

LONDON BOROUGH OF NEWHAM

Cabinet

Report title	Overall Financial Position 2023/24 Part Two – Budget Recovery Action	
Date of Meeting	Cabinet – 9 th November 2023	
Lead Officer and contact details	Andrew Ward - Assistant Director of Finance and Transformation E: andrew.ward@Newham.gov.uk	
Director, Job title	Conrad Hall - Corporate Director of Resources	
Lead Member	Cllr Zulfiqar Ali, Cabinet Member for Finance and Resources	
Key Decision?	Yes / No	Reasons: Outlines the actions to be taken to reduce the overspend reported in part one
Exempt information & Grounds	Yes / No	Grounds:
Wards Affected	All	
Appendices	<i>1 Recovery Actions Summary Listing</i> <i>2 Temporary Accommodation Management Actions included in the Q2 Forecast</i>	

Introduction by Cllr Zulfiqar Ali

- I. Newham and other local authorities are facing major financial challenges due to national and international economic conditions, and failures by the present government to effectively respond the hard challenges facing local government, local people and our country. The ongoing impact of 13 years of austerity, pressures on public services, an aging population, growing poverty and inequality are exacerbated by the cost of living crisis facing people; caused by inflationary pressures reaching levels that are amongst the highest in generations.
- II. High interest rates, high costs for basics like food and energy are impacting the lives of our residents in ways that are truly challenging. They are finding it hard to meet their essential day to day needs, face the threat of homelessness and in some instances the choice to forego food for themselves because they can only afford to feed their children.

- III. The economic situation is also having an impact on the Council's finances, with increased demand across services, particularly Adult Social Care, Temporary Accommodation; and generally inflation means that costs have increased even for basic services and in housing delivery.
- IV. Local government across the Country have suffer chronic underfunding for far too long. In London boroughs' overall resources are 18% lower in real terms than in 2010. The burdens of responsibilities without additional funding to meet the growing challenges. Adult Social care, Children's Social care are grossly underfunded by the government as demands and complexities are increasing. Similarly, London's homelessness crisis is the most severe in the country and represents another enormous pressure on limited resources of boroughs like Newham, where we have had a 11% increase in population; we have higher proportion of young population. London Councils are estimating that London boroughs have an average estimated overspend of £12m in 2023/24. This is all as a result of the failure of government policy.
- V. Despite the situation local government faces, the government has failed to provide clarity on fair funding for local authorities. Despite government cuts over the year, we are continually exploring options, re-evaluating and analysing our estimates and forecasts; give deep consideration to how we will effectively progress with our Building a Fairer Newham agenda within the Budget plan for the 2023-2024 financial year; and demonstrate how we are spending money optimally so that our residents feel the benefits of our investments and see improvements in local public services.
- VI. This report is part two report on the Councils overall financial position. The Part One report was presented to the Cabinet on 3rd October 2023. In that report we reported a forecast position of £14.2m which was an adverse movement of £6m from the reported Q1 position in July 2023. We committed to review our spending levels and bring about a set of mitigations as part 2 report to reduce the overspend. The Mayor, the Cabinet Leads, our Corporate Management Team and all staff have been working extremely hard in reviewing service area spends and identify mitigation as part of the overall recovery plan to reduce the forecast overspend. It is indeed encouraging to note that as a result of these serious efforts, this part two report forecast an estimated overspend of £7.3m against the general fund budget of £363m. This is a positive movement of £6.9m when compared with the October Finance review (Part 1). This is based on the mitigation/recovery plan to apply greater rigour in managing, controlling and applying disciplined mitigations to our financial resources to deliver much more efficient, improved and well managed services for our residents and businesses, during the difficult times that we are facing.
- VII. However, there are a series of assumptions and substantial risks with ongoing major pressures on temporary accommodation and social care budgets. Whilst recovery plan will assist, we need to continue to make further efforts to bring expenditure back to budget by the end of the current financial year
- VIII. It is significant to note that the forecast overspend has particularly been high due to the increasing temporary accommodation pressures and costs in

Newham. Whilst this is impacting on all council's in London, Newham is having the greatest impact. Had the government taken responsibility to fund this national crisis, the pressure on General Fund would have been much lesser.

