

**Report to:** Cabinet

**Date:** 20 March 2024

**Title:** Stability and Growth Programme

**Report of:** Robert Cottrill, Chief Executive

**Cabinet member:** Councillor Stephen Holt, Leader of the Council and Chair of Cabinet (Community Strategy, Local Strategic Partnership, the Corporate Plan, Performance and Staff)

**Ward(s):** All

**Purpose of report:** To update Cabinet on the Stability and Growth Programme

**Decision type:** Key

**Officer recommendation(s):** Cabinet is recommended to note the report and delegate authority to the Chief Executive and the Deputy Chief Executive and Director of Regeneration and Planning, in consultation with the Leader and Portfolio Holder, to deliver additional savings in council service areas once the budget reviews are completed.

**Reasons for recommendations:** The Stability and Growth programme works to drive improvement and efficiency, in line with the needs of the organisation, and also the recommendations made by the Assurance Reviews and the Local Government Association Peer Challenge.

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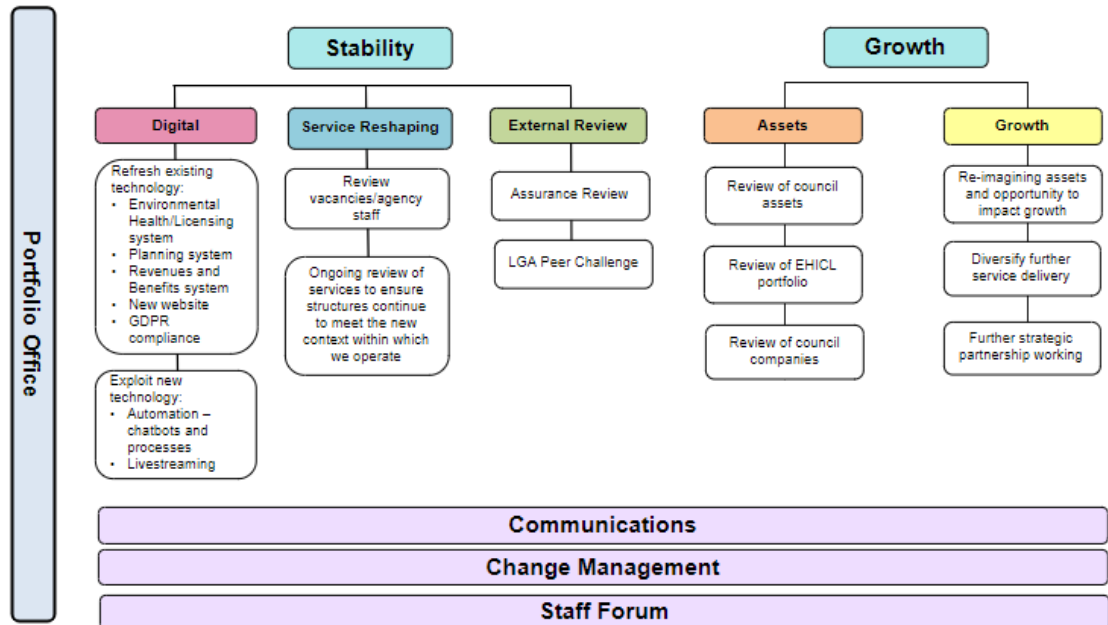
## **1 Introduction**

1.1 The Stability and Growth Programme has, over the past year, delivered significant savings for the council, helping to address the financial challenges currently being faced. A summary of this was included in the budget report presented to Cabinet in February. This work will continue into 2024/25 and beyond, with this report providing a regular update on the programme and key work areas for the coming months.

## 2 Stability and Growth

2.1 In July 2023, Cabinet agreed the Stability and Growth Programme (S&G), which would build on the council's previous efficiencies achieved through the Recovery and Stabilisation programme. The S&G programme is made up of 5 pillars;

2.2



### 2.3 Stability

Under the 'stability' part of the programme, the council has continued to make good progress with its **digital transformation** work.

