

**TITLE OF REPORT:** Budget 2023/24 - Revenue Savings Proposals

**REPORT OF:** Sheena Ramsey, Chief Executive  
Corporate Management Team

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### **Purpose of the Report**

1. To seek Cabinet approval for consultation on the draft budget revenue savings proposals for 2023/24.

### **Background**

2. The Council continues to operate in the context of an unprecedented period of financial and economic instability. Set against the backdrop of a decade of austerity, cuts to funding, increasing demand, and continuing uncertainty over sustainable funding all hamper sound financial planning.
3. The recent Autumn Statement delivered by the Chancellor did not address the grave financial needs of local government. For councils with social care responsibilities this clearly raises hard choices about priorities for spending and again places universal local neighbourhood-level services under greater, and unequal financial pressure, as has been the case throughout the period of austerity.
4. The challenging local context of austerity and increasing demand on council services, has compelled the Council to prioritise its finite resources to where it is most needed.
5. The Council has always been incredibly ambitious for the residents of Gateshead, working hard to ensure it is a great place to live, work and visit. Guided by our strategic approach *Making Gateshead a Place Where Everyone Thrives*, we are placing people and families at the heart of everything we do and strive to deliver person-centred, quality services in the borough. Our ultimate ambition is to address the inequalities that exist in Gateshead.
6. Our strategic approach provides a framework for how the Council will work and make decisions, and one that is policy and priority led. Underpinned by the Gateshead Health and Wellbeing Strategy - our approach is aligned to the Council's Medium-Term Financial Strategy (MTFS).
7. The Council recognises that there are huge financial pressures on not just its own resources, but those of partners, local businesses and our residents. To deliver on the strategic approach, the Council will need to be resolute in its determination to create the conditions to allow everyone to *Thrive*.

8. On 25 October 2022 the updated MTF5 was reported to Cabinet outlining an estimated financial gap of £55m over the five-year period 2023/24 to 2027/28 with £10.6m in the first year of 2023/24. Crucially, this is after the agreed use of reserves in the three-year budget approach, and pandemic reserves.
9. The scale of the financial challenge we're facing cannot be underestimated, and we recognise the impact of taking a further £55m out of the Council will have on both the health and resilience of Gateshead. This is on top of £179m of savings the Council has made over the last twelve years. At the same time, the cost of living crisis and political instability at a national level is having a negative impact on the economic outlook and will present a series of further challenges for the Council, businesses and residents.
10. The reduction since 2010 is the equivalent to £900 less to spend per resident. By the end of the MTF5 period this is estimated to rise to £1150 less.
11. Given the continuing uncertainty over funding reform and the heightened risk that public service funding will be restricted in real terms into the future, this may necessitate the Council to identify and deliver significant additional savings on top of the gap estimated in the MTF5. As we move forward, we will need to consider how best the Council remains financially resilient.
12. We will continue to work through the challenging times that lie ahead building on our strong collaborative approach, working with our partners, to steer a way forward, and deliver the conditions to allow local people to *Thrive*. Our commitment to work collaboratively and fight for a better future for Gateshead remains resolute.
13. As a Council, taking all of these factors into account, we can no longer afford to do everything for all residents, and there is a need to focus and target the limited resources at our disposal on priority areas which will help us realise the biggest impact in the borough, and achieve the best possible outcomes for residents in Gateshead. This will be led by strong and robust evidence and data, targeting resource to where it is most needed, whilst providing a robust universal offer for all.
14. A series of budget proposals have been identified to allow for redirection of remaining budget to help achieve the right outcome for those people and families who require more support than others. The draft budget proposals are attached at Appendix 3.

## **Proposal**

15. A range of budget proposals are outlined within this report for immediate consultation, to reflect the continuous and longer-term approach to reach a financially sustainable position based on the Council's priorities.
16. It is proposed that the Council collectively consults with its employees and recognised trade unions on the first phase of budget proposals from 20 December 2022. The first phase consultation will close on 23 February 2023 following Council's decision to proceed or not with the identified roles proposed as redundant.

17. Comments on the budget proposals can be made via email to [Budgetconsultation@gateshead.gov.uk](mailto:Budgetconsultation@gateshead.gov.uk)

### **Recommendations**

18. Cabinet is asked to agree:
- i) That consultation commences on the budget proposals for the period 2023/24 contained within this report;
  - ii) That the findings of the consultation, together with a proposed budget for 2023/24 be considered at its meeting on 21 February 2023, ahead of recommending this to Council on 23 February 2023; and
  - iii) To receive further budget related reports throughout the financial year, including the outcome of specific consultation and engagement on individual proposals.

