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# Executive Decision- Budget Savings

Decision to be taken by: City Mayor

Decision to be taken on: 9<sup>th</sup> November 2023

Lead director: Amy Oliver, Director of Finance

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- Ward(s) affected: All
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- Report version number: 2

## **1. Summary**

1.1 As members are aware, the funding outlook for 2024/25 and beyond is bleak. The Council's "managed reserves" (which provide a cushion to support budget reductions) are facing exhaustion.

1.2 The purpose of this report is to advise the OSC and Executive of decisions directors have taken to reduce revenue expenditure in advance of the 2024/25 budget, and thereby achieve savings as quickly as possible (Appendix A). This will reduce the requirement for managed reserves.

1.3 The report follows a now established process whereby directors have identified savings and approval to reduce the budget has been sought through periodic budget monitoring reports. Given the scale of the current challenge it is felt more appropriate to present the current tranche in a separate report. The monitoring report for period 6 of 2023/24 will be presented to OSC members on 14 December 2023: potentially, this will include further savings.

1.4 In the 2023/24 budget report, it was noted the Council will need to continue to find savings in future budgets, to manage the impact of government funding settlements which are expected to be inadequate.

1.5 Total savings presented in this report amount to £5m by 2025/26.

## **2. Recommended actions/decision**

2.1 The Executive is recommended to:

- Note the savings described in Appendix A, which result from decisions taken by directors to reduce cost.
- Approve the consequent reductions in the budget described in Appendix A, and delegate authority to the Director of Finance to determine the specific budget ceilings affected.
- Transfer the saving achieved in 2023/24 to the managed reserve, in order to reduce the amount we need this year.

2.2 The OSC is recommended to:

- Comment on the proposals in this report.

### **3. Financial Background**

3.1 Members will be aware from the General Fund Budget report for 2023/24 that the medium-term financial outlook is the most severe we have known, in all our years as a unitary authority. This is a common position across the local authority sector. The City Mayor has written to the Secretary of State to express his grave concern at the position we face. We are facing restricted Government funding at a time of increasing costs, which will inevitably lead to painful spending cuts. The situation has been compounded by recent budget pressures, particularly in respect of children's social care and accommodating homeless people. These pressures were described in the period 3 budget monitoring report. The period 6 budget monitoring report will provide a further update in December to OSC.

3.2 The medium-term forecasts that accompanied the budget in February showed that expenditure was expected to exceed our income in both 2023/24 and 2024/25 and be supported by reserves. The 2023/24 budget is supported by £34.1m of reserves; the draft budget for 2024/25 will be published in December and will again show a substantial requirement for reserves. This position is unsustainable and will leave us facing the next round of austerity in 2025/26 with very little (if anything) in the bank.

3.3 Since approving the budget for 2023/24, savings of £5.3m have been achieved and reflected in previous decisions. The savings in this report will (if approved) mean that a further £5.0m (full year effect) have been delivered and will support the next budget.

### **4. Background Reports**

4.1 The General Fund budget set for the financial year 2023/24 was £382.7m, before the use of managed reserves of £34.1m, bringing the general fund requirement down to £348.6m.

4.2 The Revenue Budget monitoring April to June 2023/24 highlighted the known budget pressures and identified savings decisions that had been taken, and the reduced call on the managed reserves.

### **5. Detailed report**

5.1 A table of savings is included at appendix A, which for the 2025/26 budget will save £5.0m.

### **6. Financial, legal, equalities, climate emergency and other implications**

#### 6.1 Financial implications

This report is solely concerned with financial issues.

#### 6.2 Legal implications

The report notes the savings decisions made by directors and seeks endorsement of the resultant budget reductions. Where needed by law, any due diligence needed to comply

with public law and statutory requirements should have been undertaken during the formulation of the relevant proposals.

Kamal Adatia Ext 37 1401

### 6.3 Equalities implications

Under the Equality Act 2010, public authorities have a Public Sector Equality Duty (PSED) which means that, in carrying out their functions, they have a statutory duty to pay due regard to the need to eliminate unlawful discrimination, harassment and victimisation and any other conduct prohibited by the Act, to advance equality of opportunity between people who share a protected characteristic and those who don't and to foster good relations between people who share a protected characteristic and those who don't.

