

**Report to:** Cabinet

**Date:** 17 July 2024

**Title:** Stability and Growth Update

**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 provide an update on the delivery of the Stability and Growth programme

**Decision type:** Key

**Officer recommendation(s):** (1) Note progress made with delivery of the Stability and Growth programme.  
(2) To agree a Productivity Plan for submission to Government by 19 July 2024.

**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 (S&G) is designed to support the council's work to deliver significant savings for the council, helping to address the financial challenges currently being faced. Following the budget reductions achieved during 2023/24, the programme is now looking to ensure the timely delivery of organisational changes need to achieve further savings in 2024/25 and 2025/26.

## **2 Progress**

2.1 Following budget reductions of £3.053m having been built into the budget for 2024/25, the council is anticipating needing further reductions to manage the

expected challenges from ongoing homelessness and related pressures this year and beyond. Alongside this, continued management action needs to be taken to ensure all existing budget reductions are delivered in a timely way during the year. Progress with these activities is set out in section 5 of the report.

- 2.2 In addition, to fully tackle current challenges, additional budget reductions are currently under consideration through the S&G Board to enable a balanced budget to be achieved from 2025/26 onwards.

### **3 Alignment with Productivity Plans**

- 3.1 Earlier this year, Michael Gove, Secretary of State for Levelling Up, Housing and Communities, wrote to all councils requiring them to produce new Productivity Plans. This was followed up by a further letter from Simon Hoare, Minister for Local Government (attached as appendix 1 to this report) setting out what those plans should contain. The steer provided by government was that the document should be *three to four pages in length* and that it should *set out what you have done in recent years, alongside your current plans, to transform your organisation and services*.

- 3.2 The aim of productivity plans, as set out by the Secretary of State, was;

*“As part of our efforts to return the sector to sustainability in the future, we are also asking local authorities to develop and share productivity plans. These plans will set out how local authorities will improve service performance and reduce wasteful expenditure, for example on consultants or discredited equality, diversity and inclusion programmes. The Government will monitor these plans, and funding settlements in future will be informed by performance against these plans.”*

- 3.3 A Productivity Plan has been developed and is set out at appendix 2 for Cabinet approval. Councils have been asked to include, in their Productivity Plans, relevant metrics and key performance indicators to allow the monitoring of progress. To this end, but to avoid duplication of effort, at this stage the council's key corporate performance indicators are to be used for this purpose.

- 3.4 The council's S&G Programme has been re-shaped to align with the requirements of the Productivity Plans. This has been done to avoid duplication of effort and to ensure the council's S&G programme also focuses on those areas where government has asked for plans to be provided. The realigned S&G programme is set out at appendix 3.

- 3.5 The government has stated that it intends to review the plans and identify common themes, so that they can highlight best practice that others can learn from. It is confirmed that plans will not be rated or scored, and league tables will not be produced.

- 3.6 It was also confirmed that government intends to establish a panel to consider the themes and evidence from the plans. The panel would include the Office for

Local Government (OFLOG) and the Local Government Association (LGA) alongside other government officials.

#### **4 Independent Panel**

- 4.1 Cabinet will recall that central government agreed to Exceptional Financial Support being offered to the council for 2023/4 and 2024/25. This support is in the form of a loan of £3m in each of the two years respectively, which then has to be repaid to government. As part of the conditions of that loan, the council is required to establish an Independent Panel to oversee and drive progress towards implementing the recommendations from the council's CIPFA review (Assurance Review) received in the summer of 2023.
- 4.2 Following the meeting of full council earlier in May, an Independent Panel of three has been appointed to assist the council. The panel is politically balanced, comprising Baroness Thornhill (Liberal Democrat), Lord Lucas (Conservative) and Stephen Baker (ex-local authority chief executive). The appointments and proposed approach have been agreed with DLUHC.
- 4.3 The Independent Panel members will augment the already existing Stability and Growth Member Board, rather than establishing a separate body for this purpose. This is considered to be an efficient approach, which will allow for direct input from the Independent Panel into the S&G programme.
- 4.4 As has been reported previously, the council has made good progress in responding to the 2023 CIPFA review. The review report, which was presented to Cabinet in September 2023, has been confirmed as the final version following further discussion with central government.
- 4.5 As was reported to Cabinet in March, all but one of the recommendations has been addressed. The final recommendation, for the establishment of a Tourism Diversification Strategy is due to be presented to members shortly.

