

## **November 2019 FINANCE MONITORING**

**Table 1: Revenue Monitoring Position**

Directorate	Gross Expenditure	Gross Income	2019/20 Latest Approved Budget	Forecast Outturn	Forecast Year End Variation	Movement from Month 7
	£m	£m	£m	£m	£m	£m
<b>Executive Office</b>	6.450	(0.590)	5.860	6.013	0.153	0.000
<b>Finance</b>	21.889	(5.051)	16.838	17.588	0.750	0.000
<b>Customer and Corporate</b>	96.519	(81.227)	15.292	16.440	1.148	0.000
<b>Children's Directorate</b>	139.546	(92.854)	46.692	49.034	2.342	0.372
<b>People Directorate</b>	125.355	(38.389)	86.966	86.266	(0.700)	(0.250)
<b>Office of the Director of Public Health</b>	18.572	(19.019)	(0.447)	(0.447)	0.000	0.000
<b>Place Directorate</b>	82.148	(57.999)	24.149	24.499	0.350	0.052
<b>Corporate Items</b>	10.516	(20.383)	(9.867)	(11.211)	(1.344)	(1.050)
<b>TOTAL</b>	<b>500.995</b>	<b>(315.512)</b>	<b>185.483</b>	<b>188.182</b>	<b>2.699</b>	<b>(0.876)</b>

**Table 2: Plymouth Integrated Fund**

Plymouth Integrated Fund	2019/20 Budget	2019/20 Forecast	Year End Overspend / (Underspend)
	£m	£m	£m
New Devon CCG – Plymouth locality	418.937	419.411	0.474
Plymouth City Council *	253.894	255.414	1.520
<b>TOTAL</b>	<b>672.831</b>	<b>674.825</b>	<b>1.994</b>

The financial position above for the Plymouth Integrated Fund is for the 2019/20 month 6 position, and before any risk share.

\*This represents the net People Directorate budget plus the gross Public Health Commissioning budget (which is financed by a ring fenced Department of Health Grant).

**Table 3: Key Issues and Corrective Actions**

Issue	Variation £m	Management Corrective Action
<p><b>EXECUTIVE OFFICE</b></p> <p>There are pressures held within the budget which are being closely monitored; £0.189m, which is carry forward from 2018/19. £0.100m was to be met from a Service review as indicated in the MTFP and £0.089m is apportioned Transformation legacy savings.</p> <p>In addition to this, there is pressure on income targets not achieved of £0.072m and missed vacancy savings target of £0.088m.</p>	0.153	<p>Within the elections budget, management is undertaking all possible actions to maximise logistics efficiencies and generate in-year savings above and beyond what is set out to meet in service pressures covering a 5 year window. The department is using vacancy management to off-set some of the pressure and as a result is carefully managing demand in terms of impact on capacity.</p> <p>Income generation is also being proactively sought with some success already at this point in the year of around £0.080m additional anticipated income from agreements made with third parties (income yet to be fully realised).</p>

		A review of the allocation of legal costs against capital and other major programmes is under way to address forecast legal services pressure.
<b>FINANCE</b>  The main budget pressures continue to be legacy savings, which are in excess of £0.400m. The target savings of £2.000m for Treasury Management are at risk, and pressures of approximately £0.800m have been identified within Facilities Management due to Asbestos, R&M and unachieved efficiency savings.	0.750	All opportunities are being explored to meet the Treasury Management savings target. This includes working with our Treasury Management Advisors to explore new and innovative opportunities e.g. rescheduling LOBOSs if market conditions are favourable.  Further technical adjustments to the method of providing debt repayment should result in the majority of these savings being realised by year-end.
<b>CUSTOMER and CORPORATE – Customer Services</b>	0.232	Budget savings for staff vacancies £0.192m and efficiency savings £0.268m are continuing on being managed through salary savings and other savings.  Despite this, pressure is showing within Housing Benefit which remains closely monitored but highly volatile.
<b>CUSTOMER and CORPORATE – Service Centre</b>  The budget pressure of £0.600m includes a £0.500m legacy saving.	0.600	CMT previously agreed to the transfer of other transactional services into the Service Centre. Benefits will be quantified in 2019/20. These can only be delivered by working in partnership and with co-operation from all service business areas.
<b>CUSTOMER and CORPORATE – Human Resources &amp; Organisational Development</b>	(0.035)	There is a legacy savings target of £0.050m that has been met in-year as a one off through salary savings.

