

<b>21 February 2024</b>		<b>ITEM: 24</b>
<b>Decision: 110708</b>		
<b>Cabinet</b>		
<b>Revenue Budget Savings Proposals 2024/25</b>		
<b>Wards and communities affected:</b> All	<b>Key Decision:</b> Key	
<b>Report of:</b> Cllr Graham Snell, Portfolio Holder for Finance, Human Resources and Payroll		
<b>Accountable Director:</b> Steven Mair, Interim Chief Financial Officer/s151		
<p><b>This report is</b> Public (with exempt Appendices ). Business Cases supporting the savings contain confidential information, these are noted in Appendix 2 and are not to be published by virtue of part 1 of Schedule 12A of the Local Government Act 1972 because they contain exempt information as set out in category 3 because the report contains information relating to the financial or business affairs of any particular person</p>		
<p><i>If the report, or a part of this, has been classified as being either confidential or exempt by reference to the descriptions in Schedule 12A of the Local Government Act 1972, it is hereby marked as being not for publication. The press and public are likely to be excluded from the meeting during consideration of any confidential or exempt items of business to which the report relates.</i></p>		
<b>Version:</b> Cabinet		

## Executive Summary

This report outlines the second tranche of the revenue budget savings proposals, totalling £6.9m and follows the £11.3m of saving proposals discussed at the Scrutiny meeting of the 28<sup>th</sup> November 2023 and the Cabinet meeting of the 10<sup>th</sup> January 2024. The proposals are summarised at Appendix 1. This report excludes those totalling £11.3m as previously scrutinised and approved by Cabinet, noted in Appendix 4.

The savings:

- have been prepared by Directorates supported by Finance, HR, Legal, the Community Development Team and further supported by PWC,
- proposals in some cases may require investment and further investigation before the full outcomes can be established. The costs will be financed from the transformation budget / capital programme as appropriate.
- are supported by Community Equality Impact Assessments (CEIAs) where applicable and background business cases;
- are supported by summaries of the comments received from the public and residents on the saving proposals;

The Council has proposed to increase Council Tax by 7.99%, this is £1.7m or 2% less than would otherwise be raised. In order to further mitigate the Council's financial challenges it is also proposed that additional savings to this value will be identified and delivered in 2024/25. Proposed savings to date (£0.87m) are detailed in paragraph 3.17, the remainder will identified and published by the 22 March 2024, then subject to Commissioner/Chief Executive and s151 consideration before coming back to the earliest Scrutiny and Cabinet

### **Commissioner Comment:**

Total savings of £19.9m need to be made in 2024/25, including £18.2m already identified and a further £1.7m due to not taking up the full Council Tax flexibility of 9.99%. To date there remains a balance of £831k (4%) yet to be identified which is necessary to achieve a balanced budget. These savings must be identified by 22<sup>nd</sup> March. Any attrition of 2024/25 savings need to be met with equivalent ongoing saving choices and reported to the following Finance Recovery Board and subsequent Cabinet.

### **1. Recommendation(s)**

- 1.1 That Cabinet approves all savings proposals totalling £6.9m as listed in Appendix 1**
- 1.2 That Cabinet approves the remainder of the Fees and Charges proposal, as recommended at the Cabinet meeting of 10<sup>th</sup> January 2024<sup>1</sup> and detailed at paragraph 3.14.1**
- 1.3 That Cabinet notes the Community and Equality Impact assessments and summaries of the public engagement activities**
- 1.4 That the Committee note the requirement to identify a further £831k recurrent savings by the 22<sup>nd</sup> March, to be agreed by the Leader and CEO/commissioner, in consultation with the s151 and Finance Commissioner. To be reported to Scrutiny and Cabinet.**

