Title:	**Council Monitoring Report – end of year 2024/25**
Report to:	**Cabinet**
Date:	**24 June 2025**
Report by:	**Chief Executive**
Purpose:	**To report Council monitoring for the full year 2024/25**

RECOMMENDATION

Cabinet is recommended to note the latest monitoring position for the Council

1. Introduction

1.1 This report sets out 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 March 2025.

1.2 Broad progress against the Council's four strategic priority outcomes is summarised in paragraph 4 and an overview of finance and performance data is provided in the Corporate Summary at Appendix 1. Strategic risks are reported at Appendix 8.

2. Overview of Council Plan 2024/25 outturns and strategic risks

2.1 We set challenging targets each year that reflect our aim to deliver the best services we can for our local residents and businesses with the limited resources we have available. The ongoing difficult financial position for the Council has meant that services have been working to deliver the priorities within the Council Plan alongside making savings. While our services have had a number of successes over the past year despite this, there are also areas that have experienced challenges. The Departmental Appendices (3-7) provide details of both our achievements and how we are working to improve, where we can, where targets have not been met.

2.2 The overall position at the end of quarter 4 was 43 (72%) of the 60 Council Plan targets had been achieved and 11 (18%) were not achieved. 6 (10%) are carried over for reporting in quarter 1 2025/26. These are measures where the corresponding activity has been completed, but the year-end outturn data is not yet available to report against the target. It should be noted that the percentage of targets met represents an improvement on the year-end position reported in quarter 4 of 2023/24.

2.3 Of the 60 targets, the outturns for 14 (23%) are not comparable with the outturns from 2023/24. Of the remaining 46 measures which can be compared, 14 (23%) improved or were at the maximum (i.e., the most that can be achieved); 4 (7%) remained the same; 22 (37%) had a lower outturn; and 6 (10%) are carried over for reporting in quarter 1 2025/26. Although 22 measures are showing a lower outturn compared with 2023/24, 11 of these met their target for 2024/25. This reflects the difficult decisions we had to make to adjust some targets for 2024/25 based on the resources we had available for this year. This should also be viewed in the context of the results of the inspections and audits that the Council has been subject to, which demonstrate that while we may not always be able to stretch our resources to meet the high ambitions we have for our services, we continue to deliver safe, effective and efficient services.

2.4 The Strategic Risk Register, Appendix 8, was reviewed and updated to reflect the Council's risk profile. Risk 23 (Local Government Reorganisation and Devolution) is new and introduced this quarter. Risk 4 (Health) has an updated risk definition, risk control and risk score. Risk 22 (Oracle) has an updated risk definition and risk control. Risk 1 (Roads), Risk 6 (Local Economic Growth), Risk 9 (Workforce), Risk 15 (Climate), Risk 20 (Placements for children and young people) and Risk 21 (Care Act) have updated risk controls.

3 Budget Outturn

3.1 The detailed revenue outturns for each department are set out in the relevant appendices which show an aggregate total overspend of £21.9m (£24.8m forecast at quarter 3). The main headlines are:

- Children's Services has an overspend of £13.6m (£15.4m forecast at quarter 3); the main areas of overspend being Early Help and Social Care and Home to School Transport. The Early Help and Social Care overspend of £12.4m (£13.1m forecast at quarter 3) is due in the main to staffing costs within Localities, pressures around agency placements and Children's Homes within Looked After Children, although there was a reduction in net costs at Lansdowne Secure Unit due to increased income from recharging other local authorities for placements.

  Home to School Transport has an overspend of £3.8m (£4.2m forecast at quarter 3) due to growth in numbers of pupils and unit costs for transport that have far outstripped what was estimated during the budget setting process. The final overspend has improved since quarter 3 due to legal advice confirming the possibility of charging personal transport budgets for children with Education and Health Care Plans to the High Needs Block of the Dedicated Schools Grant; this meant that £0.6m of transport expenditure could be recharged.

  Not included in the figures reported above is the position of the Dedicated Schools Grant (DSG), which, in accordance with the Schools and Early Years Finance (England) Regulations 2020, is required by local authorities to be carried forward on their balance sheets. As of 31st March 2025, the Council has a cumulative DSG surplus of £2.8m, which is very unusual as most local authorities have significant DSG deficits. However, this will not continue as a forecast cumulative deficit is expected by the end of 2025/26. The statutory override is due to expire in March 2026, which means that any deficit will then be offset against useable council reserves.

