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# REPORT OF THE CABINET

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The Cabinet met on 5 March and 16 April 2024. Attendees: -

Councillor Glazier (Chair) (2)  
Councillors Bennett (2), Bowdler (2), Claire Dowling (1), Maynard (2), and Standley (2).

## 1. Council Monitoring Q3 2023/24

1.1 The Cabinet has considered a report on 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 December 2023.

1.2 Broad progress against the Council's four strategic priority outcomes is summarised from paragraph 1.8 and an overview of finance and performance data is provided in the Corporate Summary at Appendix 1. Strategic risks are reported at Appendix 8.

Council Plan 2023/24 amendments and variations

1.3 Council's risk profile. Risk 1 (Roads), Risk 5 (Reconciling Policy, Performance and Resources) and Risk 6 (Local Economic Growth) have updated risk definitions and risk controls, together with updated risk ratings. Risk 8 (Capital Programme) has an updated risk definition and risk control. Risk 4 (Health), Risk 9 (Workforce), Risk 15 (Climate) and Risk 20 (Placements for Children and Young People in our Care) have updated risk controls.

Budget Outturn

1.4 The details of revenue over and underspends in each department are set out in the relevant appendices, and show a total forecast overspend of £29.1m. This is an increase of £4.3m from quarter 2. The main headlines are:

- Children's Services (CSD) is forecast to be overspent by £28.5m (£23.0m at quarter 2).

The main area of projected overspend is in Early Help and Social Care (EH&SC) of £27.9m, an increase from quarter 2 of £4.6m. The main pressures are within External Residential costs for Looked After Children. Whilst numbers of children have not increased since last quarter, the increasingly complex care needs of a relatively small number of children mean that there are further pressures on this budget area. Additionally, several high-cost placements have been extended beyond the expected step-down date, contributing to the increase in forecast expenditure this quarter. The service has worked with Impower to support longer term placement sufficiency and identify opportunities for delivering improved care placement options for children and young people through the 'Valuing Care' approach. The aim of this work is also to identify cost reductions and efficiencies within the service.

There is also an increased overspend of £0.9m within the Home to Schools Transport service. The new 2023/24 cohort started in September 2023, which also brought with it wage increases and higher fuel costs, resulting in increased contract costs. There is also a lack of market competition due to some operators leaving the market. The CSD team will be working closely with the CET transport service to explore all possible mitigations to reduce costs.

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The CSD overspend will be funded Corporately for 2023/24 as follows:

Mitigation of CSD Overspend	£m
Forecast overspend	(28.5)
Mitigated by:	
Treasury Management underspend	7.4
Underspend on Capital Programme	1.8
General Contingency	4.9
Use of provision for budgetary risks	3.5
Part of Business Rates Levy surplus	0.3
Covid-19 General Funding (balance held Corporately)	5.7
Agreed use of COMF	1.6
Council Tax Collection Fund Surplus	2.0
Use of Financial Management Reserve	1.3
Subtotal Mitigation	28.5

- The projected outturn for Adult Social Care (ASC) is an overspend of £2.0m (£1.7m at quarter 2). It comprises an overspend of £2.9m in the Independent Sector due to a number of factors including increasing complexity of need, plus pressures arising from demand and demographic growth returning to pre-pandemic levels of modelling. This is offset by an underspend of £0.9m in Directly Provided Services, mainly being due to staffing vacancies which reflects difficulties in recruitment.
- Communities, Economy and Transport (CET) is forecast to underspend by £1.3m (£0.2m at quarter 2). The largest underspend is £2.0m in Transport and Operations where current market prices mean that electricity and recycling income is exceeding expectations in the Waste Service. The underspend of £0.3m in Communities is mostly due to staff vacancies in Trading Standards and Road Safety with additional income from Emergency Planning training. These are netted against an overspend of £0.6m in Highways due to the estimated increased cost of electricity for streetlighting; an overspend of £0.3m in Transport Development Control within Planning and Environment due to an increase in speculative planning applications for residential developments, which often have challenging transport issues that need addressing; and a £0.1m overspend in Economy which is mostly due the cost of consultants engaged to help transition SELEP funded projects back into Council control.