- At the end of 2023, the council commenced work to launch a new IT system, as part of its programme of replacing legacy systems for key services, for the management of revenues and benefits activities. Work has continued into 2024 to further embed the system, to address the issues that are inherent with the implementation of a new system for such a complex area of work and to prepare for the key, annual business activity of annual billing. Once fully implemented, the new system will improve the customer experience through increased self-service, and will deliver efficiencies for the colleagues working in this service area.
- Following the success of the next generation chatbot being launched on the website and on limited council phonelines in 2022, the next phase of the project to add the chatbot onto more council phone lines completed last month. At the time of writing this report, the system expansion had only just been implemented, but the early indications are that the customer and organisational benefits will be delivered, as planned. A further update will be provided in the next S&G programme Cabinet paper.
- Over the last Quarter, a new project to identify the council's future requirements for a workflow platform and customer relationship and document management system has commenced. Due to the scale of complexity of the current system, this will be a longer-term piece of work which will likely conclude in 2027. Further detail will be provided as this project develops.

- 2.4 As part of the **Service reshaping** pillar, a number of savings have been made during 2023/24. Efficiencies have been achieved, for example, through;
- New mailroom equipment
  - Increased biodiversity in council parks and gardens
  - A merger of the seafront and events team management
  - Other management realignment
- Increases in income have also been achieved, for example, through;
- Undertaking legal and public relations work for other agencies
  - Improving our income recovery activities
  - Ensuring our garden waste service charge is in line with other councils.
- 2.5 A comprehensive review of service areas and the budgetary requirements to deliver current service levels is being undertaken with a view to reduce spend and deliver further savings. The Neighbourhood First budget is the first to be reviewed in this way, and this work is currently taking place. Delegated authority, in consultation with Cabinet members, is being sought to facilitate delivery of savings identified through this options appraisal in as timely a manner as possible. If Cabinet approves this approach, full updates will be provided in future Stability and Growth updates.
- 2.6 The council has also worked with Eastbourne Homes Ltd (EHL) to review the way in which its housing stock is managed. A report elsewhere on this agenda sets out the recommendations arising from that review and recent tenant consultation exercise.
- 2.7 In 2024/25 we will continue to find ways to increase efficiency within our services through this programme.
- 2.8 The final part of the stability work has focused on the two **external reviews** recently received by the council. The first of these, the LGA Peer Challenge, was undertaken jointly with Lewes District Council. This made suggestions for 13 areas of improvement. Good progress has been made to address these issues, as can be seen at Appendix 1 of this report. It is expected that at some point in 2024 the LGA will return to undertake a follow up assessment.
- 2.9 The second set of recommendations arose from a more recent government-commissioned Rapid Finance Review. This follow up review was a much lighter-touch revisit following the previous Assurance Review undertaken in 2021. Given the council's success in addressing the issues of the earlier review this review resulted in only 4 recommendations for the council.
- 2.10 The four recommendations have all subsequently been addressed. Two of these related to new strategies being produced. A new Corporate Property and Assets Strategy was adopted by Cabinet in December 2023. A Tourism Diversification Strategy is currently being drafted and will be considered a future meeting of Cabinet. The third recommendation related to the continuing activities and central role of the Stability and Growth Programme in helping to address the council's financial challenges. This report demonstrates how that programme is continuing to drive the council's savings and efficiency work.

- 2.11 The final recommendation focused on the council continuing to address risks to its financial stability which it is doing through its Stability & Growth Programme which has identified savings totalling £3.451m to be delivered throughout the years 24/25 to 26/27.
- 2.12 Growth  
The **growth** part of the S&G programme has focused on how the council's assets can best serve the future needs of the organisation, and how ways of working can be re-imagined and diversified to ensure the robustness of future delivery.
- 2.13 In considering its **assets**, the council has undertaken a comprehensive review across its stock and determined which assets should be retained, and which would be more suitable for disposal. A Corporate Property and Assets Strategy setting out a rationale for this was agreed by Cabinet in December 2023, in line with the CIPFA Rapid Finance Review recommendations (see para 2.10).
- 2.14 In line with the Strategy, the council has disposed of a number of properties in the past year including garage sites and other sites surplus to council requirements resulting in capital receipts of £1.3m to date. In addition, it was decided alternative operating models would be considered for Eastbourne Downs Golf Club. This process is currently underway with a number of potential alternative providers expressing an interest in the future running of the site.
- 2.15 As was explained to Cabinet in November 2023, the **growth** pillar is focused on the work being done to move to a more sustainable form of governance for different aspects of the council's tourism and leisure operations. This pillar has three main elements:
- The lease of the Congress Theatre and Devonshire Park Theatre to a Local Authority Controlled Company (agreed by Cabinet in February 2023),
  - The operation of the Sovereign Leisure Centre and associated leisure services by Wave Active (agreed by Cabinet in July 2023), and
  - The lease of conference and hospitality services at Devonshire Quarter to a commercial operator (agreed by Cabinet in July 2023).

