

By: Deputy Leader and Cabinet Member for Finance &
Procurement – John Simmonds
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– Andy Wood

To: Governance and Audit Committee – 29 Apr 2015

Subject: Update on savings Programme

Classification: Unrestricted

Summary: This report asks Members to note the position on the progress towards the 2014-15 and 2015-16 budget savings

FOR ASSURANCE

1. 2014-15

- 1.1 The savings target for the 2014-15 financial year was £81.4m. This was always going to be a difficult ask as less reliance could be placed on one-off savings and drawdown from reserves, so the impact on front-line budget managers was going to be more challenging than in previous years.
- 1.2 Despite this, the last monitoring report to Cabinet on 23 March reported an underspend of £5,730k, including legally committed roll forward requirements, £3,062k including all roll forwards. This is a remarkable achievement given that we have already made over £270m of savings since 2011-12.

2. 2015-16

- 2.1 The budgeted savings as shown in the approved budget book are £83.1m. Outline savings plans have been received for the majority of identified savings for 2015-16 and were included in the plans submitted as part of the process in 2014-15. Plans have evolved during the year in discussion with Corporate Directors and Cabinet Members against indicative targets. New savings and areas where there have been significant changes will require a new plan and possibly a savings PID to support the savings.
- 2.2 Given the level of savings already achieved and the reduced opportunity to make one-off savings and drawdown reserves, this is a daunting proposition. We have an excellent track record of delivering under-budget, but we must never be complacent, as the challenge increases each year.
- 2.3 In the presentation to County Council on the 12 February, the traffic light ratings were as follows:

Green £51m

Amber	£32m
Red	£ 0m

I consider these estimates to be robust.

- 2.4 Members can monitor progress against the savings plan, and the budget overall, through the regular monitoring reports to Cabinet.
- 2.5 Heads of Service within directorates will own these savings and must deliver them (or an alternative). The Finance Business Partners attend Directorate Management Teams and will continue to closely monitor the progress and delivery of these savings. Any concerns of non delivery will be raised with the Director and Cabinet Member.
- 2.6 At this stage, I am content with the RAG analysis shown at 2.3 above, and have no specific concern about delivery in 2015/16.

3. Recommendation

- 3.1 Members are asked to NOTE for assurance the progress on the 2014-15 and 2015-16 revenue budget savings.

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