

# Public Document Pack



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## **SUPPORT SERVICES OVERVIEW AND SCRUTINY PANEL**

**DATE: THURSDAY 2 SEPTEMBER 2010**  
**TIME: 10.00 AM**  
**PLACE: COUNCIL HOUSE (NEXT TO THE CIVIC CENTRE) PLYMOUTH**

### **Committee Members–**

Councillor James, Chair  
Councillor Lowry, Vice Chair  
Councillors Berrow, Browne, Dann, Lock, Murphy, Stark and Thompson

### **Substitutes–**

Any Member other than a Member of the Cabinet may act as a substitute member provided that they do not have a personal and prejudicial interest in the matter under review.

***Members are invited to attend the above meeting to consider the items of business overleaf.***

***Members and Officers are requested to sign the attendance list at the meeting.***

**BARRY KEEL**  
**CHIEF EXECUTIVE**

# **SUPPORT SERVICES OVERVIEW AND SCRUTINY PANEL**

## **PART I (PUBLIC PANEL)**

### **AGENDA**

**1. APOLOGIES AND SUBSTITUTIONS**

To receive apologies for non-attendance by panel members and to note the attendance of substitutes in accordance with the Constitution.

**2. DECLARATIONS OF INTEREST**

Members will be asked to make declarations of interest in respect of items on this agenda.

**3. MINUTES**

**(Pages 1 - 8)**

To confirm the minutes of the last Support Services Overview and Scrutiny Panel held on 8 July 2010.

**4. CHAIR'S URGENT BUSINESS**

To receive reports on business which, in the opinion of the Chair, should be brought forward for urgent consideration.

**5. TRACKING RESOLUTIONS AND FEEDBACK FROM OVERVIEW AND SCRUTINY MANAGEMENT BOARD**

**(Pages 9 - 10)**

To receive any feedback from the Overview and Scrutiny Board on issues which concern this panel.

**6. CIP 2 - INFORMING AND INVOLVING RESIDENTS UPDATE**

To receive an update on Corporate Improvement Priority 2 – Informing and Involving residents.

**7. CIP 13 - SUPPORTING COUNCIL STAFF TO PERFORM BETTER UPDATE**

To receive an update on Corporate Improvement Priority 13 – Supporting Council Staff to Perform Better.

**8. APPRAISAL REVIEW**

**(Pages 11 - 24)**

To receive an update from the Assistant Director for HR and Organisational Development on the appraisal system.

**9. CIP 14 - PROVIDING BETTER VALUE FOR MONEY UPDATE**

To receive an update on Corporate Improvement Priority 14 – Providing Better Value for Money.

**10. VFM QUARTERLY UPDATE**

To receive the VFM quarterly update on the ethos of VFM across the council.

**11. QUARTERLY SCRUTINY REPORT (Pages 25 - 32)**

To approve the Support Services Overview and Scrutiny report for the first quarter.

**12. BUDGET AND PERFORMANCE REPORT (Pages 33 - 78)**

To receive an update report on budget and performance.

**13. WORK PROGRAMME (Pages 79 - 80)**

To receive the panel's work programme for 2010/2011.

**14. EXEMPT BUSINESS**

To consider passing a resolution under Section 100A(4) of the Local Government Act 1972 to exclude the press and public from the meeting for the following item(s) of business on the grounds that it (they) involve the likely disclosure of exempt information as defined in paragraph(s) ... of Part 1 of Schedule 12A of the Act, as amended by the Freedom of Information Act 2000.

**PART II (PRIVATE PANEL)**

**MEMBERS OF THE PUBLIC TO NOTE** that under the law, the Panel is entitled to consider certain items in private. Members of the public will be asked to leave the meeting when such items are discussed.

Nil.

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## Support Services Overview and Scrutiny Panel

Thursday 8 July 2010

### PRESENT:

Councillor James, in the Chair.

Councillor Lowry, Vice Chair.

Councillors Berrow, Browne, Dann, Lock, Stark, Thompson and Vincent (as substitute)

Apologies for absence: Councillor Murphy

Also in attendance:

Councillor Glenn Jordan, Cabinet Member for Customer Services, Councillor Sam Leaves, Cabinet Member for Performance and Transformation, Adam Broome, Director for Corporate Support, Malcolm Coe, Assistant Director for Finance, Assets and Efficiencies, Neville Cannon, Assistant Director for ICT, Mark Grimley, Assistant Director for Human Resources and Organisational Development, Chris Trevitt, Head of Capital and Assets and Paul Chapman, Head of VFM and Efficiencies

The meeting started at 10.00 am and finished at 12.10 pm.

*Note: At a future meeting, the committee will consider the accuracy of these draft minutes, so they may be subject to change. Please check the minutes of that meeting to confirm whether these minutes have been amended.*

#### 14. **DECLARATIONS OF INTEREST**

There were no declarations of interest in accordance with the code of conduct.

#### 15. **MINUTES**

Agreed that the minutes of the 3 June 2010 are approved as a correct record.

#### 16. **CHAIR'S URGENT BUSINESS**

There were no items of Chair's urgent business.

#### 17. **TRACKING RESOLUTIONS AND FEEDBACK FROM OVERVIEW AND SCRUTINY MANAGEMENT BOARD**

The Panel received a copy of its tracking resolutions.

Agreed that with regard to Minute 33 (1) and 33 (2) these resolutions be removed from the tracking resolutions document as the panel was reviewing the content of their work programme.

18. **APPOINTMENT OF CO-OPTED REPRESENTATIVES**

The Democratic Support Officer informed the panel the University of Plymouth had nominated Janet Isaac, Head of Strategic Planning to be co-opted onto the Support Services Overview and Scrutiny Panel.

Agreed that Janet Isaac be formally invited to take up the role of co-opted representative onto the Support Services Overview and Scrutiny Panel starting at the panel's next meeting to be held on 3 September 2010.

19. **CORPORATE SUPPORT DEPARTMENTAL OVERVIEW**

Councillor Sam Leaves, Cabinet Member for Performance and Transformation, Councillor Glenn Jordan, Cabinet Member for Customer Services and Adam Broome, Director for Corporate Support gave a presentation on the overview of the Corporate Support Directorate. Councillors were informed that –

- (a) the Corporate Structure had been in existence since April 2009 and covered five areas including Customer Services and Business Transformation; Finance, Assets and Efficiencies; ICT; Human Resources and Organisational Development and Democracy and Governance. Assistant Directors had been employed in these five areas since January 2010;
- (b) Corporate Support's net spend was £32,297m, which was approximately one sixth of the council's overall net spend of £200m, however, the gross budget of Corporate Support was the biggest of any of the council departments due to the allocation of benefits;
- (c) in 2009/10 Corporate Support significantly under spent but remained on target to achieve the set delivery plans. In 2010/11 there have been increased demands as a result of a rise in in-year savings and the effects of budget constraints have created a great challenge in achieving the set delivery plans;
- (d) the department have been involved in many key achievements over the past 12 months, including –
  - the new competency appraisal process, which had full agreement from the trade unions;
  - the sale of Citybus and the housing stock transfer to Plymouth Community Homes;
  - the Registration Service received a good inspection;
  - the Cashier Service have received accreditation, becoming

- the first cashier service in the UK to do so;
  - the Customer Service team received an excellence award;
  - both the Corporate Property & Capital Projects and Legal & Risk Management Services have received ISO 9001, which had been regarded as an excellent achievement;
  - the FISH programme which had been trialled in Customer Services had worked really well and the possibility of rolling it out over the rest of the authority was being looked into;
  - there had been a 99% availability across all core systems within the department;
- (e) there were some significant challenges and priorities ahead in the department, including –
- the need to be flexible when dealing with economic challenges, this had been demonstrated with decision made by central government regarding Building Schools for the Future;
  - major investment in ICT was required to maintain the departments standards and to ensure that the department had the capacity to provide the support that was required;
  - the growing public demand for services despite the budget constraints within the department was challenging;
  - implementing changes to policies and procedures to ensure that there was a more flexible approach;
  - adopting a new constitution;
- (f) Corporate Support was trying to achieve all of the delivery plans, challenges and priorities with pace, by using joined up working, improving staff attitudes and motivation and by incorporating a 'one version of the truth' ethos into all the work undertaken in order to become more customer aware and provide the best standard of work possible;
- (g) these delivery plans and future achievements were being targeted by focusing on, amongst others –
- hot-desking, as had been demonstrated on Floor 5;
  - a procurement initiative aimed at cutting waste and innovating called 'buyer roll-out';

- improvement in data quality with initiatives such as ‘tell us once’ and ‘single point of contact’ aimed at better communication across departments and improved service delivery.

Members of the panel put forward questions to which the following responses were provided –

- (h) the authority were aware as to how much it would cost to maintain the Civic Centre and this had been worked out in partnership with English Heritage;
- (i) an internal helpdesk would be put into operation in order to improve service provision to internal customers;
- (j) it was hoped that once the locality working solution was fully operational and neighbourhood officers had been appointed the burden on councillors’ casework would be reduced and that Neighbourhood Officers would provide great assistance to councillors;
- (k) the council’s Health and Safety Team were very strong and this was confirmed by the excellent accident at work figures produced.

Recommended that an urgent update on the progress of locality working and the appointment of Neighbourhood Officers be presented to the Overview and Scrutiny Management Board.

The Chair thanked Councillor Sam Leaves, Councillor Glenn Jordan and Adam Broome for their attendance and for the helpful and interesting presentation and offered his congratulations for all the key achievements.

20. **ACCOMMODATION, PEOPLE'S AND ICT STRATEGIES**

Councillor Sam Leaves, Cabinet Member for Performance and Transformation, Councillor Glenn Jordan, Cabinet Member for Customer Services, Malcolm Coe, Assistant Director for Finance, Assets and Efficiencies, Mark Grimley, Assistant Director for HR and Organisational Development, Neville Cannon, Assistant Director for ICT and Chris Trevitt, Head of Capital and Assets gave a presentation on the Accommodation, People’s and ICT strategies. Councillors were informed that –

- (a) the three strategies formed the common core of a corporate approach to transformation. This transformation was focused on three key areas service delivery, structural and cultural transformation;
- (b) the Accommodation Strategy began in June 2009 and a detailed



business case and timeline were being followed. A report is going to Cabinet in August 2010 with the aim of creating a cultural change in the authority improving the way the council works and saves money;

- (c) the cultural change was demonstrated through the transformation on floor 5 in the Civic Centre which had created a more spacious and comfortable environment for staff as a result of hot-desking and an open-plan office. The change on floor 5 was designed by staff themselves in consultation with unions and provided a great example as to what the Accommodation Strategy could achieve;
- (d) the cultural change in offices were based on the ratio of eight desks to 10 people, and as an authority the aim was to implement this across the council and reduce the use of major council buildings to three relinquishing six council satellite offices, this change would generate huge financial savings;
- (e) joined up working, shared services and co-location with the Health organisations was being sought as this would increase money saving potential;
- (f) the strategy aimed to save money through the following revenue saving options –
  - reduction in building lease costs;
  - reduction in rates, operational costs and energy costs, thus improving the council's carbon footprint and also creating a reduction in carbon tax liability;
  - less PC's, printers and licenses through hot-desking and also a reduction in repairs and maintenance;
  - potential capital receipts through the sale of buildings;
- (g) it was anticipated that the revenue savings would start to accrue from 2011/12;
- (h) in order for the Accommodation Strategy to be successful it was vital that it worked in partnership with the People's Strategy and the ICT Strategy. A great improvement was required in ICT provisioned functionality in order for the Accommodation Strategy to be implemented fully;
- (j) invest to save options were key to the ICT Strategy being successful in achieving its objectives which were –
  - to ensure value for money was being achieved;

- to create improved joined up working internally and externally with partners to ensure assets were being re-used and shared appropriately;
  - to exploit all information provided ensuring that information was reliable and from a trustworthy source;
  - to reduce the risks from ICT equipment failures;
- (k) there was universal agreement for the need to invest in ICT. However, it was understood that the Accommodation Strategy represented only one of three required investment streams and therefore it was noted that the investment included in the Accommodation Strategy should be further supported by investment in the two remaining strands if the full benefits are to be achieved by the council;
- (l) updated ICT requirements were important and Microsoft Windows 7, Office 2010 and Exchange 2010 were already decided, funded and being planned;
- (m) an improvement in the telephony operation was paramount to the ICT Strategy being successful and the Accommodation and Customer Services Strategies were also heavily reliant on this improvement for them to be successful;
- (n) other ICT improvements that are key to the success of the Accommodation and People's strategies include –
- the implementation of an Office Communication Server (OCS) which will improve officer communication and relinquish the need to keep the outdated internal telephone directory;
  - a data centre being built at Windsor House in order to ensure business continuity if anything happened to the Civic Centre;
- (o) the implementation of the whole ICT Strategy would not only assist the Accommodation and People's Strategies but would aid the transformation agenda and also –
- improve access to information across all council services;
  - improve self service for external customers through the creation of a transitional website where people can

- process payments online;
- provide better and more consistent electronic storage reducing the need for paper storage;
  - improve data quality and communication across all departments;
- (p) the People's Strategy was now in its final year and was a major driver behind the transformation agenda;
- (q) the People's Strategy was aiming to create a productive and skilled workforce. This was being achieved by the creation of a competency framework which had been approved by the Unions, also a new appraisal system had been introduced with 90% of staff having had their appraisals undertaken;
- (r) the strategy also identified the need to plan for medium term skill improvements and the development of the future workforce of the council. This was a big challenge and where the three strategies integrated best as the need to have improved ICT and ICT skills and a better communicated approach to improve customer service was key;
- (s) the People's Strategy also aimed to –
- engage with staff and support them through organisational change;
  - create policies that support good people management and promote diversity;
- (t) there were some major link's between the three strategies including –
- they were all striving to support organisational change;
  - they all identified a need to improve skill's and communication of staff;
  - they all require improvements in ICT to ensure that the strategies were implemented successfully.

Members of the panel were also informed that the three strategies were working in a completely joined up approach alongside the Medium Term Financial Strategy and the Constitution.

Agreed that –

- (1) Chris Trevitt, the Head of Capital and Assets would disseminate

information surrounding the cost of marketing and maintaining the Civic Centre and the Disability Discrimination Act (DDA) compliance of all the council's buildings to Support Services Overview and Scrutiny panel members;

- (2) the Democratic Support Officer send a copy of the presentation to all Support Services Overview and Scrutiny panel members;
- (3) following Cabinet reviewing the strategies a comprehensive managers report on the strategies identifying their risks and how they work together be submitted to a future meeting of the panel.

The Chair thanked Councillor Sam Leaves, Councillor Glenn Jordan and all the officers for their attendance.

21. **WORK PROGRAMME**

The Panel received a copy of their work programme for 2010/2011.

Agreed to -

- (1) remove 'as referred by Management Board' after the title 'Budget and Performance Issues';
- (2) request a Budget and Performance update to be provided at all Support Services Overview and Scrutiny meeting's from David Northey, Head of Finance.

22. **EXEMPT BUSINESS**

There were no items of exempt business.

## TRACKING RESOLUTIONS

### Support Services Overview and Scrutiny Panel

Date/Minute Number	Resolution	Explanation/Minute	Officer	Progress	Target Date
7 (1) 03/06/10	The Democratic Support Officer would seek to ascertain whether the University of Plymouth would be interested in co-opting a representative on to the panel and report back to the next meeting.	The panel discussed the possibility of co-opting a representative on to the panel in particular to assist with ICT and Communications policy.	Ross Johnston, Democratic Support Officer	A letter was sent to the University of Plymouth on Monday 21 June 2010 inviting them to offer a representative to be co-opted on to the panel. Janet Isaac has been co-opted on to the panel starting from 2 September 2010 as was agreed at the meeting on 8 July 2010.	
20 08/07/10	Following Cabinet reviewing the strategies a comprehensive manager's report on the strategies identifying their risks and how they work together is submitted to a future meeting of the panel.	After reviewing the Accommodation, ICT and People's strategies members requested that they be provided with a comprehensive report on the strategies following Cabinet in August 2010.	Chris Trevitt, Head of Capital and Assets		3/11/10

### Overview and Scrutiny Management Board

Date/min number	Resolution / Recommendation	Explanation / Minute	Response	Explanation
8 03/06/10	That the Support Services OSP be formally involved in any consultation on the bills recently announced during the Queens speech relating to policy areas within the panel's Terms of Reference.	As part of the Queens speech a number of Bills had been drafted that could greatly impact on the way the council conducts its business and delivers services. The panel have requested to be involved in any consultation on the Bills that relate to Support Services policy areas.	The Overview and Scrutiny Management Board approved this recommendation at the meeting held on 30 June 2010.	
19 08/07/10	That an urgent update on the progress of locality working and the appointment of Neighbourhood Officers be presented to the Overview and Scrutiny Management Board.	As part of the Corporate Support Departmental Overview it was mentioned that the development of locality working arrangement could assist members in the future when dealing with casework enquiries. Members requested an update on how locality working was progressing.	The Overview and Scrutiny Management Board agreed that they did not require an update on Support Services minute 19 08/07/10, locality working and the appointment of neighbourhood officers.	

