



COUNCIL: 11 DECEMBER 2024

Report of: Director of Finance & Corporate Resources – Section 151

Relevant Lead Member: Councillor Mark Anderson - Lead Member for Finance

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SUBJECT: PROGRESS REPORT ON 2025/26 BUDGET EFFICIENCIES & SAVINGS

Wards affected: (All Wards);

1.0 PURPOSE OF THE REPORT

1.1 To provide an update on the Medium Term Financial Strategy, (MTFS), savings proposals and 2025/26 budgets.

2.0 RECOMMENDATIONS TO COUNCIL

2.1 That the contents of this report be noted.

2.2 To note in Table One of this report that savings have been implemented by officers under delegated authority so far, leaving a MTFS balance still to be agreed of around £1,234k in 2025/26 and £807k in 2026/27.

2.3 To note in Table One that there are two separate reports on this Council agenda, seeking member approval. If approved they will deliver a further combined saving of £83k per annum from 2026/27.

2.4 To note in Table One that there remains an existing MTFS gap of £1,181k in 2025/26 and £724k in 2026/27 to implement savings against.

2.5 To note in paragraph 3.3 the 2024/25 in-year Q2 budget pressure of £1.45m and to note that much of this will carry through into 2025/26, thus requiring a further round of savings.

3.0 BACKGROUND

- 3.1 In order to set a balanced budget for 2024/25 GRA Council approved in February 2024 the use of £1.1m of revenue reserves, despite achieving savings and efficiencies of £1.2m in 2023/24 which were included in 2024/25 budget setting. Had these savings and efficiencies not been achieved the use of reserves would have been £2.4m in 2024/25.
- 3.2 The Medium-Term Financial Strategy (MTFS), which was also approved by Council in February 2024, identified a gap of £1.8m for 2025/26 and £1.5m in 2026/27 without the use of revenue reserves.
- 3.3 In-year monitoring identified from an early stage that a significant overspend for 2024/25 is likely. At Q2 this pressure was expected to be around £1.45m. This has the effect of increasing the unsustainable pull on reserves.
- 3.4 In October 2024, Council approved a series of savings items. Appendix one of the report was approved for officers to implement as soon as practical.
- 3.5 Table one of the October report, extract below, provided a further list of savings proposals with indicative figures pending completion of officer reviews. Council approved delegated authority for officers to implement these savings too.

| Savings & Efficiencies Proposals with indicative values | 2025/26 £000's | 2026/27 £000's |
|---|---------------------------|---------------------------|
| Officer actions to be taken under delegated authority (see appendix A) | (407) | (407) |
| | | |
| <u>Proposals requiring further review, with indicative savings:</u> | | |
| Environmental Services | | |
| Terminate Public Realm agreement | (124) | (124) |
| | | |
| Corporate & Customer Services | | |
| Review of HROD team | 18 | (40) |
| Review of Communications & Engagement | (50) | (50) |
| | | |
| Legal & Democratic Services | | |
| Review of Legal & Democratic Services | 39 | (175) |
| | | |
| Total Savings & Efficiencies Proposed | (524) | (796) |

- 3.6 Table two of the October report, extract below, listed savings proposals that required a further report to come back to Council before a final decision was made.

| Savings & Efficiencies Proposals with indicative values | 2025/26 £000's | 2026/27 £000's |
|---|---------------------------|---------------------------|
| | | |
| <u>Proposals requiring a further report, with indicative savings:</u> | | |

| | | |
|--|----------------|----------------|
| Environmental Services | | |
| Increase pest control charges | (15) | (15) |
| Increase bulky waste collection charges | (13) | (13) |
| | | |
| Housing Services | | |
| Review of Public Toilets Management | (30) | (30) |
| | | |
| Wellbeing & Place | | |
| Review of the Ranger Service | (140) | (140) |
| Review of car parking | (126) | (126) |
| Review of Leisure Services | (700) | (700) |
| | | |
| Planning & Regulatory Services | | |
| Community Safety Review | (112) | (232) |
| Review of Building Control | (30) | (30) |
| | | |
| Legal & Democratic Services | | |
| Removal of Mayoral civic duties | - | (34) |
| | | |
| Total Savings & Efficiencies Proposed | (1,166) | (1,320) |

