The Chartered Institute of
Public Finance & Accountancy

Eastbourne Borough Council

External Assurance Review

August 2024

A Report by:
The Chartered Institute of Public Finance and Accountancy

CIPFA, the Chartered Institute of Public Finance and Accountancy, is the professional body for people in public finance. CIPFA shows the way in public finance globally, standing up for sound public financial management and good governance around the world as the leading commentator on managing and accounting for public money.

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1 Executive Summary

1.1 Summary of Findings, Issues, Evidence and Analysis

The review is focussed on providing assurance on the following areas:

- financial management and sustainability,
- capital programme, debt, investments and assets,
- governance,
- service delivery, and
- improvement plan and roadmap.

Eastbourne Borough Council (EBC) find themselves in a precarious financial position. The impact of significant increased demand for emergency and temporary accommodation coupled with tourism income not recovering post pandemic has left the council needing to request Exceptional Financial support (EFS). The increase in interest rates has increased their borrowing costs significantly to a level that is not sustainable.

The council does clearly recognise this position and have already taken difficult decisions and action to try and get the council in a financially sustainable position.

However, the financial position at the time of this review indicated that the action taken already and the planned action is unlikely to deliver the desired savings for 2024-25 without further action and/or the further use of reserves. These have been depleted significantly over the last few years requiring the use of EFS in 2023-24 and the likely need for it in 2024-25. The council's EFS request was justified in the light of the sudden tripling of statutory expenditure on homelessness and the lack of flexibility to absorb the shock given the small scale of EBC's overall budget.

The council has significantly reduced its capital programme to avoid further financing costs and has an asset disposal programme to try and realise sufficient capital receipts to reduce debt levels and financing costs, including the additional costs of funding the capitalisation directions There are also plans by the council to further divest from direct service provision in the areas of tourism and culture. Some have already taken place successfully and with significant financial benefit, but others are proving to be more complicated and taking longer, adding further pressure on the 2024/25 budget. No further progress has been made by the council since CIPFA's rapid review of April 2023 to review its external investments which is disappointing.

Some excellent work is happening to manage the homelessness pressure, which has received positive feedback from the Ministry of Housing, Communities and Local Government (MHCLG). However, this remains a volatile area of demand led pressure.

We found officers and members alike to be focussed on addressing the finances of the council. A framework of boards and groups has been established as part of their Stability and Growth programme to drive savings, efficiencies and service delivery reshaping. Moving forward, the Review Team consider there to be a need to rationalise the 'board/group' structure to give the even greater focus to the financial challenges ahead, and to improve and bring together in one place the management and financial information that Board/Group needs to monitor progress.

There is also scope to review various aspects of the council's broader governance arrangements to ensure they meet best practice and are aligned to deliver robust support and challenge, but also to provide assurances that the actions being taken, and the reshaping of service delivery is appropriate and sustainable.

The council is committed to ensuring service delivery is maintained, avoiding the closure of facilities and a reduction in the quality and scale of services as much as possible. This is a difficult balance whist focussing on financial stability.

The Review Team have identified a number of high-risk areas and made recommendations to address them. These are listed in the next section.

1.2 Key Risks and Recommendations

This table provides the improvement plan and roadmap that we recommend the council follows with priority actions indicated by the RAG rating and the recommended timeline included with the recommendations.

Key Risk	Risk Rating (see details in Annex 1)	Recommendation (including timeline)
Financial Management / Sustainability		
1.There is no single source of information to manage the financial position.	9	1.That a spreadsheet is further developed as a single source of information on the expected actions and deficit mitigations and the single plan against which progress in delivering expected savings, additional income, asset sales and reduction in borrowing is monitored and scrutinised by Members. As soon as possible
2.There is insufficient governance and focus to deliver financial sustainability.	6	2.That the direction and monitoring of savings and improvement activity is consolidated under the control of a single Finance led Board. As soon as possible
3.Savings proposals and their delivery are not sufficiently robust.	6	3a. That a new Finance led Board develop and apply a robust process for the identification of realistic, achievable and sustainable savings / service improvements. 3b. That the new savings and service improvement governance arrangements include comprehensive risk and impact assessments, scenario and profile planning. As soon as possible
4.There is no clear strategy for the diversification of the local economy.	6	4.That a clear diversification strategy is developed to ensure a coherent and integrated approach to asset disposals, investments and alternative service delivery options. As soon as possible
5.The Seafront Strategy is not developed into a strategy for all aspects of the council's role in promoting tourism and economy diversification.	4	5.We recommend that in due course the outcome of the beachfront consultation is built upon and widened out into a strategy for all aspects of Eastbourne's role in promoting tourism (not just its asset portfolio) and diversifying the local economy and its own income stream. April 2025
6.Risk management is not robust and influential in the governance of the council.	6	6.That a review is undertaken of the risk management arrangements and a new risk management strategy, to ensure a more robust process that highlights actions and accountabilities and therefore provides a source of continual assurance.

Key Risk	Risk Rating (see details in Annex 1)	Recommendation (including timeline)
		As soon as possible
7.The strategic risks (and other key risks) of the council are not adequately identified, assessed and scrutinised.	6	7.That the Audit and Governance Committee consider the Strategic Risk Register and key operational and project risk registers at every meeting by inviting the responsible members of Corporate Management Team (CMT) (other risk owners) to present 'their risks' to demonstrate progress in the implementation of mitigating actions. As soon as possible
8.Internal Audit is not fully utilised to maximise its value to the council.	4	8.That a review of the Internal Audit function be undertaken to cover audit planning, coverage and reporting. By March 2025
Capital Programme / Debt / Investments / Assets		
9.There is a drop in the performance of services delivered by Eastbourne Housing Limited (EHL) during and after the transfer back to the council.	4	9.That the council establishes robust mechanisms for monitoring and evaluating the performance of the services post-transfer to ensure that the transition achieves the desired improved outcomes, especially for tenants. As soon as possible
10. Asset disposals do not progress as required and do not deliver the maximum return for the council.	6	10.That clear criteria for determining its decision-making in respect of each disposal and the proceeds it might bring in is established. As soon as possible
11.The capital programme is not adequately profiled to support appropriate funding decisions.	6	11.That arrangements are put in place to establish a more formal and granular profiling of the capital programme. As soon as possible
12.The costs of the council's borrowing do not reduce and meet the prudential indicator ratio of the cost of borrowing relative to its net revenue expenditure (target 10%).	9	12.That the council monitors this key prudential indicator ratio to bring it down to the target 10%. Annual review
13.There is insufficient awareness and understanding of the council's treasury management strategies.	9	13a.That regular briefings are held with leading members, and the Leader of the Opposition, including directly from the council's treasury management advisors. 13b.That experience of other local authorities is utilised in presenting reports which meet the regulatory requirements, but which clearly bring Members' attention to the key movements, trends and implications.

Key Risk	Risk Rating (see details in Annex 1)	Recommendation (including timeline)
		As soon as possible.
Governance		
14.That the role and impact of the Audit and Governance Committee is not maximised.	6	14.It is recommended that the Committee reviews its terms of reference and associated workplan to receive wider governance assurances. This should extend to considering how the Committee interfaces with Cabinet and the Scrutiny Committee on a formal basis. As soon as possible
15.That the benefits of having co-opted independent members on the Audit and Governance Committee are not fully maximised.	4	15.That the council consider adding at least another co-opted independent member to the Committee. As soon as possible
16. The Audit and Governance Committee does not demonstrate its impact, status and effectiveness by failing to prepare an annual report for Full Council and undertake the recommended annual review.	4	16a.That the Audit and Governance Committee prepare an annual report that is submitted to full council to demonstrate the work undertaken and the Committee's impact and influence. 16b.That the Audit and Governance Committee undertake an annual self-assessment of its effectiveness in line with CIPFA guidance and best practice. May 2025
17.The constitution does not reflect the structure or operational arrangements of the council.	4	17.That the Constitution is reviewed to ensure all aspects reflect how the council operates and delivers its services. March 2025
18.The value of Scrutiny is not maximised.	4	18.That consideration is given to better aligning Scrutiny Committee meetings with Cabinet, including potentially increasing the number of Scrutiny meetings to 'match' those of Cabinet. As soon as possible
19.Officers and Members are not aware of the Nolan Principles.	4	19.That the respective Codes of Conduct for Officers and Members are reviewed to include specific reference to the Nolan Principles – Standards in Public Life. March 2025
20.The Annual Governance Statement (AGS) does not adequately reflect the governance challenges the council faces.	4	20a.The significance of the Stability and Growth Programme should be referred to in the AGS and assurances provided that it is supported through effective governance that is continually monitored. 20b.That although the AGS is predominantly a retrospective report, it recognises the governance

Key Risk	Risk Rating (see details in Annex 1)	Recommendation (including timeline)
		challenges in the forthcoming year, which are significant in Eastbourne's context. For the 2024/25 AGS.
21.Annual governance assurance processes are not sufficiently robust to provide the necessary assurances.	4	21.That a review is undertaken of the annual governance review process to improve the rigour and evidence to support the preparation of the AGS. As soon as possible to influence the 2024/25 AGS.
22.The Budget and Spending review does not deliver better financial management.	6	22a.That senior management and Cabinet provide support and commitment to ensure the Budget and Spending review is robust and delivers its intended outcomes. 22b.That a revised financial management process is determined from the Budget and Spending review that provides sustainable focus and grip on the council's financial position. As soon as possible
23.The charging mechanism for the provision of services to Lewes DC is inaccurate.	6	23.That the planned review of charges and service levels to Lewes DC is completed and factored into the 2025/26 budget. As soon as possible
24.Too greater a reliance is placed on the third sector and that capacity erodes over time.	6	24.It is recommended that the council remains assured of the capacity and continuation of support from the third sector / friends groups. On-going
Service Delivery		
25.Opportunities are missed to learn from other councils to improve services and/or reduce costs.	3	25.That the council considers a more formal and structured approach to benchmarking and comparative analysis, particularly in the areas where their operational models and service delivery arrangements have changed. As soon as possible
26.Business plans do not adequately demonstrate their alignment and contribution to the Corporate Plan and Stability and Growth pillars.	4	26.That the business / service planning process is reviewed as part of the Budget and Spending Review process to ensure that strategic alignment. As soon as possible
27.Key Performance Indicators (KPIs) do not adequately demonstrate their alignment and contribution to the Corporate Plan and	3	27.That consideration is given to linking existing or new KPIs to the Corporate Plan themes. As soon as possible

Key Risk	Risk Rating (see details in Annex 1)	Recommendation (including timeline)
Stability and Growth pillars.		
28.Opportunities are missed to implement a strategic approach to procurement and contract management to achieve better value for money.	6	28.That a fundamental review is undertaken of the procurement and contract management needs of the council to ensure there is sufficient strategic capacity and expertise to support the council's challenging change and transformation programme and to secure sustainable savings and efficiencies. As soon as possible
29.Procurement is not undertaken to meet the strategic needs of the council.	6	29.That a new procurement strategy is prepared that will meet the challenges of the council over the next few years. By end of March 2025

2 Introduction

2.1 Background

Eastbourne Borough Council (EBC) first received Exceptional Financial Support (EFS) for £11.2 million for the financial years 2020/21 and 2021/22. The main drivers of the council's request for EFS were a significant reliance on tourism and leisure investments which left the council vulnerable during the COVID-19 pandemic, combined with a loss of income, low reserves, and exposure to risky commercial ventures.

