

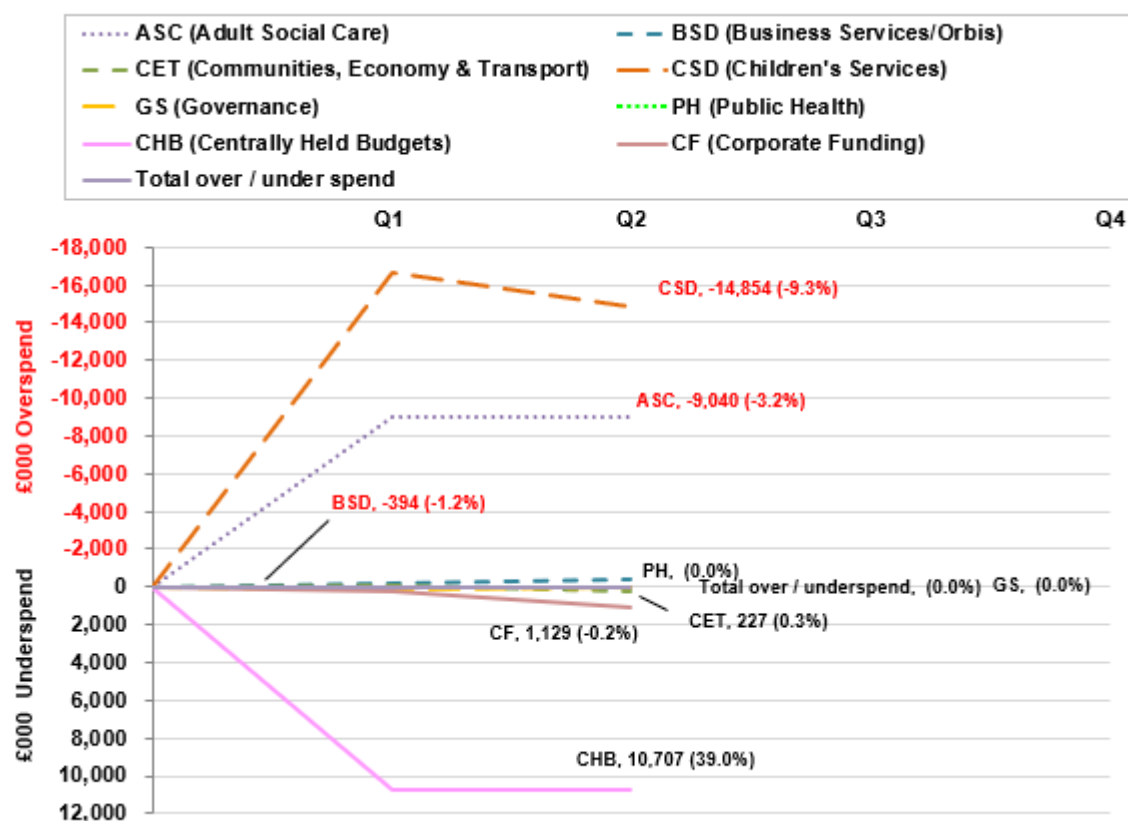
## Council Monitoring Corporate Summary – Q2 2025/26

### Council Plan performance targets

Priority	Red	Amber	Green
Driving sustainable economic growth	0	3	21
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
<b>Total</b>	<b>3</b>	<b>3</b>	<b>51</b>

Performance overview Q2 2025/26	Measures off target by department
<p>A pie chart illustrating the performance overview for Q2 2025/26. The chart is divided into three segments: a large green segment representing 51 measures (90%), a small yellow segment representing 3 measures (5%), and a small red segment representing 3 measures (5%). Labels with leader lines point to each segment: 'Green, 51, 90%' for the green segment, 'Amber, 3, 5%' for the yellow segment, and 'Red, 3, 5%' for the red segment.</p>	<p>There are 57 measures in the Council Plan. In Q2, 3 departments had measures that were off target.</p> <p>BSD – 1 red measure  CET – 1 amber measure  CSD – 2 red measures and 2 amber measures</p>

## 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	451,033	(165,286)	285,747	456,528	(161,741)	294,787	(5,495)	(3,545)	(9,040)
Public Health	38,295	(38,295)	-	38,279	(38,279)	-	16	(16)	-
Business Services / Orbis	65,286	(33,403)	31,883	66,594	(34,317)	32,277	(1,308)	914	(394)
Children's Services	635,284	(475,311)	159,973	662,612	(487,785)	174,827	(27,328)	12,474	(14,854)
Communities, Economy & Transport	174,685	(98,052)	76,633	177,196	(100,790)	76,406	(2,511)	2,738	227
Governance Services	10,012	(635)	9,377	10,002	(625)	9,377	10	(10)	-
<b>Total Services</b>	<b>1,374,595</b>	<b>(810,982)</b>	<b>563,613</b>	<b>1,411,211</b>	<b>(823,537)</b>	<b>587,674</b>	<b>(36,616)</b>	<b>12,555</b>	<b>(24,061)</b>

