

# 2024/25 Budget & MTFP Scrutiny Consultation

January 2024

# Agenda

- Introduction
- Budget gap reminder
- Finance – context
- Questions: Finance – Budget savings proposals
- Legal and Governance – context
- Questions: Legal and Governance – Budget savings proposals
- Next Steps and Close

# Introduction

On 20<sup>th</sup> December 2023, the Budget 2024/25 and MTFP Refresh was presented to Executive which included a range of budget proposals aimed to balance the budget.

The Mayor and the Executive Member for Finance and Governance also both attended OSB on 20<sup>th</sup> December 2023 in relation to the 2024/25 budget proposals and refresh of the Medium-Term Financial Plan

The budget proposals aim to balance the budget are out to public consultation.

In this session, OSB have the opportunity to consider the Finance Services and Legal and Governance Services and their budget proposals.

# Reminder: remaining Budget Gap after all current budget proposals and Council tax assumptions

Item	2024/25 £m	2025/26 £m	2026/27 £m	Cumulative £m
Revised gap before new budget savings proposals	18.098	6.552	2.272	26.922
New savings proposals	(14.038)	(5.083)	(1.967)	(21.088)
Revised gap after new savings proposals	4.060	1.469	0.305	5.834
New growth to support transformation	0.000	0.127	0.000	0.127
Reversal of savings approved by Council in 2023/24 Budget Report	1.158	-	-	1.158
Proposed unachievable previously approved savings	1.061	-	-	1.061
New growth/amend previous years' savings	2.219	0.127	0.000	2.346
Refreshed Budget Gap + / Surplus ( )	6.279	1.596	0.305	8.180

Note: Initial assessment – the recent settlement is in line with officer expectations and **does not close the 2024/25 budget gap**

# Finance – Context

## Key messages from Finance Executive

- The Finance Service is at the heart of delivering the Council's financial recovery that require the Council to achieve financial sustainability and to drive compliant procurement and strengthened internal financial controls as set out in the Council's Culture and Governance Improvement Plan and leading the delivery of 6 of the 11 statutory recommendations made by the External Auditor.
- The service delivers a broad range of support functions that deliver the statutory responsibilities of the s151 Officer, including financial planning and forecasting, advice, management accounting, financial reporting, commissioning and procurement, accounts payable, insurance and treasury management.
- In addition, Finance provides a range of customer facing services including council tax and business rates billing, income collection, council-wide debt recovery, administering housing benefits and Council Tax Reduction, the Community Support Scheme, the Household Support Fund and Discretionary Housing Payments. Also included is the Welfare Rights advice service to the public and administering grants to community groups and third parties.
- Having incurred substantial budget reductions in previous years, there is a need to reinvest in capacity that will deliver improvements in the Council's financial management arrangements and strengthen the internal financial control environment which are reflected in a number of its budget proposals.

# Savings Summary – Finance

Appendix 2: Budget savings proposals considered to potentially affect front line service delivery levels

Ref:	Categorisation	Budget savings proposal	24/25 (£m)	25/26 (£m)	26/27 (£m)	Total (£m)	Proposed reduction in Staff over 2024/25 to 2025/26 FTE	Current Vacant Posts FTE
FIN08	S	<p><b>Reduction in the allocation of resource for voluntary and community sector grants from the local authority.</b></p> <p>To reduce the allocation of funding available for the voluntary and community sector grants programme. The small grants programme, of £0.127m which is for one-off grants for residents and small community groups will cease. There will be a 20% reduction in remaining funding of £0.195m to £0.156m. This will mean the available funding for Community Chest and Development Grants will significantly reduce and there will be a review undertaken regarding the allocation of core grants. Support will be offered to enable organisations to access external grant funding opportunities.</p>	(0.166)			(0.166)		
FIN11	E	<p><b>Closure of Cashiers at Middlesbrough House.</b></p> <p>Alternative ways to pay such as direct debit, online, telephone or if in person at a Post Office or one of the many local paypoint outlets will be offered. Where the Council provides an 'estate' function for vulnerable residents, local town centre arrangements will be introduced to provide cash payments.</p>		(0.020)		(0.020)		

Note: Local PayPoint outlets can be found by following this link:

[consumer.paypoint.com/cashout](https://consumer.paypoint.com/cashout)

# Savings Summary – Finance

Appendix 1: Budget Savings proposals that are considered to have minimal, or no effect on front line service delivery levels

