

Children's Services – Q2 2025/26

Summary of progress on Council Priorities, issues arising, and achievements

Early Help and Social Care

Ofsted Focused Visit

Ofsted undertook a Focused Visit Inspection of East Sussex Children's Services at the end of July. The purpose of this inspection is to evaluate an aspect of the service, a theme or the experiences of a cohort of children. For this inspection visit, the theme was children in need or subject to a protection plan.

This inspection does not provide an outcome grading but instead sets out key findings within the area of focus, and any associated recommendations. The response letter highlighted the following key findings:

- Children in need in East Sussex, and those who are the subject of a Child Protection Plan, are receiving services that make a positive difference for them and whose effectiveness is being continually developed.
- The senior leadership team, with strong corporate support, continues to invest in services for vulnerable children. Leaders have continuously developed and refined services to ensure they have a positive impact on children's lives.
- There is a strong focus on providing integrated, multidisciplinary support to children and families. This approach ensures that children and families benefit from consistent, high-quality practice that supports their progress and improves their lives.
- There is relentless focus on supporting a stable and committed workforce, enabling staff to develop their skills and feel valued within the council. Leaders are actively creating the right conditions to strengthen social work practice and improve the quality of services for children and families.

One recommendation for improvement was received, relating to the timeliness with which child protection strategy meetings are held. Whilst it was recognised that urgent cases are prioritised, a small number of children experienced delays in convening strategy meetings. Ofsted noted that: 'Once held, child protection strategy meetings are attended by the relevant professionals, who appropriately consider the level of risk and the impact on the children involved. There is timely progression to child protection conferences when required'.

Ofsted recognised the improvements made following the last Inspection of East Sussex Local Authority Children's Services (ILACS) in 2023, in relation to the Public Law Outline, private fostering arrangements and neglect. They also saw excellent examples of the work to support many children to remain at home, through our Connected Families approach. The letter highlighted the 'life changing' and 'transformative' work undertaken with children and families in East Sussex.

Both the visit and subsequent response letter were resoundingly positive. The report recognised the real positive differences being made to the children and families of East Sussex.

Family and Youth Hubs

The new Heathfield Youth Hub opened in August 2025, with a formal opening event in September attended by local MP Nus Ghani and the Council's Lead Member for Children and Families Bob Bowdler.

The JOFF Youth Hub also opened after a formal launch in mid-September with support from the Council's Lead Member for Children and Families and local Town Councillors.

Both Hubs are now open with sessions attracting high numbers of young people enjoying the new facilities in both centres. Response from parents and community members has been very positive.

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Hollington Youth Hub is currently closed for a major refurbishment and extension. The planned works should be completed by the end of March 2026. Youth Work continues to be delivered from Hollington Primary School and through the Teams new Mobile Resource Van funded by the Government's Levelling Up Fund.

Child in Need (CIN) cases and Child Protection (CP) Plans

One of the key priorities for Social Care Locality Teams is to safely reduce the volume of children subject to Child Protection (CP) Plans and Child in Need (CIN) plans over time, through ensuring effective earlier intervention, high quality assessments and plans and effective multi-agency working.

CP Plans have reduced from 579 at the end of Q1 to 532 (51.3 per 10,000 children) at the end of Q2.

At the end of Q2 the number of children with Child in Need plans was 1,124, compared to 1,023 at the end of Q1. This increase reflects continued high demand and the number of families that we are successfully stepping down from child protection.

Connected Families, SWIFT and Foundations services are major contributors to delivering specialist support for parents and enabling children to stay safely within their families and step down from statutory services.

Connected Practice Leads

Q2 marked the launch of our Practice Lead programmes in Motivational Interviewing and Heading Home (Reunification), with Attachment and Trauma to follow shortly. These initiatives strengthen our Connected Practice Model by cultivating specialist knowledge, enhancing practitioner development, and fostering a culture of peer learning. By embedding expertise across these four core areas, we are creating a sustainable and collaborative environment for continuous improvement in practice.