#### **5 Savings update**

- 5.1 Good progress has been made in the delivery of the S&G savings agreed as part of the budget for 2024/25, however, it is recognised that timely delivery in all areas will be necessary for the successful achievement of a balanced budget. Therefore, the S&G programme continues to be given a high level of organisational priority to ensure delivery in all areas.
- a) The management restructure in service delivery has been completed and has over delivered against its savings targets.
  - b) All other service delivery savings were delivered before the start of the financial year, so that full year savings can be delivered.
  - c) The new aligned revenues and benefits IT system has been delivered and work is now underway to conclude work on the new aligned environmental health IT system.
  - d) Eastbourne Homes Ltd (EHL) has agreed to the transfer of housing services back to EBC, with the final operational meeting of the EHL board taking place this month.

- e) Sales and transfers associated with council assets have continued, with the golf course transferring to Get Golfing (not for profit organisation), sale of properties at Saffrons Road agreed and transfer of the JCP car park.
- f) At the time of writing, Eastbourne Theatres Ltd is shortly to become operational, with staff transferring from the council to the new local authority-controlled company.
- g) The conference and catering offer at Devonshire Quarter is also in the process of transfer, with the Stage Door pub now moved to its new provider, and negotiations are well-developed for other facilities to follow over the coming months.

5.2 Regular meetings of the Stability and Growth Board will continue to receive detailed updates on progress of delivery against all savings plans. In addition to those items agreed as part of the budget, the Board are also developing further proposals for additional savings to be found within the year. A summary of total savings to date is set out at appendix 4.

5.3 Most of these savings are achievable through back-office efficiencies. However, there are a few proposed changes which may impact on customers and these are detailed below, to ensure their equality and fairness implications (see section 9.2) are fully understood.

- Parks and gardens - efficiencies through retender of contract, or through shared service approach with other council
- Playgrounds - Potential removal of equipment rather than replacement at end of life, or possible external funding
- Waste/street cleansing - reductions in some street cleansing levels
- Councillor Ward budgets – temporary removal
- Rent support grants – phased reduction in subsidy support to some organisations

## **6 Financial appraisal**

6.1 The S&G savings programme is designed to support work to deliver significant savings for the council, helping to address the financial challenges currently being faced. The 2024/25 budget has savings totalling £3.053m already built into the budget, however, to ensure the ongoing stability of the council's Medium Term Financial Strategy the council will be required to identify additional savings to enable a balanced budget to be achieved from 2025/26 onwards. In February 2024 the Government agreed Exceptional Financial Support in the form of a capitalisation direction of £3m for 2023/24 and a further £3m for 2024/25. A requirement of the council receiving this support was that an Independent Panel be appointed to oversee and drive progress towards implementing the recommendations from the council's CIPFA review in April 2023. The estimated cost of remuneration for the panel members is £25,000.

## **7 Legal implications**

7.1 Legal advice has been taken, and will continue to be taken, to support the activities of the Stability and Growth programme.

The Government requirement is that Productivity Plans are submitted to the Department for Levelling Up, Housing and Communities by 19 July 2024. Council's must ensure that there is "member oversight and endorsement" of the Plan before it is submitted. The council must then upload a copy on its website and report progress on a regular basis.

The Independent Panel will be governed by a set of Terms of Reference to outline how it will operate.

*013028-JOINT-KS 12<sup>th</sup> June 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 (EaFA) was undertaken on the Recovery and Stabilisation programme, the outcome of which was reported to Cabinet in 2021. As the S&G 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.

- 9.2 At para 5.3 a small number of proposals for savings or efficiencies are listed that may have implications for local residents. An EaFA has been undertaken on these proposals. This has concluded that the proposals are likely to have a negative impact on older and younger residents and residents with disabilities. The financial necessity to make savings makes these changes unavoidable and some mitigating actions have been identified. Residents/ organisations will also be supported to access other sources of funding.

This analysis will be updated once the details of where the affected areas are (playgrounds/ street cleaning), with more specific information on the make-up of local residents with regards protected characteristics and the ensuing mitigating actions needed. This EaFA will be taken to the Equalities Stakeholder Group for feedback and input.

## **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**

- Appendix 1 – Letter from Simon Hoare, Minister for Local Government
- Appendix 2 – Productivity Plan
- Appendix 3 – realigned S&G programme
- Appendix 4 – summary of S&G savings to date

## 12 **Background papers**

The background papers used in compiling this report were as follows:

[Stability and Growth Programme \(lewes-eastbourne.gov.uk\)](http://lewes-eastbourne.gov.uk)

[Assurance Review follow up - CIPFA \(Chartered Institute of Finance and Accountancy\) Rapid Finance Review \(lewes-eastbourne.gov.uk\)](#)