### **2. Introduction and Background**

- 2.1 As is well known, the Council is facing virtually unprecedented financial challenges and its financial position is extremely challenging in terms of the scale of the financial impact, the time it will take the Council to recover from this and the range of issues to be dealt with. The position will undoubtedly regularly change and resolving all the known matters will take at least 5 years. A great deal of work has been undertaken and is planned to continue and develop further to improve the Council's financial position.
- 2.2 The Council has 4 major streams of budget challenges which are underway:
  - selling £1.035bn of investments to the fullest extent possible (to be determined) to pay down debt,
  - generating over £100m of capital receipts via property to pay down debt,
  - reducing reliance on borrowing to fund the general fund capital programme to avoid increasing debt,

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<sup>1</sup> Paragraph 1.2 - [Report Template \(thurrock.gov.uk\)](https://thurrock.gov.uk)

- saving £18.2m from the revenue budget for next 2 years and a further £13.65m for each of the following 3 years.

2.3 As part of this challenge the Council has to consider and take forward additional annual revenue savings, which will contribute to seeking to secure its long-term financial sustainability, which are the subject of this report.

2.4 These savings targets will require the council to change the way it delivers its services, collaborates with partners and addresses increasing demand. This is part of the council changing to an Enabling Council.

2.5 The £1.7m additional savings are partly mitigated via proposals at this time, the remainder will be identified by the 22 March 2024.

### 3. Issues, Options and Analysis of Options

#### Issues

3.1 There have been some changes to some of the first tranche of proposals, for which additional mitigation savings have been identified, these are detailed below.

<b>2024/25 SAVINGS</b>	<b>£000's</b>
Business Cases shared with Overview and Scrutiny Committee 28th November 2023 and Cabinet on 10th January 2024	11,281
Business Cases that were being consulted on or at OBC stage	6,923
	<b>18,204</b>
<b>Business Case changes -</b>	
CTS0201- Contact Management*	(457)
CTS0203- Corporate Services*	89
CTS0202- Workforce Planning and Agency Spend *	(471)
CTS0077- Rent Reviews	(468)
	<b>(1,307)</b>
	<b>16,897</b>
<b>Proposed mitigation -</b>	
CTS0027 - Review of Childrens CHC cases to secure appropriate Health Contribution	150
CTS0217- Home to School Transport - Review policy and routes to secure improved value for money	250
Council Tax – Premium (Regeneration and Levelling Up 2023)	100
Treasury Lending Fee - reduction in requirement	300
Business Rates pooling	503
	<b>1,303</b>
<b>REVISED 2024/25 SAVINGS TARGET</b>	<b>18,200</b>

3.2 The principal saving reductions, totalling £1.3m are:

- CTS0201- Contact Management\* - originally £977k in year 1, £457k deferred to Year 2. There is still significant work being conducted to fully assess the implementation plan. The revised savings are anticipated to be £520k, with transformation costs of c£1.5m;

- CTS0202- Workforce Planning and Agency Spend \*- originally £2,530k, this was reduced by £471k after further work was conducted, the saving revised to £2,059k;
- CTS0077 – Rent Reviews – originally £650k, this saving was reduced by £468k to £182k, after additional due diligence was conducted for the 2023/24 income and the anticipated property asset disposals impact remodelled;
- CTS0203 – Corporate Services – this slightly mitigates the reductions and is the result of further due diligence in the HRODT and Finance services.

3.3 The saving reductions of £1.3m have been mitigated by service managers increasing existing saving business cases by £0.4m and the identification of additional savings in Council Tax, Business Rate Pooling and due to the divestment strategy, a reduction in the treasury lending fee budget, bridging the gap of £0.9m.

