



London Borough of Enfield

Title of Report:	Medium Term Financial Plan (2024/25 to 2028/29)
Report to:	Cabinet
Date of Report briefing:	15 th November 2023
Cabinet Member:	Cllr Tim Leaver (Finance & Procurement)
Directors:	Fay Hammond, Executive Director – Resources Kevin Bartle, Interim Director of Finance (Corporate)
Report Author:	Neil Goddard, Head of Financial Strategy
Ward(s) affected:	All
Key Decision Number	KD 5681
Implementation date, if not called in:	
Classification:	Part I Public
Reason for exemption	

Purpose of Report

1. This report brings forward a set of proposed new savings and income proposals that have been identified in response to the £39.4m budget gap as set out in the Medium Term Financial Plan (2024/25 to 2028/29) report considered by Cabinet in September (KD5641). Nationally, councils are experiencing financial challenges, a recent analysis carried out by the Local Government Association (LGA) noted that councils across the country face a £4billion funding gap over the next two years (£2.4bn in 23/24 & £1.6bn in 24/25).
2. This report will set out:
 - New savings and income proposals.
 - Remaining budget gap if Council Tax is increased and the proposed Council Tax support schemes changes are implemented.

Recommendations

3. Cabinet is recommended to:

- a) Note the progress towards balancing the budget for 2024/25:
- As of September 2023, the estimated gap was £39.4m in 2024/25, prior to any increase in Council Tax, revision to the Council Tax Support scheme, savings and any additional Government funding. The gap across the medium term to 2028/29 was £118.6m, primarily driven by high inflation, demography, an unprecedented increase in Temporary Accommodation costs, arising from a lack of available property, and increasing capital financing costs as interest rates continue to rise.
- b) Agree in principle the proposed savings and income of £9.2m in 2024/25 put forward by departments as shown in Table 3. Further details of the indicative proposals are set out in Appendix C:
- £6.1m from service redesign, efficiencies and demand management
 - £3.1m from income generation.
- c) Note that these savings and income proposals, or suitable alternatives, should be delivered as soon as practically possible and, if appropriate, in the current financial year.
- d) Note the estimated potential reduction in the budget gap of £14.6m if Council Tax (including ASC precept) is increased by 4.99% and the proposed Council Tax Support scheme changes are implemented.
- e) Note that the budget gap would, therefore, reduce from £39.4m to £15.6m. Ongoing review of the cost pressures and growth and further savings and income generation remains in progress to be updated in January 2024 Cabinet. These forecasts are subject to a significant number of variables and estimates and are highly likely to change, but nevertheless represent officers' best estimates at this time.
- f) Note that in addition to the 2024/25 budget gap, there is a forecast £28m overspend in 2023/24 and Executive Directors and officers are attempting to implement mitigating actions to reduce the in-year overspend.
- g) Note that Enfield has expressed its interest to DLUHC to continue with the smaller Business Rate Pool of eight London boroughs for a further year into 2024/25.
- h) Note that this report is written prior to the government's Autumn statement due on the 22nd November 2023 and the Local Government Finance settlement due in December 2023.
- i) Agree the proposed changes to Green Waste charging for 2024 as set out in paragraph 44.

Reason for Proposals

4. The Council has a statutory duty to approve a balanced budget for 2024/25 in February 2024 along with consideration of the finances over the medium term, and the Council's reserves. It is essential that there is a clear understanding of the anticipated income and expenditure flows for the Council, despite the uncertainties. The measures referenced in paragraph 29 are the steps by which the Council will ensure that it meets its statutory duty to set a balanced budget for 2024/25.