As per the conditions attached to the council's capitalisation directions for 2020/21 and 2021/22, the council underwent an in-depth CIPFA finance assurance review in 2021 and a further rapid finance review in March 2023.

In January 2024, the council made a formal request for EFS for £6 million to cover the financial years 2023/24 and 2024/25. The council's pressures are predominantly driven by temporary accommodation and homelessness. Ministers agreed to provide this support to the council in-principle in February, subject to the following conditions:

- The council undergo a further assurance review,
- The council appoint an Independent Panel to oversee and drive progress towards implementing the recommendations outlined in CIPFA assurance review in 2023 as well as the upcoming assurance review,
- The council produce an improvement and transformation plan within 6 months of receiving the in-principal capitalisation direction.

2.2 Requirement

MHCLG asked CIPFA to undertake the external assurance review on which the capitalisation is conditional.

To provide this assessment, we were asked to look at five key themes:

- *financial management and sustainability*: An assessment of the Local Authority's financial management and management of risk to reach a view on the Local Authority's overall financial resilience and sustainability.

- *capital Programme, debt, investments and assets*: An assessment of the Local Authority's capital programme / overall debt position including short- and long-term borrowing, and approach to investment / asset management to reach a view on the suitability, Value for Money (VfM) and risk exposure of the Local Authority in this space, and how this may impact on the overall financial resilience / sustainability of the Authority

- *governance*: An assessment of the Local Authority's approach to overall governance / management processes, leadership, operational culture, capacity and capability to reach a view on whether the Local Authority is operating in line with the Nolan Principles and in a way to secure continuous improvement.

- *service delivery*: An assessment of the effectiveness of Local Authority service delivery reflecting the importance of delivering outcome orientated, citizen focused services to reach a view on the Local Authority's ability to deliver services that are economic, efficient and effective, striking the right balance between cost and quality of service.

- *improvement plan and roadmap*: In consideration of the findings of the review areas, targeted, tangible and timely recommendations to assist the Local Authority in designing and implementing an improvement plan to address the identified risks and issues.

2.3 Methodology

Our approach comprised the following elements:

Desktop analysis

As this is the third review undertaken at Eastbourne, we considered the previous reports' finding and recommendations. We made document requests to the council. The team has analysed over 100 documents, reports, spreadsheets etc., many of which were provided during the review. We also examined relevant comparator material.

We would like to record our thanks to officers for their ready compliance with our request for reports and data.

Specialised inputs

Some comparative data analyses were conducted on issues such as revenue spend and indebtedness using CIPFA's Financial Resilience Index and the Office for Local Government. Where relevant they are included in the report.

Interviews

The bulk of the fieldwork comprised interviews. These provided the invaluable 'triangulation' of our analysis. Council officers, members, auditors, and other experts were invited to give views and respond to queries provoked by documentary evidence. We would like to thank everyone involved for their courtesy and constructiveness.

Report drafting, feedback and fact-checking

The above inputs were then analysed and subjected to our professional and expert judgement. The result is this report.

This report was fact checked as far as possible and is based on the fieldwork completed within the time frame for the review. It is not a comprehensive audit of the council's finances or its governance arrangements. Consequently, the conclusions do not constitute an opinion on the status of the council's financial accounts. Our review of the council's Minimum Revenue Provision (MRP) considers the reasonableness of the council's MRP policy and does not constitute an audit of the full application of the policy. Similarly, our review of the council's productivity does not constitute an audit of the council's productivity plan but represents an overview of the arrangements in place to consider productivity and take account of any publicly available information on historic or relevant performance.

CIPFA's review team consisted of two experienced consultants with relevant backgrounds in all areas of the review's scope. CIPFA would like to take this opportunity to thank the council for being so amenable and open to meeting with the review team and for the considerable effort that has been expended in collating and sharing key documents with

CIPFA. We also thank everyone involved for the openness, tact, and honesty in what is a difficult and challenging issue for the council.

3 Areas Reviewed

3.1 Review Area 1 - FINANCIAL MANAGEMENT / SUSTAINABILITY

An assessment of the Local Authority's financial management and management of risk to reach a view on the Local Authority's overall financial resilience and sustainability.

a) **The underlying drivers of any financial fragility and risk and the Local Authority's ability to successfully manage those drivers so that issues do not materialise. This should include an assessment of the council's approach to managing increased demand in emergency and temporary accommodation and homelessness, which the council describe as the key drivers of its EFS request.**

Key findings and analysis

CIPFA review summary

EBC have taken positive action to tackle homelessness, improve the service provided and control the associated costs. Nevertheless, the increased costs falling on the council continue to impact on its overall sustainability and cause financial fragility and risk. It has a structural deficit of £4 million on a revenue net budget of c£15 million. It has a relatively small overall budget and is already spending the equivalent of some 40% of its council tax collection on the issue. And whilst the number of cases it has to deal with has reduced and steadied, the shock of any additional demand on its services arising for example from the Early Prisoner release scheme later this year or a Home Office increase in requirement to provide for asylum placements could make the authority's financial position unsustainable. Whilst EBC were able to take advantage of the offer of EFS this has proved a costly short-term solution to help fill the deficit over 2 years. Eastbourne can also draw on asset disposal to reduce its borrowing costs and contribute to the funding gap in the short-term. Nevertheless, the lack of flexibility afforded by the modest overall scale of funding and operations suggests it will be difficult to address this scale of deficit through piecemeal savings and efficiencies during the later period of the MTFS. Without additional support the council may need to consider developing a new target operating model focusing on delivering its minimum statutory requirements.

The challenge

The main driver of financial fragility in EBC has been the rise in homelessness. Eastbourne staff told us that one of the legacies of the pandemic was the significant number of single people living in emergency accommodation, but unable to securely move on and with more complex issues for the council to address and support. There have also been high levels of Home Office asylum placements in Eastbourne (700 out of area at peak).

Some of the key barriers for EBC in tackling homelessness and its associated costs are set out in Figure 1.

Figure 1: Barriers to mitigating the cost of tackling homelessness in Eastbourne
• Low turnover of social housing stock – demand outweighs supply

- Emergency accommodation providers are passing on higher inflationary costs to the local authorities
- Supply of accommodation in the private rented sector is extremely limited and unaffordable for a lot of people – LHA rates 20% + below actual market rents
- Private landlords are exiting the market due to tax changes, tenancy security, inflationary pressures and market conditions
- The subsidy local authorities receive is based on 90% of the LHA rate for 2011, leaving a significant and growing shortfall with current TA costs
- Challenges in supplying move on/in supported accommodation

Response in managing services and costs

We found both staff and Members in Eastbourne very committed to tackling homelessness and open to innovation and following best practice wherever possible. We have summarised some of the steps the authority has taken over the last few months to tackle homelessness and its financial impact in Figure 2 below.

Figure 2: Some of the key initiatives Eastbourne have taken in tackling homelessness and its financial impact on the council
• The development of an Emergency Accommodation manager who helps to target move on for clients who represent the highest costs to the public purse • Reviewing emergency accommodation costs and negotiating closely and robustly with Emergency accommodation providers • Creation of a new Triage team to take calls in-house and providing expert advice at first point of contact • Weekly liaison/progress sessions for Homeless Leadership Team, Head of Homes First, Deputy CFO, and Deputy CE • Opened HUB for co-location & customer access (Housing Triage Team & Specialist Advisors, Wellbeing Staff and Specialist Partner Services co-located under one roof) • Maximising income opportunities (for example by re-setting service charges to be affordable, reviewing homeless at home scheme, reviewed storage policy/processes, reviewed sanctuary scheme to keep DA victims in their home where it is safe to do so • Maximising funding/grant opportunities – Rough sleeping Accommodation Programme (RSAP), Next Steps Accommodation Programme (NSAP), Local Authority Housing Fund (LAHF) • Reviewing Allocations Policy and changing model to choice-based lettings • Introduction of 'enhanced' 6 month Rent in Advance/Deposit scheme

The levels of emergency accommodation use in Eastbourne pre-pandemic held at around 100. This peaked in March 2023 at 370. It currently stands at 249 (as stated in an interview on 6th August 2024). In addition, the council has allocated a number of housing units from its housing investment portfolio (EHICL) to provide 39 placements in order to reduce cost.

We note that the Ministerial Adviser on Homelessness visited the new Hub in May this year and wrote to the authority in July to note the positive progress that had been made and the commitment demonstrated to improving and managing services.

The prevention and analytical work undertaken by the Housing Services team has helped to reduce demand for Emergency and Temporary Accommodation placement and delivered positive outcomes in terms of services provided, future costs avoided and VfM generally. The highest peak in 2023-24 would have seen applicant figures climb to 480 if no preventative actions had been in place. Comparative figures at the end of the year were

375 but continue to fluctuate meaning that this pressure will continue during 2024/25 and beyond. A peak of 333 families earlier in 2023-24 fell to 308 at end of March 2024 and are currently standing at 249 (August 2024).

Financial Consequences

The net costs falling to Eastbourne have more than tripled from just under £1 million in 2019-2020 to just over £4 million in 2023-24.

