

CITY OF PLYMOUTH

Subject: Joint Performance and Finance Report
Committee: Cabinet
Date: 23 August 2011
Cabinet Member: Councillor Bowyer and Councillor Ricketts
CMT Member: CMT
Author: David Northey, Head of Finance
Patrick Hartop, Policy and Performance Officer
Contact: Tel: (01752) (30)4942
e-mail: david.northey@plymouth.gov.uk
patrick.hartop@plymouth.gov.uk
Ref: fin/djn0811
Key Decision: No
Part: 1

Executive Summary:

This report is the first monitoring report for 2011/12 and outlines the performance and finance monitoring position of the Council as at the end of June 2011.

The primary purpose of this report is to detail how the Council is delivering against its key 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 balanced scorecard detailing key issues.

Performance summary

Performance indicators used in this report represent Plymouth City Council's contribution to delivering the citywide priorities of Growth, Aspiration, Inequalities and Value for Communities.

The overall performance position does not at this stage report any highly critical issues. Areas of particular interest this quarter are:

- The tonnage of waste generated by households has decreased. This has been contributed to by a series of promotional events. We are on track to achieve the target set for diverting waste from landfill. However, achieving significant progress on recycling targets remains a challenge;
- The number of 16 -18 year old young people who are not in Education, Employment or training, (NEET), is increasing. In response, we are implementing an 'Increasing Participation' Plan, partly funded by the DfE through our involvement in 'Raising the Participation Age' trial work;
- The number of children in independent foster placements is decreasing. However there is a small increase in child residential placements. Overall, the Children Social Care budget is projected to be on balance at this stage;

- Council Tax and NNDR collection rates are encouraging displaying continuing improvement over recent years. However, responding to a significant increase in referral rates, Housing Benefit processing performance is giving cause for concern. A fundamental restructure of the service is currently underway with a clear focus on targeted service improvement by quarter 3 of this financial year.

The performance of the authority cannot be viewed in isolation from what is happening to the global economy, and the knock-on effect to the local Plymouth economy. Consumer confidence is currently at its lowest for the past few years, as banks and stock markets continue to deal with the fall- out from the USA credit rating downgrade. One immediate and obvious impact of the current economic issues could see a further increase in the number of benefit claims. Further strains on local businesses could also result in pressure on rate payments with an impact on our income collection rates.

Finance summary

The Council is forecasting a revenue overspend at year end of £1.294m against a net revenue budget of £208.237m (0.6%). The main variations relate to on-going pressures within learning disability and older people's mental health, pressures within environmental services and a budget pressure within Democracy and Governance services, as a result of a failure at a corporate level to deliver the budget delivery plan .

Good progress has been made against the £15.642m revenue budget delivery plans set for 2011/12. Where there has been slippage in implementation, Directors have bought forward other actions to compensate. There does however remain risk regarding the scale of change that we are implementing across the council. RAG rated delivery plans are detailed within the report.

The Capital Programme for the year has increased through approved new expenditure on a replacement payroll system (£1.99m) and improvements to Western Approach car park (£0.35m). With further schemes and re-profiling being recommended to the next Full Council, the projected capital spend for 2011/12 is now £102.975m which demonstrates continued investment and growth in the city in line with our corporate priorities.

Corporate Plan 2011-2014:

This quarterly report is fundamentally linked to delivering the priorities within Council's corporate plan. Allocating limited resources to key priorities will maximise the benefits to the residents of Plymouth

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

Robust and accurate financial monitoring underpins the Council's Medium Term Financial Plan. The Council's Medium Term Financial Forecast is updated regularly based on on-going monitoring information.

Other Implications: e.g. Community Safety, Health and Safety, Risk Management and Equality, Diversity and Community Cohesion:

The reducing revenue and capital resources across the public sector has been identified as a key risk within our Strategic Risk register. Equality Impact Assessments have been undertaken on the delivery plans that underpin the 2011/12 budget.

Recommendations & Reasons for recommended action:

That Cabinet:-

1. Recommend to Full Council the new capital schemes for investment as detailed in Table 5 amounting to £2.851m additional capital spend for 2011/12.
 2. Approve the variations to capital spend and re-profiling as detailed in Table 6.
 3. Approve the Blue Badge administration fee increase to £4.60 plus VAT with effect from 1 January 2012
 4. Approve the budget virements as detailed in Figure 9 of the report
 5. Approve that savings in the insurance premiums be clawed back from departmental budgets and held in corporate items pending the annual review of reserves and provisions
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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.

Background papers:

- Sustainable Community Strategy
 - 2011 Plymouth City Council Corporate Plan
 - 2011/12 Budget Setting papers published in December 2010
 - 2011/12 Performance and Finance Scrutiny papers – February 2011
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Sign off:

Fin	MC111 2.006	Leg	TH0 019	HR	MGI 108/ 001	Corp Prop		IT		Strat Proc	
Originating SMT Member M Coe											

Plymouth City Council
Performance and Finance Monitoring – 2011/12
Quarter 1 to 30 June 2011