Relevance to the Council Plan

5. The primary purpose of the development of the Budget and Medium Term Financial Plan is to direct resources to deliver the priorities set out in the Council's Plan 2023-26:
 - Clean and green places
 - Strong, healthy and safe communities
 - Thriving children and young people
 - More and better homes
 - An economy that works for everyone.
6. It is not possible for the Council to deliver on its ambitions for local people if these are not in place and the financial strategy is a key pillar on which success is built. As part of this, one of the principles of the Council Plan 2023-26 is financial resilience and commits to:
 - a. Deliver excellent value for money in all that we do and target our resources smartly to enable us to meet the needs of our residents, now and in the future.
 - b. Plan ahead carefully, making decisions based on evidence of what works, to deliver on the priorities set out in the plan.
 - c. Invest in our organisation to become more efficient and effective in what we do, in order to prevent higher costs for the future. This includes ensuring we have the right digital infrastructure in place.
 - d. Deliver our long-term regeneration programme for the borough to drive transformational change for Enfield and achieve better outcomes for local people. This will also support our financial resilience by growing the local economy and Council Tax base.
 - e. Look for new and innovative ways to generate income, so that we have additional funding to invest in services over the long-term. In line with our new Sustainable and Ethical Procurement Policy, we will use our significant purchasing power to help us achieve our strategic objectives, ensuring our suppliers show a wider commitment to the borough, our residents and local businesses through the delivery of social value.
7. Financial Resilience remains at the heart of the approach to budget management at Enfield, and considerable work has been undertaken to establish a stable and more resilient position over recent years.

Economic update

8. Our requirement to set a balanced budget remains challenging given the dynamic and challenging national and local economic context. The following provides a brief update on key issues since the September update.
9. The latest inflation update was announced on the 18th October with CPI now reported at 6.7% in the 12 months to September 2023 (unchanged from the August 2023 CPI figure). The Government target is for inflation to be down to 5% by the end of December, so that forecast would appear to be at risk. This also has an impact on estimated levels of Government

funding where uplifts for 2024/25 are based on the September reported CPI. The impact of which will be provided in the January 2024 cabinet report.

10. The BoE base interest rate remained at 5.25% and will be next updated in early November. Whilst further interest rate rises may be required to bring inflation back down, this in itself will create further pressure on the Council's capital financing costs and consequently the revenue budget.
11. The Council borrows mainly from the Public Works Loans Board (PWLB) and the cost of both long and short-term borrowing have increased over the financial year. Compared to the September report, the PWLB borrowing rates (which track gilts rates) remain at around 5.6% (depending on the term).
12. The public sector pay award continues to add to our financial pressures, as it does for all local authorities due to pay awards being higher than has been the case in recent years, and outstripping local government funding increases. The 2023/24 NJC pay award for officer grades was agreed on 1st November and officers are currently working out the impact on both this year and next year's budget against the assumptions which had previously been made. Nationally agreed pay awards for local government staff are unfunded by central government, leaving further pressures on council revenue budgets. The cash-amount pay award offered by employers over the last two years to support employees during high levels of inflation represents a 22 per cent increase for staff on the bottom pay point. For those above a certain grade, the percentage increase was 3.88% this year. This significant increase from the pay award forecasts from just two years ago has been a further significant pressure on councils' budgets, with no support from the Government.
13. The situation across London remains increasingly challenging. In June 2023, the number of homelessness presentations was 22.1% higher than a year earlier and the number of households living in Temporary Accommodation has increased by 6.6% in the same 12 month period. There have been similar reductions in the availability of suitable housing supply across the region. Along with pressure on market rents, the lack of supply of affordable accommodation continues to create significant cost pressures in the Council's Temporary Accommodation budget. The economic downturn has also contributed to higher numbers of people requiring temporary accommodation.
14. In addition, demand led pressures across children's and adult social care services persist. Budgeted spend on adult social care increased nationally by £2.5 billion (12.8 per cent) in 2023/24. Children's social care is increasingly cited by councils with this responsibility as their key source of financial pressure and overspend. Budgeted spend on children's social care increased nationally by £1.5 billion (13.6 per cent) in 2023/24. This is a continuation of a trend of spiralling costs in this service area driven partly by continuous growth in the number of children in care since 2009.

Government Funding and Spending Assumptions for 2024/25

15. The government funding, Collection Fund and spending assumptions stated in the September Cabinet report remain unchanged from those contributing to the £39.4m budget gap. The following paragraphs and Table 1 are

included here as a reminder of the how the preliminary budget gap was estimated.

