

CITY OF PLYMOUTH

Subject:	Joint Finance and Performance Report – Position as at 31 March 2011
Committee:	Cabinet
Date:	7 June 2011
Cabinet Member:	Councillor Bowyer and Councillor Ricketts
CMT Member:	CMT
Author:	Sandra Wilson (Corporate Finance and Accountancy Manager) and Patrick Hartop (Performance Officer)
Contact:	Tel: (01752) (30)4942 e-mail: sandra.wilson@plymouth.gov.uk
Ref:	Acct/SW
Key Decision:	Yes
Part:	I

Executive Summary:

This report represents the final performance and financial monitoring report for 2010/11 showing the final position for the year, outlining key issues that have arisen during the year with particular focus given to the variations in the final quarter.

Performance

Some of the more significant performance issues during the year outlined in the report include:

- Key safeguarding measures are performing strongly due to focused management action.
- Significant improvements in educational attainment across early years foundation stage as well as a further narrowing of the gap for pupils achieving 5 A*-C (GCSE) in English and Maths.
- Action to reduce waste and increase recycling included increased processing capacity; expansion of the garden waste scheme; expansion of recycling to some multi occupancy properties, and the introduction of new recycling schemes (e.g. low energy light bulbs and batteries)
- Support for carers which exceeded the target for the year.

Revenue

The final position for the year, assuming the transfers to and from reserves as proposed in the report are approved, is net spend of £201.930m giving a deficit of £0.105m. As is normal practice, this report proposes a number of adjustments to the financial accounts following the final financial health review always undertaken by the Section 151 Officer at the end of the year. Decisions made as part of this report will feed into the Council's annual Statement of Accounts which is subject to external audit.

Should all proposals be approved, there will be a requirement for a transfer from the Working Balance, leaving a net working balance of £11.412m at 31 March 2011, which represents 5.5% of the net revenue budget for 2011/12. The Medium Term Financial Strategy is to maintain a Working Balance of at least 5% net revenue spend.

Previous reports had indicated a potential overspend for the year due in particular to budget pressures in both children's services and community services. Due to extensive management action across all departments to stop or minimise spend wherever possible the overspend was virtually avoided. Whilst this is good news, many of the final savings in the last quarter were one-off and will not therefore necessarily reduce the underlying pressures faced by departments in future years.

Capital

The Council achieved spend of £69.718m against the revised capital programme of £77.457m as approved in January 2011, which equates to 90%. A sum of £0.318m will be transferred to revenue to meet accounting standards on capital expenditure, and a corresponding transfer of grant or reduction in revenue contributions for the year will be made to ensure there is no impact on the revenue budget.

The Council continues to face a series of challenging issues into the medium term. The impact of the in-year 2010/11 grant funding reductions plus the reduced funding for 2011/12 and beyond means the Council have to have robust plans if it is to continue to improve.

Our result for 2010/11 shows the Council has come very close to achieving the very challenging budget. There must not be complacency as the Council moves into 2011/12. To achieve the budget in the coming year all departments must achieve their declared Delivery Plans, which amount to £13.3m.

Corporate Plan 2011-2014:

Monitoring of the Council's performance and financial position during the year is fundamentally linked to delivering the corporate improvement priorities within Council's corporate plan.

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

The Medium Term Financial Forecast will now be updated to take account of the outturn position as detailed in this report.

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

In considering the budget variations for the year, Directors will identify any potential risks to delivering the budget in future years. These will be monitored as part of the corporate reporting process.

