

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

The Council's 2023/24 revenue budget includes over £40.9m of approved MTFP transformation, savings, and income generation proposals (TSIGP). As at the end of quarter three, it is forecast that 70% will be delivered against this target and 2% will be achieved over and above this target. This has slightly worsened from last quarter where 73% of savings were forecast to be delivered.

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 forecast achievement of TSIGPs against the original approved amounts. Services monitor 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 forecast outturn position.

Within the overall profile, £28.7m (70%) are either achieved or on-track to be delivered.

Table 1: Performance of Agreed Transformation, Savings, and Income generation Proposals as at the end of December 2023 (Month 9)

Service Area	Approved TSIGP	Over-achieved/ on track to overachieve	Achieved	On-track	At Risk	Unachievable
	£m	£m	£m	£m	£m	£m
Adults Services	10.5	0.0	2.0	3.7	0.0	4.8
Children & Family Services	4.6	0.8	1.0	1.8	0.5	1.3
Public Health	0.1	0.0	0.1	0.0	0.0	0.0
Communities Services	1.5	0.0	0.2	1.3	0.0	0.0
Climate & Place	7.9	0.0	2.2	3.6	2.1	0.0
Strategy, Workforce & Localities	0.6	0.0	0.6	0.0	0.0	0.0
Resources & Corporate Services	4.7	0.2	1.7	0.8	0.1	2.1
Non-Service	11.0	0.0	2.6	7.1	1.3	0.0
Total	40.9	1.0	10.4	18.3	4.0	8.2

At Risk/Unachievable savings total £12.2m (30%) and include:

- **Adult Services – Total savings £10.5m, £4.8m (46%) unachievable.**
 - My Life, My Future savings. Longer rollout than originally anticipated. £4.8m of the £5.0m saving will now be achieved in 2024/25.

- **Children & Family Services – Total savings £4.6m, £0.5m (11%) at risk, £1.3m (29%) unachievable.**
 - Family Intervention: £0.5m (high risk) - a review of the original savings assumptions has been undertaken and an alternative delivery model proposed.
 - Diagnostic Review of Children’s Services £1m (unachievable) – the Impower report identified potential savings including delivery of approximately 6 to 8 step downs from residential to in house fostering over the next 3 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 £0.6m if those young people were to have gone into residential care however the overall pressure in residential external placements eliminates any potential savings.
 - Strategic Partnership Staying Close Pods and Annexes £0.3m (unachievable) – delays in identifying a cost-effective construction method, procurement of the pods and annexes, and agreeing a planning route have resulted in delays in the provision opening with the likely opening date now being May 24. There is a risk of further slippage while there is still no contractor in place.

- **Communities Services – Total savings £1.5m, £0.01m (1%) unachievable.**
 - Increased Berrow & Brean Beach Parking fees. The fees were increased as planned, however due to very bad weather in July and August demand was low therefore the £10k saving is unachievable.

- **Climate & Place – Total savings £7.9m, £2.1m (26%) at risk.**
 - Recycle More. Latest data shows increase in landfill tonnages. Therefore £1.4m of the total saving (£1.7m on track to be achieved).
 - Materials Income. The entire £0.4m saving is at risk due to fluctuating material prices and volumes caused by the volatile economic environment.

- Increase in fee income savings. £0.2m Income looks to be unachievable in 2023/24, potential to cover savings using underspends in wider service.

- **Resources & Corporate Services – Total savings £4.7m, £0.1m (2%) at risk, £2.1m (45%) unachievable.**
 - Mobile Devices. £51k saving is due to be delivered January 2024. Project Manager considers this value to be at risk.
 - Review of SAP Licences. Project Manager advises anticipated delay putting the £50k saving at risk.
 - Environmental Health IT. No activity in the programme to realise this saving therefore the entire £39k saving is at risk.
 - Office 365 back-up contracts. Project Manager states this £26k saving is likely unachievable due to pressure to extend Office 365 back-up.
 - Data Centre Consolidation. Linked to office rationalisation therefore £50k saving will not be achievable this year.
 - Housing Benefit Admin Grant (2% increase): The increase in the Government Grant, was less than anticipated resulting in this £28.4k saving being unachievable.
 - Northgate Yard – Rental Income: £207.1k unachievable. Void units and rent-free periods means this income target is unachievable.
 - Dividends from Companies: £1.7m unachievable. Trading of battery storage operations not as good as forecast. This budget pressure will be funded from an ear marked reserve.
 - Consolidation of Maintenance & Facilities Management Services: £30k unachievable due to timing of transfer and legacy contract costs being higher than anticipated means part of the saving not achieved.

- **Non-Service – Total savings £11.0m, £1.3m (12%) at risk.**
 - LGR Staffing savings. Work is currently being undertaken on the new staffing structures for the council, with some proposals out for consultation. Until the consultation is complete the financial savings cannot be guaranteed.

Actual/Forecast Achievements of Transformation, Savings & Income Generation Proposals at end December 2023 (Month 9)
£m