3.4 The revised savings are detailed below:

Portfolio and Holder	Saving Proposals 2024/25 £000's
Children Services & Housing - Cllr Barry Johnson	383
Education - Cllr Adam Carter	432
Environment, Economic Development and Directional Leadership - Cllr Andrew Jefferies	273
Finance, HR and Payroll - Central Financing - Cllr Graham Snell	503
Finance, HR and Payroll - Cllr Graham Snell	240
Health, Adult Health, Community and Public Protection - Cllr George Coxshall	50
Regeneration and Highways - Cllr Ben Maney	182
Cross-cutting - Cllr D Arnold and Cllr G Snell Cllr G Snell	4,456
New Proposals (Council Tax Premium and Treasury Fees)	400
<b>Grand Total</b>	<b>6,919</b>

3.5 In addition to the above, following the public engagement, the Fees and Charges schedules, totalling £325k, are included (Appendices 3), as noted in the action of the 10<sup>th</sup> January 2024 Cabinet.

3.6 The following sections summarise the proposed savings for each portfolio, that were not previously reported or have changed since 28<sup>th</sup> November 2023.

Commercially sensitive business cases are marked with \*\* in the below tables.

## Options

3.7 Children's Services & Housing

Savings Proposal	£000's
<b>Children Services &amp; Housing - Cllr Barry Johnson</b>	
CTS0027 - Review of Children CHC cases to secure appropriate Health Contribution	150

CTS0029 - Review of Social Care	233
<b>Grand Total</b>	<b>383</b>

- 3.7.1 **CTS0027 - Review of Children CHC cases to secure appropriate Health Contribution**  
Ongoing challenge is securing the appropriate level of funding from Health to contribute to placement costs. The reduction proposal is to seek appropriate Continuing Health Care contribution from Health for existing or emerging cases. This saving has been increased from £100k by £150k to £250k as mitigation to the £18.2m target.

- 3.7.2 **CTS0029– Review of Social Care**  
Changes implemented in September 2023 to the structure of Children's Social care (CSC) and Early Help (EH). This has been achieved with a requirement to focus on prioritising statutory duties, maintaining focus on child protection and preventative action. Continuing to provide the best possible outcomes for children and families and building on the 'good' Ofsted rating received in 2021. Total Saving: £310k (2023/24 £77k and 2024/25 £233k)

### 3.8 Education

Savings Proposal	£000's
<b>Education - Cllr Adam Carter</b>	
CTS0217- Home to School Transport - Review of policy and routes to secure improved value for money and cost reduction.	395
CTS0226- Home to School Transport - Policy update and post 16 charging policy	37
<b>Grand Total</b>	<b>432</b>

- 3.8.1 **CTS0217- Home to School Transport - Review of policy and routes to secure improved value for money and cost reduction.**  
Looking to implement cost reduction proposals through optimisation of routes and exploring re-procurement options. This saving has been increased by £250k to £395k as mitigation to the £18.2m target

- 3.8.2 **CTS0226- Home to School Transport - Policy update and post 16 charging policy.**  
There is not a statutory duty on the Council to financially support post 16 SEN transport. This business case will bring us in line with other LA's who charge for post 16 SEN transport. A consultation will take place regarding the policy to consider a range of options relating to post 16 transport, with a proposed implementation date of September 2024.

### 3.9 Environment, Economic Development and Directional Leadership

Savings Proposal	£000's
<b>Environment, Economic Development and Directional Leadership - Cllr Andrew Jefferies</b>	
CTS0209- Parks and Open Spaces**	273
<b>Grand Total</b>	<b>273</b>

- 3.9.1 **CTS0209 - Parks and Open Spaces Review**  
Altering the maintenance levels for grass cutting within Thurrock's parks and open spaces, as well as delivering additional income through offering events spaces and hiring out concessions within these park/open space sites.

### 3.10 Finance, HR and Payroll - Central Financing

<b>Savings Proposal</b>	<b>£000's</b>
<b>Finance, HR and Payroll - Central Financing - Cllr Graham Snell</b>	
CTS0312- Business Rates Retention Pooling 2024/25	503
Additional proposed mitigation – Council Tax – Premium	100
Additional proposed mitigation - Treasury fees	300
<b>Grand Total</b>	<b>903</b>

#### 3.10.1 **CTS0312- Business Rates Retention Pooling 2024/25**

The Council has identified an opportunity to enter business rates retention pooling arrangements with two other local authorities. This is projected to have a significant financial benefit to the three authorities while also aligning with existing relationships developed through the Thames Freeport. There is an initial proposal for the pooling to generate £2m for the council. Latest estimates indicate that the pooling saving could be increased to £2.5m to mitigate the £18.2m saving.