Recommendations & Reasons for recommended action:

A number of recommendations have been made throughout the report in response to specific monitoring information. The recommendations are:

1. Cabinet note the provisional outturn position for the year.
2. Cabinet note the additional transfers to provisions reflected in the outturn figures as required in accordance with statutory provisions:
 - Bad debt provisions £0.300m
 - Insurance provisions £0.300m
3. The Section 151 Officer recommended adjustments to reserves and provisions be approved as follows:
 - Reallocation of grants provision (£0.327m)
 - Reallocation HRA Working Balance (£1.592m)
 - Transfer to Waste Reserve £0.900m
 - Transfer to Redundancy Reserve £1.000m
 - Transfer to Pensions Reserve £0.850m
4. Cabinet approve the following budget carry forwards:
 - Schools Demolition Costs £0.300m
 - Procurement Contingency £0.400m
 - Americas Cup £0.100m
5. No departmental budget overspends be carried forward in 2010/11.
6. Cabinet note the adjusted deficit for the year of £0.105m and approve that that this be met by a transfer from the General Fund Working Balance.
7. Cabinet note the draft capital outturn for the year of £69.718m, after allowing for the transfer of expenditure totalling £0.318m to revenue.
8. The financing requirement of £69.718m be noted and Cabinet approve the borrowing requirement of £16.823m for 2010/11.
9. Cabinet approve variations, virements and reprofiling between years of the MTF, and seek approval from Council for the 5 year capital programme amended for new approvals, shown in Table 7.
10. Cabinet note the residual costs on the HRA for the year.
11. Cabinet note that the HRA was formally closed on 31 March 2011 and that the HRA Working Balance has transferred to the General Fund.
12. Cabinet note the position on the Treasury Management activities for the year and that a full report on the Council's performance against its borrowing and investment strategies, including the statutory performance indicators will be presented to Audit Committee on 27 June 2011 and Council on 25 July 2011.

13. Cabinet note the position regarding the Icelandic banks.

Alternative options considered and reasons for recommended action:

None- requirement to report back to Cabinet on the Council's financial and performance management for the year

Background papers:

- Plymouth City Council Corporate Plan 2010-14
- 2010/11 Budget Papers
- Plymouth City Council Medium Term Financial Strategy – revised October 2010
- Joint Finance and Monitoring report to 30 June 2010, reported to Cabinet 10 august 2010
- Joint Finance and Monitoring report to 30 September 2010, reported to Cabinet 16 November 2010
- Joint Finance and Monitoring report to 31 December 2010, reported to Cabinet 8 February 2011

Sign off:

Fin	MC 1112. 0005	Leg	TH00 17	HR	A Mills 27/05 /11	AM	CJT/0 74/27 0511	IT	N/A	Strat Proc	N/A
Originating SMT Member: Malcolm Coe, AD Finance, Assets & Efficiencies											

Plymouth City Council
Finance and Performance Monitoring – 2010/11
Provisional figures for the year ended 31 March 2011

1. Introduction

- 1.1 This report reviews the Council's performance for the year ended 31 March 2011 and is written in the context of the Medium Term Financial Strategy (MTFS).
- 1.2 The Budget report 2011/12 (Appendix A budget robustness) outlined a number of financial risks that the Council potentially faces over the short to medium term. It is therefore appropriate that as part of reporting the final position for 2010/11 further consideration is now given to future levels of the Working Balance and reserves and, as is normal practice at this time of year, the Director for Corporate Support, as the Council's Section 151 Officer, is recommending a number of adjustments to provisions and reserves within the report.
- 1.3 The financial information being presented today reflects the Council's management structure as at 31 March 2011 and shows the actual expenditure and income for the year by Directorates. The outturn figures will now feed into the Council's formal Statement of Accounts, which will include the balance sheet position. The annual accounts this year will be produced on an International Financial Reporting Basis (IFRS) for the first time. The change to IFRS has required a number of changes to accounting policies, some of which will have implications on the Council's level of provisions and reserves and further detail has been included in the report. In addition there are a number of both presentational and accounting entries that need to be made to the figures now reported and this work is currently ongoing, although there should be no overall impact on the Council's bottom line financial position. The Accounts and Audit Regulations have also been revised this year and the Director for Corporate Support, as the Council's Section 151 Officer, is required to formally approve the accounts by 30 June 2011. Previously the Regulations required formal approval of the accounts by the Audit Committee. The external auditor is required to audit the accounts by 30 September – the statutory deadline for publication, and the Audit Committee will be formally asked to approve the final accounts for the year following completion of the audit.
- 1.4 The performance data in this report presents the latest position based on information currently available. Some annual data is still being collected.
- 1.5 Although the Council transferred its Housing Stock on 20 November 2009, the Council has been required to keep its Housing Revenue Account (HRA) open pending formal approval to close the account by CLG. This approval was granted on 31 March 2011. A summary of the transactions made to the HRA during the year is included in Section C of the report. Closure of the account enables the residual HRA Working Balance to be transferred to the General Fund.
- 1.6 The Council is also required to produce an end of year report on its treasury management activities for the year, comparing these to the approved borrowing and investment strategies. This report is required to be scrutinised by Audit Committee and approved by Full Council. Section D of this report therefore provides Cabinet with an overview of the treasury management activities during the year which will form the basis of the formal strategy review.