**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	21,680	(6,900)	14,780	24,342	(10,562)	13,780	(2,662)	3,662	1,000
Capital Programme	1,450	-	1,450	-	-	-	1,450	-	1,450
Pensions	4,702	-	4,702	4,763	-	4,763	(61)	-	(61)
General Contingency	5,650	-	5,650	-	-	-	5,650	-	5,650
Provision for Budgetary Risks	6,093	-	6,093	2,776	-	2,776	3,317	-	3,317
Reserves Movements	414	(6,523)	(6,109)	414	(6,523)	(6,109)	-	-	-
Apprenticeship Levy	772	-	772	859	-	859	(87)	-	(87)
Levies, Grants and Other	124	(11)	113	189	(223)	(34)	(65)	212	147
Debt Impairment	-	-	-	709	-	709	(709)	-	(709)
<b>Total Centrally Held Budgets (CHB)</b>	<b>40,885</b>	<b>(13,434)</b>	<b>27,451</b>	<b>34,052</b>	<b>(17,308)</b>	<b>16,744</b>	<b>6,833</b>	<b>3,874</b>	<b>10,707</b>

**Corporate Funding (CF):**

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)	-	(104,402)	(104,402)	-	1,415	1,415
Revenue Support Grant	-	(4,452)	(4,452)	-	(4,452)	(4,452)	-	0	0
Service Grant	-	-	-	-	-	-	-	-	-
Council Tax	-	(399,222)	(399,222)	-	(398,742)	(398,742)	-	(480)	(480)
Social Care Grant	-	(72,437)	(72,437)	-	(72,561)	(72,561)	-	124	124
New Homes Bonus	-	(517)	(517)	-	(587)	(587)	-	70	70
<b>Total Corporate Funding (CF)</b>	<b>-</b>	<b>(579,615)</b>	<b>(579,615)</b>	<b>-</b>	<b>(580,744)</b>	<b>(580,744)</b>	<b>-</b>	<b>1,129</b>	<b>1,129</b>

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
<b>TOTAL SERVICES, CHB &amp; CF</b>	<b>1,415,480</b>	<b>(1,404,031)</b>	<b>11,449</b>	<b>1,445,263</b>	<b>(1,421,589)</b>	<b>23,674</b>	<b>(29,783)</b>	<b>17,558</b>	<b>(12,225)</b>
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	-	-	-	-	(4,525)	(4,525)	-	4,525	4,525
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
<b>FINAL TOTAL</b>	<b>1,415,480</b>	<b>(1,415,480)</b>	<b>0</b>	<b>1,445,263</b>	<b>(1,445,263)</b>	<b>0</b>	<b>(29,783)</b>	<b>29,783</b>	<b>0</b>

