

Report to: Cabinet

Date: 16 September 2020

Title: Recovery and Reset Programme

Report of: Robert Cottrill, Chief Executive

Cabinet member: Cllr David Tutt, Leader of the Council

Ward(s): All

Purpose of report: To set out the reasons for, and purposes of, the Recovery and Reset Programme to address the financial and organisational challenges faced in light of the Covid-19 pandemic and resultant economic climate.

Decision type: Key

Officer recommendation(s):

- (1) Cabinet to agree the Recovery and Reset Programme, described in this report, including governance arrangements as set out at paragraph 4.1 of the report.**
- (2) Cabinet to note the formal notification process with the Ministry of Housing, Communities and Local Government, as set out in section 2 of the report**
- (3) Cabinet to endorse those measures taken to date, details of which are set out in paras 3.3 – 3.5 of the report.**
- (4) Cabinet to agree to establish a cross party Board comprising members from Eastbourne Borough Council and Lewes District Council to oversee the programme.**
- (5) Cabinet to agree that the Chief Executive, taking advice from the Board set out above and in consultation with Leaders of the Councils, be given delegated powers to oversee and progress the Recovery and Reset Programme and for tasking individual Corporate Management Team postholders with the delivery of identified workstreams within it.**
- (6) That further update reports on the progress of the Recovery and Reset Programme be provided on a regular basis.**

Reasons for recommendations: **The Recovery and Reset Programme provides a structured and accountable approach for delivering the level of significant organisational change needed to respond to current challenges.**

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1 Introduction

- 1.1 This report sets out the purpose of the Recovery and Reset Programme, explaining how it will address the financial and organisational challenges faced in light of the Covid-19 pandemic and resultant economic climate. This follows previous reports to Cabinet earlier this year on; the Council's Response to Covid-19 (3 June), Initial Financial Assessment of Covid-19 (3 June), Financial Assessment of Covid-19 Update (15 July) and Recovery Group Update (15 July).
- 1.2 Prior to the Covid-19 pandemic, the council had set a challenging financial but realistic budget for the current financial year as a result of various factors, including the end of government funding, sharp increases in demand for essential services particularly housing and homelessness, economic uncertainty and the significant support and investment the Council has undertaken to support the local economy. The budget set for this financial year (2020/21) included a requirement to achieve challenging savings and additional income targets of £6.967m.
- 1.3 The Covid-19 pandemic and associated lockdown has significantly affected the council's financial position. As has been set out in previous reports, the council's ability to generate income through its tourism offer, through its investments and through other fees and charges has been massively reduced. Alongside this, the council has had to undertake activities in response to Covid-19 which were not budgeted for and have put further pressure on the financial situation. In addition, many of the savings and income targets which were a budget requirement of the current year will not now be achievable in full due to the economic downturn.
- 1.4 There has been some welcome support from central government to offset the council's additional expenditure and loss of income. However, it is clear that this will not be sufficient to bridge the budget gap, as is demonstrated in the Medium Term Financial Strategy report found elsewhere on this agenda. The last submission to the Government identified the cost of Covid-19 to EBC to be c£10m beyond the savings and income already achieved. The grants received from Government so far total £1.3m plus other initiatives such the partial recovery of income. Although further government support is expected (see section 2 below), this will only be part of a much wider change to the way the Council operates.

- 1.5 It has become clear that there needs to be a fundamental reset of the council's plans, and budgets to respond to this challenging situation. This reset will be undertaken at pace, in order to achieve a balanced budget position for the current year, as well as for the medium and long-term. Given that the economic impact of the pandemic will last into the next few years, the way the Council delivers its services will also need to adapt to ensure they are sustainable and resilient in the long term. The changing needs of residents and how they interact with the council will also need to drive future delivery. The Recovery and Reset Programme has been established to respond to these factors and deliver appropriate organisational change.

2 The Financial Context

- 2.1 Local authority finances throughout the country have been affected by Covid-19 and this has been particularly significant for district and borough councils. The impacts are yet to emerge fully, but the pace and scale of the impact is highly likely to be significant. Like many authorities, the council has a significant reliance on its locally generated fee and receipts income. With its economy largely driven by tourism and leisure services, where the financial impact is the deepest and pace of recovery very slow, the council projects a gap of £10m including significant shortfalls in income levels for 2020/21.
- 2.2 As part of a range of measures designed to mitigate and manage the financial impacts of Covid-19, including the Recovery and Reset Programme, the Council is engaging directly with the Ministry of Housing, Communities and Local Government (MHCLG).
- 2.3 In recognising that Councils across the country have been affected and that some may need additional temporary funding, MHCLG has introduced a formal notification process for those local authorities that request further support to deal with the financial impacts of the pandemic. Eastbourne Borough Council's historic and anticipated future reliance on tourism related income (which, pre-covid had income for the year forecast at around £5.4m) is such that it is in a more vulnerable position than some authorities. In addition, measures to deal with the marked increase in demand for housing and from homeless households, reported to Cabinet on a regular basis, has had a negative impact on the Council's finances, estimated at around £2m. The Council has also invested significantly to underpin the local economy such as the transformation and revenue support for Devonshire Park in preparation for its full re-opening. The closure of the theatres, the collapse of the conference industry and resulting loss of income due to the pandemic has delayed the implementation of the Devonshire Park Business Plan. In this context and the wider economic downturn, it is considered prudent to make use of this new notification process to underscore the unique factors affecting the council's position. This was undertaken in August and discussions are ongoing with MHCLG.