Date/min number	Resolution / Recommendation	Explanation / Minute	Response	Explanation
18 08/07/10	That Janet Isaac be formally invited to take up the role of co-opted representative onto the Support Services Overview and Scrutiny Panel starting at the panel's next meeting to be held on 3 September 2010.		The Overview and Scrutiny Management Board approved this recommendation at the meeting held on 28 July 2010.	

**Grey** = Completed (once completed resolutions have been noted by the panel they will be removed from this document)

**Red** = Urgent – item not considered at last meeting or requires an urgent response

**CITY OF PLYMOUTH**

**Subject:** Competency Appraisals: Progress Report  
**Committee:** Corporate Support: Overview & Scrutiny Panel  
**Date:** 2 September 2010  
**Cabinet Member:** Councillor Ian Bowyer  
**CMT Member:** Director for Corporate Support  
**Author:** Mark Grimley, Assistant Director  
Human Resources & Organisational Development  
**Contact:** Tel: (01752 (30) 4890  
e-mail: mark.grimley@plymouth.gov.uk  
**Ref:**  
**Part:** I (ONE)

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**Executive Summary:**

In October 2009 the Council implemented a new competency framework and appraisal system to improve the management of staff, productivity of the workforce and inform the investment in development opportunities.

Corporate Support OSP received an update in February 2010 on the progress of implementing and monitoring the system, although the data had not yet been analysed to provide much more than an overview – this detail is provided in this report.

Following the trial appraisals in the autumn 2009, we consulted with managers and staff and made a few revisions in preparation for the ‘live’ appraisals being undertaken in August 2010. The Council and the Trade Unions have signed a collective agreement that links the appraisal outcomes to annual increments – initiating a link between pay and reward and performance.

Case studies of the impact and initial feedback from managers and staff have been included to demonstrate the cultural shift and application of appraisals across a range of services within the Council.

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**Corporate Plan 2010-2013:**

CIP13: Helping staff perform better – Increasing organisational effectiveness through the identification and implementation of interventions in key strategic areas.

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**Implications for Medium Term Financial Plan and Resource Implications:  
Including finance, human, IT and land**

The introduction of the Competency Framework and appraisal system has increase the demand for management and supervision time and time resources across the workforce. This is seen as an investment in building capacity, improving performance and developing our own talent.

Development of e-forms for appraisal reporting and the upgrade of SAP (Payroll) forms part of the ICT work plan to improve workforce reporting and e-enablement of internal transactions.

There are no direct financial implications as budget models assume all staff receive their annual increment. It is not considered a financial saving where staff do not receive their increment in relation to their performance.

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**Other Implications: e.g. Section 17 Community Safety, Health and Safety, Risk Management, Equalities Impact Assessment, etc.**

None

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**Recommendations & Reasons for recommended action:**

- Note the report and progress made against CIP 13
- Continue to support and take an interest in the development of staff and the results and impact of the appraisal and competency systems
- Agree to receive a report on the current round of appraisals in Late 2010 / early 2011.

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**Alternative options considered and reasons for recommended action:**

None proposed

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**Background papers:**

Overview and information for staff about the new appraisal system:

<http://www.plymouth.gov.uk/homepage/staffroom/employmentinformation/performance/management/competencyframeworkappraisal.htm>

Competency framework

<http://www.information.plymouth.gov.uk/2006-intranet/documentlibrary/documents/Competency%20Framework%20Booklet%202.pdf>

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**Sign off:**

Fin		Leg		HR		Corp Prop		IT		Strat Proc	
Originating SMT Member: Mark Grimley, Assistant Director											



## 1.0 INTRODUCTION

- 1.1 As part of Corporate Improvement Priority 13 – Helping staff to perform better, the Council agreed, in partnership with the trade unions, the introduction of a competency framework that all employees (excluding casual works and short term contracts) will be assessed against.
- 1.2 The competency framework consists of 9 Core Competencies, and 5 management competencies. These are shown in Appendix A. The competencies are behavioural which means that we develop a common set of behaviours across the Council and a consistent approach to managing employees.
- 1.3 There are 9 'job types' that define the level of competencies required. This helps identify the different development needs of groups of workers and allows a comparison by grade of the different type of work undertaken. This will be explained further in paragraph 2.3.
- 1.4 Between June 2009 and October 2009, managers and supervisors were trained in the application and use of the competency framework and involved in the development of the appraisal system in preparation for a Council-wide implementation of the appraisals in the autumn.
- 1.5 The first 'dry-run' of appraisals took place in October and November 2009, the results of which are discussed in section 3. Due to the nature of the appraisals the process took longer than anticipated. The final deadline for all appraisals was extended to January 2010, following which we reviewed why the appraisals were taking longer than anticipated.
- 1.6 The Council is currently (July / August 2010) undertaking the first round of 'live' appraisals. This round will provide a greater depth of reporting and will be the first time results are input through e-forms rather than paper returns (part of the reason for the delay in the 2009 appraisals). The results from this will be reported in October 2010, informing business planning and development plans for the next three year cycle, aligned to the new Corporate Plan.
- 1.7 In July 2010, the Council and trade unions concluded negotiations to link appraisal performance to pay. This was a principle adopted in the Single Status agreement in 2007, however it has taken a number of years to develop the competencies, appraisal mechanism and finally negotiated a link between pay and performance.
- 1.8 However, the link of annual increments to appraisals places great weight on reward for performance and the importance of conducting appraisals in a manner that challenges and supports the development of employees, and recognises them for the work they do.

## 2.0 COMPETENCY DESIGN

- 2.1 The competency framework provides a consistent approach to behavioural standards across the Council. In large organisations, the effectiveness in reducing inconsistency across management of staff and the customer experience is dependent on a common approach and clear expectations of behaviours and standards across the Council. This is achieved by our Core Competencies: every employee is expected to meet the required level of the core competencies, relevant to their job type and role.
- 2.2 For managers there are additional competencies to reflect their additional responsibilities in managing others, promoting value for money and joined-up working, managing resources effectively and making an impact in service delivery across the Council and working with our partners.
- 2.3 Each role profile (job description) within the Council is allocated a job type. These job types categories the type of work being undertaken and sets the appropriate level, for example all those jobs that have a significant customer interface, either face to face or over the 'phone will be required to meet the competencies of a 'Customer Facing Worker'. The job types are set out in table 2.1.

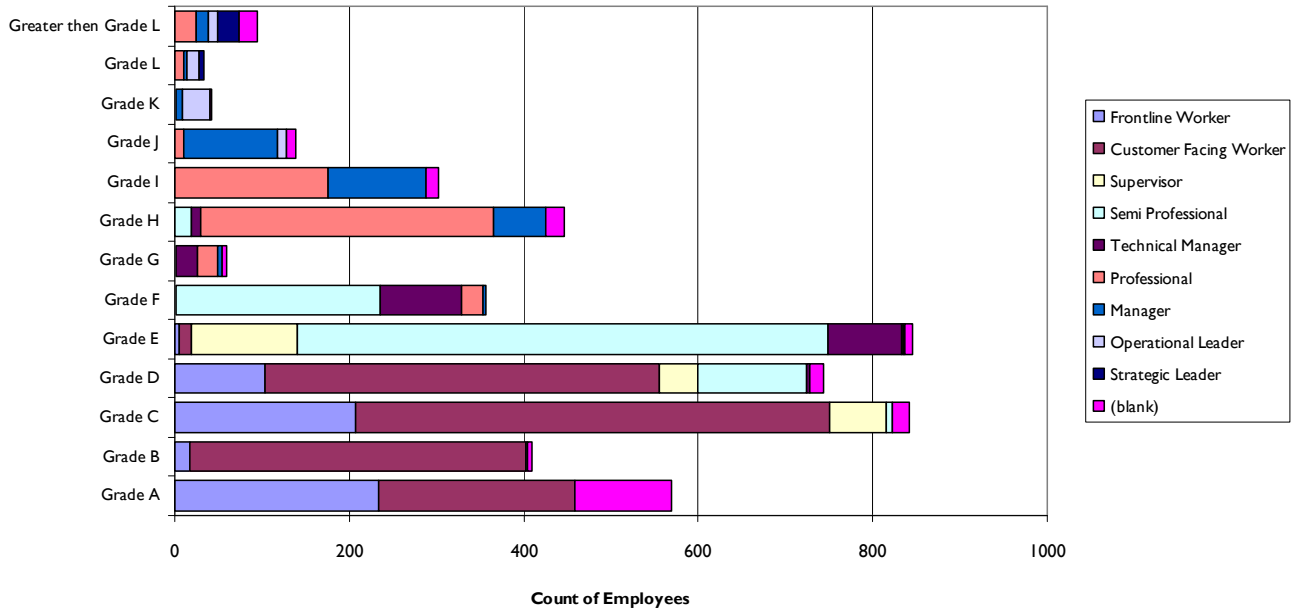
**Table 2.1: Job Types and Competency Set Required**

<b>Job Type</b>	<b>Core Competencies</b>	<b>Management Competencies</b>
Front Line Worker	✓	✗
Customer Facing Worker	✓	✗
Supervisor	✓	✗
Semi-Professional	✓	✗
Technical Manager	✓	✓
Professional	✓	✓
Manager	✓	✓
Operational Leader	✓	✓
Strategic Leader	✓	✓

- 2.4 The full set of competencies and levels, against job type, are set out in Appendix A.
- 2.5 The competencies are behavioural – setting out the actions and attitude towards the work undertaken. In a large and complex organisation like Plymouth City Council a behavioural framework is preferable to a technical (i.e. job specific) competency framework as this allows for the organisation to identify common trends and performance across job types and develops a consistency of expected behaviours. Additionally this strengthens the sense of belonging to a single organisation as opposed to individual departments, helping to reduce the silo-working that has been identified through the previous staff survey. It will also help the Council to identify the strengths

2.6 The distribution of competency types by grade is set out below in Chart 2.2

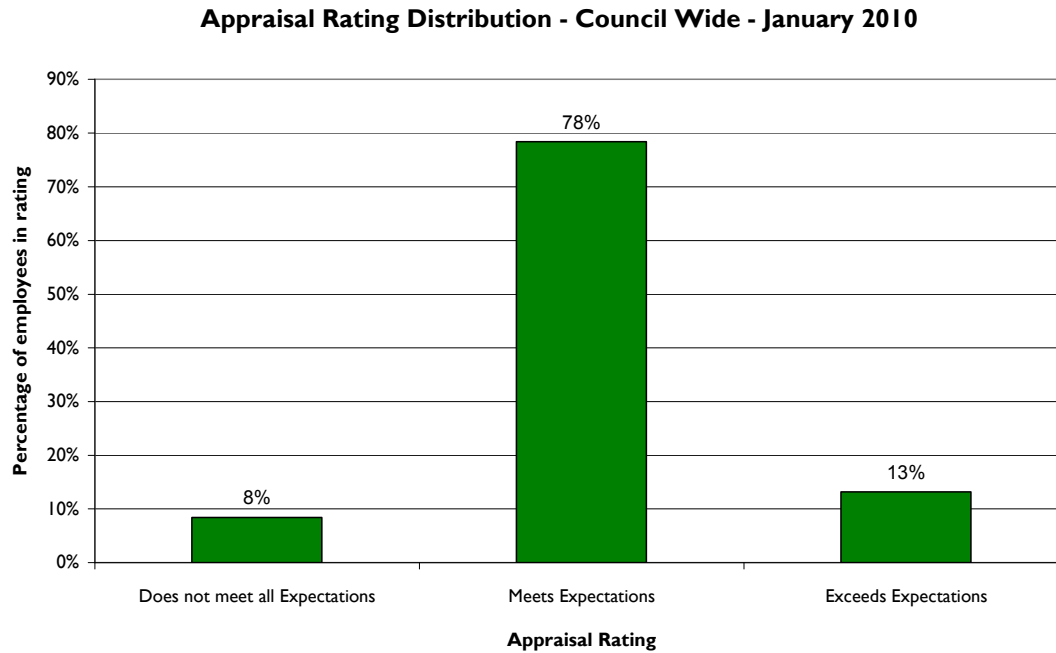
**Chart 2.2: Distribution of Job Types by Grade**



**3.0 APPRAISAL RESULTS**

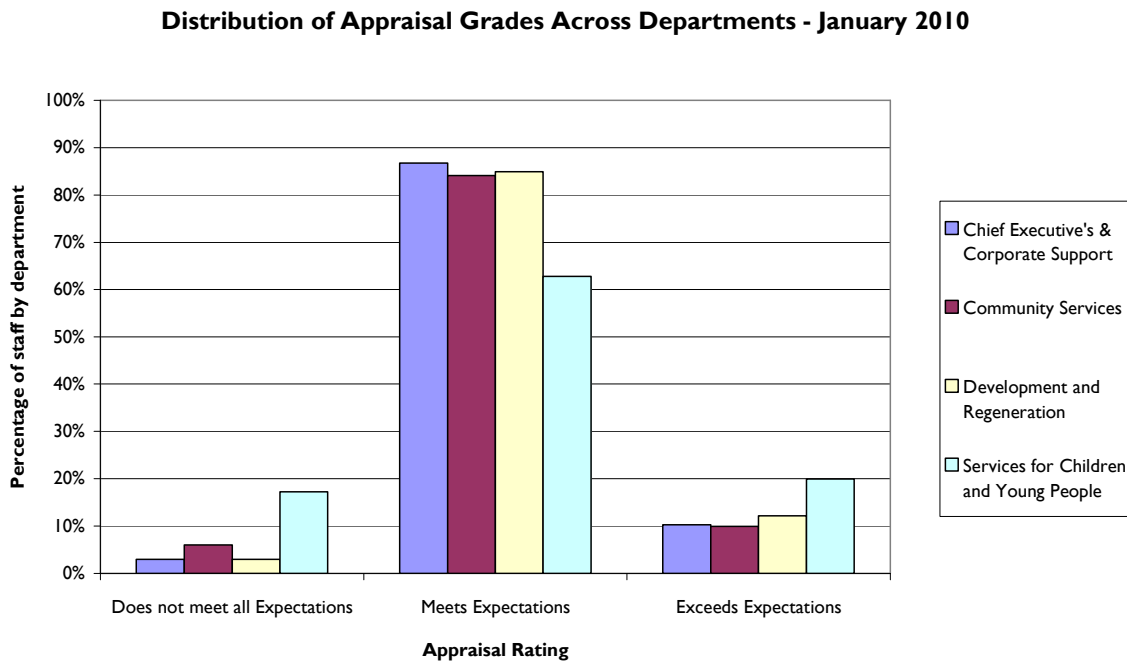
- 3.1 Results for the current round of appraisals (period ending August 2010) are not due for submission until 30 September 2010. This report focuses primarily on the results and analysis for the first trial round of appraisals.
- 3.2 By the end of January nearly 90% of employees had had a competency-based appraisal. The remaining 10% formed a small number of employees who did not have an appraisal, those unavailable for appraisal (maternity, long term absent) and a significant number of casual workers such as tutors where it is evident it is impractical to appraise an individual who works on an ad hoc basis.
- 3.3 The overall outturn for the first round of appraisals in January 2010 followed a 'normal distribution' with the majority of staff meeting or exceeding expectations. However, a significant minority (8%) also failed to meet expectations. This is shown in Chart 3.1, below. This represents around 300 individuals.

Chart 3.1: January 2010, appraisal results



- 3.4 It is encouraging that over 90% are working to an expected standard and recognised that the Council has a committed and dedicated workforce, working hard towards corporate objectives and better outcomes for the city.
- 3.5 By Directorate, there are variances between the levels awards (Chart 3.2, below). In part, it can be seen that those departments with strong inspection regimes and those that have been a high priority for the Council have performed well (Children's Services) in exceeding expectations. Furthermore, the explanation for a 'high' level of 'does not meet expectations' in Children's Services is explained by a single service area where staff had not prepared for the appraisals and the managers took a strong line to reinforce the importance that the Council is placing on the appraisal system. This has been reversed in the August 2010 appraisals where the service area is showing that it is now in line with the Council norm.