16. The base 2023/24 net budget is £286.9m as set out in the Budget report agreed by Council in February 2023. The current estimates show that we would require a budget of £335.0m but only estimate to generate funding of £295.6m, therefore leading to a forecast budget gap for 2024/25 of £39.4m prior to savings, any additional Government funding, and other actions to mitigate this pressure such as level of Council tax increase and Council Tax support provided. The £39.4m gap represents 13.7% of the Council's net budget or 29% of the Council's budget excluding adults and children's social care.
17. The preliminary gap across the medium term is now forecast at £95.4m (down from £118.6m in September), however the focus is currently on the 2023/24 and 2024/25 positions, given the scale of the gap and the pressing need to bring the current year's spending back in line with budget.
18. The budget gap is considerable, and the estimates shown in the tables are based on a prudent set of assumptions, but it is still important to remember that these are subject to change e.g. legislation, Local Government Finance settlement outcome, interest rates, inflation, demand - all could change and impact the budget gap for next year and beyond.
19. Table 1 below shows how the budget requirement builds on the 2023/24 base budget.

Table 1 – Draft 2024/25 Budget requirement

	£m
Base 2023/24 Net budget	286.942
Pay Awards (4.75% pay award assumed for 24/25 plus £2.5m catch up inflation from 23/24)	11.511
Growth in Temporary Accommodation	9.800
Inflation	8.531
Pressures / other growth items	7.011
Capital Financing costs increasing	6.200
Demography across adults and children's services	3.660
North London Waste Authority levy	1.328
Concessionary Fares returning to pre-covid levels	1.914
Review of savings previously agreed	0.722
Net increase in service specific grants (social care, as announced)	(2.622)
Net budget requirement 2024/25	334.997
Baseline funding 2024/25	(295.600)
Shortfall	39.397

20. Where possible high, medium and low scenarios were estimated and the estimated gap was prudently set on the medium scenario for all areas except for Temporary Accommodation, where the lower estimate has been

used given that additional strategies are being implemented with the expectation that they will reduce the current pressure. This does mean that in terms of sensitivity to the budget gap, the Temporary Accommodation is the most significant.

21. The September report outlined how the Council would meet the remainder of the budget gap. One of these measures was the identification of new savings and income proposals. Proposals totalling £9.2m have now been identified and put forward in this report for approval (see Appendix C for the full list of proposals).
22. In addition, the Council also has the ability to increase Council Tax by a maximum of 4.99% without the need for a referendum and can also consider making changes to the Council Tax Support Scheme. If Council Tax is increased by the maximum 4.99%, and if the proposed changes to the Council Tax Support Scheme (which are currently out to consultation) are implemented, then this is estimated to generate a further £14.6m in Council Tax income. This would have the impact of reducing the remaining gap required to balance the budget to £15.6m for 2024/25 and £95.4m over the MTFP period.
23. Table 2 summarises the impact of these proposals on the budget gap as reported in the September Cabinet report.

Table 2 – Summary of changes in Budget Gap from the position reported to September Cabinet

Summary of budget gap	2024/25	2025/26	2026/27	2027/28	2028/29	Total
	£m	£m	£m	£m	£m	£m
Budget Gap as at September Cabinet report	39.397	19.747	22.960	22.077	14.474	118.655
New Savings & Income proposals	(9.241)	0.623	0	0	0	(8.618)
Sub- total	30.156	20.370	22.960	22.077	14.474	110.037
Increased Council Tax income if rate increased by 4.99%	(7.313)	0	0	0	0	(7.313)
Revised Council Tax Support scheme if implemented	(7.280)	0	0	0	0	(7.280)
Remaining gap	15.563	20.370	22.960	22.077	14.474	95.444

New Savings & Income Proposals

24. Departments have been formulating new savings proposals amounting to £9.2m in 2024/25. The savings contain a mix of service redesign,

efficiencies, service reduction and income generation and a further analysis is set out below.

Table 3 – New Savings & Income Generation proposals 2024/25 - 2028/29

	2024/25	2025/26	2026/27	2027/28	2028/29	Total
	£m	£m	£m	£m	£m	£m
Income Generation	(3.072)	0.060	0	0	0	(3.012)
Service Redesign	(2.812)	0.263	0	0	0	(2.549)
Service Efficiencies	(1.608)	0.300	0	0	0	(1.308)
Contract Management	(1.216)	0	0	0	0	(1.216)
Changes in Service Delivery	(0.533)	0	0	0	0	(0.533)
Total	(9.241)	0.623	0	0	0	(8.618)

25. Appendix C provides the full list by department of the proposals being put forward.
26. In order to maximise the financial benefit of these proposals it is recommended that they are implemented as soon as feasibly possible, which could mean that some could help mitigate the 2023/24 forecast overspend and the consequent draw on reserves.
27. The savings and income proposals agreed in the budget are monitored throughout the year, these include those that are for savings in future years. Where required these have been reprofiled to reflect current likelihood of delivery, in addition, some savings have been reconsidered, such as savings predicated on the implementation of a new finance and HR system which is not due to be progressed until much later now in the Digital investment programme. The position as reported in September remains unchanged for these previously agreed savings.

