


LGA Corporate Peer Challenge

Eastbourne Borough Council

26th- 30th September 2022

Feedback report





1. Introduction	3
2. Executive summary.....	3
3. Key recommendations	5
4. Summary of the peer challenge approach	7
5. Feedback	8
6. Next steps	18

1. Introduction

This peer challenge was conducted at Eastbourne Borough Council and Lewes District Council. The councils share staff and senior management but have different governance systems, different councillors, different policies, separate budgets, and the areas have different challenges. As a result of these differences, it was agreed with the councils that two reports would be produced, one for each council. It was agreed that joint recommendations as well as recommendations for each council would be made by the peer challenge team.

2. Executive summary

The Chief Executive and senior management team of the councils are well-respected. Partners and staff consistently gave this feedback for both councils during interviews.

The peer challenge team found that the political leadership of both councils provide clear direction and leadership for their areas. The political leaders at both councils are well-respected by partners and have good working relationships with them.

There is very strong partnership working at both councils. Local organisations, other public sector bodies and voluntary groups see the councils as a ‘trusted partner’.

The peer challenge team met with staff at both councils and found the staff to be hard-working. The peer challenge team also saw evidence that staff have delivered for the local areas during a very difficult period whilst dealing with the Covid-19 pandemic.

Some significant financial challenges with the capitalisation direction in Eastbourne appear to have been addressed. However, there are more challenges on the horizon for both councils due to the current economic climate, cost of living crisis, inflationary pressures and pay award. Both councils will need to take steps to address these challenges in the coming months and years.

The peer challenge team also noted that unallocated Revenue Reserves remain relatively low at Eastbourne, although there are plans to increase them. This will be

challenging for the council given the current economic circumstances and cost pressures.

Both councils will need to take steps to address these challenges in the coming months and years.

Both councils have clear ambitions and priorities as evidenced by the policy documents and corporate plans shared with the peer challenge team. The councils clearly 'make things happen' and have a track record of delivery.

The peer challenge team are of the view that developing strategic visions and frameworks could help drive forward key agendas for both councils. For example, the Local Plans and tourism strategies could assist the councils in meeting their ambitions on economic development, tourism, and housing.

In interviews the peer challenge team heard about Member-Officer relationships at both councils. The peer challenge team found that these relations are good, and that members and officers have a constructive relationship and work well together.

Several interviewees highlighted issues with cross-departmental communications and provided examples where this communication could have been better. The peer challenge team believe this is an area where some improvement could be made.

The peer challenge team looked at the councils' Equalities, Diversity, and Inclusion (EDI) policies and data. Whilst both councils acknowledge this is an important area, the peer challenge team are of the view that there is more to be done to develop Equalities, Diversity and Inclusion at the councils and improvements can be made.

The peer challenge team considered staff structure charts, spoke to HR, union representatives, senior management, and front-line staff. The team found that the staff structures, job titles, and pay schemes could be clearer and more transparent. A review of these may help to tackle some of the recruitment issues at both councils.

The peer challenge team are also of the view that resources including staff, could be better aligned with key corporate priorities and core business, with more investment in tools such as IT and back-office systems to support service delivery.

The peer challenge team noted some strategic planning challenges. The Local Plans for both councils have been delayed due to external issues and the Housing Delivery Tests have been missed.

The peer challenge team saw evidence of both councils' ambitious capital programmes and investment. The councils should look at ways to minimise risk and ensure these programmes and investments contribute to core business or corporate priorities.

The peer challenge team noted some good examples of innovative practice such as crowd funding for Net Zero.

3. Key recommendations

There are a number of observations and suggestions within the main section of the report. The following are the peer team's key recommendations to both councils:

3.1. Recommendation 1:

Re-consider staffing structures, job titles, pay/grading. Align resources to core business and key priorities, support and develop staff with more training opportunities including apprenticeships.

3.2. Recommendation 2

Create strategic frameworks to guide the delivery of key priorities and empower middle management to deliver them.

3.3. Recommendation 3

Invest in improved ICT (including mobile working solutions), back-office systems, and automation, with a focus on service delivery to ensure tools are fit for purpose.

3.4. Recommendation 4

The peer challenge team strongly recommends revising the members allowance from the very low base in time for the new municipal term, taking onboard the views of the Independent Remuneration Panels.

3.5. Recommendation 5

Improve cross-department communications and joint working. Create opportunities for staff to meet in person and across teams.

3.6. Recommendation 6

Continue to closely monitor the finances and consider a longer-term approach to financial planning.

3.7. Recommendation 7

Make greater use of financial scenarios to evaluate the impact of inflationary pressures, cost of living and increased borrowing costs.