For the following reasons:

- to contribute to the good financial management practice of the Council; and
- to assist the financial sustainability of the Council over the medium to long term.



## APPENDIX 1

### Policy Context

1. Making Gateshead a Place Where Everyone Thrives sets the policy direction for the Council, redressing the imbalance of inequality, championing fairness and social justice. This approach determines future budget proposals and the development of business planning for each of the Council's Services.
2. The Council recognises there are considerable financial pressures on not just Council resources, but those of partners, local businesses, and residents. The Council will remain resolute in its determination to make Gateshead a place where everyone thrives. This means the Council's decision-making including resource allocation through the budget will be policy and priority led and based on robust data and intelligence.
3. Full Council is responsible for approving the Council's annual budget following recommendation from Cabinet, in line with the budget and policy framework outlined within Gateshead Council's constitution.

### Financial Context

4. The Council is operating in the context of an unprecedented period of financial and economic uncertainty driven by political turmoil at a national level, spiralling inflation and rises in interest rates, and the ongoing implications of the Covid pandemic. All of this against the backdrop of a decade of austerity and continuing uncertainty over sustainable funding, which hampers sound financial planning.
5. Notwithstanding this context, the Council must be proactive in its approach to planning services that support residents in the borough.
6. Financial sustainability requires all stakeholders in the borough to understand that resources available to the Council are scarce, particularly at a time of spiralling inflation and increasing demand in areas such as adults and children's social care. As a Council we can no longer afford to do everything that we once did. There is a need to focus the limited resources at our disposal on priority areas which will help us realise the biggest impact and achieve the best possible outcomes for residents in Gateshead.
7. Difficult decisions need to be made about both the relative priority of different services and the balance between what we can afford to deliver against the income raised through local taxation. Investment in these priorities will need to be funded by redirecting resources currently elsewhere within the organisation. The Council needs to challenge not only how services are delivered but also what is being delivered. Critically, these decisions need to be taken in the context of ensuring that they meet our strategic approach, ***making Gateshead a place where everyone thrives***, but also with a clear understanding of the statutory requirements of local government.
8. Local authorities are legally obliged to set a balanced budget each year and to ensure they have enough reserves to cover any unexpected events. Therefore, to legally balance the budget the Council must make spending plans affordable by

matching it to the estimated funding available over that time.

### **Cost of Living and financial support from the Council**

9. The increase in the cost of living continues to have a huge impact on our residents. The Council agreed a Motion on 21 July 2022 recognising that the increase in the cost of living constitutes an emergency for many.
10. The Council has a good record in supporting the needs of the whole community. There is financial support available through a variety of existing and new schemes. The Council's website continues to be updated to provide links to support and advice including an updated directory of voluntary and third sector support. Further detail is outlined in Appendix 2.

### **Budget Approach 2022/23 – 2024/25**

11. On 14 December 2021, Cabinet agreed a budget approach over a three-year programme set within the context of the five-year rolling MTFS.
12. The MTFS, reported to Cabinet on 25 October 2022, was prepared in the context of continuing uncertainty on the funding of local government beyond the current year alongside the backdrop of uncertainty of the cost of living crisis, as well as the medium to longer term impacts of both the covid pandemic and Brexit. The Autumn Statement has provided some high-level direction of travel over the next two years but, until the local government settlement is announced, there is still no clarity of what this means for Gateshead.
13. The Council previously developed a set of core principles that it is proposed will be retained to continue to underpin the budget approach, these were agreed by Council in November 2019, specifically, the approach will be:
  - Priority driven – the Council will focus on what matters most;
  - Performance driven – a focus on measurable outcomes;
  - Council wide rather than service focus;
  - Over an extended budget time horizon to enable effective planning;
  - Iterative to reflect continuous approach;
  - Supported by investment to deliver improvements and efficiencies;
  - Targeted approach to those with greatest need;
  - Community focussed to maximise local wealth; and
  - Integrated to cover all aspects of the Council's budget including revenue, capital, schools and housing.
14. In the context of the MTFS gap and facing tough financial challenges ahead, it is vital that financial sustainability is at the core of the budget approach, and all resources are targeted to achieving priority outcomes. It is important to make best use of resources available and adapt and change the delivery of Council services accordingly.
15. There will be a corporate, targeted approach to the agreement of budget option proposals and consideration of existing areas of Council operations that need to transform or change. The pandemic has brought sharply into focus that as an organisation what we do is about people and their lives, and not about how the

Council organises itself into services and silos. It is important to make best use of the resources available to us and adapt and change the delivery of our services accordingly.

