

PLACE SCRUTINY COMMITTEE

MINUTES of a non-statutory meeting of the Place Scrutiny Committee held at Microsoft Teams on 22 July 2025.

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

LEAD MEMBERS

Councillor Nick Bennett, Lead Member Resources and Climate Change

Councillor Claire Dowling, Lead Member Transport and Environment

Councillor Penny di Cara, Lead Member Economy

ALSO PRESENT

Philip Baker, Deputy Chief Executive

Ian Gutsell, Chief Finance Officer

Rupert Clubb, Director of Communities, Economy and Transport

Ros Parker, Chief Operating Officer

Karl Taylor, Assistant Director Operations

Andrew Turner, Head of Highways

Edward Jennings, Contract Director for BBLP

Patrick Major, Policy and Scrutiny Adviser

1. MINUTES OF THE PREVIOUS MEETING

1.1 The Chair noted that, due to being held via Microsoft Teams because of a facilities issue, the meeting was being held on a non-statutory basis. The resolutions of the Committee would therefore be formally agreed at its next meeting.

1.2 The Committee RESOLVED to agree the minutes of the meeting held on 20 March 2025 as a correct record.

2. APOLOGIES FOR ABSENCE

2.1 There were no apologies for absence.

3. DISCLOSURES OF INTERESTS

3.1 There were no disclosures of interests.

4. URGENT ITEMS

4.1 There were no urgent items.

5. RECONCILING POLICY, PERFORMANCE AND RESOURCES (RPPR)

5.1 The Deputy Chief Executive introduced the report which starts the Committee's consideration of the budget setting process. The report provides an opportunity for the Committee to look back at the Council's performance through the year end Quarter 4 Council Monitoring report, and a look forward via the State of the County report. The report asks the Committee to identify areas of interest or focus, and where it would like further information as part of its RPPR work and work programme.

5.2 The Chief Finance Officer outlined in more detail the Council's financial position which projected a deficit of £36.5m for 2026/27, reduced to £24.6m if Council Tax were to increase by 5%. He explained that, going forward, the 5% Council Tax increase will be included as core spending within the medium term financial plan, as the Government have made this assumption in the recent funding reviews and reforms. He also set out the significant challenges that the Fair Funding Review presents for East Sussex County Council, including changes to the formulae which will redirect adult social care funding from elderly to working age adults. He highlighted that despite an increase in relative need in East Sussex, the Council would be unlikely to receive an increase in funding, due to council tax equalisation.

Use of reserves

5.3 The Committee discussed the use of reserves and asked why it had been necessary for the Council to rely heavily on reserves to cover the budget deficit for the last couple of years. The Chief Finance Officer, explained that the need to use reserves was driven largely by increasing need in the county for statutory services, particularly in Adult Social Care and Children's Services. This increasing need had not been met by a proportionate increase in funding, and that the Government had not yet put forward long-term solutions for SEND provision and home to school transport. The Fair Funding Review could result in ESCC adult social care funding decreasing, due to the national shift towards funding for working-age people, whereas the bulk of adult social care spending in East Sussex is on older adults, particularly over-85s.

Savings process

5.4 The Director of Communities, Economy and Transport (CET) noted that savings had been made for many years, which in CET alone had been worth about £40m in the last decade. The ability to continue make savings has therefore become more difficult and would require examining all service costs in detail in order to be identified. The Deputy Chief Executive added

that there were tight spending controls in place including a weekly recruitment sign-off process, and purchase order spending over £1,000 being examined by senior officers.

5.5 The Committee commented that the Council would have to be mindful of the needs of the new unitary authority when considering proposals as part of the RPPR process for future years. Cllr Collier commented that his preference was that if further savings were being made this year, they should be focused on universal services to avoid savings with a more direct human impact.

Council tax

5.6 The Committee asked if the Government were likely to consider removing the 5% referendum limit for increases on Council Tax. The Chief Finance Officer was not aware of any Government plans to do this, and noted that it is unlikely to change as the 5% increase is accounted for as part of local authority core spending power in the Fair Funding Review. However, the Fair Funding Review also included expectation of increases in requests for Exceptional Financial Support, which could result in higher Council Tax increases in those areas requiring it.

Fair Funding Review (FFR)

5.7 The Committee commented that the FFR would result in funding being allocated away from ESCC, which was counterintuitive as it is a well-run council. The Committee asked how the Council Tax base would change as a result of Local Government Reorganisation, and whether the new funding formulae would remain relevant in future years. The Chief Finance Officer responded that the Council Tax base is a publicly available data set that the Government are currently using for FFR modelling; whilst there are no plans to change Council Tax as a taxation system, the changing local authority landscape will have an impact on future years. The Government was looking to redistribute available public funding, which the allocations of the Recovery Grant had been indicative of, given that ESCC had not received anything from that grant when it would normally have expected approximately £6m from it.