Figure 3: A breakdown of EBC homelessness costs

EBC Costs	2021/22	2022/23	2023/24
Costs of placements	£3.3m	£5.8m	£6.8m
Housing Benefit Receipts	(£2.7m)	(£4.3m)	(£5.8m)
Subsidy & Subsidy loss	£1.5m	£2.6m	£3.6m
Total	**£2.1m**	**£4.1m**	**£4.6m**

EHICL Costs	2023/24
Net costs of 39 placements	£0.6m
Total	**£0.6k**

The council had budgeted to support 150 households in 2023/24. (There had been 144 cases the previous year). It increased its budget in year to reflect the rising trend. It has directly spent £3.3 million more than this already increased budget. In addition, the council is utilising some of its Eastbourne Housing Investment portfolio (EHICL) to reduce costs. The estimated net cost of this approach is c.£600,000.

In 2024-25 the authority maintained its homeless support budget at the level of assumed support of 150 households. The authority told us that it did not make sense to make a structural adjustment to the budget until it was clearer whether the rise was a permanent feature and what future additional central funding might be available in the future.

b) An assessment of steps the Local Authority is undertaking to ensure it remains within its spending envelope, including deliverability and appropriateness of current savings / transformation plans and income generating activity.

In this section we review:

i. Deliverability and appropriateness of current savings/transformation plans
ii. Budgetary position
iii. The special additional action the authority is planning to take to address the funding gap

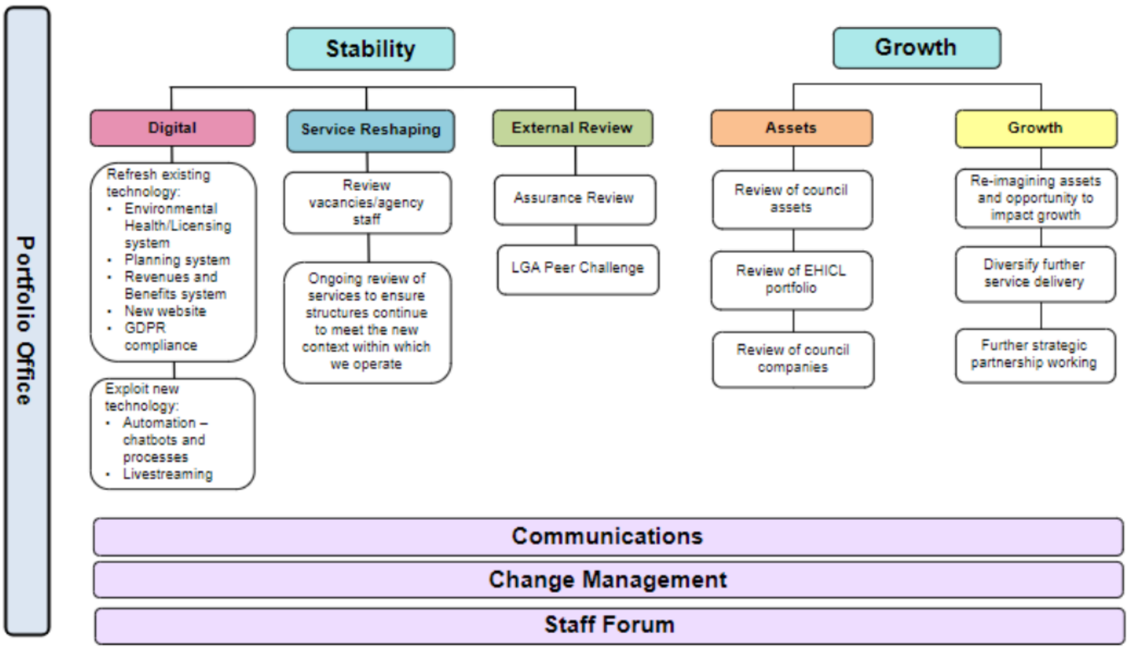
CIPFA Review Summary

EBC is in a challenging financial position. It relied on the capitalisation direction and a transfer from reserves to balance its books in 2023-24. It entered the current financial year with reserves at a level representing less than 7% of its 2023-24 spend. Quarter one monitoring forecasts a service overspend of more than £6 million. The Section 151 Officer has now directed several immediate measures to reduce spending and plans a "star chamber" like line-by-line review of budgets and mitigations in the Autumn. Use of EFS will likely be required again in 2025-26 but will not in itself be enough to balance the books and will add to the levels of interest that need to be financed by the General Fund. Action on assets sales and retrenchment of some non-statutory services can no longer be deferred. If the authority is to develop medium term sustainability it may need to develop more ambitious plans for transformation with a clearer target operating model together with a delivery plan and commitment to stronger direction, delivery and grip of an updated stability and growth plan later this year.

i. Deliverability and appropriateness of current savings/transformation plans

EBC's Stability and Growth (S&G) Programme supports its work to deliver savings and address financial challenges. The programme is made up of 5 pillars (See Figure 4 below). The programme was launched in Spring 2023. We review action on the Assets pillar in the next section of our report.

Figure 4: The Pillars of Eastbourne's Stability and Growth Plan



EBC updated the plan significantly in July 2023 to encapsulate the Stability and Growth agenda. The plan has continued to be updated with regular meetings of the S&G member board keeping track of progress. EBC reviewed the governance arrangements covering their plan in July 2023. Regular reporting against the plan takes place to both Scrutiny and Cabinet with the intention of ensuring the plan remains in line with other governance arrangements. EBC has established a new informal member officer body, the Stability and Growth Assets Group to help ensure alignment between the new focus that is being given to assets disposal and the overall growth plan. EBC have given their revised corporate plan the title 'Stability and Growth' in recognition of the central importance of the Stability and Growth Programme to the council. The current Medium Term Financial Plan (MTFP) to 2026-27 does build the savings arising from the programme into the plan.

EBC has planned for the programme to come forward with roughly similar levels of savings during each year of the MTFP. Figure 5 below shows the breakdown of those savings over the main departments. It shows the need to continue to find annual savings of c£2.5 million over each year of the strategy. It also shows that the council has planned a central contingency of £0.7 million for non-delivery of savings throughout each of these years.

Figure 5: Projected MTFP savings from Stability and Growth Programme

	24/25	25/26	26/27
	£000		
Service Delivery	1,925	2,100	2,100
Regeneration and Planning	1,000	1,000	1,000
Tourism and Enterprise	52	52	52
Corporate	200	200	200
Central Contingency	-670	-670	-670
	2,507	**2,682**	**2,682**

We have identified the main projects delivered so far under the programme in Figure 6 below.

Figure 6: Main projects delivered or currently being delivered under the Stability and Growth Programme

- Management restructure in service delivery
- New aligned revenues and benefits IT system
- Transfer of housing services back from Eastbourne Homes to EBC
- Sale of assets including golf course transferred to not-for-profit organisation and sale of properties at Saffrons Road.
- Transfer to Local Authority Controlled Company of Eastbourne Theatres Ltd
- Transfer of conference and catering offer at Devonshire Quarter

ii. Budgetary position

The provisional outturn position at Eastbourne for 2023-24 was an overspend of c£4 million. The overspend was met by £3 million Exceptional Financial Support and an unplanned transfer from reserves of £1.688 million.

This overspend represents some 26% of the total planned net spending for that year. The main causes of this overspend were:

- £3.3 million – Additional costs of Emergency and Temporary Accommodation
- £0.45 million – Reduced income from Tourism & Culture
- £1.1 million – Additional cost of Capital Financing.

We have already reviewed the impact of the additional costs of homelessness on the budget in the previous section. The overspend on Tourism and Culture primarily arises from lower income as customer numbers were slower than expected to return to the pre-pandemic levels and additional transitional costs relating to the transfer of services to the LACC. We comment on borrowing costs under Theme 2.

EBC's end of 2024-25 quarter 1 monitoring projects a service overspend of c£6.2 million. The bulk of this (£4 million) relates to continuing emergency accommodation costs and some £2.1 million is in Tourism and Culture.

EBC had built savings into the relevant service manager's budget for 2024-25. Some £2.5 million of savings were built in in this way. However, after Q1 EBC is forecasting savings for the programme of less than £1 million and a deficit of £1.37 million. It has a contingency of £600,000 which if used brings the shortfall to c£700,000. The projects which seem to be slipping or have not produced the level of savings expected are in Tourism and Culture and in Homelessness (the budget of the latter has not had growth built in).

Since the budgets were set and the Q1 position became clear EBC has identified a further £1.8 million savings but are budgeting for securing only 50% of them. If they achieve all these savings and a reduction in borrowing costs of more than £0.5m, this will still leave a gap of £1.5 million. So, the authority is likely to need to use the EFS received in-principle for 2024/25. In 2025/26 EBC anticipates helping to close the structural gap by:

- delivering some of the delayed savings from 2024/25
- delivering additional savings developed during 2024/25
- the full year effect of part year savings
- delivering Budget Reviews
- disposing of 3 large assets c£35 million to reduce the cost of capital financing

This would still leave a funding gap of at least £1.3 million and does not take into account any further housing demand volatility.

In response to our review and the challenge we faced in finding the management information we needed to understand all the actions being taken to address the financial challenges, the authority is developing a single monitoring spreadsheet that brings together this information.

iii. The special action to be taken in Autumn 2024

In the light of the escalating adverse financial position the S151 Officer has directed several actions to be taken by budget holders and service managers. They are summarised in Figure 7.

Figure 7: The initiatives being taken to address the adverse escalation in the council's financial position

- A recruitment freeze
- All budget holders to participate in a face-to-face Budget and Spending Review exercise in September/October
- Purchasing controls including on use of credit cards
- Imposition of various percentage reductions in subscriptions, hospitality, stationary, IT budgets
- Stricter business and financial planning processes

Much is riding on the ability of senior managers and budget holders to identify the appropriate mitigations during the "star chamber" meetings planned for later this year and then successfully getting the necessary grip on spend if the need for a Section 114 is to be avoided.

In our view, there is a need to implement all the Stability and Growth activity to avoid a section 114. Some of this activity is already in train but more is to be identified in the early Autumn. Further, it needs more focus and "command and control" or "critical incident" programme management or governance if a successful outcome is to be achieved. The authority currently has a Stability and Growth officers group which meets each week and a SGO meeting the next day with the same officers and including CMT. There is no clear link between the asset management group and the Stability and Growth officers. And some of the key decisions will require HR and IT and legal advice. There is also a need to develop governance to bring them in to support faster decision-making.

It is critical therefore that all savings proposals and their delivery are robust and that there are the necessary governance arrangements in place to oversee this. Equally, savings should be supported by risk and impact assessments and scenario and profile planning.