1.5 Within Treasury Management (TM), centrally held budgets (CHB) and corporate funding there is an underspend of £18.5m including the general contingency (£15.9m at quarter 2):

- In CHB there is a forecast underspend of £0.5m for Pensions because of the actuarial revaluation. This is offset by an accounting adjustment estimated at £0.7m to reflect the potential risk that increasing outstanding debt levels will not be settled. The General Contingency of £4.9m will be required in full to offset part of the service overspend.
- There is currently an estimated £7.4m underspend on TM, based on a continued improvement in the current forecasts for our market investment returns and increased cash balances. The anticipated average investment return for the year has increased to 5.37% from the 4.45% assumed when the budget was set, based on the latest forecasts from our external treasury management advisors. In addition, slippage on the capital programme and an increase in our cash balances has reduced the need to borrow externally in 2023/24.
- The Chartered Institute of Public Finance and Accountancy published the revised Treasury and Prudential codes in 2021. These require quarterly reporting of performance against forward looking prudential indicators. The performance of the Council's treasury

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management activity against benchmarks and the key indicators in the Council's Treasury Management Strategy, as approved by Full Council on 7 February 2023, are provided at Appendix 2.

- The aforementioned slippage on the capital programme has resulted in an underspend of £1.8m, where two transfers for Capital Expenditure from Revenue Account (CERA) will not be utilised this financial year.
- There is a planned £3.5m use of the in-year provision made for budgetary risks to cover part of the remaining overspend on service budgets.
- The £0.6m underspend on Business Rates is mainly due to the Levy Surplus Distribution for 2023/24, announced alongside the Local Government Finance Settlement on 5 February 2024.

1.6 The Council is still experiencing residual COVID-19 related costs and income losses which are being mitigated from general and specific COVID-19 grant funding. The balance of COVID-19 General Funding will be used to meet CSD cost pressures. The following table shows the use of this funding in 2023/24:

COVID-19 Grants 2023/24 (£m)	Carried forward	Estimated use in-year (including payback*)	Balance to offset CSD overspend	Specific set-aside for LAC in future years	Estimated balance remaining
COVID-19 General Funding	9.1	(1.7)	(5.6)	(1.8)	-
COVID-19 Specific Funding	4.3	(3.9)	-	-	0.4**
<b>Total funding</b>	<b>13.4</b>	<b>(5.6)</b>	<b>(5.6)</b>	<b>(1.8)</b>	<b>0.4</b>

\*To date the Council has repaid £2.1m of unused grant.

\*\* £0.4m will be spent in 2024/25 on the Additional Measures 4 scheme for specialist money advice services, as approved at Cabinet on 12 December 2023.

1.7 Capital Programme expenditure for the year is projected to be £73.9m against a budget of £80.4m, a net variation of £6.5m. The main headlines are:

- Total slippage of £7.3m across a number of projects as the programme continues to experience extended lead-in times, and where inflation and material cost increases has resulted in the pause and reassessment of a number of projects to ensure delivery within budgets, as well as other project specific factors. The largest areas of slippage include the Highways Structural Maintenance programme (£2.0m), Youth Investment Fund project (£1.1m), Integrated Transport Schemes (£1.0m), Bridge Assessment and Strengthening (£0.6m) and the Visibly Better Roads programme (£0.5m).
- A net overspend of £0.5m, mainly relating to the Bexhill and Hastings Link Road where project costs remain for post excavation archaeology, landscaping, and compensation.
- Minor spend in advance totalling £0.3m across a number of projects.