3.8. Recommendation 8

Undertake an asset review to ensure assets contribute and align to core services, key priorities, and have a demonstrable value. Re-evaluate the cost of upcoming projects and returns on investment to ensure key projects are still financially viable

3.9. Recommendation 9

Demonstrate commitment to the key corporate priority of sustainability and carbon neutrality by assigning a suitable budget to ensure delivery.

3.10. Recommendation 10

Housing Delivery Tests have not been met and the Local Plans are still under development and have been delayed due to external issues. Addressing this needs to be a priority so the councils retain control over the local planning and place making, which will be essential to meet their ambitious goals.

The following are key recommendations that only relate to Eastbourne Council:

3.11. Recommendation 11

Put in place measures to ensure ongoing evaluation of investments, commercial activities, and the capital programme in the current challenging economic context.

3.12. Recommendation 12

Conduct a self-assessment against the CIPFA Assurance Review to help the organisation move forward

3.13. Recommendation 13

Continue to work on financial resilience, focussing on adequacy of reserves.

4. Summary of the peer challenge approach

4.1. The peer team

Peer challenges are delivered by experienced elected member and officer peers. The make-up of the peer team reflected the focus of the peer challenge and peers were selected on the basis of their relevant expertise. The peers were:

- Liberal Democrat Member Peer – Cllr Rowena Hay, Leader, Cheltenham District Council
- Independent Member Peer – Cllr Martin Fodor, Bristol
- Chief Executive Peer - Rob Weaver, Chief Executive, Cotswolds District Council
- Senior Officer Peer – Andrew Jarrett, Deputy Chief Executive and S151 Officer, Mid Devon District Council
- Officer Peer – Emily Bolton, Climate Crisis Strategy Manager, Cambridgeshire
- LGA Shadow Peer - Mia Shelton
- LGA Peer Challenge Manager – Angela Kawa

4.2. Scope and focus

The peer team considered the following five themes which form the core components of all Corporate Peer Challenges. These areas are critical to councils' performance and improvement.

1. **Local priorities and outcomes** - Are the council's priorities clear and informed by the local context? Is the council delivering effectively on its priorities?
2. **Organisational and place leadership** - Does the council provide effective local leadership? Are there good relationships with partner organisations and local communities?

3. **Governance and culture** - Are there clear and robust governance arrangements? Is there a culture of challenge and scrutiny?
4. **Financial planning and management** - Does the council have a grip on its current financial position? Does the council have a strategy and a plan to address its financial challenges?
5. **Capacity for improvement** - Is the organisation able to support delivery of local priorities? Does the council have the capacity to improve?

At the request of the Councils, we also considered the following area of focus:

6. Sustainability and Net Zero

4.3. The peer challenge process

Peer challenges are improvement focused; it is important to stress that this was not an inspection. The process is not designed to provide an in-depth or technical assessment of plans and proposals. The peer team used their experience and knowledge of local government to reflect on the information presented to them by people they met, things they saw and material that they read.

The peer team prepared by reviewing a range of documents and information in order to ensure they were familiar with the council and the challenges it is facing. The team then spent five days onsite, during which they:

- Gathered information and views from more than 44 meetings and 10 focus groups, in addition to further research and reading.
- Spoke to a range of council staff together with members and external stakeholders.

This report provides a summary of the peer team's findings. In presenting feedback, they have done so as fellow local government officers and members.

5. Feedback

5.1. Local priorities and outcomes

The peer challenge team found that the councils have clear priorities and ambitious

goals. However, the peer challenge team believe that more work needs to be done on some strategic areas such as strategic planning and housing.

The peer challenge team were impressed by the effective delivery of services during difficult times such as the covid-19 pandemic. Staff coped admirably with very challenging circumstances and with increased demand from the public.

Senior officers, frontline staff and councillors across the board are keen to deliver for their local areas. There is a real commitment to get things done and to make things better for local people.

The peer challenge team interviewed a range of partners across both Lewes and Eastbourne. There was consistent feedback about the strength of the councils' partnership working. There is a strong partnership working approach and good community engagement in both councils. The peer challenge team believe that there may be opportunities to use the strong partnership working to tackle some of the strategic issues and key priorities of both organisations. However, the council will need to be careful not to overload voluntary sector partners, who reported a lack of capacity in some key areas.

The peer challenge team reviewed data on housing delivery for both councils. It is clear that Housing delivery is a key challenge for both authorities with government housing delivery targets being missed. In Eastbourne there is also a particular challenge with Houses in Multiple Occupation (HMOs). The peer challenge team heard about the work that the council is doing to tackle this; it is an issue that the council will need to continue to work on to improve housing conditions in the area.