Risks

1. There is no single source of information to manage the financial position.

2. There is insufficient governance and focus to deliver financial sustainability.

3. Savings proposals and their delivery are not sufficiently robust.

Recommendations

1. That the spreadsheet is further developed as a single source of information on the expected actions and deficit mitigations and the single plan against which progress in delivering expected savings, additional income asset sales and reduction in borrowing is monitored and scrutinised by Members. This will help to bring better clarity to the overall programme task in hand.

2. That the authority should consider the establishment of a s151 Officer led Board which is in command of the programme of deficit reduction activity as a whole and to which the various strands report. This should include officers with principle responsibility for savings arising from digital, service reshaping (particularly Tourism), and assets disposals, but also officers from legal, HR, performance, IT, contracts and service representatives It should have ultimate say over all actions to come back to budget and be able to direct any officer across EBC (or task and finish groups of officers) to set actions. It would meet on a weekly basis and provide regular reports to Cabinet for decision.

3a. That a new Finance led Board develop and apply a robust process for the identification of realistic, achievable and sustainable savings / service improvements.

3b. That the new savings and service improvement governance arrangements include comprehensive risk and impact assessments, scenario and profile planning.

c) An assessment of the council's progress in implementing the recommendations from CIPFA's rapid finance review undertaken in March 2023.

Most of the recommendations of our previous review were addressed at achieving financial stability and strengthening the Stability and Growth Agenda in the short-term and progress is reviewed and set out elsewhere in this report. One key recommendation was addressed at an associated and longer-term objective, and this was to "Set out the authority's objectives on tourism, income, and economic diversification in an overarching strategy."

We found that EBC had developed a draft strategy during the autumn of 2023 which was subject to an initial review by Cabinet Members. EBC told us that due to the complexity and significance of tourism and leisure to the borough and its economy, further considerations were required and so the report was deferred from December Cabinet for reconsideration. EBC told us that activity to implement a new LACC for the Eastbourne theatres and to make other changes to management arrangements at the Devonshire Quarter have made it challenging to complete this document whilst also continuing to ensure it is relevant and up to date. In the meantime, the authority has recently launched a public consultation with the intention of providing an economic and social framework to inform any decision-making in relation to the seafront.

We understand the immediate pressures that EBC are under which have delayed the formulation of a strategy on tourism and economic diversification. And we also note that the work to de-risk the authority's tourism assets is a priority and an important part of any approach. But we continue to believe it is important for EBC to be able to demonstrate a strategic approach given the number of separate developments and decisions impacting on the local economy including on asset disposal, contracting out the management of tourist attractions, parking regularisation and the seafront consultation.

d) **The Local Authority's financial governance processes including the effectiveness of the audit and scrutiny committee(s) as well as compliance with the Local Government accounting codes and international finance reporting standards**

The Audit and Governance Committee approved the Risk Management Policy in September 2020. The Policy itself states that it will be "reviewed and updated annually". No such review and update has occurred. Given the changed context and pressure on the council a risk management policy and framework should exist that reflects that context and provides enhanced assurance.

The Review Team reviewed the Strategic Risk Register. Whilst it is reviewed quarterly by the CMT it is only presented to the Audit and Governance Committee if there are any changes and after an election. The SRR was last presented to the Audit and Governance Committee in November 2023. The format of the SRR provides a very high-level view.
There is little evidence of an embedded approach to risk management. Whilst 'risks' will inevitably be being considered and managed in the normal course of service delivery and planning, there is no evidence to support that through a risk management system and a format of risk register that both provides assurance but also a means by which to manage actions and accountability.

The council has a risk system, Pentana. Whilst the Review Team did not look in detail at the system and its use, it was clear that the way it is currently utilised would not support the risk / governance assurance needs of the council moving forwards.

The Review Team therefore consider that there is considerable scope to review, refresh and improve risk management at the council at the strategic, operational and project/programme level. A new risk management policy is therefore needed.

In the context of the council and its challenges, what should be considered is an approach that provides continuous governance (risk) assurance. This would provide a greater accountability for responsible officers to ensure the governance of the council provides and enables success, delivery, achievement and performance. Such an approach can be integrated with broader governance assurance.

Cabinet reports contain a section for risk management implications. The Review Team considered that these sections were inadequate and did not provide sufficient information about the risks, how they were being mitigated and therefore assurances about their overall management. A link or reference to the appropriate risk assessment or risk register would enhance the information available to Cabinet.

The Internal Audit (IA) function is delivered through an in-house Team providing internal audit to both Eastbourne and Lewes council. It is a relatively small Team, but not disproportionately small for the size of councils it supports.

The function is well regarded, as is the Head of Internal Audit. The function was subject to an External Quality Assessment as required by the Public Sector Internal Audit Standards in September 2023. This was performed through a peer process involving 4 neighbouring councils. The results of the assessment showed the IA function to 'generally conform' to the required standards. There were no areas of non-conformance identified and 10 areas of partial conformance. An action plan has been produced to address the areas of improvement. None of the areas of partial conformance would materially undermine the functions overall effectiveness.

Discussions with the Head of Internal Audit as part of this review explored areas where the function could be more effective and be utilised in a different way that should provide better support, challenge and assurance to management and the Audit and Governance Committee. Moving away from making recommendations and therefore placing greater accountability on managers for actions would improve governance overall and release IA time to more productive areas.

The council is changing significantly, adopting new operating models and re-sizing itself to meet the financial resources available. This requires a different audit approach, one that looks at the effectiveness, delivery and sustainability of strategies and the governance required to support the new ways of working.

There are a number of outstanding accounts subject to audit but the council publishes its accounts, presents its annual treasury management and prudential indicators and its MRP policy which reflects the code requirements. The MRP calculations and application of the policy have not been reviewed. However, MRP as a percentage of CFR appears low for 2022/23 at 0.62% so this might warrant further investigation. A Productivity Plan sets out the council's approach and covers key activities of the council including in the areas of EDI. There is an agreed policy, annual reporting against its duty and a longer term set of objectives which show the importance attached to equality, fairness and inclusion.

e) **The capacity and capability of the Local Authority to deliver an effective finance function to the authority commensurate with the complexity of its particular circumstances including the ability to undertake any transformation activity as required**

Since our last report EBC has conducted a recruitment exercise and the finance department is now fully staffed, almost exclusively with permanent, non-agency staff. Finance staff and service managers told us this has significantly improved working relationships between finance business partners and budget managers. Alongside this, a training programme called Raising the Bar was addressed at tackling historical challenges in finance. A further training programme is now intended to embed good financial management practice.

The local authority draws on several external sources of expertise in making its decisions. For example:

- On Hampden Park it is using Montagu Evens, Specialist Retail and Leisure Advisers
- On the Wintergarden, Theatres, Stage Door – EIA, a Specialist Leisure consultant
- On MOJ/Saffron – Red Loft (Specialist residential development advisors),
- On residential Acquisitions/disposal – by Graves Jenkins Surveyors and Kingston Morehen Chartered Surveyors Property Consultants
- On Farms - Strutton Parker, Residential and Agricultural
- On Commercial issues – Fludes and Hunt Commercial

The authority has limited resources and this impacts on the internal support available for some aspects of the tasks with which it is now faced such as procurement or corporate financial and wider programme management. Given the constraints and current pressures the issue is about how effectively the council can organise its internal and external expertise to support well managed and swift decision-making over the next few months. We have already made recommendations in this area.

Risks

4. There is no clear strategy for the diversification of the local economy.

5. The Seafront Strategy is not developed into a strategy for all aspects of the council's role in promoting tourism and economy diversification.

6. Risk management is not robust and influential in the governance of the council.

7. The strategic risks (and other key risks) of the council are not adequately identified, assessed and scrutinised.

8. Internal Audit is not fully utilised to maximise its value to the council.

Recommendations

4. That a clear diversification strategy is developed to ensure a coherent and integrated approach to asset disposals, investments and alternative service delivery options.

5. That in due course the outcome of the beachfront consultation is built upon and widened out into a strategy for all aspects of Eastbourne's role in promoting tourism (not just its asset portfolio) and diversifying the local economy and its own income stream.

6. That a review is undertaken of the risk management arrangements and a new risk management strategy, to ensure a more robust process that highlights actions and accountabilities and therefore provides a source of continual assurance.

7. That the Audit and Governance Committee consider the SRR at every meeting. As well as considering any changes, by rotation, the Committee should invite the responsible members of CMT to talk through 'their risks' to demonstrate progress in the implementation of mitigating actions. This would provide the Committee with assurances regarding the risk management process itself but also offering a 'deep dive' into the key strategic risks.

8. That a review of the Internal Audit be undertaken to cover audit planning, coverage and reporting.

3.2 Review Area 2: CAPITAL PROGRAMME / DEBT / INVESTMENTS / ASSETS

An assessment of the Local Authority's capital programme / overall debt position including short- and long-term borrowing, and approach to investment / asset management to reach a view on the suitability, VfM and risk exposure of the Local Authority in this space, and how this may impact on the overall financial resilience / sustainability of the Authority.

Key findings and analysis

Oversight of local authority-controlled companies

Up until recently EBC had 8 trading companies, of which 3 were housing related:

- the ALMO (Eastbourne Housing Ltd EHL),
- AHLLP - a joint partnership between EBC and LDC to meet local housing needs and access RTB receipts
- EHICL – wholly owned to support provision of non HRA housing

One of the remaining 5 companies was dormant but the others were:

- Investment Company Eastbourne Ltd (ICE) established for the purpose of providing a guarantee to an institutional investor (Infrastructure Investments Ltd) relating to a property asset in Leicester
- South East Environmental Services Ltd (SEESL) undertaking domestic waste and recycling collection and street cleansing services since July 2019
- Cloud ConnX Ltd - EBC own 45% share and was set up to provide ISP services across East Sussex.
- South East Independent Living Ltd – a subsidiary of EHL

The EHL Management Fee is £7.834 million and is paid by the HRA, and the SEESL Management Fee is £4.672 million and paid by the General Fund.

EBC last reviewed its strategic approach towards its commercial companies in April 2021. This led to the authority deciding to bring the ALMO back in-house, following agreement of tenants. The authority expects savings to be realised from doing away with the need for oversight and servicing a separate board.

