

**Agenda Item No:** 7

**Report To:** Overview and Scrutiny Committee

**Date of Meeting:** 14<sup>th</sup> November 2023

**Report Title:** Savings Plan Progress – 2nd Quarter 2023/24

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**Summary:**

This paper presents an update on the proposed savings plan for the 2nd 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 Two 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.

### **Background**

3. 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**

Service	Savings	Target £'000	Achieved £'000	Comments
Corporate	Management Team and wider restructure	300	233	Based on reducing the size of MT, will require adjustments within team structures. Upfront costs may be required
Corporate	Proposal to move to International House	300	0	Net savings including cost of moving to IH
Various	Review of service structures	505	577	Reviews still ongoing
Corporate	Administration review	150	0	Amalgamated into service reviews
Corporate	Enforcement review	65	0	Review underway
Policy & Performance	Reduction in Grants	100	30	Ongoing review to achieve target
		1,420	840	

4. Since the setting of the 2023/24 budget there have been further pressures to the budget including stubborn inflation, further interest rate rises, and continued cost of living crises which is impacting services, all of which present a risk of the deficit increasing.
5. Many areas proposed involved different ways of delivering key services with greater collaborative working between departments. These plans often involve changes to job descriptions and where consultation with staff has already happened these have now been described in some detail.

6. Progress against saving targets is described below.

### **Management Team and Wider Restructure**

7. The requirement to review the Senior Leadership team of the Council had two main drivers. The first driver was the need to deliver substantial savings to help bridge the deficit which was forecast in the Medium Term Financial Plan. The second driver was the need to review and realign the senior leadership responsibilities given the changing nature of the Port Health Service model and a need to increase synergies and resilience within the remit of Environmental Health across the Council.
8. The proposed changes recognise the need to reduce overhead costs, but ensure the Senior Management structure continues to be responsive and integrated in its approach. These changes will achieve £233,000 in savings.
9. Following consultation, the proposed changes are:
  - a. Removing 2 posts from the current structure, the Assistant Director Port Health which is currently vacant and the Assistant Director Community Safety & Wellbeing
  - b. Corporate Director, responsible for Health and Wellbeing will be fully recharged to Port Health and will specialise in Environmental and Port Health, to provide resilience in this specialist professional area, where there are skill shortages nationwide
  - c. Corporate Director, responsible for HR, Customers, IT, Finance will now take on responsibility for Housing and therefore a proportion will be recharged to the HRA
  - d. The Housing Development and Regeneration Manager will become the Head of Development reflecting the strategic nature of the role.

## **Move to International House**

10. The initial saving target was set at £300,000. However, based on current data, as at 30 August 2023, an annual budget savings target of £424,000 (net of IH move costs) is expected, with future capital works, net savings of £885,000, per annum (based on financing through the revenue budget), this cost would need to be added to the Medium Term Financial Plan, should this move not go ahead. Therefore, the annual saving by year two of the Medium Term Financial Plan would be £1.3m.
11. The net saving includes costs of moving to International House of £1.2m, these costs are currently being reviewed and the detail and were reported in the September Cabinet Report.
12. Staff have been consulted on phase one of the move, which would see the majority of services moved to International House, feedback, in the main was positive.
13. The Council is now looking to escalate phases two and three, which would see the Civic Suite move, and redevelopment of the site advanced, to ensure the total possible savings are achieved.
14. These savings are subject to Council approval, and should they not be achieved, additional pressure will be added to the Medium Term Financial Plan.

## **Enforcement Review**

15. Work continues on this review 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**

16. Budget savings of £200,000 were achieved within the 2022/23 across services and the 2023/24 budgets were amended accordingly.
17. The Policy and Performance service was newly formed as part of the Senior Management Restructure in 2022. As part of the restructure the Funding and Partnership Officer joined the service from the Culture service. Now the service has been functioning for over one year, a number of new ways of working have been introduced that exploit synergies within the teams. This has resulted in efficiencies in working practices, with some processes digitalised. It was therefore decided that a new post would be created, Partnership and Scrutiny Manager and two other posts would be deleted, Scrutiny and Policy Officer and Funding and Partnership Officer. This will result in a saving of £40,000. Following consultation, the Funding and Partnership Officer has opted for voluntary redundancy and the Scrutiny and Policy Officer has taken up the newly created post.

18. By directly charging Project Management time to Capital for a specific post, within the Housing Team, a revenue saving of £75,000 is achievable in 2023/24.
19. The Environment, Property and Recreation service was created in April 2022. Due to a number of resignations in this service area it has created the opportunity to review and re-align roles rather than replace like for like.
20. In total eight posts have been deleted; one post has reduced by 14 hours per week. Two new Apprenticeship roles have been created, one to support the Leisure Contracts Officer, and the other, a Building and Facilities Apprentice, which is expected to be self-funding.
21. Six posts have been regraded to reflect increased diversity, responsibilities and additional requirements of their roles to support the restructure of the service.
22. Overall, there is a saving of £234,000 per year, which will be reduced to £88,000 per year if Cabinet agree the implementation of the Parks Foundation proposal, thereby increasing the establishment by three posts.
23. A review of Parking Services has achieved a saving of £149,626 with the following changes:
  - i. Consolidate the two team leaders posts to create one post of Team Leader (Parking Services). One post has recently resigned
  - ii. Reduce the number of CEO Senior posts from two to one, to manage the day-to-day operation of the parking enforcement function, and consider changing the job title to CEO Supervisor. One post has taken up another role within the service
  - iii. Following retirement, the Senior Operations Officer responsibilities are to be split between other existing posts within the Parking Service, and to others outside the Safety & Wellbeing Service
  - iv. Representatives and Appeals post is to be re-designated a Senior Representatives and Appeals Officer and the current Parking Officer to be re-designated a Representative and Appeals Officer
24. Reduce the number of CEOs from eight to seven. This would see the deletion of one vacant post from the establishment.
25. 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).

26. There is an anticipated saving of £30,000 in member allowances by removing deputy portfolio holders.

## **Conclusion**

27. Further saving are still being worked on and will be detailed in the next monitoring report.
28. The savings described in detail above amount to £842,000, excluding the capital savings of the International House move, but including the £200,000 already built into the budget from the previous year.
29. The remainder of the savings required will be continually monitored and reported accordingly as information becomes available and is suitable for disclosure.
30. 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.
31. 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.