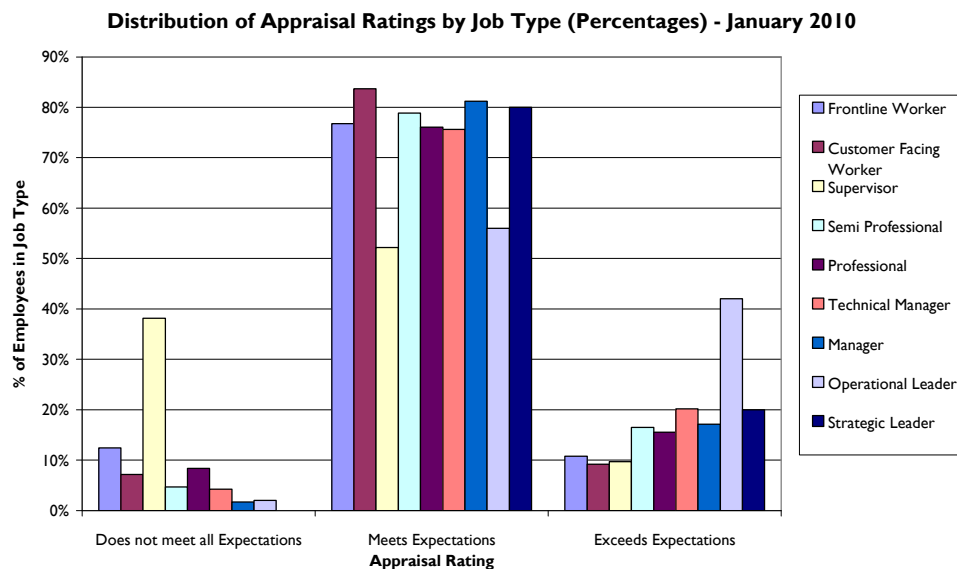
**Chart 3.2: Directorate performance of appraisal outcomes**



3.6 The information relating to job type performance is set out in Chart 3.3, below. On the whole there is a broad distribution of performance by job type, suggesting the Council's approach by job type, directorate and grade is consistent and that the system is bedding down well. Again, the notable exception for those that do not meet expectations is the single service area in Children's Services.

3.7 Of interest is the level of performance at 'exceeds expectations' with performance increasing the 'operational leader' job type – suggesting we have a significant amount of talent and a number of high performers who the Council can make better use of during these difficult times. This can also reflect the recent investment in management development and the recent recruitment rounds to attract new managers to the Council. This should be noted as important for the Council's succession plans.

**Chart 3.3: Distribution of appraisal ratings by job type.**



## **4.0 USING THE INFORMATION**

- 4.1 Corporate Support OSP were particularly interested in how the appraisal system is being used to develop the workforce and support it through changing times.
- 4.2 As mentioned previously, the appraisal system and competencies are now linking performance and pay for the first time. This has been a big step for Plymouth and part of the cultural shift that will focus more on rewarding performance and creating an environment where standards are clear. At the same time, it should be recognised that those who are not performing are recognised as requiring support to improve performance – the appraisal should not at any time be used as a means for punitive action. Where there is poor performance this should be tackled at the time. The appraisal should help in identifying development needs and setting clear, measurable targets to assess progress and performance –whilst making it clear to the employee of the expected standards.
- 4.3 At each appraisal the employee and manager have the opportunity to examine development needs, potential obstacles to performance (or enhancing performance and delivery) and development objectives.
- 4.4 The personal development plan is submitted to Human Resources & Organisational Development for analysis. The first round of appraisals identified a need to collect this information in a more systemic way (see section 5, below). None-the-less the development plans inform the corporate learning & development programme. To this end we have focussed the programme on a narrower range of skills and immediate courses. In the longer term, we will be developing a wider 'talent management strategy' that supports the development of staff in their technical roles, behavioural competencies and future career aspirations.
- 4.5 A key change since the January 2010 appraisals has been recognising the success of the EMDP – the Council's management development programme – and a move of resources into focussing more on developing leadership over management skills. The success of operational and team managers in the appraisals system suggests an element of stretch is required, as well as a movement in investment in leadership throughout the organisation – at all levels to support the transformation programme over the next few years.
- 4.6 Additionally, we are looking now at mapping through all training and development opportunities provided in house and purchased externally to analyse how the council directs its resources and supporting workforce development. Examples of good practise in workforce investment exist in children's services, school leadership, adult social care and in professional areas such as legal services (where they now provide in house training), customer services (ISO accreditation) and accountancy where we are now an accredited CIPFA training centre. We are seeking a greater consistency across the Council for opportunities in workforce development linked to information received from the appraisal system.
- 4.7 A full workforce review is being prepared to link the Council's staff survey, appraisal and development information and future workforce needs is underway bringing together the workforce development teams across the Council (children's, schools, adult social care, work based learning services and corporate workforce development) to improve this and align programmes to the next 3-year Corporate Plan.

- 4.8 However, it is recognised that these are still early days and more work needs to be done to provide a full analysis of the data. Key outputs that can be reported to Corporate Services OSP will include the Talent Management Programme looking at the investment and development of skills from attracting the right candidates through to career progression schemes and programmes such as the recent apprenticeship model that Plymouth City Council has adopted – something being watched very closely by the National Apprenticeship Service as a new national model for apprenticeships.
- 4.9 At a local level, managers are also reporting that the appraisal system is helping them identify better ways of managing the workforce, identifying talent and developing the workforce and individuals. A selection of comments from across a range of services in response to the appraisal system is set out in Appendix B.

## **5.0 FUTURE DEVELOPMENT**

- 5.1 Already mentioned above, the appraisal system and competency-based behaviours has provided a common platform for bringing together the different workforce development teams and work on a single talent management approach – seeking to retain and develop our best performers, support those who need to improve and identify the ‘solid’ team members who work hard to deliver for our customers.
- 5.2 We are also able to identify good practise – where individual service areas are improving and sharing that learning across the organisation.
- 5.3 Improving our ability to analyse the data to target decreasing resources for workforce development is vital to maximising our investment in people. To this end, all appraisals are now being returned through an online methodology – including development plans. Previously the Council could only record whether or not an individual met, exceed or did not meet expectations. In future we will be able to review each competency and level and seek to target our resources at areas where we can support and grow the organisation’s capacity and capability.
- 5.4 Following feedback from managers, some front line staff appraisals took a disproportionate amount of time to complete. We are reviewing the depth and breath of appraisal required of some front line staff that work a small number of hours. For example, tutors are assessed annually as part of their professional development through classroom observations. These observations will form the larger part of appraisal.
- 5.5 The final results for this round of appraisal are expected to be completed by the end of October 2010 with the staff survey completed by November 2010. Together both sets of information will provide a very powerful evidence base to set out the next three-year workforce development plan aligned to the Corporate Plan and seek appropriate resources to development interventions that continue to support and grow the development of Plymouth City Council into a consistently excellent council – and one that is recognised by our residents as such.

- 5.6 Finally, it should be recognised that Councils that introduce a competency framework and appraisal system linked to pay often find it difficult to achieve. Ply mouth City Council managers have exceeded expectations and have taken seriously the importance of appraisals and have placed great importance on quality conversations with employees.
- 5.7 This has been a significant achievement for the Council as a whole, led by a commitment from Councillors, the chief executive and directors.




## APPENDIX A

Table A1: General Competencies and levels by job type

	Strategic Leader	Operational Leader	Manager	Professional	Technical Manager	Semi Professional	Supervisor	Customer Facing Worker	Frontline Worker
Achieves Results (AR)	5	4	3	3	3	2	2	1	1
Adapts to Change (AC)	5	4	3	3	3	2	2	1	1
Communicates (CO)	5	4	3	3	3	3	2	2	1
Develops Self (DS)	4	4	3	3	2	2	1	1	1
Embraces Equality (EE)	4	3	2	2	2	2	1	1	1
Focuses on Customers (FC)	5	4	3	3	3	2	2	2	1
Plans and Orders (PO)	5	4	3	3	3	2	2	1	1
Supports the Organisation (SO)	4	4	3	2	2	2	2	1	1
Works with Others (WO)	5	4	3	3	2	2	2	1	1

Table A2: Management Competencies by job type

 Plymouth	Strategic Leader	Operational Leader	Manager	Professional	Technical Manager	Semi Professional	Supervisor	Customer Facing Worker	Frontline Worker
Develops Others (DO)	3	3	2	-	1	-	1	-	-
Impacts and Influences (II)	4	3	2	2	1	-	1	-	-
Leads People (LP)	4	4	3	-	2	-	1	-	-
Manages Resources (MR)	4	3	2	-	1	-	1	-	-
Manages Risk (RK)	4	3	2	2	1	-	1	-	-

## **APPENDIX B: FEEDBACK FROM MANAGERS AND TRADE UNIONS**

Below is a selection from across the Council of direct feedback on how the competency appraisal system is working. This has not been edited and shows a positive approach towards the appraisal system with areas for further development:

### **Community Services : Adult Social Care**

*Teresa thinks that the new appraisal system has made a dramatic difference in Dom Care. When the appraisals were first introduced Teresa developed some consistent examples of performance at the levels required in each competency. These have been applied consistently in both rounds of appraisals and Teresa has seen an improvement in standards across the board, i.e. more people met requirements this time than last time.*

*Teresa and the Dom Care Team Leaders have discussed and developed key targets linking to the corporate plan and team plan. They have found the appraisals a really useful tool to help bring these down to an individual level, for example adding more focus to discussions with staff on performance, allowing staff feedback, and tracking goals etc.*

*Teresa has also set up a noticeboard with information linking to the above demonstrating connections for staff so that they can understand how their efforts as individuals are making a difference to the team, unit costs and the bigger picture.*

*Overall, Teresa has found that staff have been a lot more engaged with the appraisal process under the new system, e.g. staff have been preparing and bringing evidence with them to the appraisal to discuss where they have met the competencies etc.*

### **Corporate Support: Customer Services**

*"Its really much better than anything we've ever had before. I'm quite impressed with it. I think the adapted version, which was changed from last year, is 10 times better. It shows that the issues I raised were listened to and used to make improvements. On the whole the trade unions have also been helpful in helping explaining things to staff where there have been questions or concerns.*

*I think the competency link to pay is a useful tool. I wonder if in the future we could look at it being possible to develop a mechanism of reducing pay for poor performers as we did at the Royal Mail."*

*Current guidance about how to decide on the overall rating could be firmed up / clarified. One potential issue arose when an employee achieved exceptional scores on 5 out of 9 competencies, but was felt by their team lead to meet expectations rather than exceed. (had factored in wider work performance not just the competencies) The employee was not happy with this and at one stage it looked like it was going to be escalated into a full on dispute when GMB intervened. Fortunately a UNISON rep also got involved and helped to bring sense to things with the employee. The employee has now accepted their rating.*

### **Children's Services: Education Catering**

Education Catering management team (Brad Pearce & Grace Hughes) have further interpreted the corporate behaviours into specific, job focussed behaviours and measurements (eg. "Adapts to Change" corporate behaviour in this context includes "willingness to adapt to new recipes and menus") and distributed this additional guidance to staff and managers.

Improvement in appraisal ratings from 09 to 10 – see over- demonstrated improved understanding of the appraisal process in Catering Assistants and Kitchen Managers as well as the meanings of the competencies.

Improved level of supervision and performance management now evident – Kitchen Managers now understand that to improve performance in staff they need to refer to specific real-life examples of good and poor behaviour and compare this to the corporate and departmental standards.

### **Children's Services: Passenger Transport**

Disparate area, Passenger Assistants escorting most vulnerable children to school. No "work base" and only 1 manager managing 210 passenger assistants.

Previously no appraisals undertaken and minimal / no supervision of staff.

Drive to undertake appraisals meant all staff were assessed for the first time in 2009. See email below for quotes on success, including:

"The new appraisal process and the expectation of some supervisory assistance following the consultation process earlier this year has encouraged most PA's to feel that for the first time, they will receive regular support, advice and acknowledgement for their role which includes daily contact with children, parents, school staff and colleagues."

### **Comments from the Trade Unions**

#### **Unite – the Union**

The Competency Framework and Appraisal system is an important tool for our members to engage with their managers and gain their support to assist our members in attaining responsibility for and control of their personal development.

However, we mustn't be complacent, staffside and management have a responsibility that the principles of the Competency Framework and Appraisal system are followed and applied consistently across the Authority. Also, we have a particular responsibility to support and encourage those areas across the Local Authority who have historically been unfamiliar with this process.

#### **UNISON**

I've become aware of a team in Housing which has had half the team fail their appraisals, I'm meeting with the local rep next week so there may be something coming out of there. Other than that, it's been surprisingly quiet regarding appraisals. I was expecting a lot of calls.

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**CITY OF PLYMOUTH**

**Subject:** Support Services Overview and Scrutiny Panel Quarterly Report  
**Committee:** Support Services Overview and Scrutiny Panel  
**Date:** 2 August 2010  
**CMT Member:** Adam Broome (Director for Corporate Support)  
Ian Gallin (Assistant Chief Executive)  
**Author:** Paul Chapman (Support Services Overview and Scrutiny Panel  
Lead Officer)  
**Contact:** paul.chapman@plymouth.gov.uk  
**Ref:** SS-OSPQtr1-SRA  
**Part:** Part I

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**Executive Summary:**

This report sets out a review of the Support Services Overview and Scrutiny Panel for the first quarter of 2010/11.

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**Corporate Plan 2010-2013:**

The Support Services Overview and Scrutiny Panel provides strategic scrutiny of the following Corporate Improvement Priorities and key areas:

- CIP2 - Informing and involving residents
  - CIP13 - Supporting Council staff to perform better
  - CIP14 - Providing better value for money
  - The strategic and operational activities of the Chief Executives and Corporate Support Departments
- 

**Implications for Medium Term Financial Plan and Resource Implications:  
Including finance, human, IT and land**

None

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**Other Implications: e.g. Section 17 Community Safety, Health and Safety, Risk Management, Equalities Impact Assessment, etc.**

None

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**Recommendations & Reasons for recommended action:**

That the report is noted

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**Alternative options considered and reasons for recommended action:**

N/A

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**Background papers:**

Support Services Overview and Scrutiny minutes and forward plan

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**Sign off:** To be Noted

## CITY OF PLYMOUTH

### Support Services Overview and Scrutiny Panel Quarterly Report

#### 1. Introduction

- 1.1 The first quarterly report sets out a review of the Support Services Overview and Scrutiny Panel for the first quarter of 2010/11, incorporating the meetings of 3 June and 8 July 2010 respectively.

#### 2. Scope of the Overview and Scrutiny Panel

- 2.1.1 The Support Services Overview and Scrutiny Panel is primarily concerned with the strategic scrutiny of the following Corporate Improvement Priorities and key areas:
- CIP2 - Informing and involving residents
  - CIP13 - Supporting Council staff to perform better
  - CIP14 - Providing better value for money
  - The strategic and operational activities of the Chief Executives and Corporate Support Departments
- 2.2 The detailed terms of reference for the panel are at Appendix 1 for ease of reference.
- 2.3 The panel consists of the following members and officers

Title	Name	Attendances (1 Meeting)
Councillor (Chair)	D.James	2
Councillor (Vice Chair)	M.Lowry	2
Councillor	Berrow	2
Councillor	Browne	2
Councillor	Dann	1
Councillor	Murphy	1
Councillor	Lock	1
Councillor	Stark	2
Councillor	Thompson	2
Councillor	Vincent (Substitute for Councillor Murphy)	1
Councillor	Williams (Substitute for Councillor Dann)	1
Lead Officer	Paul Chapman	2
Democratic Support	Ross Johnston	2

- 2.4 The Panel, through effective strategic and operational scrutiny, supports the following cabinet members and CMT officers:

Title	Name
Cabinet Member (Finance, Property, People and Governance)	Ian Bowyer
Cabinet Member (Customer Services)	Glenn Jordan
Cabinet Member (Performance and Transformation)	Sam Leaves
Director for Corporate Support	Adam Broome
Assistant Chief Executive	Ian Gallin

- 2.5 The panel has a budget of £2,000 to support the scrutiny work.