#### 3.10.2 **Additional proposed mitigation – Council Tax – Levelling Up Premium**

This saving is new and mitigates other reductions in the £18.2m savings target. See the report elsewhere on this agenda.

#### 3.10.3 **Additional proposed mitigation – Treasury Fees**

The original investment portfolio attracted treasury management fees. The divestment of investments is anticipated to enable the treasury and lending fees budget to be reduced by £300k.

### 3.11 Finance, HR and Payroll

<b>Savings Proposal</b>	<b>£000's</b>
<b>Finance, HR and Payroll - Cllr Graham Snell</b>	
CTS0214- People and OD Team	240
<b>Grand Total</b>	<b>240</b>

#### 3.11.1 **CTS0214- People & OD Team**

The project will focus on a wider review of the HR OD Transformation Directorate and will focus on analysis of activity, duties carried out, what can be stopped, must continue, and required needs to support the organisation's transformation that will equip our workforce with the right, skills, knowledge, and expertise to deliver services to our residents.

### 3.12 Health, Adult Health, Community and Public Protection

<b>Savings Proposal</b>	<b>£000's</b>
<b>Health, Adult Health, Community and Public Protection - Cllr George Coxshall</b>	
CTS0004- Review Charging Policy for Assistive Technology	50
<b>Grand Total</b>	<b>50</b>

#### 3.12.1 **CTS0004- Review Charging Policy for Assistive Technology**

Thurrock's current charges for Assistive Technology do not allow for full cost recovery and benchmark low compared to many other local authorities. Adult Social Care proposes to

consult on proposals to increase charges for Assistive Technology. Subject to the financial assessment as defined by the Care Act (2014), individuals not entitled to free care may be asked to pay more towards the cost of their Assistive Technology.

### 3.13 Regeneration and Highways

Savings Proposal	£000's
<b>Regeneration and Highways - Cllr Ben Maney</b>	
CTS0077- Rent Reviews	182
<b>Grand Total</b>	<b>182</b>

#### 3.13.1 **CTS0077- Rent Reviews**

The original business case initially indicated a higher saving of £650k. As a result of further due diligence and property disposals timing, this has now been reduced to £182k.

### 3.14 Cross-Cutting

The majority of the cross cutting savings have now been allocated across directorates and are included in the 2024/25 Revenue Budget data. Since November there has been a number of changes to the saving values, these are noted in the business case narrative below.

Savings Proposal	£000's
<b>Cross-cutting</b>	
CTS0055- Fees and Charges represented (£211k part of £325k) – included in £11.3m saving total	-
CTS0201- Contact Management**	520
CTS0202- Workforce Planning and Agency Spend **	2,059
CTS0203- Corporate Services**	1,877
<b>Grand Total</b>	<b>4,456</b>

#### 3.14.1 **CTS0055 - Fees and Charges**

The detail of the Fees and Charges proposed increases have been part of the 'Have your Say' consultation and the public comments received are detailed in the summary of the public engagement at Appendix 6. The details of £325k increases are included at Appendix 3. An initial review of fees and charges was presented to Cabinet on 12<sup>th</sup> July 2023, where £114k was identified as part of the in-year review of charges, these are included in the total Fees and Charges increase of £325k.

The Appendices<sup>2</sup> 3 to 3b provide the key changes, detailed charging schedule and charges that are no longer applicable. Increases to individual fees and charges are applicable from 1<sup>st</sup> April 2024, unless otherwise stated.

