

ELT, Cabinet, Scrutiny and Council



URN: 23-155

Report Title : Savings 2024/25 - Medium Term Financial

Strategy Report to: ELT, Cabinet, Scrutiny and Council

Date of meeting : ELT 22 November 2023

Cabinet 4 December 2023

Scrutiny 12 December 2023

Council 14 December 2023

Responsible Cabinet Member: Cllr Carl Smith, Portfolio Holder for Governance, Finance and Major Projects

Responsible Director / Officer : Executive Director, Resources

Is this a Key decision ? No

Date added to Forward Plan of Key Decisions if a Key Decision: N/a

EXECUTIVE SUMMARY / INTRODUCTION FROM CABINET MEMBER

Cabinet received the updated Medium Term Financial strategy for the period 2024 to 2027 in November 2023 which included the latest forecast financial position. Prior to this, work had already commenced on the 2024/25 and the identification of savings and additional income against the target of £2million to be delivered for the 2024/25 budget to mitigate the forecast funding gap. This report provides an update on this work, identifies work that is ongoing to deliver savings and income for the 2024/25 and future years and makes recommendations for proposals that will assist in reducing the forecast funding gap and be used to deliver the budget for 2024/25.

RECOMMENDATIONS :

That Committee : Note the contents of the Cabinet report which was recommended to Council by Cabinet at it's meeting on 4 December 2023 :

The Cabinet recommendation to Council : That Council approve the savings and additional income proposals as outlined at Appendix A for implementation for the 2024/25 budget.

1. Introduction

- 1.1. This report sets out the next steps for the Council's plan to present a balanced budget for approval in February 2024 for the 2024/25 financial year. The updated Medium Term Financial Strategy (MTFS) for the period 2024/25 to 2026/27 was presented to Cabinet in November for recommendation to Council in December. The MTFS included updated financial projections for the period of the strategy which at the time forecast a gap of £2.5 million in 2024/25 increasing to in excess of £4million by 2026/27. These are ahead of the detailed service budgets being produced for which work is underway.

- 1.2. The MTFS included a savings target of £2m for 2024/25 allowing for £500k to be taken from reserves. It should be noted that this is ahead of the production of the detailed service budget and the announcement of the finance settlement for 2024/25, however the delivery of the savings and additional income is an essential element of the business strategy work to deliver a balanced budget for the coming financial year.
- 1.3. As part of the budget process savings and additional income proposals have been submitted by officers for consideration by Members and this report now presents an update to Members on the work to date and makes recommendations on savings and income proposals to be taken forward as part of the budget for 2024/25.
- 1.4. The MTFS outlines a number of key themes for the business strategy and prioritising these will in the medium term seek to reduce the funding gap, these are listed below:
 - Strategic Asset Management
 - Economic and Housing Growth
 - Property Investment and Commercialisation
 - Technological Investment
 - Partnerships
 - GYBC Operating model – including digital strategy, procurement and contract management and organisational development strategy
 - Savings and additional Income
 - Sustainability Strategy.

2. Savings and Additional Income – Business Strategy 2024/25

- 2.1. To date there have been various officer and member working groups including joint party working groups to discuss the budget and savings proposals that are being presented for approval. Further discussions are still being held and options for closing the budget gap and these will be finalised over the coming months and presented within the budget reports for approval in February 2024. This report provides the outcome of the discussions to date and the implementation plan for the savings proposals to allow where applicable some of the proposals to be progressed for implementation to achieve forecast savings and deliver income as anticipated in the 2024/25 financial year. These have been summarised into the following groups:
- 2.2. **Group 1** – These proposals are largely operational in nature and will have little or no impact on service delivery. Some of these are related to improved service efficiencies and changes to the ways of working that will deliver savings. One of the most significant in this group of savings is in relation to the retention of business rates from the enterprise zone following the end of the current arrangements with the LEP from April 2024 which will see the share previously retained by the LEP being retained by the collecting Authority (the Borough Council). Other proposals are largely operational in nature and will include opportunities to review structures including when posts become vacant. All the stage 1 proposals are summarised at Appendix A and officers will be tasked with implementing the proposals to deliver the saving/income. In total these are expected to deliver £594,110 savings in 2024/25.

- 2.3. **Group 2** - These proposals total £422,940 for 2024/25 will require some implementation/decision due to some changes in service delivery and hence being recommended as part of this report. For example, these proposals include £99,130 savings to be delivered from GYS business improvement plan which are planned to deliver efficiencies and savings in the operation of the services delivered through the vehicle for delivery.
- 2.4. **Group 3** – These proposals include some recommendations in respect of fees and charges and also related to assets which will be subject to a capital bid.
- 2.5. The following table provides a summary of the savings and additional income now being recommended for approval.