### **Revenue Budget 2022/23**

16. The projected revenue outturn for 2022/23 at the second quarter is £259.0 million compared to the budget of £254.3 million, a £4.7 million overspend alongside a £0.7 million reduction in financing income results in an overall projected overspend of £5.4 million after the application of £29.2m of budgeted reserves, in line with the usage agreed as part of 2022/23 budget. Plans are currently in place to ensure delivery of the original revenue budget.
17. General COVID grant funding of £8.9m is forecast to be used in 2022/23 and the remainder of the Contain Management Outbreak Funding is forecast to be spent in year (£4.0m).
18. The medium-term position assumes all prior year budget savings will be achieved and overspends addressed.

### **Autumn Statement 2022**

19. On 17 November 2022, the Chancellor delivered his Autumn Statement setting out the medium-term path for public finances, alongside the Office for Budget Responsibility's (OBR's) new set of economic and fiscal forecasts. This follows the previous Chancellor's Growth Plan announcements in late September, the majority of which have now been rolled back.
20. While the statement sets out the medium-term path for public finances, outlining national figures for departmental spending over final two years of the current Parliament, it does not provide clarity on individual local authority allocations, and this will not be confirmed until the Local Government Financial Settlement (provisional) expected week commencing 19 December 2022.
21. The statement confirmed that local authorities will be given additional flexibility to set council tax by increasing the referendum limit from 2% to 3% per year from April 2023. In addition, authorities with social care responsibilities will have the ability to increase the adult social care precept by up to 2% per year.
22. The Chancellor's statement outlines that adult social care will receive an additional £2.8bn in 2023/24 and £4.7bn in 2024/25. While there is new money for social care services, these numbers are misleading as, firstly, some of this funding comes from delays to social care reform so is not new money, and secondly, £0.5bn in 2023/24 and £1.1bn in 2024/25 comes from an assumed increase in council tax receipts raised from the precept. It is estimated that only £0.9bn in 2023/24 and £1.6bn in 2024/25 is genuinely new grant funding. Furthermore, the ability to use additional council tax receipts to fund social care is unfair to those authorities like Gateshead with a low tax base, has no direct link to underlying demographic needs, and is a short-term approach to social care pressures which needs fundamental reform to ensure financial sustainability.

## **Government Policy Statement**

23. On 12 December 2022, the Government outlined a Policy Statement on the 2023/24 Local Government Financial Settlement. The statement broadly confirmed the announcements from the Autumn Statement outlining national funding pots and a direction of travel over the remaining two years of Parliament.
24. The detail of the announcements will not become clear until the provisional Local Government Financial Settlement which is expected week commencing 19 December 2022.

## **Budget consultation**

25. Consultation and engagement sit at the heart of local democracy. Listening to our residents, partners, Trade Union colleagues and those who work for us is essential in shaping the budget on an annual basis. In everything we do our residents come first, so their voice is essential.
26. Whilst this report agrees to consult on the immediate budget proposals for 2023/24, consultation on proposed expenditure and potential savings will be ongoing throughout the financial year. This annual consultation on our proposals is only one part of an ongoing process of developing our strategic priorities and the medium-term financial plan which supports it. We will ensure that we explain how our proposals are developed and shaped. The agreement of the budget will include feedback from engagement activities, and outline how we continue to implement decisions over the months following the budget consultation.
27. We will seek to ensure that everyone has the opportunity to engage in our budget consultation. In particular, we will use and build on our existing partnerships with the voluntary and community sector to reach and consult with groups within the borough.
28. The Council's budget decision will identify the areas of spending upon which it proposes to concentrate including areas in which savings may be made. Cabinet retains discretion over the detail of how such savings are made (subject to the outcome of the consultation).
29. Cabinet is asked to
  - note, in respect of statutory or common law duties to consult arising from changes in services including under the Public Sector Equality Duty and other service specific consultation obligations, that the duty to consult will arise when identifiable changes to services and spending on them are proposed; and
  - note (as referred to in Appendix 2) there is a statutory requirement to collectively consult where there is a proposal, subject to consultation, to place 99 or more roles at risk of redundancy, for a period of no less than 45 days. Where there are between 20 and 99 roles proposed to be made redundant then the statutory collective consultation period is no less than 30 days. Each being inclusive of weekend days.