- IX. The in-year position on our Dedicated School Grant (DSG) Budget was an underspend for the first time in a number of years; Our Housing Revenue Account (HRA) made a Revenue Surplus which we put back into the HRA reserve as planned;
- X. Overall, as it pertains to the final outturn position for financial year 2023/24, I acknowledge the committed and collective efforts that the Mayor, Cabinet members and wider executive., Corporate Directors, and officers across the breadth of the Council have made as part of our 'One Council' approach to ensure we manage our financial resources effectively and deliver on the Building a Fairer Newham outcomes we want for our residents. That includes the transformation improvements we are driving to ensure excellence in public service delivery. It also demonstrates how our financial management controls and systems can contribute to better management of our resources.
- XI. We will continue with our approach to instil sound budget management and discipline through excellence in financial governance and assurance, alongside the transformation and change plans at the Council so we can evidence qualitative outcomes for our people and sound use of public money.
- XII. This report also provides some information about the Medium Term Outlook, though it is extremely difficult to produce a reliable estimate of the financial target for year 2024/25 because of the failures of national government to provide stability and clarity about its financial settlement to local government. Additionally, there are ongoing uncertainties in the inflationary prognosis – with indications that inflation will remain high, over falling as forecast. As such it is difficult to model what the funding gap will be. However, we are expecting the Government's Autumn statement later this month and if they do recognise the financial burden on local government, then there may be some hope but based on their track record, we cannot pin our hopes on it.
- XIII. Within this uncertainty, we will continue to work hard to implement sound and robust financial management to control overspend, and use the best information to make reasonable assumptions for our Medium Term outlook. I commend this report to the Mayor and Cabinet as we confidently face the challenges before us and remain committed to delivering our promises to Newham residents.

1. Summary

- 1.1. At Q1 the Council forecast a significant overspend which rose to £14.2m at Q2, mainly as a result of continued escalation of pressures in temporary accommodation as experienced by all of local government, and most acutely in London; alongside the increased demand, complexity and cost of care in special educational needs (SEND) and adult social care provision. The £14.2m position was reported to Cabinet in October as a Part One report position on financial year 2023/24 Quarter Two.¹ This Part Two report follows on from that, demonstrating the actions that will be taken to mitigate the position to reduce the forecast overspend last month to £7.3m; for clarity this includes the use of the remaining General Fund contingency budget of £2.5m. Table 1 below summarises the Q2 revenue position by Council department and illustrates the impact of proposed In-Year Recover Plans outlined within this report and its appendices.
- 1.2. All of this needs to be seen in the context of an exceptionally challenging financial position for local authorities. London Councils recently conducted a survey showing a forecast overspend of £400m across the capital's 32 boroughs, or an average of around £12m each. Nonetheless, although the causes of the financial pressures largely, but by no means exclusively, lie outside the Council's direct control the budget remains an issue for Newham to deal with and to find ways to manage within its financial means. This report sets out the actions proposed to reduce the overspend. While this will not eliminate the Financial Year 2023/2024 Budget forecast overspend, further work is being undertaken to reduce this further across every Council directorate with cabinet / portfolio leads and corporate directors in line with the *One Council* approach to the 'Robust Financial Management' priority.
- 1.3. The decisions that have informed the current Budget Recovery Action plan have been taken with a view to maintain the integrity of the Council's Building a Fairer Newham Corporate Plan and the Budget 2023/2024 as agreed at Cabinet and Full Council in February 2023. These decisions will doubtless not be easy. However, it is important to emphasise that although there is still an almost complete lack of useful information from central government about next year's financial settlement there is no realistic scenario where the decisions about the budget for 2024/25 will not involve far more challenging options to consider.
- 1.4. The proposed mitigations against the forecast overspend this year are outlined in this report for the Mayor and Cabinet to approve and are listed in detail at Appendix One. If agreed and implemented successfully they will result in an £7.9m adjustment to the forecast leaving a residual £6.3m overspend. However, recognising that delivery can be difficult, especially in respect of temporary accommodation proposals, the TA proposals have been adjusted

¹ See: 'Overall Financial Position 2023/24: Part One – the position as at Quarter Two' - <https://mgov.newham.gov.uk/documents/s168090/1.%20CABINET%20-%20Budget%20Monitoring%20Report%202023-24%20Part%201%20final%200003.pdf>

and the resulting forecast has been adjusted upwards by £1m, to £7.3m overspend, as a sensible and prudent contingency.

