



Council

**Item
7(ii)**

22 February 2023

Report of	Head of Finance and S151 Officer	Author	Paul Cook ☎ 505861 Darren Brown ☎ 282891
Title	Budget 2023/24 and Medium-Term Financial Forecast 2023/24 to 2027/28 – Supplementary Report		
Wards affected	All		

1 Executive Summary

- 1.1 This report revises the 2023/24 budget and Medium Term Financial Forecast 2023/24 to 2027/28 following decisions by the 24 January 2023 Scrutiny Panel and 25 January 2023 Cabinet.
- 1.2 The main budget recommendation is contained in the minute reference from the Cabinet meeting of 25 January 2023.

2 Recommended Decision

- 2.1 To note the revised appendices A, D, E, F, G and J attached to this report.

3 Reason for Recommended Decision

- 3.1 To balance the 2023/24 budget and revise the Medium Term Financial Forecast.

4 Alternative Options

- 4.1 None.

5 Summary of Changes to the Appendices

- 5.1 The table sets out a summary of the changes to the Appendices compared to the 25 January 2023 Cabinet Report. More detail and amendments to the other appendices will be reported in 2023/24 revenue monitoring.

A	Revised figures setting out the overall budget position incorporating the changes set out below.
B	Budget Robustness statement no changes.
C	Treasury Management Strategy no changes. Scrutiny Panel will receive the briefing note requested at their 24 January 2023

	meeting in support of the recommended Treasury Management prudential and treasury indicators.
D	<p>Detailed savings and cost pressures – a fully revised appendix is attached.</p> <p>This includes the following items agreed by 25 January 2023 Cabinet</p> <ul style="list-style-type: none"> • £550k increased sport and leisure income following the recent decision in the VAT treatment case taken against HMRC. This and any prior year adjustments will be taken to a Strategic Plan Delivery reserve. • Remove Neighbourhoods Discretionary Services reduction savings of £300k. • Garden Waste income - increase from £200k to £600k. • Remove Review of Tree Maintenance SLA with ECC saving of £50k. • Add an additional item to Table D5 City Centre repairs and maintenance response service at a cost of £50k
E	The Summary Budget details now fully updated, including a minor switch from funding guarantee grant to services grant.
F	General Fund Budgets details now fully updated.
G	<p>Reserves, Provisions and Balances fully revised.</p> <p>This reflects the new Strategic Plan Delivery reserve created from forecast VAT gains following HMRC recognition that local authority leisure services are outside the scope of VAT.</p> <p>This table also incorporates the statement of reserve movements requested by 24 January 2023 Scrutiny Panel</p>
H	New Homes Bonus Allocations no changes
J	Revised savings templates to reflect the changes set out above.

6 Final 2023/24 Local Government Finance Settlement

- 6.1 There is no overall change to total government funding between the provisional settlement and the final settlement announced 6 February 2023. There is however a £7k switch to services grant from the funding guarantee grant.
- 6.2 There is no change to the Referendum Principles.

7 Risk Management Implications

- 7.1 The 2023-24 Budget reflects current assumptions but will be subject to rigorous monitoring during the 2023-24 financial year.
- 7.2 Modelling has been undertaken with service managers to assess the potential range of impacts before adopting the assumptions described within the report.

8 Financial implications

- 8.1 As set out in the report.

9 Climate Emergency and Environment

- 9.1 All budget measures are assessed for their likely environmental impact, reflecting the Council's commitment to be 'carbon neutral' by 2030. Environment and Climate Change is an essential cross-cutting theme in the Council's recovery planning and a core theme of the new Strategic Plan.+

10 Equality and Diversity Implications

- 10.1 Consideration will be given to equality and diversity issues in respect of budget changes proposed as part of the budget process. This will be done in line with agreed policies and procedures including production of Equality Impact Assessments where appropriate.

11 Other Standard References

- 11.1 There are no direct Publicity, Human Rights, Community Safety or Health and Safety implications as a result of this report.