- The overspend for Adult Social Care is £10.0m (£9.9m forecast at quarter 3) which largely relates to the Independent Sector, where the overspend is £12.4m. This is due to a combination of factors, primarily being increasing complexity of need and pressures arising from demand and demographic growth returning to pre-pandemic levels. There is an underspend in Directly Provided Services of £2.4m due to staffing vacancies which reflects the impact of savings consultations and underlying difficulties in recruitment.

- There is an underspend of £0.4m (£0.4m forecast overspend at quarter 3) for Business Services. This is due to new grant income, higher than budgeted income for services and reduced costs including staff vacancies, offset by increased accommodation and reactive maintenance costs.

- Communities, Economy and Transport is showing an underspend of £1.3m (£0.9m forecast at quarter 3). This is due to higher than budgeted recycling income and lower Private Finance Initiative contract prices, staff vacancies and slippage on completing Road Safety schemes; offset by an overspend in Highways where the cost of electricity for streetlighting and depots is much higher than budgeted and there was an increase in the number of winter service jobs.

3.2 Within Centrally Held Budgets (CHB), including Treasury Management (TM), and corporate funding there is an underspend of £14.3m (£13.0m forecast at quarter 3), which includes the general contingency:

- There is a £2.6m underspend on TM (£1.6m forecast at quarter 3); 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. It should be noted that there has been a fall in cash investment balances; the level of balances has fallen by 43% in one year to £115.3m at the end of 2024/25.

- Within CHB the underspend is now £8.4m; an increase of £1.3m from the forecast at quarter 3 due to the movement in TM and a decrease in the estimated debt impairment for the year. The underspend is mainly due to the TM variance, the General Contingency of £5.3m, and the decision not to transfer a planned £1.3m contribution to the Capital Programme.
- Corporate Funding budgets have underspent by £5.8m (£5.9m forecast at quarter 3). This is mainly due to the allocation of the Social Care Services Grants totalling £5.4m in February 2024, after the 2024/25 budget was set (as approved by Cabinet on 25 June 2024), plus a net additional £0.4m received for business rates 2023/24 pooling and reliefs.

3.3 The net impact of the above is an unplanned draw from the financial management reserve of £7.6m in 2024/25 (a fall from the £11.8m projected at quarter 3). This is in addition to the planned £14.3m draw to present a balanced position in setting the 2024/25 budget. The Council's projected level of strategic reserves was last assessed to be £4.5m as of March 2029; any reduction in unallocated reserves reduces the flexibility available in dealing with the challenge of addressing next year's projected deficit and setting a balanced budget, without having to seek further savings. In this context, to address the projected in-year overspend and reduce the required draw from reserves, the Council took a number of actions to reduce spending in 2024/25, including:

- Additional controls on spending, including the requirement for purchase orders above £1,000 to be supported by a business case and approved by a reviewing board.
- An updated recruitment protocol, including Corporate Management Team approval of non-core role recruitment.
- Reviewing proposed savings for 2025/26 to identify whether actions can be brought forward into 2024/25.
- Asking departments to identify any further actions to reduce in-year spend across all budgets.

3.4 The Capital Programme Outturn net expenditure for the year is £87.0m against a budget of £106.6m. In previous reporting, a slippage risk factor of £20.0m had been applied to the capital programme to reflect likely slippage based on a risk assessment of historic levels of actual expenditure and slippage at a project/programme level. The risk factor was held at a corporate level to enable services / project managers to manage project budgets at a local level, whilst ensuring greater robustness to the overall planning and monitoring process. The net forecast expenditure at quarter 3 after applying this risk factor was £84.6m, so there was a relatively small movement of a £2.4m increase in the final outturn from the quarter 3 forecast.

- The programme outturn slippage is £19.421m against a quarter 3 forecast of £13.7m across several projects, relating to various project specific factors. The largest areas of slippage included: Integrated Transport A22 Corridor (£1.112m); Other Integrated Transport Schemes (£1.033m) Exceat Bridge Replacement (£2.553m); Eastbourne Town Centre Phase 2b (£1.952m); Youth Investment Fund (£1.745m); Schools Capital Building Improvements (£1.033m); IT & Digital Strategy (£2.191m) and IT & Digital Strategy Oracle (£2.622m).
- The programme outturn shows a small spend-in-advance of £0.333m, against a previously forecast £0.4m, mainly relating to: Learning Disability Supported Living (£0.123m) and Broadband additional vouchers (£0.107m).