<p><b>CUSTOMER and CORPORATE – Departmental</b></p> <p>The budget includes legacy savings of £0.879m which are being reported as at risk of delivery.</p>	0.500	<p>Plans are continuing to be developed e.g. a review of management overheads across the directorate and other challenging decisions which will need further discussion. Therefore at this stage it is prudent to declare a pressure of £0.500m.</p>
<p><b>CUSTOMER and CORPORATE – Transformation</b></p>	(0.149)	<p>£0.149m of savings has been achieved mainly due to vacancies within the salaries budget within the Project Management Team. Further savings are expected to be made and will be shown next month.</p>
<p><b>CUSTOMER and CORPORATE – ICT Commissioned Service</b></p> <p>There are a number of budget pressures being reported. Several budgets are lower than required; Unitary Charge £0.720m, PADS £0.066m and Payroll £0.074m. Savings of £0.129m are shown against the financing charges for the way we work. Included in the £0.720m are identified additional savings of £0.184m. The DELT dividend is being forecast at £0.160m which is £0.270m lower than budget</p>	0.000	<p>A financing solution is currently being negotiated to mitigate these pressures as referenced below within Corporate Items.</p>
<p><b>CHILDREN'S DIRECTORATE</b></p> <p>The Children Young People and Families Service are reporting a net budget pressure of £2.342m at Month 8. The reported pressure is due to the following:</p> <p>The net delivery (savings) plans at risk £1.217m Following a robust challenge by finance to the services, this is highlighting the risk against the overall delivery plan for the Children's Directorate £4.630.</p>	2.342	<p>The following actions are being taken to try to mitigate the risk in the Children's budget.</p> <ul style="list-style-type: none"> <li>• Fortnightly placement review to ensure step down all placements where appropriate with particular attention to high cost placements.</li> <li>• Review of staying put arrangements and financial remuneration.</li> <li>• Maximize contribution from partners - Health and Education Action Complete required Health tool for all Residential</li> </ul>

<p>Business As Usual £0.106m - There has been a favourable reduction in service cost pressures a reduction of (£0.128m) in the month .These comprise a mixture of additional resource costs, borrowing, legal agent costs and specialist assessments, partly offset from savings in the Safeguarding Children's Board and further employee vacancy savings. Senior Management will continue to review and seek mitigation to cover in full.</p> <p>Children &amp; Young Peoples Placements £1.019m - In the first 8 months of the year the service has seen additional staffing support required for complex young peoples unregulated arrangements of care and temporary accommodation plans, which are under constant review to move to residential settings. The increased pressure of £0.335m identified at month 8 is as a combination of the increased numbers of looked after children and the extended arrangements of high cost unregulated arrangements for young people with complex needs. All placements continue to be reviewed with a view to step down where appropriate for mitigation.</p>		<p>placements. Review elements of contracts to ensure Education element is recharged correctly.</p> <ul style="list-style-type: none"> <li>• Service Director persistently raising matter of budgetary pressures at all staff meetings to ensure only essential expenditure and actions taken in a timely manner.</li> <li>• Maximise local residential placements to avoid higher out of area associated costs.</li> <li>• Director &amp; Finance Review all Financial Assumptions, monthly all placements and hot spots and quarterly line by line review</li> <li>• The residential block contract "Caring in Partnership" is being maximized to keep children local at reasonable weekly rates. The contract has enabled 22 placements of Plymouth children and young people in the last year, including bringing children who had been placed out of area back to the city and supporting other children to step down to fostering, into independence or to return home. The block contract continues to offer value for money in comparative weekly fees. The void rate has declined over recent months but this is due to two two-bedded homes needing to be blocked by one child in each home to meet their complex needs. These situations are regularly reviewed with the aim of matching children alongside as soon as possible.</li> <li>• Programme Lead and additional resource has been put into the directorate to ensure we keep on track against the original target.</li> <li>• Fortnightly Programme Boards now in place plus additional resources within the directorate to ensure we maximize the savings.</li> </ul>
<p><b>PEOPLE - Strategic Cooperative Commissioning</b> PEOPLE - Strategic Cooperative Commissioning</p> <p>The Strategic Commissioning service is working across the People Federation to reduce costs and improve efficiencies</p>	0.000	

<p>with any resultant savings being offered as offsetting part of the pressure on the Children's Directorate.</p> <p>Since setting the budget, clients numbers in ASC have dropped, which is as a direct result of the work undertaken over the last year to deliver improvements in the management of the ASC front door, the implementation of a robust scheme of delegation and the close working arrangement with LWSW through budget containment meetings to address system pressures.</p> <p>However, the management information coming out of Carefirst is continuing to show a small increase from the start of the year, which has been included as part of our forecast. This will continue to be reviewed closely, due to the demand led nature of the budget, as the position can change on a weekly basis. We have not yet entered the "winter session" and must remain optimistically cautious that we do not experience a spike in demand resulting in increased costs.</p>		
<p><b>PEOPLE – Community Connections</b></p> <p>Community Connections is reporting a (£0.700m) favourable variation at month 8, a favourable change of (£0.250m) from month 7. Additional movement in month has come from increased maximisation of grant income whilst B&amp;B numbers remain lower than those reported during 2018/19 through the use of alternative placements secured in existing contracts. This is being achieved and maximised through partnership working with the Alliance</p> <p>The department has been tasked with achieving delivery plans of £0.030m, as well as £0.228m of savings brought</p>	(0.700)	

