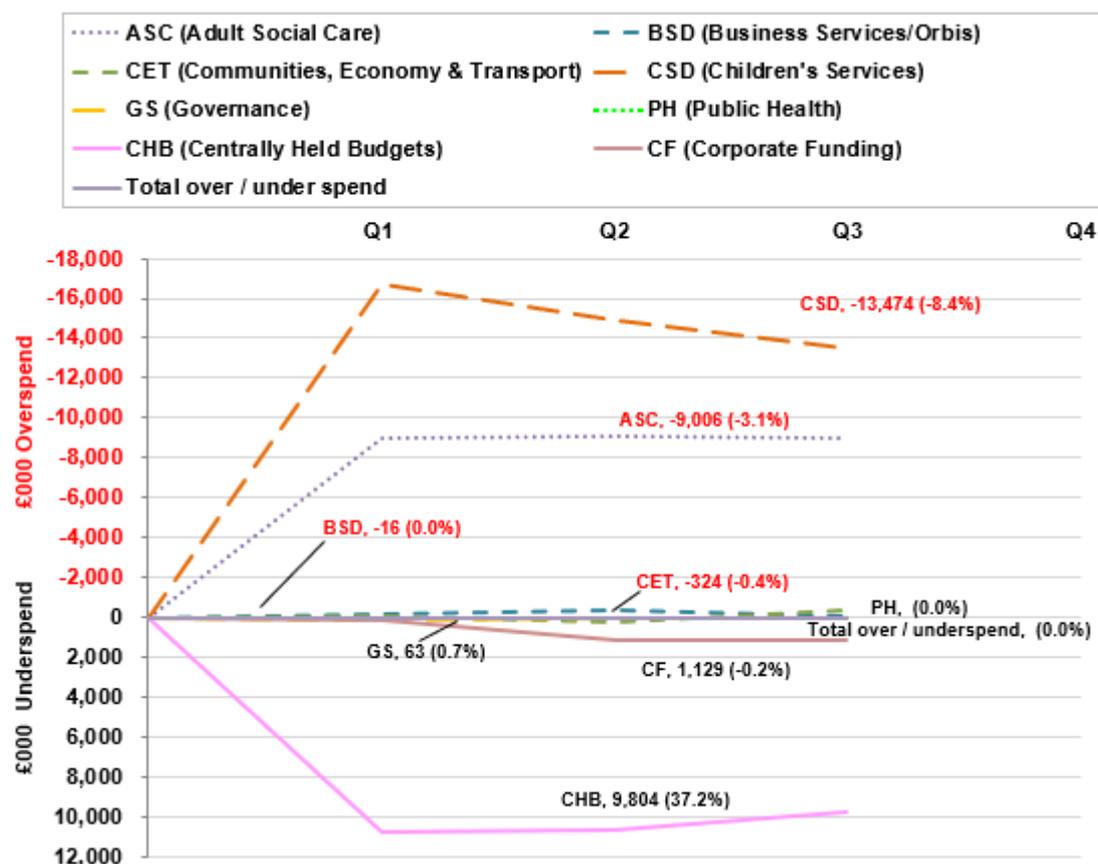


Council Monitoring Corporate Summary – Q3 2025/26

Council Plan performance targets

Priority	Red	Amber	Green	AD
Driving sustainable economic growth	2	3	18	1
Keeping vulnerable people safe	1	1	14	0
Helping people help themselves	1	2	7	0
Making best use of resources now and for the future	2	0	5	0
Total	6	6	44	1