### 3. Key achievements to date

- 3.1 The panel has met on 2 occasions in the first quarter of 2010/11. The meeting's were well structured, managed efficiently and well attended by panel members. A positive contribution has been made to support an effective strategic and operational overview, in particular the following achievements have been made:
- The panel continues to manage and resolve it's tracking resolutions promptly.
  - The panel continues to review the scope, remit and key performance measures of the three CIP's that it is responsible for scrutinising through ongoing review and scrutiny of progress against milestones and key performance measures.
  - The panel has formally resolved to invite Janet Isaac, Head of Strategic Planning, University of Plymouth to take up the role of Co-opted Representative to start at the next meeting of the panel.  
*(This was formally agreed by the O&S Management Board at the meeting held on 28 July 2010)*
  - The panel has received reports on and scrutinised the following work areas:
    - **Update on CIP 14 - Value for Money**  
presented by the Sustainability Unit Manager.
    - **Update on Consultation Events**  
presented by the Head of Policy Performance and Partnerships.
    - **Corporate Support Overview**  
presented by the Director for Corporate Support
    - **Accommodation, People's and ICT Strategies**  
presented by the AD for Finance, Assets and Efficiencies, the AD for ICT, the AD for HR and Organisational Development and the Head of Capital and Assets

- The Panel recommended that:
  - The Support Services OSP be formally involved in any consultation on the bills recently announce during the Queens speech relating to policy areas within the Panel's Terms of Reference.  
*(This was agreed by the O&S Management Board at the meeting held on 30 June 2010 – minute 16)*
  - An urgent update on the progress of locality working and the appointment of Neighbourhood Officers be presented to the O&S Management Board.  
*(It was agreed at the meeting of 28 July 2010 that the O&S Management Board did not require such a report)*
  
- The Panel resolved that:
  - The Panel would receive a VFM quarterly report demonstrating how the VFM ethos was being embedded across the council.
  - Following the Accommodation, People's and ICT strategies being reviewed by Cabinet a comprehensive Managers report on the strategies identifying their risks and how they work together be submitted to a future meeting of the panel.

#### **4. On the Horizon**

4.1 Having received an overview of the CIP's, scrutinised the various support plans/strategies and received inputs on the People, Accommodation and ICT Strategies the panel has created a new draft work programme which sets out the following objectives:

- To further scrutinise the links between Accommodation, People's and ICT strategies and how they will work together.
- To receive a report on the Office/Building rationalisation as part of the Accommodation Strategy.
- To receive an update on the Appraisal review as part of the Peoples Strategy.
- To receive an update on the progress of the Corporate Transformation Programme.
- To review and monitor the progress of Member Learning and Development.
- To scrutinise the success rates and work undertaken by Legal Services.
- To review the overall Communications Plans for the Council (Internal and External).
- To scrutinise the Corporate Plan for 2011/12
- To receive further updates on the following policies as part of the Communities and Local Government agenda:
  - Environment Policy 2009/2013
  - Carbon Management Plan 2008/2013
  - Climate Change Action Plan 2009/2011
- To Review the VFM programme.



**5. Recommendation**

5.1 That the progress of the Support Services Overview and Scrutiny panel is noted by the Overview and Scrutiny Management Board.

Paul Chapman  
Lead Officer Support Services Overview and Scrutiny Panel  
2 August 2010

## **Support Services Overview and Scrutiny Panel -**

### **Terms of Reference**

- To review new and existing policies and consider how they may be improved and developed;
- To monitor the budget and performance of the Cabinet Member, Department and partners to ensure that the priorities for the area are being delivered upon;
- To monitor performance against the relevant Corporate Improvement Priorities;
- To review Policies within the Budget and Policy Framework;
- To consider Equality Impact Assessments against new and existing policies;
- To investigate local issues to find out how the council and its partners can improve to meet the needs of local people;
- To make recommendations about service delivery to the Cabinet (via the Board)
- To review and scrutinise the performance of partner organisations
- To set up Ad-Hoc Working Groups as and when required;
- To produce quarterly progress reports to go to the management board

### Policy Areas

- Business Transformation
- Finance
- ICT
- Human Resources and Organisational Development
- Democracy and Governance
- Assistant Chief Executive
- Policy and Performance
- Communications

### Cabinet Members

- Finance, Property, People and Governance
- Customer Services
- Performance and Transformation

### Directorate

- Chief Executive's
- Corporate Support

### Corporate Improvement Priorities (CIPs)

- Involving residents (CIP 2)
- Staff performance (CIP 13)
- Value for money (CIP 14)

LSP Link

- LSP Support

Membership

The Chair of the Panel shall serve on the Overview and Scrutiny Management Board. The Support Services Overview and Scrutiny Panel will be chaired by a Member of the majority political group with the vice-chair from the opposition political group. All Members of the panel will adhere to the general rules of Overview and Scrutiny.

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**CITY OF PLYMOUTH**

**Subject:** Joint Performance and Finance Report  
**Committee:** Cabinet  
**Date:** 10 August 2010  
**Cabinet Member:** Councillor Bowyer and Councillor S Leaves  
**CMT Member:** CMT  
**Author:** David Northey, Head of Finance, Patrick Hartop, Policy and Performance Officer  
**Contact:** Tel: (01752) (30)4566  
e-mail: david.northey@plymouth.gov.uk  
patrick.hartop@plymouth.gov.uk  
**Ref:** SW/Fin0610  
**Part:** I

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**Executive Summary:**

This report outlines the performance and finance monitoring position of the Council as at the end of the first quarter, June 2010.

The primary purpose of this report is to detail how the Council is delivering against its key performance indicators in terms of performance, and its financial measures using its capital and revenue resources. It is deliberately strategic in focussing on key areas of performance, expenditure, and risk, and includes under each Departmental Business section a scorecard, incorporating a summary of performance.

At this stage, the Council is forecasting a revenue overspend at year end of £5.727m against a net revenue budget of £201.824m (2.84%). Main variations relate to

- Children's Services £3.195m:  
Increased placement numbers within the Independent Sector and the increased use of high-cost Residential provision accounts for £2.974m;
- Community Services £2.435m:  
In Adult Social Care there is an adverse variation of £1.635m mainly due to Learning Disability Services offset by savings within domiciliary care. An adverse variation of £0.800m within Environmental Services is due to increased repairs and maintenance vehicles costs, Trade Waste income being lower than budgeted and an increase in vehicle and plant hire costs. This has been partly offset by a decrease in waste arisings and management actions.

The Council's best assessment of the impact of Government action to date and potential future action is a required in year reduction of £4m, over and above existing over-heating in the budget.

The latest approved Capital Programme for the year is £93.315m. Actual spend to the end of June 2010 is £9.835m. New schemes totalling £0.596m are being recommended for inclusion into the programme by the Capital Delivery Board.

Further pressure is expected on the capital programme where there has been an announcement of a 25% cut in the 2010/11 Local transport Plan Integrated block settlement, equating to £0.870m and withdrawal of Sport England Grant of £0.750m. In addition, the Government has announced the withdrawal of the BSF programme representing a potential loss of up to £70m of future capital investment to 5 of the city's secondary schools.

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### **Corporate Plan 2010-2013**

This quarterly report is fundamentally linked to delivering the priorities within Council's corporate plan.

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### **Implications for Medium Term Financial Plan and Resource Implications: Including finance, human, IT and land**

Resource implications are referred to throughout the report and an update on the implications for the medium term for both revenue and capital is included. It is intended that the Medium Term Financial Forecast will be updated regularly throughout the year to take account of the variances and pressures identified through the quarterly reports.

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### **Other Implications: e.g. Section 17 Community Safety, Health and Safety, Risk Management, Equalities Impact Assessment, etc.**

N/a

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### **Recommendations & Reasons for recommended action:**

That Cabinet approve:

1. The allocation of a £4m reduction across departments to the 2010/11 budget to reflect the Council's assessment of the impact of Government Action.
2. The principle that the Council will increase charges to reflect the VAT increases from Jan 2011 except where this conflicts with other Council priorities.
3. The changes to the capital programme (as detailed in sections 5.1 and 5.2), including new approvals of £0.596m, leading to a revised programme of £100.415m.
4. The Officer action taken to freeze Transport schemes in 2010/11 to the value of £0.870m pending a complete review of the capital programme.
5. The pay award provision be removed from departmental budgets and held under corporate items to meet the costs of redundancies and other budget pressures.
6. Directors progressing urgently further delivery plans to address the remaining shortfall in 2010/11.

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**Alternative options considered and reasons for recommended action:**

Actions are recommended in response to specific variances in either performance and / or finances identified throughout the report.

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**Background papers:**

- Plymouth City Council Corporate Plan 2010-13
  - 2010/11 Budget Papers
  - Plymouth City Council Medium Term Financial Strategy – revised June 2010
- 

**Sign off:**

Fin	MC 1011. 003	Leg	DVS 1149	HR	N/A	AM	N/A	IT	N/A	Strat Proc	N/A
Originating SMT Member: Malcolm Coe, AD Finance, Assets & Efficiencies											

**Plymouth City Council  
Performance and Finance Monitoring – 2010/11  
Figures up to and including 30 June 2010**

**1. Introduction**

- 1.1 The Council continues to improve its financial and performance management arrangements, placing greater ownership and accountability on departmental management teams in relation to improving performance and delivering against budget. This is the first quarterly report for 2010/11 and includes a new style 'scorecard' within the Directorate reports. The score cards focus on the areas of concern, and details actions being undertaken to remedy the shortfalls. A balanced scorecard for key Human Resources indicators for the Council, for departments and for budget holders is being developed and will be ready for the next quarterly report.
- 1.2 This report reviews the Council's performance for the period 1 April 2010 to 30 June 2010.
- 1.3 The report contains the following sections and Appendices

Section 'A' – Executive Summary Performance

Section 'B' – Executive Summary Finance

- Revenue
- Income Summary
- Capital
- VFM

Section 'C' – Departmental Performance & Finance Report

- Department scorecards
- Department Budget Delivery Plans
- Department Risk items
- Departmental Medium Term Issues
- Corporate Items and Cross Cutting Issues

Section 'D' – Concluding Remarks

Section 'E' - Recommendations

Appendices

Appendix A – Finance Monitoring Summary Graph

Appendix B – Update on Government Grants Position

Appendix C –Departmental Target Budget Reductions

Appendix D - Capital









## SECTION A - EXECUTIVE SUMMARY PERFORMANCE

### 2. Performance

- 2.1 A performance summary is provided for departments in a scorecard format along with budget variances. The narrative within the scorecard is intended to provide a high level overview with a focus on explaining corrective action where required. The scorecards use a RAG (red, amber, green) traffic light system to indicate current performance.

RAG rating key:

Budgets			
	0% - 0.8% overspend / 0% - 1.8% under spend		0.8% - 0.99% overspend / 1.8% - 1.99% under spend
	1% or more overspend / 2% or more under spend		
Measures – an average of all measures that sit within Departments			
	Indicators are on track		the <b>AVERAGE</b> of all indicators is up to 15% off target
	The <b>AVERAGE</b> of all indicators is more than 15% off target		

#### Key performance issues to note

### 2.2 Development (Pages 25&26)

#### Planning

Major regeneration activity supported by the LDF continues and all planning application indicators have improved performance in the first quarter of this year and are performing well.

#### Strategic Housing

Eight affordable homes have been delivered in the first quarter of this year which, while relatively modest, is normal given that developments usually complete towards the end of the year. The target of 237 for the year is expected to be achieved. 335 new homes were achieved in 2009/10 against a target of 226

### 2.3 Children's Services (Page 16&17)

#### Social Care

For the second year running there were over 3,000 referrals to CSC in 2009/10. This continues an increasing trend over the last 4 years and is consistent with the first three months of 2010/11. Compared to last year, the number of Children with a Child Protection plan had increased by 86%. On the 31<sup>st</sup> March 2010 we reported 352 Children with a plan, for June this year we report 363 a further increase. We report higher numbers than both our statistical neighbours and the national average. The number of children in care, year on year has risen by 12%. On the 31<sup>st</sup> March 2010 we looked after 437 children and young people, compared to 389 the previous year. In June this year this number rose to 447. Together with many other local Authorities we have experienced a rise in the number of presenting 16 and 17 year old young people as a result of the G v Southwark Judgement. We report higher numbers than both our statistical neighbours and the national average.

## 2.4 Community Services (Pages 20&21)

### Environmental Services

The recycling target continues to under perform despite the introduction of the kerbside garden waste collection service. The June figures stands at 36.79% which is over 2 percentage points better than June 2009 when the figure stood at 34.69% and better than the annual target for 2010/11 of 36%. However, the June target, which is seasonally adjusted, stands at 42%. Additional initiatives are currently being considered to improve current recycling performance. The waste landfill target has started the year strongly with 57.73% of waste to landfill against the annual target of 60%. June's performance is nearly 2 percentage points better than June last year where the figure stood at 59.25%.

### Adult Social Care

The latest Adult Social Care performance report for 2009/10 indicates that Plymouth has made substantial progress in shifting its balance of care from residential to home care over the last two years; 65% **more** adults and older people are now helped at home (2,445 more), 30% **less** adults and older people cared for in permanent care homes (473 less), 262% **more** direct payment users (354 more), 18% **more** home care users (289 more), 18% **more** intensive home care packages to avert institutional care (75 more) and a higher level of user satisfaction with the quality of home care surveys than in a similar council (2009 survey). The latest performance figures for June indicate underperformance in achieving outcomes for people with learning difficulties. Both supporting adults with learning difficulties into accommodation and employment are underperforming. Current performance for the accommodation indicator stands at 3.8% against a cumulative annual target of 75% and the employment indicator stands at 0.2% against a cumulative annual target of 5.9%. To achieve both targets, the rate of reviews must increase, missing data needs to be rectified and more clients that have been in established voluntary work need to be found paid employment. An action plan is being developed with the Learning Disability Partnership Manager to address missing data issues and increase the rate of reviews.

## SECTION B EXECUTIVE SUMMARY – FINANCE

### 3. General Fund Revenue Budget

- 3.1 Table 1 shows the revenue monitoring position for each Directorate for the period up to 30 June 2010.

**Table 1**

DEPARTMENT	Latest Approved Budget	Latest Forecast Outturn	Monitoring Variation to 30 June	
	£000	£000	£000	%
Director for Children and Young People	52,459	55,654	3,195	6.09%
Director for Community Services	112,857	115,292	2,435	2.16%
Director for Development and Regeneration	16,193	16,223	30	0.18%
Director for Corporate Support	32,697	32,764	67	0.2%
Chief Executive	1,830	1,830	0	0.0%
Corporate Items and Capital Financing	(14,212)	(14,212)	0	0.0%
<b>TOTAL</b>	<b>201,824</b>	<b>207,551</b>	<b>5,727</b>	<b>2.84%</b>

- 3.2 The financial management budget variance tolerance levels of no more than 1% over or -2% under remain in place for 2010/11. The movement for the first quarter compared to last financial year is shown in graphical form in Appendix A. The variance of 2.84% at the end of June is outside of the agreed tolerance level.
- 3.3 Further details of the variations are outlined in the individual Directors reports in Section C of this report. The major variations are as follows:

Children's Services - Increased placement numbers within the Independent Sector and the increased use of high-cost Residential provision accounts for £2.974m of the total forecast overspend of £3.195m

Community Services

Adult Health & Social Care £1.635m

Street Services £0.800m

The Adult Social Care adverse variation of £1.635m is mainly due to Learning Disability Services offset by savings within domiciliary care. The adverse variation of £0.800m within Environmental Services is due to increased repairs and maintenance vehicles costs, Trade Waste income being lower than budgeted and an increase in vehicle and plant hire costs. This has been partly offset by a decrease in waste arisings and management actions.

### 3.4 Government Announcements on Public Sector Funding

A new Comprehensive Spending Review will be announced in October 2010. This will be a challenging framework which will significantly reduce the level of revenue and capital spending available for Local Authorities over the next 4 years.

In addition, the Government has recently announced a series of in year spending reductions for 2010/11. These reductions, in the main, relate to grant funding. There are also a number of changes to policy, enacted by Government, that will impact on spend for the Council.

An analysis of key grants that have either been reduced or removed is detailed in Appendix B. The key 2010/11 revenue reductions for Plymouth are:

	<b>£000</b>
Reduction in Area Based Grant	1,802
Withdrawal of Housing and Planning Delivery Grant	375
Removal of Free Swimming Grant	<u>141</u>
	<b><u>2,318</u></b>

In addition to this, the Performance Reward Grant linked to delivery of Local Area Agreement targets has been reduced by 50%. The Council had been relying on some of this reward grant to deliver a balanced budget in 2010/11, for example, a specific delivery plan within Chief Executive's department linked to the Local Strategic Partnership and planned spend on partnership working in Children's Services.

