

TITLE OF REPORT: Budget 2024/25 - Consultation on Revenue Budget Proposals

REPORT OF: Sheena Ramsey, Chief Executive,
Darren Collins, Borough Treasurer and
Corporate Management Team

Purpose of the Report

1. To seek Cabinet approval for consultation on the draft revenue budget cuts proposals for 2024/25.

Background

2. The Council continues to operate in the context of an unprecedented period of financial and economic instability. Set against the backdrop of over a decade of austerity, cuts to funding, increasing demand, continuing uncertainty over sustainable funding, and more recently high inflation, which all hamper sound financial planning.
3. The Autumn Statement that is due to be delivered by the Chancellor on 22 November 2023 may provide a broad direction of travel in terms of policy but is unlikely to provide any clarity on local government funding. It is expected that the Provisional Local Government Finance Settlement will not be received until late December 2023.
4. This continuing challenging context has once again compelled the Council to make increasingly difficult choices to prioritise its finite resources to where they are most needed, based on the latest assumptions in the Medium Term Financial Strategy (MTFS) reported to Cabinet on 24 October 2023.
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***, alongside our new Corporate Plan '***The strength of Gateshead is the people of Gateshead***', we continue to place 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. 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*.
7. On 24 October 2023 the updated MTFS was reported to Cabinet outlining an estimated financial gap of £49.5m over the five-year period 2024/25 to 2028/29 with £27m in the first year of 2024/25. An approach to demand management interventions in social care, alongside some identified corporate savings, is estimated will reduce

this financial gap to £32m. As part of the agreed strategy the use of reserves will smooth the impact of this funding gap but ultimately budget cuts of £32m are required over the period of the MTFS to deliver a sustainable financial position. After use of reserves, social care demand interventions, and identified corporate savings, the estimated budget cuts requirement in 2024/25 is £7.634m that was estimated within the Medium Term Financial Strategy.

8. The scale of the financial challenge the Council is facing should not be underestimated, and the impact of removing a further £49.5m from Council resources will have on both the health and resilience of Gateshead is recognised. This is on top of £191m of budget cuts the Council has made since 2010.
9. The reduction in Council expenditure since 2010 is the equivalent to £977 less to spend per resident. By the end of the MTFS period this is estimated to rise to £1,229 less spend per resident.
10. 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 require the Council to identify and deliver additional cuts on top of the gap estimated in the MTFS. The budget approach is an iterative process and as it moves forward and areas of funding are clarified, requirements will need to be reviewed.
11. Taking all of these factors into account, the Council can no longer afford to do everything it once did, and there is a need to focus and target limited resources on priority areas which will help realise the biggest impact in the borough and achieve the best possible outcomes for residents in Gateshead. Crucially, these decisions are becoming more difficult as the cost and demand pressures over the period of the MTFS are estimated to increase by £77.5m, whilst income over the same period is estimated to only increase by £28m. Decision making 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 to meet our statutory obligations.
12. A series of budget proposals have been identified to allow for redirection of remaining budget to help achieve the right outcomes for the residents of Gateshead. The draft budget proposals that require public consultation are summarised in Appendix 3 and a full list of other options that do not require public consultation are summarised in Appendix 4.

Proposal

13. A range of budget proposals are outlined within this report for immediate consultation to reflect the immediacy of a legally balanced budget for 2024/25.
14. It is proposed that the Council collectively consults with its employees, recognised trade unions, residents and partners on the budget proposals from 21 November 2023. The public consultation will close on 15 January 2024.
15. Comments on the budget proposals can be made via email to Budgetconsultation@gateshead.gov.uk

Recommendations

16. Cabinet is asked to agree:
 - i) That consultation commences on the budget proposals for the period 2024/25 contained within this report;

- ii) That the findings of the consultation, together with a proposed budget for 2024/25 be considered at its meeting on 20 February 2024, ahead of recommending this to Council on 22 February 2024; 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 maintain the financial sustainability of the Council over the medium to long term.