Performance overview Q3 2025/26	Measures off target by department															
<p>A pie chart illustrating the performance overview for Q3 2025/26. The chart is divided into four segments: a large green segment representing 44 measures (77%), a yellow segment representing 6 measures (11%), a red segment representing 6 measures (11%), and a small purple segment representing 1 measure (2%).</p> <table border="1"> <thead> <tr> <th>Category</th> <th>Count</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Green</td> <td>44</td> <td>77%</td> </tr> <tr> <td>Amber</td> <td>6</td> <td>11%</td> </tr> <tr> <td>Red</td> <td>6</td> <td>11%</td> </tr> <tr> <td>Amend/Delete</td> <td>1</td> <td>2%</td> </tr> </tbody> </table>	Category	Count	Percentage	Green	44	77%	Amber	6	11%	Red	6	11%	Amend/Delete	1	2%	<p>There are 57 measures in the Council Plan. In Q3, 4 departments had measures that were off target.</p> <p>ASCH – 1 amber measure BSD – 2 red measures CET – 1 measure proposed for amendment, and 1 amber measure CSD – 4 red measures and 4 amber measures</p>
Category	Count	Percentage														
Green	44	77%														
Amber	6	11%														
Red	6	11%														
Amend/Delete	1	2%														

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	451,452	(165,299)	286,153	460,408	(165,249)	295,159	(8,956)	(50)	(9,006)
Public Health	38,295	(38,295)	-	38,354	(38,354)	-	(59)	59	-
Business Services / Orbis	65,576	(33,403)	32,173	66,440	(34,251)	32,189	(864)	848	(16)
Children's Services	628,421	(467,972)	160,449	656,837	(482,914)	173,923	(28,416)	14,942	(13,474)
Communities, Economy & Transport	174,799	(98,379)	76,420	177,946	(101,202)	76,744	(3,147)	2,823	(324)
Governance Services	10,136	(634)	9,502	10,091	(652)	9,439	45	18	63
Total Services	1,368,679	(803,982)	564,697	1,410,076	(822,622)	587,454	(41,397)	18,640	(22,757)

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	24,341	(10,562)	13,779	(2,661)	3,662	1,001
Capital Programme	1,450	-	1,450	-	-	-	1,450	-	1,450
Pensions	4,702	-	4,702	4,764	-	4,764	(62)	-	(62)
General Contingency	5,650	-	5,650	-	-	-	5,650	-	5,650
Provision for Budgetary Risks	5,010	-	5,010	1,693	-	1,693	3,317	-	3,317
Reserves Movements	639	(6,749)	(6,110)	639	(6,748)	(6,109)	-	(1)	(1)
Apprenticeship Levy	772	-	772	877	-	877	(105)	-	(105)
Levies, Grants and Other	124	(11)	113	189	(223)	(34)	(65)	212	147
Debt Impairment	-	-	-	1,593	-	1,593	(1,593)	-	(1,593)
Total Centrally Held Budgets (CHB)	40,027	(13,660)	26,367	34,096	(17,533)	16,563	5,931	3,873	9,804

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)	-	-	-
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
Total Corporate Funding (CF)	-	(579,615)	(579,615)	-	(580,744)	(580,744)	-	1,129	1,129

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
TOTAL SERVICES, CHB & CF	1,408,706	(1,397,257)	11,449	1,444,172	(1,420,899)	23,273	(35,466)	23,642	(11,824)
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	-	-	-	-	(4,124)	(4,124)	-	4,124	4,124
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	1,408,706	(1,408,706)	0	1,444,172	(1,444,172)	0	(35,466)	35,466	0

Revenue Savings Summary 2025/26 (£'000)