Revised Appendices

A	2023-28 Medium Term Financial Forecast and Assumptions
D	Technical reconciliations of budget requirement 2023/24
E	Summary Budget 2023/24
F	2023/24 General Fund Budgets
G	Reserves, Provisions and Balances
J	Transformation Savings

Appendix A – 2023-28 Medium Term Financial Forecast and Assumptions

2023/24 Budget and Medium Term Financial Forecast	23/24 £'000	24/25 £'000	25/26 £'000	26/27 £'000	27/28 £'000
Previous year's budget	21,875	24,735	21,458	20,932	21,832
One-off Items	(1,179)	(836)	0	0	0
Cost pressures and growth items	9,347	400	200	1,400	1,550
Capital financing	731	385	(276)	(300)	(303)
Income losses	0	(200)	(200)	(200)	0
Savings	(5,261)	(3,000)	(250)	0	0
Use of new homes bonus for one-off investment	(778)	(26)	0	0	0
Current year's budget	24,735	21,458	20,932	21,832	23,079
Business rates	(6,456)	(6,003)	(5,550)	(5,098)	(4,646)
Government Grant	(1,860)	0	0	0	0
New Homes Bonus	(576)	(550)	(550)	(550)	(550)
Council Tax	(13,936)	(14,591)	(15,152)	(15,721)	(16,304)
Previously planned use of reserves	(207)	79	79	79	279
One-off use of reserves	(1,700)	(200)	(200)	0	0
Budget Gap Cumulative	0	193	(441)	542	1,858

Medium Term Financial Forecast Assumptions	23/24	24/25	25/26	26/27	27/28
Council Tax collection	99%	99%	99%	99%	99%
Growth in council tax base	1.0%	1.0%	1.0%	1.0%	1.0%
Council tax increase	£6.12	£6.12	£6.12	£6.12	£6.12

Appendix D Technical reconciliations of budget requirement 2023/24

Table D1 – Technical reconciliation of budget requirement		
	Element	£'000
1	Revenue expenditure requirement for 2023/24	24,735
2	Collection fund deficit (business rates and Council Tax)	323
3	New Homes Bonus	(576)
4	Use of balances / reserves for pensions payment	(557)
5	Use of Business Rates Reserve	(323)
6	Use of Business Rates Pooling gain	(200)
7	Use of other reserves	(1,350)
8	Budget Requirement	22,052
9	Funded by:	
10	Government Grant (Services and Funding Guarantee)	(1,860)
11	Business Rates Baseline Funding	(4,693)
12	Business Rates Improvement	(1,563)
13	Council Taxpayers requirement (before Parish element)	(13,936)
14	Total Funding	(22,052)

Table D2 – Technical reconciliation of Band D Council Tax (Full reconciliation in Council Tax recommendation)		
1	Council Taxpayers requirement (before Parish element) (£m)	13,936
2	Council Tax Base – Number of Band D Equivalent Properties	65,865.1
3	Council Tax at Band D	211.59

Table D3 – Technical reconciliation of 2023/24 Base Budget		
1	Base Budget	21,875
2	One-off items	(1,179)
3	Cost Pressures	8,678
4	Growth Items	1,400
5	Change in use of New Homes Bonus for one off investment	(778)
6	Savings	(5,261)
7	Forecast Base Budget	24,735

Table D4 – Technical reconciliation of 2023/24 savings		
1	Garden Waste Charging	(600)
2	Sport & Leisure Income due to change in VAT status	(550)
3	Income from budgets overperforming in recent financial years	(550)
4	Recruitment Freeze	(500)
5	Technical items - GF/HRA recharges	(259)
6	Recycling Kit new policy	(230)
7	CCHL Mgt fee reduction to reflect additional project mgt fees	(200)
8	Organisational Design	(200)
9	1.25% NI Reduction (Employers Rate)	(198)
10	Turnstone income	(100)
11	23/24 Fees & Charges growth reflecting higher inflation	(100)
12	Commercial review of existing income generating services	(100)
13	Overtime reduction	(100)
14	Contact & Support – service reduction	(100)
15	Consolidation of GF Housing Services	(100)
16	Reduce Energy Consumption	(100)
17	Castle Park Cricket Club Grounds Maintenance	(82)
18	Eudo Road Sports Ground rental	(80)
19	CBH SLA income from tri-annual review	(80)
20	Various Asset Management Initiatives (easements, lease regears)	(75)
21	Museums - review of service model & utilise external funding	(60)
22	Northern Gateway Sports Park increased income assumptions	(56)
23	Rowan House Refurbishment - re-profiling/cost update	(56)
24	Local Fast Fibre Network reduced income assumptions	(50)
25	Removal of Amphora Sport & Leisure Strategic Management Fee	(50)
26	22/23 Fees & Charges mid-year review feeding into 23/24 base budget	(50)
27	Review all Fixed-Term contracts	(50)
28	Allow staff to reduce hours	(50)
29	AVC scheme & reduction in ER's NI contributions	(50)
30	Sports & Playing Fields - review GM standards & enable/empower others	(50)
31	Environmental Health – service reduction	(50)
32	Revs & Bens New Burdens Grant	(50)
33	Arts Council funding increase (21/22 budget setting)	(40)
34	Community Initiatives - utilise further external funding	(35)
35	Reduction in Community Enabling Team	(30)
36	Property Group 1 easements	(30)
37	Property Group 3 Lettings (Rent)	(30)
38	Countryside sites - commercial opportunities/model of management	(25)
39	Property Group 5 (Service Charge & NNDR)	(23)
40	Castle Park café (21/22 budget setting)	(20)