4.0 CURRENT POSITION

- 4.1 The table below provides an updated position on savings items identified in the October 2024 report. Four of the first five items are being implemented under delegated authority with the fifth item, Review of HROD still to be finalised under delegated authority.
- 4.2 The last two items in the table, namely Public Toilet Management and removal of Mayoral civic duties, are subject to separate reports elsewhere on this agenda. The table below assumes that these two items will be approved. If they are not approved then further savings in addition, will need to be identified prior to setting a balanced budget for 2025/26.

Table One – Approved MTFs Savings Implemented with Final Value Identified

| | 2025/26 £000's | 2026/27 £000's |
|---|---------------------------|---------------------------|
| MTFS Budget Gap identified February 2024 | 1,766 | 1,495 |
| | | |
| Appendix A savings identified October 2024 report | (407) | (407) |
| | | |
| <u>Savings approved October 2024 Table One with final value</u> | | |
| Terminate Public Realm agreement | (124) | (124) |
| Review of HROD team | tbc | tbc |
| Review of Communications & Engagement | (51) | (51) |
| Review of Legal & Democratic Services | 50 | (106) |
| | | |

| | | |
|--|--------------|------------|
| Balance to still find | 1,234 | 807 |
| | | |
| <u>Savings identified Table Two October 2024 – subject to approval</u> | | |
| Review of Public Toilets Management – separate report | (40) | (40) |
| Removal of Mayoral civic duties – separate report | (13) | (43) |
| | | |
| February 2024 MTFS Gap Remaining | 1,181 | 724 |

4.3 The items in the table below are those identified in October 2024 that remain to be approved prior to 2025/26 budget setting in February 2025. Reports for these items will be brought to Council once the reviews are completed.

| Remaining October 2024 savings requiring further reports to Council (Indicative values) | 2025/26 £000's | 2026/27 £000's |
|--|---------------------------|---------------------------|
| | | |
| Increase pest control charges | (15) | (15) |
| Increase bulky waste collection charges | (13) | (13) |
| Review of the Ranger Service | (140) | (140) |
| Review of car parking | (126) | (126) |
| Review of Leisure Services | (700) | (700) |
| Community Safety Review | (112) | (232) |
| Review of Building Control | (30) | (30) |
| | | |
| Savings Identified October 2024 with Reports to Follow | (1,136) | (1,256) |

5.0 SUSTAINABILITY IMPLICATIONS

5.1 Sustainability impacts associated with some of the proposals in this report have and will be considered as part of their review and finalisation.

6.0 FINANCIAL AND RESOURCE IMPLICATIONS

6.1 This financial report identifies the urgent need to deliver savings and efficiencies in order to address the shortfall identified in the MTFS and to enable a legally balanced budget to be set for 2025/26 and beyond. The use of capital receipts may be required to offset elements of the costs of any compulsory redundancy eligible for offset under the flexible use of capital receipts policy.

7.0 RISK ASSESSMENT

7.1 The actions referred to in this report are covered by the scheme of delegation to officers and any necessary changes have been made in the relevant risk registers. Uncertainty around financial settlements from Government and assumptions around inflation and grant funding levels also play an important factor and will require close monitoring. Tackling the overspend in 2024/25 will also be a key factor in reducing the use of reserves required to set a balanced budget in 2025/26.

8.0 HEALTH AND WELLBEING IMPLICATIONS

8.1 There are no health and wellbeing implications arising from this report. Health & Wellbeing implications will be considered as part of the individual reviews and finalisation.

Background Documents

There are no background documents (as defined in Section 100D(5) of the Local Government Act 1972) to this Report.

Equality Impact Assessment

EIA assessments have/will be completed for each savings proposal if appropriate.

Appendices

None