4 Progress against Council Priorities

Driving sustainable economic growth

4.1 The Council has spent £382m with 815 local suppliers over the past 12 months. This equates to 60% of our total procurement spend, meeting the target of 60%. £1.8m in Social Value was secured through our Property Frameworks from contracts with a combined value of £11.5m which equates to 16% of the contract value. In total, all applicable contracts in 2024/25 secured 19% of Social Value commitments against a target of 10%. Social Value secured through these contracts included apprenticeship and job opportunities for local people, work experience and career awareness programmes offered to local schools and colleges, and supporting environmental programmes with local groups, schools and colleges (Appendix 4).

4.2 In 2024/25 the percentage of Principal roads requiring maintenance was 5%, against a target of 7%. The percentage of Non-Principal roads requiring maintenance was 6% against a target of 8%. The percentage of Unclassified roads requiring maintenance was 31%, against a target of 25%. A lower figure indicates better road condition. These figures are only available at one point each year, with the results published in quarter 4. They are based on specialist laser surveys undertaken in summer 2024 for Principal and Non-Principal roads, and manual surveys for Unclassified roads which were undertaken in early 2025. The outturns refer to the percentage of road length across the entire county that should be considered for maintenance. The surveys measure road condition in 10m sections. All roads are likely to have a mixture of green, amber and red road condition sections. The road condition outturns reported here are the percentage of 10m sections that should be considered for maintenance, which are classed as red. So, for example, a proportion of 5% indicates that 5% of all 10m sections surveyed of that road type should be considered for maintenance (Appendix 6).

4.3 Work on our highways continued in 2024/25 using the extra funding approved by the Council in recognition of the deterioration of the network following last winter’s prolonged, wet and cold weather. We completed 510 patches across 381 sites throughout the year. We replaced, repaired or cleaned 350 road signs and refreshed 683 road markings. We also completed 565 minor road drainage schemes, and 75 larger schemes. 117 road improvement schemes were completed in 2024/25 and over 23,000 potholes were repaired (Appendix 6).

4.4 During 2024/25 over 1,500 students have had the opportunity to go on an Open Doors workplace visit, and over 50 employers have committed to offer the visits. An iCan careers event in March 2025 was attended by more than 400 young people from 34 schools. They had the opportunity to explore career pathways, engage in 6 interactive workshops on employability skills, and connect with representatives from 32 different organisations. The Council continued to help adults improve their numeracy skills through 14 Multiply interventions in 2024/25. 1,300 people were supported as part of the interventions (Appendix 6).

4.5 The Council has delivered business support programmes that helped to create 60 Full Time Equivalent (FTE) jobs in 2024/25, against a target of 45 FTE jobs. 29.5 FTE jobs were created through the first round of the Newhaven Business Grants Programme, 18.5 FTE jobs through the first round of the Rural Business Grants Programme, and 12 FTE jobs through the delivery of specialist business support through the ‘Big Ambitions’ programme (Appendix 6).

4.6 Final data for the average Attainment 8 score for pupils at state-funded schools was released in quarter 4. Both the average score for all pupils and the average score for disadvantaged pupils were below the targets set for this year (43.1 against a target of 44.0 and 30.1 against a target of 30.5 respectively). The performance of four academies in the Bexhill and Hastings area, where average attainment is lower, impacts significantly on the overall outturn for East Sussex. The young people attending those schools account for approximately one fifth of all secondary pupils in year 11. The average Attainment 8 score of Looked After Children was also below target at 14.7 (target was 19.0) (Appendix 5).

4.7 The percentage of eligible disadvantaged children aged 2 years old who took up a funded place in the spring 2025 funding period was 73%. While this is lower than the national average of 74.8% (the target for this measure), it should be noted that performance appears to have been affected by changes in how the data is reported by the Department for Education (DfE). Some eligible disadvantaged children are now able to access a funded place through the working families funding streams implemented in April 2024, which is reducing the cohort counted through this measure (Appendix 5).

