

Feedback from Engagement Exercises

1. People Scrutiny Committee

People Scrutiny RPPR Board

Present: Councillors Johanna Howell (Chair), Colin Belsey, Kathryn Field, Nuala Geary, Stephen Shing, Colin Swansborough and John Ungar, and Maria Cowler (Roman Catholic Diocese Representative) and John Hayling (Parent Governor Representative)

1.1 The People Scrutiny RPPR Board met on the 11 December 2025 and agreed comments to be put to Cabinet, on behalf of the parent Committee, for its consideration in January 2026. The information supplied to the Board to support its discussions comprised of:

- December RPPR Update report to Cabinet
- CIPFA local authority efficiency toolkit; and
- the draft portfolio plans for the Adult Social Care and Health (ASCH) and Children's Services Departments (CSD)

1.2. The Board met before the provisional local government finance settlement 2026-2027 was published and therefore the Board was not able to comment in detail on the Council's budgetary position.

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

Financial outlook

1.4 The Board expressed its concern about the financial position of the Council, although acknowledged the significant pressures facing local government and commented that there was insufficient funding for the sector to meet increasing demand for services and increasing complexity of need.

1.5 The Board discussed the outcome of the Government's Fair Funding Review 2.0 consultation and although it was acknowledged that detailed allocations would be set out in the awaited provisional local government finance settlement, the Board expressed concern about the impact new funding formulae were expected to have on ESCC.

1.6 The Board discussed the announcement in the Autumn Budget Statement that SEND will in future (from 2028/29) be funded through central Government and raised concerns that this would not address SEND deficits up to this point and that this funding would be at the detriment of other funding streams.

1.7 The Board expressed confidence that the Council had taken significant steps to address its financial deficit, including lobbying for additional funding, generating income, and implementing savings and efficiencies, and that the Council's self-assessment against the CIPFA local authority efficiency toolkit provided a robust evidence base that efficiencies identified by other local authorities had also been explored.

1.8 The Board recognised the limited options remaining to set a balanced budget for 2026/27, including identifying further savings and preparing to seek Exceptional Financial Support (EFS), however expressed significant concerns about the impacts of these. The Board acknowledged the considerable number of savings previously made and, although accepted that the Council was still able to deliver its statutory duties, was very concerned about its ability to do so in the future if further savings were identified and the significant impact this would then have on residents, staff and partners. The Board commented that

with increasing need and demand for services, further savings increased risk to vulnerable adults and children.

1.9 The Board discussed the proposed CSD saving to stop the payment of term-time accommodation for university students who are care leavers and expressed that whilst the need for this saving was understood, in light of the financial context, it was regrettable that this support for care leavers would not continue.

1.10 The Board discussed the potential outcomes of applying for EFS and expressed concern about the prospect of raising Council Tax above the referendum limit, acknowledging that East Sussex residents already paid a relatively high rate, and wished to highlight that although permission to raise Council Tax significantly was unlikely, an increase of 18% would be necessary to fully address the deficit and set a balanced budget. In discussing the potential impact of receiving EFS in the form of permission for additional borrowing, the Board expressed concern about the increasing debt this would generate for the Council, and the subsequent impact this would have on East Sussex residents.

1.11 The Board discussed public awareness about the challenging financial context local government was operating in, noting some misconceptions, and highlighted the need for stronger messaging on increased demand, the impact on council services and ongoing sector challenges.

Children's Services draft portfolio plan

1.12 The Board received an overview from the Director of CSD of the draft CSD portfolio plan and the key developments and challenges facing the Department for 2026/2027.

1.13 The Board welcomed the priorities and developments contained within the plan and recognised the ambitious work to transform and provide services within a challenging context, including significant national reforms.

1.14 The Board welcomed the department's approach to addressing high demand and costs in Home to School Transport, however acknowledged that national reforms and legislative changes were needed to fully address ongoing challenges in SEND support.

Adult Social Care and Health draft portfolio plan

1.15 The Board received an overview from the Director of ASCH of the draft ASCH portfolio plan and the key developments and challenges facing the Department for 2026/2027.

1.16 The Board acknowledged the challenging context the department was operating in, with increased demand for services, and praised staff for their ongoing work to deliver statutory services.

1.17 The Board discussed wider financial challenges in the health sector, noting NHS funding pressures, and expressed the need to closely monitor the impacts of reductions and changes to Integrated Care Boards.

2. Place Scrutiny Committee

Place Scrutiny RPPR Board

Present: Councillors Matthew Beaver (Chair), Chris Collier, Ian Hollidge, Philip Lunn, Steve Murphy, Paul Redstone, Stephen Shing, David Tutt and Brett Wright.

2.1 The Place Scrutiny RPPR Board met on the 16 December 2025 and agreed comments to be put to Cabinet, on behalf of the parent Committee, for its consideration in January 2026. The information supplied to the Board to support its discussions comprised of:

- December RPPR Update report to Cabinet
- CIPFA local authority efficiency toolkit; and
- the draft portfolio plans for the Business Services (BSD), Communities, Economy and Transport (CET) and Governance Services (GS) departments

2.2 The Board met before the provisional local government finance settlement 2026-2027 was published and therefore the Board was not able to comment in detail on the Council's budgetary position.