Considering all of the known grant reductions and policy changes, the Corporate Management Team is recommending targets to reduce in year revenue spend by circa £4m. This reduction has been prioritised to ensure that we drive greater efficiency from back office functions, thus protecting core front line spend. Cross cutting groups are meeting to drive out higher percentage savings across the board in areas such as Business Support and Policy and Performance.

Appendix C details the recommended in year revenue spend reductions by department which are summarised in table 2 below:

**Table 2**

<b>Department</b>	<b>2010/11 Required Reductions £000</b>
Children & Young People	1,181
Community Services	1,596
Development & Regeneration	238
Corporate Support	820
Chief Executives	150
<b>Totals</b>	<b>3,985</b>

Directors, with their management teams, are developing new Delivery Plans in order to deliver a balanced budget for 2010/11. These new delivery plans will meet the required in year spending reductions as well as address identified in year budget pressures. To date additional plans totalling £0.654m have been identified.

#### 4 Income Summary

- 4.1 The position on income collection across the Council as at 30 June 2010 is shown in Table 3 below:

**Table 3**

Type of debt	AE Quartile	Budgeted income 2010/11*	Actual % 2009/10	Year end Target % 2010/11	Year end Projection 2010/11
Council Tax	4	£94m	95.2	96.5	96.5
NNDR	2	£81m	96.0	97.5	97.5
Sundry Debt <sup>^</sup>	n/a	£46m#	85.0	92.5	92.5
Commercial Rent	n/a	£5m#	86.0	90.0	90.0
Trade Waste	n/a	£1m#	83.0	94.0	94.0
Adult Residential Care	n/a	£9m#	92.0	94.0	94.0

# Sundry debt fluctuates during the year. Figures shown are an average per annum for a rolling 12 month period

<sup>^</sup>Does not include debt which has been raised in the last 30 days

- 4.2 Despite the challenging climate, all of our key income streams are currently forecasted as being on target. This continues the trend of the last two financial years where the Council has provided greater focus in this area.
- 4.3 Our in year collection of Council Tax and NNDR at the end of June 2010 was above our profiled target and greater than that achieved at the same point in each of the last two financial years.
- 4.4 Sundry debt remains a challenge but, having broken down the core streams of Commercial Rent, Trade Waste and Adult Residential Care, we are working alongside departments in adopting corporate income collection processes to enable greater collection rates.
- 4.5 The standard rate of VAT will increase to 20% with effect from 4 January 2011. The Council must charge and account for VAT on all the taxable services it supplies, collecting the income effectively as an agent of the Government. It is therefore recommended that the increase be passed on in full to the Council's customers, unless this would conflict with other Council priorities. The increase in the VAT rate is, therefore, likely to have very little impact on the financial position of the Council.

## 5. Capital Position

5.1 The latest position on the capital budget is summarised in Table 4 below:

**Table 4**

Department	Original Approved Budget £000	Slippage from 2009/10 £000	New Approvals £000	Re-profiling £000	Variations £000	Latest Forecast £000
Children and Young People	34,641	3,848	20	24	691	39,224
Community Services	29,237	(208)	510	0	(13)	29,526
Corporate Support	500	320	0	0	0	820
Development & Regeneration	28,937	2,918	66	64	(1,140)	30,845
<b>Total Capital Programme</b>	<b>93,315</b>	<b>6,878</b>	<b>596</b>	<b>88</b>	<b>(462)</b>	<b>100,415</b>

5.2 The revised 2010/11 forecast at the end of June is £100.415m and expenditure to the end of June is £9.835m, representing 9.79% of the capital budget. The new approvals to the programme of £0.596m have been considered by the Capital Delivery Board who are recommending inclusion into the Capital Programme:

### New Approvals

	<b>£000</b>
Leigham Primary School - safer route to school (fully grant funded)	50
Community Transport booking system (grant funded)	16
Reading Recovery Unit at Courtlands School (revenue)	20
Libraries improved automatic booking system (unsupported borrowing)	356
Mountwise Adizone sports facility (grant funded)	<u>154</u>
<b>Total</b>	<b><u>596</u></b>

Further detail of the other variations on the capital programme is outlined in Appendix D.

### 5.3 Funding

The capital schemes for 2010/11 are planned to be funded as shown in Table 5 (adjusted for the grant reduction detailed in 5.4.2):

**Table 5**

Funding Source	£000
Capital Receipts	9,488
Unsupported Borrowing	25,617
Supported Borrowing	4,919
Grants & Contributions	57,232
S106 / Tariff / Revenue	3,159
<b>Total</b>	<b>100,415</b>

5.4 Funding Issues:

5.4.1 **Capital Receipts**

The current programme requires £9.488m of capital receipts in 2010/11. The estimated usable capital receipts (including £2.3m brought forward) is £7.7m leaving a potential shortfall of £1.8m at the end of the financial year, which will be funded by short-term unsupported borrowing. The revenue impact of any short-term borrowing will be financed from a capital financing reserve of £0.975m which has been set aside to meet the anticipated timing differences between the realisation of capital receipts and the funding of the capital programme.

5.4.2 **Local Transport Plan Single Capital Pot (SCP)**

Announcement of a 25% cut in 2010/11 Integrated block settlement, funded from grant equating to (£0.870m). Corresponding potential reductions have been identified by officers against 10 approved projects and at this stage this planned expenditure has been frozen. Scheme details are shown in Appendix D.

5.4.3 **BSF**

Whilst not previously included in the Capital Programme, it should be noted that the Government have recently announced the withdrawal of the BSF programme, representing the potential loss of up to approximately £70m of future Capital investment to 5 Secondary Schools in the city. Further details around investment for the two academy schools within the original programme are pending.

5.4.4 **New Growth Point allocation 2010/11**

Confirmation has now been received regarding the Council's allocation for New Growth Point (NGP) grant funding for 2010/11 - the Life Centre, and several schemes within Development are due to be partly funded from these monies.

5.4.5 **Free Swimming Capital Modernisation Grant**

The Government has now withdrawn this capital grant initiative and therefore the Council's application for £0.75m capital grant will not be considered. This was part of the funding for the Life Centre for 2010/11 and at this point until officers have identified other funding sources it will have to be assumed as being replaced with unsupported borrowing which at this stage would create an additional revenue pressure.

5.4.6 Cabinet are requested to note the funding changes that have been identified to date, consider the current frozen Transport expenditure and note that officers are conducting a comprehensive review of the programme to identify the effect of funding changes.

5.5 Capital – Medium Term Forecast

5.5.1 The latest Medium Term Capital Programme is shown in Table 6 which shows the current and next five financial years on an annual basis, and then future years as a block. The potential programme reflects the fact that indicative Transport supported borrowing allocations have been received for the period to 2014/15, and there is an amount included for the major eastern corridor transport scheme for 2015/16 onwards. Given the current uncertainty around capital funding, this is only a very indicative programme and there are likely to be changes to these estimates.

5.5.2 It is anticipated that the next Comprehensive Spending Review in October will provide more information on capital funding for future years and this will inform the development and revision of the capital programme.

**Table 6**

Department	2010/11 £000	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000	2015/16 £000	Future Years £000	Total £000
Childrens and Young People	39,224	17,413	15,052					71,689
Community Services	29,526	13,242	271					43,039
Development and Regeneration	30,845	13,676	6,221	6,535	7,656	13,200	88,000	166,133
Corporate Support	820	1,000	500	500				2,820
<b>Total</b>	<b>100,415</b>	<b>45,331</b>	<b>22,044</b>	<b>7,035</b>	<b>7,656</b>	<b>13,200</b>	<b>88,000</b>	<b>283,681</b>

5.5.3 The planned funding of the medium term programme is as follows:

	<b>£000</b>
Capital Receipts	24,981
Unsupported Borrowing	29,267
Supported Borrowing	29,162
Grants and Contributions	167,492
S106/ Tariff / Revenue	<u>32,779</u>
	<b><u>283,681</u></b>

## 5.6 Projects Under Development

5.6.1 The following schemes “under development” are not in the approved Capital programme and will require further progress reports and information to be returned to Capital Delivery Board in due course. Any costs associated with the development of these proposals continue to be charged to revenue and can only be capitalised if capital approval for the scheme is received in year.

### 5.6.2 “Basic Need” for Primary School Places

Due to a significant increase in recent birth rates, there will be a requirement to provide an increased number of Primary spaces in future years. An initial appraisal is currently being undertaken and will be the subject of a future report.

### 5.6.3 **Corporate Accommodation Strategy**

The Corporate Accommodation Strategy has been reviewed by Corporate Management Team and is subject to a separate report on this agenda. Any resulting approvals will be incorporated within the next Cabinet monitoring report.



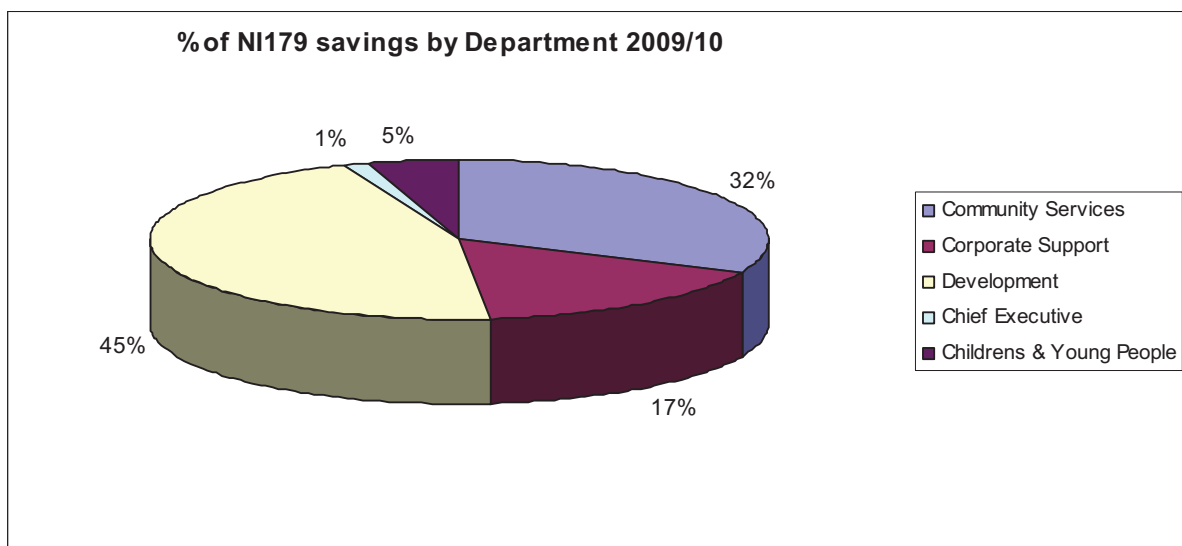
## 6. VFM Statement

### 6.1 NI179 – Measuring and reporting Value for Money gains

The Authority continues to encourage initiatives for identifying VFM efficiency gains with good success. The reporting of NI179 gains has improved substantially across the Council through development of a monitored VFM programme. The programme has ensured that governance of the VFM monitoring process has been enhanced to ensure that gains are audited before inclusion, thus ensuring compliance with NI179 Guidance from DCLG. This process now avoids any ambiguity around whether the efficiency should be included as cashable and count against the NI179 target. In addition, all cashable efficiency savings will be reported against plans to achieve budget targets as well as general efficiencies to improve services to customers.

### 6.2 Previous Financial Year

The final NI179 efficiency return for 2009/10 has been submitted to DCLG. An efficiency total of £9.931m has been identified through initiatives carried out across the Council for financial year 2009/10 and is broken down by Directorate as follows:



### 6.3 Current Financial Year

Work is progressing well across all departments to identify the cashable elements of additional efficiencies required to meet our 3-year VFM target - forecast required by DCLG in October 2010. In-year plans already include £0.8m identified as NI179 service efficiencies and a roll-forward of £9.9m for year-on-year efficiencies - current total of £10.7m against an in-year target of £14.0m.

In-year budget planning efficiencies of £9.9m and further in-year cuts of £4.0m (imposed by the new Government) could provide further efficiencies of another £13.9m. Therefore, work is currently ongoing to identify which of these efficiencies can be scored against NI179.

Finally, the Authority has to make up a shortfall of £2.0m to ensure the revised 3-year cumulative target for NI179 of £31.4m is attained overall. Consequently, if all budget planning and Government-imposed efficiencies are met, there is potential to exceed the revised NI179 cumulative target by some £8.6m. Even so, a minimum of £5.3m NI 179 efficiencies needs to be identified this financial year in order to meet our 3-year cumulative target set by DCLG.

#### **6.4 VFM Programme**

A programme of major projects has been identified that will contribute to the efficiency targets for the Council in 2010/11 these include:

##### **Procure 2 Pay**

This project aims to deliver better control of expenditure across the Authority through development of a more efficient and effective purchasing process.

##### **Order to Cash/Debtor Management**

This project is currently in its initiation stages but its aim will be to improve cash collection and standardise debtor management processes across the Council.

##### **Single Point of Contact (SPOC) for Corporate Support**

This project has been initiated to provide better Value for Money for internal customers of the Corporate Support service areas through provision of a single point of contact.

## **SECTION C – DEPARTMENTAL PERFORMANCE & FINANCE REPORT**

### **7. Children's Services**

#### **7.1 General Fund Revenue Monitoring – Forecast is an overspend of £3.195m**

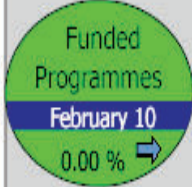
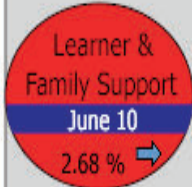

The latest forecast is £55.654m against an approved budget of £52.459m, representing a forecast year end adverse variance of £3.195m (6.09%).

Further explanation is reported in the scorecard.

## Services for Children & Young People Quarterly Budget & Performance Report 1/2

L(Fin)3 Net revenue budget -  
Childrens Services Monthly  
June 10    6.19 %    ➔

Monthly Service Budgets	Performance	Comments
		<p><b>Responsible Officer: Mairead MacNeil</b></p> <p><b>Finance</b> - The Children in Care placement budget continues to be a pressure, resulting in a year end forecast overspend of £2.945m. This is mainly due to a significant rise of high cost Residential packages within the Independent Sector during the later part of 2009/10, continuing into 2010/11 as shown below. There are currently 24 children in residential placements against a budgeted number of 14 and there are currently 52 in Independent foster care against a budget of 39 placements.</p> <p><b>Performance</b> - For the second year running there were over 3,000 referrals to CSC in 2009/10. This continues an increasing trend over the last 4 years and is consistent with the first three months of 2010/11. Compared to last year, the number of Children with a Child Protection plan had increased by 86%. On the 31<sup>st</sup> March 2010 we reported 352 Children with a plan, for June this year we report 363 a further increase. We report higher numbers than both our statistical neighbours and the national average. The number of children in care, year on year has risen by 12%. On the 31<sup>st</sup> March 2010 we looked after 437 children and young people, compared to 389 the previous year. In June this year this number rose to 447. Together with many other local Authorities we have experienced a rise in the number of presenting 16 and 17 year old young people as a result of the G v Southwark Judgement. We report higher numbers than both our statistical neighbours and the national average.</p>
		<p><b>Responsible Officer: Claire Cordory-Oatway</b></p> <p>There are no material financial variations to report at this stage.</p>
		<p><b>Responsible Officer: Colin Moore</b></p> <p>NI 117 NEET narrowly missed the target for 2009/10. the promotion of apprenticeships in the private, public and voluntary sector has started to have an impact on reaching the annual target. An in year update will be provided in the next report. At the same time youth unemployment has dropped from the period April to June with 1950 18-24 year old claimants counted in June compared to 2090 in April. The figure is also lower than for June 2009 when there were 2300 claimants</p>
<p>Human Resources</p>		