Adult Social Care Specific Grants

28. The additional service grants noted in Table 1 are both related to Adult Social Care. The Government announced in the 2023/24 Local Government finance settlement that the ringfenced ASC grant and discharge fund would continue into 2024/25. These are estimated figures based on the allocation methodology applied in the 2023/24 allocations. Since September, it has been established that a new grant allocation received in 2023/24 called the Market Sustainability & Improvement Fund – Workforce grant, will reduce by £0.9m in 2024/25. This is the only funding change factored into this latest update and Adult Social Care have identified mitigating new savings and income proposals as part of the overall package of proposals being put forward.

Meeting the remainder of the budget gap

29. Whilst £9.2m of new savings and income has been put forward, the identification of further savings continues, and a further update will be

reported to Cabinet in January 2024. Commitment to identifying these savings is high, with the following additional key actions continuing to be progressed:

- Budget challenge sessions, covering review of budget pressures, service delivery, statutory vs non-statutory service review, review of staffing structures, and savings and income proposals.
 - Early implementation of 2024/25 savings where possible
 - Impact of the reduction in planned capital expenditure
 - Fees & Charges review
 - Contract reviews.
30. By the time of the January 2024 Cabinet meeting, both the Autumn Statement and Provisional Local Government Finance settlement should have been published, which will provide greater clarity on the level of funding that the Council will receive for 2024/25.
31. The outcome of this work will feed into the revised 2024/25 budget to be considered by Cabinet in January 2024. It is clear from the scale of the budget gap in 2024/25, and direction of travel for the years after this (including lack of clarity on government funding), that we will have to continue to look fundamentally at how we operate and consider different ways of working.
32. It is worth noting that after more than a decade of austerity and total savings of over £225m delivered, the challenge of setting a balanced budget is significant. LGA analysis found that there has been a 27 per cent real-terms cut in core spending power since 2010, leaving councils lacking the resilience they need to meet new challenges.

Eight Authority Business Rates Pool

33. The Council has indicated its intention to remain within the pooling arrangements that have been in place for the last two financial years. The pooling receipts have enabled the Council to utilise £1.5m to help fund the 2023/24 budget, whilst it is estimated that a further £2.0m will be available to help bridge the 2024/25 gap and this was anticipated when calculating the 2024/25 £39.4m gap. Our intention to remain in the pool can be revoked in a period after the Local Government Financial Settlement if following further review it is not considered beneficial.

Reserves and Financial Resilience update

34. Core to the Council's Financial Strategy has been establishing financial resilience. As well as ensuring there are robust budgets and realistic savings there has been a need to strengthen reserves.
35. However, the overspend for 2022/23 and forecast overspend for 2023/24 will significantly erode the reserve balances, and if this is not addressed, and if there continues to be an overspend, this will seriously impact the Council's reserves position. The Council's reserves provide resilience to deal with any unforeseen budget pressures.
36. The Council will address the forecast depletion in reserves with action to balance the budget, protect reserves and maintain financial resilience.

