

Agenda Item No: 7

Report To: Overview and Scrutiny Committee

Date of Meeting: 11 July 2023

Report Title: Savings Plan Progress – 1st Quarter 2023/24

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Summary:

This paper presents an update on the proposed savings plan for the 1st Quarter of 2023/24 financial year, this was included and supported in the 2023/24 budget report presented to Cabinet in February 2023.

Exempt from Publication: No

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Savings Plan Progress at Quarter One 2023/24

Purpose of this note

1. This note updates members on the progress that has been made on the delivery of the savings schedule that was included in the 2023/24 budget report.
2. As part of the report there was an undertaking for these savings to be reported to cabinet and budget scrutiny.
3. This report is intended to be presented to the Overview and Scrutiny Committee for their comments in advance of the budget monitoring report being presented to cabinet.

Background

4. As part of the budget build process a series of budget savings were developed to achieve savings of £1.6m, to close the budget deficit gap. Savings of £200,000 were immediately identified and applied to the 2023/24 budget, and following discussions between Officers and members proposals for a further 1.4m were identified and developed into the following savings plan:-

Proposed Budget Savings for the 2023/24 financial year

Ref.	Service	Saving	£'000	Comments	Proposed year of delivery
i	Corporate	Management Team and wider restructure	300	Based on reducing the size of MT, will require adjustments within team structures. Upfront costs may be required	2023 -£200K 2024 -£100k
ii	Corporate	Proposal to move to International House	300	Based on reducing net costs, future use of the Civic Centre not factored in (i.e. housing scheme). Upfront costs may be required	2023
iii	Various	Review of service structures	505	To be reviewed, reduction in work linked to reduction in staffing	2023
v	Corporate	Administration Review	150	Review underway	2023
vi	Corporate	Enforcement Review	65	Review underway	2023
vii	Policy & Performance	Reduction in Grants	100	Review underway, recommendation to retain the £3k per Councillor	2023
			1,420		

5. Since the setting of the 2023/24 budget there have been further pressures to the budget including stubborn inflation, remaining higher for longer, further interest rate rises, and continued cost of living crises which is impacting services, all of which present a risk of the deficit increasing.
6. Several of the areas proposed involved different ways of delivering key services with greater collaborative working between departments. These plans often involve changes to job descriptions and will need consultation with staff. Therefore, until some of these consultation processes are complete these savings will not be discussed in granular detail.
7. Progress against saving targets is described below.

Management Team and Wider Restructure

8. Directors have discussed options for delivering £300,000 savings within this section. Various options are being explored and further information will be available for the next monitoring cycle. However, it is expected that £200,000 of this target will be achieved in 2023/24.

Move to International House

9. The plan for relocating Council Offices to International House is about to enter its strategic consultation phase. There will be some redesigning of the current layout of the office floors proposed to make better use of the space and accommodate staff more efficiently. Costs for redesigning and refurbishing the 3 floors on International House have been drawn up and are expected to be £350,000.
10. The projected savings are currently in excess of the £300,000 pa originally identified should the move go ahead. It is anticipated that the full saving would not be achievable in 2023/24 but a part year saving could be achieved.

Administration Review

11. A report was presented to Directors in February 2023 to achieve £150,000 of savings and several of the recommendations have been implemented. Savings of £97,000 involving the removal of vacant posts will be achieved in 2023/24, but where staff consultation may be needed some savings could be postponed until 2024/25.

Enforcement Review

12. This review is now in its final stages and a report will be with Directors for consideration in the next few weeks. The report will detail several options to achieve the required £65,000 savings which could be phased through to 2024/25.

Review of Service Structures, Grants and Other Savings

13. Budget savings of £200,000 were achieved within the 2022/23 across services and the 2023/24 budgets were amended accordingly.
14. By directly charging Project Management time to capital for specific post within the Housing Team a saving of £75,000 is achievable in 2023/24.
15. The restructure of service within Environment, Property & Recreation will achieve the savings target of £80,000. There are currently several vacant posts within this service making this target deliverable for 2023/24.
16. Within HR, Comms and Customer Services a number of vacant posts totalling £25,000 have been identified for removal from the budget. Other plans are being worked onto deliver the remainder of the savings (£55,000).
17. There is an anticipated saving of £30,000 in member allowances by removing deputy portfolio holders.
18. Further saving across all areas are currently under review. As previously stated, many contain staff savings, which need to go through the appropriate consultation process and therefore cannot be discussed in detail at present. Meetings have taken place with senior managers and although there may be some phasing in areas the previously reported savings target currently appears achievable, subject to the outcomes of the consultation process.

19. The savings described in detail above amount to £707,000, including the £200,000 already built into the budget from the previous year.
20. The remainder of the savings required will be continually monitored and reported accordingly as information becomes available and is suitable for disclosure.

Conclusion

21. To date good progress is being made on delivering the savings identified which are expected to have minimal disruption to services, and have in some cases enable the streamlining of service provision.
22. The savings will be delivered partly in 2023/24, and be fully applied to the 2024/25 budget build, given the worsening economic conditions for the Council, delivery of the £1.4m is likely to be only part of a bigger savings requirement once the medium term financial plan is completed. This will result in the need for the Council to make further tough decisions on what can and cannot be delivered.