

## Report of the Cabinet Member for Finance and Resources

Cabinet – 26 August 2014

### FIRST QUARTER 2014/15 SAVINGS TRACKER REPORT

<b>Purpose:</b>	To report on progress specifically with regard to revenue savings targets set in the 2014/15 revenue budget.
<b>Policy Framework:</b>	Budget 2014/15 Sustainable Swansea
<b>Reason for Decision:</b>	To note any significant variations from the agreed budget 2014/15 savings and actions planned to achieve a balanced budget.
<b>Consultation:</b>	Cabinet Members, Corporate management Team, Legal Services and Corporate Equalities Unit.
<b>Recommendation:</b>	It is recommended that the comments and variations in this report, and the actions in hand to address these, are noted.
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#### 1. Introduction

1.1 This report details forecast progress against the specific and cross cutting savings requirements flowing from the agreed 2014/15 revenue budget.

## **2. Forecast based on June position**

- 2.1 In setting the revenue budget for 2014/15, savings of £26.235m were required. Given the relative magnitude of the savings ask compared to previous years a new monitoring framework has been created to strategically track and report through to Executive Board and to members on progress against the requirement. This reports to and works in parallel with the more established monthly monitoring framework.
- 2.2 Executive Board agreed to stretch that savings target by a further £2m in year to try and provide some additional margin for any delay in actual performance due to timing issues or technical inability to deliver the actual intended saving.
- 2.3 Delivery of the whole savings target is fundamental to achieving a balanced budget. Of course it is not the whole story as it otherwise assumes a steady state: if new spending pressures emerge then even delivery of all agreed savings can and will result in an overall spending pressure for the authority which will be picked up and captured in the usual monitoring arrangements which look at spend, income and savings.
- 2.4 A dashboard and graphical approach has been taken for this reporting and is attached as Appendix A.
- 2.5 Based on information to date, as set out in the Appendix, the following is the current forecast year end position:-
- Forecast to achieve 90% of the stretch target
  - The gap is £2.8m against the stretch target, £0.8m against the target implied by the budget set
  - Overall performance to date and forecast is considered broadly acceptable and in the range that could have been expected at this stage and is colour coded 'Green'
  - There are already pockets of under achievement and are coded 'Amber' and 'Red' accordingly, but action is in hand to look at alternatives
  - Executive Board is clear that corrective action can and will be taken to address the shortfall, particularly with an immediate focus on readdressing the emerging shortfall in the workforce savings target

- It should also be noted that the environment is not stable, for example, decisions made by Welsh Government could impact on our plans
- **It is the responsibility of Directors and Heads of Service to manage within their budgets and where necessary, identify savings to offset any forecast shortfalls.**

2.6 It is essential that the savings shortfalls and consequential implied overspends are contained within existing service budgets.

### **3. Legal Issues**

3.1 There are no legal issues contained within this report.

### **4. Equality issues**

4.1 The Revenue budget of the Council was approved following extensive Equality Impact Assessments being undertaken throughout the Budget setting process. It is essential where service levels are affected by changes to the Revenue Budgets (including savings options) that adequate consideration is given to the equality impact of such decisions.

**Background papers:** None.

**Appendices:** Appendix A – end June Budget Tracker.