41	Payment processing system	(20)
42	Amphora dividend (Memoirs)	(15)
43	Heckworth House business rates saving (21/22 budget setting)	(15)
44	Council tax penalties	(12)
45	Car park markets and events (21/22 budget setting)	(10)
46	Property Group 0 lease regear	(10)
47	Property Group 4 (Service Charge & NNDR)	(10)
48	Shared Prosperity Fund admin grant	(10)
49	Total Savings	(5,261)

Table D5 – Technical reconciliation of 2023-24 cost pressures and growth items		
1	General Inflation (pay, contractual etc)	3,000
2	Utilities/Energy Inflation	1,533
3	Support for transformation & future budget savings	1,400
4	Waste Service - various cost pressures	864
5	Pensions (3 year up-front deficit payment)	836
6	Net Impact of Minimum Revenue Provision and Interest	731
7	2022 Actuarial Review Impact	500
8	Fuel	270
9	Sport and Leisure - various cost pressures	206
10	Council Tax Sharing Agreement	200
11	Elections	157
12	Audit Fees	150
13	Banking Charges	65
14	Insurance	51
15	City Centre Repairs & Maintenance Response service	50
16	Voluntary Sector Grants	35
17	Asset Valuations	16
18	Payroll System costs	14
19	Total cost pressures and growth items	10,078

Appendix E - Summary Budget 2023/24

	Adjusted Base Budget	One-Off Items	Cost Pressures	Growth Items	Technical Items	Total Savings	Detailed 22/23 Budgets
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Corporate & Democratic Core	(448)	0	415	0		0	(33)
Executive Management Team	794	0	47	0		(7)	834
Corporate & Improvement	6,986	0	365	0		(167)	7,184
Community	1,493	0	434	0		(445)	1,482
Customer	1,931	0	436	0		(178)	2,189
Environmental (excl NEPP)	5,878	(363)	2,286	0		(1,242)	6,559
Place & Client	3,351	(686)	2,331	3		(1,851)	3,148
Total General Fund Services	19,985	(1,049)	6,314	3	0	(3,890)	21,363
Technical Items							
<i>Corporate Items / sums to be allocated to services</i>							
Procurement Savings	(108)		0			0	(108)
Investment Allowance funded by New Homes Bonus	1,323	0	0	(781)		0	542
Previously agreed funding for Strategic Priorities	(94)		0	0		0	(94)
Digital Roadmap	100		0	0			100
Fees & Charges Review & Growth	0		0			(250)	(250)
Senior Management Restructure	0		0			(200)	(200)
Inflation yet to be allocated	96	(130)	797				763
Improved Establishment Control	(10)		0				(10)
Rowan House	65		0			(65)	0
General Fund Housing Services Review	0		0			(100)	(100)

Energy consumption reduction	0		0			(136)	(136)
Overtime reduction	0		0			(100)	(100)
Fixed Term contracts review	0		0			(50)	(50)
Additional Voluntary Contribution Scheme	0		0			(50)	(50)
Reduced staffing hours	0		0			(50)	(50)
Revs & Bens New Burdens Grant	0		0			(50)	(50)
Council tax Penalties	0		0			(12)	(12)
Shared Prosperity Fund admin grant	0		0			(10)	(10)
Payment processing system	0		0			(20)	(20)
Support for transformation & future budget savings	0		0	1,400			1,400
<i>Non-Service Budgets</i>							
CLIA (net interest)	1,025		101				1,126
Repairs & Renewals Contribution	300		0				300
Minimum Revenue Provision	2,123		630				2,753
Pensions	366	0	836				1,202
Contribution to Bad Debts Provision	20		0				20
GF/HRA/NEPP Adjustment	(3,316)		0			(278)	(3,594)
Sub-Total	1,890	(130)	2,364	619	0	(1,371)	3,372
Total incl Below the line	21,875	(1,179)	8,678	622	0	(5,261)	24,735
<i>Funded by:-</i>							
Use of balances	(125)	125	0		0		0
Contribution to balances	935	(935)	0		829		829
Use of other Earmarked Reserves	0	0	0		(836)		(836)
Use of Reserves - Covid 19	(522)	522	0		(1,900)		(1,900)
Use of NNDR reserve	(4,908)	4,908	0		(323)		(323)
Govt - CSP Funding Guarantee Grant	0	0	0		(1,685)		(1,685)