Achieving more sustainable ownership and de-risking financial responsibilities

An element of the growth pillar of the council's Stability and Growth Fund is the work being done to de-risk different aspects of the council's tourism and leisure operations. This pillar has three main elements:

a) The transfer of the Devonshire Park Theatres to a Local Authority Controlled Company (agreed by Cabinet in February 2023) – aims to provide the theatres with greater financial flexibility and access to funding. The creation of the LACC is intended as a temporary measure with the ultimate goal of establishing an independent charitable entity to manage the theatres.
b) The transfer of the Sovereign Leisure Centre and associated leisure services to Wave Active, part of the Wave Leisure Trust (agreed by Cabinet in July 2023), and
c) The transfer of conference and hospitality services at Devonshire Park to a commercial operator (agreed by Cabinet in July 2023). The Park includes the

Congress Theatre, Devonshire Park Theatre and Winter Garden. EBC expect this to bring more specialised expertise in hospitality and event management and alleviate some financial and operational burden from the council.

We note the considerable progress the EBC has made in developing partnerships with private organizations, non-profits, and community groups in support of de-risking much of its financial responsibility for important tourist attractions in Eastbourne.

In our previous assurance report we recommended the authority should set out its objectives on tourism, income, and economic diversification in an overarching strategy.

We found that the EBC had developed a draft strategy during the autumn of 2023 which was subject to an initial review by Cabinet Members. EBC told us that due to the complexity and significance of tourism and leisure to the borough and its economy, further considerations were required and so the report was deferred from December Cabinet for reconsideration. EBC told us that activity to implement a new LACC for the Eastbourne theatres and to make other changes to management arrangements at the Devonshire Quarter have made it challenging to complete this document whilst also continuing to ensure it is relevant and up to date. In the meantime, the authority has recently launched a public consultation with the intention of providing an economic and social framework to inform any decision-making in relation to the seafront.

We understand the immediate pressures that EBC are under which have delayed the formulation of a strategy on tourism and economic diversification. And we also note that the work to derisk the authority's tourism assets is a priority and an important part of any approach. However, we continue to believe it is important for EBC to be able to demonstrate a strategic approach given the number of separate developments and decisions impacting on the local economy including on asset disposal, contracting out the management of tourist attractions, parking regularisation and the seafront consultation.

Disposals

As a seaside town Eastbourne must balance depleting the assets it holds to help offset its deficit against sweating those assets which raise income and attract tourists, and which help to drive the local economy. Nevertheless every £10 million of proceeds from disposal will generate revenue benefit to the General Fund of about between £700,000-£1million per annum if EBC use it to pay down debt.

The authority last updated its Corporate and Assets Strategy in December 2023. A Strategic Property Board brings together elected members with officers which considers issues and options ahead of formal decision at Cabinet. The strategy recognises that in the past the council has purchased assets as a method of increasing its income potential but that it was clear that, in the current and foreseeable future, such investments are unlikely to be either achievable or desirable. For the council to make such investments, a higher level of risk would need to be accepted than the council is currently able to tolerate, given its financial position.

The council has been progressing an asset disposal programme. They sold some HRA garages totalling £1.329 million in 2023-24.

Re-profiling of the capital programme

A Capital Programme Oversight Board (CPOB) has been established to provide strategic direction, oversight and corporate assurance for the General Fund capital programme and Housing Revenue Account (HRA) Business Plan across council. The CPOB is responsible for addressing programme issues, reviewing risk and considering financial implications.

The council forecasts its Capital Programme over a 4-year period. Excepting earmarked s106 funds, the council does not have significant capital reserves. Therefore, except for a small number of schemes funded from capital grants and other contributions, the majority of EBC's programme has to be funded through borrowing. Based on current interest rates and forward forecasts for the cost of borrowing, £1 million capital financing expenditure will cost around £98,000 to service each year.

In the light of its financial challenges, the authority has revised its capital budget (See Figure 8 below). The revised capital budget reflects an overall reduction against the original budget of 28% primarily due to reduction in the regeneration programme. Projects in this area are linked to the councils Levelling Up, Town Deal and Future High Street grants schemes. The actual outturn for 2023/24 was £13.5 million, a variance of £7.3 million representing a 65% spend against the revised budget. The largest general fund underspend for the year was related to projects funded by Levelling Up Fund (LUF) awarded to the council. The authority intends to reprofile these projects.

The reprofiling has required some difficult decisions with very visible impacts for Eastbourne attractions – such as the lack of maintenance on the bandstand.

Although the programme is now at a minimum, putting effort into determining realistic timelines and costs of existing projects will help in finely managing the funding strategy, including the timing and terms of borrowing.

Figure 8: Capital programme reset during 2023-24

GF CAPITAL PROGRAMME	Original Budget 2023-24	Revised Budget 2023-24	Actual Spend 2023-24	Variance to Revised Budget
	£'000	£'000	£'000	£'000
General Fund Housing	1,200	2,247	3,020	773
Loans to Housing Companies	751	890	- 65	- 955
Regeneration	19,237	10,798	3,194	- 7,604
Asset Management	3,660	2,133	1,647	- 486
Service Delivery	2,592	3,266	1,898	- 1,368
Information Technology	170	263	212	- 51
Digital Transformation	-	1,214	571	- 643
Corporate	400	-	3,000	3,000
Total General Fund	**28,010**	**20,811**	**13,477**	**- 7,334**
GF FINANCING				
Capital Receipts	250	92	50	(42)
Revenue	50	-	-	-
Grants & Contributions	20,036	12,970	5,280	(7,690)
Borrowing	7,674	7,749	8,147	398
Total GF Financing	**28,010**	**20,811**	**13,477**	**(7,334)**

Levels of debt and its cost to the General Fund

Total EBC debt at the beginning of the financial year was £177 million (£114 million long term and £63 million short term) which increased to £191 million (£111 million long term and £80 million short term) at the end of the financial year, an increase of £14 million.

The council's long-term borrowing from the Public Works Loan Board (PWLB), as at 31 March 2024, was £111.3 million. This long-term borrowing is at fixed rates of interest ranging from 1.6% to 5.0%. No new long-term borrowing has been undertaken.

As at 31 March 2024, £80 million of short-term loans were held. Four new loans, total of £20 million were taken out at the end of March of which £10 million was to replace debt that had matured. Debt of £30 million will mature in the first quarter of 2024/25. During Q3 of 2023/24, £35 million of loans matured and were repaid on time.

The movement between long-term and short-term debt has continued in accordance with advice received from Link (EBC's treasury advisors) to limit the council's exposure to high interest rates over the long term. Once interest rates have reduced the council will consider options to move short term debt to more longer-term instruments.

The table below summaries the General Fund (GF) interest payable, minimum revenue provision (MRP) and interest receivable forecast for the year.

Figure 9: Interest payable from the General Fund

General Fund	Original Budget £000	Forecast Outturn Q3 £000	Actual Outturn £000
Interest Payable - Borrowing	2,750	4,446	4,532
MRP	649	589	478
Interest Receivable – Treasury Investments	(99)	(385)	(369)
Interest Receivable – Loans	(1,299)	(1,328)	(1,502)
Net Cost	**2,001**	**3,322**	**3,139**

As the figure shows the costs of the borrowing falling to the General Fund have risen significantly during 2023-24 since our last rapid review. At the beginning of the year the authority forecast the cost would be £2.75 million. The actual outturn was £4.532 million. This rise is due to several factors:

- additional borrowing because of the revenue budget overspend position
- base rates have risen to 5.25% (3.25% at the beginning of 2023),
- PWLB borrowing is prohibitive due to a 1% premium on rates arising from capitalisation directions and the shortage of cash available in the local authority lending markets. Rates were approaching 7% towards the end of March.

EBC is under a statutory duty to determine and keep under review affordable borrowing limits. The Figure over shows the council's approved Treasury and Prudential Indicators (affordability limits) comparing the Budget to the Forecast for the year and the previous year. This shows the rise in the proportion of EBC's general fund financing costs (expenses associated with managing and servicing its debt) as a ratio of its net revenue stream compared to the position from our previous rapid review. From taking up a quarter of the net revenue, it has risen to more than one third. A commonly referenced benchmark for this ratio is no more than 10%, though this predates the increase in the costs of borrowing that have affected all authorities over the last couple of years.

Figure 10: Prudential indicators

Prudential Indicators	2023/24 Budget	2023/24 Forecast Q3	2023/24 Actual
Authorised Limit for external debt	£241m	£243m	£243m
Operational Boundary for external debt	£219m	£232m	£232m
Capital Financing Requirement (CFR) - GF	£146m	£144m	£146m
Capital Financing Requirement (CFR) - HRA	£54m	£54m	£51m
Gross External debt – GF (including loans to Housing Companies £30m)	£118m	£129m	£137m
Gross External debt - HRA	£47m	£54m	£54m
Total Debt compared to CFR under / (over) borrowing	£35m	£15m	£5m
Proportion of GF Financing Costs to Net Revenue Stream	25.4%	30.1%	33.2%
Proportion of HRA Financing Costs to Rental Income (including depreciation)	47.0%	45.1%	44.7%
Proportion of net income from commercial and service investments to Net Revenue Stream	16.1%	12.1%	12.3%

Interest rates are not forecast to fall as quickly as once was presumed and the costs of servicing the debt is likely to remain high at least in the short-term. This is why it is so important for EBC to reduce further borrowing for capital to the minimum required to meet regulatory requirements (such as health and safety standards) in respect of its existing assets and to make swift progress in disposing of assets and using the proceeds to pay back the EFS and to further reduce its levels of debt.

During the current review two members raised their concerns about the level of short-term borrowing by the council. Local authority treasury and cash management is a complex issue. The authority must meet the regulatory requirement placed on it to report to Members on these issues. The latest such report was considered by Members earlier this year. Officers told us that since our last report recommendation they had reviewed existing key reports to widen member awareness of debt and treasury management principles. They follow the format of reporting prescribed by their advisors - the Link Group - when presenting their quarterly reports. The authority also told us they had responded to email and oral requests for explanation by members and they would continue to utilise training opportunities via council treasury management consultants.

Risks

9. There is a drop in the performance of housing services delivered by EHL during and after the transfer back to the council.

10. Asset disposals do not progress as required and deliver the maximum return for the council.

11. The capital programme is not adequately profiled to ensure it supports appropriate funding decisions.

12. The costs of the council's borrowing do not reduce and meet the prudential indicator ratio of the cost of borrowing relative to its net revenue expenditure (target 10%).

13. There is insufficient awareness and understanding of the council's treasury management strategies.

Recommendations

9. That robust mechanisms for monitoring and evaluating the performance of the services post-transfer are established to ensure that the transition achieves the desired improved outcomes, especially for tenants.