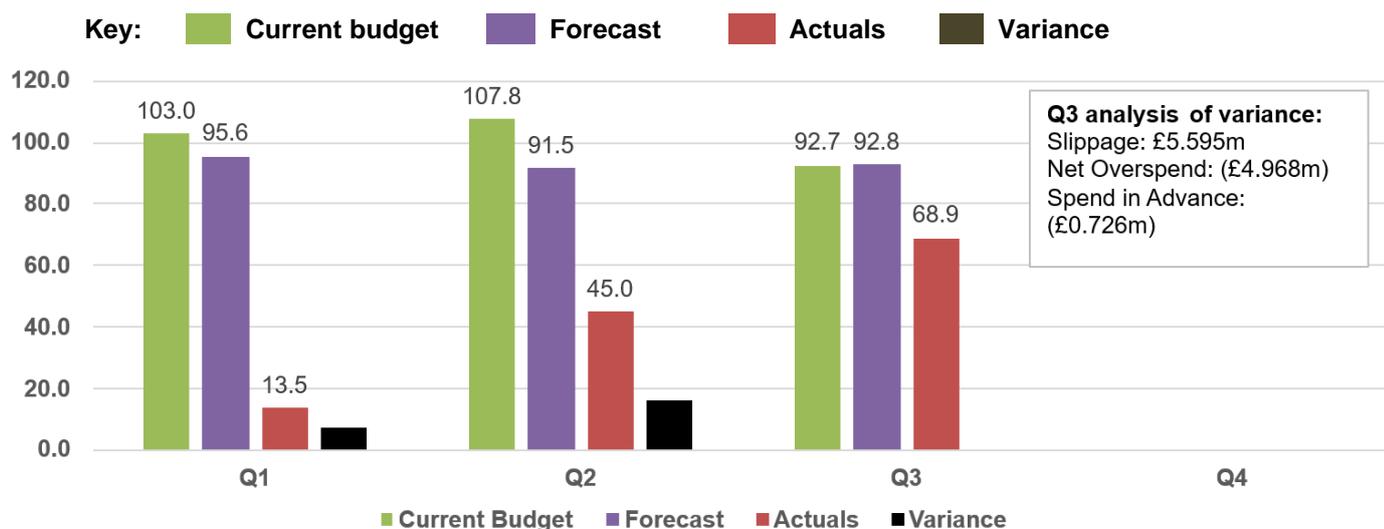
Service description	Original Target for 2025/26	Target including items c/f from previous year(s)	Achieved in-year	Will be achieved, but in future years	Cannot be achieved
ASCH	7,420	7,420	7,208	157	55
BSD/Orbis	1,060	1,060	980	-	80
CS	3,239	3,239	2,598	539	102
CET	1,553	2,298	1,111	1,187	-
GS	233	233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

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

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).

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	1,868	1,808	60	-	60	-
Business Services	35,790	32,642	3,148	(5)	3,191	(38)
Children's Services	2,789	2,609	180	-	180	-
Communities, Economy & Transport	52,222	55,709	(3,487)	(4,963)	2,164	(688)
Gross Expenditure (Planned Programme)	92,669	92,768	(99)	(4,968)	5,595	(726)
Corporate Slippage Risk Factor	(2,176)	-	(2,176)	-	(2,176)	-
Net Expenditure	90,493	92,768	(2,275)	(4,968)	3,419	(726)
Developer Contributions	4,848	4,809	(39)			
Other Specific Funding	23,715	23,275	(440)			
Capital Receipts	1,288	1,288	-			
Formula Grants	30,714	30,875	161			
Recycled Loans	274	274	-			
Reserves and Revenue Set Aside	5,380	5,330	(50)			
Borrowing	24,274	26,917	2,643			
Total Funding	90,493	92,768	2,275			

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 31 December 2025 have fallen by 50% in 1 year, from £114.2m at Q3 2024/25 to £57.1m at Q3 2025/26.

The average level of Council funds available for investment purposes during Q3 was £78.1m. The total amount received in short term interest for Q3 was £834k at an average rate of 4.24%, compared to £1.339m at an average rate of 4.50% for Q2 2025/26.

The Bank of England Base Rate was cut by 0.25% on the 18 December 2025, the rate at 31 December 2025 was 3.75% with no further reductions in 2025/26 forecasted. During Q3, no fixed term deposits with local authorities or banks were placed.