#### 3.14.2 **CTS0201 - Contact Management**

The proposed transformation of the Council's Contact Management operating model, with indicative financial savings to be realised through staff-related efficiencies.

By automating, digitising, and streamlining processes, the Council can potentially realise significant savings and accelerate its journey to being 'digital by default' and offering resident-centred services.

This saving has reduced from £977k to £520k and £457k has been deferred to 2025/26 since the last Scrutiny meeting on 28<sup>th</sup> November 2023.

<sup>2</sup> Printed versions available in the Members Area

### 3.14.3 CTS0202 - Workforce Planning and Agency Spend

Reduce overall establishment expenditure through a reduction in agency costs and to explore wider opportunities for reductions in overall establishment costs. This saving has reduced by £471k from £2,530k to £2,059k since the last Scrutiny meeting on 28<sup>th</sup> November 2023 and formed part of the saving target reduction, which has been mitigated via the increase in Home to School Transport £250k and Review of case to secure Health Contribution £150k.

### 3.14.4 CTS0203 - Corporate Services Redesign and Ways of Working

Enhance and strengthen the corporate core: Adjust the current systems landscape, contact channels, organisational design, and ways of working to deliver services more efficiently.

### 3.15 Anticipated Transformation Costs

The total anticipated transformation costs, including redundancy is £3.85m, £2.35m was reported previously and the anticipated for savings in this report are £1.5m. These amounts are funded from £12m Transformation Budget allocated in 2023/24, which will be kept as a reserve in 2024/25 to account for ongoing one-off transformation activities.

Proposals are detailed below:

Saving Budget Business Cases	Anticipated Transformation cost £000's
<b>Transformation</b>	
CTS0201 – Contact Management	1,530
CTS0226 – Home to School Transport	20
<b>Grand Total</b>	<b>1,550</b>

3.16 As noted above The Council has proposed to increase Council Tax by 7.99%, this is £1.7m or 2% less than would otherwise be raised. In order to further mitigate the Council's financial challenges it is also proposed that additional savings to this value will be identified and delivered in 2024/25. Proposed savings to date (£0.87m) are detailed in paragraph 3.17, the remainder will identified and published by the 22 March 2024, then subject to Commissioner/Chief Executive and s151 consideration before coming back to the earliest Scrutiny and Cabinet.

3.17 The current proposed additional savings are shown below:

Proposed additional savings	£000's
Council Tax saving required	1,700
	<b>1,700</b>
<b>Proposed mitigation -</b>	
Central Finance	616
Intervention Reduction	200
Environment	53
	616
	200
	53
<b>Total proposed savings due to council tax lower % identified to date</b>	<b>869</b>



#### **4. Reasons for Recommendation**

- 4.1 The Council is legally required to set a balanced revenue budget as part of a suite of reports that the Council will consider on the 28<sup>th</sup> February 2024. A significant part of this is to identify and agree revenue budget savings of £18.2m and the additional £1.7m noted above, which will contribute to the Council's future financial sustainability.

#### **5. Consultation (including Overview and Scrutiny, if applicable)**

- 5.1 This report is based on consultation with the services, Senior Leadership Team, and portfolio holders. External and staff consultation has been undertaken for some proposals, as necessary.

#### **6. Impact on corporate policies, priorities, performance and community impact**

- 6.1 The proposals in this report and the previous savings proposal report will assist the Council's move towards financial sustainability, which will in turn support the Council's priorities. It will also address some of the requirements of the BVI and the recovery plan.

The initial savings proposals totalling £11.3m were discussed at an Extraordinary Overview & Scrutiny meeting on 28th November 2023, a good debate and detailed discussion took place for each proposal.