## Alternative Options

30. Local authorities are legally obliged to set a balanced budget each year and to ensure they have enough reserves to cover any unexpected events. Therefore, to legally balance the budget the Council must make spending plans affordable by matching it to the estimated funding available over that time.
31. Other options to close the budget gap will also be considered when the budget is set alongside potential increases in Council Tax and Adult Social Care precept.

## Implications of Recommended Option

### 32. Resources:

- a) **Financial Implications** – The Strategic Director, Resources and Digital confirms the Council will deliver a balanced budget consistent with legislation that is driven by council policy and which achieves priority outcomes. To achieve this, the Council must close an estimated financial gap of £10.6m for 2023/24, after use of reserves, that was estimated within the Medium-Term Financial Strategy.

The Council's provisional financial settlement is not expected until week commencing 19 December 2022 and the final settlement is normally January, at which point the assumptions around Council funding levels for 2023/24 will be clarified.

Alongside the savings position the Council will continue to seek to close the financial gap through consideration of other funding options including growth in council tax and business rates funding and consideration of a council tax increase as well as the optimum deployment of available reserves.

The funding estimated to be received from Government and from council tax and business rate payers over the next five years is not enough to cover current level of spend plus new budget pressures. Although there exists a great deal of uncertainty overall, it is estimated that the Council will need to close a cumulative funding gap of £55m over the five financial years to 2027/28. This represents an extremely challenging position for the Council and, in order to strengthen our financial stability, the Council will have to continue to prioritise additional ways to generate income and be self-sufficient including changes in local taxation, fees and charges and trading activities as well as prioritising and supporting economic growth within the borough.

- b) **Human Resources Implications** – The anticipated human resource implications are outlined in Appendix 2 to this report.
  - c) **Property Implications** – The Council will continue to implement its Asset Management Strategy and seek to reduce the costs associated with buildings and property. These will be brought forward in future Cabinet reports for consideration.
33. **Risk Management Implications** – The risk management implications of each draft

proposal will be assessed as part of future reports.

34. **Equality and Diversity Implications** – During the period of consultation, draft integrated impact assessments will be prepared to identify potential significant impact against the protected characteristics, as identified in the Equality Act 2010. This impact will be assessed to inform the Budget and Council Tax Level 2023/24 report that is prepared for Cabinet in February 2023.
35. **Crime and Disorder Implications** – The Council has a legal duty under Section 17 of the Crime and Disorder Act 1998 to carry out all its various functions with “due regard to the need to prevent crime and disorder in its area”. Individual proposals will be assessed as to their impact on crime and disorder and should any specific impact be identified these will be highlighted in the report to Cabinet in February 2023.
36. **Health Implications** – There are some draft proposals that could impact on the Council’s ability to improve the health and wellbeing of Gateshead’s residents. This impact will be assessed to inform the Budget and Council Tax Level 2023/24 report that is prepared for Cabinet in February 2023.
37. **Climate Emergency and Sustainability Implications** - The draft proposals put forward could impact on activities that support operational and financial sustainability. There is a need to balance short term budgetary requirements with the achievement of medium-term financial sustainability. Addressing Climate Change remains a priority of the Council and this is considered as part of the approach to budget setting.
38. **Human Rights Implications** – The implications of the Human Rights Act must be considered in any decision that involves a change of policy or function, or a service change that arises from the choices. These will be identified, where necessary, within integrated impact assessments.
39. **Ward Implications** - The budget proposals apply to all areas and wards.

**Background Information:**

- Budget Approach 2022/23 – 2024/25 14 December 2021
- Budget and Council Tax Level 2022/23 – 22 February 2022
- Medium Term Financial Strategy 2023/24 – 2027/28 – 25 October 2022
- Local Council Tax Support Scheme 2023/24 – 25 October 2022

### Budget setting

1. The Council must set a balanced budget each year. In arriving at this it must decide how to assign money to the wide range of vital services it provides to the people of Gateshead. Increasingly, the budget setting process involves some very difficult decisions as we look to balance demand and needs, together with prioritising available resource and targeting service delivering to those who need it most. Alongside targeted services we also want to deliver a good level of universal services for our communities.
2. Along with all local authorities, Gateshead has faced unprecedented reductions in Government funding since the Comprehensive Spending Review in 2010. In addition, service pressures and increasing demand for services, particularly from the most vulnerable, has meant that the Council has had to make significant budget savings in response to the Government's austerity measures.

