

By: Deputy Leader and Cabinet Member for Finance and
Traded Services – Peter Oakford
Corporate Director of Finance – Zena Cooke

To: Governance and Audit Committee – 23 Jan 2019

Subject: Update on Savings Programme

Classification: Unrestricted

Summary: This report asks Members to note the position on the
progress towards the 2018-19 and 2019-20 budget
savings

FOR ASSURANCE

1. 2018-19

- 1.1 The savings target for the 2018-19 financial year was £50.2m. This is the 8th year that we have had a significant savings target with savings of over £641m being achieved since 2010-11. As each year passes, the savings are more difficult to realise.
- 1.2 The monitoring report that went to Cabinet on the 3 December reported an overspend of £3.8m (excluding asylum), but after Corporate Director adjustments and roll forwards.
- 1.3 Corporate Directors are actively working towards ensuring that the Council's outturn position is breakeven by the end of the financial year, but the effort to achieve this should not be underestimated.
- 1.4 The forecast overspend is spread over a number of services with the largest element reflecting a higher than budgeted demand for children's social care.
- 1.5 Members should be assured that everything possible, other than actions adversely impacting on front-line services, is being done to deliver a balanced budget for 2018/19. This is based on rigorous and regular budget monitoring and reporting that highlights projected variances and the management action being taken to address those variances. The 'policy' of not adversely impacting on front-line services is under constant review, balancing the need to protect vital services and the need for financial restraint.

2. 2019-20

- 2.1 The budgeted savings as shown in the draft budget book are £42.9m. This year, the gap has been more difficult than ever to close. Given the above issues, it is imperative that robust and accurate financial monitoring is maintained from the start of the financial year. The process of RAG rating all of the £42.9m is a continuous one, and the latest position on that RAG status will be presented to Council on 14 February. If there were to be serious doubt about the delivery of any of the proposed savings, then those savings options would need to be removed from the draft budget proposals and alternative proposals identified.

3. Recommendation

- 3.1 Members are asked to NOTE for assurance the progress on the 2018-19 and 2019-20 revenue budget savings.

Zena Cooke
Corporate Director of Finance
Ext: 416854