Services for Children & Young People Quarterly Report 2/2		
Monthly Service Budgets	Performance	Comments
		<p><b>Responsible Officer:</b></p> <p>There are no material financial variations to report at this stage.</p>
	 	<p><b>Responsible Officer: Maggie Carter</b></p> <p>We currently have an overspend of £250,000 due to an increase in demand for Transport within the Pupil Access Service. This is due to more Early Years placements requiring 1:1 escorts, more children in mainstream schools who had previously attended Special Schools and a higher number of children with greater needs.</p> <p>Despite a significant reduction in the year on year % of pupils who feel bullied, 35.2% felt they had been bullied once or more in the last year, this is significantly higher than the national average. The 2009 Tellus 4 Survey of Plymouth schools, Children and Young People felt they were more likely to be bullied at school than elsewhere. However, 55% of children felt that bullying was being dealt with quite well or very well. NI 54 – Parental Experiences of services for disabled children improved in Plymouth for 2009/10 and we compare favourably against the national average and statistical neighbours.</p>
Schools		<p><b>Responsible Officer: Gareth Simmons</b></p> <p>The Council receives funding for Schools through the Dedicated Schools Grant (DSG) which funds expenditure either directly through the Individual Schools Budget (ISB) or incurred by the Council on behalf of schools. Any over or underspends on the DSG are carried forward. The ISB element has been distributed in accordance with the schools funding formula and the overall DSG has been approved by the Schools Forum. The schools budget for 2010/11 was set at £140.037m (estimated DSG of £141.139m after academy recoupment plus £0.350m brought forward from 2011/12 budget less £1.452m deficit brought forward from 2009/10). The final DSG was announced as £141.208m, providing an additional £0.069m. Schools Forum approval will be sought to use the additional allocation to reduce the commitment for 2011/12 by adjusting the £0.350 brought forward from 2011/12 to £0.281m.</p>
Human Resources		

## 7.2 Progress against 2010/11 Delivery Plans

Table 7

<b>Delivery Plan No.</b>	<b>Description</b>	<b>2010/11 £m</b>	<b>RAG rating</b>
1	Review of admin across the Council	0.100	<b>Green</b>
2	Seek additional contribution towards the Cost of Building Schools for the future	0.300	<b>Green</b>
3	Additional Contributions from DSG for pensions and EOTAS	0.343	<b>Green</b>
4	Remove Concessionary Fares 16+	0.022	<b>Amber</b>
5	Savings Target to be achieved by reducing staff in high performing areas/link with locality working funding & Review of senior management within Lifelong Learning	0.150	<b>Amber</b>
6	Charge ICAN (speech and language needs) services to Early Years Grant	0.080	<b>Amber</b>
7	Seek Performance Reward Grant for partnership projects - including youth service & grants to voluntary sector	0.091	<b>Red</b>
8	Review of Early Years grants	0.050	<b>Amber</b>
9	Family support	0.085	<b>Amber</b>
10	Reduced Wrap Around packages for permanency placements and reduce secure bed nights	0.133	<b>Amber</b>
11	Multi-Systemic Therapy Contract (consider ceasing contract) value £140k in 10/11. Dept of Health currently part fund	0.000	<b>Amber</b>
12	Negotiate savings in Connexions contract	0.100	<b>Green</b>
13	No inflation Allocated. in social care where linked with Fostering Network rates (frozen at 09/10 levels)	0.129	<b>Green</b>
	<b>Delivery Plans within original 2010/11 Budget</b>	<b>1.583</b>	

Progress against the original delivery plans set to deliver a balanced budget are mostly on track. A Commissioning and Finance Delivery Board, chaired by the Director of Services for Children and Young People has been set up and will meet monthly to drive, not only the original delivery plans (£1.5m), but also efficiencies set by management (£1.0m) and new delivery plans set in response to the government funding reductions and also in year budget pressures (£4.3m).

Delivery plans will be monitored under key programme themes and plans to contribute towards next year continue to be developed and discussed with key partners, such as schools.

## 7.3 Key High Level Risks

- Achieving financial performance within Children Social care budget delivery continues to be a challenge whilst ensuring that safeguarding issues are not compromised
- Delivery plans at risk due to staggered implementation.
- Reducing the number of Court ordered Parent & Child assessment placements.
- Continual recruitment of experienced Social Work staff in order to provide a robust service.
- Insufficient growth in the Foster Care community to place children locally.

## 7.4 Departmental Medium Term Financial issues

The key medium term issues for the department are:

- Maintaining front line services during a financially challenging climate.
- Achieving the Delivery Plans
- Integration with Health partners

## 8. Community Services

### 8.1 Community Services Forecast is an Overspend of £2.435m

The latest forecast is £115.292m against an approved budget of £112.857m, representing a forecast year end adverse variance of £2.435 (2.16%).

Further explanation is reported in the scorecard.

## Community Services Quarterly Budget & Performance Report 1/2




L(Fin)3 Net revenue budget -  
Community Services Monthly  
June 10      2.16 %      ↑

Monthly Service Budgets	Performance	Comments
		<p><b>Responsible Officer: Pete Aley</b></p> <p>There are no material variations to report</p> <p>Following rejection of funding for a new gypsy site alternative funding is being explored.</p>
		<p><b>Responsible Officer: Jayne Donovan</b></p> <p>£0.8m net overspend mainly due to increased repair and maintenance of vehicle costs in the refuse and street scene operations. Trade Waste income is lower than budgeted and vehicle and plant hire costs have increased in Domestic Refuse and Street Cleansing.</p> <p>The recycling target continues to under perform despite the introduction of the kerbside garden waste collection service. The June figures stands at 36.79% which is over 2 percentage points better than June 2009 when the figure stood at 34.69% and better than the annual target for 2010/11 of 36%. However, the June target, which is seasonally adjusted stands at 42%. Additional initiatives are currently being considered to improve current recycling performance. The waste landfill target has started the year strongly with 57.73% of waste to landfill against the annual target of 60%. June's performance is nearly 2 percentage points better than June last year where the figure stood at 59.25%.</p>
		<p><b>Responsible Officer: James Coulton</b></p> <p>The latest forecast shows a nil variation against budget. Previous months declared savings of £0.130 are now allocated to departmental delivery plan targets.</p> <p><b>Life Centre</b></p> <p>The Life Centre construction phase is well underway and currently on budget to meet the projected timescale for an autumn 2011 opening</p> <p><b>Leisure Management</b></p> <p>The competitive tendering process has commenced with the prospective leisure management operators and this process will continue. Initial discussions indicate a preference to accelerate the procurement process and bring forward the contract commencement date. This may have favourable budget implications.</p>

Human Resources



## Community Services Quarterly Report 2/2

Monthly Service Budgets	Performance	Comments
		<p>There are no material variations to report. This service is currently subject to a restructure.</p>
 		<p><b>Responsible Officer: Pam Marsden</b></p> <p>£1.635m net overspend. Service demand for complex needs clients continues with a number of transfers from NHS Continuing Health Care, for young people reaching 18 years of age and for young adults, particularly within the Learning Disability Service. Older people placements in to long stay residential and nursing care have increased, mainly for older people mental health where the cost of care is higher. Domiciliary care is currently under utilized. The key variations are:</p> <ul style="list-style-type: none"> <li>• Learning Disability Service - £1.785m overspend due to demand and increase in complex needs, with 6 new placements and 10 increased packages.</li> <li>• Mental Health Services - £0.205m net overspend due to demand</li> <li>• Older People and Physical /Sensory Disabilities - £0.122m overspend due to demand</li> <li>• Domiciliary Care - £0.477 net under spend due to reduction in take up of service. A review of Transitions procedures are also being undertaken to ensure care meets clients basic needs</li> </ul> <p>The latest Adult Social Care performance report for 2009/10 indicates that Plymouth has made substantial progress in shifting its balance of care from residential to home care over the last two years; 65% <b>more</b> adults and older people are now helped at home (2,445 more), 30% <b>less</b> adults and older people cared for in permanent care homes (473 less), 262% <b>more</b> direct payment users (354 more), 18% <b>more</b> home care users (289 more), 18% <b>more</b> intensive home care packages to avert institutional care (75 more) and a higher level of user satisfaction with the quality of home care surveys than in a similar council (2009 survey). The latest performance figures for June indicate underperformance in achieving outcomes for people with learning difficulties. Both supporting adults with learning difficulties into accommodation and employment are underperforming. Current performance for the accommodation indicator stands at 3.8% against a cumulative annual target of 75% and the employment indicator stands at 0.2% against a cumulative annual target of 5.9%. To achieve both targets, the rate of reviews must increase, missing data needs to be rectified and more clients that have been in established voluntary work need to be found paid employment. An action plan is being developed with the Learning Disabilities Partnership Manager to address missing data issues and increase the rate of reviews.</p>
<p>Human Resources</p>		

## 8.2 Progress against 2010/11 Delivery Plans

Table 8

Delivery Plan No.	Description	2010/11 £m	RAG rating
1	Review of admin across the Council (anticipated savings in this department)	0.503	GREEN
2	Review of staffing establishment within specialist teams and occupational therapy services	0.604	GREEN
3	Contract Inflation - NIL contract inflation awarded for 2010/11 where no prior agreement in place	1.000	GREEN
4	Review of Service Provision for Older People residential care and physical disability day care	0.176	AMBER
5	In House Dom Care - redevelopment of in house services to focus on intermediate and rehabilitation enabling a greater through put of service users and prevent over usage of residential care	0.250	GREEN
6	Developing the personalisation RAS and reshaping block contract to recognise changes in support services	0.870	RED
7	Learning Disability Services: efficiency savings through reviewing day care costs and applying a commissioning framework to ensure consistent unit costs	0.272	AMBER
8	Fair Access to Care: to review the current eligibility criteria to ensure more rigorous application plus the full year effect of panels and specific case reviews in 2009/10	1.410	GREEN
9	Modernisation of Short Breaks for LD (Welby)	0.148	AMBER
10	Review of Library Service including the School Library Service is underway with a view to identifying future shape of service and levels of delivery. Specifically the School Library Service is reliant on a minimum level of buy in to remain viable.	0.040	AMBER
11	Leisure Management Review. Outsourcing of management of sport and leisure facilities will seek efficiencies in running the new Life Centre and other facilities	Commercially Sensitive	AMBER
12	Category Management and Buyer Roll Out. To consider the scope for supporting the corporate roll out within Community Services to drive procurement savings from control of demand, improvements to process in addition to procurement savings	TBC	TBC
	<b>Delivery Plans within original 2010/11 Budget</b>	<b>5.273</b>	

Community Services is largely on track to delivery £5.273m of delivery plans contained in the underlying budget. The Adult Social Care personalisation Resource Allocation System will be challenging to achieve. It is not possible to finalise the savings to be achieved by the Leisure Management Review at this time as any value will be commercial sensitive. Progress for the Leisure Management project is monitored by the Leisure Management Board.

A further £0.429m of additional delivery plans have already been identified to address reductions arising from Government reductions in funding as follows:

- Free swimming - 8 months saving Free Swimming Initiative (£0.130m)
- Non committed funds and other grants (£0.238m)
- Deletion of posts (£0.061m)

Furthermore, Adult Social Care are currently drawing up delivery plans to address in year budget pressures and these will be presented to the next Adult Social Care Programme Board.

### 8.3 Key High Level Risks

The key financial risks during 20010/11 across Community Services are summarised below:

- Achieving Adult Social Care Delivery Plans and associated budget reductions without compromising safeguarding issues and ensuring sufficient scope to develop the market successfully to meet the requirements of the personalisation agenda
- Growth in demography and increasing levels of long term care needs for high dependency within Adult Social Care
- Impact on social care of the Primary Care Trust QIPP efficiencies
- Environmental Services - Managing expectations of enhanced level of service against the current budget, particular in the service area of Waste Collection Street Scene.
- Increase Vehicle Hire, Repair & Fuel costs
- Increase costs due to unforeseen repairs and maintenance in parks. E.g. Plymbridge Woods, Jennycliff etc.
- Mount Edgcumbe – a projected overspend has been highlighted to the Joint Committee with officers of both constituent authorities working to present options to reduce the overspend.

### 8.4 Departmental Medium Term Financial issues

The key medium term issues for the department are:

- Maintaining front line services during a financially challenging climate.
- Achieving the challenging Adult Social Care Transformation with reductions without compromising safeguarding issues.
- Growth in demography and increasing levels of long term care needs for high dependency
- Integration with Health partners
- Municipal Waste Management Strategy (MWMS) identified that waste management costs would increase significantly due to the need to procure a

waste disposal facility. This equates to £8m per annum (2011-2013), reducing to a £6m annual increase (2014-2039).

- In the short term, the Authority also faces additional budgetary pressures to implement new recycling initiatives, buy LATS credits, fund increased landfill tax (£8 per tonne each year), and fund contributions to the 'balancing fund' account created to meet the £215m shortfall. These have already been reflected in the Medium Term Financial Forecast.

## **9. Development and Regeneration**

### **9.1 Development and Regeneration – Forecast overspend of £0.030m (0.18%)**

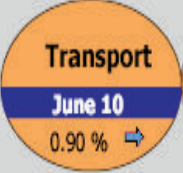
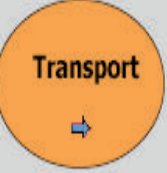


The latest forecast is £16.223m against a latest approved budget of £16.193m, representing a forecast year end adverse variance of £0.030m (0.18%).

Further explanation is reported in the scorecard.






## Development

### Quarterly Budget & Performance Report 1-2

L(Fin)3 Net revenue budget -  
Development Monthly  
June 10 0.17 % ↓

Monthly Service Budgets	Performance	Comments
 		<p><b>Responsible Officer: Clive Perkin</b></p> <p>The forecast overspend of £0.114m is a net figure arising from various pressures totalling £0.114m being partially offset by savings on the Street Lighting contract of (£0.100m) and the new requirement to produce Surface Water Flood Management Plans which is estimated at this stage to cost £0.100m.</p> <p>All but one of the annual indicators for 2009/10 was met. We are, however, making progress with the School Travel Plan Initiative delivered with Children's Services but the future external funding stream will not continue</p>
		<p><b>Responsible Officer: Gill Peele</b></p> <p>No variation forecast at this stage</p>
		<p><b>Responsible Officer: David Draffan</b></p> <p>The forecast underspend of (£0.157m) is a net figure which mainly relates to the improvement in the Commercial Rent income forecast for the remainder of the year.</p> <p>The job seekers allowance claimant count shows a positive decline of 5.4% over the last quarter with numbers declining from 6312 to 5980. This compares favourably with 2009 when the figure stood at 6558</p>
<b>Human Resources</b>		

## Development Quarterly Budget & Performance Report 2/2

Monthly Service Budgets	Performance	Comments
 		<p><b>Responsible Officer: Paul Barnard</b></p> <p>The forecast overspend of £0.073m does not include the loss of Planning Delivery Grant through in-year Government cuts of £0.375m which is being addressed as a corporate exercise. Other variations include £0.197m of reduced building control income and other net pressures of £0.069m, partially offset by reduced expenditure totalling £0.193m mainly arising LDF public examination savings.</p> <p>Major regeneration activity supported by the LDF continues and all planning application indicators have improved performance in the first quarter of this year and are performing well.</p>
 		<p><b>Responsible Officer: Stuart Palmer</b></p> <p>No variation forecast at this stage.</p> <p>8 affordable homes have been delivered in the first quarter of this year which, while relatively modest, is normal given that developments usually complete towards the end of the year. The target of 237 for the year is expected to be achieved. 335 new homes were achieved in 2009/10 against a target of 226</p>
		<p><b>Responsible Officer: Sue Lorne</b></p> <p>No variation forecast at this stage</p>
<p><b>Human Resources</b></p>		

## 9.2 Progress against 2010/11 Delivery Plans

Table 9

Delivery Plan No.	Description	2010/11 £m	RAG rating
1	Review of admin across the Council (anticipated savings in this department)	TBC	AMBER
2	General efficiencies across the department incl reductions in consultancy, services & supplies and business support	0.342	GREEN
3	Streamlining of the LDF through merging of the remaining Area Action Plans and Development Plan Documents and reprogramming of the Core Strategy	0.133	GREEN
4	Implement improvements to the Planning Application Service by introducing a development enquiry service	0.055	AMBER
5	Rationalisation of the existing on street car parking charging regime, with the combination of ongoing improvements to parking provision, and increasing hourly rates	0.085	AMBER
6	Rationalisation of the existing off street car parking charging regime, together with a package of investment and service improvements	0.110	AMBER
7	General savings across all revenue budgets within Strategy, Sustainable transport and Network Management & car parking back office	0.178	GREEN
8	Introduce mobile CCTV Enforcement to reduce bus lane and school vicinity parking offences	0.020	AMBER
9	Following Stock Transfer further clarity on the retained housing service via an initial review has realised some efficiencies, including increasing external funding and income and refocusing services on areas of need - further reviews will release expected efficiencies throughout the year	0.202	GREEN
	<b>Delivery Plans within original 2010/11 Budget</b>	<b>1.125</b>	

9 new core delivery plans totalling £1.125m were set within the 2010/11 revenue budget for Development. A further £0.125m of specific new delivery plans around the Council's strategic housing functions have been identified as at the end of June, together with a variety of planned income generating actions within Economic Development:

- Raglan Court - Tenancy Support Worker - this post gained Supporting People funding so the income has offset the salary costs for this post for one year (£0.029m)
- Homelessness assessment - we have an options review underway to seek efficiencies in how we carry out the statutory homelessness assessment duties (£0.031m)
- Full use of the income from licensing HMO properties to offset costs of this part of the service (£0.020m).
- Enabling Fees - for every new affordable home delivered with our RSL partners a fee is charged as an on cost to aid the development process budget. More affordable homes have been delivered and as a consequence additional income can be anticipated (£0.045m).
- Economic Development – Review a range of activities within this service area to maximise income generation e.g. Estate management income (£TBC)

The above will contribute towards the requirement to reduce departmental revenue spend by a further £0.238m in 2010/11.

