

**Report To:** Overview and Scrutiny Committee

**Date of Meeting:** Monday, 20 November 2023

**Report Title:** Budget Savings Proposals

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

**Key Decision:** N

**Classification:** Open

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### **Purpose of Report**

To seek the views of the Overview and Scrutiny Committee on the draft Budget Savings Proposals.

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### **Recommendation(s)**

- 1. That the views of the Overview and Scrutiny Committee on the draft budget proposals are referred to the Budget Planning Cabinet meeting on 4<sup>th</sup> December 2023.**

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### **Reasons for Recommendations**

- To ensure Overview and Scrutiny Committee's views on the draft budget proposals are considered by the Budget Planning Cabinet, prior to final recommendations being made to the Full Council.

## 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 6 – 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 are invited during the consultation period up to 12noon on 1 December 2023. Comments should be submitted to [consultation@hastings.gov.uk](mailto:consultation@hastings.gov.uk)
7. The Leader and Deputy will attend meetings with stakeholders during the consultation period.
8. Residents and stakeholders will also be invited to a 'Meet the Council' drop-in event on 28 November from 1pm – 7pm at the Stade Hall to discuss the proposals with the Leader, Cabinet members and senior officers.
9. Comments submitted as part of the consultation process will be summarised and reported to the Budget Planning Cabinet meeting on 4 December 2023. The Cabinet will then make recommendations on the proposals to the Budget Planning Full Council meeting on 13 December.
10. The agenda for the Budget Planning Cabinet will be published on 24 November. Comments received after this date will be summarised and tabled at the meeting.

### Equalities and Community Cohesiveness

11. As part of the consultation process views will be sought on the equality impacts of the proposals. An Equalities Impact assessment will be submitted with the cabinet papers for the 4 December meeting.

### Economic/Financial Implications and Organisational Consequences

12. 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.

13. Additional financial controls were introduced in October 2023 and savings proposals and reductions have been identified by forensic line by line budget review.
14. 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, and further proposals are being developed that will have an even greater impact, however these will take time to implement.
15. 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.
16. 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 assistance from Government in the Autumn Statement due on 22 November 2023.
  - b. That rather than use the general reserve to balance the budget, the council significantly reduces service costs 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.
17. 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.
18. 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 very little capacity for any activity which is not funded by an external source, is a priority Health and Safety activity or a core statutory duty.
19. 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
Consultation on		Ends 1 December	Chief Executive

draft Budget Proposals		2023	
Budget Planning Overview and Scrutiny Committee		6pm Monday 20 November	Overview and Scrutiny
Meet the Council event		1-7pm Tuesday 28 November at Stade Hall	Chief Executive
Budget Planning Cabinet		6pm 4 Monday December 2023	Cabinet
Budget Planning Council		6pm Wednesday 13 December 2023	All Councillors

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## Wards Affected – All

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## Policy Implications

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	N
Legal	N

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## Additional Information

Appendix A – Budget proposals

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## Officer to Contact

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