4.8 The 2024/25 percentage of young people who were Not in Education, Employment or Training at academic age 16 was 4.2% against a target of less than or equal to 5%. This is also an improvement on the 2023/24 figure of 4.4%. For academic age 17 the total was 5.7%, against a target of less than or equal to 7%. The 2023/24 figure was 6%. The commissioned advice and support that our Youth Employability Service provides has had a positive impact in supporting young people to access education, employment, and training. We continue to work with the DfE and local colleges to expand the courses available at Level 2 and below. Level 2 courses are generally equivalent to GCSEs and can serve as a pathway to Level 3 courses, apprenticeships, or employment (Appendix 5).

Keeping vulnerable people safe

4.9 The rate of children with a child protection plan was 59.8 per 10,000 children aged 0-17 at year-end, below the target of 64.4. This represents an 11% decrease from the outturn for 2023/24 and reflects the continuing positive impact of the support provided by the Connected Families Intervention Practitioners. The rate of Looked After Children reduced slightly in quarter 4 to 67.3 per 10,000 just above the target of 66.6 (Appendix 5).

4.10 We have met all of the targets linked to waiting times in Adult Social Care included within the Council Plan. This is due to improvements in how cases are triaged and how waiting lists are managed (Appendix 3).

4.11 Trading Standards made 290 active interventions in 2024/25 to protect vulnerable people, exceeding the annual target of 200. 360 businesses received training or advice from Trading Standards in 2024/25, against a target of 350. Trading Standards also seized a significant amount of illegal tobacco and vape products in 2024/25, with tobacco and cigarettes with a genuine retail value of nearly £450,000 and illegal vapes with a genuine retail value of £60,000 seized (Appendix 6).

4.12 A new contract to provide safe accommodation (Refuge) in East Sussex will begin in quarter 1 2025/26. The new provider, Interventions Alliance, will take over the 37 existing units of safe accommodation and provide an additional 18 units within the first 3 months of the contract. The new contract is due to last for 3 years. 6 projects awarded via the Domestic Abuse Small Grants Fund started to deliver services in January 2025. These projects consist of: support for victims / survivors from ethnic minority backgrounds, older people, those in temporary accommodation, and adults with multiple compound needs, as well as child to parent abuse initiatives and whole family approaches (Appendix 3).

Helping people help themselves

4.13 Satisfaction with the 0-19 Early Help Service remained high in 2024/25, with 91% of respondents to our feedback survey agreeing that things had changed for the better as a result of the targeted support they received, above the target of 80% (Appendix 5).

4.14 321 carers were supported through short-term crisis intervention in 2024/25, against a target of 390. Together with the provider and NHS Sussex, we have reviewed the service. The contract has been respecified, and the target has been reduced to 300. This reflects the increased needs of carers and the offer of up to 6, rather than the previous 4, visits (Appendix 3).

4.15 The multi-agency Financial Inclusion programme in East Sussex brings together statutory, voluntary and other partners to improve residents' financial wellbeing and resilience. The programme delivered a range of benefits during 2024/25. These benefits included distribution of the Household Support Fund, which made 170,000 awards totalling £7m to support households struggling with the cost of bills and essentials. Benefits maximisation campaigns were carried out, which contributed to increases in resident income through benefits of over £1m per year. The 'Additional Measures' grants programme provided additional funding to the money advice sector during the year, reaching over 3000 clients and delivering £2.7m of increased income and debt reduction (Appendix 3).

4.16 In collaboration with Voluntary, Community and Social Enterprise partners, a new Social Enterprise Development Programme began on 1 April 2025 to provide information, advice and support to residents and assist the Council in meeting its duties under Sections 2 and 4 of the

Care Act 2014 including the requirement to prevent, reduce or delay the need for care and support (Appendix 3).

4.17 In February 2025, East Sussex Public Health held our first multi-agency workshop about prevention of gambling-related harm, and there was unanimous support to work together on the development of an action plan. In addition, funding has been secured from the South-East School of Public Health to enable delivery of Wider Workforce Gambling Harms Prevention Training to staff working in organisations across East Sussex (Appendix 3).