### **9.3 Key High Level Risks**

- Heavy reliance on income generation which is affected by market forces e.g. car-parking
- Achievement of challenging VFM targets
- Direct and indirect implications of cessation/reductions in Government grants (Rev & Cap)
- Revenue costs of developing schemes not always chargeable to capital
- Requirement to invest to develop schemes which are 'ready to go' when the economic situation improves as growth is a key priority for the Council
- Some previously recurring grants have been utilised to cover the cost of core service provision e.g. New Growth Points funding

### **9.4 Departmental Medium Term Financial issues**

- Housing capital grants to continue the affordable housing programme this year have not been reduced, however further HCA investment in affordable housing is unclear, and will be determined through the Comprehensive Spending Review. Nationally the 2010/11 programme of £2.4 Billion has been reduced by £450m. No information is yet available on the future of Private Sector Housing Grants.
- Resourcing a long term growth agenda rather than reacting to short term delivery needs will be challenging in the current economic climate.
- Loss of external funding through grants will impact on areas of core service in future e.g. Housing Planning Delivery Grant






## **10. Corporate Support**



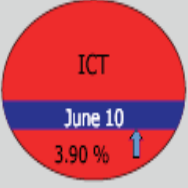

### **10.1 General Fund Revenue Monitoring— Forecast overspend of £0.067m (0.20%)**

The latest forecast is £32.764m against a latest approved budget of £32.697m, representing a forecast year end adverse variance of £0.067m (0.20%).

Further explanation is reported in the scorecard.

Corporate Support Quarterly Budget & Performance Report 1/2		L(Fin)3 Net revenue budget - Corporate Support Monthly June 10 0.20 % ↑
Monthly Service Budgets	Performance	Comment
	<p><b>Responsible Officer: Malcolm Coe</b></p> <p>The forecast underspend of (£0.169m) has arisen in this large area of the service due to a favourable variation on external audit fees of (£0.050m), an adverse variation of £0.106m in capital and assets and (£0.225m) forecast underspend in VFM &amp; Efficiencies relating mainly to salary variations.</p> <p>The N179 VFM target of £9.2m for 2009/10 has been exceeded with efficiencies gains of £9.931m submitted to DCLG. Work is progressing well across all departments to identify the cashable elements of additional efficiencies required to meet our 3-year VFM target - forecast required by DCLG in October 2010. The 2010/11 in year target for efficiencies is £14m. In-year plans already include £0.8m identified as NI179 service efficiencies. In-year budget planning efficiencies of £9.9m and further in-year reductions of £4.0m following Government action could provide further efficiencies of up to £13.9m.</p>	
	<p><b>Responsible Officer: Tim Howes</b></p> <p>A modest adverse net variation of £0.024m is forecast in this area</p>	
	<p><b>Responsible Officer: Mark Grimley</b></p> <p>No variation forecast at this stage.</p>	
Human Resources		

## Corporate Support Quarterly Budget & Performance Report 2/2

Monthly Service Budgets	Performance	Comment
		<p><b>Responsible Officer: John-Paul Sanders</b></p> <p>The Customer Services and Business Transformation Service is projecting a (£0.023m) under spend due to the level of vacant posts as at the end of June.</p> <p>78.57% of Stage Two complaints were answered within the 25 day time limit against a target of 100%, which is a slight drop on the end of year actual of 80.65%.</p>
		<p><b>Responsible Officer: Neville Cannon</b></p> <p>This area of the service is forecast to overspend by £0.234m mainly due to increased costs of system support and software support maintenance contracts and pressure on achieving the vacancy saving target in this area</p>
		
<p>Human Resources</p>		

## 10.2 Progress against 2010/11 Delivery Plans

Table 10

Delivery Plan No.	Description	2010/11 £m	RAG rating
1	Review of administration (savings for Corporate Support)	0.060	AMBER
2	Pilot the 'Buyer Roll out across Corporate Support	0.050	AMBER
3	Rationalise management structures of Revs & Bens & customer services	0.100	GREEN
4	Finance restructure – reduction in management posts	0.200	GREEN
5	Generate efficiencies through better use of SAP	0.050	GREEN
6	IT investment / improvement plan to generate efficiencies	TBC	RED
7	Review and restructuring of Democracy & Governance	TBC	AMBER
8	Move more services into the Customer Contact Centre	TBC	RED
	<b>Delivery Plans within original 2010/11 Budget</b>	<b>0.460</b>	

8 core delivery plans totalling £0.460m were set within the 2010/11 revenue budget for Corporate Support. The department was broadly on target to achieve a balanced budget before the recommended reduced in-year spending reductions £0.820m required. Additional delivery plans of £0.100m have already been identified and further plans will continue to be developed to achieve the necessary in year cut:

- Reduce internal and external audit costs (£0.050m)
- Increased savings target on salaries in Revenues and Benefits (£0.050m)

At this stage delivery plans have focused on continuing to increase the efficiency of the overall department through specific targeted work across Revenues and Benefits and the Contact Centre, and through reducing the number of points of contacts into the whole department. All initiatives are aimed at improving services to our customers whilst reducing costs.

### **10.3 Key High Level Risks**

- ICT Investment Programme ~ capacity to address the Council transformational change agenda e.g. technology required for an effective customer contact centre amongst others
- Challenge of improving support services whilst managing down spend
- HR ensuring that expertise is retained and redundancy costs are minimised
- Capacity within the department to support the Councils change agenda




### **10.4 Departmental Medium Term Financial issues**

- The Comprehensive Spending Review (CSR) for the whole council is awaited in October to determine the financial envelope within which the medium term financial issues can be considered
- Accommodation Strategy
- Current SLA agreements with PCH end on 31 March 2011.

## **11. Chief Executive**

### **11.1 Chief Executives Departmental – Forecast is as per Latest Approved Budget of £1.830m**

Although there are variances on individual budget lines, Chief Executives are not forecasting any overall variance on the budget for 2010/11.

Assistant Chief Executive Quarterly Budget & Performance Report		L(Fin)3 Net revenue budget CEX Monthly June 10 0.00 % ↓
Monthly Service Budgets	Performance	Comments
		<p><b>Responsible Officer: Richard Longford</b></p>
 		<p><b>Responsible Officer: Giles Perritt</b></p> <p>Financial monitoring is reported as amber as although the budget is on track, there is currently pressure to achieve 2010/11 delivery plans.</p> <p>CLG have announced that the Place Survey planned for this autumn has been suspended. The council will not be required to report against the 13 National Indicators previously measured by the Survey.</p>
Human Resources		

## 11.2 Progress against 2010/11 Delivery Plans

Table 11

Delivery Plan No.	Description	2010/11 £m	RAG rating
1	Review of admin across the council (anticipated savings in this department)	TBC	AMBER
2	Deletion of post and amalgamation of functions across existing staffing	0.067	GREEN
3	LSP back office costs met from Performance Reward Grant	0.285	AMBER
4	General efficiencies across department	0.060	AMBER
	<b>Delivery Plans within original 2010/11 Budget</b>	<b>0.412</b>	

Delivery plan savings of £0.412m were built into the approved budget. £0.067m of these savings have been achieved in full, with the remaining £0.345m currently identified as amber, in part due to the reduced allocation of performance reward grant following the Governments announcement to restrict the grant in future years.

## 11.3 Key High Level Risks

The key financial risk facing Chief Executives during 2010/11 are summarised below;

- Transformational Change Team costs of £0.094m currently expected to be met from reserves, however no agreement yet in place meaning a potential pressure to overall budget.
- Performance Reward Grant Shortfall of £0.070m.
- Potential shortfall in LSP Partner contributions to LSP back office £0.050m.

## 11.4 Departmental Medium Term Financial issues

The key medium term issues for the department are:

- Identifying alternative funding for LSP back office.
- Completion of review of LSP back office.
- Continued reduction in non salary costs.

## 12. Corporate Items and Cross Cutting Issues

- 12.1 No variation is reported on the Corporate Items Revenue Budget but attention is drawn to the following comments:

**Table 12**

Service	Latest Approved Budget £000	Forecast £000	Variation £000m	Variation %
Other Corporate Items	(23,896)	(23,896)	0	0
Major Projects	(916)	(916)	0	0
Capital Financing	10,599	10,599	0	0
<b>Totals</b>	<b>(14,213)</b>	<b>(14,213)</b>	<b>0</b>	<b>0</b>

### 12.2 Capital Financing Budget /Treasury Management

- 12.2.1 Budget savings of (£0.670m) are required against the capital financing budget. At the end of June savings of (£0.158m) have been achieved. Officers continue to explore options to achieve further savings in line with the treasury management strategy and approved delivery plan.
- 12.2.2 Table 13 below shows the Council's borrowing and investment position at 30 June 2010.

**Table 13**

	Principal O/S 1 April 2010 £000	Principal O/S 30 June 2010 £000	Average Rate %
PWLB (Public Works Loan Board)	28,889	62,555	5.3702
Market Loans	130,000	130,000	4.4202
Bonds	83	83	1.7220
Temporary Loans	73,650	46,900	0.3147
<b>Total Borrowing:</b>	<b>232,622</b>	<b>239,538</b>	<b>3.8635</b>
Devon debt	33,937	0	0
<b>Total Loan debt</b>	<b>266,559</b>	<b>239,538</b>	<b>3.8635</b>
Add PFI	33,156	33,156	8.7300
<b>Total Debt 30/06/10</b>	<b>299,715</b>	<b>272,694</b>	
<b>Investments</b>	<b>153,051</b>	<b>142,401</b>	<b>1.913</b>

- 12.2.3 During the period, officers successfully negotiated the transfer of pre LGR debt of £33.665m to the City Council. This will contribute savings of (£0.128m) towards the delivery plan target. Further savings are anticipated in terms of a reduced MRP for the year and Officers are currently reviewing the MRP for the year following the final outturn position 2009/10.



- 12.2.4 Officers are currently reviewing options for rescheduling of PWLB debt to generate further savings in conjunction with our treasury advisors, Arlingclose.
- 12.2.5 The average rate of interest achieved on new deposits so far this year is 1.1143% compared to a budget rate of 1%, contributing £0.030m towards the delivery plan savings. The underlying bank base rate remains at 0.45%.
- 12.2.6 During the period, the Council received a further dividend of 6.27p totalling £197,829.64 (including interest of £9,597.24) in respect of deposits in Heritable Bank bringing the total amount recovered to date to £1.238m or 41.25%. Recovery of monies in Glitnir and Landsbanki remain subject to court proceedings. The cost of the continuing external legal advice will be met in the first instance from the Icelandic bank reserve.

### 12.3 Other Corporate Items

This budget contains the costs of items which cannot easily be allocated to departments, such as enhanced Superannuation costs, transfers to reserves and provisions and the general contingency as well as income from support service recharges and Area Based Grant.

#### Pay Award

The Council has budgeted for a 1% pay award which is in department's budgets and equates to circa £1m. At this stage it is recommended that this is clawed back and held corporately as a reserve to meet the costs of redundancies and other pressures and pending the outcome of the national pay negotiations.

#### Contingency

The budget currently includes a contingency provision of £0.500m. It is assumed that this will be spent in full during the year.

#### Insurance Provision

Based on current projections there is potentially a pressure on the Insurance Fund. However, there can be large fluctuations in claims numbers, costs and movements in reserves during the year. Any shortfall on this fund could be met from the insurance reserve in the first instance.

#### Reserves

At the 1 April 2010, the Council's earmarked reserves stood at £19.310m. A detailed review of all the reserves will be undertaken over the next quarter in the light of future Government pressures and policy changes.

#### Area Based Grant

Area Based Grant (ABG) is an unringfenced Government grant. As such the income is held within the Corporate Items budget. The Council was originally notified that it would receive £21.920m ABG for 2010/11. As part of the Government announcement of 10 June 2010, the Council was subsequently advised that it would receive a cut of £1.802m or 0.6% in its ABG allocation for 2010/11. No variance against corporate items is reported as the reduction in grant has been taken into account in the £4m budget reductions targets allocated to departments.

## 12.4 Major Projects

- BSF- There will be revenue savings from the reduced requirement for the BSF team for this financial year. These are currently being quantified and will be reflected in the next quarterly monitoring report.
- Carefirst- In February 2010 Cabinet approved arrangements for the introduction and updating of Carefirst across the Council. The Carefirst Board meets monthly to manage progress delivery of the project. The project has continued to address wider service transformation and improvements, behaviours and cultures within services. This will enable us to fully utilise the system and get the maximum benefits, both for safeguarding, operationally and for financial efficiencies.

Total Carefirst costs for 2010/11 stand at £1.426m against resources of £1.259. The in year shortfall of £0.167m, will be managed by the reprofiling of expenditure where appropriate and cash releasing efficiencies in operational processes following successful re-engineering of procedures as carefirst is implemented.

- Residual costs of Stock transfer- The stock transfer residual costs budget assumes the transfer of £2m from the HRA Working Balance during the year. Following closure of the accounts for 2009/10 the HRA Working Balance at 31 March stood at only £1.7m, a shortfall of £0.300m. However Officers are still awaiting special determinations from the Government for HRA subsidy and Item 8 Interest charges which may impact on the final position.

There is a further potential unfunded liability of approximately £0.300m on the budget. Officers will review the liabilities in the light of the final outturn position for 2009/10 and adjust departmental budgets as appropriate during the next monitoring period, reporting an updated position in the next monitoring report.