- 1.5. The financial position was reported to Cabinet on 3 October 2023 and is listed as a background paper to this report. That report presented the Council's financial position as at Quarter Two (Q2) and explains how this has changed from what was reported to Cabinet in the Quarter One (Q1) report.
- 1.6. Given that the pressure on temporary accommodation is so acute the recovery plan for this area has been included at Appendix Two. For the avoidance of doubt, this sits separately from new in-year actions proposed within this report.
- 1.7. As a result of the significant budget pressure management across all departments have worked to develop in-year recovery plans to ensure the Council works within its agreed budget envelope, or as close to this as possible. Whilst the focus has been on departments that are overspending all areas of the Council has been reviewed, to try to generate underspends to offset overspends elsewhere. This Part Two report explains the remedial plans and budget actions that the Council proposes to undertake to recover the financial position alongside the previously agreed general management controls such as limits on recruitment activity, and agency spending subject to approval at the cabinet meeting on the 9th November 2023.
- 1.8. Table 1 below summarises the Q2 revenue position by Council department and illustrates the impact of proposed In-Year Recover Plans outlined within this report and its appendices reducing the forecast £14.2m overspend forecast last period to £7.3m. It is important to note that the remaining contingency budget of £2.5m has been applied within this.

Table 1 - Revenue Budget Forecast Q2 2023/24 and impact of proposed In-Year Recovery Plans

	2023/24 ORIGINAL BUDGET	2023/24 REVISED BUDGET	2023/24 FORECAST	2023/24 VARIANCE Q2	IN-YEAR RECOVERY PLAN	2023/24 REVISED VARIANCE Q2
	£m	£m	£m	£m	£m	£m
Children and Young People	113.6	110.1	113.7	3.6	(1.2)	2.4
Inclusive Economy & Housing - Non TA	5.9	7.0	7.3	0.3	(0.6)	(0.3)
Adults & Health	110.9	111.4	114.8	3.4	(3.4)	(0.0)
Environment and Sustainable Transport	21.8	20.6	20.6	(0.0)	0.0	(0.0)
Marketing	8.2	8.1	8.2	0.1	0.0	0.1
Digital	14.1	0.9	0.9	0.0	(0.0)	(0.0)
Transformation	3.6	6.5	6.5	0.0	(0.0)	(0.0)
Resources	7.9	12.4	12.3	(0.0)	(0.3)	(0.4)
RMS	0.0	0.0	0.0	0.0	0.0	0.0
oneSource Residual	(5.4)	4.5	5.1	0.7	0.0	0.7
Central Budgets - General	63.6	63.6	63.6	(0.1)	0.0	(0.1)
Central Budgets - Unapplied Saving	(4.4)	(4.4)	(0.2)	4.2	0.0	4.2
Sub total	339.8	340.7	352.8	12.1	(5.6)	6.5
Inclusive Economy & Housing - TA Only	23.2	22.3	26.9	4.6	(1.3)	3.3
Total before contingency available	363.0	363.0	379.7	16.7	(6.9)	9.8
Applied contingency	0.0	0.0	(2.5)	(2.5)	0.0	(2.5)
Total before use of available contingency	363.0	363.0	377.2	14.2	(6.9)	7.3

1.9. General reserves are currently £11.1m (£7.1m as at 31 March 2023 plus the budgeted increase of £4m in 2023/24). An overspend of £7.3m would reduce this to £3.8m, significantly below the minimum safe level and this illustrates the further work still to be done. If any of the mitigating actions set out at Appendix One were not agreed then this figure would reduce further and, clearly, if no such action had been taken then the general fund reserve would have been entirely eliminated.

