

Birmingham City Council

Report to Corporate and Finance Overview and Scrutiny Committee

27 September 2024



Title:	SAVINGS 2024/25 – PROGRESS REPORT
Lead Cabinet Portfolio:	Councillor Karen McCarthy, Cabinet Member for Finance
Relevant Overview and Scrutiny Committee:	Corporate & Finance Overview and Scrutiny Committee
Report Authors:	Steve Muldoon – Interim Business Partnering Lead, Deputy S151 Ekbal Hussain – Corporate Finance Business Partner Finance Directorate Gemma Malhi – Head of CPMO Chief Operating Officer Directorate
Authorised by:	Fiona Greenway – Director of Finance & Section 151 Officer Finance Directorate
Is this a Key Decision?	Not Applicable
If this is a Key Decision, is this decision listed on the Forward Plan?	Not Applicable
Reason(s) why not included on the Forward Plan:	Not Applicable
Is this a Late Report?	No
Reason(s) why Late:	Not Applicable

Is this decision eligible for 'call in?' Not Applicable

If not eligible, please provide reason(s): Not Applicable

Wards: All

Does this report contain exempt or confidential information? No

Has this decision been included on the Notification of Intention to consider Matters in Private? Not Applicable

Reasons why not included on the Notification: Not Applicable

1 EXECUTIVE SUMMARY

- 1.1 This report provides the committee with an update on progress to date with delivering savings agreed for 2024/25.
- 1.2 The information is based on the position as at the end of July 2024 and is as reported to Cabinet Members in September as part of the assurance process conducted in August 2024.

2 COMMISSIONERS' REVIEW

- 2.1 Commissioners support the recommendations.

3 RECOMMENDATIONS

That the Committee:

- 3.1 Notes the contents of the appendices to this report and the progress to date with delivering savings for 2024/25.

4 KEY INFORMATION

Context

- 4.1 The Council has approved 166 specific savings projects that were projected to deliver £149.8m in 24/25 and a further £77.1m 25/26.
- 4.2 This report provides an update on progress to date, as at the end of July 2024, with delivering these savings. Appendix 1 contains a summary of the overall position and includes summary information on all 166 savings projects with the latest RAG rating.
- 4.3 There are 39 specific savings projects that are within this Committee's remit and these are listed on pages 3-5 of the slide pack. Of these 39 projects, 3 of are RAG'd Red indicating that these will not deliver the full target and 4 Amber, indicating that the full target will not be achieved in year and some savings will slip into the following year.
- 4.4 The committee may want to review the Red and Amber savings and consider the risk reported on these savings and any mitigating options.
- 4.5 This information was presented to EMT (Members) in September as part of the Council's assurance and governance process.
- 4.6 Currently there are approximately £7.2m worth of savings that will not deliver fully during 2024/25.
- 4.7 £4.838m of this has been mitigated through additional savings from other approved projects, vacancy management or early delivery of savings from 2025/26, leaving £2.430m that is currently not mitigated.
- 4.8 This amount will present a budget pressure across directorate and corporate budgets in 2024/25 if left unmitigated.

- 4.9 In 2025/26 there is also a further £9.300m risk reported in Children & Families #219 (Children's Services Efficiencies), while scope and funding of the Improvement Partner is being agreed, and a £2.000m risk against #221 (EIP Placed Based Saving), while the strategy and timeline for delivery is being reviewed.
- 4.10 Slide 10 of Appendix 1 sets out the areas that have been flagged as not able to deliver the full target and comments on the status of mitigating actions.

5 IMPACT AND IMPLICATIONS

Finance

- 5.1 This report provides an update on progress with delivering savings agreed for 2024/25. The non-delivery of any savings agreed for 2024/25 will lead to a budgetary pressure and will need to be mitigated in year to avoid depleting Council reserves.
- 5.2 There are no specific financial implications arising from the recommendations of this report, but the appendices to this report clearly set out those savings initiatives which are perceived as presenting potential risk in delivering the Council's 2024/25 budget. This position is under regular review with monthly assurance meetings on those 'Priority 1' savings which are perceived to be of greatest risk and/or materiality, and the priority levels of savings is kept under constant review and revised as necessary.

Legal

- 5.3 There are no specific legal implications arising from the recommendations of this report. Some delay in delivery may be due to legal compliance duties. Individual savings initiatives may require public consultation, where the Council is subject to a duty to consult. If it is decided to not proceed with a particular savings initiative, or the extent of the initiative changes (for example following conclusion of consultation), then the Directorate concerned will need to identify suitable alternatives. There is sufficient flexibility for the location of savings to change in the final decision.

Equalities

- 5.4 The equalities impact of specific savings proposals were considered as part of the budget approval process. This is a noting report and thus there are no specific equalities impact arising from this report.

Procurement

- 5.5 There are no procurement implications arising from this report.

People Services

- 5.6 This is a noting report and thus there are no specific people service implications.

Climate Change, Nature and Net Zero

5.7 There are no specific implications.

Corporate Parenting

5.8 There are no specific implications.

6 APPENDICES

6.1 Appendix 1 – Savings Delivery 2024/25 - Progress Report

7 BACKGROUND PAPERS

No background papers.