

### Overall Target

The overall target was set at £26.774m by Council on 24/02/15 and remained needed to balance the budget on its own.. Cabinet received update (Feb 16) flagging a still substantial, but lower, variation from target of around £6.9m in originally planned savings at end 3rd quarter. There will be significant shortfalls in some delivery strands which have been fully addressed in year mostly by one off actions, which will be clear at

### Firm/To date

A strict interpretation of "firm" has been used and now matches forecast as we are past the year end. This assessment was done during May and approx. £10.6m of service and staffing savings are considered firm. **NON DELIVERY OFFSET BY COMPENSATING SAVINGS ELSEWHERE**

### Forecast

The overall weighted forecast is 84%, so significantly short of where we should be. There has been no material improvement since March so the position remains RED (short by more than 5%) This outcome is heavily influenced by the significant gaps in delivery strands and to a lesser extent in some service savings, offset by over performance and compensating savings elsewhere. **SOME LARGE GAPS**

### Service Savings

There are significant and continuing gaps in Social Services and Education savings and these have already been escalated up to and reported to Cabinet. These are significant enough to indicate that the overall budget will remain overspent, in Education. Social Services shortfalls have been made good by compensating savings elsewhere. **SUBSTANTIALLY BELOW TARGET IN SOCIAL SERVICES AND EDUCATION**

### Staffing

Progress has been made firming up on all staff savings and the position has been confirmed. Place shortfall predominantly Leisure and Culture related and this should be addressed as part of the much wider Commissioning Review in 2016-17. **PREDOMINANTLY ON TARGET**

### Delivery Strands

Insufficient progress has been made on agreeing additional tangible cash releasing savings in two of the delivery strands. There is about £1.3m of additional one off savings across Assets and Third Party spend. Shortfall of at least £1.5m expected. The other two, Schools and the Transformation fund (negative so actually additional spend) are considered fully firm. **SIGNIFICANT NON DELIVERY** We have changed the budget methodology for 2016-17 for these strands and allocated, albeit on a place holding basis targets for each directorate, to try and increase visibility of the savings

## Other Savings

The nature of these savings is that they are mostly fully assured right at the start of the year. The exception is Council Tax which ultimately depends upon collection performance. As expected and previously forecast we achieved all savings. We have declared a Council Tax surplus for the year of £0.494m (versus forecast £0.5m) ,  
**TARGET EXCEEDED**

## Risks and Issues to Address This Time

Overall rate of progress is progressed slightly but the overall position has been broadly consistent since December and is entirely consistent with the budget monitoring reports to Cabinet.

Cabinet has been advised of the overall third quarter budget monitoring position, and as expected there prove to be additional savings elsewhere to offset the shortfalls in delivery reported here.

Spending restrictions remained in place all year and continue to be so into the start of the new financial year.

## Comments and feedback from PFMs

### People PFM

The broad value of shortfalls are agreed and the Directorate accepts and understands as a first call it has to seek to develop compensating savings. Some work has now been progressed on developing an action plan to address some of those gaps by compensating savings elsewhere, especially in Social Services, but an overall gap will persist and this is why those areas remain marked RED.