There is some good work being done to address the housing challenge with a number of projects underway to deliver new housing. Both councils have been very successful in bidding for external funding to deliver some of this work.

The peer challenge team considered the projects being undertaken at the councils and whilst they were impressed by them, there were some concerns that resources and capacity could be stretched. The peer challenge team believes that there is a need to balance projects with core services to ensure that core services do not suffer, and that staff and resources are not stretched too far. This would ensure that the councils continue to deliver good services for local people whilst delivering their ambitions.

The peer challenge team reviewed the councils' current strategies and plans and noted that at present there is not a tourism strategy. Given the changes to the economy following the pandemic and the importance of tourism to the local economy of both areas the peer challenge team are of the view that a dedicated tourism strategy may now be needed.

The peer challenge team reviewed evidence of the progress to date on the Recovery and Stabilisation Programme. The programme is progressing well but there is still work to be done. Regular and routine attention should be given to the programme to ensure further opportunities for making efficiencies are not missed.

5.2. Organisational and place leadership

The Chief Executive and senior management team are well-respected by partners, staff, and members. The councils have a good working relationship with the County Council. The peer team heard very positive feedback from partners and staff about the lead members at both councils.

The Leaders at both councils give clear direction and political steer to the officers. Both councils have ambitions and a vision for their local areas and the political Leaders are clear in their expectations.

The peer team reviewed both councils strategic planning documents and were concerned that Local Plans are still in the process of being updated. The reasons for this were explored and it was clear the plans have been delayed due to external factors such as the pandemic. However, these Local Plans need to be progressed, so the councils maintain control of their own 'planning destiny' as far as possible, and in order to drive forward their place-shaping agendas.

The peer challenge team reviewed the councils housing delivery and noted there were some good schemes in the pipeline in both authorities to deliver new homes. However, there is more to be done as the Housing Delivery Tests are being missed for both authorities. The peer challenge team noted that action plans are in place at both authorities and the councils are seeking to address the problem. It should also be noted that a number of other local authorities are also not meeting their Housing Delivery Tests and that recent Government announcements suggest the housing targets for local government may be reviewed in the future. However, the councils

cannot rely on this and will need to provide more housing in order to meet local needs.

Both councils have good partnership working, although the peer challenge team noted there could be more use of community involvement and engagement. Communications with partners, community groups and the voluntary sector could be improved further.

There was evidence of a number of local community groups being directly engaged and involved in helping to communicate key messages for specific projects, with good outcomes. The peer challenge team believe that the councils could benefit from adopting this approach for other projects, to really capitalise on the strengths of the local community. This would allow the councils to bring the community with them on many of the key priorities. This approach would clearly need to be balanced with the need to manage the expectations of the local community and voluntary sector.

5.3. Governance and culture

The peer challenge team found that there are strong member officer relations at both councils with good mutual trust and respect between officers and members.

In interviews members at both authorities were clear that they feel well-served by officers as part of the shared service arrangements. There was positive feedback about both senior and junior staff at the councils and the good work they are doing. The 'Stronger together' value holds true.

The peer challenge team reviewed the councils' governance arrangements and noted that recent changes such as the strategic property board have improved governance in this key area. We found both councils were open to discussions about governance arrangements, with a willingness to change them when this would improve outcomes, processes, and oversight.

It was clear in interviews, with staff, councillors, and partners that the councils have a 'can-do' culture. The councils have been very effective at moving swiftly to bid for Government funds and have been successful in making progress with key projects. The peer challenge team found that members were engaged and visible.

In interviews with lead members, it was clear that there is a commitment to social value. This needs to be further embedded so that it is consistently applied. The

councils may wish to consider ways of strengthening and further embedding social value. For example, with changes to procurement processes with greater emphasis given to the non-financial benefits or outcomes, alongside the more traditional need to demonstrate value for money when procuring or commissioning.

The peer challenge team reviewed the councils' members allowances. The team were concerned that the members allowance at both authorities are unusually low. This may be a barrier to recruiting a more diverse set of councillors and could make it more difficult to ensure that members of the local community from all walks of life are in a position to be able to stand should they wish to.

Members were very positive about the member induction programme and described it as good. More needs to be done to ensure that this good base is built on so that member training opportunities are ongoing throughout the municipal cycle.

5.4. Financial planning and management

The finance team which serves both councils have worked very hard to deliver during a very difficult period with the capitalisation direction at Eastbourne and Covid-19 pandemic. The team have achieved a lot and this hard work should be acknowledged.