1.7 This report includes the following information and Appendices:

Section A – Executive Summary

- Performance Position
- Revenue Position
- Income Summary
- Capital Programme 2010/11
- Medium Term Capital Programme
- VFM
- HR

Section B – Directorate reports

- Children’s Services
- Community Services
- Development
- Corporate Support
- Chief Executive
- Corporate items

Section C - Housing Revenue Account

Section D - Treasury Management

Section E – Concluding Remarks

Appendices:

Appendix A	Graphs- General Fund revenue monitoring comparison 2009/10 and 2010/11
Appendix B	Final revenue position for the year
Appendix C	Net spend per service
Appendix D	Trading Accounts
Appendix E	Reserves
Appendix F	Provisions
Appendix G	Capital Expenditure and Financing
Appendix H	Housing Revenue Account

Section A – Executive Summary

2. Performance Position

- 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 AVERAGE of all indicators is up to 15% off target
●	The AVERAGE of all indicators is more than 15% off target		

Key Departmental performance issues to note

2.2 Children’s Services

Key safeguarding measures are performing strongly due to focused management action. March performance for initial assessments was 94.7% against the annual target of 85%, whilst core assessments was 92% in March against the annual target of 80%.

Significant budget pressures remain in children’s social care relating to higher placement costs. Sixty children are currently placed in the independent foster care sector against budgeted placements of thirty nine.

The past year has seen significant improvements in educational attainment across early years foundation stage as well as a further narrowing of the gap for pupils achieving 5 A*-C (GCSE) in English and Maths. In response to the Secretary Of State's letter the Council has have created a plan to support and challenge underperforming schools.

2.3 Community Services

At 31% Self-directed support exceeded the year end target of 30%. Support for carers at 34.4% has also exceeded the year end target of 24%.

Two new libraries (Devonport and Estover) opened and Plymouth Life Centre is on schedule to be completed in November.

Action in the period to reduce waste and increase recycling included increased processing capacity; expansion of the garden waste scheme; expansion of recycling to some multi occupancy properties, and the introduction of new recycling schemes (e.g. low energy light bulbs and batteries) This increased the amount diverted from landfill (NII92) by 1.86%, leading to a year end recycling figure of 33.06% against a target of 36%.

The target to reduce serious acquisitive crime has been achieved (which includes vehicle crime and burglary. We also continue to perform well when compared to similar cities and are 2nd best in our family group for this crime. However, there has been an increase in levels of less serious violence (of 48 more crimes to a total of 2403) which means the reduction target has been narrowly missed to reduce the rate per 1000 population by 10.6% over 3 years.

2.4 Corporate Support

At 11.89 days corporate sickness figures are currently significantly above target for the year of 7 days. Increased reporting through Manager Online has contributed to more accurate reporting of sickness. HR staff are actively supporting managers to reduce sickness levels.