Residential Homes – Ofsted inspections

Lansdowne Secure Children's Home received an Assurance Inspection by Ofsted on 3 September 2025 where it maintained a judgement of Good. Inspectors noted that children had positive relationships with staff and observed a 'warm, lively atmosphere'. They also noted that 'The Registered Manager continues to demonstrate a clear understanding of the home's strengths and the areas that need further improvement and development'. There are plans in place to address these areas for improvement including monitoring has been strengthened, physical restraint is used proportionately, and multi-disciplinary working has been enhanced. The inspection recommended action to address consistency of supervision, use of 'language that cares' and taking action to improve the 'homeliness' of the environment – work is in progress to address these areas for development.

Silver Birches Children's Home was inspected by Ofsted on 4 and 5 August 2025 and maintained an outcome of Good. Inspectors noted that children receive good quality care, staff are child centred, and external professionals and family report positive relationships with the home. Children feel safe living in this home. Managers work well together as a team and are ambitious for children. Staff receive regular, good quality supervision, meaningful induction and have opportunities to have their voices heard. The Inspectors noted: 'Leaders and Managers actively promote equality, diversity and inclusion. Children can be themselves here.'

Looked After Children

The rate of Looked After Children (LAC) has seen a slight decline at Q2 to 66.5 (689 children) which is below the outturn at Q1 2025/26 of 67.1 (695 children). This rate remains below the national average rate for England of 68.6 and the IDACI (expected rates based on levels of deprivation) rate of 70.0. The rate is above our statistical neighbours (63.2, Q1 2025-26).

40 children entered care in Q2, compared with 56 in Q1.

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14 children across 10 families were provided with Looked After Child status following or alongside the initiation of a pre-proceedings process that led (or is likely to lead) to the Council issuing care proceedings to safeguard the children. This pre-proceedings process is used when we believe that the risks to a child are so great that it might be necessary to ask the court to decide where the child will live and who they should live with through a court order. These children were placed with either their wider family or in foster care. Two further children entered care prior to pre-proceedings work being completed as a result of a significant escalation of concerns and issuing of proceedings.

15 separated migrant children were transferred to East Sussex via the National Transfer Scheme (NTS).

Five children entered care via an unplanned crisis led pathway, either via Police Protection or an unplanned Section 20 Children Act arrangement.

The demand for care admission for adolescents with complex needs across mental health, special educational needs and social care continues to be the most challenging area of demand, both from a practice and cost perspective.

Education

Improving Alternative Provision in East Sussex

On 1 September the transfer of Alternative Provision to the London South East Academies Trust (LSEAT) was completed. The new provision is known as the East Sussex Academy and is operating from three sites in Hailsham, Newhaven and Hastings. This is a significant step on our journey of transforming Alternative Provision. In 2025/26 the Council is commissioning 220 places at the East Sussex Academy. This is a 96% increase on the number of places we commissioned in 2024/25. The new academic year started well in September at all three sites with good pupil engagement and attendance.

During the summer terms LSEAT continued to provide an outreach offer to schools, providing flexible and bespoke support to meet the emerging needs of pupils with a focus on keeping children in mainstream schools. The Outreach team had involvement with 98 children (34 primary, 64 secondary) across 44 schools (23 primary, 21 secondary) and delivered training to 727 staff across primary and secondary schools. LSEAT continued to deliver the Alternative Provision Taskforce as part of the Change Programme. Multi-agency teams of specialists including Educational Psychologists, Speech and Language Therapists, Early Help Social Workers and Youth Workers work with individual children at mainstream secondary schools. From 1 September the Taskforce team has been co-located in East Sussex Academy, with regular meetings held across the sites.

Expanding Places for Wraparound Childcare

We are continuing to work with primary schools and early years providers to increase the number of Wraparound Childcare places, as part of the Government's ambition of supporting all families of primary aged children. The team have worked with providers to help upskill the workforce delivering training and support. 31 practitioners have been funded to complete a Level 3 qualification in Playwork. Our childminder recruitment campaign has resulted in approval for 3 new childminders supporting families in areas with little or no provision, the childminders will also be able to support families whose children attend a special school.