Govt - Lower Tier Grant	(198)	198	0		0		0
Govt - Services Grant	(298)	298	0		(175)		(175)
Business Rates Baseline	(4,343)		0		(350)		(4,693)
NNDR Growth above Baseline	(1,870)		0		307		(1,563)
Business Rates Pooling	(200)		0		0		(200)
Council Tax	(13,300)		0		(636)		(13,936)
Collection fund Transfer	4,908	(4,908)	0		323		323
New Homes Bonus	(1,954)		0		1,378		(576)
Total	(21,875)	208	0	0	(3,068)	0	(24,735)

Appendix F - 2023/24 General Fund Budgets

	Direct Budgets			Non-Direct Budgets	
Area	Spend	Income	Net	Net	Total
	£'000	£'000	£'000	£'000	£'000
Corporate & Democratic Core	537	(570)	(33)	2,908	2,875
Total	537	(570)	(33)	2,908	2,875
Executive Management Team					
EMT	834	-	834	(834)	-
Total	834	-	834	(834)	-
Community					
Assistant Director	174	-	174	(174)	-
Licencing, Food & Safety	545	(583)	(38)	314	276
Community Safety	100	-	100	3	103
Environmental Health Services	415	(66)	349	124	473
Building Control	464	(564)	(100)	266	166
Community Initiatives	351	(1)	350	184	534
Private Sector Housing	552	(174)	378	103	481
Bereavement Services	1,159	(2,024)	(865)	273	(592)
Cultural Services	631	(96)	535	1,054	1,589
Colchester Museums	33	(594)	(561)	39	(522)
Subtotal	4,424	(4,102)	322	2,186	2,508
Colchester & Ipswich Museums	2,420	(1,260)	1,160	799	1,959
Total	6,844	(5,362)	1,482	2,985	4,467
Customer					
Assistant Director	169	-	169	(169)	-
Accounts & Debt	797	(165)	632	(632)	-
Local Taxation & NNDR	615	(750)	(135)	627	492
Benefits & Hub	928	(188)	740	(740)	-
Contact & Support Centre	1,112	(30)	1,082	(1,082)	-
Electoral Services	562	(3)	559	76	635
Customer Digital & Systems	174	-	174	(174)	-
Land Charges	147	(299)	(152)	152	-
Subtotal	4,504	(1,435)	3,069	(1,942)	1,127
Benefits - Payments & Subsidy	32,491	(33,371)	(880)	656	(224)
Total	36,995	(34,806)	2,189	(1,286)	903
Environment					
Assistant Director	168	-	168	(168)	-
Neighbourhood Services	14,278	(5,277)	9,001	3,072	12,073
Car Parking	1,089	(3,699)	(2,610)	888	(1,722)

		Direct Budgets				Non-Direct Budgets	
	Subtotal	15,535	(8,976)	6,559		3,792	10,351
	Parking Partnership (NEPP)	4,301	(4,340)	(39)		81	42
	Total	19,836	(13,316)	6,520		3,873	10,393
	Place & Client						
	Assistant Director	163	-	163		(163)	-
	Place Strategy	658	-	658		115	773
	Housing	2,887	(1,341)	1,546		(190)	1,356
	Planning	1,297	(1,415)	(118)		701	583
	Sustainability & Climate Change	274	(16)	258		14	272
	Subtotal	5,279	(2,772)	2,507		477	2,984
	<i>Company Related:-</i>						
	Client - Commercial Company	1,846	(302)	1,544		(1,846)	(302)
	Corporate Asset Management	2,221	(308)	1,913		(1,835)	78
	Commercial & Investment	1,252	(4,343)	(3,091)		2,517	(574)
	Sport & Leisure	6,857	(6,582)	275		2,075	2,350
	Total	17,455	(14,307)	3,148		1,388	4,536
	Corporate & Improvement						
	Assistant Director	153	(129)	24		(153)	(129)
	Finance	1,164	(211)	953		(953)	-
	ICT	2,864	(464)	2,400		(2,400)	-
	People and Performance	854	(164)	690		(726)	(36)
	Governance	3,126	(442)	2,684		(2,624)	60
	Communications	663	(230)	433		(433)	-
	Total	8,824	(1,640)	7,184		(7,289)	(105)
	Total (excl. NEPP)	87,024	(65,661)	21,363		1,664	23,027

* Non-direct budgets reflect recharges between service areas and technical accounting charges. These are shown to present the full cost of services.