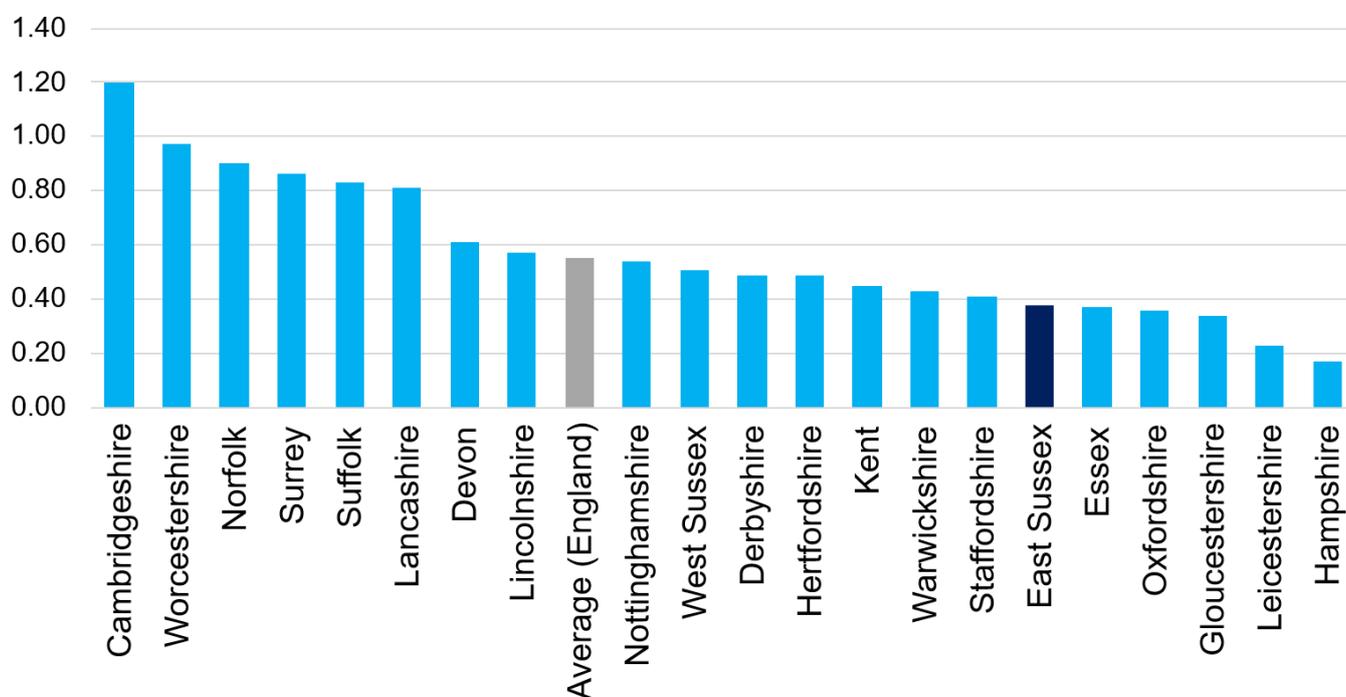
The investment strategy approach in previous quarters to 'ladder' deposits has created a steady maturity profile. However, from late December short term borrowing was required to cover cashflow into early January.

The borrowing was sourced from the local authority market via an approved broker. £15m was required in total and was fully repaid by the 14 January, the average rate of this borrowing was at 4.40%.

Cashflow is monitored through a rolling 18 month forecast. Current projections assume that once our existing investments mature these will not be reinvested for a fixed term, with funds instead remaining instantly accessible, which will help manage cashflow. The forecast also indicates that additional short-term borrowing may be required at the end of each month during Q4.

The Council's external debt, totalling £200.1m at Q3, is held as long-term loans and is now fully with the Public Works Loan Board. No long-term borrowing was undertaken in Q3. The graph below shows that East Sussex's borrowing remains lower than the average per population for shire counties.

Total Borrowing (£'000) per population as at 31 March 2025 - 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 longer-term 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.