1.10. It is important as a reminder, to state that the use of general reserves to mitigate overspends is only a temporary/one-off solution in the face of unanticipated emergencies – as was the case during the Covid-19 pandemic. If used outside of this framework, it reduces the Council's ability to manage

more immediate risks that may emerge in the future, such as was the case during the Covid-19 pandemic period. This is clearly undesirable and certainly not sustainable. Reducing earmarked reserves limits the level of risk the Council can afford to accept. This is particularly relevant given the size of the large scale regeneration projects in the capital programme.

1.11. It is important to note that general 'unallocated' reserves are already at a depleted level and as such the MTFS includes a provision of budget to replenish the reserve over time. Consideration will need to be given in the 2024/25 budget to increasing this contribution, even though this would require greater savings from service budgets.

1.12. A recent study by London Councils showed that the average overspend for London Boroughs was approximately £12m. This illustrates the significant financial pressure that the sector is under and is complemented by the many stories in specialist and increasingly general media about local authorities being forced to consider and in some cases issue s114 notices. Newham has made no such announcement. This context is important. The Council will need to reduce expenditure further to stay within agreed budgets. The consequences of not doing so will be to place even more pressure on next year's already exceptionally challenging budget round, given the lack of clarity of central government's financial settlement to local government and no resolution of the fair funding review.

2. Recommendations

2.1. For the reasons set out in the report and its appendices, Cabinet is asked to:

2.1.1. Note the report and its appendices.

2.1.2. Agree the continued implementation of previously agreed financial controls through to the end of the financial year.

2.1.3. Acknowledging the adverse budget position, agree to the immediate implementation of the proposed remedial actions outlined within this report and detailed at Appendix One.

2.1.4. Authorise officers to continue to identify further options to reduce the overspend, prioritising efficiency measures but recognising that this may also lead to reductions in service levels.

3. Quarter Two 2023/24 Forecast

3.1. The General Fund revenue budget for 2023/24 is £363m inclusive of £6m of contingency budget.

- 3.2. At its October meeting Cabinet received a report setting out a forecast £14.2m overspend against the General Fund budget. The key overspends were;
- £4.6m overspend on the provision of Temporary Accommodation (after accounting for £16.1m of planned management actions)
 - £3.4m overspend on Adults and Health,
 - £3.6m overspend on Children and Young People
 - Other overspends including unachieved savings reported across directorates as per table 1 above and detailed in that report.

3.3. The Council's approach to managing the overspend can be summed up in four phases with Phase 3 being the key focus of this report.

3.3.1. Phase 1 – Spending Controls: To manage the overspend down the Council's management reacted quickly to the position forecast at Q1 by developing and initiating a suite of council wide spending controls to immediately reduce expenditure

3.3.2. Phase 2 – Departmental Management Action: Further to this, overspending departments worked on understanding the underlying factors and developing management actions to reign in their position and these were included within the Q2 forecast. However, the overall position worsened due to pressures in temporary accommodation due to the current housing crisis, alongside SEND and social service pressures.

3.3.3. Phase 3 – Corporate Management Action: In appreciation of the difficulty of overspending departments internally managing the 'perfect storm' of external forces driving their position, the Corporate Management Team in discussion with portfolio / cabinet leads have collectively sought to identify further management action that may be taken to reduce the overspend position. This has been finalised through a series of cross departmental challenge sessions chaired by the Mayor and Chief Executive (with Deputy Mayor and Cabinet member for Finance and Resources plus the Section 151 officer and deputy Section 151 officer in attendance, alongside independent expert oversight by CIPFA) with cabinet members and Corporate Directors. The options outlined in this paper are the product of this process.

3.3.4. Phase 4 – Future Years Budget Setting: Some of the pressures and indeed some of the proposed in-year mitigating actions could prevail into future years. The intelligence from the in-year review will inform the Budget Setting report which will be presented to Cabinet in December 2023 or January 2024 to enable a balanced budget to be set for presentation to Full Council thereafter.