3 Recovery and Reset Programme

- 3.1 The purpose of the Recovery and Reset Programme is to address the council's financial challenges in a sustainable way to ensure delivery of the following

objectives;

- A sustainable service delivery model to adapt to the needs of residents and businesses as a result of the pandemic.
- A balanced budget
- A sustainable Medium Term Financial Strategy
- No on-going reliance on reserves to support revenue budgets
- An affordable Capital Programme
- A continued focus on the Corporate Plan priorities, recognising that these may need to be revisited in light of resource limitations

3.2 The programme has been designed to deliver these objectives through a variety of projects and interventions falling under four main pillars; best use of digital, reshaping delivery, best use of assets, and restart. The programme builds on what we have learned through recent months and the organisation's proven ability to flex and rapidly adapt to changing situations.

3.3 Good progress has been made already to start addressing the challenges, whilst also tackling the fall-out of the past few month's pressures on the council. Members will recall from previous reports that a tactical officer team was set up in March 2020 to oversee the emergency during the lock down period. The focus at that stage was on;

- Establishing a Community Hub drawing together a council helpline with voluntary and community organisations to ensure local people were supported, particularly with regard to accessing food and essential medication.
- Working with local foodbanks and providing additional food stocks to meet local needs
- Ensuring additional government grants to local businesses were administered quickly and effectively
- Keeping council staff safe whilst ensuring services could continue to be provided to customers
- Enabling remote working, including remote council meetings
- Keeping local people informed

3.4 With the easing of lockdown, a Tactical Restart Team (TRT) was established to steer the council's emergence from the lockdown period. This group has coordinated the council's work to gradually restart those areas of activity which had to stop during lockdown or which needed to change to co-exist with Covid-19. This has been done cautiously and carefully, being mindful that plans may have to change in light of any Covid-19 resurgence. Focus of the group has been in the following areas;

- Recovery – with particular attention to the local economy, the restart of tourism and welfare issues continuing to affect local residents
- The health and safety of staff, tenants and customers
- Covid-safe service delivery mechanisms, including re-introducing some limited face-to-face contact with customers
- How buildings and processes need to be reconfigured to ensure staff and customers are protected
- Continuing to support and enable staff as they work, in the main, from home

- Preparing for a resurgence of Covid-19 cases and related service demands, should this occur
- Undertaking an analysis of lessons learned during lockdown to improve future resilience (a summary of which is reported elsewhere on this Cabinet agenda)
- Continuing to keep local people, and staff, informed and reassured
- Tracking the costs of Covid-19 to the council

3.5 Through TRT, given the clear financial challenges ahead, the following particular pieces of work have been progressed at pace over recent months, in consultation with Cabinet Members;

- a) Establishing the Workplace 2021 programme, the purposes of which are;
 - Create clarity, direction and structure for staff on the council's new "reality" – including a blueprint for what we do, how we do it and from where we do it
 - Implement further efficiencies and take advantage of technology to support new ways of working and use of data
- b) Redesign of the Tourism and Enterprise service to re-shape it in response to current limitations caused by the pandemic
- c) A review of assets to determine a schedule for retention, transferal and /or disposal in line with corporate priorities and future requirements
- d) Channel shift – increasing the council's transactional on-line offer to make services more resilient through periods of lockdown, as well as increasing efficiency

3.6 The projects listed above, together with a number of other key work-streams, form the overall Recovery and Reset Programme. As well as addressing the financial and organisational challenges going forward, the programme also has a focus on ensuring the council remains equipped to deal with a Covid-19 resurgence, should this occur. It has been designed to be flexible, responsive and to allow for any external changes that may occur to be accommodated whilst making the organisation more resilient. The programme is structured within 4 pillars,

Pillar 1: Best use of Digital

This builds on existing work-streams to ensure we maximise use of technology to bring about efficiency by automation, responding to customer demand for self-service options and further aligning systems and processes between LDC and EBC.

Pillar 2 : Reshaping Delivery

A key part of this pillar is the Workplace 2021 programme (W21) which will address the council's future office and community contact provision and the ways of working to respond to the new context within which we work. As the needs of customers change, how council services are shaped to respond to them will need to change too. Following a reshaping of the tourism and enterprise team, and introduction of a newly shaped customer resolution team,

other relevant areas will be reshaped to reflect future customer and business demand and need.

