

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 August before the end of the second 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. Senior staff savings have deteriorated since first quarter due to delayed implementation. Service savings and delivery strand savings performance is unacceptable and already urgent action is needed. **NON DELIVERY OF SAVINGS**

Forecast

The overall weighted forecast is 67%, so significantly short of where we should be. There is some progress on most areas of savings but no demonstrable delivery of any significant savings in the delivery strands or commercial savings now embedded in directorates. This replicates past years' performances. **SOME VERY LARGE GAPS NB in year mitigating actions are not shown, only deviation from original plan**

Service Savings

There are significant gaps in assured and evidenced commercial savings (£2.65m) across all directorates. There are further issues around Education savings, particularly around one specific area (the Behaviour Review) and in the business support savings. These are significant enough to indicate that the overall budget will remain overspent. **SUBSTANTIALLY BELOW TARGET**

Senior Staffing

All senior staff savings have been reviewed at the end of the second quarter. Of the £3m savings target set at budget, £2.7m was originally identified by CMT following rigorous challenge (this has now slipped to £2.2m - predominately due to delays in implementation), A further £0.3m was to be delivered from the Council approved Senior Management review but this is also behind schedule. **SIGNIFICANTLY BELOW**

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 saving to accrue from either option in 16-17. Work needs to be done on agreeing removal of budgets relating to commercial activity. No significant sums agreed to date. **UNLIKELY TO BE DELIVERED**

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 mid second 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. 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 in due course be advised of the second 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 as soon as practicable

Comments and feedback from PFMs

None to date