Housing Benefit Smoothing Reserve	0.726	(4.240)	(4.240)	(4.240)	(4.240)	(4.240)
Adult Social Care Smoothing Reserve	(3.697)	0.000	0.000	0.000	0.000	0.000
NLWA Reserve	(0.514)	(1.566)	(0.694)	(1.005)	(0.004)	(0.004)
Meridian Water Reserve	(1.297)	(1.297)	(1.297)	(1.297)	(1.297)	(1.297)
Sub-total MTFP Smoothing Reserves	(22.764)	(24.031)	(22.775)	(23.086)	(22.085)	(22.085)
Capital Financing	(23.428)	(23.428)	(23.428)	(23.428)	(23.428)	(23.428)
Service Specific	(13.757)	(7.622)	(5.787)	(2.520)	(2.085)	(2.306)
Property	(0.925)	(0.436)	(0.346)	(0.256)	(0.256)	(0.256)
Grants & Other Contributions	(19.274)	(8.229)	(7.434)	(6.638)	(6.013)	(5.388)
Potential Risk Reserve drawdown 2023/24 outturn	-	27.452	27.452	27.452	27.452	27.452
Sub-total GF Usable Reserves	(83.588)	(42.072)	(38.096)	(34.254)	(32.193)	(31.789)
Insurance	(7.513)	(7.263)	(7.022)	(7.022)	(7.022)	(7.022)
General Fund Balance	(13.949)	(13.949)	(13.949)	(13.949)	(13.949)	(13.949)
GF Earmarked Reserves	(105.050)	(63.284)	(59.067)	(55.225)	(53.164)	(52.760)

Fees and Charges

42. As part of the budget setting process for 2024/25, the Council's traded services fees and charges are being reviewed. This annual review is underway, and the outcome will be reported to Cabinet in January 2024. The review will assess the Council's current fees and charges to establish whether the service delivery costs are being covered by the charges set, considering whether income generation opportunities are being maximised and benchmarks the proposals with other councils.
43. The majority of fees and charges will follow the timescale above, however, because of the preparation required for the new year green waste service i.e. advertising in January 2024 and setting up direct debits in February 2024, means that the decision to increase the green waste charge needs to be made earlier.
44. It is proposed to increase the green waste annual subscription charge by £20 for 2024.
45. There is a continued focus on strengthening income streams in order to support the MTFP and the proposed strategy is to increase charges by circa 9% in line with RPI, subject to case by case conditions. The MTFP already

includes expectations of inflationary increases as agreed in the Budget Report 2023/24.

46. It is also proposed to continue with the arrangements that were first put in place for 2021/22 whereby individual services are able to amend the fees and charges where it is considered appropriate to do so during the coming year. In order to do so, services will work with finance and commercial services to determine and consider the market factors and propose amendments. These proposals will be reviewed by the Executive Management Team, and then implemented via delegated authority to the Executive Directors in consultation with the relevant Cabinet Member.

Council Priorities

47. The priorities set out in the administration's manifesto include a number which are progressing within existing budgeted resources. Those priorities which incur additional financial commitments will be built into the medium term financial plan as plans are brought forward but only within the available approved budget.

Safeguarding Implications

48. None arising from this report. Where there are service reductions across all services including Adult Social Care and Children's Social Care, officers are working through these to ensure there is no impact on the Council's safeguarding duties for vulnerable adults and children in the Borough.

Public Health Implications

49. The Council's core business is to maintain and enhance the wellbeing of the community; austerity and the financial climate is severely challenging its ability to do this. The MTFP outlines how the Council aims to meet its financial demands whilst minimising the effect of these pressures on the community. However, it is difficult to envisage how continuous cuts to the Council's budget will not impact upon its ability to support and maintain community wellbeing.

Equalities Impact of the Proposal

50. Local authorities have a responsibility to meet the Public Sector Duty of the Equality Act 2010. The Act gives people the right not to be treated less favourably because of any of the protected characteristics. It is important to consider the needs of the diverse groups with protected characteristics when designing and delivering services or budgets so people can get fairer opportunities and equal access to services.
51. The Council aims to serve the whole borough fairly, tackle inequality and protect vulnerable people. The Council will promote equality of access and opportunity for those in our communities from the protected characteristic groups or those disadvantaged through socio-economic conditions.
52. The Council undertakes Equality Impact Assessment (EqIAs) to help make sure we do not discriminate against service users, residents and staff, and that we promote equality where possible.
53. An Equality Impact Assessment will be completed for individual budget/savings proposals. These assessments will evaluate how the proposal will impact on people of all protected characteristics and will identify alternative

action or mitigating action where any adverse impact is identified. This will include consultation and engagement with affected people and organisations as appropriate.

Environmental and Climate Change Considerations

54. There are no specific environment or climate change implications arising from this report at this time, these will be considered alongside savings and income proposals in future.