4. Corporate Management Action

- 4.1. Following the Q2 report all portfolio / cabinet leads and departments across the Council worked within the framework of collective responsibility to develop

reasonable and proportionate actions to meet the scale of the 2023/2024 in-year budget challenge.

4.2. Through a series of Corporate Management Team challenge sessions and subsequent Budget Challenge meetings co-chaired by the Mayor and Chief Executive, this suite of options has been further developed and refined to present Cabinet with a package that it believes strikes the appropriate balance between meeting the Council's duty to work within a balanced budget and obligation to residents to deliver services.

4.3. That said these options aren't necessarily without consequence to service delivery ranging from isolated use of earmarked reserves in place of general fund budget through to reduction of services.

4.4. Table 2 summarises the proposals put forward and agreed to be recommended to cabinet for approval by department and category of mitigation.

Table 2 – In-Year Recovery Actions by category

	Reduction in provision	Service Efficiency	Grant Substitution	Service Transformation	Earmarked Reserves	Risk Adjustment	Grand Total
Adults and Health	(240)	(1,443)	(1,550)	(200)			(3,433)
CYPS	(100)	(1,000)		(100)			(1,200)
Digital		(15)					(15)
Inclusive Economy & Housing	(150)	(150)	(300)				(600)
Inclusive Economy & Housing (TA)	(2,346)					1,000	(1,346)
Marketing							0
Resources		(225)		0	(100)		(325)
Transformation		(25)					(25)
Grand Total	(2,836)	(2,858)	(1,850)	(300)	(100)	1,000	(6,944)

4.5. The full list of proposed actions is included in Appendix One. These are recommended for cabinet approval to reduce the Q2 overspend by £6.9m (including £1m risk adjustment to TA mitigations) from £14.2m to £7.3m.

5. Spending Controls

5.1. Council wide spending controls were introduced back in July with the view of the significant financial risks:

5.1.1. Agency Staff – No new agency staff can be taken on without explicit approval. Exceptions apply. Agency extensions require Corporate Director approval.

5.1.2. Recruitment freeze. No new permanent external recruitment can commence without explicit approval from the S151 officer. Recruiting internally is still permitted.

5.1.3. Overtime – no overtime (or additional shifts for those teams who rely on overtime).

5.1.4. Contracts – no new contracts to be signed without S151 permission.

5.2. The impact of these imposed spending controls will continue to be monitored so long as the controls are in place during 2023/24. Updates to the effectiveness of these controls to date are summarised below.

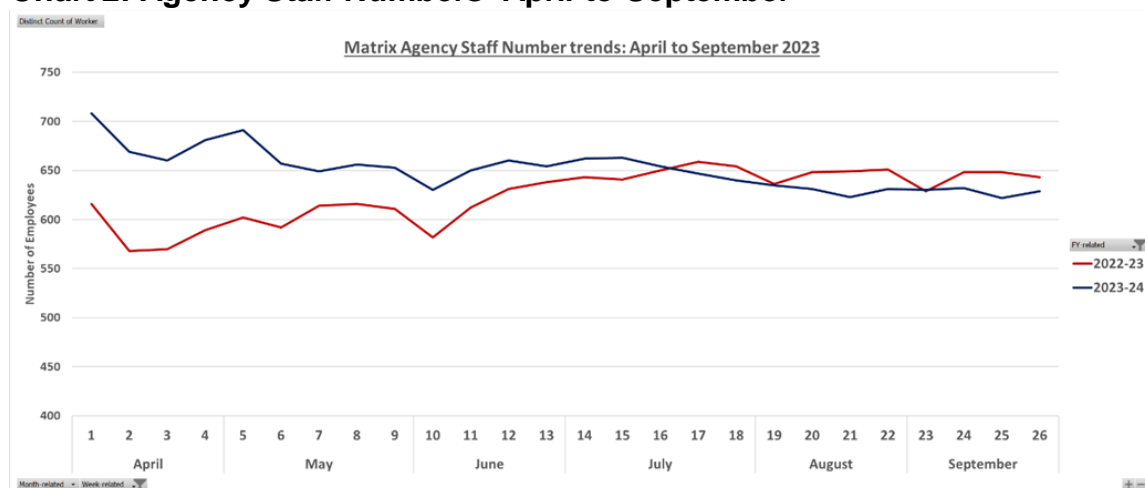
5.3. It is recommended that these controls remain in place for the remainder of the financial year to 31 March 2024.