We launched a marketing campaign in June 2025 to promote wraparound provision and working families tax credits, aiming to fill places and support provider sustainability. This activity commenced in September 2025 and will continue until the end of the academic year. By the end of September funding has been agreed to create 1,362 new wraparound childcare places, with a further 23 places awaiting panel approval.

Special Educational Needs and Disabilities

Improving performance on the proportion of all new Education, Health and Care (EHC) Plans issued within 20 weeks continues to be a focus. During Q2, 30.5% of new EHC Plans (50 out of 164) including exceptions and 32.7% (49 out of 150) of new EHC Plans excluding exceptions were issued within statutory timescales. Cumulatively this year (Q1 and Q2 2025/26) of all new EHC Plans issued, 35.5% (102 out of 287) including exceptions and 37.7% (101 out of 271) excluding exceptions were issued within statutory timescales. For comparison, in Q1 and Q2 2024/25 the outturn was 72.2% including exceptions and 74.1% excluding exceptions.

There has been an ongoing steady decline in timescale performance due to late statutory advice from partners since Q3 2024/25. We are unable to finalise an EHC plan without health and social care advice. Where this is returned late it is not possible to finalise the 20-week process in timescales. The challenges seen in timescales is a national issue and, until this year, we had been performing well-above national and statistical neighbour averages for completion rates within 20-weeks. The level of demand for EHC Needs Assessments has increased significantly (up 63% in East Sussex in 3 years) which has placed significant pressure on statutory Special, Educational Needs and Disabilities (SEND) services and statutory partners.

As a direct consequence of the increase in referrals, the Educational Psychology Service (EPS) is under considerable pressure and are now unable to allocate new Education Health and Care Needs Assessments (EHCNA) the same week the decision is made. In some situations, there is a 2–3-week delay in being able to allocate cases and therefore EPS advice is not being returned within the usual timeframes and is causing an additional pressure on the meeting of statutory timelines.

There has been significant focus within social care to return to previous timeliness, supported by the Designated Social Care Officer. This includes the recruitment of additional posts to undertake the social care element of assessments, and we are starting to see an improvement in the timeliness of advice being received and it remains an area of focus. Advice from the Children's Integrated Therapy and Equipment Service (CITES) is not required for every EHCNA, however there has been a continued low and decreasing percentage of statutory advice from CITES being returned on time, which will continue to impact the Council's timeliness. The backlog of cases with CITES has reduced and we are starting to see earlier assessment dates being offered to new cases which should in turn lead to earlier advice being provided.

Due to the 'lag' in the system (as the statutory process is 20-weeks), it is unlikely that the mitigations we have put in place will be seen until the 2026/27 financial year. However, there is ongoing risk to this measure due to the demands and capacity pressures for statutory partners who are also seeing increases in demand for provision (e.g. direct therapies) as well as to undertake assessments.

Looked after children participating in education, training or employment

Final outcomes are expected at Q3 for both participation measures, which capture participation at academic age 16 (Year 12) and academic age 17 (Year 13). Due to the small cohort, which can mean that outturns are changeable and less predictable, these measures are highlighted as exceptions at Q2 (**ref i and ref ii**). We continue to work closely with individuals who are not currently in education, training or employment (NEET), in partnership with the Youth Employability Service (YES) to secure appropriate provision.

Revenue Budget Summary

Based on current financial modelling, the Q2 predicted outturn for the end of 2025/26 is £174.827m. This is a forecast year-end overspend of £14.854m (**ref xvi**). It is a £1.816m improvement since Q1.

In 2025/26 CSD has a net budget of £159.973m. There has been £13.301m additional budget given for growth and inflation, however £3.239m has been removed for permanent savings (**ref x**).

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This equates to a net increase of £10.062m. This year, all £3.239m of savings have been achieved.