Whilst the implications of slippage in the capital programme are being managed in this financial year, future years profiling has been reviewed as part of the Reconciling Policy, Performance and Resources process and a slippage risk factor will be applied in 2024/25 to mitigate the impact of likely slippage.

### Progress against Council Priorities

#### Driving sustainable economic growth

1.8 The Council has spent £307m with 853 local suppliers over the past 12 months. This is 64% of our total spend and exceeds our target of 60%. We continued throughout quarter 3 to work with suppliers to maximise the social value delivered by our contracts. In quarter 3 we achieved benefits that were equal to 21% of the contract value, against a target of 10% (Appendix 4).

1.9 Work on our highways continued in quarter 3 using the additional funding approved by Council in recognition of the deterioration of the network following the last prolonged, wet and cold winter. 132 patch works have been completed so far in 2023/24 across 62 sites. Around 100 road signs had been replaced by the end of quarter 3, with further signs scheduled to be replaced in quarter 4 and 2024/25. Around 150 minor drainage schemes had been completed at the end of quarter 3, with 50 larger schemes also identified, and these will be delivered in quarter 4 2023/24 and 2024/25. 22 road improvement schemes were completed in quarter 3, and 5,194 potholes were repaired (Appendix 6).

1.10 The road condition outturns (where a lower figure indicates better road condition), have been published, these figures are only available at one point each year and are based on specialist laser surveys undertaken in summer 2023. The surveys identify roads that should be considered for maintenance, based on the Department for Transport's criteria. The percentage of Principal roads requiring maintenance was 4%, meeting the target for the year. This is also an improvement on the 2022/23 outturn of 5%. The percentage of Non-Principal roads requiring maintenance was 5%, above the target of 4%. However, this is also an improvement from 2022/23 when the outturn was 6%. The percentage of Unclassified roads requiring maintenance was 17%, above the target of 14%, and also increasing from the 2022/23 outturn which was 13%. 2022/23 saw a wet winter and this has continued with a generally cool and wet summer and a wet start to winter 2023/24. The survey results for the unclassified roads reflected this with a noticeable increase in edge of carriageway defects identified. Road condition is influenced by a number of factors, including the make-up of the road, the volume of traffic, weather conditions and the level of investment in maintenance. The condition of our roads will vary from year to year depending on those factors. Our targets are based on modelling which tries to predict the rate of deterioration and therefore expected road condition. The targets are aligned to the Council's ten-year investment programme. (Appendix 6).

1.11 A number of projects have continued to progress in quarter 3 as part of the Council's Bus Service Improvement Plan. Improvements have been made to the FlexiBus service which now covers nearly 90% of East Sussex. The FlexiBus app has been improved to make it easier for users. Several of the FlexiBus zones have also been merged, providing greater travel opportunities for residents. Details of the amended services can be found here. The improvements, together with promotion and marketing of the service, has helped to continue the growth in passenger numbers during quarter 3. All bus stops in the county now have QR plates, which enable people to scan the plate and receive information about the next bus due at that stop (Appendix 6).

1.12 4.1% of children at academic age 16 (year 12) were Not in Education, Employment or Training (NEET) in December 2023. 5.8% of children at academic age 17 (year 13) were NEET for the same period. The Council has concerns about the lack of vocational/work-based learning offers for young people. We have raised this local and national concern with Ofsted, the Department for Education and the Education Skills and Funding Agency (ESFA). The Council has also taken a number of measures itself to try and reduce the number of NEET children, including refocussing the newly re-commissioned Youth Employability Service Programme more closely on NEET children and encouraging existing education providers to run January course starts to allow young people to start courses as soon as possible (Appendix 5).

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1.13 The Libraries team have worked with colleagues across the Council and schools to reintroduce work experience placements at libraries across the county. 49 young people have started placements in libraries in quarters 1 – 3 (Appendix 6).

