

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 May at the end of the year.

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. There is no material change from the 3rd quarter position reported to Cabinet on 9th February. More savings are now marked red simply as so near year end only a 5% tolerance is allowed in the traffic lighting. **NON DELIVERY OF ORIGINAL SAVINGS**

Forecast

The overall weighted forecast is 97%, where we should be. There is some progress on most areas of savings but limited delivery significant savings in the delivery strands or commercial savings now embedded in directorates. This replicates past years' performances. **SOME LARGE GAPS**
NB large scale in year broadly mitigating actions are NOW shown here

Service Savings

There are gaps in assured and evidenced savings 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. Mitigating steps are being taken to address issues in the 17-18 budget. **SUBSTANTIALLY BELOW TARGET**

Senior Staffing

Of the £3m savings target set at budget, £2.7m was originally identified by CMT following rigorous challenge (this has now slipped to £2.1m - predominantly due to delays in implementation), A further £0.3m was to delivered from the Senior Management review but this was removed at Council March 2017. **SIGNIFICANTLY BELOW TARGET**

Delivery Strands

Insufficient progress has been made on agreeing any meaningful additional tangible cash releasing savings in the delivery strands. No proposal went back to Cabinet for a decision on £1m of Terms and Conditions Savings nor on the £2m Stopping Services option. Work still needs to be done on agreeing removal of budgets relating to commercial activity. **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 (£695k surplus). NOTE also that specific reductions in inflation provision (£1.4m), capital charges (£2.5m) and loss of grant reserve (£1m) are shown here in line with outturn report to Cabinet . **TARGET EXCEEDED**

Risks and Issues to Address This Time

Overall rate of progress is significantly below expectation and is therefore again 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 enough 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 little 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 third quarter position, which taken together with emerging additional overspends in Corporate Services, Education and Social Services means that urgent action must be taken now on service spending.

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

Immediate effort has been 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

HOWEVER, when one off and in year actions are taken into account as remediating action for these original budget shortfalls the 3rd quarter monitoring report to Cabinet will equally indicate a much closer balanced to budget position. The risk remains very much about the longer term sustainability of savings and their pace and scale of

Comments and feedback from PFMs

None to date