

Report to:	Cabinet
Date:	24 September 2020
Title:	Recovery and Reset Programme
Report of:	Robert Cottrill, Chief Executive
Cabinet member:	Councillor James MacCleary, 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):	<p>(1) Cabinet to agree the Recovery and Reset Programme, described in this report, including governance arrangements as set out at paragraph 3.1 of the report.</p> <p>(2) Cabinet to endorse those measures taken to date, details of which are set out in paras 2.4-2.6 of the report.</p> <p>(3) Cabinet to agree to establish a cross party Board comprising members from Eastbourne Borough Council and Lewes District Council to oversee the programme.</p> <p>(4) 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.</p> <p>(5) That further update reports on the progress of the Recovery and Reset Programme be provided on a regular basis.</p>
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 (7 May), Initial Financial Assessment of Covid-19 (7 May), Financial Assessment of Covid-19 Update (11 June) and Recovery Planning (9 July).
- 1.2 Prior to the Covid-19 pandemic, the council had set a challenging but realistic budget for the current financial year as a result of various factors, including changes in 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 £2.7m.
- 1.3 The Covid-19 pandemic and associated lockdown has had a profound effect on the local people and businesses of the district. In the same way it has also significantly affected the council's financial position. As has been set out in previous reports, the council's ability to generate income through its investments and through 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 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. The council projects £2m of shortfall in its income levels for 2020/21. 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.
- 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 that 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 Recovery and Reset Programme

2.1 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

2.2 Recognising the final point above, the Corporate Plan priorities have been reviewed over the summer. This review has reconfirmed the over-arching ambitions of the Corporate Plan, as adopted in February 2020, remain unchanged. These Corporate Plan priorities will now underpin the recovery and reset work, in order to;

- Deliver services right first time
- Provide leadership to the district on tackling climate emergency
- Create sustainable community wealth
- Build homes that people can afford to live in.

However, in light of the Covid-19 pandemic and the challenging financial climate being faced there has been a re-appraisal of what it is realistic to deliver in the short term. Appendix B of this report sets out the results of that re-appraisal and states the actions that will now form the focus of the council's work in the short term (2020/21).

2.3 The Recovery and Reset Programme has been designed to deliver the objectives set out at 2.1, which will support the overall Corporate Plan priorities, 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.

2.4 Good progress has been made already to start addressing the challenges, whilst also tackling the fall-out of the past few months' 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

2.5 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 – with an aim of 'building back better' rather than simply returning the district to its' pre-Covid position
- 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

2.6 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 and to generate financial savings

- 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
- e) A multi-agency Recovery Summit was held in July 2020, with a second, follow up event planned for October 2020.

2.7 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 and achieve financial savings 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 2020/21 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 the introduction of a newly shaped customer resolution team, other relevant areas will also 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 and are financially sustainable.

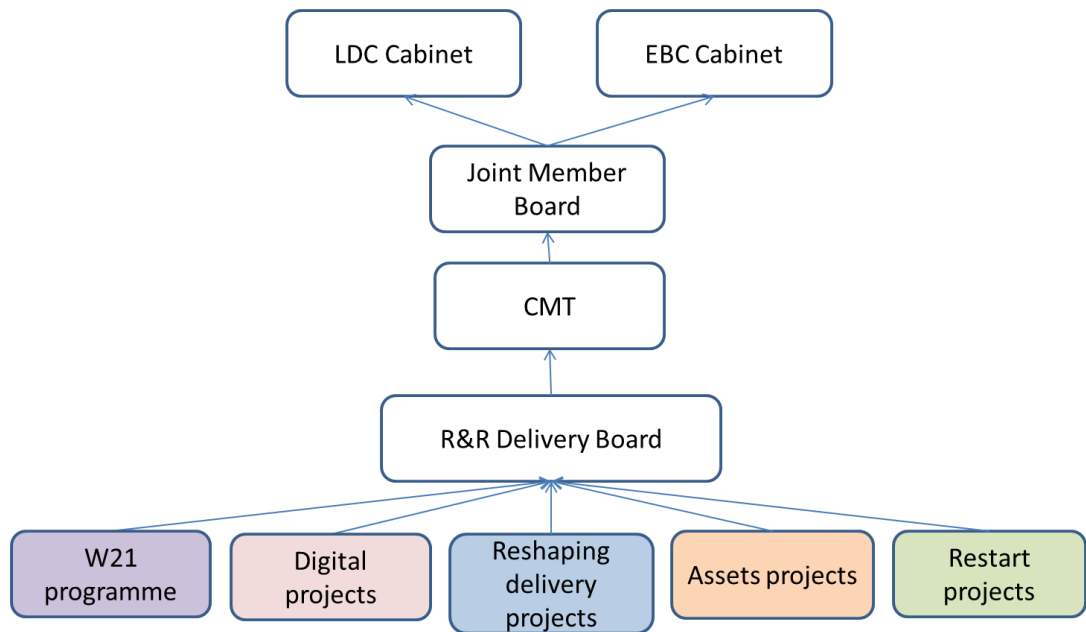
Pillar 4 : Restart

This pillar will continue the work started as the council came out of lockdown, looking to aid the recovery of the district 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.

3 Programme Governance

- 3.1 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;



4 Programme Delivery

- 4.1 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.
- 4.2 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.

5 Performance management

- 5.1 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.

- 5.2 Regular reports will be prepared for the Joint Member Board and for Cabinet to update on progress and outcomes.

6 Consultation, communication and engagement

- 6.1 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.
- 6.2 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.

7 Corporate plan and council policies

- 7.1 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 2.1) 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.

8 Financial appraisal

- 8.1 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.