forward from 2018/19 that were realised from one off savings and needed to be achieved in this financial year. It is thought that the full £0.258m will be achieved, however most of these will be achieved through one off savings again, which will cause further pressure in 2020/21.		
<b>PEOPLE - Management &amp; Support</b>  The People Management & Support budget is currently forecast to balance to budget at year end.	0.000	
<b>Office of the Director of Public Health</b>  The budget for the Office of the Director of Public Health (ODPH) is forecasting to balance to budget at year end, but acknowledging that there is risk within the forecast of savings to make that do not have any plans against them and extra costs which have been incurred, and more anticipated, due to Brexit.  The budget is made up of: <ul style="list-style-type: none"> <li>• Public Health, which is grant funded and forms part of the Integrated Fund;</li> <li>• Public Protection Service; and</li> <li>• Bereavement Services.</li> </ul> There has been a reduction in the Public Health grant received in 2019/20 of £0.405m from the previous year, which will be contained by a variety of management actions, mainly around the contracts that are held within the department.	0.000	The departments will be working to cover the current risk to bring it to zero at year end.

<p>The Public Protection service, funded from RSG and other income streams, are forecasting to spend to budget, however there will need to be reviews of spending across the service during the year to achieve this.</p> <p>The Bereavement Service is showing an increase in the numbers of cremations budgeted for at this point in the year, although any surpluses from this service are ring-fenced and cannot be counted towards any favourable variations for the Directorate.</p>		
<p><b>PLACE - Strategic Planning and Infrastructure (SP&amp;I)</b></p> <p>The forecast SP&amp;I budget position shows a net £86k positive variation to budget. This is a positive change since last month's budget monitoring report of £69k. There continues to be concern about planning application fees and we have experienced a significant drop in building control fees, which can be attributed to the wider economic uncertainty affecting investment decisions, however development enquiry service fees have seen improvement. Nonetheless, we currently forecast that this will be more than compensated by further improved salary related forecasts, a continuing improvement in relation to concessionary fares and underspends elsewhere within the department.</p>	(0.086)	<p>The SP&amp;I Senior Management Team will continue to monitor the department's vacancy management arrangements, reduced spending and increased income measures. To maintain a balanced position, areas of departmental activity will be stopped for the remaining part of the year if that becomes necessary.</p>
<p><b>PLACE - Management Support</b> (Director's budget)</p> <p>The opening (£0.451m) efficiency target, plus the (£0.067m) Game Team staff cost pressure has been reduced by a permanent virement of £0.150m to Street Services and a one off ED income generation of £0.241m.</p>	0.241	<p>Overall Place monitoring will continue to seek one off efficiencies by reducing costs and potential income opportunities to reduce this pressure.</p>



There are no specific actions in place to meet the remaining (£0.127m) currently.		
<p><b>PLACE - Economic Development</b></p> <p>£1.1m of forecast income generation from Asset Investment Fund acquisitions in excess of target, have enabled £0.7m of spend pressures within Economic Development to be met.</p> <p>Spend pressures include earmarking £0.300m resources to meet a loss arising from the discovery of asbestos at the City Business Park, containing £0.200m unavoidable commercial estate pressures, and delivering on £0.200m pledges.</p>	(0.396)	<p>£0.241m of the one-off ED AIF income has been used to offset part of the overall Place efficiency target.</p> <p>Efforts will continue to be taken to maximise income and reasonably contain costs.</p>
<b>PLACE – GAME</b>	0.000	Nil variance to report
<p><b>PLACE - Street Services</b></p> <p><b>Street Scene &amp; Waste services:</b> SSW are reporting an adverse variation. This can be attributed to the RTS fire and closure of the facility for 9 weeks, increased costs linked to health and safety, increased maintenance costs of an aging fleet and overall pressures to deliver clean and tidy streets.</p> <p>Through tight financial management and increased efforts to maximise commercial income, the pressure is expected to be in the order of £0.591m. Areas being focused on include</p>	0.591	A detailed review of all Street Scene & Waste budgets, including a coding/budget realignment is on-going, which will aid management of these budgets going forward.

<p>staffing costs, fuel and maintenance costs of vehicles and some operational costs.</p> <p><b>Fleet and Garage:</b>  Fleet are reporting to budget but have a risk of £0.034m. This relates to a £0.026m gap against a previous savings target, and a £0.008m pressure due to the requirement for a new fuel system. There is also a risk around their £0.050m additional savings target, although delivery plans are being worked on to help meet this that rely on client account savings.  Garage are forecasting to come in on budget. The Garage also has a £0.050m savings target that is being picked up in the aforementioned delivery plan.</p> <p><b>Highways and Car Parking:</b>  Highways are currently forecasting to come in on budget, although there are risks around 19/20's additional car parking income target.</p>	<p>0.000</p> <p>0.000</p>	<p>Detailed analysis is ongoing within the Garage to meet the budget position.</p>
<p><b>CORPORATE ITEMS</b></p> <p>Following a review of the Collection Fund at month 8 there is an improved position which has enabled £0.994m to be released from the collection fund to support the revenue budget.</p> <p>Following a review of the provision to support the costs for restructuring services £0.350m has been released to support the revenue budget.</p>	<p>(1.344)</p>	
<p><b>TOTAL</b></p>	<p><b>2.669</b></p>	