### Keeping vulnerable people safe

1.14 The inspection of the Council Local Authority Children's Services (ILACS) by the Office for Standards in Education, Children's Services and Skills (Ofsted) Inspections took place from 11 – 15 December. This was a short inspection. The inspection report was published 6 February, and we were awarded an overall effectiveness grading of Good with the experiences and progress of children in care graded as Outstanding (Appendix 5).

1.15 The rate of Looked After Children has decreased, from 64.4 (686 children) at quarter 2, to 63.0 (671 children), at quarter 3. Of the 671 children, 82 are unaccompanied asylum seeker children, an increase of 5 children from quarter 2. The rate of children with a Child Protection plan has continued to increase, from 63.0 per 10,000 (671 children) at quarter 2 to 70.6 (753 children) at quarter 3. We continue to keep these plans under review with a range of actions to look at how this number can be safely reduced (Appendix 5).

1.16 The 2022 figures (the latest data available) indicate that 79 people in East Sussex died as a result of drug and alcohol misuse. Although this represented a significant decrease in drug-related deaths compared to the previous three years, every death is a tragedy and these numbers remain higher than anyone would wish for. We continue to work with our commissioned providers and partners to ensure that all people requiring support are provided with this as early as possible, and aim for the number of deaths to decrease further in future. It should also be noted that there was an error in the Office of Health Improvement and Disparities (OHID) baseline data used to calculate the target – OHID have confirmed that this should have been 77, rather than 74. Targets for future years will be revised based on the corrected baseline data. (Appendix 3).

1.17 The latest data for quarter 2 (reported a quarter in arrears) suggests that we may not reach the 2023/24 target for the number of people accessing treatment for opiate misuse. This reflects a national trend of decreasing numbers of people accessing treatment for opiate misuse. The Government recognises this trend and is revising down its expectations for the numbers of people accessing treatment for future years. We will continue to prioritise work to develop this service and locally increase the number of people that we reach (Appendix 3).

1.18 The Government's Sustainable Warmth Scheme, which was delivered through the Council's Warm Home Check Service came to an end in October 2023. Since May 2021, the £3.65m scheme has provided nearly 500 home energy improvements for low-income households, including installing insulation, solar PV and low carbon heating systems. These improvements supported residents to keep warm and safe in their homes, while also reducing the county's carbon emissions (Appendix 3).

1.19 16 Days of Activism Against Gender-Based Violence and the White Ribbon Day took place during quarter 3. The Safer Communities Team developed a joint social media campaign, which was adopted across Sussex, and led a joint webinar with West Sussex County Council. The webinar included a range of guest speakers, including Sussex Police, local specialist services, and the Voices of Lived Experience Board (Appendix 3)

1.20 The Council's Public Health team received a Silver Award from the Infection Prevention Society for Nurturing Infection Prevention and Control Talent 2023. The award recognised the work done by the team in 2023/24 with the wider remit of groups such as unpaid and informal carers, day services and volunteers working in the community and people's homes (Appendix 3).

### Helping people help themselves

1.21 The Employability and Skills Service for people in Supported and Temporary Accommodation and Refuges held job fairs in Newhaven and Eastbourne in quarter 3 for people who are furthest from the workplace. Over 200 local people who were unemployed and also had additional requirements to getting and sustaining work, such as a history of

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homelessness or veterans etc., attended. 12 people were referred to the Moving on Up Programme which supports people into apprenticeships and work with training via a work mentor and provides funding for childcare, travel and rent arrears or to pay a deposit for private rent. Mentors are currently working with 61 people to support them into work and the private rented sector. In quarter 3, a total of 16 people who were furthest from the workplace were supported into jobs, of which 8 were also supported to move into private rented accommodation. This included people who may have never worked before and were homeless and living in temporary accommodation (Appendix 3).

1.22 The number of volunteer opportunities listed on the Council funded Tribe platform has continued to grow in quarter 3, enabling people to connect to volunteering opportunities in their area. Work is underway with voluntary, community and social enterprise partners to promote Tribe to group and organisations in the county, and a promotional campaign for residents will be developed in quarter 4 (Appendix 3).