All three of these changes will result in reduction in public subsidy, making a significant contribution to achieving the council's efficiency targets for 2024/25. All three projects are progressing well and the expected savings are on track for delivery over the next year.

### **3 Delivery of savings**

- 3.1 Central to the Stability and Growth programme has been the identification of a comprehensive savings programme. A number of significant savings were delivered in 2023/24 and more are scheduled for 2024/25 and beyond.
- 3.2 The purpose of the Stability and Growth Programme is two-fold – to enable efficiencies and savings within the council, whilst also moving the council and

the borough to a position of financial resilience to enable growth and diversification in the longer term.

- 3.3 The table below sets out a summary of the savings that have been identified to date split into the four of the five pillars identified earlier in this report.

<b>Pillar</b>	<b>Item</b>	<b>Saving target (£'000)</b>
Digital	Savings from system alignment	180
Service reshaping	Savings from organisational efficiency, managing demand and additional income recovery	1,121
Assets	Asset reviews, transfers and disposals	850
Growth	Ownership transfers to reduce public subsidy	1,300
<b>TOTAL</b>		<b>3,451</b>

#### **4 Outcome expected and performance management**

- 4.1 The Stability and Growth Programme is monitored and overseen by a cross party member Board, comprising Cllrs. Holt, Maxted and Small. In addition, there will continue to be regular reports to Cabinet to update on progress.

#### **5 Consultation**

- 5.1 The Stability and Growth principles have underpinned the development of the new corporate plan for 2024–2028, which was adopted by Full Council last month. In addition, where changes are agreed by the Stability and Growth programme which have specific implications for staff, relevant formal consultation is undertaken in a timely way to enable staff views to be taken on board.

#### **6 Financial appraisal**

- 6.1 The Stability and Growth Programme has, over the past year, delivered significant savings for the council. The programme has identified savings totalling £3.451m to be delivered throughout the years 23/24 to 25/26 to move the council and the borough to a position of financial resilience which would enable growth and diversification in the longer term.
- 6.2 However, this is set within the context of extreme financial challenges for the council. This is no more vividly illustrated than the ongoing impact of wider government policy on the increased cost of providing homelessness and temporary accommodation placements. The impact of this, despite all the efforts described within this report is a projected overspend in 2023/24 of c£4.3m.
- 6.3 The council continues to lobby the UK Government for additional funding in recognition of the exceptional financial pressures placed on local councils in tackling the cost of homelessness, which has resulted in the council's reluctant application for Exceptional Financial Support.

## **7 Legal implications**

- 7.1 Legal advice has and will be taken to support the activities of the Stability and Growth programme. *[Iken ref]-EBC-KS 20 February 2024*

## **8 Risk management implications**

- 8.1 The risks within the Stability and Growth programme are regularly assessed and managed as part of programme/project management activities. The identification and management of significant risks in relation to the programme will be reported, along with mitigation plans to address them, as appropriate.

## **9 Equality analysis**

- 9.1 An Equality & Fairness Analysis was undertaken on the Recovery and Stabilisation programme, the outcome of which was reported to Cabinet in 2021. As the Stability and Growth Programme represents a continuation of this approach, additional analysis is only required where there are specific changes that impact directly on staff or on service delivery. In these instances, specific analyses are undertaken as required.

## **10 Environmental sustainability implications**

- 10.1 The proposals in this report do not adversely impact on the council's long-term carbon reduction aims, as set out in the EBC Climate Emergency Strategy.