**Revenue Savings Summary 2025/26 (£'000)**

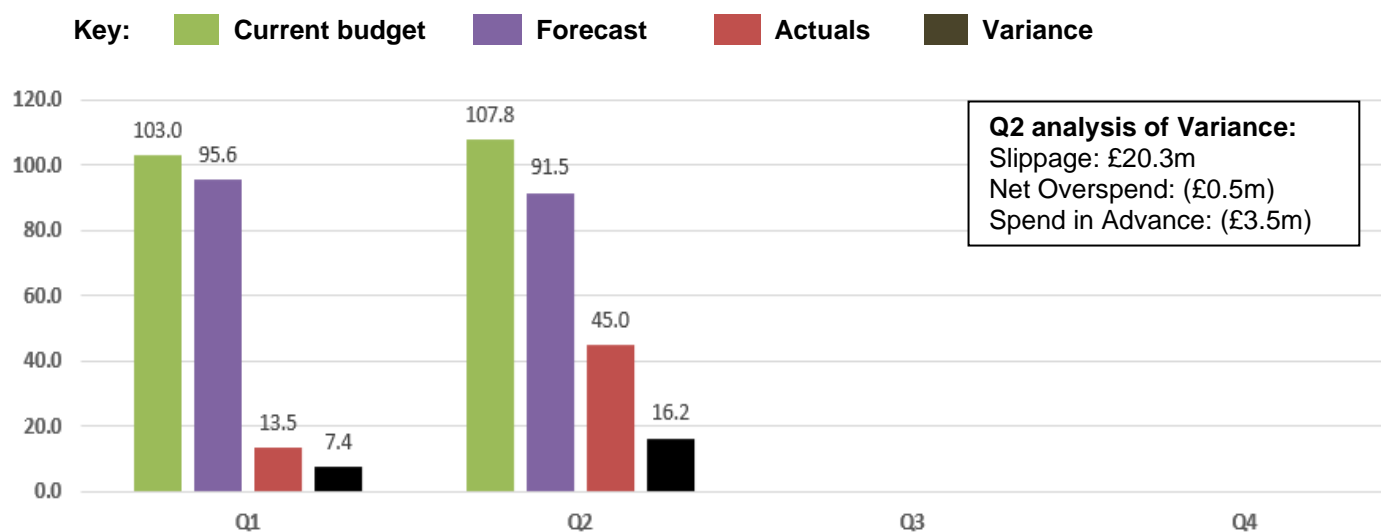
Service description	Original Target for 2025/26	Target including items c/f from previous year(s)	Achieved in-year	Will be achieved, but in future years	Cannot be achieved
ASCH	7,420	7,420	7,208	157	55
BSD/Orbis	1,060	1,060	980	-	80
CS	3,239	3,239	2,598	539	102
CET	1,553	2,298	1,111	1,187	-
GS	233	233	233	-	-
<b>Total Savings</b>	<b>13,505</b>	<b>14,250</b>	<b>12,130</b>	<b>1,883</b>	<b>237</b>
ASCH			55	-	(55)
BSD / Orbis			-	80	(80)
CS			102	-	(102)
CET			-	-	-
GS			-	-	-
<b>Subtotal Permanent Changes <sup>1</sup></b>			<b>157</b>	<b>80</b>	<b>(237)</b>
<b>Total Savings &amp; Permanent Changes</b>	<b>13,505</b>	<b>14,250</b>	<b>12,287</b>	<b>1,963</b>	<b>0</b>

Memo: treatment of savings not achieved in the year (£'000)	Temporary Funding <sup>2</sup>	Part of reported variance <sup>3</sup>	Total
ASCH	157	-	157
BSD / Orbis	-	80	80
CS	-	539	539
CET	-	1,187	1,187
GS	-	-	0
<b>Total</b>	<b>157</b>	<b>1,806</b>	<b>1,963</b>

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

<sup>2</sup> 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).

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

**Capital Programme (gross £ millions) – approved projects****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	1,829	140	-	140	-
Business Services	37,220	35,795	1,425	(5)	4,701	(3,271)
Children's Services	3,005	2,771	234	-	234	-
Communities, Economy & Transport	65,582	51,153	14,429	(481)	15,180	(270)
<b>Gross Expenditure (Planned Programme)</b>	<b>107,776</b>	<b>91,548</b>	<b>16,228</b>	<b>(486)</b>	<b>20,255</b>	<b>(3,541)</b>
<i>Corporate Slippage Risk Factor</i>	<i>(18,890)</i>	<i>(2,176)</i>	<i>(16,714)</i>	-	-	-
<b>Net Expenditure</b>	<b>88,886</b>	<b>89,372</b>	<b>(486)</b>	<b>0</b>	<b>0</b>	<b>0</b>
Developer Contributions	2,171	2,171	-	-	-	-
Other Specific Funding	25,648	25,648	-	-	-	-
Capital Receipts	1,288	1,288	-	-	-	-
Formula Grants	36,641	36,641	-	-	-	-
Recycled Loans	296	296	-	-	-	-
Reserves and Revenue Set Aside	8,680	1,493	<b>7,187</b>	-	-	-
Borrowing	14,162	21,835	<b>(7,673)</b>	-	-	-
<b>Total Funding</b>	<b>88,886</b>	<b>89,372</b>	<b>(486)</b>	<b>0</b>	<b>0</b>	<b>0</b>

## **Treasury Management**

The Treasury Management Strategy, 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 September 2025 have fallen by 57% in 1 year, from £166.9m at Q2 2024/25 to £71.8m at Q2 2025/26.