Protected Characteristics under the Equality Act 2010 are age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

The report describes the savings programme for the general fund budget. Where savings are made, there could be changes to how we provide services and thus an impact on people from a range of protected characteristics. It is important to understand what these impacts might be and give due regard to them so it will be important to ensure that an Equalities Impact Assessment (EIA) is considered for each service proposal/project as it develops. The EIA process can support the Council to take appropriate action such as removing or mitigating any negative impacts, where possible, and maximising any potential for positive impact.

Kalvaran Sandhu, Equalities Manager, Ext 6344

### 6.4 Climate Emergency implications

The climate emergency implications of the savings outlined in this report will depend significantly on the specific details of the changes planned. In general, however, for some of these areas there may be carbon savings as a result of a reduction in service delivery or increased efficiency. For example, this could include areas where there is an overall reduction in the use of travel/transport and fuel consumption, the use of buildings and energy consumption and the consumption of materials, but only where this would not lead to increased emissions from other services or organisations as a result of these changes.

Aidan Davis, Sustainability Officer, Ext 37 2284

### 6.5 Other implications (You will need to have considered other implications in preparing this report. Please indicate which ones apply?)

**7. Background information and other papers:**

Report to Council on the 22 February 2023 on the General Fund Revenue budget 2023/24.  
Report to OSC on the 20 September 2023 on the Revenue Budget monitoring April to June 2023/24.

**8. Summary of appendices:**

Appendix A – Savings

**9. Is this a private report (If so, please indicate the reasons and state why it is not in the public interest to be dealt with publicly)?** No

**10. Is this a “key decision”? If so, why?** Yes – recurrent savings in excess of £0.5m

**Savings Achieved**

	2023/24 £000's	2024/25 £000's	2025/26 £000's
<b><u>City Development and Neighbourhood savings</u></b>			
Use of grant funding to offset expenditure	299	324	324
Restructuring of the provision of Waste Services	0	75	75
Efficiency savings in Fleet Services	56	183	239
Reduced expenditure on Parks & Open Spaces	30	339	339
Efficiency savings within Regulatory Services	0	113	113
Multi-Agency Hub	0	85	85
Premises savings	57	215	215
Efficiency savings resulting from staffing reviews/vacant posts	0	228	228
Efficiency savings resulting from review of printing	0	1	1
Review of gritters	0	33	33
Capitalisation of posts - Fleet management / Standards & Development	0	68	89
Additional income within Bereavement & EBS	0	127	194
Prudential Borrowing Costs - Fleet management	0	101	202
Efficiency savings in training budget	0	20	20
Waste Services - additional income	0	60	80
Public conveniences - remote locking	0	0	50
Corporate Landlord - facilities management efficiency	0	200	200
TCI operational budget	0	32	32
Recharge to HRA - overcrowding inspections	0	25	25
Use of technology to make efficiencies in Noise Control	0	30	30
Public Safety - efficiencies in processes	0	50	50
Efficiency savings from an organisational review of Graffiti service	0	0	30
Efficiency Savings from Street Cleansing	0	90	180
<b>Total City Development &amp; Neighbourhood savings</b>	<b>442</b>	<b>2,399</b>	<b>2,834</b>
<b><u>Social Care and Education savings</u></b>			
Alternative funding arrangements for CAMHS support	0	155	155
Alternative funding arrangements for Domestic Abuse service	92	252	252
Enablement services - Organisational Review	100	400	400
<b>Total Social Care and Education savings</b>	<b>192</b>	<b>807</b>	<b>807</b>
<b><u>Public Health savings</u></b>			
Efficiencies and elimination of reoccurring underspend when the core substance misuse contract is retendered.	0	0	200
<b>Total Public Health savings</b>	<b>0</b>	<b>0</b>	<b>200</b>
<b><u>Corporate Resources &amp; Support Services savings</u></b>			
Efficiency savings resulting from staffing reviews	49	1,149	1,149
Review of running costs for Risk, Emergency and Business Resilience	0	10	10
<b>Total Corporate Resources &amp; Support savings</b>	<b>49</b>	<b>1,159</b>	<b>1,159</b>
<b>Total Proposed Savings</b>	<b>683</b>	<b>4,365</b>	<b>5,000</b>

