

REFERENCE FROM CABINET – 11 JANUARY 2012

REVENUE BUDGET THIRD REVIEW 2011/2012

Report of the Head of Law and Governance

1. Why has this report come to this Committee?

- 1.1 In accordance with the Management Scrutiny Committee workplan, this report advised of progress in implementing savings proposals for 2011/2012.

2. Background and Current Position

- 2.1 The Cabinet, at its meeting on 11 January 2012, gave consideration to a report of the Executive Director of Commercial and Corporate Services. The report gave details of the outcome of the Revenue Budget Third Review for 2011/2012.
- 2.2 Copies of the 11 January 2012 Cabinet agenda were circulated to all Members of the Council.
- 2.3. In accordance with the Management Scrutiny Committee workplan, which requested that the committee be advised of progress in implementing savings proposals for 2011/2012, Appendix A sets out the relevant information from the report which summarises progress.

In overall terms a positive outturn continues to be anticipated.

3. Conclusion

- 3.1 The matter is referred to this Committee for information.

4. Recommendation

- 4.1 The Scrutiny Committee is recommended to note the positive progress on the implementation of savings proposals for 2011/2012.

5. Background Papers

- 5.1 Cabinet Agenda, 11 January 2012.

5.2 A copy of the Agenda is available for inspection from the Head of Law and Governance or can be viewed on-line at:-

<http://www.sunderland.gov.uk/committees/cm5/Meetings/tabid/73/ctl/ViewMeetingPublic/mid/410/Meeting/7221/Committee/1485/Default.aspx>

Contact Officer:	Malcolm Page 0191 561 1003 malcolm.page@sunderland.gov.uk	Elaine Waugh 0191 561 1053 elaine.waugh@sunderland.gov.uk
-------------------------	---	---

**REVENUE BUDGET THIRD REVIEW 2011/2012
PROGRESS ON MEETING THE SAVINGS REQUIREMENT**

Cabinet Meeting – 11th January 2012

4. Efficiency Targets

4.1 The budget process for 2011/2012 took account of the requirement for reductions in expenditure of £57.9 million. As previously outlined to Cabinet, progress in implementing the proposals is being rigorously monitored by Directors in conjunction with Portfolio Holders, using a traffic light system. Monthly budget monitoring is being carried out at an enhanced level to ensure the position is understood and actions put in place to mitigate any impact.

4.2 At this stage, the following is noted:

- £56.3m of the savings has been fully realised of which:
 - £1.5m of reductions are no longer to be achieved as originally intended and will be met from one off savings in year and alternative ongoing savings ;
 - £4.3m are offset, in year, by reductions in Switch costs but will be achieved ongoing for 2012/2013;
 - £7.4m have temporary one-off savings identified for 2011/2012, but will be achieved as ongoing;
 - £1.6m have alternative ongoing savings identified.
- £0.4m are not yet fully achieved but on which good progress has been made with action plans developed, responsibilities assigned and timescales identified. At this stage therefore it is not anticipated that this will impact on the overall financial position of the Council as the saving is anticipated to be achieved.
- Health, Housing and Adult Services (£0.5m)
The Directorate are progressing the three year delivery plans which seek to enable people to receive care associated with their needs and introduce ways of enabling people to live independently in their own homes. Some of these plans will be delivered later than originally planned, however the Directorate have identified alternatives to deliver the required level of savings. The on-going position into 2012/13 at this point, shows a financial pressure of £420,000 due to increased demand for services. This position will be addressed as part of the process for finalising the 2012-13 budget over the next three months.
- £0.7m of reductions are currently forecast to be achieved on an ongoing basis and Directorates are still considering alternatives for meeting the shortfall in this financial year.