

## Financial Sustainability Programme: quarterly Update

As per the structure outlined within the 2022/23 budget report, our approach to our Financial Sustainability Programme (FSP) is based around four general areas:

- Income generation (that is, pursuing opportunities to generate new income streams, optimising fees and charges and implementing the commercial strategy)
- Use of assets (making effective use of existing assets, including the repurposing and sale of surplus properties)
- Prioritisation of resources (reviewing in year budget forecasts to identify new opportunities for savings and efficiencies, reviewing the level of service provided and focusing resources on priority services, and managing pay costs and making effective use of staff resources)
- Achieving value for money (including pursuing options to share with other Councils to realise efficiency savings and identifying invest to save opportunities, including investment in technology to reduce operational costs)

	Progress	Next Steps	Financial Benefits
<b>Programme</b>	<ul style="list-style-type: none"> <li>• The programme was audited by the Council's internal auditors in 2023/24. The audit resulted in an opinion of 'substantial' assurance, with one management action resulting, which has now been completed.</li> </ul>	<ul style="list-style-type: none"> <li>• Maintain the programme governance framework which supports the delivery of programme objectives and outcomes.</li> </ul>	<ul style="list-style-type: none"> <li>• Not applicable.</li> </ul>
<b>Service &amp; Financial Planning – 2024/25</b>	<ul style="list-style-type: none"> <li>• Significant work has taken place throughout the spring and summer to prepare proposals for the draft budget.</li> <li>• There has been a firm focus on identifying service and central budget savings in line with the objectives of the FSP, specifically to generate income, use assets to maximise efficiency and achieve value for money</li> <li>• The draft budget for 2024/25 was endorsed by the Executive at its meeting on 16 November 2023. (Note further updated by Budget approved by Council 20 February 2024).</li> </ul>	<ul style="list-style-type: none"> <li>• Further work will take be undertaken over the coming weeks to test and refine the proposals, including consultation with the Overview &amp; Scrutiny Committee's Budget Scrutiny Panel and other stakeholder groups.</li> <li>• Final budget proposals will be presented in January 2024.</li> </ul>	<ul style="list-style-type: none"> <li>• A total of £2.259m savings have identified from services areas and from fees and charges.</li> <li>• Of the total above, £0.540m are specifically from additional fees and charges income which have been achieved in line with the Council's fees and charges policy.</li> <li>• In addition to the £2.259m service savings, a further £0.200m of treasury management savings have been identified plus other net central budget savings of £0.176m</li> </ul>

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			<ul style="list-style-type: none"> <li>• Included within the overall service savings of £2.259m, are specific savings from assets and property including income from the Rise at Redhill of £0.700m plus new café leases income of £0.100m, plus a further £0.104m from new properties such as Reading Arch Road.</li> <li>• Also included in the service savings is a post reduction from deleting a vacant post with a saving of £0.044m.</li> <li>• A further service saving is an efficiency saving of £0.025m for CIL funded solar compacting bins which are being introduced.</li> <li>• Finally, external grants have been maximised where possible and £0.695m of additional income has been achieved from the Homelessness Prevention Government Grant.</li> </ul>
<b>Standalone projects and activities</b>	<ul style="list-style-type: none"> <li>• Project and activity scoping (ongoing)</li> <li>• Activities to deliver 'quick wins' being progressed (ongoing)</li> <li>• Projects being progressed through established project management framework (ongoing)</li> </ul>	<ul style="list-style-type: none"> <li>• Activities to deliver 'quick wins' continue to be progressed by relevant service areas (ongoing)</li> <li>• Projects being progressed through established project management framework (ongoing)</li> </ul>	<ul style="list-style-type: none"> <li>• Small scale for 2023/24 from 'quick win' activities were incorporated within the agreed budget for the current year. These savings, alongside the total savings (generated under FSP) delivered a total budget benefit of £2m for 2023/24 summarised as £1.23m of additional income and £0.79m of cost savings.</li> </ul>

	Progress	Next Steps	Financial Benefits
			<ul style="list-style-type: none"> <li>Financial benefits from projects are be confirmed on a case by case basis</li> </ul>
<b>Vacancy Control Mechanism and Pay Budgets</b>	<ul style="list-style-type: none"> <li>New vacancy control mechanism introduced (June 2022)</li> <li>Senior Officer Panel established to review business cases for recruitment to vacant posts (July 2022)</li> <li>Vacancy control mechanism now operational; recruitment to vacant posts being reviewed by senior management on a case-by-case basis</li> </ul>	<ul style="list-style-type: none"> <li>Changes and improvements to the process to be implemented as they are identified (ongoing)</li> </ul>	<ul style="list-style-type: none"> <li>Pay costs budgets for 2024/25 are being reduced by £0.243m to reflect elements of the pay award budget that did not have to be fully utilised last year after final pay negotiations.</li> <li>A proposed post deletion of 1 FTE in the draft 2024/25 budget will result in a saving of £0.044m.</li> </ul>
<b>Third Party Funding Opportunities</b>	<ul style="list-style-type: none"> <li>£0.5m secured from health partners towards Council community development and partnerships work Investment plan submitted in respect of £1m UK Shared Prosperity Fund funding (July 2022)</li> <li>Council services as well as third parties were invited to submit Strategic CIL bids in 2022. Circa £7.5m of funding was awarded to Council projects.</li> <li>£0.089m secured from Surrey County Council for sustainability and environmental activities</li> </ul>	<ul style="list-style-type: none"> <li>Opportunities for further third party funding continue to be explored (ongoing)</li> </ul>	<ul style="list-style-type: none"> <li>For the 2024/25 to 2027/28 Capital Programme there is Strategic CIL Funding of £0.754m being applied to fund the Environmental Stability upgrades for the Council which will cost £1.145m in total over the period of the full capital programme.</li> <li>Capital Grants and other funding opportunities such as the £0.089m contribution from Surrey County Council to fund solar panels as part of the sustainability work have been included in the Capital Programme which will go forward to the January Budget meeting for approval.</li> </ul>