

## **SERVICE REVIEW SAVINGS 2011/12 – UPDATE**

**EXECUTIVE MEMBER:** Councillor G Troughton

**LEAD OFFICER:** Joanne Wagstaffe, Corporate Director, Resources and Transformation

**REPORT AUTHOR:** Barry Williams, Interim Technical Accountant

### **WHY HAS THIS REPORT COME TO RESOURCE PLANNING WORKING GROUP?**

To inform Members of the current position on the 2011/12 service review savings proposals.

#### **SUMMARY:**

The report gives an update on progress in delivering the service review savings proposals contained within the 2011/12 revenue budget.

#### **RECOMMENDATIONS:**

Members are asked to note that as at 30 November forecasted savings for service review proposals are currently £1,750,147 against a budget of £1,771,207, and that the full value of savings is expected to be delivered by the year-end.

### **1. INTRODUCTION**

1.1 This report updates the position on the individual service review budget savings included within the 2011/12 budget.

### **2. CURRENT POSITION**

- 2.1 Members of the Resource Planning Working Group, have previously been informed that savings totalling £1,636,734 were expected to be delivered by the year-end against an approved budget of £1,771,207.
- 2.2 Appendix A to the report shows that the forecast for service delivery savings in 2011/12 now stands at £1,750,147 a shortfall of £21,060 against the approved target of £1,771,207.
- 2.3 The service review savings within the appendix provide an analysis between savings that are expected to be delivered (Green), savings that were expected to be delivered by the year-end but were dependent on the outcomes of other actions or demand for services (Amber) and other savings where the target was not going to be achieved (Red).
- 2.4 The totals for the respective categories are as follows:
- Savings expected to be delivered (Green) - £1,465,065.
  - Savings expected to be delivered but which are dependent on the outcomes of other actions or demand for services (Amber) - £285,082.
  - Savings which will not be delivered (Red) - £42,360.

- 2.5 There is a shortfall of £42,360 due to the non-achievement of some of the savings proposals (Red) and some reductions in the value of the savings dependent on the outcomes of other actions or demand for services totalling £67,600 (Amber).

The shortfall of £109,960 this has been offset to a large extent by the over-achievement of savings of £88,900 in the other areas which are expected to be delivered (Green).

Overall therefore there is a potential shortfall of £21,060 for the year. Work is ongoing to review spending in the “amber” areas to see if some of the potential shortfall here can be reduced and within the “green” areas to see if there is the potential to increase those savings still further in order to deliver the full savings total of £1,771,207 by the end of the financial year. This currently involves reviewing spending the NCL leisure contract and repair and maintenance in public buildings to see if spending can be contained within budget, thereby achieving their savings targets and a review of income generated from the Crematorium and car parks, which may over-achieve their budgeted income by the year-end.

### **3 CONCLUSIONS**

- 3.1 Members are asked to note the position outlined in the report.

### **4. STATUTORY OFFICER COMMENTS**

- 4.1 The Monitoring Officer’s comments are: None
- 4.2 The Section 151 Officer’s comments are: Included in the report
- 4.3 EIA Comments: None
- 4.4 Other consultee comments, if any: None at this stage

### **5. HOW WILL THE PROPOSALS BE PROJECT MANAGED AND HOW ARE THE RISKS GOING TO BE MANAGED?**

- 5.1 The savings proposals identified as part of the 2011/12 service review are being monitored on a monthly basis through the normal budget monitoring processes.
- 5.2 Changes to the forecasts will be reported as necessary to the Executive and Resource Planning Working Group, together with reasons for those changes.

### **6. WHAT MEASURABLE OUTCOMES OR OUTPUTS WILL ARISE FROM THIS REPORT?**

- 6.1 By 31 March 2012, it is anticipated that a sum totalling £1,771,207 will be delivered through the 2011/12 service review process.

### **List of Appendices:**

None