10. That the Assets Officer Working Group (or other group) establish clear criteria for determining its decision-making in respect of each disposal and the proceeds it might bring in.

11. That the Capital Programme Oversight Board oversees a more formal and granular profiling of the capital programme.

12. That focus is given to bringing the key prudential indicator of borrowing costs as a percentage of net expenditure down to a lower level.

13a. That regular briefings are held with leading members, and the Leader of the Opposition, including directly from the council's treasury management advisors.

13b. That the experience of other local authorities is explored in presenting reports which meet the regulatory treasury management requirements, that clearly bring Members attention to the key movements, trends and implications.

3.3 Review Area 3: GOVERNANCE

An assessment of the Local Authority's approach to overall governance / management processes, leadership, operational culture, capacity and capability to reach a view on whether the Local Authority is operating in line with the Nolan Principles and in a way to secure continuous improvement.

a. The adequacy of the Local Authority's decision-making processes including presence / absence of clear schemes of delegation, scrutiny arrangements, quality of council papers and whether there is a clear understanding of governance arrangements across all levels of the authority. This should include a view on the effectiveness of the adopted Governance model and whether it is suitable to drive the right outcomes for the area.

Key findings and analysis

The council has a clear scheme of delegations to officers. This was recently updated and agreed at the council's Constitution meeting in April 2024. This sought to align Eastbourne's delegations with those of Lewes DC, save for certain service delivery differences. There had previously been differences which had caused some confusion amongst officers. Further minor amendments have been made in July to reflect the changes in the operational arrangements for certain council services such as the transfer of the golf club previously operated by the council and now transferred to a private sector company, and to accommodate the processes to transfer other services to alternative delivery.

Some aspects of the Constitution appeared not to have been updated for several years with some elements dated 2010 or 2011. Whilst some may well remain valid and relevant in their core aspects, the council has undergone a number of restructures notably combining with Lewes DC in 2016 in the provision of shared services. It is likely therefore that there will be provisions within the Constitution that do not reflect how the council now operates.

The Review Team examined various Cabinet, Audit and Governance Committee and Scrutiny Committee reports associated predominantly with the Stability and Growth Programme and managing the financial position of the council.

Reports were clear and followed the corporate template. In the specific reports considered as part of this review, information was presented clearly and succinctly. As has been referred to earlier, the risk management sections of the reports were inadequate and did not provide sufficient information about the risks, how they were being mitigated and therefore assurances about their overall management. Minutes were clear including a 'Reason for decision' paragraph.

The arrangements for scrutiny appear appropriate in practice. There is one committee performing the overview and scrutiny functions. The Committee comprises 8 members who are not Cabinet members and is chaired by a member of the main opposition group. The Scrutiny Committee has the responsibility to maintain an overview of the discharge of the council's Cabinet functions, scrutinise decisions, and make reports and recommendations thereon. The Committee is not confined to looking only at council services; it can investigate the actions of other companies and organisations whose actions have an effect on Eastbourne residents. Meetings of the Scrutiny Committee are open to the public, unless exempt or confidential information is being considered.

The workplan of the Scrutiny Committee includes consideration of the Forward Plan and sight of reports prior to them being considered at Cabinet. An observation by the Review Team is that Scrutiny meets 4 times a year whereas Cabinet meets 7 times. In the case of the July meetings, Scrutiny met on the 15th July and Cabinet on the 17th which clearly does not afford time for Cabinet to consider any comments from Scrutiny. Two of the 4 Scrutiny meetings fall just a few days before a Cabinet meeting.

The Audit and Governance Committee comprises 8 councillor members, 6 from the ruling Lib Dem Group and 2 from the Conservative Group. The Committee has also introduced one co-opted independent member (from September 2022). The Committee is chaired by a Lib Dem councillor. The Vice Chair is also from the Lib Dem Group.

The Review Team heard positive comments about the Committee. The Chair of the Committee was interviewed and stated that she felt the Committee worked “quite well” together and that they respected and listened to each other. She also felt it was thorough and she said she received briefings from officers. The Committee is proactive in asking for reports to be brought in, with one recently focussing on the grounds maintenance contract.

The Review Team observed however that the terms of reference for the Committee and agendas were quite narrow with a vast majority of items considered to be in the ‘audit’ area rather than ‘governance’. It also appeared that on occasion the Committee were focussing on detail rather than obtaining assurances on arrangements.

The Committee does not produce an annual report nor undertakes a review of its own effectiveness. These are recommended by CIPFA.

The Review Team did not identify any lack of understanding about the council’s decision-making process amongst the interviewees, nor was it made aware of any departures from the process. The Review Team did not have the opportunity to test the understanding of the decision-making process across a wider cross-section of staff.

The Review Team notes that whilst the codes of conduct for both officers and members appeared appropriate, neither made specific reference to the Nolan Principles.

Whilst the review has identified areas where the governance arrangements require review, the Review Team consider that overall, it is suitable to drive the right outcomes for the area.

Risks

14. That the role and impact of the Audit and Governance Committee is not maximised.

15. That the benefits of having co-opted independent members on the Audit and Governance Committee are not fully maximised.

16. The Audit and Governance Committee does not demonstrate its impact, status and effectiveness by failing to prepare an annual report for Full Council and undertake the recommended annual review.

17. The constitution does not reflect the structure or operational arrangements of the council.

18. The value and influence of Scrutiny is not maximised.

19. Officers and Members are not aware of the Nolan Principles.

Recommendations

14. That the Audit and Governance Committee reviews its terms of reference and associated workplan to receive wider governance assurances. This should extend to considering how the Committee interfaces with Cabinet and the Scrutiny Committee on a formal basis.

15. That whilst having one co-opted independent member on the Committee, consideration should be given to adding at least another such member.

16. That the Committee should prepare an annual report to Full council and undertake a review of its own effectiveness in accordance with CIPFA's guidance on Audit Committees in Local Government.

17. That that the Constitution is reviewed to ensure all aspects reflect how the council operates and delivers its services.

18. That consideration is given to better aligning Scrutiny Committee meetings with Cabinet, including potentially increasing the number of Scrutiny meetings to 'match' those of Cabinet.

19. That both the Officer and Member Codes of Conduct are reviewed to include reference to the Nolan Principles.

b. ***The presence / absence of a clear, outcome orientated, measurable and performance driven strategic direction for the Local Authority and whether this is clearly set out through alignment of the key strategy documents (Corporate / Strategic Plan, Annual Governance Statement and Medium-Term Financial Plan). This should include an assessment of the extent to which the strategic direction of the Local Authority is present throughout operational implementation or whether it exists in 'name only'***.

Key findings and analysis

Priority and effort have been applied in trying to address the council's financial position. The establishment of the Stability and Growth Programme in July 2023 (Cabinet 19/07/23 - Eastbourne BC Stability and Growth Programme), with its supporting governance has provided a steer to ensure there is a whole council approach. This Programme was established in response to the recommendations from the previous Assurance Review and Corporate Peer Challenge and was an evolution from the previous Recovery and Stabilisation Programme which had delivered £5.9 million of cumulative revenue savings.

The Growth and Stability Programme has also been the main driver for the council's Corporate Plan 2024 – 2028 (Eastbourne BC Corporate Plan 2024 -2028). This has been subject to public consultation and was approved by council in February 2024. This references the imperative in "Taking Eastbourne from Stability to Growth". The Corporate plan has 4 themes:

- High, quality, responsive services
- Housing and the cost-of-living crisis
- Economic development and tourism
- Sustainability and environment

The Plan states that its initial focus is on core stability which will then provide a strong foundation on which to build future growth and prosperity.

All the Members interviewed, regardless of political party and role, demonstrated a thorough appreciation of the pressures and a commitment to achieving what is required to maintain services to the public and achieve financial sustainability.

The establishment of various Boards, notably the Strategic Property Board and the Transformation Programme Board, are working hard under the umbrella Stability and Growth Board to realise value for money asset disposals, development opportunities, savings and efficiencies. The interviews with the senior managers demonstrated to the Review Team a determination to deliver the necessary savings and improvements The achievement of the required savings, efficiencies and service delivery changes have been covered earlier in this report.

Cabinet receives quarterly Stability and Growth Programme updates. These provide information about its progress and highlight the current position and risks regarding the achievement of savings and securing long-term financial sustainability.

The MTFS has taken the objectives of the Stability and Growth Programme into account with the inclusion of £2.5 million of savings in 2024/25. Any growth areas have been considered in line with corporate objectives, but it is important that these are considered for criticality as well as against corporate objectives.

As is referred to in this report earlier, the Review Team expressed concerns that the number of Boards and Groups had the potential to confuse how the overall programme of savings was managed. There is therefore now scope to rationalise the boards and groups to provide a better focus and grip on the challenges ahead.

The Annual Governance Statement (AGS) for 2023/24 was considered by the Audit and Governance Committee at its meeting on 18th July (Eastbourne BC AGS 2023/24). The statement does reference the review against the Financial Management Code; however, no reference is made in the AGS to the Stability and Growth Programme, and whilst it may be considered not to have any governance issues as such, it is a major programme of work for the council requiring efficient and effective governance to deliver its objectives.

As part of the AGS process, senior managers are required to complete a management assurance statement. The Review Team understand that not all managers returned them. As well as not providing a complete picture across the council, the non-compliance with an important part of the annual governance assurance process demonstrates a potential lack of understanding as to the significance of the process and the preparation of a statutory document. The manager assurance statement questionnaire itself is relatively brief and does not prompt positive assurances across all aspects of the council's governance framework.

A condition of the Government providing the Council with Exceptional Financial Support (EFS) was for the council 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. This will be an important element of the governance of the Stability and Growth Programme, however, at the time of this Review, the Panel had only had one meeting. The intention is that the Independent Panel will augment the existing Stability and Growth Member Board, which will allow for direct input from the Panel into the Stability and Growth programme.

As referred to earlier in the report, the council is due to undertake a fundamental budget and spending review between August and October to feed into the 2025/26 budget. The purpose of this review is quoted as:

- To enable the council to set a **lawful budget for 2025/26**

- To ensure committed expenditure in future years is **at a level the council can afford,** without EFS
- Alongside this to enable the council to **build up reserves** going forward
- To bring expenditure for the current year back in line, so we **do not draw down any reserves in 2024/25**
- Existing S&G savings plans will contribute, but is **not yet sufficient to meet the gap**

The meetings planned in the Budget and Spending Review will include:

- **Specific 'Going Further' items** identified by CMT for particular consideration
- What would be the **minimum** statutory provision required
- Seek savings in any/all **non-statutory** areas
- Consider where **fees and charges** can be introduced, or increased
- Where immediate **in year reductions** can be achieved
- Reductions in **service standards/service levels** to achieve savings

Whilst the Budget and Spending Review had not started at the time of this Review it was clear how important this was and how its results will be key in delivering financial sustainability and creating a more robust governance around the financial management process. The Review Team consider this latter point to be critical in driving savings and securing their sustainability. To that end the Review Team endorse the proposal that this is 'Finance driven'.

