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To: Governance and Audit Committee – 21 July 2016

Subject: **UPDATE ON 2016-17 SAVINGS PROGRAMME**

Classification: Unrestricted

Summary: This paper provides an update on the delivery of the 2016-17 savings target of £81m.

**FOR
ASSURANCE**

INTRODUCTION

1. A process of 'BRAG rating' is being undertaken regularly to monitor the delivery of the 2016-17 £81m savings target. 'BRAG' is the standard RAG rating, with blue added to distinguish between green – which is on track for delivery as planned – and blue – which means that savings are already banked and no further work is required to deliver them. This paper is for Governance & Audit Committee to consider and note, for assurance.

BRAG UPDATE SINCE COUNTY COUNCIL IN FEBRUARY

2. Prior to County Council, a high level RAG a rating for each saving line in the MTFP was undertaken, and a summary position was presented to Members at the budget briefing before County Council on 8th February. This summary is set out in Table 1 below.

Table 1: Position reported to County Council 8th February

| Red | Amber | Green | TOTAL |
|------------|--------------|--------------|--------------|
| £1.5m | £22.0m | £57.3m | £80.8m |
| 2% | 27% | 71% | 100% |

3. A process of reviewing and updating the BRAG ratings for the savings lines in the MTPF has been undertaken on a regular basis and the latest position is set out in Table 2 below.

Table 2: Latest BRAG position

| Red | Amber | Green | Blue | TOTAL |
|------------|--------------|--------------|-------------|--------------|
| £3.3m | £14.0m | £31.2m | £32.3m | £80.8m |
| 4% | 17% | 39% | 40% | 100% |

(Figures subject to roundings)

4. The A3 appendix to this paper provides the detail behind Table 2. The first ten columns in the appendix are a replica of Appendix Aii in the final MTFP, which breaks down the £80.8m savings into more detail, including a split by Directorate. The following six columns allocate these savings into one (or more) of the BRAG categories and the final column provides an explanation for the BRAG rating the saving has been given.
5. The table at the bottom of the second page of the A3 appendix provides a summary of the BRAG ratings by Directorate.
6. Looking at the movement between Table 1 and Table 2, the value of savings in the Blue/Green categories has increased by £6.2m, which is good news, but the value of savings in the Red category has also increased by £1.8m.
7. Corporate Directors are absolutely committed to resolving the issues that are causing the £3.3m red rating. Where the total saving proves to be impossible to deliver, the Corporate Director will propose alternatives, although we are not giving up on any of the red savings this early in the financial year.

CONCLUSIONS

8. This BRAG rating exercise will continue to be undertaken in the short term until it is fully incorporated into the regular budget monitoring cycle.

RECOMMENDATION

9. Governance & Audit Committee is asked to note the latest BRAG position on the 2016-17 savings target of £81m, for assurance.

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