Ref:	Categorisation	Budget savings proposal	24/25 (£m)	25/26 (£m)	26/27 (£m)	Total (£m)	Proposed reduction in Staff over 2024/25 to 2025/26 FTE	Current Vacant Posts FTE
FIN01	I	<b>Collection of Housing Benefit Overpayments.</b> Invest additional staff resources to increase the recovery of old debt from overpaid Housing Benefit.	(0.105)	(0.035)		(0.140)	1.0	
FIN02	I	<b>Review of Single Person Discounts and Student Exemption for Council Tax.</b> Undertake a review of all current awards, if not entitled, remove and rebill to ensure all households are paying the correct amount of Council Tax	(0.198)	(0.066)		(0.264)	3.0	
FIN03	I	<b>Collection of Council Tax.</b> Invest additional staff resources to increase the recovery of old debt whilst also ensuring that Households are in receipt of the relevant DWP benefits / financial support.		(0.110)	(0.037)	(0.147)	2.0	
FIN04	I	<b>Collection of Council Tax.</b> Invest additional staff resource to increase the recovery of debt through the use of charging orders. If Council Tax is owed this can be secured against the homeowner's property, upon sale or forced sale the debt will then be discharged.		(0.504)	(0.103)	(0.607)	1.0	
FIN05	I	<b>Collection of Business Rates</b> Invest additional staff resource to increase the recovery of old debt.		(0.126)	(0.042)	(0.168)	1.0	
FIN06	I	<b>Collection of Council Debt</b> Invest additional staff resource to increase the recovery of general debt relating to provision of Council 'paid for' services.	(0.188)	(0.070)		(0.258)	2.0	
FIN07	E	<b>Reduction in Contractual Spend</b> Undertake a review to increase on-contract spend and improve contract management standards based on 2% reduction in current spend linked to supplies and services.	(0.700)			(0.700)		
FIN09	E	<b>Invoice Reconciliation</b> To develop a system for automatic checks on delivered hours against commissioned hours within Adult Social care	(0.080)			(0.080)	2.0	
FIN10	I	<b>Centralisation of grants administration and maximisation of opportunities for grant income across the authority</b> To develop a process and centralised resource for the horizon scanning of grant opportunities across the authority and to ensure central co-ordination of all grant income, this will include ensuring the costs of any support and overheads are fully met by any grants received.	(0.050)			(0.050)	1.0	

# Questions



# Legal and Governance – Context

## Key messages from Legal and Governance Executive

- The corporate centre directorate includes legal and democratic services, HR, the Customer Centre, ICT, strategy, the Programme Office, performance, risk, health and safety, information governance and the coroner's service
- The directorate budget is largely staffing; it is a budget which has been heavily reduced through cuts during the last decade
- The directorate and its functions is a key enabler for everything that the council does: we need HR, ICT, legal and data analytics colleagues to ensure that we can function efficiently, safely and lawfully
- There is, however, scope for some savings to be made in discrete areas and for transformation, which is reflected in the savings proposals that have been proposed on behalf of the directorate. Some of these are directorate specific, some of them cut across the whole council.

# Savings Summary – Legal and Governance

Appendix 1: Budget Savings proposals that are considered to have minimal, or no effect on front line service delivery levels

Ref:	Category	Budget savings proposal	24/25 (£m)	25/26 (£m)	26/27 (£m)	Total (£m)	Proposed reduction in Staff over 2024/25 to 2025/26 FTE	Current Vacant Posts FTE
LGS01	E	<b>Reduce car mileage rate paid to staff from current 60p per mile for petrol/diesel/hybrid cars to HMRC rate of 45p per mile.</b> This will involve issuing notice of the introduction of the new rate and adjusting in the Council's HR system. Staff communication will be required. Saving will be across all directorates.	(0.116)			(0.116)		
LGS02	S	<b>DBS Renewals - staff to self declare at renewal stage.</b> This will involve the introduction of a self declaration model which can be built into appraisal/supervision meetings and recorded. The HR System will need to be adjusted to allow recording of information and services will need to keep information securely.	(0.012)			(0.012)		
LGS03	E	<b>A Cross-Council review of administrative roles and functions.</b> This saving will be achieved through a Council-wide review of all customer-facing and administrative roles, with a view to reducing net budget by 2.5%	(0.136)			(0.136)	(6.0)	0.0
LGS04	E	<b>Review corporate mobile telephone contract.</b> A review of the corporate mobile phone contract and the move to a new provider, to realise savings	(0.050)			(0.050)		
LGS05	E	<b>Centralisation of Data Analytics (Cross Council)</b> A review of resources, systems and processes in relation to the data analytics function to enable standardisation, providing data analytic services to the Council at a reduced cost base.	(0.058)			(0.058)	(1.5)	1.5
LGS06	E	<b>Legal Services Service Review</b> Exploration of a shared Legal Service and potential for commercialisation, improving efficiency, service delivery and enhancing resilience		(0.045)		(0.045)		
LGS07	S	<b>Review of Subscription spend</b> Standardise the corporate approach to professional subscriptions fees.	(0.006)			(0.006)		

Appendix 2: There are no Budget savings proposals considered to potentially affect front line service delivery levels

# Questions

# Next Steps & Close

- Individual Panel's views/ comments will be compiled in a “consolidation briefing note“ and discussed at the OSB Special meeting on the 18<sup>th</sup> Jan.
- Once agreed at OSB this will be submitted to the Mayor/ Exec by the Chair of OSB.
- If any answers are provided outside of the Panel these may need to be fed into the “consolidation note.”