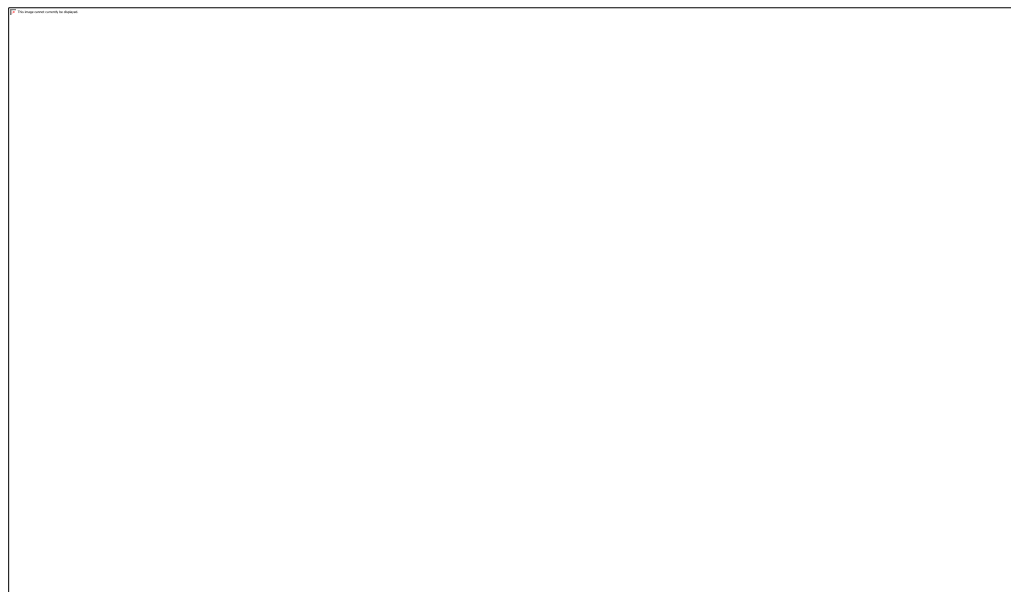
The average level of Council funds available for investment purposes during Q2 was £117.9m. The total amount received in short term interest for Q2 was £1.339m at an average rate of 4.50%, compared to £1.798m at an average rate of 4.74% for Q1 2025/26.

The Bank of England Base Rate was cut by 0.25% on the 7 August 2025, the rate at 30 September 2025 was 4.00%. The prospect for interest rates is for one further reduction in 2025/26 to a 3.75% level by 31 March 2026. Where possible a limited number of fixed term deposits with local authorities and banks were placed for periods up to 1 year in Q2, 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 Q2.

The Council's external debt, totalling £200.1m at Q2, is held as long-term loans and now fully with the Public Works Loan Board. No long-term borrowing was undertaken in Q2. The graph below shows that East Sussex's borrowing remains lower than the average per population for Shire counties.



The Treasury Management budget is currently forecast to underspend by £1.0m. 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 11 February 2025, are set out at Appendix 2.

**Reserves and Balances 2025/26 (£000)**

Reserve / Balance	Balance at 1 Apr 2025	Forecast net use at Q1	Forecast Net use at Q2 *	Movement	Balance at 31 Mar 2026
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**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
<b>Subtotal</b>	<b>25,532</b>	<b>(4,305)</b>	<b>(4,305)</b>	-	<b>21,227</b>

**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)	(4,000)	(2,000)	3,678
Local Government Re-organisation	-	4,200	-	(4,200)	-
<b>Subtotal</b>	<b>36,582</b>	<b>(11,969)</b>	<b>(18,169)</b>	<b>(6,200)</b>	<b>18,413</b>

**Strategic Reserves:**

Priority / Transformation	5,187	(592)	(786)	(194)	4,401
Financial Management	11,276	(5,670)	(5,226)	444	6,050
<b>Subtotal</b>	<b>16,463</b>	<b>(6,262)</b>	<b>(6,012)</b>	<b>250</b>	<b>10,451</b>
<b>Total Reserves</b>	<b>78,577</b>	<b>(22,536)</b>	<b>(28,486)</b>	<b>(5,950)</b>	<b>50,091</b>
General Fund	10,000	-	-	-	10,000
<b>Total Reserves and Balances</b>	<b>88,577</b>	<b>(22,536)</b>	<b>(28,486)</b>	<b>(5,950)</b>	<b>60,091</b>

