

By: Cabinet Member for Finance– John Simmonds
Acting Deputy S151 and Head of Finance Ops – Cath Head

To: Governance and Audit Committee – 25 Jul 2018

Subject: Update on savings Programme

Classification: Unrestricted

Summary: This report asks Members to note the position on the progress towards the 2018-19 budget savings

FOR ASSURANCE

1. 2018-19 budget savings

- 1.1 The budgeted savings as shown in the budget book are £50.2m. This year, the gap has been more difficult than ever to close. The current forecasts show that the vast majority of the £50.2m savings are on track to be delivered; this is a promising position at this stage of the year. The intention remains that where delivery proves to be unlikely, equivalent savings plans will be developed elsewhere within the relevant Directorate. It is our expectation that once these alternative plans are finalised and agreed then the forecast pressure will reduce. Should alternative offsetting options not be identified within a directorate, then the Corporate Management Team will need to consider how this will be managed on an Authority-wide basis, as we must achieve a balanced position overall, we cannot afford to enter 2019-20 with an underlying problem.
- 1.2 The process of BRAG rating all the £50.2m is a continuous one, and the latest position on that BRAG status is detailed below. If there were to be serious doubt about the delivery of any of the approved savings, then budgets would need to be realigned in the draft 2019-22 MTFP to remove these savings.

Red	Amber	Green	Blue	TOTAL
£3.8m	£6.7m	£18.9m	£20.8m	£50.2m
7.6%	13.4%	37.6%	41.4%	100%

- 1.3 The significant majority of the Red rated savings relate to Adult Services, specifically Transformation (£1.7m), Efficiency (staffing) (£0.2m), and policy savings of Housing Related Support for Other Adults (Offenders) (£0.3m) and Development of In-House Day Services (£0.1m), together with £1m of Integration of Children Services across CYPE Directorate due to the delay in the appointment of Senior Staff.

- 1.4 For details of all the savings, please follow this link:
http://www.kent.gov.uk/data/assets/pdf_file/0010/79714/medium-term-financial-plan-and-budget-information.pdf

The relevant information starts on page 195 of Appendix A(ii).

- 1.5 Corporate Directors remain absolutely committed to resolving the issues that are causing the £3.8m of Red rated savings and developing plans for delivery of the £6.7m of Amber rated savings.
- 1.6 The position is being monitored very closely and alternatives will be sought and developed if necessary.

2. Recommendation

- 2.1 Members are asked to NOTE for assurance the progress on the 2018-19 revenue budget savings.

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