Risks

20. The AGS does not adequately reflect the governance challenges the council faces.

21. Annual governance assurance processes are not sufficiently robust to provide the necessary assurances.

22. The Budget and Spending review does not deliver better financial management.

23. The charging mechanism for the provision of services to Lewes DC is inaccurate.

Recommendations

20a. That because of its significance, the Stability and Growth Programme should be referred to in the AGS and assurances provided that it is supported through effective governance that is continually monitored.

20b. That although the AGS is predominantly a retrospective report, it should recognise the governance challenges in the forthcoming year, which are significant in Eastbourne's context.

21. That a review is undertaken of the annual governance review process to improve the rigour and evidence to support the preparation of the AGS.

22a. That senior management and Cabinet provide support and commitment to ensure the Budget and Spending review is robust and delivers its intended outcomes.

22b. That a revised financial management process is determined from the Budget and Spending review that provides sustainable focus and grip on the council's financial position.

23. That the planned review of charges and service levels to Lewes DC is completed and factored into the 2025/26 budget.

c. *A view on the effectiveness of Local Authority leadership including their ability to work effectively together, set and communicate a clear vision and set of priorities for the local area, as well as their ability to lead the delivery of those priorities (as set out in key strategy documents) through the fostering of a cohesive organisation built on cooperation, trust and respect.*

Key findings and analysis

The Review Team found there to be respect and trust between Members and senior officers. The Cabinet were complimentary of senior officers and regarded their relationship to be good and built on mutual trust. Members spoke highly of other specific senior officers.

Cabinet members were also complimentary about how the Scrutiny and Audit and Governance Committees worked and the value they added. Scrutiny was regarded as genuine and constructive, operating as a critical friend and the Audit and Governance Committee as helpful and providing challenge and assurance.

There is an investment in communication in the council. Staff the Review Team interviewed regarded the process and openness of corporate communication to be effective, holding in-person staff conferences and utilising quarterly updates from the Chief Executive on-line, during which staff can post questions. Key internal updates are provided by the Chief Executive in ‘Hub News’. The June / July Hub News contained messages about the council’s financial challenges. It included a blunt but clear message about the potential for having to issue a S114 notice should the council be unable to remain in budget for 2024/25 and set a balanced budget for 2025/26. It states:

> *“Every department and every pound of expenditure matters in whether we remain within our budgets or not. Strong financial control and budgetary control must be seen as our top priority for the coming weeks and months. Finance colleagues have been working with all service areas to achieve greater budgetary controls.*
>
> *You will have seen a series of updates on these controls on the Hub in recent weeks, including:*
> - *Budget management and monitoring guidance and training*
> - *Setting new purchasing limits*
> - *Significantly reducing the number of corporate credit cards in circulation*
> - *The ongoing work of the Stability & Growth savings programme*
>
> *We are asking all service areas to identify savings and opportunities for income generation. If you have any questions or ideas for achieving these, please speak to your Senior Manager representative.*
>
> *We will be speaking more about the financial challenges and how we are responding to these at the upcoming CMT All Staff Briefing on Tuesday 23 July from 10-11am. “*

We include this detail in the Report to highlight the focus on ensuring all staff are aware of the financial situation and their role in helping.

Risks

None identified

Recommendations

None made

d. A view on the working culture and working relationships across all levels of the council including between political and officer leadership, and senior officers and junior staff.

Key Findings and analysis

The Review Team did not sense or hear of any difficulties in the working culture and relationships across the council. Indeed, there appeared to be a coherency to how the organisation worked. This was clear in how all areas of the council clearly understood the significance of the financial position.

The Review Team were unable to speak to junior staff but some assurance regarding the working relationships was provided in the positive comments made regarding the openness of communication and confidence that staff are able, and do, raise questions.

Risks

None identified

Recommendations

None made

e. The Local Authority's capacity and capability to improve and transform at an operational level (i.e. sufficient expertise, staff etc.) and at a cultural level (i.e. acknowledgement of problems, openness to constructive criticism and change, delivery with local partners, and collaboration with sector support).

Key findings and analysis

The council is in somewhat of a perfect storm. In many ways it requires additional capacity to resource the organisational changes needed, but at the same time needs to significantly reduce its expenditure. One positive development is that the Finance Team is now fully resourced with predominantly permanent staff. There will be additional pressures on sections like Finance, but also HR, Procurement, IT and Legal to support the initiatives to address the financial position. The importance of workload planning, and management becomes greater when facing significant financial pressure, change and transformation.

Based on the interviews held, the examination of Cabinet and other reports and communications, the Review Team found that there was a clear acknowledgement of the problems. Interviewees were very open and forthcoming highlighting a willingness to accept external challenge and support.

As mentioned previously, the council is in the process of divesting itself of direct service provision in a number of areas. This should present options and solutions to some of the key expenditure pressure areas, particularly for future maintenance liabilities and avoiding issues caused by income volatility. The Review Team were informed that the business community within the Eastbourne Investment District had been consulted. It appears that the wider business community in East Sussex or region had not been engaged and therefore the Review Team were not able to gauge whether all or other delivery options and partners had been considered that may have offered different or better solutions.

The council, by necessity over the last few years, has developed a close relationship with the third sector. There is a broad and significant use of ‘friends of’ groups. A figure of 4,000 volunteers was quoted as the small ‘army’ of people who were undertaking work that the council was unable to sustain typically around the maintenance and management of green spaces. Whilst this is commendable as a demonstration of community engagement and participation, there is a concern that this may not be sustainable in the longer-term. This risk needs to be carefully monitored to ensure there is an ‘early warning’ should this support begin to wane.

Risks

24. Too great a reliance is placed on the third sector and that capacity erodes over time.

Recommendations

24. That the council remains assured of the capacity and continuation of support from the third sector / friends’ groups.

3.4 Review Area 4: SERVICE DELIVERY

An assessment of the effectiveness of Local Authority service delivery reflecting the importance of delivering outcome orientated, citizen focused services to reach a view on the Local Authority's ability to deliver services that are economic, efficient and effective, striking the right balance between cost and quality of Service.

a. The efficiency of service delivery, including against comparator Local Authorities, sector metrics and wider public sector metrics.

Key findings and analysis

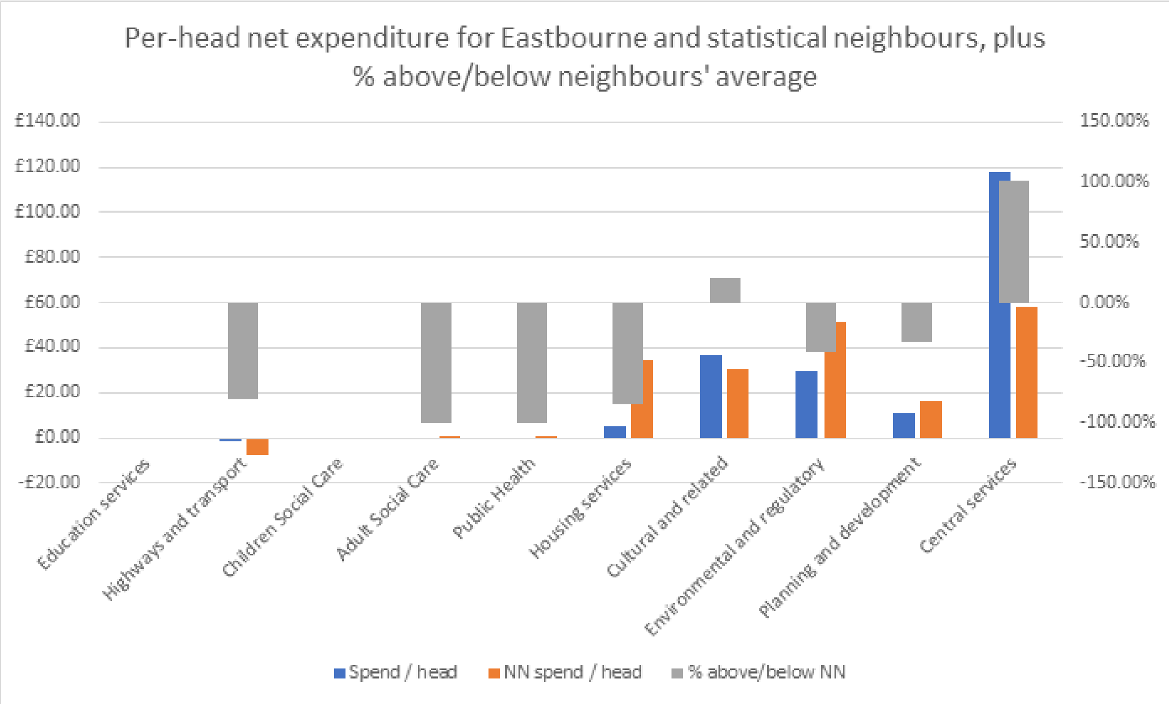
There appears to be a limited use of benchmarking with regards service delivery. Where benchmarking is used, it is consistent with the benchmarking information produced by CIPFA. Additional measures are included from CIPFA's nearest neighbour analysis for 2022/23 but significant changes in 2023/24 to the reported financial position mean this is of more limited value. Services are encouraged to look at comparators when determining business plans and KPIs, but there is nothing co-ordinated or prescribed. A notable exception is regarding homelessness, where comparative information is used about neighbouring authorities' emergency and temporary accommodation demand. It is acknowledged however that time and effort is required to get the greatest benefits from benchmarking.

The Review Team have not been able to fully assess the efficiency of all service areas but the table below provides an overall summary of spend against nearest neighbour and some other key comparators from the CIPFA benchmarks for 2022/23.

- Eastbourne has an average-sized population among South East non-metropolitan authorities (102,247), and one of the highest figures for net current expenditure (£27 million) and NCE per capita (£260.15) among its statistical neighbours.

- Eastbourne's highest proportions for actual expenditure are central services (45%) and cultural and related services (14%).