CONTACT: Darren Collins

extension: 3582

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. The Corporate Plan sets out the priority areas we will target our resources towards.
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 MTF5 outlines that the Council continues to operate in the context of an unprecedented period of financial and economic uncertainty set against the backdrop of over a decade of austerity, disproportionate cuts to funding, delays to funding reform, increasing demand, and more recently high inflation. The Local Government sector is increasingly reporting local authorities in financial difficulty including some which are now subject to Government interventions.
5. It remains critical that the Council has a robust approach to budget setting and a plan for uncertainty including the delivery of demand management interventions in social care, alongside additional savings estimated at £32m to achieve financial sustainability, without reliance on reserves, by the final year of the MTF5. The Council must be proactive in its approach to planning services that support residents in the borough based on the estimated funding that is available.
6. Financial sustainability requires all stakeholders in the borough to understand that resources available to the Council are scarce, particularly at a time of high 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 the Council 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 required to set a balanced budget each year and to ensure they have enough resources to cover any unexpected events. Therefore, to legally balance the budget the Council must make spending plans affordable by matching them to the available funding 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 the residents of Gateshead. 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 2024/25 – 2028/29

11. The Budget Approach reported to Cabinet on 24 October 2023 outlined a set of budget framework principles, which will be delivered in the context of the MTFs:
 - **Priority Driven** – the Council will focus on what matters most as outlined in the new Corporate Plan;
 - **Performance Driven** – a focus on management of outcomes;
 - **Council Wide, Co-ordinated and Integrated** - rather than service focus, the Council's new Corporate Plan and Group Plans will be the conduit for allocating resources to priority areas in a collaborative and co-ordinated approach. Covering all aspects of the Council's budget including revenue, capital, housing, and schools.
 - **Twin Track** - approach over an extended rolling 4-year time horizon to enable effective planning, reflecting the short-term immediacy of a legally balanced budget for 2024/25 against the longer-term demand management intervention and transformation required to achieve sustainability by the final year of the MTFs;
 - **Supported by Investment** - to allow capacity to deliver; and
 - **Iterative and Flexible** - reflecting the dynamic nature of the operating environment and the uncertainty of funding assumptions.

Alternative Options

12. 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.
13. 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

14. **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 £27.058m for 2024/25. After use of reserves, social care demand interventions, and

identified corporate savings, the estimated savings requirement is £7.634m that was estimated within the Medium Term Financial Strategy.

The Council's provisional financial settlement is not expected until late December 2023 and the final settlement is normally late January or early February 2024, at which point the assumptions around Council funding levels for 2024/25 will be clarified. Retained Business Rates and associated grants will be confirmed upon completion of the NNDR1 return at the end of January 2024.

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 £49.7m by year 4 of the MTFS 2024/25 to 2028/29. 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.
15. **Risk Management Implications** – The risk management implications of each draft proposal will be assessed as part of future reports.
 16. **Equality and Diversity Implications** – During the period of consultation, draft integrated impact assessments will be prepared to identify potential impact against groups of people who share a protected characteristic, as identified in the Equality Act 2010. Following learning from the budget consultation this impact will be reviewed and assessed to inform the Budget and Council Tax Level 2024/25 report that is prepared for Cabinet in February 2024.
 17. **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 2024.
 18. **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 2024/25 report that is prepared for Cabinet in February 2024.

19. **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.
20. **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.
21. **Ward Implications** - The budget proposals apply to all areas and wards.

Background Information:

- Medium Term Financial Strategy 2024/25 – 2028/29 – 24 October 2023
- The Strength of Gateshead is the people of Gateshead - Corporate Plan – 24 October 2023
- Budget Approach 2024/25 to 2028/29 – 24 October 2023

Consultation Context

1. The Council must set a balanced budget each year. In arriving at this decision, the Council 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 them most. Alongside targeted services to some of the most vulnerable residents in the borough, we also want to deliver a good level of universal services for our communities. We have prioritised our activities in the Council's Corporate Plan.
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 cuts in response to the Government's austerity measures. Since 2010 these total £191m.

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.
5. A snapshot of Gateshead, outlining additional local context, can be found at Appendix 5.

Changing Context

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. The Council's prioritised activity in response to the pledges, and available resource, are outlined within our Corporate Plan. Our pledges are:
 - 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. It is recognised 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, priority and evidence led and driven.

8. Partner organisations appreciate that the issues the Council faces are shared issues and are keen to work collaboratively to improve outcomes for local people and reduce inequality. The co-developed and co-owned joint 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. The Council remain confident that it can continue to work through the challenging times that are ahead. Building 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. Gateshead's Locality Working model is evidence of this collaborative approach. Working, using a collaborative approach, we are finding a local response to local need, and placing people and families at the heart of everything we do. This model will evolve and be rolled out across the whole borough.
10. Taking all of these factors into account, the Council can no longer afford to deliver all of the services residents have been used to, in a way that it has always done. There is a need to focus and target the limited resources 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. The priority areas are set out in our Corporate Plan.
11. 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.
12. 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.
13. 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

14. 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.

