy relationship with Devolution proposals*

2.7 Since the publication of the draft TfSE Transport Strategy for consultation, the Government set out its plans for devolution and the re-organisation of local government in England in its White Paper published on 16 December 2024 followed by the recent Devolution and Community Empowerment Bill released in July 2025. The updated strategy includes several references to this changing policy across both the Sussex and Solent geographies. For East Sussex this sets out our inclusion in the Devolution Priority Programme and the establishment of a new Sussex Mayoral Combined County Authority covering the areas of West Sussex, Brighton and Hove and East Sussex, which is referred to as the Sussex Strategic Authority. On the 17 July 2025, Central Government gave its approval to the establishment of a Sussex MCCA.

2.8 However, with changes emerging at a fast pace the County Council will continue to work in partnership with TfSE to ensure that the strategy and schemes for East Sussex, included in the TfSE SIP is cognisant with the introduction of a Sussex MCCA.

2.9 This will specifically be in relation to the powers and responsibilities that the new Sussex MCCA will have, focussed on transport and local infrastructure as well as other areas of competence which inter-relate with the TfSE Transport Strategy's delivery (e.g.

housing and strategic planning; economic development & regeneration; employment and skills; environment & climate change; health & wellbeing). This will be pertinent in relation to transport with the priorities for the wider Sussex geography being set by the new Mayor eventually through the development of a joint Local Transport Plan across the Sussex Mayoral geography.

2.10 The refreshed TfSE Transport Strategy aligns with the East Sussex LTP4. This alignment, places East Sussex in a strong position to promote the transport priorities of the county to the Sussex MCCA and influence the development of the Sussex MCCA Local Transport Plan when it comes into effect. Importantly this will support ESCC's ability to secure funding for transport schemes and interventions that support the East Sussex LTP4 and the TfSE Transport Strategy and supporting documents.

2.11 In addition to these emerging changes the DfT has recently decided to consolidate funding in the Local Transport Grant. Given this funding it will be for local leaders to take the lead in taking forward regional collaboration in the way they choose and that best suits them. The DfT have confirmed funding will cease to STBs in March 2027. This transport strategy will enable local leaders to make the case for transport investment going forward and it will be for local leaders to determine the future for STBs after March 2027.

TfSE Transport Strategy Consultation responses

2.12 Overall 811 responses were received to the consultation by TfSE, with 742 from individuals and 69 from organisations.

2.13 As highlighted in paragraph 1.3, the East Sussex response was approved at Cabinet on 4 March 2025 and submitted via email on 5 March 2025. Our response would have been considered alongside the other 810 responses.

2.14 TfSE produced a report for their Partnership Board meeting on 21 July 2025 that provided an update on the strategy refresh including a consultation report and updates to the strategy as a result of feedback received. A copy of the report is available at Partnership Board - Transport for the South East – agenda item 8.

2.15 At the meeting of TfSE Partnership Board on 21 July 2025, the proposed changes to the refreshed Transport Strategy and Integrated Sustainability Appraisal to reflect the feedback received in response to the public consultation were agreed. The refreshed Transport Strategy is due to return to the Partnership Board again in October 2025 for its final approval.

## 3 Conclusion and recommendations

3.1 The delivery of the TfSE's refreshed Transport Strategy provides an opportunity to support and grow the economy, boost connectivity and speed up journeys whilst improving access to opportunities for all and protecting and enhancing our region's unique environment. Whilst it is now finalised, it will also need to continue to be cognisant of the fast-moving picture arising from the devolution and local government reorganisation proposals for East Sussex, and the new Sussex Mayoral Combined County Authority as well as other parts of its geography.

3.2 Cabinet is recommended to consider the County Council's continued support for TfSE's Transport Strategy as a constituent member of the sub-national transport body.

**RUPERT CLUBB**

**Director of Communities, Economy and Transport**

Contact Officer: Lisa Simmonds
Tel. No: 07519 293184
Email: lisa.simmonds@eastsussex.gov.uk

LOCAL MEMBERS
All Members

BACKGROUND DOCUMENTS

- East Sussex County Council Cabinet 4 March 2025 (Agenda for Cabinet on Tuesday, 4th March, 2025, 10.00 am | East Sussex County Council – item 7)
- TfSE Partnership Board 21 July 2025. Copies of updated documents are online at Partnership Board - Transport for the South East –item 8. We are unable to confirm that the PDF or webpage is accessible, as the authors are not East Sussex County Council. Any users who are unable to access the documents and/or require the information in an alternative or accessible format should contact Transport for the South East directly by calling 0300 3309574 or emailing tfse@eastsussex.gov.uk.