Making best use of resources now and for the future

4.18 Throughout 2024/25 corporate lobbying work focussed on using our partnerships and networks at the local, regional and national level to influence policy development in a range of areas, with a focus on the reforms needed in response to growing demand and financial challenges. Significant lobbying in 2024/25, has emphasised the acute need for sustainable resources to meet increasing demand and local government funding reform to ensure the unique needs of the population of East Sussex are recognised and can continue to be met now and in the future. In quarter 4, this included the Council responding to consultations on local authority funding reform and the provisional Local Government Finance Settlement, which highlighted that allocations of the new Recovery Grant did not account for population need in East Sussex. The Leader and Chief Executive have continued to actively raise issues and priorities for the county with our local MPs during 2024/25, including, in quarter 4, through specific updates on our Council Plan and budget for 2025/26. This included the Leader meeting, along with group leaders, with a number of East Sussex MPs in quarter 4 to brief them on proposals included in the budget for 2025/26 and ask for their continued support in lobbying Government (Appendix 7).

4.19 We completed 3 energy efficiency schemes in quarter 4, including 2 window replacement projects and one heat decarbonisation scheme. In total, during 2024/25, 20 schemes have been delivered against a target of 23. This reflects cuts to both the Salix Recycling Fund and the ring-fenced Council budget for directly funded carbon saving projects. Energy consumption and carbon emissions are reported a quarter in arrears, so quarter 3 data is the most up to date information. Carbon emissions for quarter 3 were 2% lower than quarter 3 2023/24. If consumption during quarter 4 is similar to previous years, then the reduction compared to the baseline year 2019/20 would be 36%, against a target of 50% (Appendix 4).

4.20 The Council has continued to work both across the organisation and with partners across a range of environment and climate change areas in 2024/25. This included providing environmental advice to client local planning authorities on nearly 2,000 planning applications. We delivered the 40% of the actions in the East Sussex Climate Emergency Road Map 2022 – 2025 which were assigned to the Council. The remaining 60% of actions are assigned to other partners in the Road Map. We have also continued to develop the local nature recovery strategy, which is currently planned to be published by early 2026 (Appendix 6).

4.21 The Council continued with a project to replace the SAP system used for our procurement, finance and Human Resources processes in 2024/25, as this will not be supported from 2027. The Council made good progress on implementing the Oracle Fusion system to replace it. Most of the modules from Phase 1, and all of Phase 2 (which cover most of the procurement and finance processes) are now live. Phase 3, the final phase of the implementation, will begin to be delivered during 2025/26 (Appendix 4).

4.22 The 2024/25 sickness absence figure (excluding schools) is 9.21 days lost per FTE employee, against a target of 9.10. This is an increase of 0.9% on the 2023/24 figure. The predominant reason for the increase in absence rates is a rise in the number of flu related absences and musculoskeletal related absences (Appendix 4).

4.23 The Council continues to ensure it office hubs are used efficiently and during 2024/25 the space used for staff at County Hall was rationalised and reduced. In quarter 4, the Council vacated both South and East blocks, which involved over 163 teams moving to remaining blocks (Central, North, and West). The vacant blocks are being advertised for office use, marketing commenced in

March 2025. The total work on office rationalisation across the corporate estate, including at Eastbourne and Hastings, has provided significant benefits to the Council including £1.050m of financial benefit, reductions in resource required to support ongoing facilities management and maintenance, and reductions in carbon emissions (Appendix 4).

4.24 In December 2024 the Government published its English Devolution White Paper outlining plans to devolve greater powers to newly established Strategic Authorities, alongside a programme for Local Government Reorganisation. The Government invited expressions of interests from upper-tier and neighbouring unitary authorities in joining the Devolution Priority Programme (DPP) which would see progress happen at an accelerated pace. In January 2025, following a discussion at Full Council, Cabinet approved a response to Government's invitation which confirmed a commitment to work with partners in West Sussex County Council, and Brighton & Hove City Council to develop a proposal for a Mayoral County Combined Authority (MCCA). Confirmation was received in February that Sussex was one of six successful areas accepted on to the DPP and expected to undergo reorganisation and devolution at an accelerated speed. In March, following debates at Full Council, Cabinet agreed a response to Government consultation on the establishment of an MCCA in Sussex and agreed an interim proposal for unitary local government in East Sussex developed jointly with district and borough council partners (Appendix 7).

Becky Shaw, Chief Executive