Property

5.8 The Committee asked how the disposal of property assets could be used as a means to reducing the deficit, although noted that this alone would not deliver financial sustainability, and requested a future report on this topic. The Chief Operating Officer agreed that a report could be considered by the Committee under its work programme. ESCC assets have been subject to a programme of disposals over recent years, and that has partly funded the capital programme. However, the Council's minimal remaining assets available for disposal had lower returns, due to the work required to make them suitable for the market. The Council maintains an Asset Management Strategy which runs until 2025; the Place Scrutiny Reference Group for this strategy had agreed to conduct a light-touch refresh of the strategy and would reconvene when there was more clarity on LGR.

Adult's and Children's services

5.9 The Committee discussed having more of a mixed economy in adult social care, with a combination of ESCC-run and private provision, noting rises in care fees, and asked if Government was considering reform to the care market. The Committee also commented that the Council should consider greater provision for youth services. The Deputy Chief Executive noted that these areas were within the remit People Scrutiny Committee, and could be referred to them for further consideration.

5.10 The Chief Finance Officer added that the Casey Review was ongoing, and any long-term reforms to adult social care would likely come after its completion. The Council has a close relationship with the Social Care sector in the county which is largely made up of many small providers. The cost of social care provision has risen in recent years due to rises in National Living Wage and Employers' National Insurance, which increased costs for the Council. When

considering whether to deliver its own provision, the Council had to bear in mind the cost of staffing, as it was more expensive to directly employ staff than to use private provision. For children's services there are fewer providers which are able to charge much higher fees to ESCC, and there is a South East Regional Care Cooperative working collaboratively to reduce high cost placements.

Funding opportunities

5.11 The Committee asked if the Council was applying for all Government grant funding opportunities. The Chief Finance Officer responded that the Council had explored all available funding avenues and continued to look for all funding opportunities available to it, but that these opportunities are limited. The Director of CET added that resources are used in the bidding process for grant funding, so the council takes a targeted approach to bidding for funding which is most likely to yield results. The Deputy Chief Executive added that the associated costs of bidding for grant funding needs to be considered proportionately when applications are made. As grant funding is often short-term, it doesn't necessarily provide ongoing funding, which was an issue also encountered by the voluntary sector.

Trading Standards

5.12 The Committee asked whether funding was received for enforcing the regulation of illegal tobacco and vape products in East Sussex. The Director of CET confirmed that new burdens funding had been provided by Government for the enforcement of the Tobacco and Vapes Bill.

Parking

5.13 The Committee noted that the State of the County did not include information on use of funding from parking charges and asked how parking surpluses supported public transport. The Director of CET responded that there is a delicate balance which limits the ability to raise funds through parking charges as overly punitive parking charges tend to have a negative effect, reducing overall revenue. Parking rates charged by ESCC had struck roughly the right balance, and would be uplifted in line with inflation. Funds raised through parking are also limited as they can only be used for transport benefit and were currently used to alleviate concessionary fare.

Housing targets

5.14 The Committee expressed concern that the rate of housebuilding in East Sussex would not meet the Government target of 4,500, and that the Council did not have sufficient funding to provide the necessary infrastructure for developments. The Director of CET confirmed that the new Mayoral Strategic Authority would have a responsibility to produce a Spatial Development Strategy, which would identify areas for development and help the Council plan for new housing. There were also a significant number of banked planning permissions in the county at the moment, where permission had been granted but building had not yet commenced.

Streetlighting

5.15 The Committee asked why there had been an overspend in the cost of electricity for streetlighting and why this had been unexpected. It was agreed an answer would be provided outside the meeting.

Social Value

5.16 The Committee noted that the outturn performance for social value in contracts had fallen from 31% in 2023/24, to 19% in 2024/25 and asked why this was. The Chief Operating Officer responded that social value outturn could vary significantly between years, as it only applied to procurements that don't have pre-defined criteria which limited whether social value could be included as part of the contract. As the indicator is based on a small number of procurements, small changes could significantly change the outturn from quarter to quarter, as there were some types of procurements where providers such as SMEs and small care

providers, would struggle with social value requirements in a contract. The Council was considering a more qualitative measure of social value, at which point the target will be reconsidered, and a future report would come to Place Scrutiny.

State of the County Report structure

5.17 The Committee discussed the information provided in the report and how it could be structured to provide for effective scrutiny input, including highlights and more concise information, although some members of the Committee commented that they found the level of information provided to be right. The Deputy Chief Executive responded that the report aimed to be as transparent and informative as possible, and the level of detail to provide for a varied appetite for information which the Committee had expressed, but the comments made would be taken away and considered.