**TfSE geography (excludes Greater London)**

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|---|---|
| **Report to:** | **Cabinet** |
| **Date:** | **24 September 2025** |
| **Report By:** | **Chief Operating Officer** |
| **Title of Report:** | **Ashdown Forest Trust Fund** |
| **Purpose of Report:** | **To inform Cabinet of the movements on the Trust Fund during 2024/25 and request a draw from the General Reserve.** |

---

**RECOMMENDATIONS**

**Cabinet is recommended to:**

1) **note the report and the Ashdown Forest's Trust Income and Expenditure Account for 2024/25 and Balance Sheet as at 31 March 2025; and**

2) **approve the draw of £99,200 from the General Reserve to fund a programme of tree surveys and works across the forest.**

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## 1. Background

1.1. The Ashdown Forest Trust, a registered charity, was set out by declaration of Trust in 1988. East Sussex County Council is the trustee and agrees grants made to the Ashdown Forest Conservators, from the Ashdown Forest Trust Fund.

## 2. Supporting Information

### 2023/24 Accounts

2.1. Subsequent to the 2023/24 accounts being approved, the independent Examination process has now been completed in accordance with Section 145 of the Charities Act 2011.

2.2. The Examiner's report is attached as Appendix 1. It does not identify any issues that require any further action by the Council as the trustees.

### 2024/25 Accounts

2.3. The Trust's Income and Expenditure Account and Balance Sheet are set out in the attached Appendix 2. The Income and Expenditure Account shows a surplus in 2024/25 of £9,062, as a result of no legal cost being incurred during the year.

2.4. The main source of income to the Trust relates to the rent from the Royal Ashdown Golf Club at £70,000 per annum. The only other income this year was from bank interest.

2.5. The expenditure mostly relates to the £65,100 grant paid to the Ashdown Forest Conservators. The remaining expenditure was for audit fees.

2.6. The accumulative General Reserve totalled £188,346 at 31 March 2025.

2.7. A formal annual report and statement of accounts will be compiled in accordance with the Charity Commission's Statement of Recommended Practice (SORP) by the end of January 2026, once the Independent Examiner report has been received.

**General Reserve**

2.8. The General Reserve current balance is £188,346.

2.9. With the Ashdown Forest Trust Deeds it states in:

- Clause 3(2), the Trust are "promoting the conservation of Ashdown Forest as a quiet and natural area of outstanding beauty and as an amenity and place of last resort for members of the public".

- Clause 7(1)(c), gives the Council power as trustee to permit the Conservators "to apply any profits rents or other income of Ashdown (whether collected by the Conservators or paid to the trustee by the Conservators) in furtherance of the object set out in clause 3 above and so that the trustee may authorise the Conservators to determine the manner in which such profits rents or other income are to be applied in furtherance of the said object…"

2.10. The Conservators have provided the information at Appendix 3, which highlights a £113,700 programme of tree surveys and works required across the forest.

2.11. The Conservators have already carried out the work defined as very urgent and urgent, leaving £107,200 outstanding, of which a further £8,000 will be covered by the Conservator's budget.

2.12. The Conservators have requested to draw the remaining £99,200 from the General Reserve.

## 3. Conclusion and Recommendation

3.1. The Trust made an operating surplus of £9,062 during 2024/25. The General Reserve as at 31 March 2025 amounts to £188,346. This fund is available to finance expenditure which meets the Trust's objectives.

3.2. Cabinet is recommended to note the final accounts for the Ashdown Forest Trust and approve the allocation of £99,200 from the General Reserve.

**ROS PARKER**
**Chief Operating Officer**

Contact Officer: Andy Fowler
Tel No. 07825 552640
Email: andy.fowler@eastsussex.gov.uk

LOCAL MEMBERS
Councillors Roy Galley, Johanna Howell, Phillip Lunn, and Georgia Taylor

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CHARITY COMMISSION FOR ENGLAND AND WALES

# Independent examiner's report on the accounts

## Section A Independent Examiner's Report

| | | | |
|---|---|---|---|
| **Report to the trustees/ members of** | Charity Name<br>ASHDOWN FOREST TRUST | | |
| **On accounts for the year ended** | 31st March 2024 | **Charity no (if any)** | 800437 |
| **Set out on pages** | 1-22 | | |

I report to the trustees on my examination of the accounts of the above charity ("the Trust") for the year ended 31/03/2024.

**Responsibilties and basis of report**

As the charity's trustees, you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ("the Act").