Financial Support in 2023/24

➤ Local Council Tax Support Scheme

The Council is responsible for collecting Council Tax from nearly 95,000 households. In 2023/24 the total collectable debit for Council Tax for Gateshead is over £127m.

The Local Council Tax Support Scheme was introduced in April 2013 as a replacement for the Council Tax Benefit scheme. The Council must agree the Local Council Tax Support Scheme each year by 11 March of the preceding financial year. A separate report recommending the Local Council Tax Support Scheme 2024/2025 is part of this agenda.

The Council must balance the cost of the scheme with the needs of residents, the affordability for residents as well as the cost of administration. The suggested approach will enable 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 in 2024/2025 means that approximately 12,000 working age council tax payers will continue to pay no more than 8.5% of their council tax. In addition over 8,000 pensioner council tax payers have been eligible for up to 100% council tax support.

➤ **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 £51m 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) was extended as part of the Government's 2022 Autumn statement. The current HSF 4 scheme, totalling £3.67 million, 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. Government have indicated they are not currently planning to continue the HSF into 2024/25.

➤ **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.

The Five Thrive pledge themes:

➤ **Putting people and families at the heart of everything we do**

Gateshead is a place that offers opportunities for all residents to live healthy and fulfilled lives and achieve their ambitions. This starts by giving all children the best start in life. In doing so improve outcomes and opportunities for all. We will think long-term and adopt a preventative approach in determining our response to local need. The aim being to have access to services for those who need them, social care where required,

alongside population health improvements for all.

➤ **Tackling inequalities so people have a fair chance**

Poverty and deprivation still have too big an impact upon too many of our residents. We want to tackle those inequalities, so people have a fair chance to achieve their personal goals and ambitions. Our aim is to be a borough with reduced inequalities where residents having improved access to social and economic opportunities, enabling them to live fulfilling lives. To truly enable our residents to Thrive we must create the conditions for fairness and equality – maximising the wellbeing of our communities.

➤ **Supporting our communities to support themselves and each other**

Ensuring that people are safe and feel safe is a wellbeing requirement. The strength and ability for communities to adapt to change and deal with shocks and emergencies is essential. Through being more resilient we can reduce the negative impact on individuals. Reducing the direct intervention needed by the Council to provide a fix. Evidence led and informed by feedback on the ground, we will deliver a range of tailored service in collaboration with our partners.

➤ **Investing in our economy to provide sustainable opportunities for employment, innovation and growth**

We want Gateshead to have strong local economic outlook, with more businesses, good jobs, and inward investment. With this strong economic outlook, we want to tackle unemployment and ensure residents have skills and qualifications to enable them to access opportunities. We will support regeneration and development opportunities that come forward and will support investors to do so. Creating a fairer, green and more resilient economy at the heart of this work.

➤ **Working together and fighting for a better future for Gateshead**

We want Gateshead to have an aspirational outlook and visionary future, whilst reflecting the needs of local people and building for our future generations. We want to ensure that there is a broad range of homes available for our residents. We will work with partners to meet housing needs now and for the future. We will invest to build new council homes and improve our current offer. It is important that residents have access to improved connectivity within Gateshead and the region, allowing them to travel for both work and pleasure purposes. We will also look to protect the environment as we move towards a low-carbon future, helping the community minimise its carbon footprint and encourage the reduction of borough wide carbon emissions.

15. 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.
16. 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.
17. Consultation enables us to better understand and consider the needs and expectations

of all residents in Gateshead. Consultation will be undertaken with all relevant stakeholders and will involve the identification and ongoing assessment as to their impact, if any, of each proposal to inform decision making.

18. 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
19. The nature of the consultation will be determined by, and be proportionate to, the proposal under consideration and the form and scope may differ between proposals.
20. 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.
21. Comments on the draft budget proposals can be sent to the Council by email to 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

Implications of the draft budget proposals on employees

22. There is one proposal put forward, subject to consultation, that will, if agreed, have a potential impact on the Council's workforce. The proposal affects one role and therefore a single postholder. Should the consultation process conclude that there are no alternative proposals which could mitigate the potential redundancy, then subject to consultation, the role confirmed as redundant would be removed from the establishment.
23. In accordance with the statutory redundancy process as set out under section 188, Trade Union and Labour Relations (Consolidation) Act 1992, redundancy consultation must be undertaken. The Council approaches any proposed redundancy as a collective consultation with the Council's recognised trade unions.
24. The Council collectively consults for a period of no less than 45 days where there is a proposal, subject to consultation, to place 99 or more roles at risk of redundancy. Where there are between 20 and 99 roles proposed to be made redundant then the Council complies with the statutory collective consultation period which is no less than 30 days. The Council go above and beyond the statutory requirements, applying a 30 day collective consultation process even when there are less than 20 roles proposed to be at risk of redundancy. Both (30 and 45 day consultation periods) 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*. In this instance, the budget proposals would result in one role being placed at

