

HAMPSHIRE COUNTY COUNCIL**Decision Report**

Decision Maker:	Efficiency Panel
Date:	24 May 2010
Title:	Progress against financial targets
Reference:	1634
Report From:	Jon Pittam, County Treasurer

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1. Executive Summary

- 1.1. This report summarises the progress made to date in achieving the savings targeted. There is some current slippage and underachievement of £4.4m against the planned £15m in 2011/12, but there still remains time to recoup that position. Indeed earlier savings achieved in 2010/11 will be available to underwrite the amounts required in 2011/12 (and in 2012/13)

2. Current projections

- 2.1. As reported in the budget, £8.6m of savings are being earmarked and 'banked' in the corporate efficiency reserve during 2010/11.
- 2.2. These underwrite 57% of the target of £15m set to finance the budget gap in 2011/12. The table over shows the target savings in 2011/12, with the current recurring outlook against them.

Corporate efficiency savings 2011/12

	Planned	Anticipated to date	
	£	£	
Pay and productivity	5.0		
- mileage rates		0.8	Achieved
- lower pay awards than budgeted		1.4	Achieved
- other savings to be identified		2.8	Possible?
		<hr/>	
		5.0	
Procurement	5.0	4.1	Planned
Income	2.5	1.5	Possible?
Other	2.5	-	Uncertain
	<hr/>	<hr/>	
	15.0	10.6	
Other corporate efficiencies			
- waste contract		4.1	Achieved
- IT Services review		1.1	Achieved
- HPSN2 contract		1.1	Achieved
Totals	<hr/>	<hr/>	
	15.0	16.9	

- 2.3. This shows that there is some slippage and underachievement of £4.4m against the original planned strategy, but that additional corporate savings from the initiatives reported when the 2010/11 budget was prepared are £6.3m, producing a net anticipated surplus of £1.9m.
- 2.4. This will provide some certainty towards balancing the 2011/12 budget and meeting some of the additional £15m required in 2012/13. The 2010/11 saving of £8.6m also underpins the 2012/13 position on a one-off basis if the targeted £15m recurring savings are made in 2011/12.
- 2.5. Nevertheless the Efficiency Panel will need to redouble efforts to achieve these savings and move into phase 2 to cover the position for 2012/13.
- 2.6. The May Cabinet will receive an update report on the Medium Term Financial Plan and it is possible that the efficiency savings target for 2012/13 may need to be raised given the anticipated worsening of the

budget gap by then. However a final decision on the 2012/13 budget gap can be deferred until setting the 2011/12 budget in February 2011.

3. Recommendation

- 3.1. That progress to date be noted, and the Panel at its next meeting reviews closely the proposed outcomes to find the balance of savings required against each individual target for 2011/12, or otherwise substitute alternative savings.

CORPORATE OR LEGAL INFORMATION:**Links to the Corporate Strategy**

Hampshire safer and more secure for all:	yes
Corporate Improvement plan link number (if appropriate):	
Maximising well-being:	yes
Corporate Improvement plan link number (if appropriate):	
Enhancing our quality of place:	yes
Corporate Improvement plan link number (if appropriate):	

Section 100 D - Local Government Act 1972 - background documents

The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)

Document

Location

None

IMPACT ASSESSMENTS:

1. Equalities Impact Assessment:

- 1.1. Equality objectives are not considered to be adversely affected by the proposal in this report.

2. Impact on Crime and Disorder:

- 2.1. The proposals in this report are not considered to have any direct impact on the prevention of crime.

3. Climate Change:

- a) How does what is being proposed impact on our carbon footprint / energy consumption?

No specific proposals.

- b) How does what is being proposed consider the need to adapt to climate change, and be resilient to its longer term impacts?

No specific proposals.