£000	2024/25	2025/26	2026/27
Group 1	594	603	586
Group 2	423	465	472
Group 3	252	252	252
Total	1,269	1,320	1,310

- 2.6. There are other areas that are not included as savings and additional income proposals that are in progress that will have financial implications that will reduce some of the £2m gap for 2024/25, these include the recommendations for the changes to the Council Tax Support Scheme which is included as a separate report on the December Cabinet agenda, and the proposal that the reduction in cost that the scheme changes will deliver will result in an increase in the tax base and ultimately an increase to Council tax to the Borough and the major preceptors (Norfolk County Council and Office for the Police and Crime Commissioner). From discussions with the County and Police, the County are supportive of a proposal that would see a sharing of the reduced cost/benefit being returned to the Borough Council to deliver a hardship scheme for those households that are impacted by the change to the scheme. NCC recognise that whilst this is impacting on households it will deliver a higher precept that can be used for Council services, yet retention of some of the additional income at the borough will provide support to households still. There is a separate item on the Cabinet agenda on the proposed scheme which details the financial implications to the major preceptors and the borough council, overall at this stage £220,000 is planned to be factored into the budget for 2024/25. The details of how this will operate in practice will be finalised in the coming months.
- 2.7. Other areas will be reviewed as part of the production of the budget as the service budgets are put together. This will include other work streams that are in progress and ongoing from the current year, one of the significant areas is the building rationalisation work which was approved by Cabinet in July 2023 and is expected to deliver savings of £200,000 per annum after the vacating of Greyfriars.
- 2.8. In addition the fees and charges for 2024/25 will be presented to Cabinet in January for approval, as flagged in the savings proposals the total savings do make assumptions for additional income to be delivered from increases to fees and charges in line with the current policy which allows for increase of RPI plus upto 2% and cost recovery.
- 2.9. The MTFs allows for annual increase in council tax of £5 per annum, this has historically been in accordance with the council tax capping principles which for the Borough's tier of local government have been the higher of £5 or 3%. 2023/24 was the first year that the capping would have allowed for an increase above the £5 and therefore in line with the capping limits it is

recommended that the forecasts allow for increases upto the cap. Whilst the decision on the setting of the council tax for 2024/25 will not be made until February 2025, at this time it is prudent to update the forecasts for the assumptions on the latest tax base and council tax allowing for increases to the cap.

- 2.10. From the work to date the savings and additional income identified and recommended for including in the 2024/25 total £1.715million. This is a significant proportion towards the target of £2m for 2024/25 and further work will be completed as the service budgets are produced.

3. Financial Implications

- 3.1. The financial implications of the savings proposals are detailed within the detail of the appendices and the report.

4. Risk Implications

- 4.1. There is a risk that the savings and income will not be delivered in the planned timescales and amounts as budgeted. The budgets have been informed by robust estimates and business cases where applicable, as the budget is finalised the approved savings proposals and income will be factored into the budget.
- 4.2. The delivery of the savings will require monitoring as part of the ongoing financial monitoring reports during the year to Members via the regular reports to Cabinet and Scrutiny.

5. Legal Implications

- 5.1. All Councils are required to produce a balanced budget each financial year under section 33 of the Local Government Finance Act 1992.

6. Conclusion

- 6.1. This report is recommending approval for £1.489 million (in addition to those currently approved and in progress) savings and income which will have a significant impact on reducing the forecast budget gap for 2024/25 and future years. As the details of the service budgets are produced over the coming weeks and once the finance settlement has been announced this work will inform the final budget to be presented for approval in January/February 2024.
- 6.2. Early approval of the savings as detailed in the report supports the financial planning process for producing a balanced budget for 2024/25.

7. Background Papers

- 7.1. Medium Term Financial Strategy 2024/25 to 2026/26
- 7.2. Savings and income proposals

Areas of consideration: e.g. does this report raise any of the following issues and if so how have these been considered/mitigated against?

Consultations	Comment
Monitoring Officer Consultation:	
Section 151 Officer Consultation:	

Existing Council Policies:	
Equality Issues/EQIA assessment:	The full EQIA assessment as applicable will be completed and presented within the report to council.

2024/25 Budget Savings and Income Proposals

Service Area	Savings Title	Business Strategy Theme	Proposal	2024/25	2025/26	2026/27
Group 1						
Finance	Pot C Business Rates	Economic Growth	Increased retention of business rates being generated within the Enterprise Zone following the transfer of the LEP functions from April 2024	313,000	321,000	343,000
Various	Vacant posts and structural changes	GYBC Operating Model	Review of vacant posts and opportunities to make changes to structures across some services.	188,376	188,376	148,376
Mkting Comms and IT	Mobile Phone	GYBC Operating Model - Procurement and Contract Management	Review and reduction in the number of mobile sims required in devices, possible due to wider use of wifi.	13,300	13,300	13,300
Mkting Comms and IT	Print	GYBC Operating Model	Reduction in the number of multi-function printing devices and the introduction of pod printing across office locations.	32,300	32,300	32,300
Organisational development	Removal of payment of professional subscriptions	GYBC Operating Model	Review professional subscriptions that are paid annually.	9,134	10,047	11,052
Customer Services	Ctax SPD Review	GYBC Operating Model	Council Tax - Single person Discount Review exercise undertaken externally.	20,000	20,000	20,000
Customer Services	Revenue Collection	GYBC Operating Model	Ensure a proactive approach is undertaken for revenue collection for council tax and business rates to improve collection.	10,000	10,000	10,000
Customer Services	Vehicle Costs	GYBC Operating Model	Review transport costs to look at the most efficient operation for the service.	8,000	8,000	8,000
Group 1 Total				594,110	603,023	586,028