5.18 The Committee RESOLVED to:

- (1) Consider information within the 2024/25 end of year Council monitoring report and State of the County 2025 report and the implications for services within the remit of the committee;
- (2) Agree key areas for scrutiny focus as part of RPPR planning; and
- (3) Establish a RPPR scrutiny board to consider the developing Portfolio Plans and financial plans and to submit scrutiny's final comments on them to Cabinet in January 2026.

6. WORK PROGRAMME

6.1 The Chair introduced the report which outlines future items for the Place Scrutiny Committee. The Committee discussed potential areas of interest for addition to the work programme.

6.2 The Committee noted that Killed or Seriously Injured (KSI) accidents are higher in East Sussex than the national average and asked if this was linked to issues with cats' eyes and road markings, and requested a future report. The Director of CET clarified that there is no evidence to suggest that cats' eyes are linked to KSIs. He noted that most accidents are associated with behaviour, such as driving under the influence of drink or drugs and speeding, and there is a process in place whereby the police inform ESCC if they believe the issues with the road is a factor in an incident.

6.3 The Committee considered streetworks as a potential review topic, including the process for permitting road closures, diversions and communications and engagement with the public about the reasons for road closures. The Director of CET agreed this may be a helpful area for the Committee to consider so that Members better understood the process and could communicate this to residents, as road closures are often unpopular but necessary.

6.4 The Committee requested an update report on SPACES and asked if this could be considered as part of the update on property assets. The Chief Operating Officer suggested that the Committee could receive a SPACES report at their meeting in either November 2025 or March 2026. This report was last considered in March 2024 and could be combined with the asset management report to brief members about combining and making best use of public resources.

6.5 The Committee asked when it would receive an update on the Council's current approach to the use of AI. The Chief Operating Officer suggested that the Committee could receive a briefing in autumn.

6.6 The Committee RESOLVED to:

- 1) Agree the agenda items for the future committee meetings;
- 2) Add streetworks to the work programme and conduct a scoping meeting for a potential review; and
- 3) Agree to re-form the Local Transport Plan 4 reference group, for a briefing session on the Local Transport Plan 4 request assessment process.

7. EAST SUSSEX HIGHWAYS YEAR 2 CONTRACT PERFORMANCE

7.1 The Assistant Director of Operations, introduced the report on East Sussex Highways Performance, which summarises the performance of the contract through the second year (2024/2025) in achieving the contract Service Performance Indicators (SPIs) and outcomes. These outcomes were set prior to awarding the contract to Balfour Beatty Living Places (BBLP) and were focussed around: quality assurance; value for money; stakeholder management; sustainable economic growth; and carbon reduction. Year 2 performance is much improved on Year 1, against the same 17 SPIs and 6 Key Performance Indicators (KPIs), even with higher targets, but there is still scope for improvement in most areas. The report focussed on areas with improvement plans in place, which directed the contractor to address specific areas of concern and continue to deliver value for money and a continuously improving service to the residents of East Sussex.

7.2 The Head of Highways, presented the report. The report showed more stabilised contract performance for Y2 than in Y1. The contract is delivered under East Sussex Highways, in partnership with BBLP, so the indicators measure the performance of the contract itself, not the contractors. He added that East Sussex Highways continuously review organisational and business processes to streamline service requests. The contract contains two incentives for good performance: a reward model based on SPI performance for each service year; and the possibility of the 7-year contract extension if KPIs are met or exceeded. The Contract Director for BBLP added that BBLP took a continuous improvement approach and while there was a high bar set to achieve KPIs, including 100% compliance to reach 'green' status against some indicators, he was hopeful that they could be achieved.

7.3 The Committee asked why some targets are set a 100% compliance, as this seems out of reach in practice. The Assistant Director Operations responded that the targets were set by a previous Scrutiny Committee, and noted that in some situations, a high target is appropriate. If Members felt the targets were inappropriate then they could be reviewed to assess their suitability. Some members commented that the KPIs and SPIs were well defined and thought that the contract had been well negotiated.

7.4 The Committee discussed the role of highways stewards and whether there were issues associated with relying on highway stewards who were employed by BBLP in raising defects with BBLP's work. The Committee noted that local stewards seemingly seemed to change often and asked whether there could be more consistency as this would improve communications with councillors. The Assistant Director Operations responded that the model of reporting through stewards employed directly by BBLP worked well and is appropriate, as it improves efficiency and shortens the time between a customer reporting an issue and resolution. He acknowledged that the changing of stewards could make maintaining continuity of communications for Members difficult, but that they would not want to limit the career progression opportunities for staff given that stewards hold a relatively junior role and may want to move upwards.