The main financial pressure continues to come from the statutory demand-driven areas of LAC, CP, and Home to School Transport.

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 shown on their balance sheets. As of 31 March 2025, East Sussex has a cumulative surplus of £2.837m, which is very unusual, as most local authorities have significant deficits. However, there is an in-year forecast deficit of £20.062m on the DSG, which will result in an overall deficit by the end of 2025/26. £19.280m of the deficit is related to costs of provision for children with Education & Health Care Plans. The statutory override has been extended until March 2028, at which point the deficit will then be offset against any remaining useable council reserves. Recent long-term financial modelling indicates a £247.709m cumulative DSG deficit by the end of March 2032, which is unsustainable for the council. Consequently, the council is disappointed to hear that the promised SEND reforms will be postponed until 2026.

Commissioning and Transformation overspend of £11.610m (ref xiii)

Commissioning and Transformation is a new division in which all LAC placement expenditure sits. It has a budget of £69.988m and forecast expenditure of £81.598m at the end of 2025/26, based on current financial modelling.

£1.593m savings have been approved to come from the division this year and it is set to achieve them (ref iii). This is down to the early intervention workstreams Valuing Care and Connected Coaches. Both programmes have aimed to step down looked after children from high-cost placements into placements which meets their needs at a lower cost, or where possible, to reunify children with their families.

LAC placements

For 2025/26 a budget of £64.133m has been set for LAC placements. £1.000m of this budget is being transferred to pay for the Connected Families teams in Specialist Services, which are focused on prevention activity to support children to remain living with their families. A further £0.100m budget will be contributed to the South-East Regional Care Co-operative (RCC), which has been established to enhance regional commissioning, improve market shaping, and ensure there are sufficient placements to meet the needs of children in care.

LAC placements remain the largest financial pressure within Children's Services, with a Q2 forecast overspend of £11.525m for 2025/26. This is a decrease in the overspend of £0.584m since Q1.

A £15.581m overspend is forecast on agency residential and secure placements, with £0.194m underspend forecast on agency foster carers, a £2.741m underspend on agency semi-independent living, and a £0.615m underspend forecast on in-house East Sussex foster carers.

The financial picture nationally continues to be very challenging, and East Sussex is experiencing significant cost increases in agency residential placements in common with other local authorities. This has been highlighted in recent reports published by the National Audit Office and the Local Government Association. The National Audit Office report (published September 2025) outlined that spending on residential care for looked after children nearly doubled in five years, reaching £3.1bn in 2023–24 and averaging £0.318m per placement, while the number of children in residential care only increased by 10% in this same period. It concluded that a shortage of places for some looked after children, particularly those with more complex needs, has driven cost increases. The National Audit Office report also noted that 84% of children's homes are run by private providers, with profit margins averaging 22.6% in the 15 largest private providers.

The service continues to experience challenges in relation to placements for children with a high complexity of need and this includes:

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- Increase in the number of children in residential provision. In Q2 2024/25, 122 children were placed in residential children's homes (20% of all LAC), in Q2 2025/26 this has increased to 130 children (21% of all LAC). This relates to the needs of the children but also the lack of sufficiency in foster carers meaning that children who are suitable for foster care are in some cases having to be placed in residential provision
- Increase in cost and complexity of the top 20 highest-cost placements in the past 12 months. These placements are for adolescents with a high complexity of need across social care, health and education. Many children have emotional/mental health concerns, increasing numbers have a neurodiverse profile, and behaviours that challenge. A number require deprivation of liberty orders to ensure appropriate levels of safeguarding. The service has a small number of children currently placed in Care Quality Commission (CQC) registered settings due to the level of need, with no Ofsted registered provision being able to meet needs. The children in the top 20 highest cost placements are forecast to cost £12.9m this year, meaning that they make up 3% of the total looked after children numbers (excluding Separated Children), but will make up 17% of the total LAC placement spend in 2025/26 (£75.548m).
- Increase in the average price of all placements. This is particularly significant in relation to placements costing over £10,000 per week. In Q1 2024/25, 15 children were in placements over £10,000 per week and this had increased to 21 in Q1 2025/26. There were 22 children in placements costing over £10,000 per week in Q2. This is a national trend as recently highlighted in a report by the Local Government Association.