### Local Context

3. Gateshead is a fantastic place with amazing people. It is a place where residents have a strong sense of community and local pride and where people really care for each other.
4. The Council wants the best possible outcomes for the people of Gateshead and has always been ambitious with a reputation for innovation and vision with economic regeneration and culture firmly putting Gateshead on the map. However, significant levels of poverty and inequality exist within the borough. The Council is clear that if the inequality gap is narrowed people will live longer, healthier and happier lives. The Council is focussed on fairness and always standing up for the most vulnerable and those in need.

#### Gateshead today:

- Ranked 47th most deprived out of 317 local authorities in England.
- There are 21 areas which fall within the 10% most deprived areas in England, equating to almost 32,700 people or 16% of the population of Gateshead.
- Around 91,000 or 71.6% of working age (16-64) Gateshead residents are in employment which compares with an average of 74.9% for England as a whole (Office of National Statistics – Annual Population Survey Year Ending Sep 2021), and around 6,545 or 5.1% are unemployed claiming jobseekers allowance or universal credit which compares with an average of 4.5% for England as a whole (Department of Work and Pensions - Dec 2021).
- The average household income in Gateshead is just over £34,200 per year, compared with a national figure of just under £41,100 (CACI Paycheck, 2021).
- At 77.8 for men, and 81.8 for women, life expectancy is lower than the England averages of 79.8 and 83.4 respectively. However, life expectancy has increased by 1.1 years for women and 1.3 years for men in the last decade (Office of National Statistics 2017-19). Around 22% of people in Gateshead reported that their health limits day to day activities compared to around 18% nationally).

### Changing Context

5. We want Gateshead to be a place where everyone thrives. If we are to achieve this, we need to redirect and reprioritise our available resources, and review the way we work with

partner organisations, businesses and how we work with our communities.

6. Making Gateshead a Place Where Everyone Thrives sets the policy direction for the Council, redressing the imbalance of inequality, championing fairness and social justice. To help us achieve this we have five pledges to help and guide us when we make decisions. We pledge to:
  - Put people and families at the heart of everything we do
  - Tackle inequality so people have a fair chance
  - Support our communities to support themselves and each other
  - Invest in our economy to provide sustainable opportunities for employment, innovation and growth across the borough
  - Work together and fight for a better future for Gateshead
7. We recognise there are huge financial pressures on not just Council resources, but partners, local businesses and residents. To deliver on the strategic approach over the short to medium term, the Council will need to be resolute in its determination to make Gateshead a place where everyone thrives. This means the Council's decision-making will be policy and priority led and driven.
8. Partner organisations appreciate that the issues the Council faces are shared issues and are keen to work with us to improve outcomes for local people and reduce inequality. The co-developed and co-owned Gateshead Health and Wellbeing Strategy is further evidence of the recognised need to work as a 'system' to best address the public health and wellbeing in Gateshead.
9. Since 2010 the Council has made £179m of cuts to its budget, and now has 40% less employees working for the organisation. We continuously review all that we do, work hard to generate income and ensure that the organisation continues to support the most vulnerable in our communities.
10. We remain confident that we can continue to work through the challenging times that are ahead. We will build on our strong collaborative approach, working with our partners, to steer a way forward, and deliver on our promises to create the right conditions to allow local people to *Thrive*. Our commitment to work collaboratively and fight for a better future for Gateshead remains resolute.
11. As a Council, taking all of these factors into account, we can no longer afford to deliver all of the services residents have been used to, in a way that we have always done. There is a need to focus and target the limited resources at our disposal on priority areas, and those which will help us realise the biggest impact in the borough and achieve the best possible outcomes for residents in Gateshead.
12. A series of budget proposals have therefore been identified to allow for redirection of remaining budget to help achieve the right outcome for those people and families who require more support than others. The draft budget proposals follow.
13. Staying the same is not an option and the Council is required to change to deliver its priority outcomes within the limited funding available. The Council response to the challenging financial context is to focus on delivery of the five-year financial strategy with a focus on achieving long term financial stability.