The National Non-Domestic Rates (NNDR) collection rate narrowly missed the annual target of 97.50% or £77.606m recording 97.30% or £77.443m. Council Tax collection has also slightly missed the end of year target. Cumulative collection at the end of March was 96.10% or £89.044m against a target of 96.50% or £89.453m a shortfall of £0.400m.

2.5 Development

The performance of planning applications significantly exceeded targets set for 2010/11. Timeliness of processing major planning applications achieved 77.2% against a target of 60%, whilst minor applications achieved 81.5% against a target of 65%

The £20m East End Transport Scheme continues to be delivered and is on schedule for completion in November 2011.

"The Waste PFI Project's two and a half year procurement phase was successfully concluded in March 2011. The procurement was completed ahead of the agreed programme and within budget, and the resultant contract is valued at £436m.

2.6 Chief Executive

Level 1, 2 and 3 indicators are now being finalised to monitor against Plymouth's shared priorities of Growth, Aspiration, Inequalities and Value for Communities. The indicators will be used to monitor performance from 2011/12 onwards.

18 Departmental Business Plans will be completed this month. This year the business plans provide the basis for a more consistent approach with greater links to the 4 priorities and clarity around performance, delivery and support required.

3. Revenue Position

- 3.1 Table 1, below, provides a summary of the Council's overall revenue expenditure, and compares the draft outturn with the latest approved budget.

Table 1

Fund	Latest Approved Budget £000	Final position for the year £000	Budget Variation for year £000	% variation
General Fund	201,825	201,930	105	0%
Trading Accounts	(2,461)	(1,998)	463	18.81%
HRA*	0	200	200	100%

NB Brackets () reflect a favourable variation

*Residual costs only- expenditure to be met from HRA Working Balance

- 3.2 The trading accounts fall within the Community Services and Development and Regeneration Directorates. A summary of all the trading accounts is provided at Appendix D.
- 3.3 Further details on the Housing Revenue Account (HRA) are given in Section C of the report, and Appendix H.

General Fund

- 3.4 The final position for 2010/11, subject to approval of the corporate health and other adjustments proposed in this report, is shown in Table 2 below. The final outturn indicates a net deficit of £0.105m or 0.05%. This will require a transfer from the Working Balance.

Table 2

Department	Latest Approved Budget £000	Draft Outturn £000	Corporate Health and other adjustments proposed £000	Final Outturn for year £000	Variation to budget £000
Children's Services	52,059	51,791			(268)
Community Services	111,050	112,405			1,355
Development & Regeneration Services	16,264	16,424			160
Corporate Support	31,820	31,309			(511)
Chief Executive	1,887	1,730			(157)
Corporate Items	(11,255)	(13,360)	1,631	(11,729)	(474)
Total	201,825	200,299	1,631	201,930	105

3.5 The individual Directors reports in section B give more detail of the reasons for the variations on their budgets with the main issues summarised below. A more detailed breakdown of the actual spend by service is included at Appendix C

3.5.1 Children's Services: Underspend (£0.268m)- change in period (£1.993m)

As previously reported, the department experienced pressure on its looked after children's budget due to increased numbers compared to budget and increased costs of transporting children with complex needs. The department was also allocated an additional savings target of £1.090m in June as part of the budget cuts following the Government's emergency budget. In the light of the forecast overspend for the year as reported in the last monitoring report a number of star chambers were held across the department in December and January with a clear objective of stopping or slowing down spend wherever possible whilst ensuring the safeguarding of children was not compromised. The favourable position in the final quarter is attributable to these star chamber actions, with savings on staffing, consultancy, subscriptions, printing postage etc being achieved, as well as a drive to maximise spend from grants wherever possible. In addition, a range of unforeseen events occurred in the final month of the year including, increased free school meal income, savings on wrap around packages in Integrated Disability Services, favourable changes to Youth Grants, improvements to care leaver and adoption savings.