risk of redundancy, therefore the intention is to consult for a period of no less than 30 days, unless otherwise agreed by the employee and their Trade Union, commencing on 21 November 2023. This can be extended should it be necessary, in order to ensure meaningful consultation has taken place. As this budget proposal is also subject to public consultation, which will end on 15 January 2024, the final outcome cannot be determined until the public consultation has been concluded. Therefore, the role will remain at risk until the public consultation closes and the employee will be afforded the opportunity to engage and consult throughout.

25. During the consultation period, the employee and their Trade Union will be asked to make all and any alternative proposals to mitigate the potential redundancy.

Potential Implications of the Government Settlement

26. Should the Government Settlement be less than anticipated, resulting in the requirement for additional budget proposals, consideration would have to be given to any consequent workforce implications and any requirement to commence a collective redundancy consultation process. If required, this would be outlined in further budget related reports to Cabinet.

Proposals For Budget Cuts 2024/25					
PROPOSALS FOR PUBLIC CONSULTATION					
REF	Portfolio Area - Group - Service	Name of Proposal	Description	Proposal TOTAL £000's	FTE Impact (Vacant FTE)
1	Adult Social Care -Integrated Adults & Social Services - Quality Assurance and Commissioning	Review the purchase of respite provision	Review and renegotiate a reduction in an existing block contract.	100	0
2	Housing - Housing, Environment & Healthy Communities -Housing Strategy and Residential Growth	Review of travellers site	Review of travellers site budget provision.	26	1
3	Leader's - Office of the Chief Executive - Office of the Chief Executive	Council News	Reduce Council News from 3 to 2 issues a year.	18	0
4	Leader's - Resources & Digital - Customer Experience and Digital	Review of Council Tax long term empty property premiums	The Council currently adds a premium of 50% to properties that remain empty for more than 2 years. To encourage owners to take steps to bring these properties back into use, it is proposed to apply additional increased premiums if a property is empty for 2 years, 5 years and 10 years.	400	0
			TOTAL PROPOSALS FOR CONSULTATION	544	

Proposals For Budget Cuts 2024/25					
REF	Portfolio Area - Group - Service	Name of Proposal	Description	Proposal TOTAL £000's	FTE Impact (Vacant FTE)
PROPOSALS - NO CONSULTATION REQUIRED					
PROPOSALS IDENTIFIED IN THE MEDIUM TERM FINANCIAL STRATEGY (MTFS)					
5	MTFS Proposal	Reduction in Contingencies	Reduction in Contingencies - volatility of energy inflation/ costs.	3,000	0
6	MTFS Proposal	Capital slippage	Capital slippage.	1,000	0
7	MTFS Proposal	Pension Control Account	Pension Control Account additional savings.	280	0
8	MTFS Proposal	Fees and charges	Fees and charges inflation review.	300	0
9	MTFS Proposal	Waste contractual inflation	Absorb Waste contractual inflation.	286	0
10	MTFS Proposal	Investment interest	Additional investment interest.	800	0
			TOTAL MTFS PROPOSALS	5,666	
SOCIAL CARE INTERVENTIONS IDENTIFIED WITHIN THE MTFS					
11	Adult Social Care	Service provider reviews and maximisation of grant funding	Outcomes of on-going reviews in relation to the review of service provider contracts linked to changing inflation assumptions and the maximisation of grant funding.	2,190	0
12	Childrens Social Care	Reduce entries into care	Savings due on-going service reviews linked to reducing entries into care.	394	0
			TOTAL SOCIAL CARE INTERVENTIONS IDENTIFIED WITHIN THE MTFS	2,584	
BUDGET OPTIONS					
13	Adult Social Care	Service reviews	Review of provider services contracts and maximisation of grant funding.	2,782	0
14	Childrens Social Care	Service reviews	Includes the maximisation of grant funding and cost / contract savings from service reviews and revised funding methods.	249	0
15	Public Health and Wellbeing - Library Services	Release current vacant posts in libraries	Release of vacant posts in libraries.	50	0
16	Public Health and Wellbeing - Leisure Services	Fees and charges increased income	Fees and charges increased income for Gateshead Stadium.	150	0
17	Property, Assets & Traded Services	Reduction in repairs and maintenance and cleaning costs	Embedded review of assets.	100	0
18	Highways and Waste	Reduce Materials Recycling Facility budget	Budget reduction to reflect current recycling levels.	200	0
19	Highways and Waste	Trade Waste - increase income target	Trade Waste income remains stable and as such no impacts are foreseen on the service at this time.	50	0
20	Housing Strategy & Residential Growth	Private Sector Housing	Private Sector Housing - additional grant funding and fine income.	170	0
21	Locality Services & Housing Options	Maximisation of grant funding and internal restructure	Maximisation of grant funding and Service Level Agreement (SLA) income.	216	0
22	Business, Employment & Skills	Internal restructure	Merging of two specialist areas (start-up and small business support).	53	0
23	Office of Chief Executive	Restructure of budgets	Restructure of budgets and release of vacant posts.	106	0
24	Legal & Democratic Services	Town Twinning budget	Reduce Town Twinning budget.	4	0
25	Public Service Reform	Public Service Reform budgets	Reduce Public Service Reform non staffing budget and ending of funding arrangements.	113	0
26	Human Resources & Workforce Development	Review of structure	Remove vacant post.	22	0
27	Commercialisation and Improvement	Budget adjustment	Reduction in school meals budget with no impact on charges to schools.	400	0
28	Commercialisation and Improvement	Alternative funding	Alternative funding and increased income from partner SLA's.	50	0
29	Financial Management	Supplier Incentives	Supplier incentives creation of income budget.	70	0
30	Financial Management	Alternative funding	Alternative funding and increased income.	93	0
31	Customer Experience and Digital	Review of charges for direct services to residents to account for inflation.	Increase in charges for work related to appointee and deputyship cases.	25	0
32	Customer Experience and Digital	Maximisation of funding	Maximisation of grant funding and Service Level Agreement (SLA) income to the Housing Revenue Account (HRA).	30	0