1.23 There has been a sustained effort by GP practices across the county to provide NHS Health Checks to those living in the most deprived areas of the county. At the end of quarter 2 (reported a quarter in arrears) 1,119 people living in some of the most deprived parts of the county had received a Health Check (Appendix 3).

1.24 The number of people in receipt of Direct Payments has increased from 1,520 at the start of 2023/24 to 1,562 on 31 December 2023. However, the overall the number of people receiving community-based long-term support has increased at a greater rate (4,792 to 5,165) meaning we will not achieve the target. Despite the reduced proportion of people in receipt of Direct Payments, the Council's performance is still good compared to national benchmarks. Based on current national data, performance would fall within the upper-middle quartile (Appendix 3).

1.25 The number of carers supported through short-term crisis intervention improved in quarter 3 as referrals to the service increased, meaning we are now expecting to meet the target for 2023/24. The service relies on receiving referrals either direct from carers or via other organisations (Appendix 3).

### Making best use of resources now and for the future

1.26 As part of our corporate lobbying work during quarter 3 the Leader took the opportunity to meet with local MPs and continued to raise the issues and priorities of the county with them. This included a specific update on the November RPPR Cabinet report drawing attention to the significant pressure the Council was under due to increasing demand and complexity in statutory services, particularly children's social care and special educational needs and disabilities. The Leader highlighted the very challenging medium term financial outlook for the Council and sought MPs' support in lobbying for certainty of future funding for local government, that reflects local need, and to ensure that service reforms are sustainable and properly funded. Ahead of the Autumn Statement the Leader also took the opportunity to write jointly with other county leaders in the South East to the Chancellor of the Exchequer, expressing the urgent need for additional funding in children's services and home to school transport (Appendix 7).

1.27 16 energy efficiency projects have been completed in quarters 1 – 3, including 4 LED lighting projects and 5 solar PV energy generation schemes. Triple glazing and loft, door and wall insulation has been installed at a number of schools in the county. Further projects to reach the target of 23 schemes in 2023/24 have been identified, however, inclement weather, supply chain or onsite issues could still hamper achievement. Total energy consumption in quarter 2 (reported a quarter in arrears) was down 9% when compared with the same period last year and down 25% on the baseline year 2019/20. There is not yet enough data to accurately estimate the end of year outturn for 2023/24, however if consumption for the remainder of 2023/24 is the same as 2022/23 carbon emissions would decrease by 0.39% this year. The main contributing factor to the increase in emissions projected for 2023/24 is the increase in the electricity emissions factor (the carbon intensity of the national grid) which has risen 7% year on year. This is due to an increase in the use of natural gas for electricity

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generation and a decrease in renewable energy generation, which is out of the Council's control (Appendix 4).

1.28 The Council has continued to work with a range of partners to develop and deliver carbon reduction and climate change adaptation work in quarter 3. This included, securing £245,000 from the Department for Energy Security and Net Zero to develop a plan to provide people with the skills to enable the retrofit of domestic properties to reduce their carbon emissions. The plan is due to be developed by the end of March 2025 (Appendix 6).

### 2. Inspection of East Sussex local authority children's services

2.1 The Cabinet considered a report on the inspection of East Sussex County Council by the Office for Standards in Education, Children's Services and Skills (Ofsted) under the framework and evaluation schedule for Inspections of Local Authority Children's Services (ILACS) from 11 – 15 December 2023.