Whilst many of these actions are one-off, Invest to save proposals have been accepted and will be implemented to address the underlying cost pressures in the Integrated Disability Service moving into future years, and the Diversion from Care Strategy continues to drive financial and service improvements moving into 2011/12.

3.5.2 Community Services: Overspend £1.355m – change in period £0.844m

The main reason for the overspend in community services was due to pressures in Learning Disability services relating to long stay residential services and supported living, and an increase in short stay residential and nursing care, both reported previously. The transformation agenda continues to shape the future of adult social care services in Plymouth. Negotiations with Health Colleagues, who themselves are undergoing significant change, is helping to drive improvements to financial stability which will be of particular benefit from 2011/12 and beyond. Additional resources allocated in the Comprehensive Spending Review to Health for Social Care will be used jointly to help transform health and social care services across the city, with re-ablement being a good example of this.

The December report assumed that a claim for tax refund in respect of landfill taxes would have been forthcoming before the end of the year. The claim has not yet been settled and is now expected to be received in 2011/12, thus impacting on the adverse movement in the final quarter. Increased costs previously forecast in environmental services due to the ageing fleet were offset by a partial reimbursement of service charges at Prince Rock depot recovered from PCH under an SLA, and a reduction in the forecast waste disposal costs due to a reduced volume of waste.

As per other departments, Community Services continued to slow down or stop non essential spend across the department where ever possible in order to minimise the overspend.

3.5.3 Development & Regeneration: Overspend £0.160m – change in period £0.049m

The forecast increased cost pressure of winter highway maintenance and car park income included in the December report was offset by a combination of savings within the transport service, which included concessionary fares.

However commercial rent activity has suffered due to a number of units becoming or remaining empty which not only results in loss of rental income, but increased cost pressures through business rate liability. Utilisation of grant funding in the strategic housing service, combined with other savings and efficiencies in transport and across the department as a whole have offset some of the impact for 2010/11 and there has been a focus on the letting strategy which will realise benefits from 2011/12.

3.5.4 Corporate Support: Underspend (£0.511m) – change in period (£0.471m)

A successful appeal to DWP against a housing subsidy potential reclaim contributed to the favourable outturn and the change in the period. In the light of the forecast overspend across the Council as reported in December, the department sought areas to generate savings and income. Initiatives included a refund from renegotiating IT licence costs together with a sale of surplus licences, a delay in the fibre installation due to accommodation moves and savings across the department in terms of vacancies. Increased costs of repair and maintenance of the corporate property estate were contained within the overall departmental budget, releasing the agreed budget top up of £0.650m to corporate items for reallocation.

3.5.5 Chief Executive: Underspend (£0.157m) – change in period (£0.116m)

Active management action to contain the spend in year across all budget lines led to a further improvement in the final position. In particular savings were achieved in the communications budget from the reduced spend on Plymouth People, together with savings in consultancy, agency and contracted spend.

3.5.6 Corporate Items: Underspend (£2.105m) - change in period (£1.801m)

In June 2010 the government announced a series of in year spending reductions for 2010/11 which, for Plymouth, amounted to £2.5m. The Council deliberately aimed to reduce spend by £4m at that point to reflect any further changes in funding or Government policy over the remainder of the 2010/11 financial year. Achieving this saving in year with ongoing savings into future years could also significantly assist the Council with the challenges presented by the Comprehensive Spending review in October 2010. Whilst this amount had been taken in to account in future years budgets, the additional £1.5m in year savings was held as a contingency in corporate items against non achievement of the extra savings by departments in 2010/11 with a view that it would be taken into account as part of the end of year review of reserves subject to the final outturn if not required. This has now been released. In addition, the corporate items budget contained increased budget provision for repair and maintenance costs of the corporate estate. These costs have been contained within the corporate support departmental budget as outlined above, also releasing this budget for reallocation.

Further savings were achieved by taking the pre unitary debt (Devon Debt) in house. These have been used against the residual costs of stock transfer in lieu of the approved transfer from the HRA Working Balance .

