

## Overall Target

The overall target was set by Council on 25/02/16. Taking into account the various savings streams (service savings, cross cutting savings, stopping services, increased council tax resources and unpicking some of the overlaps across streams) a stretch target equivalent to £22.513m is needed to balance the budget on its own. This tracker was predominantly compiled in late June slightly before the end of the first quarter.

## Firm/To date

A strict interpretation of "firm" has been used. To qualify budget must have been allocated, removed and actual practical steps delivered to achieve the planned saving. Service savings, senior staff savings and other savings look acceptable for this first quarter. Delivery strand savings performance is unacceptable and already urgent action is needed. **NON DELIVERY OF DELIVERY STRANDS**

## Forecast

The overall weighted forecast is 64%, so significantly short of where we should be. There is significant progress on most areas of savings but no demonstrable delivery of any significant savings in the delivery strands or commercial savings. This replicates past years' performances. **SOME VERY LARGE GAPS**

## Service Savings

There are significant gaps in assured and evidenced commercial savings across all directorates. There are further issues around Education savings, particularly around one specific area (the Behaviour Review). These are significant enough to indicate that the overall budget will remain overspent. Shortfalls elsewhere are within reasonable tolerances for first quarter. **SUBSTANTIALLY BELOW TARGET**

## Senior Staffing

Progress has been made firming up on all senior staff savings. Of the £3m savings target set at budget, £2.7m was identified by CMT following rigorous challenge, with potentially a further £0.3m delivered from the Council approved Senior Management review and the deletion of three to be confirmed Heads of Service posts. If these were achieved then the overall target could be met. **PREDOMINANTLY ON TARGET**

## Delivery Strands

Insufficient progress has been made on agreeing any meaningful additional tangible cash releasing savings in the delivery strands. No proposal has yet been identified to go back to Cabinet for a decision on £1m of Terms and Conditions Savings nor on the £2m Stopping Services option. Given the consultation periods needed for both these options it is unrealistic to expect any significant saving to accrue from either option in 16-17. Work needs to be done on agreeing removal of budgets relating to commercial activity. No meaningful sums agreed to date. **SIGNIFICANT NON DELIVERY**

## Other Savings

The nature of these savings is that they are mostly fully assured right at the start of the year. The major exception is Council Tax which ultimately depends upon collection performance. There is work to be done on reviewing the assumed 100 days money savings and to date this is the only reason for savings to have fallen slightly short of target. **TARGET BROADLY MET**

## Risks and Issues to Address This Time

Overall rate of progress is significantly below expectation and is therefore already red flagged for the whole year at end of first quarter.

The risks are predominantly around assuring any progress is actually occurring on the Delivery Strands - i.e. stopping services, reducing terms and conditions and making significant commercial inroads to additional income generation and third party spending (the latter now included with service savings).

The next biggest risk relates to the original £1m target for the Business Support review. For now it is assumed none of the cashable saving is delivered in 2016-17 and explicitly £1m of non deliverables is built into the Corporate Services forecast. Validation work needs to be undertaken to determine whether any of the existing savings in Corporate Services can contribute and count towards this savings target. It is likely that this needs to increase to deliver the Corporate Services element of any part of Stopping Services, possibly to as much as £1.5m in total. Again given this is predicated predominantly on reducing staff numbers to cut costs, the scale of savings needed, the number of posts at risk and the required consultation time plus effort and investment to remap existing processes to enable the savings to be realised longer term means it is extremely unlikely that any significant savings will now flow in 16-17.

Cabinet will shortly be advised of this first quarter position, which taken together with emerging additional overspends in Education and Social Services means that urgent action must be taken now.

Spending restrictions remain in place and will need to do so all year.

Immediate effort needs to be directed to:

Reminding every Head of Service they have NO authority to overspend and must take all endeavours to balance their budgets

Freezing recruitment to all but utterly exceptional circumstances posts

Stopping all overtime bar utter exception

Freezing all discretionary spend

Progressing the stopping services £2m options for Cabinet to decide and implement as soon as practicable

## Comments and feedback from PFMs

None to date