## 12.5 Key High Level Risks

- Continuing low interest rates and restricted counter party list impacting on the ability to achieve target rates of return and meet delivery plan savings

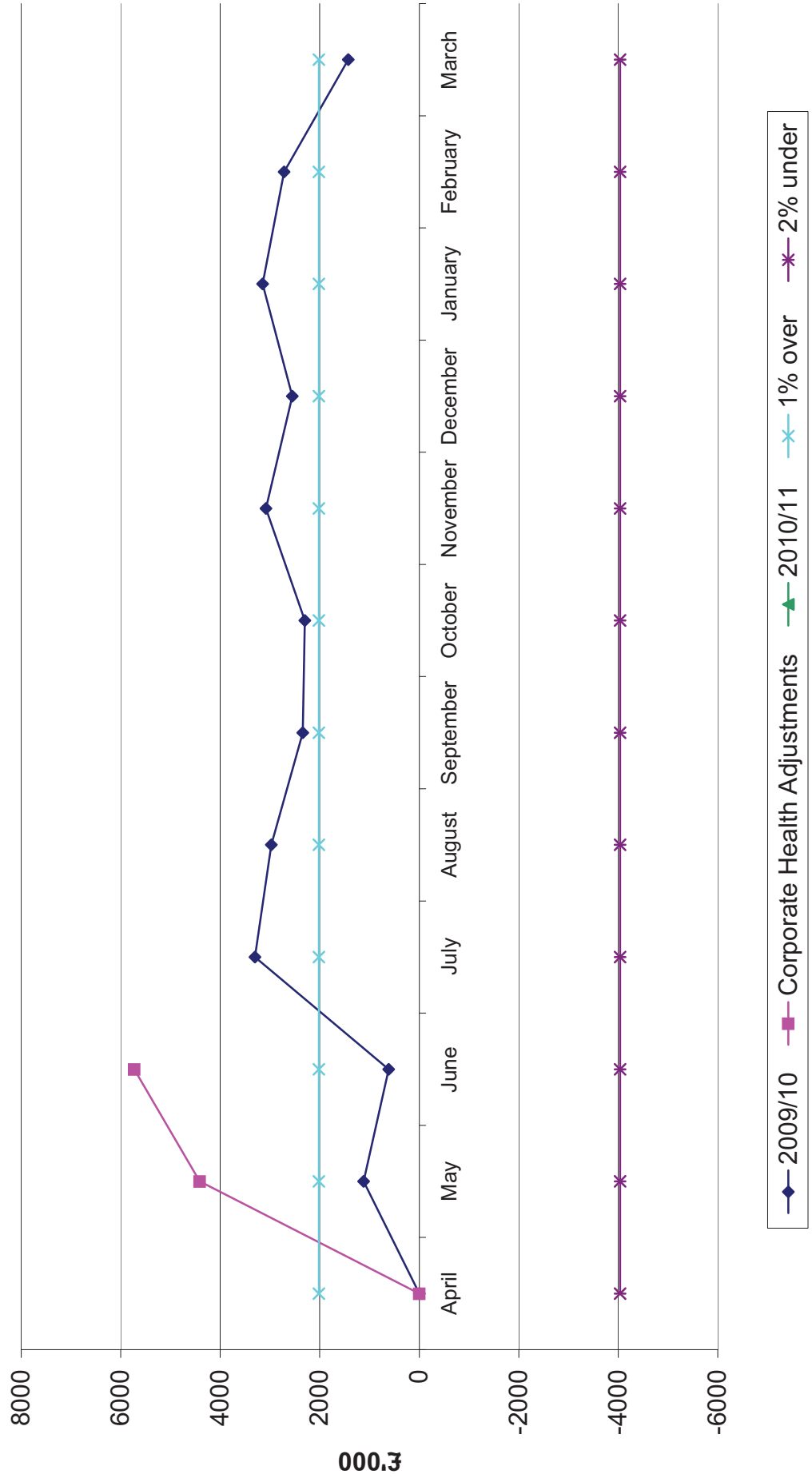
## SECTION D – CONCLUDING REMARKS

- 13.1 In order to set a balanced budget for 2010/11, each Department was required to identify a number of departmental delivery plans and Appendix A of the budget report, presented to Cabinet on 10 February 2010, outlined the risks to the budget, rating these in the usual traffic light system of Red/Amber/Green. The departmental reports in Section C continue to outline the key risks to the achievement of departmental budgets and issues impacting on future years.
- 13.2 After the first quarter of the year the Council is forecasting a revenue overspend at year end of £5.727m against a net revenue budget of £201.824m (2.84%). Directors are required to take action to bring their budgets back to a break even position by year end.
- 13.3 The Government has recently announced a series of in year spending reductions for 2010/11. These reductions, in the main, relate to grant funding. There are also a number of changes to policy, enacted by Government, that will impact on spend for the Council. In response to this each department has received an additional in year budget saving target with an overall target to reduce budgets by a further £4m in 2010/11.
- 13.4 New departmental delivery plans totalling £0.654m have already been identified and reported on in this report. These will be closely monitored throughout the year, and further plans will continue to be added in response to budget pressures and revised target budgets.
- 13.5 Moving forward, a new Comprehensive Spending Review will also be announced in October 2010 which will continue to significantly reduce the level of revenue and capital spending available for Local Authorities in future years. The Medium Term Financial Strategy (MTFS) as approved by Cabinet in June 2010 included a forecast of a potential revenue funding gap by 2013/14 of circa £30m if no compensating action was taken. This forecast, based on latest Government announcements, is still broadly of the right order.
- 13.6 The Corporate Management Team is working with the Cabinet to develop a transformational change programme that fundamentally challenges the organisation's culture, structure and approach to service delivery.
- 13.7 Further pressure is expected on the capital programme where there has been an announcement of a 25% cut in the 2010/11 Local Transport Plan Integrated block settlement, equating to £0.870m and withdrawal of Sport England Grant of £0.750m. In addition, the Government has announced the withdrawal of the BSF programme representing a potential loss of up to £70m of future capital investment to 5 of the city's secondary schools.

## **SECTION E – RECOMMENDATIONS**

- 14.1 The allocation of a £4m reduction across departments to the 2010/11 budget to reflect the Council's assessment of the impact of Government Action.
- 14.2 The principle that the Council will increase charges to reflect the VAT increases from Jan 1 2011 except where this conflicts with other Council priorities.
- 14.3 The changes to the capital programme (as detailed in sections 5.1 and 5.2), including new approvals of £0.596m, leading to a revised programme of £100.415m.
- 14.4 The Officer action taken to freeze Transport schemes in 2010/11 to the value of £0.870m pending a complete review of the capital programme.
- 14.5 The pay award provision be removed from departmental budgets and held under corporate items to meet the costs of redundancies and other budget pressures.
- 14.6 Directors progressing urgently further delivery plans to address the remaining shortfall in 2010/11.

General Fund Monitoring Comparison 2009/10 & 2010/11



**Government Reductions in REVENUE Grants & Funding Streams within Area Based Grant 2010/2011**

	2010/2011 Allocation	Advised Reductions @ 05.07.10		2010/2011 Revised Indicative Allocation
		Specific Grants	Area Based Grant	
	£m	£m	£m	£m
<b><u>Specific Grants</u></b>				
<b>Department for Education</b>				
Indicative Dedicated Schools Grant	145.517	0.000	0.000	145.517
Sure Start	6.114	0.000	0.000	6.114
Schools Development Grant	10.319	0.000	0.000	10.319
<b>Department of Health</b>				
Social Care Reform Grant	1.243	0.000	0.000	1.243
<b>Department for Transport</b>				
Kickstart (Specific Grant)	0.000	0.000	0.000	0.000
<b>Communities &amp; Local Government</b>				
HPDG	0.375	-0.375		0.000
<b>Totals for Specific Grants</b>	<b>163.568</b>	<b>-0.375</b>	<b>0.000</b>	<b>163.193</b>

**Area Based Grant**

	£m	£m	£m	£m
<b>Department for Education</b>				
24% reduction against overall ABG allocation for DfE	6.443	0.000	-1.544	4.899
<b>Department of Health</b>				
Area Based Grant	6.206	0.000	0.000	6.206
<b>Home Office</b>				
Area Based Grant	0.364	0.000	-0.028	0.336
<b>Communities &amp; Local Government</b>				
Supporting People Administration -£0.119 / Cohesion -£0.018	8.505	0.000	-0.137	8.368
<b>Department for Environment, Food and Rural Affairs</b>				
Area Based Grant	0.035	0.000	0.000	0.035
<b>Department for Transport</b>				
Department of Transport - Reduction in Road Safety Grant	0.367	0.000	-0.093	0.274
<b>Totals for Area Based Grants</b>	<b>21.920</b>	<b>0.000</b>	<b>-1.802</b>	<b>20.118</b>

**Other Departmental and Cross Service Grants**

Formula Grant	106.022	0.000	0.000	106.022
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**Total Main Revenue Grants**

	291.510	-0.375	-1.802	289.333
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**Government Reductions in Other Grants & Funding Streams 2010/2011****Communities & Local Government**

Performance Reward Grant (potential 50/50 *Revenue Element only* - please also see 50% allocated to capital)\* see below

	0.621	-0.323	0.000	0.298
<b><u>Department for Culture Media and Sport</u></b>				
Over 60's Swimming	0.073	-0.049	0.000	0.024
Under 16 's Swimming	0.138	-0.092	0.000	0.046

**Totals for Other Grants & Funding Streams**

	0.832	-0.464	0.000	0.368
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**Total Grants and Funding Streams**

	292.342	-0.839	-1.802	289.701
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Funder	Current Status
Dept for Education	<b>Generations Together</b> (MIF) fund advising 50% reduction beyond September. However, written confirmation received from Department of Education that Plymouth funding unaffected.3
Dept for Education	<b>Think Family Grant</b> - Ringfencing removed on this and a number of other DfE grants, potentially placing those areas at risk.
Youth Justice Board	Yearly allocations not yet confirmed in writing, awaiting confirmation from YJB
Dept for Education	Awaiting Confirmation <b>'Youth Capital Fund'</b> funding. Only 1st Quarter (25%) funding for 2010/11 has been confirmed as receivable at this stage - £35k. The remainder of the years funding is yet to be confirmed.
Dept for Education	Awaiting Confirmation <b>'IS Grant - Contact Point'</b> funding. Only 1st Quarter (25%) funding for 2010/11 has been confirmed as receivable at this stage £21k. The remainder of the years funding is yet to be confirmed.
GOSW	Awaiting Confirmation <b>'Social Inclusion element'</b> of Migrant Impact Funding. Only 1st 6 months funding for 2010/11 has been confirmed as receivable at this stage £234k. The remainder of the years funding is yet to be confirmed.
Communities & Local Government	<b>Performance Reward Grant</b> - advised 50% reduction in grant. Based on latest performance indicators anticipated grant of £1.75m will now be due. This is split 50:50 revenue:capital. Authorities are encouraged to submit one claim for full amount towards end of January/early February 2011. PRG is allocated by the LSP Executive. Amount shown above represents assumed PRG in Council's budgets and the revised allocations submitted to LSP on 28 July.

## Government Reductions in CAPITAL Grants - advised to date

APPENDIX B

Ring-fencing	2010/2011 Allocation	Advised Reductions @ 05.07.10	2010/2011 Revised Indicative Allocation	Comments
	£m	£m	£m	
<b>Department for Transport</b>				
Integrated Transport Block	- 1.156	-0.870	<b>0.286</b>	
Road Safety Capital Grant	- 0.080	-0.080	<b>0.000</b>	
<b>Other Departmental and Cross Service Grants</b>				
<b>Total</b>	<b>1.236</b>	<b>-0.950</b>	<b>0.286</b>	

## Government Reductions in other Grants &amp; Funding Streams 2010/2011

**Communities & Local Government**Performance Reward Grant (potential 50/50 **Capital****Element only** - please also see 50% allocated to Revenue)

-	1.750	-0.875	<b>0.875</b>
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## Other Notifications

Funder	Current Status
<b>DCLG</b>	Growth Fund - 10/11 Capital Allocations now confirmed at Dec '09 agreed levels - Statement of Intent / Response to DCLG being Co-ordinated by John Dixon Building Schools for the Future, £70m provisional allocation withdrawn (Academies subject to further review)
<b>DCMS</b>	Capital Grant Programme linked to Free Swimming has now been withdrawn by the govt. Therefore <b>£750k</b> previously submitted will now not proceed any further.



## Plymouth City Council - 2010/11 Budget Monitoring

## Allocation of Revenue Spend reductions by department

	2010/11 Net Budget £000	%age Reduction applied	Reduced Spend £000
<b>Chief Executives</b>			
Policy, Performance & Partnerships	1,304	-8.00%	-104
Business Support - Corporate Comms	575	-8.00%	-46
<b>Department total reduced spend for 2010/11:</b>			<b>-150</b>
<b>Children &amp; Young People</b>			
Policy & Performance	3,120	-8.00%	-250
Business Support	1,802	-8.00%	-144
Children's Social Care	25,523	-1.00%	-255
Learner & Family Support / Lifelong Learning	21,264	-2.50%	-532
<b>Department total reduced spend for 2010/11:</b>			<b>-1,181</b>
<b>Community Services</b>			
Service Strategy & Regulation	1,771	-8.00%	-142
Business Support Community Care	1,717	-8.00%	-137
Adult Social Care & Health	70,999	-1.00%	-710
Culture, Sport & Leisure	10,680	-2.50%	-267
Blue Collar Services	13,613	-2.50%	-340
<b>Department total reduced spend for 2010/11:</b>			<b>-1,596</b>
<b>Corporate Support</b>			
Corporate Support core services	27,639	-2.50%	-691
Customer Services & Revenues & Benefits	4,171	-2.50%	-104
Facilities Management	983	-2.50%	-25
<b>Department total reduced spend for 2010/11:</b>			<b>-820</b>
<b>Development &amp; Regeneration</b>			
Business Support	40	-8.00%	-3
Growth & the Economy	15,632	-1.50%	-234
<b>Department total reduced spend for 2010/11:</b>			<b>-238</b>
<b>TOTAL REDUCED SPEND TARGET FOR 2010/11:</b>			<b>-3,985</b>

**CAPITAL PROGRAMME****DETAILED IN MONTH VARIATION ANALYSIS - April to June 2010**

Scheme Name		Comments	REPROFILING	VIREMENTS	VARIATIONS
			£000	£000	£000
Provision of refuge island on Mt Gould Rd	Development	Scheme now revenue as below capital threshold			(8)
A386 Realignment	Development	Latest timescale for land compensation claims.	64		(4)
Various schemes	Development				10
Eastern Corridor	Development	Reallocated to cover pressures on East End project		(349)	
East End Community Transport Improvement Scheme	Development	Resources reallocated from Eastern Corridor		349	
<b>LTP SCP. Schemes currently partially or wholly frozen pending review of overall Capital Programme.</b>	Development	<b>25% Reduction of Integrated Block settlement:</b>			
	Development	Highways drainage imps			(150)
	Development	Street Lighting			(70)
	Development	Stoke Air Quality Monitoring			(175)
	Development	Efford Footway & Mutley Plain signing & lining project removed from essential neighbourhood works			(65)
	Development	City Centre congestion reduction budget cut, incl. cancelling the opening up of access to Regent Street from Charles Street			(100)
	Development	Devonport Station accessibility imps			(27)
	Development	Tavistock Rd N Bound bus lane			(7)
	Development	Strategic Cycle Network - deliver on road solutions & proceed with design only for others			(45)
	Development	Plymgo			(7)
<b>LTP SCP settlement cut 10/11</b>	Development	Planned package of projects for transport innovation cancelled			(223)
	Development	Road Safety grant 10/11			(78)
Strategic Housing	Development	Strategic Housing schemes including project management costs reduced in line with available funding			(191)
Mount Edgcombe - Refurbishment of Outbuilding	Community Services				(13)
Efford - Reorganisation (New School for Highfield & Plym View)	Childrens Services	Virement to support cost of Demolition of West Park school re new Shakespeare School (below)		(60)	
Shakespeare School	Childrens Services	Further completion costs identified, including additional expenses associated with asbestos removal for the demolition of West Park School. To be met from unallocated grant and virement from High View school		60	110
Compton School - New Classrooms and Nursery	Childrens Services	Additional contribution from Early Years Sure Start Grant to support new nursery provision. Also addition of school contribution to project.		254	
Early Years	Childrens Services	Contribution to Nursery Provision at Compton (above)		(230)	
Childrens Centres Maintenance	Childrens Services	Contribution to Victoria Road Roof (below) - Children's Centre element.		(80)	
Coombe Dean School - Devolved Capital	Childrens Services	School Revenue contribution			160
Victoria Road School - Roofing Works	Childrens Services	Estimate amended to include approved condition funding and Children's Centre provision. Now full roof replacement at school.		80	100
Extended Schools Grant Provision	Childrens Services	Government Reduction in Extended Schools capital support. Reduction applied against uncommitted budget allocation.			(110)
College Road School - Kitchen	Childrens Services	Additional Funding to provide new kitchen and suitable Hall / Dining facilities (from Schools supported Borrowing per schools forum, School Devolved Capital Contribution and matched funding contributions)		59	180
School Sustainability Projects / Boilers	Childrens Services	Additional funding for projects approved via School Forum, to be met from increased School supported borrowing (£114k) and school Devolved Capital		194	114
School Condition Works	Childrens Services	Virement of matched funding contributions from schools Devolved Capital and other funding in relation to approved projects / bids. Virement of allocation to Victoria Road Roofing works (above)		763	73
School Devolved Capital.	Childrens Services	Contributions from schools delegated funds to meet matched funding requirements of condition works, sustainability and other programme projects.		(1,040)	
Other Services for Children and Young People Movements	Childrens Services		24		64
<b>Total April, May and June variations</b>			<b>88</b>		<b>(462)</b>



Proposed work programme	J	J	A	S	O	N	D	J	F	M	A
Local Strategic Partnership (Support) (as referred by O&S Management Board)											
<b>Policy and Performance</b>											
Corporate Plan								13			
Environment Policy 2009/2013 (CIP 14)						3					
Carbon Management Plan 2008/2013 (CIP 14)						3					
Climate Change Action Plan 2009/2011 (CIP 14)						3					
<b>Communications</b>											
Internal and External Communications Strategy						3					
<b>Corporate Improvement Priorities</b>											
CIP 2 – Involving Residents				2							
CIP 13 – Staff Performance				2						10	
CIP 14 – Value for Money	3			2		3				10	
Quarterly Scrutiny Reports				2				13			
<b>Other Issues</b>											
Budget and Performance Report				2		3		13		10	
<b>Task and Finish Groups( brought forward)</b>											
Housing Needs (Joint Task & Finish Group as referred by O&S Management Board)											

GREY = Approved items  
RED = Unapproved items