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

Approach to savings

2.4 The Board explored the approach taken to identifying savings for 2026/27 and acknowledged the difficulty in identifying new savings given the amount the Council has made historically. The Board recognised that the savings proposals for 2026/27 would not be enough to close the deficit, and therefore it understood the need for the Council to explore the possibility of applying for Exceptional Financial Support from government.

2.5 The Board received assurance on a number of areas of spend to ensure that the Council has explored savings in all possible areas. This included considering whether the Council was able to exit contracts early where possible, avoiding the use of consultants wherever capability to deliver work may exist in-house, and reducing street lighting levels where safe to do so.

2.6 The Board received assurance that the proposed winter gritting saving would not see the percentage of the county's network treated become out of line with similar shire county areas, and there would still be gritting on key routes.

Income maximisation

2.7 The Board discussed the importance of the Council seeking to maximise its income to reduce the deficit, including through raising fees and charges for services where possible. The Board acknowledged there are issues related to increasing parking charges, in that if they rise too much it can result in a fall in revenue, as well as the statutory limitations on the generation and use of parking surpluses.

2.8 The Board received assurance that Trading Standards services would be able to continue to generate income through the Proceeds of Crime Act.

2.9 The Board noted that Active Travel England (ATE) had rated ESCC's active travel grade as Level 1 due to its perception of challenges with delivering schemes in East Sussex. The Board felt this was disappointing and noted the importance of the Council seeking to improve its ATE rating as it would help leverage greater amounts of national funding into the county for active travel schemes.

Working with others

2.10 The Board discussed the possibility of town and parish councils taking on responsibility for services where the Council was no longer able to fund them, noting that there is no cap on their ability to precept. The Board suggested that the Council should explore where town and parish councils could take on responsibility for services where the community wishes to see services to continue, but ESCC is unable to continue to deliver them.

2.11 The Board discussed local government reorganisation and suggested that, presuming the One East Sussex proposal is taken forward, conversations begin as early as possible between ESCC and district and borough councils on opportunities for collaboration and joint working between teams to deliver cost savings prior to vesting day of the new unitary in 2028.

Portfolio Plans

2.12 The Board reviewed draft departmental Portfolio Plans and noted the key challenges and developments services would be responding to in the coming year.

2.13 The Board discussed the approach to reducing carbon emissions from the Council's own operations and what it was possible to fund given the financial position. The Board welcomed that the Council would explore where it could reduce emissions through business as usual work, but recognised the context in which the Council was operating. In this context, the Board understood the reasoning why more could not be done given financial constraints, but felt that this was regrettable.

3. Business Representatives

3.1 The Chief Executive met with business representatives from Team East Sussex (TES) on 8 December 2025 to deliver a presentation on the Council's business planning, consulting the Board on the steps being taken to balance the budget for 2026/27. This included an overview of the savings proposals under consideration and the Council's ongoing work with Government in seeking Exceptional Financial Support and lobbying for sustainable funding, as well as of the economic opportunities presented by devolution and local government reorganisation as key aspects of the current planning context. The TES Board fed back that this was a comprehensive presentation which provided assurance that all necessary steps towards a balanced budget were being taken.

4. East Sussex Wider Strategic Partners

4.1 The Leader and Chief Officers held a virtual meeting with representatives of the Council's wider strategic partners on 12 January 2026. 33 partner organisations were represented in the meeting, including public, voluntary and private sector organisations and service user groups.

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

4.3 The Chief Executive and Chief Finance Officer then delivered a presentation which provided an overview of the evidence base that underpins ESCC's Reconciling Policy, Performance and Resources (RPPR) planning for 2026/27; the national policy context and public service reforms planned for the year ahead, including national funding reforms; the anticipated financial position for 2026/27 onwards and steps being taken to address the deficit; and updates to the Capital Programme. The presentation explained that the Council was facing the most difficult financial outlook in its history and recognised that many partner organisations had similarly difficult financial positions. Although local authorities had received additional funding through the provisional Local Government Finance Settlement, the Fair Funding Review 2.0 had resulted in a net loss of funding for ESCC, and ESCC will not receive the support needed to address nationally escalating pressures. The high levels of demand and deprivation in East Sussex compared with neighbouring authorities had not been reflected in funding allocations, leaving the Council in an unsustainable position.

4.4 In this context, ESCC had been forced to identify a further £3.5m in savings, as it seeks to reduce a large financial deficit in 2026/27. Planned savings would have an impact on residents, staff and partners and were not proposals ESCC wished to make. As these proposals would not deliver sufficient savings to close the financial deficit, there would also be a need to seek £70m in Exceptional Financial Support (EFS) from the Government. ESCC would continue to lobby as strongly as possible for additional funding to recognise the significant needs and limited resources in East Sussex.