Proposals For Budget Cuts 2024/25					
REF	Portfolio Area - Group - Service	Name of Proposal	Description	Proposal TOTAL £000's	FTE Impact (Vacant FTE)
PROPOSALS - NO CONSULTATION REQUIRED					
33	Customer Experience and Digital	Cost recovery	Costs for appropriate recovery and enforcement action.	50	0
34	IT	Cost and contract savings	Cost and contract savings relating to IT licences, software and supplies and services.	54	0
35	Resources & Digital	Collection Fund	Collection Fund - Single Person Discount review.	100	0
36	Resources & Digital	Collection Fund	Collection Fund - rates review.	1,100	0
37	Resources & Digital	Capital Financing	Capital Financing saving - slippage and MRP (Minimum Revenue Provision) review.	700	0
38	Resources & Digital	Additional interest	Additional investment interest.	200	0
			TOTAL BUDGET OPTIONS	7,137	
			TOTAL PROPOSALS - NO CONSULTATION REQUIRED	15,387	

Gateshead in numbers

Gateshead

has a population of **196,200**



It is projected to increase to around **204,200** in **2043**

Life expectancy

81.5 women **77.4** men



POPULATION



Residents over the age of 65

is projected to grow in future, which means we have an ageing population (**48,733** by 2040)



Gateshead is ranked 47th most deprived

out of 317 local authorities in England.



Number of jobs

89,000 in jobs



5,610 businesses trading in Gateshead



55% of residents

are qualified to at least NVQ Level 3 equivalent



ECONOMY

The Sage is anticipated to support more than **1,140** jobs and attract an extra **296,000** visitors to the region.



Estimated to boost the regional economy by over **£29.5 million** annually.

Average household income is just over

£37,600 per year



Around **95,500** or **71.7%** of working age (16-64) Gateshead residents are in employment



58% of housing is owner occupied, and **19%** is managed by Gateshead Council.



16% of housing is rented from a private landlord or letting agency and **6%** from a registered social landlord



68 new affordable homes built in 2021/22



Average house prices in Gateshead approx. **£154,000** (Feb 2023)

61% of people are active per week



1501 average weekday cycle trips made



HEALTH



25% of adults obese

22% of people are limited in day-to-day activities by health



27% of year 6 children classified as obese



8% are in bad health



Gateshead is approx. **two thirds** rural



Around **15%** of Gateshead is woodland



23% of household waste is recycled



Carbon emissions from the council have reduced by **55%** since 2010



Around **17%** of Gateshead is protected for wildlife



Gateshead Energy centre

2.5% of employers' energy is provided by our energy centre



Approx **152 Million** journeys are made using public transport in Tyneside