Pillar 3 : Best Use of Assets

All of the council's assets will be reviewed, in light of future requirements. This will then lead to a revision both of the capital programme and the commercial investment strategy to ensure these are in line with the council's future strategic direction. This pillar will also consider the future governance options for Devonshire Park.

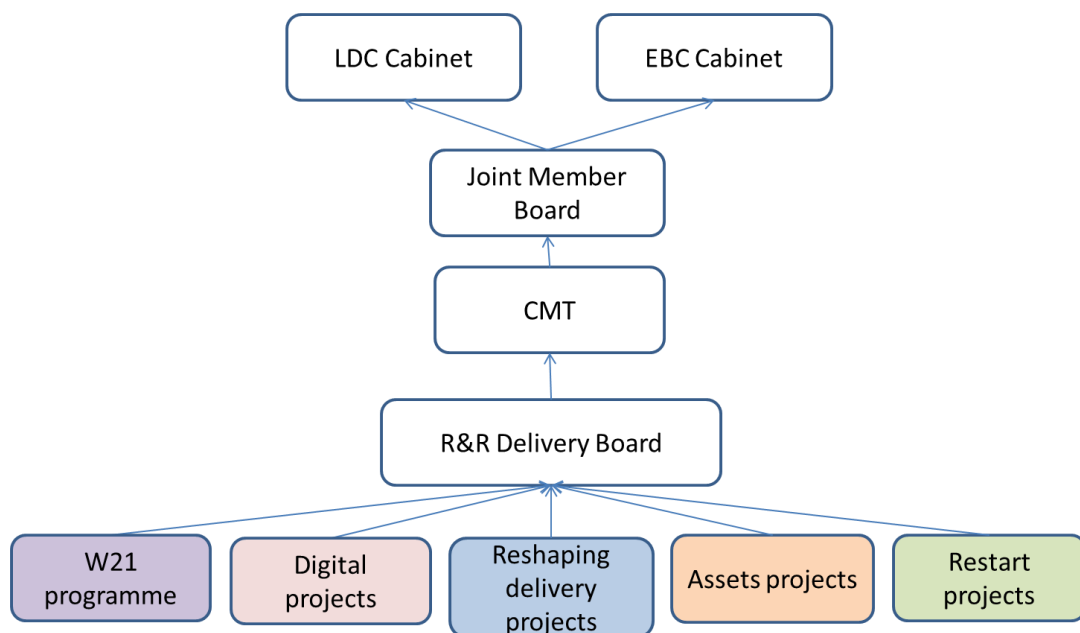
Pillar 4 : Restart

This pillar will continue the work started as the council came out of lockdown, looking to aid the recovery of the borough through economic development work, supporting tourism and working with other agencies to ensure the welfare of local people experiencing hardship due to Covid-19. There will also be a continued focus on keeping staff and customers safe and ensuring that services can continue to be delivered throughout the pandemic, including during any further resurgence or lockdown.

A fuller description of the programme objectives can be found at Appendix A.

4 Programme Governance

4.1 The programme has been designed to be delivered at pace, in order to ensure the council's resilience going forward. It is proposed that a new cross party Member Board be established to oversee the Programme comprising members from both EBC and LDC. The aim of this Board would be to provide guidance and more detailed oversight of the Programme and would meet more frequently than formal Cabinet meetings to ensure that pace and direction are set and agreed by members. CMT will act as the Programme Board focussed on delivery. A proposed governance structure is set out below;



5 Programme Delivery

- 5.1 This is a large programme which will require a significant level of organisational change to deliver. To this end, as would be expected for any programme of this size and complexity, it will be necessary to invest in dedicated, time-limited programme management resource to support the work. The resource requirements for this will be further formulated as the programme is established.
- 5.2 Each part of the programme will be supported by a lead officer at Senior Managers Forum level in the organisation, brought together in regular Delivery Board meetings. Oversight of the programme at officer level will be undertaken by CMT.

6 Performance management

- 6.1 A dashboard style report will be established to provide reports to CMT regarding the progress of each of the projects. This will track the achievement of project actions as well as flagging any strategic issues and risks. Progress towards the achievement of savings targets will also be tracked and reported regularly.
- 6.2 Regular reports will be prepared for the Joint Member Board and for Cabinet to update on progress and outcomes.

7 Consultation, communication and engagement

- 7.1 The programme is likely to result in significant changes, learning from our experience of adapting quickly during the Covid-19 pandemic, using information from residents and businesses on how they want to access our services and ultimately impacting both customers and council staff. As a result, it will be necessary to undertake a range of consultation and engagement activities (both internal and external) as the programme progresses. Details of these will be reported at an appropriate time.
- 7.2 Given the wide ranging changes likely, a communications plan will be developed to sit alongside the programme. This will ensure timely communications to our residents and partners on matters that will affect them. Internal communications with staff and Councillors will also be undertaken on a regular basis throughout the programme.

