

Delivery of Budget Reductions and Income Proposals

UNDELIVERABLE SAVINGS

Savings of £22.915m were approved for implementation in 2017/18. At period 9, £19.404m (85%) is likely to be implemented, £3.111m (13%) will either not be delivered until next year or are undeliverable and £0.400m (2%) was delayed as part of the budget resolution. This needs to be understood, mitigated and not replicated in future years.

The following commentary explains why some savings cannot be achieved.

- Temporary Accommodation (TA) - Savings of £0.378m will no longer be delivered as planned, due to the abolition of the TA management fee (TAMF) but this shortfall will be covered from the new Flexible Homelessness Support Grant (FHSG) and from over-achievement of other savings.
- Public Realm - net coring income of £0.178m will not be achieved. The scheme was introduced in 2016/17 on the basis of consultancy work which suggested that income could be gained from sampling highway resurfacing carried out by utility companies. This assumed that the work would be found to be defected and that permit income would be generated from the road closure to carry out the resurfacing work. In reality, the defects were not as high as expected so the associated permit income was not received. On that basis, this sampling work will not be undertaken in 2017/18 and reported as an overspend in period.
- Adult Social Care - additional income of £0.050m from the potential purchase of Five Acres Dementia Care Centre will not be achieved and it's no longer going ahead. Other saving and income opportunities are currently being explored.
- Growth, Economy and Culture – the £0.024m saving due from the reconfiguration of the Economic Development and Inward Investment team has not been delivered. This is offset in year by the use of the economic development reserve. Net in-year impact nil. In the longer term, the service will be re-shaped to cover these savings.
- Growth, Economy and Culture – the £0.060m saving due from efficiencies and reductions within the remaining controllable library spend has not been delivered. This is offset in year by the use of the CCSR reserve. Net in-year impact nil. In the longer term, the service will be re-shaped to cover these savings.
- Resources MKC – budget reduction of £0.311m for Saxon Court and Civic Offices is no longer achievable due to amended Future Working Programme timelines and planned increased occupancy of Civic Offices by MKC staff. Work continues to find ways to mitigate the pressure, through reviewing future office accommodation needs and use of other council buildings.

DELAYED DELIVERY SAVINGS

The following savings totalling £1.887m were due to be achieved in 2017/18 but have been delayed to 2018/19 for the following reasons:

- Adult Social Care – six savings totalling £1.191m have been delayed due to delays in contract awards including the homecare contract, new support planning services and the extra care contract, offset by £0.611m use of one-off reserves to mitigate the impact in year. The remainder has been mitigated by service underspends £0.580m.
- Temporary Accommodation (TA) - £0.081m slippage on the delivery of modular housing (approved by Delegated Decision November 2017) and £0.18m due to Orchard House not opening until May 2017.
- Children and Families – office accommodation move saving of £0.050m is delayed. The reorganisation of teams in external buildings was delayed to the timeline of other wider council moves. However these are now in progress and will be completed by the end of the year. This is been mitigated by alternative underspends within the service. Net impact nil.
- Children and Families – delays in the Regional Adoption Agency (RAA) collaboration work means that the £0.035m saving will not deliver this year. This saving is tied in with the government timescales around RAA. The final partner has only been recently confirmed and now work is commencing to join together and deliver a saving. This has been mitigated by use of grant funding. Net impact nil.
- Growth, Economy and Culture - savings totalling £0.134m undelivered due to delays in procurement and building works on Bletchley and CMK libraries, these have been mitigated in year by use of the CCSR reserve. Net impact nil.
- Resources LGSS – £0.068m of shared services savings delayed by slippage with the data centre move. Net impact £0.068m
- Resources LGSS - £0.118m benefits from a new shared service model based on the LGSS business case. Transactional services savings delayed due to the later implementation of new ERP system. The impact of the move to a later go live date will be a net nil impact.
- Resources LGSS - £0.268m benefits from a new shared service model based on the LGSS business case. Revenue and Benefits savings partly delayed due to a revised business case. Net nil impact.
- Resources MKC - £0.015m energy efficiency in civic offices has been delayed due to re-profiling of the Future Working Programme. Net £0.015m.
- Resources MKC - £0.098m digital sign advertising from the existing free standing units has been delayed due to delays in the supply of the units. Net £0.098m.

In addition, included within the savings targets for the year are £2.020m which relate to the Residual Waste Treatment Facility (RWTF) for the period April to July 2017. These are not showing as undeliverable as they were budgeted to be covered by the planned use of a one off reserve. This saving was broken down as follows:

	£M
Income from other local authorities	0.990
Income from Renewable Obligation Certificates (ROCs)	0.479
Reduced waste costs	0.531
Installation of solar panels	0.020
TOTAL	2.020