The peer challenge team noted that there has been a high turn-over in the finance team, and at present morale appears to be low. Given the pressures the finance team have been under and the high turn-over, regularly checking-in should be undertaken, to ensure they feel connected and valued. The councils should ensure the finance team have sufficient capacity and ongoing training so they can continue to deliver in what remains a challenging set of circumstances.

The peer challenge team were impressed by the success of external funding bids, with several examples provided that demonstrated how effective the councils have been in leveraging-in significant, multimillion pound external funding to deliver key projects in both areas.

In interviews the commercialisation framework was discussed. Whilst it is positive that this work is progressing it was clear that this was still in development. This now needs to be finalised and embedded.

The peer challenge team noted that the financial planning and service performance

team are being embedded into the core finance team. This a positive development and was welcomed by the peer challenge team as a way of ensuring joined up working in these key areas.

The peer challenge team reviewed some of the councils' financial processes and noted that there is a high level of internal recharging. Some staff at different levels within the organisation reported that this was creating unnecessary work. The peer challenge team urge the councils to consider alternatives to internal recharging as this is a significant administrative burden on officers and there may be opportunities to work more efficiently.

The current economic situation following the pandemic, with the cost-of-living crisis, high inflation, and the local government pay award present challenges for the revenue budgets for both councils. There will need to be careful consideration of the pressures this will create on both budgets and how the councils will address them.

The peer challenge team noted that there are a number of capital projects being undertaken at both councils involving significant sums of money. Given high inflation, the increased costs for materials, labour and borrowing, these important capital projects need to be carefully and regularly considered to ensure they remain economically viable. The councils should also consider carrying out regular reviews and risk assessments of the increased costs and economic situation. The councils can also consider what measures may be needed to ensure the projects are still deliverable, or whether some projects will need to be reprioritised or paused. This approach is particularly important in light of the principles of the Recovery and Stabilisation Programme.

Eastbourne Council has achieved a lot in past two years despite critical work on the capitalisation directive. This challenge has forced corporate checks and challenge on commercial ventures and investments. This has also helpfully created a number of new processes that have been very beneficial, i.e., Strategy Property Board and ownership of savings plans.

During this time Eastbourne has delivered a range of savings plans and an asset sales programme. The council has increased some reserves and balanced the budget and Medium-Term Financial Plan. These are significant achievements in very challenging circumstances. The peer challenge team suggests that the council now

consider an asset review to build on the work already undertaken, and to ensure momentum is maintained.

The peer challenge team reviewed the council's reserves and noted the reserves replenishment strategy. This strategy needs a rationale for current and future contributions if the council is going to increase this to the current goal of circa £5m. The council should set out why they are undertaking this work and how they will do it, so that officers, members, and residents are clear on this and understand the rationale.

The peer challenge team were provided with a copy of the CIPFA review conducted at the council in 2021. Following the CIPFA review the peer challenge team believe that a self-assessment report would be helpful for the organisation and should be undertaken, to allow it to demonstrate the full completion of the recommendations. Some of the lessons and new processes from this review need to be fully embedded into business as usual. The peer challenge team are also of the view that a prudent attitude to risks and investment needs to be maintained, particularly given the turbulent economic circumstances, the focus on tourism, and the cost pressures faced by the council.

The peer challenge team reviewed the council's work on longer-term financial planning. The team are of the view that there is more to do on scenarios and longer-term financial planning, particularly as there is now time and space to do this. There needs to be a clear focus on financial resilience and capacity building to help the organisation face an uncertain financial future.

The peer challenge team notes that the current economic challenges and increased cost of trades and supplies is a concern. There is an awareness in the organisation that this is an issue that will present financial challenges. The peer challenge team are of the view that there needs to be a re-evaluation of the cost of upcoming projects and a re-examination of returns on investment, in light of the challenging economic situation, high inflation and increased costs. This re-evaluation should include continued reviews at least annually, of the ICE investment in light of the risks involved. The council should consider ways to actively manage this risk.

The peer challenge team spoke to local business, members and senior officers and it is clear that tourism is a key part of the local economy in Eastbourne. The council

should consider what happens if tourism doesn't bounce back to pre-pandemic levels. The council should consider if there is a need for a 'plan b' in terms of the local economy and economic development.

5.5. Capacity for improvement

Eastbourne and Lewes councils merged their officer core six years ago. The peer challenge team are of the view that six years after the merger of staff, there is now a good opportunity to review current staffing structures to ensure they are best set up to maximise delivery of core services and key priorities.

The peer challenge team noted that some job titles and responsibilities are unclear; this was echoed by less senior staff who expressed some frustration with unclear job titles and roles. The councils should re-consider if posts are in the departments they need to be in, and if there is sufficient capacity in frontline services. The peer challenge team also urge the councils to consider a pay and grading review, as this could aid recruitment and retention.