Risks that may arise if the proposed decision and related work is not taken

55. The Council faces an enormous financial challenge and it is essential that the opportunity is taken to progress savings at the earliest possible time. Delaying the decision will impact on the delivery of those savings and also impact on work to further close the financial gap.

Risks that may arise if the proposed decision is taken and actions that will be taken to manage these risks

56. The report has sought to identify as many of the financial risks facing the Council at this time and where possible to also quantify them. Identification is naturally one of the key steps in managing risk and this will be supplemented by regular review, there will be further reports to Cabinet in January 2024 and February 2024.

Financial Implications

57. As set out in the body of the report.

Legal Implications

58. The Council has various legal and fiduciary duties in relation to the budget. The Council is required by the Local Government Finance Act 1992 to make specific estimates of gross revenue expenditure and anticipated income leading to the setting of the overall budget and council tax. The Local Government Act 2003 entitles local authorities to borrow and invest as long as their capital spending plans are affordable, prudent and sustainable. The 2003 Act requires the Chief Finance Officer to report to Council as part of the budget process on the robustness of the estimates of borrowing, investment and spending and the adequacy of the proposed financial reserves taking into account the affordability, prudence, sustainability, value for money, stewardship of assets, service objectives and practicality requirements as provided by CIPFA's Prudential Code of Capital Finance in Local Authorities concerning borrowing and investment.
59. Members are obliged to take into account all relevant considerations and disregard all irrelevant considerations in seeking to ensure that the Council acts lawfully in adopting a budget and setting council tax. The Council must set and maintain a balanced budget and must take steps to deal with any projected overspends and identify savings or other measures to bring budget pressures under control. Members should note that where a service is provided pursuant to a statutory duty, the Council cannot fail to discharge its duty properly.
60. Members have a fiduciary duty to the Council Taxpayer for whom they effectively act as trustee of the Council's resources and to ensure proper custodianship of the Council's resources.

61. This report provides a clear and concise view of the position at present, of future sustainability and the decisions that need to be made for the recommended actions outlined herein with a view to meeting the Council's legal and fiduciary obligations.

Workforce Implications

62. Any proposal that is likely to impact on posts or changes and potential closure of services, will require the Council to conduct a meaningful and timely consultation with trade unions and staff. This will include consideration of alternative proposals put forward as part of the consultation process. The Council's HR policies and procedures for restructures should be followed. Any consideration for staff structural changes should ensure there is a resilient workforce to deliver on-going service requirements. Therefore, consideration of workforce planning should be included in the process.
63. Where redundancies are necessary the appropriate HR policies and procedures should be followed. Redeployment options must be considered.
64. It is important that services engage with HR at the earliest opportunity.

Property Implications

65. There are no new specific property implications that arise from the proposals in this report. As savings and income proposals are considered, property implications will be considered as appropriate.

Other Implications

66. None.

Options Considered

67. None. The Council is statutorily required to set a balanced budget and this report is a step towards this.

Conclusions

68. This report contains £9.2m of new savings and income proposals for 2024/25 that if approved will contribute to closing the £39.4m budget gap reported in the September Cabinet report. The report also provides the estimated increase in Council tax income if it is increased by the maximum 4.99% and if proposed Council Tax Support scheme changes are implemented. The impact being that an additional £14.6m could be generated, resulting in a remaining gap of £15.6m required to be found to balance the 2024/25 budget. This is a significant sum and there is still much work to be done to achieve one of the key principles of the Council's approach in minimising the use of reserves to balance the budget.
69. The Council's financial resilience is of utmost importance in order to be able to deliver statutory services and to have the ability to focus resources on key priorities. It is clear that there is significant funding uncertainty, however, despite these challenges, the Council is resolved to face these challenges head on in setting a balanced, prudent and transparent budget with the best known information. The principles of maintaining a resilient balance sheet and minimising use of reserves for the annual budget remain at the heart of the approach.
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Appendices

Appendix A - Medium Term Financial Plan Summary 2023/24 – 2026/27

Appendix B - Departmental Budget Build Up 2023/24 to 2024/25

Appendix C - Departmental Savings and income proposals

Background Papers

The following documents have been relied on in the preparation of this report: KD5641:
Medium Term Financial Plan (2024/25 to 2028/29) Cabinet - September 2023

