

**APRIL – SEPTEMBER 2019/20 FINANCIAL SAVINGS MONITORING REPORT**

<b>Relevant Portfolio Holder</b>	Councillor David Thain
<b>Portfolio Holder Consulted</b>	-
<b>Relevant Head of Service</b>	Jayne Pickering – Exec Director Finance and Resources
<b>Ward(s) Affected</b>	All Wards
<b>Ward Councillor(s) Consulted</b>	No
<b>Key Decision / Non-Key Decision</b>	Non–Key Decision

**1. SUMMARY OF PROPOSALS**

To report to the Committee the monitoring of the savings for April – September 2019/20 against those identified in the medium term financial plan (MTFP)

**2. RECOMMENDATIONS**

2.1 That the Committee note the final financial position for savings as presented in the report and at Appendix 1.

**3. KEY ISSUES**

3.1 This report provides a statement to show the savings for April – September 2019/20 as detailed in the MTFP and approved by Council in February 2019.

3.2 The External Auditors, Grant Thornton, made a recommendation within their Section 24 Notice in relation to the monitoring of savings for 2019/20.

3.3 The recommendation stated that :

- A full assessment of the deliverability of the £1.13 million savings challenge for 2019/20 and the agreement and monitoring of actions by the Executive that either prevent or minimise the further use of both General Fund and HRA balances in 2019/20.

3.4 **Actions to meet the recommendation include:**

- All savings are monitored on a monthly basis with Heads of Service and budget holders during finance meetings with individual finance representatives
- Quarterly reports to Executive and Audit and Governance Committee are presented to include detailed savings schedules showing delivery of savings

or areas of concern where additional income or cost reductions are not being achieved. Action plans to be in place from Quarter 2 2019/20 to identify how any shortfalls will be met

- Quarterly identification of further additional income and savings detailed on separate schedule to ensure vacancy management savings and non allocated savings of £181k are being met
- Budgets to be adjusted to draw down additional savings to increase general fund balances where appropriate
- HRA – plans in place to mitigate spend on Repairs and Maintenance to ensure savings made to protect HRA balances
- Vacancy and non essential spend freeze in place with the aim to delivery additional savings to support the balances position for both HRA and General Fund
- Override on budgets no longer available and list of orders considered by the HOS on a monthly basis

As members may be aware during the budget process, heads of service propose savings that are to be delivered during future financial years. The budget allocation is then reduced to reflect the proposed saving and officers meet on a monthly basis to ensure that all estimated reductions to budget are being delivered.

- 3.6 The medium term financial plan included £1,127k of savings identified to be delivered during 2019/20 the breakdown of these savings is attached at appendix 1. £206k of these identified savings is in relation to a vacancy factor and £181k saving is in relation to transformational redesign.

To quarter 2 £579k of the £1,127k identified savings have been realised against the budgeted April to September savings of £563k. It is further anticipated that the actions above will deliver additional savings and income to improve the balances position for the year.

In addition to the above officers have been required to find further savings throughout the financial year 2019/20. At quarter 2 additional savings (above those identified) have been realised of £339k. The full details of the savings are included in the Quarter 2 monitoring reports as presented to Executive in December 2019.

**3.7 Legal Implications**

None as a direct result of this report.

**3.8 Service/Operational Implications**

Timely and accurate financial monitoring ensures that services can be delivered as agreed within the financial budgets of the Council

**4. Customer / Equalities and Diversity Implications**

None, as a direct result of this report.

**5. RISK MANAGEMENT**

Effective financial management is included in the Corporate Risk Register.

**6. APPENDICES**

Appendix 1 – Saving monitoring April – September 2019/20

**7. BACKGROUND PAPERS**

Available from Financial Services

**AUTHOR OF REPORT**

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