8 Corporate plan and council policies

- 8.1 The Programme has been developed being mindful of the priorities set out in the council's Corporate Plan for 2020-2024. Although it is set out within the Programme purpose (see para 3.1) to have a 'continued focus on the Corporate Plan priorities', Cabinet should note that the level of financial pressure on the council may mean that a further review of Corporate Plan priorities, to ensure that the level of ambition articulated remains realistic.

9 Financial appraisal

- 9.1 The recommendations from this report have no immediate direct financial

implications. However, the priorities within the Recovery and Reset Programme are to address the financial and organisational challenges faced in light of the Covid-19 pandemic and resultant economic climate. As the Recovery and Reset Programme progresses and gets adopted it is likely that existing resources and budget will need to be redirected and refocused towards the programme outcomes. Other cross party Board proposals will be covered within the Council Medium Term Financial Strategy and all future budget proposals will be subject to the usual democratic and scrutiny process.

10 Legal implications

- 10.1 As is made clear in the report, this programme has been designed to be delivered at pace, for which reason it is recommended that Cabinet gives the Council's Chief Executive delegated powers to progress and oversee it. It is intended that the programme will be a standing item on both CMT and Cabinet agendas.

In addition, it is recommended that the governance structure include a cross – party, cross-authority member Board, the purpose of which will be to give guidance and act as a sounding board for officer proposals, as well as providing member oversight in the period between Cabinet meetings.

Eastbourne and Lewes councils are already in the process of establishing a cross –party Joint Staff Advisory Committee, sign off for which is to be formally approved at forthcoming full Council meetings (Lewes 17 Sept; Eastbourne 18 Nov). This Advisory Committee will contain the portfolio holder responsible for staff matters at each authority. It is suggested that the membership could be augmented by including the Leader at each council in order to meet in the capacity of the Recovery and Reset Joint Member Board.

Of course, should it be preferred, an additional, new cross–party joint member board can be created for this purpose.

11 Risk management implications

- 11.1 The risks within this programme will be regularly assessed and managed as part of the programme and project management activities. Significant risks will be reported to CMT, along with mitigation plans to deal with them.

12 Equality analysis

- 12.1 An equality analysis will be undertaken for each project within the programme and the outcomes will be reported to CMT.

13 Environmental sustainability implications

- 13.1 A number of the projects within the programme have sustainability implications. These implications will be considered as the detailed project plans are established for each project, being mindful of the councils' stated objective, as set out in the Corporate Plan, of achieving net carbon zero by 2030.

14 Appendices

Appendix A - Objectives of the Recovery and Reset Work-streams

15 Background papers

[Cabinet report - Council's Response to Covid-19 \(3 June\)](#)

[Cabinet report - Initial Financial Assessment of Covid-19 \(3 June\)](#)

[Cabinet report - Financial Assessment of Covid-19 Update \(15 July\)](#)

[Cabinet report - Recovery Group Update \(15 July\)](#)

Objectives of the Recovery and Reset Work-streams

Pillar	Project	Objective
Best use of Digital	Cx housing system	A new IT system for housing to increase efficiency and enable self service
	GDPR	Improving our management, retention and disposal of documents
	Digital democracy	Deliver a fully digital democratic process for council meetings
	Officer self service	Enhanced levels of self-service functionality within council back-office operations including finance, HR, Payroll etc
	Artificial Intelligence / Bots	Deliver an approach for the councils to achieve efficiencies through AI/Bots
	Single R&B system	A single revenues and benefits system across the councils to increase efficiency
Reshaping Delivery	Workplace 2021 Programme	Implement a new operating model that responds to the challenges we face
	Reshape for future delivery	New delivery models including ; EBC tourism and enterprise, customer resolution team, and other service areas
	Companies	To ensure the council owned company structure is fit for purpose and meets future organisational needs
Best use of Assets	EBC Devonshire Park Review	To consider future governance options for Eastbourne Devonshire Park
	Asset review and disposal	To agree which council buildings will be retained, transferred and /or disposed in line with corporate priorities and future requirements, and then to dispose of relevant assets in line with the asset review to generate appropriate capital receipts
	Commercial investment review	A future-proof commercial investment portfolio and strategy
	Capital Programme review	A sustainable capital programme
Restart	Recovery (economy, tourism and welfare)	Aiding the recovery of the district/borough through economic development work, supporting tourism and working with other agencies to ensure the welfare of local people experiencing hardship due to Covid-19
	Health and Safety and Business Continuity	Ensuring staff and customers are safe and that services can continue to be delivered throughout the pandemic, including during any further resurgence or lockdown