11.2 Departmental Medium Term Financial issues

1. There are still a challenging number of empty Commercial Properties throughout Plymouth and many within the City Centre West End.
2. The Economic Development department is currently supporting a proposed new BID with the Plymouth Waterfront Partnership and there is a funding requirement upfront to deliver this.
3. Within Transport there is an ongoing review of the car parks within the city centre including all on/off street parking within Plymouth. Road Safety is also a key Financial Issue including reducing the number of pot holes as well as prioritizing spend on commuted maintenance & general improvements to roads, so to reduce the number of pot holes and other damage caused during the Winter period.
4. Financial risk within Strategic Housing is that there is a reliance on grant funding in service areas such Family Intervention Project and Anti Social Behavior for which is likely to be reduced. There may also be further reductions in funding from the Homelessness grant which will have an impact on the future level of service provided.

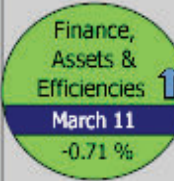

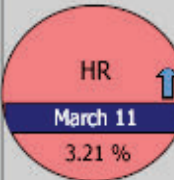

12 Corporate Support

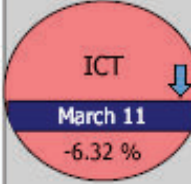
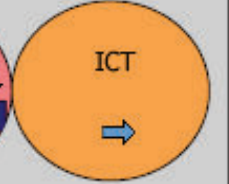
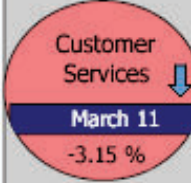



12.1 Corporate Support Department – Actual position (£0.511m) Underspend

Services net spend of £31.310m represents a (1.61%) underspend when compared to the final net budget of £31.822m. This is within the variation parameters set.

Further explanation is reported in the scorecard.

Corporate Support Quarterly Budget & Performance Report

Budget	Performance	Comment
		<p>Responsible Officer: Malcolm Coe</p> <p>The favourable outturn position has been achieved through proactive management of delivery plans. We have held vacancies and significantly reduced overtime within Revenue & Benefits, achieved a high return in council tax court claims and obtained an increase in housing benefit subsidy (whilst mitigating the risk of clawback from previous years claims -potentially as high as £300k). There has been a reduction in spend from external & internal audit through negotiating contracts. The restructure in finance achieved savings over and above delivery plan targets which has also been added to through relatively high staff turnover.</p> <p>There has been a significant improvement in performance in relation to processing of housing and council tax benefit. Figures for March are 18.95 days for the average time to process claims and change in events compared to 23.77 days in February. However, lower cumulative performance from earlier in the year means that the annual target of 20 days will be missed. The National Non-Domestic Rates (NNDR) collection rate narrowly missed the annual target of 97.50% or £77.606m recording 97.30% or £77.443m. Council Tax collection has also slightly missed the end of year target. Cumulative collection at the end of March was 96.10% or £89.044m against a target of 96.50% or £89.453m a shortfall of £0.400m. . However, this still represents an improvement against the 2009/10 outturn of 95.5%. Overall, our cumulative Council Tax collection rate remains at 98.8% which in line with Unitary Council average.</p>
		<p>Responsible Officer: Mark Grimley</p> <p>There have been some savings identified from reduced staffing levels and from savings on the Leadership & Management training programme.</p> <p>The first cohort of the Leadership Programme is underway with 16 employees undertaking an intense programme of non-residential and residential workshops.</p> <p>HROD are piloting the Accommodation Strategy with sections of the department trialling compressed working hours and casual homeworking. Refurbishment of floor 4 takes place in early May which will enable a 'new way of working' to be adopted by the whole department with hotdesking and the new telephony system, Microsoft Lyncs.</p> <p>The Occupational Health contract, with IMASS, is now allowing managers access to an online portal, 'Job Screen' to manage their occupational health referrals and pre-employment health questionnaires.</p> <p>Over 1500 employees were transferred from Plymouth City Council to new Academies at the end of March. New payrolls have been set up for those Academies continuing to purchase payroll services from Plymouth City Council.</p>