Appendix A - Medium Term Financial Plan Summary 2023/24 – 2026/27

	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000
Net Service Costs	304,512	336,129	380,174	398,444
Growth - Previously approved by Full Council	9,465	13,550	12,449	11,980
Growth - New	27,733	23,503	(2,955)	2,271
Inflation - Previously approved by Full Council	6,807	9,674	8,513	8,590
Inflation - New	3,368	4,728	(138)	19
Funding Changes	0	1,109	0	0
Savings - Previously approved by Full Council	(2,683)	(1,544)	323	0
Savings - Unachievable and Reprofiled	1,145	2,266	(545)	0
Savings - New	(14,218)	(9,241)	623	0
Total Funding Requirement	336,129	380,174	398,444	421,304
Core Grants:				
- Revenue Support Grant	(20,758)	(21,796)	(21,796)	(21,796)
- New Homes Bonus	(723)	(723)	(723)	(723)
- Services Grant	(3,000)	(3,000)	(3,000)	(3,000)
- Improved Better Care Fund	(11,726)	(11,726)	(11,726)	(11,726)
- Social Care Grant	(21,106)	(24,500)	(24,500)	(24,500)
- Housing Benefit Admin Grant	(1,402)	(1,402)	(1,302)	(1,202)
- ASC Discharge Fund	(1,644)	(2,740)	(2,740)	(2,740)
- ASC Market Sustainability & Improvement Fund	(3,041)	(4,567)	(4,567)	(4,567)
- ASC MSIF Workforce Grant	0	(1,109)	(1,109)	(1,109)
- Public Health Grant	(18,611)	(18,611)	(18,611)	(18,611)
- Homelessness Prevention Grant	(11,269)	(11,269)	(11,269)	(11,269)
- Rough Sleeping Initiative	(2,896)	(2,896)	(2,896)	(2,896)
Core Grants	(96,176)	(104,339)	(104,239)	(104,139)
Business Rates	(90,809)	(97,454)	(95,454)	(95,454)
Council Tax:				
- Council Tax - in year income	(146,963)	(162,297)	(162,297)	(162,297)
- Council Tax - Collection Fund deficit/(surplus)	(2,181)	(521)	(521)	(521)
Council Tax	(149,144)	(162,818)	(162,818)	(162,818)
Total Funding	(336,129)	(364,611)	(362,511)	(362,411)
Budget Gap (Incremental)	0	15,563	20,370	22,960
Budget Gap (Cumulative)	0	15,563	35,933	58,893

Appendix C – Departmental Savings and Income proposals 2024/25 to 2026/27

Department	Saving Category	Saving Description	2024/25 £'000	2025/26 £'000	Total £'000
CEX	Service Redesign	Chief Executive department Service Redesign	(969)	0	(969)
CEX	Contract Management	Reduce Number of non-critical audits from PWC contract	(66)	0	(66)
CEX	Efficiency	Reduced operational costs of Audit Team	(14)	0	(14)
CEX	Efficiency	Other operational HR & OD Savings	(46)	0	(46)
CEX	Income	Schools' HR Income Generation	(40)	0	(40)
People	Service Redesign	People Department Service Redesign	(427)	0	(427)
People - ASC	Contract Management	Management of care purchasing costs	(900)	0	(900)
People - ASC	Change in Service Delivery	Adult Social Care Demand Management	(662)	0	(662)
People - ASC	Efficiency	Review of Council run services	(500)	0	(500)
People - ASC	Income	Maximisation of income generation Fees & Charges & NHS	(1,100)	0	(1,100)
People - ASC	Contract Management	Review of Transition arrangements	(250)	0	(250)
People - ASC	Growth	Reduction in Market Sustainability & Improvement Fund - Workforce Grant	861	0	861
People - PH	Efficiency	Public Health grant substitution	(300)	300	0
People – C&F	Service Redesign	Deferral of Social Work Apprenticeship Scheme	(128)	128	0
People – C&F	Change in Service Delivery	Youth Centre - review of provision	(29)	0	(29)
People – C&F	Change in Service Delivery	Short Breaks (to be part funded from the Holiday Activities and Food Programme funding)	(15)	0	(15)