The rationale for the projected decrease in the forecast during Q2 is provided below:

- There was an increase in the cost of 62 agency placements totalling £4.859m. These increases were primarily related to a small number of children that were either new entrants to care and required high-cost placements to meet their complex needs, or where children moved to higher cost placements to better meet their needs, or where a child required additional support within their current placement.
- These cost increases were offset by a decrease in costs of £2.856m related to 43 agency placements. The bulk of these reductions were related to a small number of children living in high-cost placements where they either moved home or to lower cost placements including some significant reductions in costs.
- The in-house fostering forecast was recalculated based on spend to date which reduced it by £0.328m.
- The growth and churn figure was recalculated as at Q2 and reduced by £1.840m.
- There were additional health contributions of £0.469m agreed.
- The forecast costs at Lansdowne Secure Children's Home were reduced by £0.280m due to staff vacancies.
- The forecast costs in Children's Homes increased by £0.453m due to additional agency staffing required.
- Other small mitigations totalled a reduction in the LAC placement forecast of £0.105m.

In addition to the activity described in the sections above to try to reduce demand for statutory social care services, the following action is being undertaken to mitigate costs and reduce pressure within the looked after children budget.

- Connected Coaches – In 2025/26, Connected Coaches [edge of care] has delivered cost avoidance of £1.649m. The LAC placement forecast would be worse off over the course of a year by this figure, if these children had not been supported to remain living with their families through the work of the service.

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- Maintained delivery of successful Foundations programme (aimed at avoiding repeat care proceedings for parents/carers who have had children previously removed from their care), Family Group Conferencing and support for Kinship carers.
- Further embedding Valuing Care approach. This has achieved £3.718m of savings to date through step downs and reunifications. Further workforce development and integration into care planning and fostering assessment is underway. Valuing Care panels focus on plans for children and multi-disciplinary working to remove barriers to transition of placements.
- New 'Heading Home' strategy developed to support reunification planning and monitoring.
- A commissioning and placements service was established in 2024/25, with increased capacity. The service is focused on improved market management, challenging provider costs and working at a regional level with the Regional Care Cooperative to improve placement sufficiency and management across the South East. It is engaged in local frameworks which are being strengthened through the Regional Care Cooperative. Development work is underway with Integrated Care Boards regarding integrated commissioning models to establish consistency.
- Income from NHS Sussex has been included in the forecast to jointly fund placements that support the health needs of a small number of looked after children. Based on current joint funding agreements in place with the ICB, the service is currently forecasting receiving health contributions of £1.154m in 2025/26 towards placement costs for complex young people and is working hard to continue to increase this amount. This compares to £0.355m received from health to support placement spend in 2024/25.

The Commissioned Services budget is forecast to underspend by £0.068m this year due to a reduction in local authority contributions of £0.240m to the NHS required to meet increasing spend on therapeutic provision for cared for children. The CAMHS (Children and Adolescent Mental Health Services) adoption service will also be delivered in-house and funded from this budget at a cost of £0.100m (a reduction from £0.112m when provided externally).

Children's Disability Service (CDS) Placements will overspend by £0.154m, which is an improvement of £0.091m since Q1. This is due to several high-cost children having turned 18 and no longer receiving support from this service.

Early Help and Social Care overspend of £1.943m (ref xii)

Early Help and Social Care has a budget of £46.274m and forecast expenditure of £48.217m at the end of 2025/26.

£0.100m savings were approved to come from the division this year and it is set to achieve them (ref viii).

The Early Help service is reporting a £0.161m overspend due to Keyworker staffing. A recruitment freeze is in place in order to alleviate the pressure, which has resulted in an improvement of £0.135m since Q1.