4.5 After the presentation, the following questions, comments and feedback were provided by partners:

Exceptional Financial Support

4.6 Partners recognised the need for ESCC to apply for EFS but noted that it was only a temporary solution and asked if there would be stipulations about how EFS could be spent if it was granted. Partners asked if EFS could be used to invest in projects to fuel long-term economic growth, or if it could only be used in the short-term for urgent priorities. The Chief Finance Officer responded that EFS would be used to fund the everyday revenue budget for 2026/27 and will be granted on a one-year funding basis; initially ESCC asked the Government about the possibility of three-year EFS aligned to the multi-year settlement but was advised that only one-year loans were possible under the framework. EFS could not be used to fund the Capital Programme due to Government accounting requirements surrounding its use. However, part of the deficit in the revenue budget arises from investment that ESCC was already budgeting for. This included investments in technology and artificial intelligence to streamline working practices for future years.

4.7 Partners noted the urgent need for EFS. Partners enquired about ESCC's position in the priority list and whether ESCC was unique amongst local authorities in applying for EFS. The Chief Finance Officer responded that ESCC was by no means the only authority seeking EFS. In 2025-26, 30 local authorities applied nationally, and the number of applications was expected to approximately double for the 2026-27 financial year. He emphasised that ESCC was not seeking EFS due to poor financial management, a position supported by the outcome of the CIFPA assurance review and prior conversations with MHCLG, therefore ESCC's application was in a good position to receive support. EFS was being sought due to the finance settlement being insufficient to meet demand in the county, and this was expected to be exacerbated, as ESCC's core spending power was set to decline over the three years of the multi-year funding settlement. EFS would be a long-term loan to support the budget for one year, the repayment of which would have significant impacts on East Sussex and its residents and was not being pursued lightly. The Leader of the Council commented that ESCC had done the right thing for many years to maintain good services for residents, including by applying nationally allowed council tax increases to sustain services. The Council was proud of the work done by Adult Social Care and Children's Services to support residents, but unfortunately the financial position meant that the allocated funding no longer met the costs of service delivery, and the outcome of the Fair Funding Review 2.0 failed to resolve this. He affirmed that ESCC would continue to lobby the Government to receive more funding and ensure ESCC's financial position was communicated.

Savings Proposals

4.8 Partners commented that they valued the transparency from the Council regarding the financial outlook and ESCC's commitment to partnership working, especially continued investment in the Voluntary, Community and Social Enterprise (VCSE) sector. However, they raised concerns that the VCSE sector would likely see the impacts of savings in preventative

services, due to the displacement of demand into the VCSE sector. Partners raised that out of the £156m of savings that had already been implemented, a balance between efficiencies and reductions in discretionary services had been found and asked what potential further savings in discretionary services remained. The Leader of the Council responded that there were very few options left for making savings. Those identified in the 2026/27 budget would reduce important work in the county, like gritting roads, and residents were likely to feel the impact of these. The Leader confirmed that he had written to Government over a number of years to emphasise that the savings ESCC was being forced to make were not for residents' benefit. He stated that over £1bn would be spent by ESCC in 2026/27, so in that context £3.5m in savings was a small proportion and was insufficient to bridge ESCC's substantial deficit.

Devolution

4.9 Partners recognised that, given the circumstances, ESCC was doing everything it could for residents. They noted that the Sussex and Brighton Mayoral Combined County Authority (MCCA) was soon to be established and asked what changes ESCC expected to see as a result of this, as well as what areas would see the most significant difference. The Chief Executive responded that the combined authority would enable strategic working across the region. The MCCA would have new powers relating to skills, adult education, intervention in terms of economic growth, the development of Spatial Development Strategies and housing coordination. It was expected this would enable closer working with the NHS, strategic and partnership working, and enable coordination for regional planning. In the long-term, it was hoped that this would improve spending at a local level, reduce poverty, improve service provision and improve health, which in turn would help manage demand for services in the county. However, investment would need to be appropriate at local levels, as different areas of Sussex have varying demographics and need. The benefits of devolution would likely not become apparent in the short term, and the impact on demand would not likely be seen for another 5-10 years, so local authorities' actions to support their residents in the short-term would be crucial.

Partner Funding Allocations

4.10 The representative from Care for the Carers raised concerns that a large proportion of its funding comes from ESCC and the NHS. He asked when a decision would be made about their funding allocations for 2026/27, whether funding would be available on a three-year basis, and when that would be communicated to the organisation. The Director of Adult Social Care and Health responded that support for paid carers was being prioritised for the third year in a row, therefore ESCC was not proposing any reductions in that funding. If agreed, unless there were contractual obligations to be fulfilled, funding would be made available for one year only given the financial uncertainty. Budget recommendations would go through Cabinet on 27 January, and decisions would be made by Full Council on 10 February. ESCC was therefore expecting to confirm funding with partners in early February. The Leader of the Council added that ESCC was also waiting for confirmation of grant funding at this stage and funding allocations to partners would be dependent on grants being allocated as expected.

4.11 Partners were thanked for their engagement, and they were encouraged to contact the Leader, Deputy Leader or Chief Officers if they wished to any make further comments on the budget proposals following the meeting.