

Appendix 9 – Update on Transformation, Savings, and Income Generation Proposals

The Council's 2023/24 revenue budget included over £40.9m of approved MTFP transformation, savings, and income generation proposals (TSIGP). At the end of the financial year, 78% has been delivered against this target. This has improved from quarter three, where 70% of savings were forecast to be delivered.

Ongoing delivery of the 2023/24 approved savings is vital and where this cannot be achieved then the development of alternative recovery or mitigation measures to address any forecast underachievement of approved savings is required by the relevant service director.

Table 1 shows the achievement of TSIGPs against the original approved amounts. Services have been monitoring these monthly based on their achievement to date and the forecast profile for realising the savings over the year. Any over or under achievement is reflected in the outturn position.

Within the overall profile, £32.2m (78%) have been either achieved or over-achieved from the original target.

Table 1: Performance of Agreed Transformation, Savings, and Income generation Proposals as at the end of March 2024 (Outturn)

Service Area	Approved Savings £m	Over-achieved £m	Achieved £m	Unachieved £m
Adults Services	10.5	0.0	6.6	3.9
Children & Family Services	4.6	0.0	3.2	1.4
Public Health	0.1	0.0	0.1	0.0
Communities Services	1.5	0.0	1.2	0.3
Climate & Place	7.9	0.0	7.6	0.3
Strategy, Workforce & Localities	0.6	0.0	0.6	0.0
Resources & Corporate Services	4.7	0.1	2.5	2.2
Non-Service	11.0	0.0	10.3	0.7
Total	40.9	0.1	32.1	8.8

Unachieved savings total £8.8m (30%) and include:

- **Adult Services – Total savings £10.5m, £3.9m (37%) unachieved.**
 - My Life, My Future savings. Longer rollout than originally anticipated. £3.9m of the £5.0m saving will now be achieved in 2024/25.

- **Children & Family Services – Total savings £4.6m, £1.4m (31%) unachieved.**
 - Family Intervention: £0.5m (unachieved) - a review of the original savings assumptions has been undertaken and an alternative delivery model proposed.
 - Homes to Inspire: £0.3m (unachieved) – delays in Homes and Horizons pods and annexes opening.
 - Diagnostic Review of Children’s Services £0.6m (unachieved) – the Impower report identified potential savings including delivery of approximately six to eight step downs from residential to in house fostering over the next three years, however these savings will not be delivered in 2023/24. In-house foster placements have increased by two on average for the financial year which would result in a saving of £0.4m if those young people were to have gone into residential care however the overall pressure in residential external placements eliminates any potential savings.

- **Communities Services – Total savings £1.5m, £0.3m (20%) unachieved, however achieved an additional £0.3m through alternative mitigations.**
 - Lifeline – Alignment of Fees and Charges for New Customers: £0.1m unachieved due to a delay in the standardisation of charges.
 - Increase Income Budget for Crematorium: £0.1m unachieved as although fees were increased, demand was lower than anticipated.
 - Open Spaces and Street Cleansing IDV Contract Rationalisation: £0.1m unachieved. Contract increases have meant that this saving is unachievable, however the service will work to achieve this saving through other means in future years

- **Climate & Place – Total savings £7.9m, £0.3m (4%) unachieved, however achieved an additional £0.3m through alternative mitigations.**
 - Somerset Waste Materials Income: £0.3m unachieved due to market prices for recycled materials falling. In addition, quantities collected have reduced despite overall waste arisings increasing.

- **Resources & Corporate Services – Total savings £4.7m, £2.2m (47%) unachieved.**
 - Consolidation of Maintenance & Facilities Management Services: £20k unachievable due to timing of transfer and legacy contract costs being higher than anticipated means part of the saving not achieved. The service is works towards achieving this saving in 2024/25.
 - Northgate Yard – Rental Income: £0.2m (unachieved). Void units and rent-free periods means this income target is unachievable. The service is actively seeking new tenants, however rent-free periods would still apply meaning any income will now fall into 2025/26. This

property is being recategorised as an investment for yield property for 2024/25.

- Mobile Devices. £42k (unachieved) the saving is due to be delivered 2024/25.
 - Consolidation to single Electronic Payment System: £45k (unachieved) to be delivered in 2024/25 (part of second Dynamics phase.)
 - Dividends from Companies: £1.7m (unachieved) Trading of battery storage operations not as good as forecast. This budget pressure will be funded from the investment risk reserve.
 - Data Centre Consolidation: £50k (unachieved) Linked to office rationalisation therefore saving will not be achievable this year.
 - Environmental Health IT: £39k (unachieved) No activity in the programme to realise this saving, it is included on the transition matrix to flag that activity needs to take place.
 - App Rationalisation: £1k (unachieved) Expected target date for delivery November 2024.
 - Housing Benefit Admin Grant (2% increase): The increase in the Government Grant, was less than anticipated resulting in this £28.4k saving being unachievable.
 - Subscriptions: £5k (unachieved) No activity in the programme to realise this saving, it is included on the transition matrix to flag that activity needs to take place.
 - Property Rationalisation and Divestment: £69k (unachieved) Full saving not achieved in 2023/24 due to accounting adjustments required to correct previous recharges. The saving is on track to be delivered going forward as the building is now occupied by SCIL and on a full cost recovery basis.
- **Non-Service – Total savings £11.0m, £0.7m (6%) unachieved.**
 - LGR Staffing savings. Base budget savings of £0.687m and £2.6m has been achieved. Any shortfalls in the savings have been achieved through staff vacancies and will be achieved through the Workforce programme planned staff reductions.

Actual/Forecast Achievements of Transformation, Savings & Income Generation Proposals at end March 2024 (Outturn)
£m