Appendix G - Reserves, Provisions and Balances

	2021/22	2022/23	2023/24
	Actual	Forecast	Forecast
	£'000	£'000	£'000
General Fund Balance	2,160	2,160	2,160
Future budget Reserve	6,862	1,992	1,092
Strategic Plan Delivery Reserve	-	-	550
Redundancy Provision	1,000	750	750
Risk Allocation - Available for revenue purposes	515	515	515
NEPP/CIMS Ring-Fenced Reserves etc	252	252	252
Pension Fund Deficit	2,279	3,214	2,657
Repairs & Renewals Fund	3,182	3,182	2,682
Insurance Reserve	739	739	739
Capital Expenditure Reserve	516	516	516
Gosbecks Reserve	114	114	114
Revenue Grants Unapplied	4,869	4,869	4,669
Decriminalisation Parking Reserve	336	336	336
Business Rates Reserve	9,918	6,010	6,687
Revolving Investment Fund Reserve	2,056	2,056	2,056
Other Reserves	305	305	305
Total General Fund Reserves	35,103	27,010	26,080
Housing Revenue Account Balance	4,555	4,555	4,555
Housing Revenue Account Retained Right To Buy Receipts – Replacement & Debt	7,712	6,637	5,338
Total Housing Revenue Account Reserves	12,267	11,192	9,893
Total Reserves	47,370	38,202	35,973

	2022/23			2023/24
	Forecast	In	Out	Forecast
	£'000	£'000	£'000	£'000
Summary Total Reserves	38,202	4,052	(6,281)	35,973
<i>Analysed as follows:</i>				
Pension Fund Deficit		279	(836)	
Business Rates Reserve			(323)	
Future budget Reserve – use to balance 2023/24 budget		-	(900)	
Repairs & Renewals Fund – use to balance 2023/24 budget			(800)	
Strategic Plan Delivery Reserve		550	-	
Revenue Grants Unapplied		-	(200)	
As per Table D1		829	(3,059)	
Repairs & Renewals Fund – contribution included in Base Budget		300		
Business Rates Reserve – potential year-end gain, not included in budget.		1,000		
General Fund Reserves Movement	27,010	2,129	(3,059)	26,080
Housing Revenue Account Retained Right To Buy Receipts – Replacement & Debt		1,923	(3,222)	
Housing Revenue Account Reserves Movement	11,192	1,923	(3,222)	9,893
Total Reserves Movement	38,202	4,052	(6,281)	35,973

Appendix J

Transformation Budget Savings 2023/24 onwards. Non-transformational see Appendix D4.

Strategy Theme	Council wide staffing		
Introduction	£25.8m of the Council's spend is on staffing. Savings can be made across the whole organisation through initiatives to manage the staffing budgets. The following workstreams will reduce staffing expenditure.		
Saving	Benefits, Issues, Risks and Impact	23/24 £000's	24/25 £000's
Recruitment freezes for external appointments	<ul style="list-style-type: none"> Staff turnover rate 15% (ex H&S and income generation). Freeze the recruitment of external appointments except for roles required for health and safety, income generation, are fully externally funded or in specialist technical areas. We will encourage and help staff on permanent contracts to be flexibly employed and re-trained where required to move around and within the organisation where needed. Risks: <ul style="list-style-type: none"> Reprioritise activities or reduce quality-of-service delivery 	500	0
Review all fixed term contracts	<ul style="list-style-type: none"> We have numerous fixed term contracts that will be reviewed on an individual and service basis to reduce the number that need to be extended. Use external funding to pay for permanently employed staff (risk if external funding ceases). Risks: <ul style="list-style-type: none"> As fixed term contracts end areas of work will need to be reduced or reprioritised. Loss of external funding Reduction in capacity for service delivery 	50	0
Reduce overtime budgets	<ul style="list-style-type: none"> We will review all overtime budgets and spend Reduce budgets if work could be reduced or reprioritised Risks: <ul style="list-style-type: none"> Reduction in capacity for service delivery 	100	0
Reduction of staffing hours worked	<ul style="list-style-type: none"> Allow staff to reduce paid hours in a fair and flexible way Need commitment for a full year's reduction in hours Risks: <ul style="list-style-type: none"> Reduction in capacity for service delivery 	50	0
Reduce employers NI contributions	<ul style="list-style-type: none"> Option for staff to make Additional Voluntary Contributions to their pension through a new salary sacrifice scheme This in turn will reduce employers NI contribution and results in a saving. Risks: <ul style="list-style-type: none"> Take up uncertain 	50	0
Sub total:		750	0