2024/25 Budget Savings and Income Proposals

Service Area	Savings Title	Business Strategy Theme	Proposal	2024/25	2025/26	2026/27
Group 2						
Mkting Comms and IT	Digitalisation	GYBC Operating Model - Digital	Opportunities to reshape and service delivery in line with the digital strategy. This will be part of a wider programme of investment with increased efficiencies to be delivered in future years of the MTFS.	25,000	50,000	50,000
Customer Services	Bartec Residential Portal	GYBC Operating Model - Digital	Implementation of online self serve facility for managing waste services by the customer, will allow managing of domestic waste, bulky items, alerts for collection changes, managing payments etc.	11,023	11,023	11,023
Property and Assets	Maritime house	Strategic Asset Management	To actively dispose of the vacant building along the seafront.	10,000	20,000	20,000
Property and Assets	Charging for land acquisition requests	GYBC Operating Model - Charging model	As part of the charging policy implement charges of £250 for council land sales (eg to allow small scale extensions), for those that complete the charge is deducted from the sale price. (Currently 75% are abortive are time is spent providing documentation for a sale).	3,000	3,000	3,000
Environment and Sustainability	Fees and Charges	GYBC Operating Model - Charging model	Implement charging for mentoring food visits and review charges for sports and leisure.	5,000	5,000	5,000
Environment and Sustainability	Out of Hours	GYBC Operating Model	Review current out of hours provision and alternatives ways of cover.	5,500	5,500	5,500

2024/25 Budget Savings and Income Proposals

Service Area	Savings Title	Business Strategy Theme	Proposal	2024/25	2025/26	2026/27
GYS	GYS Business Plan Proposals	GYBC Operating Model - Contract Management	Through the new arrangement with GYS Ltd, there are a number of opportunities to review service delivery that will be delivered as part of the GYS business improvement plan that will deliver savings and efficiencies through operational improvements from round rationalisation, annualised hours to reduce the reliance on overtime for the delivery of core services, review of domestic bin waste collections where these are being used by holiday lets to move to trade waste and review of cleaning of council office facilities.	99,130	106,038	108,589
Environment and Sustainability	Reduction in PH Funerals	GYBC Operating Model	Review how the administration and costs of public health funerals operates, working with partners at the James Paget in line with others.	20,000	20,000	25,000
Environment and Sustainability	RNLI Lifeguards	Savings/ funding review	Review the subsidy the Council provides for the lifeguard provision across the Borough (Great Yarmouth, Hemsby and Gorleston).	58,678	58,678	58,678
Environment and Sustainability	Concurrent Function Grant	Savings/ funding review	Remove the Parish Council grants for parks and open spaces, those for burial grounds and beach cleaning to remain.	90,285	90,285	90,285
Customer Services	CTAX Recovery Costs	GYBC Operating Model - Charging model	The current cost of summons have remained at the current level for the past nine years, in that time costs have increased, this proposes increases the cost to £75, to reflect increased costs over this time.	40,000	40,000	40,000
Customer Services	Removal of Phone Assisted Pay	GYBC Operating Model - Digital	As part of the digital strategy and the channel shift of how the Council provide services, there is an opportunity for a saving from removing assisted payments by phone, but to use online and telephone payments as an alternative. A full EQIA will be completed.	30,324	30,324	30,324

2024/25 Budget Savings and Income Proposals

Service Area	Savings Title	Business Strategy Theme	Proposal	2024/25	2025/26	2026/27
Property and Assets	Gorleston Putting Green	Strategic Asset Management	To offer the Gorleston putting green on permanent lease to an operator for development and operation.	25,000	25,000	25,000
Group 2 Total				422,940	464,848	472,399
Group 3						
Various	Fees and Charges	Additional Income	Review of all fees and charges against cost recovery principles where applicable in line with the fees and charges policy, including review of bulky waste and increases to garden bins.	120,000	120,000	120,000
Property and Assets	North Drive Bowling Green	Strategic Asset Management	The North Drive bowling greens are currently only used for the Bowls Tournament - four weeks in September. Each bowling green costs an estimated £60k to maintain per season. It is proposed that two of the greens are re-purposed for which a capital bid will be submitted.	132,000	132,000	132,000
Group 3 Total				252,000	252,000	252,000
				1,269,050	1,319,871	1,310,427