5.4. **Agency Staff:** The first chart below shows that Council wide agency spend in the first six months of 2023-24 has remained relatively stable, excluding the impact of any bank holidays during the period. Weekly spend across the first half of 2023-24 is slightly higher than it was in 2022-23 until August, where spend begins to fall and is now on par with this time last year. The second chart below, displaying agency staff numbers, suggests a gradual decline from April 2023 in the use of agency staff across the Council. From mid-July, agency staff numbers are lower in 2023-24 than they were in 2022-23. Trends in agency staff employed by the Council, and subsequent spending implications will continue to be reviewed monthly to assess the impact of spending controls, and to account for the cyclical nature of spend (e.g. agency spend will typically reduce during the six-weeks holiday period).

Chart 1: Agency Spend - April to September

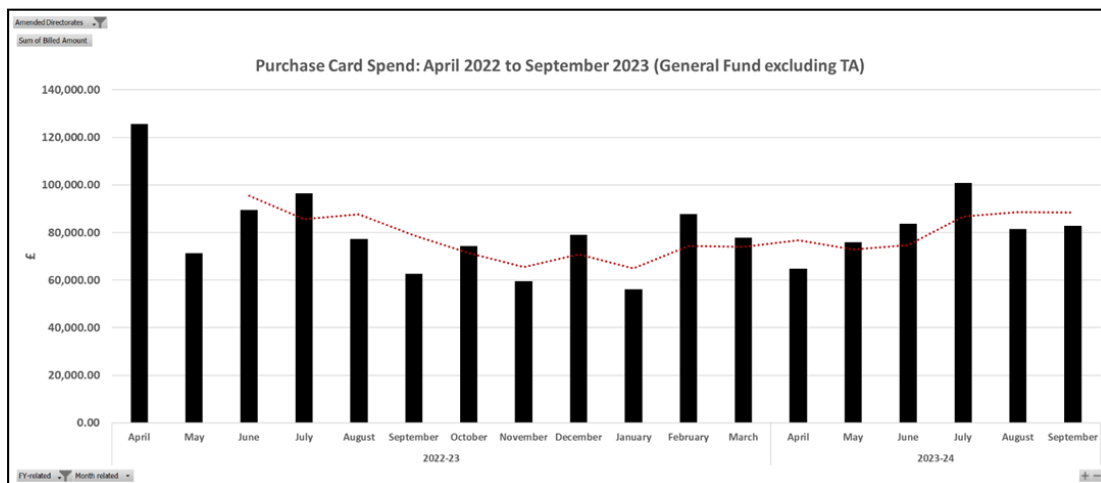


Chart 2: Agency Staff Numbers- April to September



5.5. Purchase Card Expenditure: As can be seen in Chart 3 below, purchase card expenditure was increasing during the first four months of the financial year, but has since fallen in both August and September 2023. More broadly, the pattern in purchase card spend is similar to that of 2022-23 and so the impact of spending controls cannot be determined explicitly. Continued monthly monitoring will validate any trends in purchase card expenditure in 2023-24, and take into account any seasonal patterns of spend.

Chart 3: Purchase Card Spend (excluding Temporary Accommodation)



5.6. Recruitment freeze: Council-wide employee numbers have seen a net increase of 28.4 FTEs in the second quarter of 2023-24 (see table 1). The FTE increase is predominantly due to Children's Social Care (20 out of a 36 FTE increase for Children and Young People Increase). This is largely mitigated across other directorates.

5.7. Total payroll staffing costs in September 2023 were £376k lower than they were in July 2023. This demonstrates the effect of the recruitment freeze. It is likely new staff in CYPS will not impact these figures until the October payroll run and will cause an increase at that time.