Strategy Theme	Collaboration across service and system partners		
Introduction	Empower, support, and enable system partners and communities to use their agility, resources, and skills to find solutions themselves and build self-reliance. We recognise that with appropriate resources they may be able to deliver more efficiently at a local level. This will allow us to minimise or co-produce services within a citizen led model resulting in system partners and communities fostering a sense of independence, pride, and possibilities.		
Saving	Benefits, Issues, Risks and Impact	23/24 £000's	24/25 £000's
Reduce Community Enabling Team resource	<ul style="list-style-type: none"> Community Enabling Team external funding raised Through our Community Can approach (ABCD), we work with partners to empower and enable residents Risks: <ul style="list-style-type: none"> External funding not available medium to longer term. Reduction in capacity whilst maintaining service delivery 	65	0
Reduce spend on the Disabled Facilities Grant (DFG) service	<ul style="list-style-type: none"> Maximise cost recovery from DFG grant A Home Improvement Agency (as other councils). Resource still needed to monitor contract performance Risks: <ul style="list-style-type: none"> Cost recovery will be investigated in business case Loss of experienced staff (hard to recruit area) 	0	68
Reduce CCC spend on countryside sites	<ul style="list-style-type: none"> Use commercial opportunities and mode of management / ownership; consideration of increasing commerciality of Mersea Beach Huts and Mersea Pontoon. Risks: <ul style="list-style-type: none"> Beach Hut agreement changes require 12-month notice. 	25	25
Reduce CCC spend on sports and playing fields	<ul style="list-style-type: none"> Review standards of grounds maintenance. Enable and empower Parish Councils/Sports Clubs to take on management or ownership with an appropriate payment. Risk: <ul style="list-style-type: none"> Criticism of standards Groups' 23/24 budgets already set. Mitigated by the Council providing some start-up funding. 	50	50
Sub total:		140	143

Strategy Theme	Funding Strategy and Reserves		
Introduction	We pay a core management fee to our Amphora subsidiaries, as well as project management fees. We will review these arrangements to ensure there is no duplication and that value for money is maintained.		
Saving	Benefits, Issues, Risks and Impact	23/24 £000's	24/25 £000's
Reduce project management fee to Amphora	<ul style="list-style-type: none"> • Reduce the core management fee to Amphora to reflect additional project management fees paid to subsidiaries Risks <ul style="list-style-type: none"> • Loss of income to Amphora 	200	0
Sub total:		200	0

Budget Strategy Theme	Fees and Charges / Commercialising CCC Services		
Introduction to Theme	We will review our ability to provide discretionary services that have previously been free of charge or below the market rate. Fees and charges will be increased or introduced to maintain these services. We will focus on our commercial activities to enable us to be sustainable and self-sufficient based on an income generating capability and ensure our fees and charges keep pace with inflationary pressures.		
Saving	Benefits, Issues, Risks and Impact	23/24 £000's	24/25 £000's
2022/23 mid-year review of fees and charges	<ul style="list-style-type: none"> • Mid-year review has happened to reflect inflationary factors • Additional income 22/23 then allows us to increase the baseline income assumptions for 23/24 Risks: <ul style="list-style-type: none"> • Demand for services falls due to increased fee charged. Mitigated by reviewing each fee and charge individually. 	50	0
2023/24 review of fees and charges	<ul style="list-style-type: none"> • Increase fees and charges for 23/24 by inflation • Currently assume a 2.5% increase Risks: <ul style="list-style-type: none"> • Demand for services falls due to increased fee charged. Mitigated by reviewing each fee and charge individually 	100	0
Commercial review of existing income generating services	<ul style="list-style-type: none"> • Areas identified for additional income are activities in Colchester Museum and commercial opportunities in Castle Park, Café, Boating Lake and Bowling Club Risks: <ul style="list-style-type: none"> • Revenue or capital costs for some proposals to improve commercial offering and legal compliance 	100	100
New income from Eudo Road Tennis Centre	<ul style="list-style-type: none"> • Now rented out part of the Eudo Road Sports Ground • With full planning approval additional 25-50% rent income Risks: <ul style="list-style-type: none"> • The level of income depends on whether the Padel Tennis provider can get planning permission • First 3 months will be rent free affecting income 23/24 	80	0
Charge for Garden Waste	<ul style="list-style-type: none"> • Charging for discretionary services currently provided free of charge. • Budget assumes 10% take-up in Season 1 (2023/24), and 21% in 2024/25. • Budget is income less Credit Claim, based on above percentage assumptions. • The budget assumes revenue costs remain the same (i.e. fuel and staffing), until such time as the customer base is stabilised and routes are re-optimised Risks: <ul style="list-style-type: none"> • Income forecast has been based on numerous assumptions and will be subject to change. • The current economic climate may impact take-up, considering this is discretionary spend. • Consultation on the Environment Act 2021 has not ended. If the act does not allow charging in future years new burdens funding is likely to be offered. 	600	725