Budget	Performance	Comment
		<p>Responsible Officer: Neville Cannon</p> <p>ICT have managed to achieve savings from reviewing existing contracts and challenging costs e.g. BT have refunded PCC for telephone charges. The service has also identified savings from the sale of software licenses held by the Council.</p>
		<p>Responsible Officer: JP Sanders</p> <p>Savings have resulted from delivering the service with reduced staffing levels. The last quarter of 2010/11 was dominated by preparation for the tough upcoming budget challenges and the impending restructure with Revenues and Benefits, Cashiers and Creditors. Vacant posts were not filled to minimise the risk of redundancy which lead to a slight increase in the underspend. Much effort was also directed to staff engagement to ensure the restructure plans were the best they could be whilst achieving the budget delivery plan savings. This has had a knock on effect on productivity, and there was a slight dip in performance metrics around average wait times, but this was less than expected.</p> <p>In terms of complaints we have now agreed with the Local Government Ombudsman (LGO) on our provisional stats for 10/11 - we received a total of 52 ombudsman complaints with no findings of maladministration and just 11 local settlements. This represents the Councils best performance ever and reflects our improved processes and increasingly improving working relationship with the LGO.</p> <p>In terms of Stage 2 complaints, performance for this quarter is meeting the corporate standard of 100%. Training with Amey appears to be paying dividends with an improved performance in this area at a time of peak demand as complaints about potholes and major town centre roadworks continues.</p>
		<p>Responsible Officer: Tim Howes</p> <p>Democracy and Governance have achieved additional income from successfully recovering legal fee costs and achieving favourable variations in the reduced number of children's court cost cases. Coroner related costs have been marginally lower than previous trends, resulting in further savings.</p>
<p>Human Resources</p> 	<p>Establishment - 821.3 FTE employees against the budgeted establishment of 990.6 FTE positions which is a decrease of 8.6 FTE employees and an increase of 0.9 FTE positions from the previous month.</p> <p>Agency Spend was 0.40% of the monthly wage bill which is a 0.06% increase from the previous month.</p> <p>Sickness levels at the end of the month are 11.71 working days per FTE for this financial year to date (April 2010 – February 2011) and 13.05 working days per FTE for the last rolling 12 months, which is a slight increase of 0.11 days per FTE over the rolling 12 months. The council wide sickness statistics excluding schools staff are 11.89 days per FTE for this financial year to date and 13.11 days per FTE for the last rolling 12 months. The Council has set a target of 7 working days per FTE.</p>	

12.2 Departmental Medium Term Financial issues

1. Services within Corporate Support are linked to delivering the Accommodation Strategy and ensuring that each phase is delivered timely to ensure the service can drive out the maximum efficiency and reduce waste. This includes rationalising the number of buildings and developing the infrastructure, including improvements to Information Technology, and changing the way employees work.
2. There is also a need to drive out further efficiencies from integration of various support service teams throughout the Council.
3. Procurement savings targets are also required from the Procure to Pay Projects as well as from demand/category management techniques.

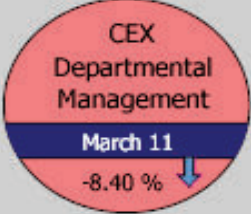


13. Chief Executive

13.1 Chief Executives – Actual position (£0.157m) Underspend

The final outturn position for Chief Executives Department is spending of £1.730m against a revised budget of £1.887m, representing a forecast year end favourable variance of (£0.157m).

Further explanation is reported in the scorecard.