The Locality Social Work and Family Assessment service is forecasting a £0.913m overspend. This is a reduction in spend of £0.823m since Q1. There have been increased pressures of £0.123m relating to accommodation within the No Recourse to Public Funds budget line and S17 Intentionally Homeless services, however these are mitigated by £0.964m within the following areas.

- Youth Homelessness has improved by £0.120m as the current number of cases is relatively small, through effective preventative work and mediation delivered to families.
- An increase in the Household Support Fund has created a £0.105m mitigation within the East and West Family and Youth Support Teams.
- There has been a net decrease in Special Guardianship Order allowances (through children reaching adulthood), resulting in a £0.515m reduction in spend.

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- Several children, with additional needs and high costs support packages (through s17 funding) have had changes in support packages (based on needs assessments) or transitioned to adults' services having turned 18, resulting in a £0.113m reduction in spend.
- Finally, staffing control measures such as holding vacancies, and reducing the intake of newly qualified social workers in 2025/6 have reduced the staffing overspend by £0.070m in Q2. The overspend in this area is the cost of meeting demand within the statutory area of social care. Of the forecast salary spend, only £0.012m is related to agency social workers, with the rest being permanent. The Council has one of the lowest levels of agency social workers in the country.
- There were some other small movements contributing to the remaining £0.041m forecast reduction.

The Connected Families Intervention Practitioners (CFIP) team works within Localities to safely reduce the number of children subject to CP and CIN plans. This has reduced the number of children who require care. CFIP has delivered cost avoidance of £1.018m in 2025/26 through their interventions with families. The Localities forecast spend for a year would be worse off by this figure if the service hadn't prevented these cases from escalating or being readmitted to the service.

There is a £0.703m pressure within Specialist Services. This is an increase in forecast spend of £0.253m since Q1. £0.083m of this movement is within Youth Justice with 2 new children being remanded. The Council will receive grant funding from the Ministry of Justice towards these remands 2 years in arrears. The remaining £0.170m movement is linked to the ending of project specific grants, and inflationary pay awards, which are not met by existing income sources. This service is considered essential in delivering cost avoidance and savings through preventive interventions and supporting reunification. It is also key to the Government's social care reforms through the Families First Programme.

There is £2.929m set aside within the Medium-Term Financial Plan for the Localities/Specialist Services pressures in 2026/27. If available next year, this will help towards the known pressures within the area. In the meantime, there is a plan in place to reduce staffing overspends through natural wastage and staff turnover and some reshaping.

A portion of the Looked After Children budget relating to staffing sits within Early Help & Social Care. This is currently forecast to be £0.252m overspent, which is an improvement of £0.112m since Q1.

The Separated Children forecast has reduced by £0.089m meaning there is now a £0.117m underspend. This is because of changes in staffing, plus a recalculation of the placement income forecast following feedback from the Home Office after the year's first data return.

Communication, Planning and Performance (including Home to School Transport) overspend of £1.355m (ref xv)

Communication, Planning and Performance has a budget of £33.528m and forecast expenditure of £34.883m at the end of 2025/26.

£0.957m savings were approved to come from the division this year and it is currently set to achieve £0.468m in 2025/26 and £0.489m in future years. An array of cost reduction measures is taking place within Home to School Transport (see below), which will increase the achieved savings figure throughout the year.

Outdoor Education is forecast to overspend by £0.020m. As part of the proposed transfer of Buzz Active to Bedes the saving (**ref v**) was deducted from the budget at the beginning of the year. Buzz Active will now be retained by the Council. In year mitigations are being sought including staffing structures and management of activity equipment in relation to both sales and purchasing. There has also been some additional income agreed over winter, which has led to a £0.059m reduction in the overspend since Q1.

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There were forecast reductions in spend of £0.063m in Planning and Performance, Organisational Development, and E Business. These were offset by forecast increases in spend of £0.010m within Safeguarding and Equalities and Participation.