	<ul style="list-style-type: none"> Fly tipping of green waste may initially increase 		
Charge residents for Recycling Kit	<ul style="list-style-type: none"> Develop and introduce a new policy for the provision of recycling kit. All options to be explored Residents can use any suitable items to contain and present recycling. Risks: <ul style="list-style-type: none"> Recycling kit costs fluctuate. The current economic climate may impact sales. Credit claim may reduce if recycling tonnages reduces. The Environment Act 2021 (as above). 	230	0
Revs and Bens New Burdens Grant	<ul style="list-style-type: none"> This is anticipated income for the administration of Business Grant reconciliation work, Council Tax rebates and new alternative energy schemes Risks: <ul style="list-style-type: none"> This is one off income in 2023/24 	50	0
Council Tax penalties	<ul style="list-style-type: none"> New Council Tax penalties for residents claiming discounts and exemptions which they no longer qualify for. Risks: <ul style="list-style-type: none"> Some residents may find it difficult to pay penalties 	12	0
Shared Prosperity Fund admin grant	<ul style="list-style-type: none"> Some of the Shared Prosperity Fund admin grant can be used as income The admin work that is being done internally can be absorbed within current workloads. The remainder of the admin grant is needed for external consultancy work. Risks: <ul style="list-style-type: none"> This is low risk one off income in 2023/24 	10	0
Sub total:		1,232	825

Strategy Theme	Service Rationalisation and Organisational Development		
Introduction to Theme	<p>Over the years we have provided a broad range of high quality statutory and discretionary services. Our financial challenges mean we can no longer provide such a broad range at the same levels, and we now need to reprioritise these. We will review services and provide what is essential at acceptable levels to meet our statutory requirements and deliver against our Strategic Plan.</p> <p>As an organisation we have become more streamlined and less hierarchical, making continued efficiencies.</p> <p>We are making further savings in the workstreams detailed in this section.</p>		
Saving	Benefits, Issues, Risks and Impact	23/24 £000's	24/25 £000's
Organisational Design	<ul style="list-style-type: none"> Senior Management Team (SMT) structure has been reviewed, redesigned to a new Senior Board Structure. The resulting team has reduced from nine roles to six roles with an overall saving of £200K. <p>Risks:</p> <ul style="list-style-type: none"> The team has reduced by a third so there is less overall capacity and resilience, but this has been mitigated by distributing leadership and decision making to service delivery leads. 	200	0
Sport and Leisure - New service model	<ul style="list-style-type: none"> Sport and Leisure will create a more efficient staffing structure and service model There is confidence that service levels and associated income can be maintained <p>Risks:</p> <ul style="list-style-type: none"> The savings will rely on a further service review and the implementation of a new technology system for sport and leisure 	0	200
New refuse and recycling service	<ul style="list-style-type: none"> A new refuse and recycling strategy will be developed with anticipated reduced running costs. It will be a strategy fit for a modern and green city We will look at options to improve staff welfare and provide a resilient service, whilst aiming to improve recycling rates Numerous options to be considered in a phased approach. <p>Risks:</p> <ul style="list-style-type: none"> The Environment Act 2021 (see above). Depending on the model capital and revenue investment may be needed. 	0	1,000
Contact and Support - service reduction	<ul style="list-style-type: none"> A review is being done on current opening hours for the telephone contact centre which will include response rates for telephony and emails. It is likely that there will be an improved pattern of opening hours and increased response rates. 	100	100

	<ul style="list-style-type: none"> • New customer service standards will be developed and published which will include new opening times and updated response times. Risks: <ul style="list-style-type: none"> • Need to implement the new service approach. 		
Consolidation of housing functions in CCC and CBH	<ul style="list-style-type: none"> • We will consolidate some General Fund housing services which are currently distributed across both CBH and CCC in multiple departments • By consolidating them, duplication and management costs can be reduced Risks: <ul style="list-style-type: none"> • Impacts need to be identified and risks will be mitigated by generating efficiencies from management and reduced duplication 	100	100
Museums - service reorganisation	<ul style="list-style-type: none"> • Increase income targets, utilise business rate savings and improve income generation through digitisation and fundraising Risks: <ul style="list-style-type: none"> • Relationship management 	60	0
Museums – service remodelling	<ul style="list-style-type: none"> • Review our service model to improve efficiency Risks: <ul style="list-style-type: none"> • Relationship management 	0	100
Environmental Health - service reduction	<ul style="list-style-type: none"> • Review to reduce the FTE in Environmental Protection and Food Safety by 0.5 FTE each • Increase income for PSH by £17K Risks: <ul style="list-style-type: none"> • Redundancy and reduced capacity. 	50	0
Sub total:		510	1,500

