

Report to:	EXECUTIVE CABINET
Date:	15 December 2021
Executive Member:	Councillor Oliver Ryan – Executive Member (Finance and Economic Growth)
Reporting Officer:	Kathy Roe – Director of Finance
Subject:	SAVINGS DELIVERY 2021/22
Report Summary:	The report provide Members with an update on the savings monitoring exercise for delivery of 2021/22 savings, and highlights any risks or delays to delivery.
Recommendations:	Members are asked to note the progress report and risk areas for delivery in 2021/22 and future years savings.
Corporate Plan:	The Corporate Plan helps determine the priorities for Council spending and informs the budget priorities and Medium Term Financial Planning.
Policy Implications:	Budget is allocated in accordance with Council Policy
Financial Implications: (Authorised by the statutory Section 151 Officer & Chief Finance Officer)	On 23 February 2021 Full Council approved a budget that includes £8.930m of savings to be delivered during 2021/22. The monitoring and reporting of savings delivery is crucial to ensure that they are on track and to enable Officers to take action if there are indications that delivery is not as planned or behind schedule.
Legal Implications: (Authorised by the Borough Solicitor)	<p>This report is intended to provide Members with an update on the delivery of the savings approved by cabinet in February 2021. The savings were identified as being required in order for the council to deliver a balanced budget at the end of the financial year.</p> <p>Members will be aware of their responsibility to ensure that there is ‘proper management’ of the council’s finances (The Local Government Act 1972 (Sec 151) which includes undertaking a regular and robust review of the council’s savings delivery against the agreed targets.</p> <p>Members will also be aware that under The Local Government and Finance Act 1988 the council has a legal responsibility to avoid a deficit budgetary position and that the Council’s 151 Officer is required to suspend spending if the council does not, or imminently will not have a balanced budget.</p> <p>This report indicates that the overall savings position has improved since the last report in September. However, there are areas where the rag rating remains amber or red and therefore continued action will be required.</p> <p>The council has been fortunate that a number of the savings targets have been reached due to one off mitigations such as in year additional funding. Whilst this is positive the overall budgetary pressure remains and will have to be addressed in the next financial year.</p>

Risk Management:

Associated details are specified within the presentation.

Failure to properly manage and monitor the Strategic Commission's budgets will lead to service failure and a loss of public confidence. Expenditure in excess of budgeted resources is likely to result in a call on Council reserves, which will reduce the resources available for future investment. The use and reliance on one off measures to balance the budget is not sustainable and makes it more difficult in future years to recover the budget position

Background Information:

The background papers relating to this report can be inspected by contacting Heather Green



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1. INTRODUCTION

- 1.1 On 23 February 2021 Full Council approved a budget that includes £8.930m of savings to be delivered during 2021/22. The monitoring and reporting of savings delivery is crucial to ensure that they are on track and to enable Officers to take action if there are indications that delivery is not as planned or behind schedule.

2. MONITORING OF SAVINGS DELIVERY

- 2.1 Progress on the delivery of proposed savings as part of the 2021/22 budget process is being monitored on a monthly basis, with a proportion of schemes reviewed in detail at different points during the year. All directorates completed an implementation template as part of their original proposals.

- 2.2 **Appendix1** provides further detail on the current status of savings to be delivered during 2021. Key messages are as follows:

- Since the update to Board in September, the position on savings delivery has improved across the Council. Delivery of planned savings remains at risk in some areas however there has been a significant increase in mitigating savings to offset non-delivery of original plans.
- Overall the total forecast savings to be delivered in 2021/22 has increased to £9.166m, which exceeds the original target by £0.230m. The value of savings rated red or amber has also reduced since September, and the level of mitigating savings has increased.
- It should be noted that most of the mitigating savings are one-off in nature (£1.311m) with only £0.138m of mitigations expected to continue into 22/23. Of the £3.569m of savings currently rated red or amber, £3.156m is currently forecast to deliver in 22/23, meaning that the balance of £0.413m will need to be found from other savings.

3. RECOMMENDATIONS

- 3.1 As set out at the front of the report.