14. The Council has always been incredibly ambitious for the residents of Gateshead, working hard to ensure it is a great place to live, work and visit. Our ultimate ambition is to address the inequalities that exist in Gateshead.

### **Cost of Living and financial support from the Council**

15. The Council has a good record in supporting the needs of the whole community. There is financial support available through a variety of existing and new schemes, with a short updated on these outlined below.

#### **Financial Support in 2023/24**

##### ➤ Local Council Tax Support Scheme 2023/24

The Council is responsible for collecting Council Tax from nearly 95,000 households. In 2022/23 the total collectable debit for Council Tax for Gateshead is over £120,000,000.

The Local Council Tax Support Scheme was introduced in April 2013 as a replacement for the Council Tax Benefit scheme.

The Council agreed the Local Council Tax Support Scheme for 2023/24 at full Council on 24<sup>th</sup> November 2022.

The approach enables the Council to operate a support scheme within the funding available and to mitigate the impact on working age claimants by utilising council resources.

Adopting the scheme means that approximately 12,000 council tax payers will continue to pay no more than 8.5% of their council tax.

##### ➤ Benefit maximisation

The Council will continue to publicise the Local Council Tax Support Scheme through Council News, social media, the website and with voluntary and third sector partners and continue to engage with DWP to support residents in claiming Local Council Tax Support whilst in receipt of Universal Credit.

##### ➤ Housing Benefits

Housing Benefit helps residents pay their rent if they're unemployed, on a low income or claiming benefits. It's being replaced by Universal Credit. The Council currently administers around £51,000,000 per year in Housing Benefit for council and private tenants.

##### ➤ Discretionary Housing Payments

Discretionary Housing funding can help people with housing costs. Currently the Council is supporting over 900 council tenants with Discretionary housing payments.

➤ Household Support Fund 2023/24

The Household Support Fund (HSF) has been extended as part of the Government's Autumn statement. The current HSF 3 scheme is being used to support households in the most need – particularly those who may not be eligible for the other support government has recently made available. The Fund is intended to cover a wide range of low-income households in need including families with children of all ages, pensioners, unpaid carers, care leavers, and people with disabilities. The Council is awaiting guidance and the indicative allocations of the funding for 2023/24 from Government.

➤ Free School Meals

The Council currently supports over 7,200 children with free school meals. This has increased substantially since 2017 where the figure was just 4,308. We are working with schools to encourage take up of free school meals as schools receive additional funding through the pupil premium.

### **Future activity and draft budget proposals 2023/24**

16. The role and responsibilities of the Council, and those of our partners are changing rapidly, as are the expectations of local residents.
17. There are some statutory duties which the Council must ensure are in place, but also other areas which are discretionary and optional. Alongside these there are also some key duties which the Council will deliver for the benefit of the borough and to attract inward investment.
18. In developing draft proposals totalling £14.500m, which are over the short term, these have been categorised within the following themes:

- **Thriving Place** - £2.104m: Environment, Economies, Assets, Housing and Communities

We aim to create healthy and safe environments where people want to live, work, visit and play, enabled by effective community engagement and strong partnerships. Maximising economic growth and prosperity for the borough in an inclusive and environmentally sustainable way, together with our partners and communities.

This theme includes both statutory and non-statutory services, used by all residents in the borough. The savings proposals will enable resources to be diverted to alternative priorities.

- **Thriving People** - £4.968m: Adult Social Care, Children's Services, Health and Poverty

Putting people at the heart of everything we do and enabling the best start in life. We will target and tailor our response to those who need our services most and support the most vulnerable within our communities.

This theme reflects mostly statutory services that are primarily targeted and focussed on the most vulnerable adults and children in the borough. This is the largest budget

area. As outlined in the Council's MTF5, there is increasing demand on these services estimated to be £13m in 2023/24, and the savings proposals will allow resources to be diverted and redirected to meet this demand.

- **Thriving Business** - £7.428m: Efficient and effective use of resources

We aim to deliver a good universal Council offer to all residents. We will continue to review how we work, serve and enable through our service delivery. This will be informed by strong data and insight and led by a culture of strong leadership.

This theme reflects essential professional support services and business processes that provide vital support to the Council's front facing services. Many of these proposals will have no direct impact of residents and will enable resources to be diverted to alternative priorities.

