

By: Cabinet Member for Finance and Procurement – John Simmonds  
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To: Governance and Audit Committee – 24 Sep 2013

Subject: Update on 2013-14 Budget Savings Programme

Classification: Unrestricted

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Summary: This report asks Members to note the position

## FOR ASSURANCE

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### 1. Introduction

1.1 As reported in the paper that came to this committee in April, the savings target for the 2013-14 financial year is £95m. This is being continually monitored to ensure that savings targets are met or that alternatives are found.

### 2. Current Position

2.1 Progress against savings is best shown against the latest monitoring report for Q1 for 2013-14 which went to Cabinet on the 16<sup>th</sup> September. This forecasts a net underspend (excluding schools) of £2m as detailed below.

<b>Portfolio</b> <b>+ = an overspend</b> <b>- = an underspend</b>	<b>Budget</b> <b>£'000</b>	<b>Net</b> <b>Variance</b> <b>(before</b> <b>mgmt</b> <b>action)</b> <b>£'000</b>	<b>Propos</b> <b>ed</b> <b>Manage</b> <b>ment</b> <b>Action *</b> <b>£'000</b>	<b>Net</b> <b>Variance</b> <b>(after</b> <b>mgmt</b> <b>action)</b> <b>£'000</b>
Education, Learning and Skills	53,430.3	-802	-	-802
Specialist Children's Services	149,202.5	+4,784	-2,100	+2,684
Specialist Children's Services - Asylum	280.0	+380	-	+380
Adult Social Care and Public Health	335,031.7	-415	-	-415
Environment, Highways & Waste	150,523.0	+2,418	-	+2,418
Customer & Communities	75,987.4	-140	-	-140
Regeneration & Economic Development	3,762.6	-1	-	-1
Finance & Business Support	128,053.7	-6,864	-	-6,864

Business Strategy, Performance & Health Reform	56,406.3	+213	-	+213
Democracy & Partnerships	6,619.5	-71	-	-71
<b>TOTAL (excl Schools)</b>	<b>959,297</b>	<b>-498</b>	<b>-2,100</b>	<b>-2,598</b>
<b>Committed roll forward</b>				<b>+592</b>
<b>Underlying position</b>				<b>-2006</b>
<i>Schools (ELS portfolio)</i>	-	+1,504	-	+1,504
<b>TOTAL</b>	<b>959,297</b>	<b>-498</b>	<b>-2,100</b>	<b>-502</b>

\* Management action is where there is potential to reduce an overspend through the implementation of new plans/policies and strategies.

2.2 On the face of it, this would appear to be a positive position. However, there are a number of portfolios that are showing overspends which need to be addressed, particularly within Specialist Children's Services. £5m of the underspend against Finance and Business Support relates to additional unexpected government funding which could be used to fund any shortfall in the savings target for 2013-14 or 2014-15. With the funding outlook for local government in the short and medium term being increasingly concerning, it is vital that we deliver services within budget this year.

2.3 Heads of Service within directorates own the savings and must deliver them (or an alternative). The Finance Business Partners attend Directorate Management Teams and will be closely monitoring the progress and delivery of these savings. Any concerns of non delivery will be raised with the Director and Cabinet Member.

### **3. Recommendation**

3.1 Members are asked to note this report.

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