Figure 11 Per head net expenditure for Eastbourne and statistical neighbours



Corporate KPIs are reported to Cabinet as part of the quarterly performance process. At the time of the review no KPIs were available for 2024/25. The last performance report was considered by Cabinet at their meeting on 17th July 2024 being Q4 of 2023/24. That report highlighted that there are 27 PIs, of which 13 PIs achieving target, 3 slightly below target, 7 below target, and 4 being data only points. There were 12 positive trends and 10 negative trends from Q3 to Q4.

Risks

25. Opportunities are missed to learn from other councils to improve services and/or reduce costs.

Recommendations

25. That the council consider a more formal and structured approach to benchmarking, particularly in the areas where their operational models and service delivery arrangements have changed.

b. Identification of particular service areas that are underperforming and the ability of the Local Authority to rectify the issue within its own resources and activity. This should include a view on the authority's management of customer feedback and complaints procedures.

Key findings and analysis

Based on the last corporate performance report available (reporting on Q4 in 2023/24), the key service areas that were performing below target were:

- Processing times for new benefits claims and change of circumstances, performed below their targets; 34 days against a target of 22 days and 15 days against a target of 6 days respectively. This was due to the introduction of a new IT system which is now in place.

- Customer telephone calls graded as high quality. This was below target for the year (85% against a target of 90%) but showed an improvement in Q4. A review has been done of the call quality check list and further training to staff.

- Complaints handling: both targets for stage 1 and stage 2 complaint resolution were missed significantly for the year – 49.25% and 41.75% respectively against targets of 100%. The Review Team were told that getting service engagement in responding promptly to complaint referrals was not always forthcoming. New monitoring arrangements have been put in place alongside a new Complaints Policy which was approved by Cabinet at its July meeting for public consultation. It is envisaged that with additional training, the performance will improve later in 2024/25. The main areas receiving complaints are housing repairs and council tax.

- Housing voids relet time: this under achieved against target significantly in 2023/24, 35.2 days against a target of 20 days. This was due to the number of backlogged repairs and staff absence / departures. Recommendations from a Tenant Security Review and Internal Auditor are being completed to improve performance.

- Percentage of household waste sent for reuse, recycling and composting: this under achieved its target for 2023/24 (37.96% against a target of 45%). Comms continue to be sent out via all platforms to encourage and inform on recycling.

- Total number of reported fly-tipping incidents: these are higher in number than targeted, 644 against a target of 480, although Q4 information was awaited from the County council.

Important financial KPIs for council tax and business rate collection are reported. Council tax collection rates were 95.82% against a target of 96.80%. This slightly below target outturn may have been impacted upon by the new IT system which delayed recovery action in the last quarter of the year. Business rate collection was slightly above target, 97.06% against a target of 97%.

The Review Team did not identify any specific service under performance that isn't being addressed internally through planned action and/or through the Stability and Growth programme and its associated groups. It was clear that there is a determination to maintain service levels as much as possible whilst driving the achievement of savings. This is no mean challenge that will require a sustained effort, leadership and excellent communications, both internally and externally.

Risks

None identified

Recommendations

None made

c. A view on the extent to which service plans are aligned to the Local Authority's overall strategic priorities and long-term plan.

Key findings and analysis

A business plan process was undertaken in November 2023 to contribute to the preparation of the 2024/25 budget.

The Review Team heard that because of the urgency in developing a savings plan for 2024/25, but also the sensitive nature of many of the S&G savings, including the potential for redundancies, the business planning and S&G processes worked in parallel. It was explained that the S&G programme is an ongoing workstream that continues throughout the year rather than within the defined timescales of the business planning process. The S&G process feeds into the business and planning work but is a live process and as such the elements of the plan that are incorporated into the Business and Financial Planning process and the subsequent MTFS reflects the decisions made at that point. The approach for 2025/26 involves bringing all streams together through the Budget and Spending Reviews. The Review Team endorse this approach to ensure there is a single view and place where savings are identified.

In the 2024/25 business planning process, there was no requirement to demonstrate a link or contribution to the S&G Programme pillars, other strategies or the Corporate Plan. This prevents there being a clear alignment to the overall strategic priorities and long-term (Corporate) plan.

Risks

26. Business plans do not adequately demonstrate their alignment and contribution to the Corporate Plan and Stability and Growth pillars.

27. KPIs do not adequately demonstrate their alignment and contribution to the Corporate Plan and Stability and Growth pillars.

Recommendations

26. That the business / service planning process is reviewed as part of the Budget and Spending Review process to ensure that strategic alignment.
27. That consideration is given to linking existing or new KPIs to the Corporate Plan themes.

d. A consideration of the effectiveness of the chosen approach in delivering services (i.e. in house or external). This should include a consideration of how the operation of the procurement functions is geared towards effective service delivery, including overall management of the pipeline, capacity and capability of officers, the adequacy of the processes, and culture and attitude towards procurement.

Key findings and analysis

One of the pillars of the Stability and Growth Programme is service reshaping. As described earlier in this report, there are major projects in train to divest the council from direct service provision in areas of culture and tourism particularly. Cabinet have also approved the termination of all the existing arrangements between the council and Eastbourne Homes Limited in respect of the council's housing service which shall in future be provided and governed directly by the council. It is anticipated that after some initial costs of the transfer, there will be a net saving from 'year 2' to the HRA.

The various projects: delivered, in progress and planned, to achieve the required savings have been covered in Review Area 1.

In relation to the procurement function, this comprises one post, that of a Strategic Procurement Manager. Resources in this area are therefore limited. Apart from the major procurements that the Strategic Procurement Manager runs personally, procurement and contract management responsibilities fall within services. Training has been provided on contract management which has been deemed to have given rise to improvements. However, given the organisational changes that will inevitably be required, added to the need to extract as much value out of existing and new contracts, the Review Team consider this to be an area that requires investment to provide capacity to have a better strategic approach to procurement. Key to this capacity is to enable contracts to be aligned across the council, that joint contracting is fully exploited, market shaping occurs, requirements are specified properly and that contract terms allow flexibility to ensure they can be adjusted to meet future financial parameters.

An example of seemingly poor contract management or indeed a poor contract itself, is the contract with the provider of grounds maintenance services. This is a significant contract and element of service delivery. This is being fundamentally reviewed and renegotiated. This should serve as a clear justification for improved capacity and expertise in procurement and contract management.

A procurement workplan is maintained in the form of an excel spreadsheet by the Strategic Procurement Manager. Training team members to use the Contracts Management module of the procurement portal is currently taking place. This will ensure that all contracts will be in a central area, used as the Contracts Register, and inform the workplan. A Procurement Strategy was prepared in 2022. This is a brief document and does not really provide a strategic vision for procurement at the council.

The review found therefore that weaknesses exist in the capacity to deliver a strategic approach to procurement and contract management.

Risks

28. Opportunities are missed to implement a strategic approach to procurement and contract management to achieve better value for money.

29. Procurement is not undertaken to meet the strategic needs of the council.

Recommendations

28. That a fundamental review is undertaken of the procurement and contract management needs of the council to ensure there is sufficient strategic capacity and expertise to support the council's challenging change and transformation programme and to secure sustainable savings and efficiencies.

29. That a new corporate procurement strategy is prepared that will meet the challenges of the council over the next few years.

Annex

A1 Risk Assessment – Method

Impact

Likelihood	Critical:3	Moderate:2	Marginal:1
Probable:3	High - 9	High - 6	Medium - 3
Occasional:2	High - 6	Medium - 4	Low - 2
Improbable:1	Medium - 3	Low - 2	Low - 1

Likelihood:

- Improbable – possible, but unlikely to happen.
- Occasional – might happen, might not happen, in the order of 50/50.
- Probable – most likely will happen.

Impact:

- Marginal – some minor (less than £1000) costs involved, possible minor operating difficulties largely contained within the council, some awareness / action may be required by members.
- Moderate – financial losses / costs up to £100k, operating impacts hitting services for some of the community, a significant issue for members to deal with
- Critical – major financial losses / costs in excess of £100k, subsequent intervention by MHCLG or other 3rd parties, reaches national press interest, major political embarrassment for members.

A2 Documents Reviewed

EBC Corporate Plan 2024 - 2027

EBC Budget Book 2024/25

Section 25 Statement 2024/25

Reserves Policy

Interim MTFS 2024/25 to 2027/28

Revenue and Capital Monitoring reports

Budget monitoring guidance

Treasury management reports

Annual Governance Statement 2023/24

Cabinet reports

Audit & Governance Committee reports

Scrutiny Committee reports

Internal Audit reports

Strategic Risk Register

Risk Management Framework

EBC Independent Panel Terms of Reference / membership

CIPFA FM Assessment

Digital Transformation Programme Board

Transformation Review Programme Board

Project Management Toolkit

EBC Capital Programme 2024/25

Debt outstanding 31/03/24

MRP 2023/24

Asset disposal consideration list

Corporate Property and Assets Strategy 2023

Cabinet report template

EBC Constitution

Financial Procedure Rules

Contract Procedure Rules

Member Code of Conduct

Employee Code of Conduct

Performance Management Framework

Complaints procedures and data

Investment Company Eastbourne (ICE) Final Accounts 31/03/23

Procurement work plan

Local Spend analysis

EBC Productivity Plan

Stability & Growth Board

Stability and Growth Programme updates

Homelessness / temporary and emergency accommodation data, reports etc.

EBC councillor induction booklet

Service and corporate performance data

A3 Interviews Conducted

Director of Finance and Performance

Chief Executive

Deputy Chief Executive and Director of Regeneration and Planning

Director of Tourism, Culture and Organisational Development

Head of Legal

Head of Democratic Services and Monitoring Officer

AD Neighbourhood and Transformation

AD Customer Service and Delivery

AD Revenues and Benefits

Deputy Chief Finance Officer

Head of Housing

Head of Environment First

Head of HR

Head of Internal Audit

Head of Business Planning and Performance

Head of Planning Policy

Head of Development Management

Head of Regeneration

Head of Property

Head of IT

Interim Head of Development and Acquisitions

Finance Business Partners and Senior Finance Officers

Head of Financial Planning

Head of Financial Reporting

Strategic Procurement Manager

Data Protection Officer

External Auditors (Deloitte and GT)

Leader of the council

Cabinet Members

Chair of the Audit and Governance Committee

Chair of the Scrutiny Committee

Leader of the Opposition

Member of the Independent Panel

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