Home to School Transport has a forecast overspend of £1.436m. This is an increase in spend of £0.002m since Q1, due to the service renewing their Independent Travel Training contract. This is an invest to save initiative which equips children and young people with the skills and freedom to use public transport, rather than the council paying to transport them privately.

The Home to School Transport forecast is calculated based on an extrapolated model of current and previous clients, with a growth figure added for recent applications, and an assumption made about unrecoverable income owed by other Local Authorities. The forecast will be refreshed in November when all the invoices relating to the cohort of children in this new academic year have been processed.

Due to conflicting Government legislation, Local Authorities can take different stances on who pays for looked after children who are placed in and have transport provided by other Authorities. The Council aligns with the Education Belongings Regulations 1996 but has now adopted a reciprocal position with the authorities it interacts with.

Of the forecast £29.607m spend, 62% relates to clients with SEND. Spend on these clients is set to increase by 10% from 2024/25. This is linked both to EHC Plan numbers and unit costs increasing. The increases have slowed since 2023/24, when there was a 19% increase in pupil numbers and 15% increase in unit costs. However, the numbers are set to increase again by 13% this year and the unit costs by 5%. The increase in unit costs is dictated by general inflation as well as the higher National Insurance contributions paid for drivers this year.

Significant work has gone into implementing cost reduction measures within the Home to School Transport service. Plans to optimise routes for the new academic year are underway, with 450 out of 663 taxi and minibus routes having been reviewed. The focus has been on the 25 schools where 75% of SEND pupils are being transported. As a result of this work, there will be 50 fewer routes across 16 optimised schools and 8 fewer taxis. The savings on taxis have been calculated at £0.200m per year (**ref vi**), and work is ongoing to quantify the results of the rest of the work which is why we anticipate increasing the amount of savings.

Solo routes have been reviewed and there was a reduction of 56 solo routes in July. Most of this is down to leavers, with some down to the optimisation work. There are 211 remaining solo routes, with SEND pupils accounting for 143 of these. There are also 23 Further Education students on solo routes and 23 Alternative Provision students.

A new Personal Transport Budget strategy has been rolled out and 184 families have been contacted with the enhanced offer. To date, a small number of families have accepted and been transferred from a solo taxi contract, resulting in £0.218m annual saving (also included in **ref viii**). This is combined with the £0.200m saving mentioned above to produce the total reported saving of £0.418m.

Education overspend of £0.123m (ref xiv)

Education has a budget of £154.299m and forecast outturn expenditure of £154.422m at the end of 2025/26.

£0.360m savings were approved to come from the division this year and it is set to achieve them (**ref iv**). This has been achieved through a review of staffing and resources across several education teams, along with a reduction in spend on external consultants.

Participation and Planning is showing an overspend of £0.094m as a result of both staffing costs and feasibility studies related to works in schools which do not go ahead and cannot then be capitalised. This has reduced by £0.032m since Q1 with a review of Dedicated Schools Grant funding.

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Inclusion and Partnerships is showing an underspend of £0.176m. This increased by £0.150m since Q1 with a delay in recruiting to 4 Attendance posts.

Central Resources underspend of £0.177m (ref xi)

Central Resources has a budget of £1.385m and forecast expenditure of £1.208m at the end of 2025/26. The underspend has reduced by £0.058m in Q2, due to an expensive legal case relating to a Separated Child.

Whilst savings of £0.229m were approved as part of budget-setting (ref vii), the division has been able to identify savings of £0.107m this year and £0.122m in future years. £0.102m of this year's savings are down to planned underspends in the new attendance function (ref ix). An additional saving related to the consolidation of back-office functions is taking place but the restructures required won't occur until after 2025/26.

Within this area, £0.177m academisation reserve funding and £0.040m Supported Families funding is being drawn down on in year.

Capital Programme Summary

The total capital budget for 2025/26 is £3.005m and the forecast spend is £2.771m, an underspend of £0.234m (ref xviii).

The underspend is within the Essential System Developments project (ref xvii). As the project started later than planned, there will be a slippage of staff and licensing costs into later years. The project is due to finish in August 2029 now, instead of 2028.