Supporting information

2.2 The outcome of the inspection was published 6 February and is attached at Appendix 9. The Council's Children's Services has been judged to be good overall and outstanding for the experiences and progress of children in care. This is a good outcome for the service and for the Council which has made keeping vulnerable people safe, a priority outcome. It is a very welcome recognition of all the hard, determined, and high-quality work we have done since our last inspection, through a time of pandemic, its continuing effects, and cost of living pressures. The judgement for each area of the inspection is set out below:

<b>Judgement</b>	<b>Grade 2018 inspection</b>	<b>Grade 2023 inspection</b>
The impact of leaders on social work practice with children and families	Outstanding	Good
The experiences and progress of children who need help and protection	Good	Good
The experiences and progress of children in care (and care leavers 2018)	Outstanding	Outstanding
The experiences and progress of care leavers (introduced in January 2023)	N/A	Good
Overall effectiveness	Outstanding	Good

2.3 The inspectors spend most of their time with frontline staff and the inspection outcome reflects the difference staff make to the lives of children and young people in East Sussex.

2.4 The report notes:

'Children in East Sussex continue to receive consistently strong and effective support that helps them to improve their lives. Since the last ILACS inspection in 2018, the authority has responded well to the impact of COVID-19 pandemic, the increasing numbers of families experiencing financial hardship and the growing number children with complex needs who require help.'

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2.5 The report highlighted key strengths including:

- Support for vulnerable children is a priority for leaders and cross-party leadership of the corporate parenting board demonstrates the collective will to do the right things for children and their families.
- Social workers are confident and experienced at identifying the range of risk factors impacting on children.
- Children's identity and heritage are considered well in terms of planning for the right support, including their gender, sexuality and faith.
- Child-in-need and child protection plans focus on what matters most to children. They are reviewed in a timely way at multi-agency review meetings that are well attended.
- Disabled children with complex needs, supported by practitioners from the disabled children's service, receive strong support.
- The oversight of elective home education is an area of strength. There is an effective system for the tracking of high numbers of pupils who are educated at home and staff seek to identify and support children who may be at increased risk of harm.
- Children in care, including disabled children, are well cared for and live in homes that meet their needs. Social workers consider children's diversity needs very carefully so that they can support them to settle well with their careers and make progress in their education.
- Social workers know the children (*in care*) they support exceptionally well. They are insightful and attuned to children's needs, helping them to express their views using individualised and bespoke communication methods.
- Governance of the virtual school is effective, and the virtual school makes a positive difference to children's academic and personal development.
- (Care leavers) benefit from enduring and trusted relationships with workers who support them well..... The support provided to care leavers makes a positive difference as they move into adulthood.
- Care leavers are supported to maintain links with family members and other adults to ensure that they have access to a network of people who can offer them long-lasting support into adulthood.
- Leaders are taking appropriate action to expand the range of opportunities for care leavers, for example through access to council-led mentoring schemes, apprenticeships or work experience, or links to local businesses and the culture sector.
- Investment in early help services, and current work to establish a new multidisciplinary model for locality teams, as well as plans to enable the specialist SWIFT services to deliver support at an earlier point, demonstrate the corporate commitment to delivering sustainable and impactful support for children.
- The long-standing stability of the workforce enables well-rooted relationships to develop with children and care leavers in East Sussex. Leaders make no secret of the fact that the workforce is their most valuable asset.
- Workers stay in East Sussex because they feel valued and supported to do well.

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- Inspectors had the pleasure of meeting a group of articulate, caring and kind young people, all of whom said that they felt safe and had someone to turn to as a trusted adult.

2.6 Ofsted provided a child friendly summary to inform children and young people about the inspection outcomes. This is attached at Appendix 10.

2.7 The report identifies three areas for improvement:

- The quality of plans for children and care leavers so that they are all specific, measurable and timebound.
- The recording of management oversight, supervision and direction.
- The oversight, timeliness and rigour of the response to children:
  - experiencing neglect, including children in Public Law Outline pre-proceedings, and
  - in private fostering arrangement

2.8 The draft post-inspection action plan in response to the report is attached at Appendix 11. The final action plan will be shared with Ofsted by 17 May 2024.

16 April 2024

KEITH GLAZIER  
(Chair)