Department	Saving Category	Saving Description	2024/25 £'000	2025/26 £'000	Total £'000
People - Education	Efficiency	Transport Cost - Substitution to Dedicated Schools Grant (DSG) High Needs Block	(81)	0	(81)
People - Education	Efficiency	Early Years - Substitution to DSG Early Years block	(63)	0	(63)
People - Education	Efficiency	Reduced Running Costs - Admissions, Education Welfare Service and Education Psychology Service	(54)	0	(54)
People - NCIL	Efficiency	Review the Summer University provision	(100)	0	(100)
Resources	Service Redesign	Resources Department Service Redesign	(279)	0	(279)
Resources	Income	Payroll income generation	(50)	0	(50)
Resources	Income	Pensions recharge	(100)	0	(100)
Resources	Efficiency	Further review of cleaning at the Civic Centre	(20)	0	(20)
Resources	Income	Income & Debt/Financial Assessments GLA/HSG funding of teams/manage CTS in existing resources	(500)	0	(500)
Environment & Communities	Service Redesign	Environment & Communities Department Service Redesign	(937)	135	(802)
Environment & Communities	Efficiency	Library – Operational Efficiencies	(58)	0	(58)
Environment & Communities	Efficiency	Reduction in resources within Complaints Team	(20)	0	(20)
Environment & Communities	Efficiency	Recentralising MEQ resources into Complaint's service	(17)	0	(17)
Environment & Communities	Efficiency	Ceasing printed newsletter bi-annual communications	(25)	0	(25)
Environment & Communities	Efficiency	Review approach to grass cutting – Cemeteries	(35)	0	(35)

Department	Saving Category	Saving Description	2024/25 £'000	2025/26 £'000	Total £'000
Environment & Communities	Change in Service Delivery	Removal of seasonal bedding and replacement with sustainable planting	(20)	0	(20)
Environment & Communities	Change in Service Delivery	Memorial Testing – review of service offer	(50)	0	(50)
Environment & Communities	Income	Introduce further memorial options via cemeteries teams	(10)	0	(10)
Environment & Communities	Change in Service Delivery	Seek alternative external funding for the friends grant support	(16)	0	(16)
Environment & Communities	Change in Service Delivery	Streamlining of parks resources	(97)	0	(97)
Environment & Communities	Efficiency	Reduction in Artist's hospitality budget	(26)	0	(26)
Environment & Communities	Efficiency	Implementation of new purchasing arrangements for the Museum Shop stock	(26)	0	(26)
Environment & Communities	Income	Increased commercial events & hires	(27)	0	(27)
Environment & Communities	Income	Expanding the number of opportunities delivered through the commercial programme	(32)	0	(32)
Environment & Communities	Income	Millfield Theatre – income from leasing building	(10)	0	(10)
Environment & Communities	Income	Additional income school swimming programme	(14)	0	(14)
Environment & Communities	Efficiency	Music Service savings from move to LBE building, cutting non-essential delivery/back-office costs and divesting in stock to reduce storage costs	(88)	0	(88)
Environment & Communities	Income	Further income from Soil Project	(60)	60	0

Department	Saving Category	Saving Description	2024/25 £'000	2025/26 £'000	Total £'000
Environment & Communities	Income	Electric Vehicles Charging Pilot Highway License income	(30)	0	(30)
Environment & Communities	Income	Traffic control measures & Parking contract efficiencies	(1,000)	0	(1,000)
Environment & Communities	Income	Commercial Waste - Increase Customer Base Income	(50)	0	(50)
Environment & Communities	Efficiency	Operational cost reductions and efficiency improvements with 2 new specialist collection vehicles	(120)	0	(120)
Environment & Communities	Income	Introduction of a Fleet workshop nightshift to increase customer base income	(75)	0	(75)
Environment & Communities	Income	Replacement Bins - Revert back to charging for replacement bins	(264)	0	(264)
Environment & Communities	Income	Green Waste – increase subscription charge for 2024/25	(200)	0	(200)
Housing & Regeneration	Service Redesign	Housing & Regeneration Service Redesign	(72)	0	(72)
Council wide	Change in service delivery, efficiency and Income	Other minor operational efficiencies	(30)	0	(30)
		Total New Savings & Income Proposals	(9,241)	623	(8,618)