

DRAFT SAVINGS PROPOSALS ANALYSIS

1. Introduction

- 1.1 As presented in **Attachment 1** (Appendix A, Paragraph 2.3), given the scale of the projected budget deficit for 2023/24 (£4.126 million) identified in the updated MTFP adopted in October 2022, senior officers, under the strategic direction of Cabinet, prepared initial savings proposals of £4.293 million (the net impact on the General Fund is £3.889 million, after adjusting for HRA Recharges) in order to achieve a draft balanced budget. The savings are assumed and embedded in Budget presented in **Attachment 1**. The table below summarises those savings by subjective heading.

Table 1: Embedded Savings Proposals

Draft General Fund 2023/24 (@ December 2022): Embedded Savings Proposals	
Description	Value
	£'s
Vacant Posts	1,411,297
Employees	1,024,585
Employees (other)	225,832
Premises	74,439
Transport	1,730
Supplies & Services	1,158,085
Fees & Charges	324,022
Miscellaneous Income	73,000
Overall Savings Total	4,292,990
HRA Recharges Adjustment	(403,944)
Net Savings in General Fund	3,889,046

- 1.2 The identification of savings on this scale (27.0% of the 2022/23 General Fund Net Expenditure budget) is critical to ensure the financial sustainability of the Council. Nevertheless – in developing the proposals – Cabinet and senior officers have been mindful of the overriding need to protect public services and, where the removal of posts is unavoidable, priority has been given to vacant posts, with compulsory redundancies an absolute last resort in the case of occupied posts.
- 1.3 The delivery of the savings proposals presented above requires a formal statutory consultation process, which formally commenced on 9th January 2023 and is currently still in progress. As described in the December 2022 Cabinet report on the draft Budget for 2023/24, the purpose of this attachment is to provide the Committee with more details on the draft savings proposals in order to enhance transparency, invite comment and generally facilitate the robust scrutiny of the draft Budget prior to final consideration by Cabinet on 6th February 2023.

2. Draft Savings Proposals 2023/24 (portfolio analysis)

2.1 The draft Savings Proposals presented above in Table 1 are further analysis by Cabinet portfolio in the table below.

Table 2: Draft Savings Proposals: Portfolio Summary

Portfolio	Gross Savings	HRA Adjustments	Net Savings (General Fund)
	£'s	£'s	£'s
Leader	20,000	(4,000)	16,000
Place	312,850	0	312,850
Finance	1,229,934	(99,845)	1,130,089
Housing & Community	270,504	(31,255)	239,249
Wellbeing & Community Partnerships	458,423	0	458,423
Customer	75,103	(28,794)	46,309
Contracts & Commissioning	52,000	0	52,000
Technical Services	737,944	(408)	737,537
Internal Resources	1,060,597	(224,514)	836,083
Reviews & Efficiency	75,635	(15,127)	60,508
TOTALS	4,292,990	(403,944)	3,889,046

2.2 The individual portfolio savings included in Table 2 above comprise the following budget reductions in 2023/24:

- **Leader (£20,000)** – a 40% reduction in anticipated Legal Fees saving £20,000.
- **Place (£312,850)** – a reduction in the Master Planning budget saving £101,100, the removal of one staff post, saving £28,750, and a range of other savings realising a total of £183,000 (including a range of savings on Local Plan costs following its assumed adoption in time for 2023/24).
- **Finance (£1,229,934)** – the savings in the Finance portfolio are dominated by staff savings achieved from (predominately vacant) posts comprising Revenues & Benefits (£416,637), Economic Development (£219,475), Business Support (£219,098), Audit Services (£89,474) and North Weald Airfield (£58,831).
- **Housing & Community (£270,504)** – the savings in this portfolio predominantly include a wide range of smaller savings in areas such as premises costs (e.g., £23,990 following the disposal of Epping Town Depot, and £23,500 relating to a reduction in Planned Maintenance Costs). The savings also include the removal of one staff post (£75,874) and the assumed realisation of cost savings on the dedicated Policing Team (£45,000).

- **Wellbeing & Community Partnerships (£458,423)** – the savings in this portfolio are dominated by staff savings achieved from (predominately vacant) posts (£334,183). A proposed reduction in third sector grants of £31,895 also forms part of the proposals.
- **Customer (£75,103)** – the proposed savings in the Customer portfolio comprise of mainly miscellaneous small savings totalling £45,551 (including the removal of kiosks in Waltham Abbey and Epping, which realises £7,657). The single largest item relates to the removal of one staff post saving £29,552.
- **Contracts & Commissioning (£52,000)** – the single largest budget saving relates to the introduction of charges for additional Waste Containers (£25,000).
- **Technical Services (£737,944)** – the savings in the Technical Services portfolio are dominated by staff savings achieved from (predominately vacant) posts (£459,682). In addition, an assumed saving of £101,944 will be realised from above inflation increases in fees for Pre-Application Planning Advice and Planning Applications themselves.
- **Internal Resources (£1,060,597)** – the largest area of savings in the Internal Resources portfolio are staff savings achieved from (predominately vacant) posts totalling £447,066 (including Business Support £121,185, Democratic Services £96,429, HR £78,993, and ICT £71,186). The second largest reduction relates to a wide range of small savings on ICT costs in areas such as software and licenses (£282,589). Further highlights include a planned reduction in the use of Agency Staff (£61,990) and the introduction of Car Park charges at Beaumont Drive, Roydon (£22,000); and
- **Reviews & Efficiency (£75,635)** – total staff savings of £75,635 are proposed to be realised from one post.

2.3 To conclude, the detailed review of all budget headings has been successful in the identification of a range of savings that can predominantly be realised without any impact on services; the emphasis has been firmly on protecting frontline services. However, it is regrettably inevitable that a limited number of Council services will be adversely affected, either partially or fully. Thus, if the savings proposals are accepted, the frontline service impacts include the following:

- **Community Safety** – the size of the dedicated Policing Team will be reduced; and
- **Community Programmes** – a range of community activities that the Council delivers or leads on will be either reduced or discontinued. This includes activities such as Yoga, Pilates, Bowls, Life Walks, Theatre Production (in schools) and Youth Projects; in certain instances, these activities will still continue, but will be led by other providers such as schools (in the case of Theatre Productions).