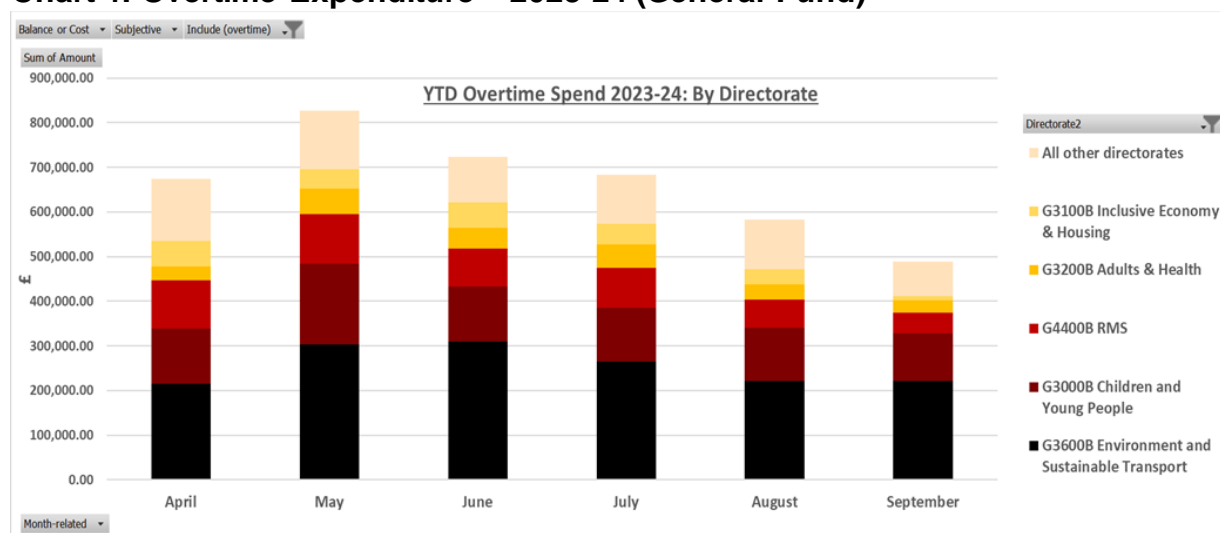
Table 3: Newham Council FTEs– movement in staffing costs from July 2023-24 (General Fund)

Directorate	Sum of FTE 11/07/23	Sum of FTE 29/08/23	Sum of FTE 30/09/23	Movement July to September
G3000B Children and Young People	711.7	718.5	747.7	36.0
G3100B Inclusive Economy & Housing	377.8	378.3	374.2	-3.6
G3200B Adults & Health	388.0	393.6	392.6	4.6
G3300B Brighter Futures Director	0.0	0.0	0.0	0.0
G3600B Environment and Sustainable Transport	768.4	794.6	768.0	-0.42
G3700B Marketing	213.7	211.9	215.4	1.7
G3800B Digital	11.0	11.0	12.0	1.0
G3900B Transformation	111.0	114.0	117.6	6.6
G4000B Resources	422.4	403.4	406.8	-15.5
G4400B RMS	28.0	26.0	25.0	-3.0
G5000B oneSource - Non Shared	56.7	57.7	60.7	4.0
G7000B oneSource	213.1	212.3	210.3	-2.8
	3,301.8	3,294.5	3,330.3	28.4

5.8. Overtime Expenditure: Apart from the increase in expenditure from April to May 2023, overtime expenditure has fallen month-on-month from May 2023 to September 2023. Overtime costs in September 2023 were the lowest of any month in the 2023-24 Financial Year. This decrease has occurred across almost all directorates, including most notably in EST, IEH and RMS. Ongoing monitoring of overtime expenditure will help to confirm continued adherence to financial controls and reduction in the use of overtime. A breakdown of overtime costs can be seen in table 4 below.