7.5 The Committee discussed who was responsible for the cost of long-standing defects in the road, where there has been an issue with repairs. Cllr Murphy referenced a defect on South

Road in Hailsham, where following a resurface water collected on the surface of the road as a drain was in the wrong place, and asked whether this was logged as a defect that BBLP was responsible for, or a new defect. The Assistant Director Operations agreed to provide an answer on South Road to Cllr Murphy outside of the meeting.

7.6 The Committee asked if future reports could include more contextual information on where targets had been missed, for instance the longest outstanding defect. Cllr Shing noted that he would find more information for understanding the challenges in different areas, and commented that some of the common issues concerns within his division were not addressed in the report. Assistant Director Operations noted that if there was specific information Members were interested in, they could contact the team at any point and ask for this. The Head of Highways added that he was keen to understand the concerns in particular circumstances, and that he would be meeting with Councillor Shing in August to better understand the issues in his division.

7.7 The Committee commented that where repairs are temporary, this was inconsistently being indicated with a spray painted 'T', which communicated their temporary status to residents. BBLP Contract Director confirmed that a response to this issue would be provided after the meeting.

7.8 The Committee discussed quality control and the 'right first time' approach repairs as in some areas top dressing/resurfacing has caused other issues, such as blocked drains. BBLP Contract Director responded that an important measure was 'first time fixes' where repairs are only conducted once, which 97% of repairs are. Reactive repair teams also have regular quality reviews which work alongside the 'right first time' quality approach to planned works, to minimise defects in repairs. Quality reviews are conducted every quarter to monitor quality of repairs, and management systems were improving every quarter for managing and measuring quality.

7.9 The Committee discussed that the Member portal, noting that it was not well used. Some councillors noted that they did not find it very user-friendly, and suggested that it show reasons why defects were not deemed at intervention level when an issue has been raised, as well as RAG ratings of roads within local divisions. Assistant Director Operations responded that it is difficult to design the portal to suit all 50 Members, as different Members have different requirements, but offered to put Members in touch with the team to discuss any particular concerns they had. SCANNER surveys had a huge amount of data which it would be difficult to publish online, but if Councillors wanted some more localised information that could be provided. The Head of Highways confirmed that issues that had previously been raised about the member portal were being looked at.

7.10 The Committee asked if full compliance with the contract could be expected by year 7. The Assistant Director Operations answered that full compliance was the expectation, and the contract performance indicated the right trajectory.

7.11 The Committee recognised that there were some issues which were complicated and took a long time to resolve and asked how these issues are tracked over multiple years, and how the contract ensures that this is communicated to Members. Assistant Director Operations responded that it does take a long time to resolve complicated issues but recognised that this was too long in some cases and maintaining communication with Members was highly important throughout.

7.12 The Committee asked whether there were penalties in place for failure to meet targets. The Assistant Director Operations responded that the contractor was paid their actual costs for delivering the service and there were no financial penalties for failure to meet targets. If the contractor beats the targets costs, they received a share of the gain share pot for delivering under cost delivery. Performance could be rewarded with 50% of the accumulated gain share pot but couldn't be accessed if performance was not high enough.

7.13 The Committee discussed whether it could receive an update report on improvements to the service in March 2026, with the results of the 6-month improvement plan. The Assistant Director Operations responded that a report could be brought to the Committee in March, but that some of the targets are annual, so the final outcome of these would not be received until the end of the financial year.

7.14 The Committee raised the frustrations of residents from seeing roadworks without work taking place, and asked how residents are informed of timescales for repairs to manage expectations. Assistant Director Operations responded that this could happen during utility company works, but there are often genuine reasons for a lack of visible work taking place, for example, if newly laid apparatus is being tested. He assured the Committee that permit inspectors regularly inspect utilities works and there are consequences for no work taking place without genuine reason.

7.15 The Committee commented that there was a perception from some of a 'postcode lottery' for road quality across the county, and whether there was an assessment of areas in the county where roads were better than others. It was noted that some areas of the county received a higher volume of complaints which fed a perception that more repairs were done in these areas. The Assistant Director Operations assured the Committee that there is a robust system in place to determine where repairs are carried out, and that repairs are prioritised based on need, not the area or number of complaints.

7.16 The Committee RESOLVED to:

- 1) Note the performance of the second year of the Highways Infrastructure and Services contract with Balfour Beatty Living Places.
- 2) Receive an update report from BBLP at a future meeting to review the performance of Year 3 of the contract.

8. ANY OTHER ITEMS PREVIOUSLY NOTIFIED UNDER AGENDA ITEM 4

8.1 There were none.

The meeting ended at 12.43 pm.

Councillor Matthew Beaver (Chair)