Assistant Chief Executive Quarterly Budget & Performance Report

Monthly Service Budget	Performance	Comments
 <p>CEX Departmental Management March 11 -8.40 % ↓</p>		Under spend identified on several budget lines including Hospitality, Consumables, Consultancy, Salary Lines and other smaller budget lines due to a reduction of unnecessary spend by the department.
 <p>Corporate Communications March 11 -8.71 % ↓</p>		<p>Responsible Officer: Richard Longford</p> <p>Savings due to unfilled vacancies within Design Studio and Corporate Communications has been offset against a shortfall in design studio income resulting in a net balance. A favourable variance relating to Printing, has been used to cover the Chief Exec Departments 10/11 Budget Reductions Target.</p>
 <p>Performance, Policy & Partnerships March 11 -8.06 % ↓</p>		<p>Responsible Officer: Giles Perritt</p> <p>A favourable variance is reported in the Chief Executive's Department due to action to contain spend in the year across all budget lines. In addition to the underspend reported Chief Executive has not used the P2020 reserve transfer of £257k and this has been returned to the carry forward reserve to be used to support the new structure and offset continuing costs incurred in 11/12 due to the timescales involved in completing the Policy, Performance & Partnership restructure.</p> <p>The formal consultation period for the Policy, Performance & Partnership restructure will finish on 20 May. A response to any resultant consultation comments will be given the week beginning 23 May.</p> <p>A workshop has been arranged on the 18 May to appraise partnership Level 3 indicators that deliver the Levels 1 & 2 city wide indicators.</p>

Human Resources

Chief Executive Corporate HR reporting

- **Establishment** shows 46.8 FTE employees against the budgeted establishment of 53.8 FTE positions, which has remained constant from the previous month.
- **Agency Spend** was 0.37% of the monthly wage bill which is an increase of 0.02% from the previous month.
- **Sickness** – the Council has set a target of 7 working days per FTE. Sickness levels at the end of the month are 4.59 working days per FTE for this financial year to date (April 2010 – February 2011) and 5.19 working days per FTE for the last rolling 12 months, which is an increase of 0.74 days per FTE over the rolling 12 months. Council sickness statistics are 11.89 days per FTE for this financial year to date and 13.11 days per FTE for the last rolling 12 months.

13.2 Departmental Medium Term Financial issues

The approved budget for the department for 2011/12 is £1.509m. The department is responsible for overseeing delivery plans totalling £0.400m in 2011/12.

The delivery plan budget reduction will be achieved in the main from a restructure of the policy and performance function, including consultation, across the Council. The restructure proposals are currently out to consultation.

14. Corporate Items & Cross-Cutting Issues

14.1 Corporate Items - Revenue Budget Monitoring – underspend (£2.105m), prior to corporate health adjustments

The final position on the corporate items budget was an underspend of (£2.105m), an improvement of (£1.081m) since the last report. A summary of the main variations for the year is outlined below:

	£000
Capital Financing – repaid Devon debt	(1,122)
Capital Financing - other	(315)
VAT Fleming recoveries	(289)
Enhanced superannuation	(49)
Area Based Grant	(112)
Stock transfer – Residual costs	2,202
Support Service recharges	(65)
Transfers to provisions	600
NNDR Refunds from revaluation	(87)
Centralised repairs	(650)
BSF major project	(300)
Contingency	(500)
Other variances	32
PAYE liability	60
June budget reduction– contingency provision	<u>(1,510)</u>
	<u>(2,105)</u>

Further details on the main variations are given below.

(a) Capital Financing Budget – favourable variation (£0.315m)

In accordance with the Code of Practice on Treasury Management the Council is required to formally report on its Treasury Management activities for the year, providing information on the progress and outcomes against the Treasury Management Strategy. This report will be presented to Audit Committee on 27 June 2011. A summary of the treasury management activity for the year, including more detail on the implications for the revenue account, is given in section D of this report.

In addition to the variance on day to day treasury activities, following negotiations with Devon County Council, the Council assumed responsibility for the residual loans outstanding relating to pre unitary status. This has resulted in a saving of (£1.122m) in 2010/11.