In interviews it was clear that there is a real willingness by frontline staff, CMT (senior management), Heads of Service and the political leadership to deliver improvements for residents and to the local areas. There was a clear commitment to delivering across the organisation at every level. Reviewing staffing structures will help ensure this commitment is maximised.

The peer challenge team reviewed the councils' Equality, Inclusion and Diversity (EDI) policies and data, and spoke to staff, unions, and Human Resources. The team believe that there is an opportunity to strengthen and broaden understanding of EDI across the organisation, including in the workforce. There are also opportunities to increase understanding of EDI in external-facing services that work with residents and partners.

In interviews the peer challenge team heard about the way the organisation works together across departments. The team are of the view that the councils should create further opportunities for cross-departmental and joint working. This would improve communications between teams, and ensure departments are aware of relevant work in other parts of the organisation.

The peer challenge team heard consistently in interviews that there are issues with

older ICT, back-office systems, and a lack of up-to-date mobile working systems. These older systems and equipment are creating inefficiencies and are understandably a source of frustration for staff who want to get things done quickly and efficiently for residents. Improving and updating these systems and equipment, including the provision of appropriate mobile technology, will improve efficiencies and free-up staff capacity.

In interviews staff were aware that the councils are undertaking a number of substantial projects. There was a perception from some staff that special projects and bids may sometimes take precedent over business as usual. The councils need to ensure that day-to-day services are also a priority and balance the need to deliver important projects with the need to get day-to-day business done.

The peer challenge team heard about the work being done in managing projects. The councils should continue the use of 'solution sprints' to deliver efficiencies, as this has been effective so far and the approach is well regarded by staff across the councils

The capacity of both councils to deliver will be dependent on the councils continuing to address their longer-term financial sustainability, particularly given the difficult economic circumstances and the likelihood of an increase in demand for services from residents.

5.6. Net zero/Sustainability

The peer challenge team reviewed the councils' policy documents, plans and projects for sustainability and net zero. The team found that there are strong strategies and levels of ambition. The councils clearly articulate the strategic position.

The councils are now moving into the mobilisation phase and focussed on making changes. In the view of the peer challenge team these efforts could do with internal support that is suitably aligned to the level of ambition identified in the strategies. This would allow the councils to deliver at the pace and scale required.

In interviews with members at both councils it was clear that they understand the importance of net zero and sustainability and that they are keen to deliver on this agenda. There is good articulation of the challenge within the climate strategies and awareness of the need for collaboration and community empowerment. The peer

challenge team found that there is impressive engagement with the community, which is something that many other councils struggle to achieve. The team also noted that the councils have been successful in securing grant funding for the authorities and community groups in this area.

The peer challenge team were given some examples of good practice in this area. Both councils have some innovative practice, for example crowd funding for net zero, which has been highlighted in an [LGA Case Study](#).

Having reviewed the staff structures and resources available the peer challenge team believe that there are opportunities to improve capacity and resourcing, particularly in relation to project delivery in this area. The team are also of the view that significantly increasing the level of funding and resource (including staff and a budget) assigned to the strategic development and mobilisation of the action plans, will enable the councils to make more progress.

Ensuring the climate response is given sufficient priority amongst the councils' other priorities will be essential in order to meet the councils' ambitions in the next eight years.

The peer challenge team found that staff are aware that sustainability and net zero are important priorities for the councils. However, all officers need to recognise the role they play in delivery of this strategy, not only those directly working under the "climate and sustainability" banner. The councils should consider how they can ensure carbon neutrality principles are fully embedded through the organisational structures.

The peer challenge team reviewed the councils' current arrangements in terms of data collection and analysis in this area. The peer team believe that developing a data framework to support collation of the data required for carbon foot-printing calculations from across the organisation will improve efficiencies in this area and free-up capacity that is currently taken up with data collation.

The peer challenge team encourage the councils to utilise the good relationships they have with key partners such as the County Council through identification of commonalities to maximise the alignment with these partners on net zero and sustainability. This will provide officers with the strategic partnership framework to accelerate delivery and bring increased grant funding to the region.

6. Next steps

It is recognised that senior political and managerial leadership will want to consider, discuss, and reflect on these findings.

Both the peer team and LGA are keen to build on the relationships formed through the peer challenge. The CPC process includes a six-month check-in session, which provides space for the council's senior leadership to update peers on its progress against the action plan and discuss next steps.

In the meantime, Mona Sehgal, Principal Adviser for South-East, is the main contact between your authority and the Local Government Association. Mona Sehgal is available to discuss any further support the council requires. mona.sehgal@local.gov.uk