Table 4: Overtime Expenditure – 2023-24 (General Fund)

2023-24 Year-to-date Overtime Expenditure (£)							
Month-related	April	May	June	July	August	September	Grand Total
Environment and Sustainable Transport	215,606	303,314	310,072	264,713	220,816	222,147	1,536,668
Children and Young People	123,039	181,213	123,381	120,795	118,804	105,426	772,658
RMS	107,772	110,088	84,204	89,306	63,426	46,116	500,912
Adults & Health	31,739	58,309	47,381	52,492	34,557	28,424	252,902
Inclusive Economy & Housing	56,363	43,184	56,465	46,914	34,198	9,419	246,542
All other directorates	139,194	131,394	102,118	108,683	111,089	76,983	669,461
Grand Total	673,714	827,501	723,621	682,902	582,891	488,514	3,979,144

Chart 4: Overtime Expenditure – 2023-24 (General Fund)

5.9. Contracts: Work is currently underway to identify and track any new contracts being agreed by the Council. Additional financial data is also being sourced to track all new purchase orders being raised in Newham from July 2023, committing the Council to expenditure. Any superfluous spending identified will be brought to the attention of service managers on a directorate-by-directorate basis, to ensure prudent spending and adherence to financial controls.

6. Alternatives Considered

6.1. The process outlined in section four consisted of looking at all departmental budgets to identify potential mitigating actions and a long list of options for consideration was used for Budget Challenge meetings for each portfolio. The outcome of these meetings was that £8m of mitigating actions were agreed for inclusion in this report and presentation to cabinet.

7. Consultation

7.1. The Mayor and Lead members were consulted throughout this process.

8. Implications

8.1. Financial Implications

- 8.1.1. Whilst the recommended actions serve to significantly reduce the forecast overspend position by £6.9m there remains a significant residual forecast overspend of another £7.3m.
- 8.1.2. Additionally, the overspend position already includes a significant level of management actions to suppress deeper potential overspends. The in-year position therefore remains challenging.
- 8.1.3. Retention of the financial controls should serve to continue to partially mitigate against this and the position will continue to be monitored closely
- 8.1.4. Assumptions underpinning the underlying forecast are based on assumptions which could still change as we move through the year with the potential for the position to worsen still.
- 8.1.5. The Council has capacity to manage a residual pressure through the repurposing of earmarked reserves but only once all other avenues are exhausted. Given the potential for the position to worsen still before the end of the year, and the level of risk within the embedded and newly proposed mitigating actions, reserves should be held to manage unexpected variances at the year end and further proactive action taken to further manage the in-year position to a balanced position.

8.2. Legal Implications

- 8.2.1. In accordance with section 151 Local Government Act 1972, the local authority must make arrangements for the proper administration of its financial affairs. The Council's Chief Finance Officer, the Corporate Director of Resources is responsible for the administration of those affairs and has a statutory duty to report to members if it is likely that the Council will be unable to maintain a balanced budget. The proposals set out in this report are intended to mitigate the risk that a balanced budget cannot be maintained.
- 8.2.2. The Council is required under section 28 of the Local Government Act 2003 to periodically review its income and expenditure against its budget calculations during the financial year. If it is established during budget monitoring that there has been a deterioration in the financial position, the Council must take such action as it considers necessary to deal with any projected overspend.
- 8.2.3. The Council's "best value" duty to "make arrangements to secure continuous improvement in the way in which its functions are exercised,

having regard to a combination of economy, efficiency and effectiveness," must be taken into account when decisions on savings proposals are made.

8.2.4. The Council must also have due regard to the public sector equality duty (PSED) stipulated in section 149 of the Equality Act 2010. This requires the Council, when exercising its functions, to have due regard to the need to eliminate discrimination, harassment, victimisation or other prohibited conduct; and to advance equality of opportunity and foster good relations between persons who share a protected characteristic and those who do not. The protected characteristics include age; disability; gender reassignment; pregnancy and maternity; race; religion or belief; sex and sexual orientation. Equality Impact Assessments [EqIA], should be considered where changes to service provision are proposed.

9. Background Information Used in the Preparation of this Report

- 9.1. Budget Monitoring Report Part One (As reported to cabinet on 3 October 2023 and referenced in this report)
- 9.2. July Finance Review (As reported to cabinet on 20 July 2023)