## **11 Appendices**

- 11.1
- Appendix 1 – LGA Peer Challenge recommendations

## **12 Background papers**

- 12.1 The background papers used in compiling this report were as follows:
- [Stability and Growth Programme \(lewes-eastbourne.gov.uk\)](https://www.lewes-eastbourne.gov.uk/stability-and-growth-programme)
  - <https://democracy.lewes-eastbourne.gov.uk/documents/s30082/Stability%20and%20Growth%20Programme.pdf>
  - [Assurance Review follow up - CIPFA \(Chartered Institute of Finance and Accountancy\) Rapid Finance Review \(lewes-eastbourne.gov.uk\)](#)

## LGA Peer Challenge Recommendations

	Recommendation	Action	Progress
1	Re-consider staffing structures, job titles, and pay. Align resources to core business and key priorities, supporting and developing staff with more training opportunities including apprenticeships.	Assistant Director posts have been established to provide additional resilience/capacity, subject to further review later this year. All staff have been reminded of the variety of training and development opportunities that are available to them. We continue to review job titles and job descriptions.	Complete
2	Consideration is being given to the development of strategies around key priority areas such as tourism and economic development, involving middle management in such development.	In line with the recommendations of the Assurance Review follow up received in August 2023, a new corporate property and assets strategy was adopted by Cabinet in December 2023. A tourism diversification strategy is due to for adoption in March 2024.	On track
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.	Continue to review and align ICT systems - through the Digital Transformation programme of the Stability & Growth portfolio. A range of projects are in progress to update the ICT systems used by the councils e.g. replacing revenues/benefits with single system - the implementation commenced in December 2023. Project to replace the two Planning systems with single system. The automation project maximising benefits of existing technology and explore opportunities for further automation, resulted in an expansion of the system on our phonelines in February 2024.	On track
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 on the Independent Panels.	Complete. EBC considered and approved the recommendations of the IRP at its meeting in November 2023, resulting in an increase. A new Members' Allowances scheme will be in effect from 1 April 2024.	Complete
5	Improve cross-department communications and joint working. Create opportunities for staff to meet in person and across MS Teams.	An all staff conference took place in November 2023 hosting the majority of our workforce over 2 days and a further event will be held in Spring 2024 for those who missed this event.	On track
6	Continue to closely monitor the finances and consider a longer-term approach to financial planning.	A new fully integrated business and financial planning process has been used this year, addressing both revenue and capital requirements in a joined-up way. Training for Senior Managers Forum was delivered at the outset. The Medium Term Financial plan also now shows a detailed 4 year position more strongly than previously.	Complete

	<b>Recommendation</b>	<b>Action</b>	<b>Progress</b>
7	More use of financial scenarios to evaluate the impact of inflationary pressures, cost of living and increased borrowing costs.	Has been considered and awareness created at the Senior Managers Forum to ensure relevant data/info are provided writing future reports and business plans.	Complete
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.	The capital programme now only contains items which address health and safety issues or which help us to maintain financial stability. A further review of assets which may be disposed of in the longer term is continuing to take place and progress is reported through to Strategic Property Board.	On track
9	Demonstrate commitment to the key corporate priority of sustainability and carbon neutrality by assigning a suitable budget to ensure delivery.	Budgets across the green consultancy team, homes first, the property and develop teams and the corporate sustainability function all contain budgets which help to deliver sustainability objectives.	On track
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.	Work has progressed on the EBC Local Plan. This is subject to budget decisions to determine future options.	On track
11	Ongoing evaluation of investments, commercial activities, and the capital programme in the current challenging economic context.	The Corporate Property and Assets Strategy adopted in December 2023 has helped to provide a strategic oversight for this work. The Capital Programme Overview Board continues to ensure the programme is tightly monitored and limited in line with the current economic situation.	On track
12	Conduct a self-assessment against the CIPFA assurance review to help the organisation move forward.	Completed.	Complete
13	Continued work on financial resilience focussing on adequacy of reserves.	Continues to be a central consideration, with the Stability and Growth Programme being central to tackling current issues.	On track