I report in respect of my examination of the Trust's accounts carried out under section 145 of the 2011 Act and in carrying out my examination, I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

**Independent examiner's statement**

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination which gives me cause to believe that in, any material respect:

- the accounting records were not kept in accordance with section 130 of the Charities Act; or
- the accounts did not accord with the accounting records; or
- the accounts did not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

** Please delete the words in the brackets if they do not apply.*

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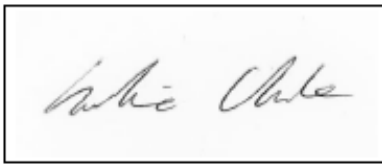
|---|---|---|---|
| **Signed:** |  | **Date:** | 15/1/2025 |
| **Name:** | Caroline Clarke | | |
| **Relevant professional qualification(s) or body (if any):** | ACA | | |

| Address: | 66 High Street |
|---|---|
| | Lewes |
| | BN7 1XG |

| Section B | Disclosure |
|---|---|
| | Only complete if the examiner needs to highlight material matters of concern (see CC32, Independent examination of charity accounts: directions and guidance for examiners). |
| Give here brief details of any items that the examiner wishes to disclose. | |

## ASHDOWN FOREST TRUST

### Income & Expenditure Account for the year ended 31 March 2025

| 2023/24 | Income | 2024/25 |
|---|---|---|
| £ | | £ |
| (70,000) | Rent of Golf Course | (70,000) |
| (2,836) | Bank Interest | (4,702) |
| (72,836) | | (74,702) |
| | **Less Expenditure** | |
| 65,100 | Conservators of Ashdown Forest - Grants | 65,100 |
| 540 | Fees | 540 |
| (7,196) | (Surplus)/Deficit | (9,062) |

### Balance Sheet as at 31 March 2025

| 2023/24 | | 2024/25 |
|---|---|---|
| £ | | £ |
| 1,200,000 | Fixed Assets: Land and Buildings | 1,200,000 |
| | Current Assets: | |
| 179,924 | Cash at Bank | 188,986 |
| | Current Liabilities: | |
| (540) | Sundry creditors | (540) |
| 1,379,384 | | 1,388,446 |
| | Representing: | |
| | Reserves: | |
| 1,200,100 | Endowment Fund | 1,200,100 |
| 179,284 | General Reserve | 188,346 |
| 1,379,384 | | 1,388,446 |

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# Summary of Report: Tree Condition by Savills Arboriculture

**Overview**

In 2024, the Conservators of Ashdown Forest (CoAF) introduced a new industry-standard policy for tree safety, which has been implemented across the Forest since its approval.

It is based on zoning areas by risk within the Forest and conducting surveys on a three-year cycle. The primary focus of the inspection is the management of health and safety regarding trees, both internally and adjacent to third-party properties and boundaries within the high-use northern regions of the Forest.

The report recommends remedial tree work, including its locations and projected costs, based on a small tree surgery team. The first survey highlighted a significant potential cost to the organisation, estimated at £113,700 for the first year's work. This exceeds our budget for the current financial year by a substantial amount.

See Table 1 for a breakdown of the recommendations, timescale and estimated cost.

**Immediate Actions:**

COAF has already carried out the very urgent and urgent (3 months) work shown in the report (costing £200 and £ 6,300). That leaves £107,200, and our current budget will cover approximately another £8,000. We are also in discussions with neighbouring owners about some of the trees, but the significant majority of identified trees will be our responsibility.

**Future Years 2 and 3:**

As highlighted, this constitutes part of a three-year proactive cycle of inspections and related work. We have increased the budget for 2026-27, although those surveys will be carried out this winter when we will have more information.

**Ashdown Forest Trust**

We understand that there is £179,000 of unrestricted funds in the Ashdown Forest Trust, and that we need to apply for these funds either through a grant or for a specific purpose. The Conservators believe tree management could be considered necessary to provide an ‘amenity and place of resort for members of the public’, Ashdown Forest Act 1974.

**Proposal**

CoAF will assess ways to minimise costs in years 2 and 3 of tree management, but we don’t have the necessary funds to cover this level of expenditure from the first year of the survey. Thus, we propose that the AFT fund £99,200 to ensure the site remains safe for the 1.4M visits to the Forest.

Mark Pearson,
CEO, Conservators of Ashdown Forest

Table 1: Breakdown of works, Savills Arboriculture

| Timescale | Number of trees/groups | Estimated time (hours) | Rate per hour | Appendix | Total estimated budget costs |
|---|---|---|---|---|---|
| Very urgent | 1 | 2 | £100 | A | £200 |
| Urgent - 3 months | 13 | 63 | £100 | A | £6300 |
| High - 6 months | 88 | 403 | £100 | A | £40,300 |
| Moderate - 12 months | 140 | 632 | £100 | A | £63,200 |
| Low - 12 months | 25 | 37 | £100 | A | £3700 |
| **Total** | **267** | **1137** | **-** | **-** | **£113,700** |