

Report To: Cabinet

Date of Meeting: 4 December 2023

Report Title: Budget Savings Proposals and consultation feedback

Report By: Jane Hartnell, Chief Executive and Kit Wheeler, Chief Finance Officer

Key Decision: Y

Classification: Open

Purpose of Report

To present the draft Budget Savings proposals together with the consultation feedback submitted to date.

NOTE: consultation on the budget savings is on-going until 1 December 2023. The access to information regulations however requires us to publish this agenda before the end of the consultation – further comments submitted, and the completed equality impact assessment, will be tabled at the meeting.

Recommendation(s)

- 1. That Cabinet recommends that Full Council approve the draft Budget Savings proposals and those that can be are implemented as soon as practicably possible.**

Reasons for Recommendations

1. Current estimates are that £4m savings are required to cover the council's budget deficit in 2024/25. This deficit has been largely created by cuts in local government funding over the past decade and more recently exacerbated by the housing and homelessness crisis in Hastings.
2. Due to the seriousness of the council's budget position, proposals for addressing the funding gap have been brought forward for earlier consideration. This will enable the council to start work on implementing the agreed proposals before the start of the new financial year and will positively impact on our ability to achieve savings in the timescale required.

Introduction

1. The council sets its budget each year in February. In previous years savings proposals have been published for consultation in mid-January and are agreed by the Budget Council in mid-February, approximately 6 weeks before the start of the new financial year.
2. Because of the seriousness of the council's budget position, proposals for addressing the funding gap have been brought forward for earlier consideration. This will enable the council to start work on implementing the agreed proposals before the start of the new financial year and will positively impact on our ability to achieve savings in the timescale required.
3. The budget proposals are made up of a combination of savings and income proposals. They include savings that can be achieved from effective procurement of contracts, changes to the way we operate or fund activities, our on-going programme to reduce service costs and staffing spend, and assumptions about asset sales.
4. There is also a list of reviews included that are being or will be undertaken in the next 12 months which will enable the council to consider further proposals for savings, costs reductions or cost avoidance.
5. The draft proposals are set out in appendix A.

Consultation

6. Comments and feedback from all stakeholders on the proposals have been invited during the consultation period up to 12noon on 1 December 2023.
7. The Leader and Deputy are attending meetings with stakeholders during the consultation period.
8. Comments submitted as part of the consultation process will be summarised and tabled at the meeting.
9. The following meetings with stakeholders are planned:
 - 27 November - Local Strategic Partnership
 - 28 November - 'Meet the Council' event at Stade Hall for residents to discuss the proposals with the Leader, Cabinet members and senior officers.
 - 29 November – Staff and Management Forum
 - 30 November - Chamber of Commerce – business representatives

Equalities and Community Cohesiveness

10. As part of the consultation process views will be sought on the equality impacts of the proposals to inform the council's own assessment of impacts. The draft final assessment will be tabled at the meeting.

Economic/Financial Implications and Organisational Consequences

11. Current estimates are that £4m savings are required to cover the council's budget deficit in 2024/25. This deficit has been largely created by cuts in local government funding over the past decade and more recently exacerbated by the housing and homelessness crisis in Hastings.

12. Additional financial controls were introduced in October 2023 and savings proposals and reductions have been identified by forensic line by line budget review.
13. A whole-council effort is also being undertaken to tackle and reduce the costs of temporary accommodation and to prevent homelessness happening in the first place. Further proposals are being developed that will have an even greater impact, however these will take time to implement.
14. In the meantime, the council's overall expenditure has to be reduced to ensure it can balance its budget and avoid the need for the Chief Finance Officer to issue a Section 114 notice.
15. The proposals are based on the following assumptions:
 - a. That the budget gap is based on the current 'worst case scenario' and does not assume any further assistance from Government.
 - b. That rather than use the general reserve to balance the budget, the council significantly reduces service costs in 2024/25, and aims not to use the general reserve to balance the budget in future years in order to be financially sustainable.
 - c. The proposals will need to be reviewed if the measures taken to reduce the cost of temporary accommodation cannot keep pace with a further increase in demand or costs of temporary accommodation.
16. The proposals set out a summary of how the council intends to change its service delivery models and reduce staffing spend over the next 3 years. Whilst these changes are driven by financial necessity, opportunities will be explored in a constructive way to capture the benefits of more collaborative working with others in the public, private, not for profit and voluntary and community sector.
17. It must be recognised however that despite the efforts that will be made to re-design services and reduce costs, implementing significant further staffing and cost reductions will have a direct impact on service delivery levels and quality. The council will likely be less responsive and will have less capacity for any activity which is not funded by an external source, is a priority Health and Safety activity or a core statutory duty.
18. The council is legally required to demonstrate it can balance its budget, and this requires difficult choices for the Councillors to make.

Timetable of Next Steps

1. Please include a list of key actions and the scheduled dates for these:

Action	Key milestone	Due date (provisional)	Responsible
Budget Planning Council	Budget proposals considered	13 December 2023	Chief Executive & Chief Finance Officer
Budget Cabinet	Corporate Plan and Revenue and	5 February 2024	“ “

	Capital Budgets		
Budget Council	Corporate Plan Revenue and Capital Budgets Council Tax level set	14 February 2024	“ “

Wards Affected

(All Wards);

Policy Implications

Please identify if this report contains any implications for the following:

Equalities and Community Cohesiveness	Y
Crime and Fear of Crime (Section 17)	N
Risk Management	N
Environmental Issues & Climate Change	N
Economic/Financial Implications	Y
Human Rights Act	N
Organisational Consequences	Y
Local People's Views	Y
Anti-Poverty	Y
Legal	N

Additional Information

Appendix A – Budget savings proposals
Appendix B – consultation feedback – to be tabled
Appendix C – Equality impact assessment – to be tabled

Officer to Contact

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