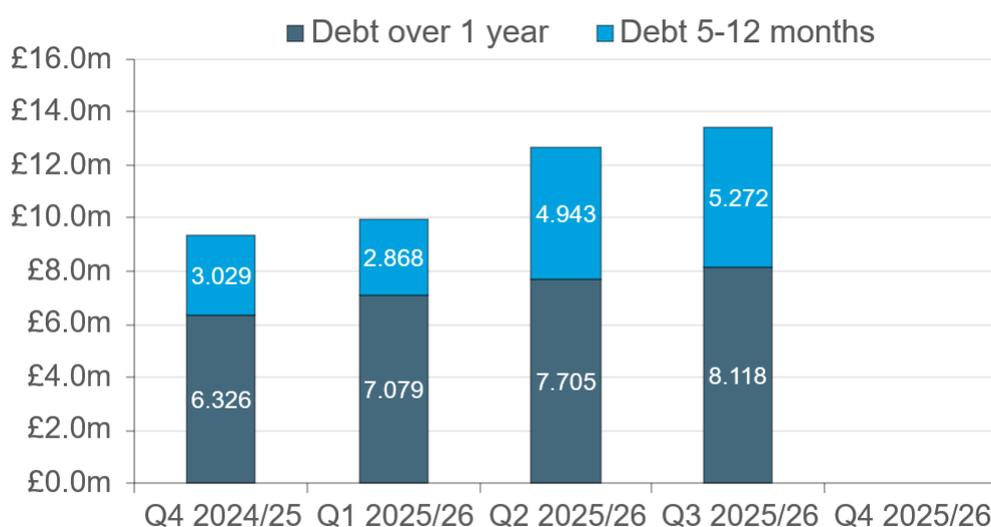
Reserves and Balances 2025/26 (£000)

Reserve / Balance	Balance at 1 Apr 2025	Forecast net use at Q2	Forecast Net use at Q3 *	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)	-	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	(4,000)	(4,000)	-	3,678
Local Government Re-organisation	-	-	-	-	-
Subtotal	36,582	(18,169)	(18,169)	-	18,413
Strategic Reserves:					
Priority / Transformation	5,187	(786)	(786)	-	4,401
Financial Management	11,276	(5,226)	(5,226)	-	6,050
Subtotal	16,463	(6,012)	(6,012)	-	10,451
Total Reserves	78,577	(28,486)	(28,486)	-	50,091
General Fund	10,000	-	-	-	10,000
Total Reserves and Balances	88,577	(28,486)	(28,486)	-	60,091

* Currently excludes any movements in transfers relating to Q3 variances.

Changes to Fees & Charges

Changes over 4% during Q3 were reported to Cabinet on 27 January 2026, as part of the Reconciling Policy, Performance and Resources report.

Outstanding debt analysis (£ millions)

The value of debt aged over 5 months at Q3 has increased by £4.035m to £13.390m compared to the 2024/25 outturn position of £9.355m.

The majority £12.964m (96.82%) of all debt over 5 months old relates to Adult Social Care and Health (ASCH), which has increased by £4.028m compared with the 2024/25 outturn position of

£8.936m. A significant factor contributing to this increase is over £2.6m 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, £0.514m of the increase relates to income due from the NHS and £0.442m relates to income due from the Estate where the Council's Appointee and Deputyship were managing finances prior to adults passing away.

Adult Social Care client contribution income accounts for the majority of the Council's debt collection activity. The recovery process in this area is often protracted due to the sensitive and complex nature of individual circumstances. Nevertheless, the increasing level of debt remains a key priority for 2025/26.

To address this challenge, a strategic review was undertaken to evaluate the end-to-end income collection and debt recovery processes. The objective was twofold: to reduce existing debt and to implement measures that prevent further debt accumulation. As part of this initiative, a six-week pilot was conducted in Q3 to streamline recovery for non-payment cases. The pilot delivered positive outcomes and valuable insights.

In addition, work has commenced on the potential implementation of a paperless Direct Debit solution. This initiative aims to simplify the setup process for service users, enhance customer experience, and increase adoption of this payment method. By enabling timely payments, the approach is expected to support more efficient debt recovery and mitigate the risk of future arrears.