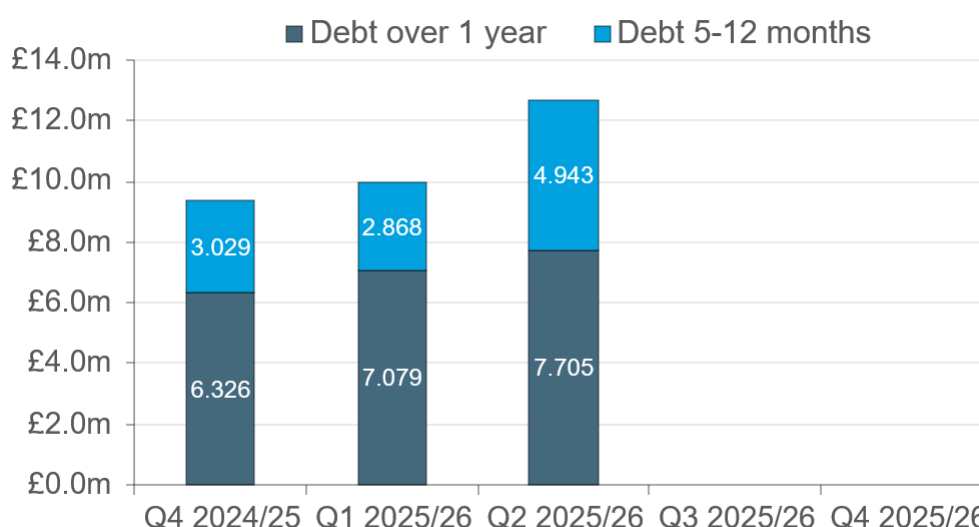
\* Currently excludes any changes between Q1 and Q2 variances, so does not reflect the reduction in overspend at Q2.

**Changes to Fees & Charges**

Buzz Active provides outdoor activities out of three locations in East Sussex, Bushy Wood, Eastbourne and Cuckmere. They run nationally accredited courses, taught by qualified instructors, for individuals, groups and families, for children from six onwards, for schools, and groups with special needs.

During Q2 the service has a number of approved increases to its fees, see below for the details of those above 4%.

Activity	Current £	New £	Movt £	Movt %
Licence to Cuckmere Valley Canoe Club for the boat house at Exceat	1,628.00	1,700.00	72.00	4.42%
Overseas student and school groups - Activity session 2 hour 6-12	32.50	34.00	1.50	4.62%
Overseas student and school groups - Activity session 1.5 hours 12+	24.00	25.00	1.00	4.17%
School and group - Activity session 1.5 hours 6-11	23.00	24.00	1.00	4.35%
School and group - Activity session 1.5 hours 12+	21.00	22.00	1.00	4.76%
School and group - Activity day 4.5 hour 6-12	47.00	49.00	2.00	4.26%
School and group - Activity day 4.5 hour 12 +	47.00	49.00	2.00	4.26%
Eastbourne scout and guide - Catapult (3 hour)	24.00	25.00	1.00	4.17%
Eastbourne scout and guide - Bushcraft (3 Hour)	24.00	25.00	1.00	4.17%
Scout and guide standard - Nav Skills (3 Hour)	16.00	17.00	1.00	6.25%
School and youth group onsite - Nav Skills (3 Hour)	18.00	19.00	1.00	5.56%

**Outstanding debt analysis (£ millions)**

The value of debt aged over 5 months at Quarter 2 has increased by £3.293m, to £12.648m, compared to the 2024/25 outturn position of £9.355m.

The majority, £11.987m (94.77%), of all debt over 5 months old relates to Adult Social Care and Health (ASCH), which has increased by £3.051m compared with the 2024/25 outturn position of £8.936m. A significant factor contributing to this increase is over £2 million of income due where Discretionary or Non-Discretionary Funding was being provided and has ended during the current financial year. While the local authority was providing funding, this could not be recovered due to the absence of a legally authorised individual to settle the charges. Following the appointment of a deputy or attorney, or after the individual has sadly passed away, recovery is now being pursued. Often the amounts due are high value as they relate to charges for residential or nursing care. Additionally, £0.577m of the increase relates to income due from the NHS or another local authority.

The debt over 5 months related to income due to other departments has increased by £0.242m to £0.661m, compared with the 2024/25 outturn position of £0.419m.

Adult Social Care client contribution income accounts for the majority of the Council's debt collection activity, which can be prolonged due to the sensitive and complex nature of individual cases. Addressing the rising debt is a key priority for 2025/26. A strategic review is underway to improve income collection and recovery processes, aiming to reduce existing debt and prevent future accrual. Quarter 2 saw the introduction of formal recommendations focused on prevention and recovery, supported by digital innovation, early intervention, and clear client communication.

Two pilot projects have already been identified that are being taken forward in Quarter 3:

- **Non Payment Cases** - looking at ways to prioritise adults with debt who have not made an arrangement to pay. The pilot is planned to run for 6 weeks, starting in Quarter 3, and will be delivered by existing staff in the ASC Revenue team. They will focus on contacting different categories of adults at different stages during the pilot, i.e. most recent debt, cases with safeguarding flags, adults with highest debt balances etc, to identify where the investment of staff time can have the greatest impact in terms of debt recovery.
- **SMS pilot** – a three-stage text message pilot is being developed which intends to use simple, supportive text reminders aligned to the invoicing cycle to ensure people are clear on how and when to pay.