9 Legal implications

- 9.1 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.

10 Risk management implications

- 10.1 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.

11 Equality analysis

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

12 Environmental sustainability implications

- 12.1 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.

13 Appendices

Appendix A - Objectives of the Recovery and Reset Work-streams
Appendix B - Corporate Plan work plan 2020/21

14 Background papers

[Cabinet report - Council's Response to Covid-19 \(7 May\)](#)
[Cabinet report - Initial Financial Assessment of Covid-19 \(7 May\)](#)
[Cabinet report - Financial Assessment of Covid-19 Update \(11 June\)](#)
[Cabinet report - Recovery Planning \(9 July\)](#)

Objectives of the Recovery and Reset Work-streams

Pillar	Project	Objective
Best use of Digital	LDC waste system	A new IT system for the waste service to increase efficiency for LDC
	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; 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	Asset review and disposal	To agree which council assets 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

Corporate Plan work plan 2020/21

1 Corporate Plan Section	2 Actions
<p>Your Services: Getting it right first time (p2 of Corporate Plan)</p> <p>4year goals:</p> <ul style="list-style-type: none"> • Improved quality of customer contact, outcomes and satisfaction • Reduction in waste, increased reuse and recycling to top quartile performance • A supported community where we listen and respond • Fairer council tax for those on lowest incomes 	<p><u>Communities and Customers</u></p> <ol style="list-style-type: none"> 1. Provide greater resilience of our customer contact service by supporting the increase uptake of our online services by improving our digital offer. 2. Provide new single point of customer/ community contact 3. Reduce face to face contact but ensure this is provided for those that most need it. 4. Implement an ethical debt collection service & maximise efficiencies in our revenue collection. 5. Council tax reduction scheme implemented <p><u>Recycling, Waste and open spaces</u></p> <ol style="list-style-type: none"> 6. Develop options to optimise waste and recycling collections 7. Introduction of improved technology to enable service and administrative efficiencies <p><u>Planning and infrastructure</u></p> <ol style="list-style-type: none"> 8. Help towns and parishes deliver their plans to spend Community Infrastructure Levy (CIL) 9. Fast-track planning advice service for businesses which need to make changes in response to Covid-19 (eg changes to use of outdoor space) <p><u>Finance</u></p> <ol style="list-style-type: none"> 10. 'Right-size' and restructure our teams so that we are able to provide an even more efficient service

1 Corporate Plan Section	2 Actions
<p>Sustainability and climate change (p3 of Corporate Plan)</p> <p>4 year goals:</p> <ul style="list-style-type: none"> • On a clear path to being a net zero carbon council and district by 2030 • Helping our tenants with their energy bills by decarbonising our council housing stock • Well managed and protected local environment including waterways and coastal areas • Cleaner air across the district 	<p><u>Sustainability</u></p> <p>11. Complete consultation on sustainability strategy and adopt</p> <p>12. Ensure sustainability strategy focuses particularly on carbon reduction initiatives which also are also revenue/income generating for the council – eg renewable energy production</p> <p><u>Planning and infrastructure</u></p> <p>13. Review Infrastructure development plan to ensure that is in line with the Corporate Plan</p> <p>14. Investigate how we maximise our biodiversity net gain and how it may generate resources</p> <p>15. Review planning policy as a step towards delivering a green local plan</p> <p><u>Recycling, Waste and open spaces</u></p> <p>16. Improve waste round efficiency and reduce future waste vehicle requirements</p> <p>17. Explore ways in which hydrogen fuel can be brought into the district</p> <p>18. New waste depot which will be more sustainable and eco-friendly</p>
<p>Building Community Wealth (p4 of Corporate Plan)</p> <p>4 year goals</p> <ul style="list-style-type: none"> • More of the district's money staying within the district, directly benefitting residents and local companies. • A supported vibrant local voluntary sector with empowered community groups. • Developing job opportunities in renewable and clean green technologies. • Reduce employment inequality so that no wards are in the lowest 20 wards in East Sussex. 	<p><u>Finance (Deputy Leader)</u></p> <p>19. Redraft commercial / asset management strategy</p> <p>20. Comprehensive sectoral review to kick-start our Community Wealth building approach</p> <p>21. Review procurement processes</p> <p><u>Regeneration and Prosperity</u></p> <p>22. Apply for funding from Towns Fund and Future High Streets fund (Newhaven)</p> <p>23. Secure funding for the UTC, Newhaven</p> <p>24. .Ensure Community wealth building principles are used to make our local economy more resilient (economically and environmentally)</p> <p>25. Ensure the long term sustainability of town centres within the district</p> <p>26. .Provide free training for residents who would like to start a business through the LEAP programme</p>

1 Corporate Plan Section	2 Actions
	<p><u>Planning and infrastructure</u></p> <p>27. Circular economy approach to construction (eg waste/ materials etc) – new technical guidance note on this early 2021</p> <p>28. Implement local employment technical guidance note</p> <p>29. Explore the extent to which the tourist economy can be supported through planning</p> <p><u>Communities and Customers</u></p> <p>30. Take forward in-sourcing</p>
<p>Delivering Homes</p> <p>4 year goals</p> <ul style="list-style-type: none"> • 200 new additional council houses • And an additional 300 new affordable homes using national definitions, moving towards truly affordable • More sustainable and energy efficient homes across the district • Opening up access to quality housing options for low and middle income residents • Accessible housing for those with physical and additional support needs 	<p><u>Housing</u></p> <p>31. Continue to further refine appropriate development sites</p> <p>32. Progress with decarbonising LDC housing stock</p> <p><u>Planning and infrastructure</u></p> <p>33. Support home–working in the district</p>