19. The schedules in Appendix 3 bring together the possible destination for the relevant themes, some of the key areas of change being explored, and then specific options for Councillors to consider.
20. Figures have been included in relation to closing the financial gap in 2023/24. The schedules include the portfolio/service area, proposal description, budget figures and employee implications.
21. In accordance with our duties under the Equality Act, due regard will be taken to understand the potential impact of the proposals on groups of people who share a protected characteristic. Integrated impact assessments will be made available on the Council's website throughout the consultation period for both the draft budget and any specific consultations required relating to individual proposals. To access the impact assessments for the proposals please see our website [www.gateshead.gov.uk/budget](http://www.gateshead.gov.uk/budget).
22. The Council recognises the potential negative health impact of policy changes, alongside reductions in spending and is committed to undertake a health impact assessment on all the budget proposals. This will help the Council to identify any risk and mitigation.
23. Consultation enables us to better understand and consider the needs and expectations of all residents in Gateshead. Consultation will be undertaken in relation to all proposals and will involve identification and ongoing assessment as to the impact, if any, of each proposal to inform decision making.
24. Depending on the type of proposal under consideration consultation may involve some or all the following stakeholders: -
  - individual service users and their families;
  - representative groups/community interest groups and other stakeholders;
  - Gateshead Council partners;
  - other statutory agencies; and
  - voluntary and community organisations
  - Gateshead Council employees and recognised Trade Unions
25. The nature of the consultation will be determined by, and proportionate to, the proposal under consideration and the form and scope may differ between proposals.

26. The initial proposals presented in this document are in many cases capable of being increased or decreased and decisions on this will be informed by the results of the consultation, and the overall requirement for savings that will be confirmed when the Council receives confirmation of funding information from government.
27. Comments on the draft budget proposals can be sent to the Council by email to [BudgetConsultation@gateshead.gov.uk](mailto:BudgetConsultation@gateshead.gov.uk)

### **DIFFERENT FORMATS**

**If you require this information in a different format – large print, braille, on audio/CD/MP3 please contact Rachel Mason by telephone on 0191 433 2069 or email [BudgetConsultation@gateshead.gov.uk](mailto:BudgetConsultation@gateshead.gov.uk)**

### **Implications of the draft budget proposals on employees**

28. There are proposals put forward, subject to consultation that will, if agreed, have a potential impact on the Council's workforce. Where applicable the roles that may be affected are expressed as FTEs (full-time equivalents). Should the consultation process conclude that there are no alternative proposals which could mitigate potential redundancies, then subject to consultation, roles confirmed as redundant would result in those roles being removed from the establishment as the proposal to reduce services has resulted in a reduction in the number of roles required to provide those services.
29. In accordance with the statutory redundancy process as set out under section 188, Trade Union and Labour Relations (Consolidation) Act 1992, collective consultation must be undertaken with the Council's recognised trade unions.
30. The Council is required to collectively consult where there is a proposal, subject to consultation, to place 99 or more roles at risk of redundancy, for a period of no less than 45 days. Where there are between 20 and 99 roles proposed to be made redundant then the statutory collective consultation period is no less than 30 days. Both are inclusive of weekend days. The Council's Redundancy Policy states that *where there is the potential for large-scale redundancies, the Council will endeavour to apply a 90-day consultation period*. The proposal, should the decision be taken to commence a collective consultation process, is to commence the process on the 20 December 2022 with a view to the process closing on the 23 February 2023, subject to consultation, which is longer than 45 days and less than what policy suggests that the Council endeavour to do.
31. Employees and recognised trade unions, as part of the collective consultation process, will be asked to make all and any alternative proposals to mitigate potential redundancy, which could include employees requesting a permanent reduction in working hours, for example, so that the hours saved could mitigate the need for a potential redundancy.
32. Any voluntary redundancy applications will only be considered if they are in the best interests of the service.
33. All alternative proposals will be considered whether it be a proposal received through collective consultation with the recognised trade unions or from individual employees as part of the meaningful consultation process. Feedback to each alternative proposal will be given in writing. The window during which alternative proposals can be made will be

set out in the time line for collective consultation. If an alternative proposal is received after the proposed window for receipt of these has closed, then this must be considered too.

34. Where compulsory redundancies are required, all reasonable efforts will be made to secure alternative employment in accordance with the Council's Redeployment Policy.
35. A range of support measures are also in place to offer employees at risk of redundancy, or on notice of redundancy, which are detailed in the Council's Redundancy Policy.