Strategy Theme	Asset Management		
Introduction to Theme	CCC owns a significant number of land and property assets which can be used to bring in income. By proactively managing these assets, income can be maximised, and costs reduced.		
Identified savings			
Title of saving	Benefits, Issues, Risks and Impact	23/24 £000's	24/25 £000's
Property Group 0 lease Re-gear	<ul style="list-style-type: none">One off premium Risks: <ul style="list-style-type: none">Normal commercial considerations.	10	0
Property Group 1	<ul style="list-style-type: none">Planning permission has been grantedOne off £30K premium agreed if it proceeds Risks: <ul style="list-style-type: none">Normal commercial considerations.	30	0
Property Group 2 Other asset management initiatives	<ul style="list-style-type: none">Arising in year includes easement requests, lease re-gears Risks: <ul style="list-style-type: none">Normal commercial considerations.	75	0
Property Group 3	<ul style="list-style-type: none">3 units available Risks: <ul style="list-style-type: none">Normal commercial considerations.	30	0
Property Group 4 lettings service charge and NNDR income	<ul style="list-style-type: none">Service charge and NNDR income on 3 units to be let Risks: <ul style="list-style-type: none">Normal commercial considerations.	10	0
Property Group 5 service charge and NNDR income	<ul style="list-style-type: none">NNDR saving of £8K per annum and Service charge of £15K income on property to be let Risks: <ul style="list-style-type: none">Normal commercial considerations.	23	0
Reduce energy consumption	<ul style="list-style-type: none">We are currently recruiting an Energy Manager to identify opportunities to reduce energy usageEarly innovation ideas could include speed/RPM control motor for pool heating at Leisure World which will reduce energy use Risks: <ul style="list-style-type: none">Inevitably some savings will require capital investment first, e.g. sub-metersSome options may require a reduction in opening times for services, or more attention to patterns of use and energy “awareness”	100	100
Sub total:		278	100

Strategy Theme	Digital Innovation		
Introduction	We have been ahead of the curve in local government in digital development and transformation. We have been upgrading internal infrastructure and using new cloud-based systems to run and deliver our services. We have been (and still are) replacing old legacy systems which have become expensive and no longer supported. Next generation digital solutions are being fully implemented and adopted which will enable us to optimise and automate our services. This will also enable shared services with other LA's.		
Saving	Benefits, Issues, Risks and Impact	23/24 £000's	24/25 £000's
Payment processing system	<ul style="list-style-type: none"> Review of the costs of processing payments and the assessment has found potential savings of £40K Merchant services transfer process will be fully managed and paid for by Lloyds Bank Risks: <ul style="list-style-type: none"> Procurement and Legal requirements to finalise 	20	20
Sport and Leisure system review	<ul style="list-style-type: none"> Review all Sport and Leisure systems and options which will be modern and should be more efficient New Sport and Leisure systems should also enhance and enable increased income for the service Risks: <ul style="list-style-type: none"> Need to ensure staff are trained and able to run/develop new systems for resilience and digital focus. 	0	50
Contact and Support telephony automation	<ul style="list-style-type: none"> The replacement of an outdated and limited-support contact centre (Voice Only) with a full Contact Centre (Voice / Email / Chat Bot / Agent Chat) will enable more automation and should lead to resource efficiencies. There will be more options to develop and build automation and optimisation for customer contact Phase 1 early 2023 Voice, Email, and Secure Pay. Phase 2 Chat Bot, Agent Chat, Social Media 23-24. Risks: <ul style="list-style-type: none"> Contact and Support large change programme 	0	20
New Finance system	<ul style="list-style-type: none"> There is a procurement saving as we implement a new finance system Risks: <ul style="list-style-type: none"> Other demands on scarce finance team resources 	0	25
New Finance system process efficiencies	<ul style="list-style-type: none"> New system more efficient processes and automation New processes to illuminate data input and duplication Processes and e-communications will cut out costs in staff resources and print and post Risks: <ul style="list-style-type: none"> Other demands on scarce finance team resources 	0	25

Sub total:	20	140
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Total: (£000's)	3,130	2,708
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