The Key themes from the meeting are set out below:

- Deliverability and profiling of savings across financial years – concern that there may not be adequate lead in times to fully realise the saving, some supporting business cases are unclear as to the proposed start date.
- Contingency and potential alternatives – concern that there is no clear contingency in place to offset any proposals that may be rejected.
- Cllr Speight queried that year 1 proposals should potentially be more aggressive given the fact further significant savings are required in subsequent years.
- Acknowledgement that proposals aim to protect front line social care and vulnerable people. • Potential for further savings to be identified within the Communications service and this will be added to the forward to plan to look at in more detail.
- Members noted that that it is still early in the budget setting process and further work is required on some of the proposals.
- Members noted the need to continue to engage scrutiny in the ongoing budget setting process, identification and delivery of savings.

Formal minutes of the meeting are available through the usual democratic route or at [Agenda for Corporate Overview and Scrutiny Committee on Tuesday, 28th November, 2023, 7.00 pm | Thurrock Council](#)

## **7. Implications**

### **7.1 Financial**

Implications verified by: **Steven Mair**  
**Interim CFO / s151**  
**02 February 2024**

The financial implications of this report are set out throughout the report and accompanying documents.

### **7.2 Legal**

Implications verified by: **Jayne Middleton-Albooye**  
**Interim Head of Legal Services**  
**02 February 2024**

Relevant legal implications for each savings proposal are set out in the business cases.

The Public Sector Equality Duty applies to the Council when it makes decisions. The duty requires the Council to have regard to the need to: (a) Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Equality Act 2010 (“the Act”); (b) Advance equality of opportunity between people who share a protected characteristic and those who do not, and (c) Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding. The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, marriage and civil partnership, race, religion or belief, sex, and sexual orientation. The Act states that ‘marriage and civil partnership’ is not a relevant protected characteristic for (b) or (c) although it is relevant for (a).

Members are asked to note that Community Equality Impact Assessments have been undertaken, where required, on proposals. The outcome of the Community Equality Impact Assessment should be noted by OSC members and should be carefully considered by members when decisions are made in relation to the budget saving proposals.

### **7.3 Diversity and Equality**

Implications verified by: **Rebecca Lee**  
**Community Development Team Leader**  
**31 January 2024**

The outcome of each Community Equality Impact Assessment (CEIA) should be carefully considered when decisions are made in relation to the budget saving proposals set out in this report.

Members are asked to note that CEIAs have been completed for proposals (where required) and can be found in **Appendix 5** to this report. Members are also asked to consider the CEIAs and provide any comments.

When decisions are made, due regard should be had, by the decision makers, to the outcome of the CEIAs and whether the proposals in this report will have a disproportionately adverse impact on any people with a particular characteristic.

#### 7.4 **Risks**

Annual savings targets are always a risk to a council such as Thurrock. The £18.2m saving target has been identified, with recent mitigation of £1.3m following changes since November 2023. The Business Rates Pooling saving of £2.5m will be monitored closely and projected gains reviewed when the statutory returns and forecasts are calculated in the coming months. High value cross cutting and service area business cases require a significant level of organisation change and development, so full realisation of the benefits during 2024/25 could impact saving delivery.

Unforeseen changes in national events and regulations could also present a financial risk.

#### 8. **Background papers used in preparing the report:**

- Individual business cases have been prepared to support each proposal; some of these are currently exempt from publishing due to containing information potentially relating to individuals or commercial sensitivities
- In December 2023 several consultations and public engagement activities were conducted, these are collated and shown at Appendix 6

#### 9. **Appendices to the report**

- Appendix 1 – Business Case Savings Movement and CEIA's
- Appendix 2 – Business Case Savings Proposals **EXEMPT**
- Appendix 3 – Proposed 2024-25 Fees and Charges key changes
- Appendix 3a – Listing of Proposed Fees and Charges for 2024/25
- Appendix 4 - Approved Business Case totalling £11.3m (for reference only)
- Appendix 5 - Business Case Community Equality Impact Assessment's (not printed)
- Appendix 6 - Public Engagement and Consultation responses

#### **Report Author:**

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