

Internal Scrutiny Committee

Meeting to be held on Friday, 17 January 2020

Electoral Division affected: (All Divisions);
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Budget Savings Update

Contact for further information:

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Executive Summary

This report provides an update as requested by Internal Scrutiny Committee on agreed budget savings.

Recommendation

The Internal Scrutiny Committee is asked to:

- i. Note and comment on the report.
- ii. Consider the requirement for further updates to be included as part of the work programme.

Background and Advice

At the Full Council meeting on 14 February 2019, a series of savings options were approved as part of the County Council's 2019/20 budget and Medium Term Financial Strategy which built on savings agreed in previous years budgets.

The council is committed to the delivery of a significant savings programme (c£127m over the period 2019/20 to 2022/23). There are inherent risks with saving plans of this scale and scope and any significant under-delivery of agreed savings will further increase the funding gap. This has been identified as one of the highest level risks in the council's Risk and Opportunity Register and there are comprehensive arrangements in place to track delivery of financial savings and take corrective actions as required.

A sum of £68.710m was removed from the budget for 2019/20 to reflect agreed savings (both service challenge and previously agreed savings). Forecast delivery of savings for the year is £49.195m, indicating a pressure of £19.515m. Of this pressure, c£5.000m is being offset elsewhere within the budget, which leaves a real pressure of c£14.500m.

This pressure is being covered in the current financial year by treasury management performance (significant income generation in the period taking advantage of market volatility through the sale of government bonds) yielding an underspend c£23.000m

and an underspend which is being achieved as a result of paying pension contributions in advance c£4.000m which contribute to the council's current forecast underspend of c£13.000m.

The list of savings currently identified with undeliverable elements is as per table 1, which constitutes a not insignificant quantum but still a relatively small proportion of the overall savings programme at less than 6%.

The total target saving was for £194.404m, there are undeliverable items as below of £18.300m with over delivery on certain savings initiatives of £6.972m leaving a current gap of £11.328m and delivery of £183.076m or 94.2% of the total savings target.

Of the undeliverable items £11.400m has been built back into the MTFs with services working hard to find alternative solutions for the balance of £6.900m

Table 1

Title	Agreed £m	Forecast £m	Undeliverable £m	Comment
LD&A TUPE Allowances	1.200	1.192	-0.008	Service continuing to monitor
Staff Terms & Conditions	5.000	0.525	-4.475	Currently being fully offset and delivered through staff turnover with the actual vacancy factor being higher than budgeted.
Apprenticeship Levy	0.600	0.160	-0.440	Considered part undelivered
Welfare Rights Service	0.380	0.101	-0.279	Saving was originally agreed subject to consultation with Cabinet subsequently agreeing a lower level of saving.
LCC Contribution to LSCB	0.101	0.073	-0.028	Closed Vacant posts have been dis-established leaving the remaining undeliverable saving and a budget pressure that service is covering.
Conservation and Collection Team	0.278	0.000	-0.278	Cabinet agreement below previous amount.
SEND Transport	1.673	0.281	-1.392	Historic savings deemed unachievable in current form. A service review has identified a number

				of alternative proposals to offset the undeliverable element.
Change of sleep-in rate payment	6.900	4.800	-2.100	Saving was originally agreed subject to consultation with Cabinet subsequently agreeing a lower level of saving with the shortfall built back into the MTFS
Increased Utilisation of In-house Residential Provision	0.996	0.000	-0.996	Built back into MTFS
Transfer of Cases to Children Awaiting Adoption Team	0.197	0.000	-0.197	Built back into MTFS
Increase energy recharged to schools	0.027	0.022	-0.005	Built back into MTFS
Passport to Independence	22.340	17.740	-4.600	Built back into MTFS
Passport to Independence	1.553	0.491	-1.062	Built back into MTFS
Learning Excellence	0.789	0.099	-0.690	Built back into MTFS
Repairs & Maintenance Budget	2.250	2.250	-1.750	Built back into MTFS
		Total	-18.300	

The Internal Scrutiny Committee is asked to note and comment on the position statement and consider the requirement for further updates.

Consultations

N/A

Implications:

This item has the following implications, as indicated:

Risk management

There are no significant implications for this item

Financial

The report is provided as an update on approved savings; the implementation of which is being managed through a series of Finance Monitoring Boards and reported to Corporate Management Team.

Local Government (Access to Information) Act 1985

List of Background Papers

Paper

N/A

Reason for inclusion in Part II, if appropriate

N/A