All other projects are forecast to budget.

Performance exceptions

Performance measure	Outturn 24/25	Target 25/26	RAG Q1 25/26	RAG Q2 25/26	RAG Q3 25/26	RAG Q4 25/26	Q2 outturn	Note ref
The percentage of LAC participating in education, training or employment at academic age 16 (Year 12)	85.25%	80%	G	A			Final outturn reported at Q3	i
The percentage of LAC participating in education, training or employment at academic age 17 (Year 13)	78%	70%	G	A			Final outturn reported at Q3	ii

Savings exceptions 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	Note ref
Looked After Children	1,593	1,593	1,593	-	-	iii
Education	360	360	360	-	-	iv
Buzz Active	107	107	-	107	-	v

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Home to School Transport	728	728	418	310	-	vi
All divisions	229	229	5	122	102	vii
Supporting Families programme	100	100	100	-	-	viii
Communication, Planning and Performance	122	122	122	-	-	
Total Savings	3,239	3,239	2,598	539	102	
Attendance			102	-	(102)	ix
All divisions			-	-	-	
Subtotal Permanent Changes ¹			102	0	(102)	
Total Savings and Permanent Changes	3,239	3,239	2,700	539	0	x

Memo: treatment of savings not achieved in the year (£'000)	Temporary Funding ²	Part of reported variance ³	Total	Note Ref
Savings underachieved in-year		539	539	
Total	0	539	539	

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).

Revenue Budget 2025/26 (£'000)

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	Note ref
Central Resources	3,544	(2,159)	1,385	3,449	(2,241)	1,208	95	82	177	xi
Early Help and Social Care	58,621	(12,347)	46,274	64,077	(15,860)	48,217	(5,456)	3,513	(1,943)	xii
Commissioning and Transformation	75,811	(5,823)	69,988	90,963	(9,365)	81,598	(15,152)	3,542	(11,610)	xiii
Education	305,308	(151,009)	154,299	309,978	(155,556)	154,422	(4,670)	4,547	(123)	xiv
Communication, Planning and Performance	37,777	(4,249)	33,528	39,922	(5,039)	34,883	(2,145)	790	(1,355)	xv
Schools	154,223	(154,223)	-	154,223	(154,223)	-	-	-	-	
DSG Non Schools	-	(145,501)	(145,501)	-	(145,501)	(145,501)	-	-	-	
Total CSD	635,284	(475,311)	159,973	662,612	(487,785)	174,827	(27,328)	12,474	(14,854)	xvi

Capital programme 2025/26 (£'000)

Approved project	Budget: total project all years	Projected: total project all years	Budget 2025/26	Actual to date Q2	Projected 2025/26	Variation (Over) / under Q2 budget	Variation analysis: (Over) / under spend	Variation analysis: Slippage to future year	Variation analysis: Spend in advance	Note ref
Housing Adaptations for Disabled Children's Carers' Homes	1,637	1,637	430	145	430	-	-	-	-	

APPENDIX 5

Approved project	Budget: total project all years	Projected: total project all years	Budget 2025/26	Actual to date Q2	Projected 2025/26	Variation (Over) / under Q2 budget	Variation analysis: (Over) / under spend	Variation analysis: Slippage to future year	Variation analysis: Spend in advance	Note ref
Schools Delegated Capital	32,255	32,255	1,150	377	1,150	-	-	-	-	
Hastings & Rother Skills LUP	342	342	-	-	-	-	-	-	-	
Conquest Centre redevelopment	193	193	-	-	-	-	-	-	-	
Youth Investment Fund	1,000	1,000	93	84	93	-	-	-	-	
Youth Service Resource Bus LUP	53	53	53	-	53	-	-	-	-	
Children's Services Essential System Developments	1,507	1,507	1,279	313	1,045	234	-	-	234	xvii
Total CSD	36,987	36,987	3,005	919	2,771	234	0	0	234	xviii