I. Introduction

- 1.1 With diminishing financial resources, it is fundamentally important that the Council maintains a clear focus on delivering progress against the identified corporate and city priorities.
- 1.2 A challenging set of revenue budget delivery plans have been approved for 2011/ 12 in order to deliver a balanced budget. Capital grants have been significantly reduced heightening the importance of clear prioritisation of spend linked to delivering tangible outcomes.
- 1.3 Performance and Finance information, and associated Delivery Plans, are owned by Directors and their Management Teams. Much progress has been made in recent years to ensure that cross cutting priorities are delivered and that finance is allocated to areas of most importance to the public (e.g. protecting the delivery of front line services)
- 1.4 This report outlines the progress against key performance indicators, forecasts the year end revenue position, provides details of progress against delivery plans and recommend updates to the council's capital programme. As the first quarterly report of the year, the period of this report covers April to the end of June 2011.
- 1.5 A score card has been included within each Directorate report which focuses on exception reporting and identifying remedial action to be taken where necessary.
- 1.6 This report contains the following sections and Appendices:-

Section 'A' – Executive Summary - Performance

Section 'B' – Executive Summary - Finance

- Revenue
- Income
- Capital

Section 'C' – Executive Summary – Human Resources

Section 'D' – Departmental Performance & Finance Report

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

Section 'E' - Concluding Remarks

Appendices

- Appendix A – Finance Monitoring Summary Graph.
- Appendix B – Capital
- Appendix C – Departmental Delivery Plans

SECTION A - EXECUTIVE SUMMARY PERFORMANCE

Performance Management arrangements

2.1 The performance indicators used in this report represent Plymouth City Council's contribution to delivering the citywide priorities of Growth, Aspiration, Inequalities and Value for Communities. The indicators are arranged over 3 levels and are defined as follows;









Level 1 - is a small basket of strategic indicators that track progress towards achieving Plymouth's long term vision. Targets are set for the next ten years. *Example: Increase Life Expectancy*

Level 2 - are high level outcome indicators that support delivery of Level 1. In many cases the indicators need to be delivered in partnership. Targets are set on a 3 year rolling basis. *Example: Housing decency - Number of Category 1 Hazards removed*

Level 3 - are single agency indicators that either support Levels 1 and 2 or are business critical to the organisation. Targets are set on a 3 year rolling basis. *Example: % people from health deprived neighbourhoods accessing Sports Development activities*

The focus of the quarterly report will be on Level 2 and 3 indicators. Level 1 indicators, which are long term will be reported every 6 months as rates of progress are much slower.

2.2 A performance summary is provided for departments in a scorecard format along with budget variances. The narrative within the scorecard provides 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. There are instances where indicators, baselines and targets are still being finalized; these are coloured white. Grey indicates that the Directorate does not monitor indicators at this level. Explanation of the scorecard rules are outlined below. This is the first quarterly report based on the new performance framework. Many indicators reported are new and require significant levels of research and expertise to develop. *Whilst every effort has been made to report on all the indicators there are instances where departments are still developing baselines and targets, where this the case individual scorecards are given a white rating. Every effort will be made to complete this work before the next quarterly report.*

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		
RAG Rating key -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		No data available. As this is a new performance framework there will be instances where baseline data and targets are yet to be agreed
	No indicators set for this service		

1st quarter performance headlines

- 2.3 The overall performance position does not at this stage report any highly critical issues. The following summary highlights some of the key points raised in the scorecard narrative.

Community Services

- 2.4 The work of the Proof of Concept teams in Adult Social Care to roll out a service wide transformation of Adult Social Service provision to clients is gathering pace and will result in a change in the way care is provided and greater independence and choice for clients.
- 2.5 A series of promotional activities has contributed to a decrease in the amount of household waste, which has fallen during this quarter by over 3,000 tonnes when compared to the same period last year. However, despite the decrease in tonnage, the quarterly performance target has been narrowly missed with the amount of waste landfilled at 60.81% against a target of 60%. The tonnage of household waste recycled, a Level 2 indicator, has fallen in proportion with household waste arisings but the percentage of household waste diverted from landfill is currently on course to meet this year's target of 33%.

Children's Services

- 2.6 Social Care report a reducing number of Independent Sector Foster placements - 56, against a budget of 66, and an increasing number of Residential Placements - 17 against a budget of 13.
- 2.7 The number of 16 -18 year old young people who are not in Education, Employment or training (NEET), a level 2 indicator, is increasing. In order to reduce NEETs, the service is implementing an 'Increasing Participation' Plan partly funded by the DfE through the involvement in 'Raising the Participation Age' trial work.

Corporate Support

- 2.8 Council Tax collection is above target. Cumulative collection at the end of June stood at £24.746m (26.62%), 0.05% above the improvement target set of 26.57%. National Non Domestic Rates (NNDR) collection rates are at £31.101m (36.17%) against a target of £31.647m (36.81%) a shortfall of 0.64%. It is fully expected that performance will improve from July onwards when the impact of changes to Small Business Rate Relief will be felt.
- 2.9 The average time to process new housing benefit claims was 29.74 days against a target of 20 days. The service has seen a significant increase in new claimants. There are now over 30,000 claimants for Council and Housing Tax Benefit compared to 28,000 last year, a sign that the recession has deepened in the first half of 2011.

Development and Regeneration

- 2.10 The Directorate continue to make good progress in supporting and enabling Growth within the City. The Heart of the South West LEP (Local Enterprise Partnership) Board has now been appointed and £0.170m is being provided to the LEP from central Government to support the building of its capacity. The purchase of Derriford Business Park has been completed and the RDA (Regional Development Agency) asset transfer is on course for completion in September. Plans are well underway for the Americas Cup and we have to date secured considerable private sector support and world-wide media coverage.
- 2.11 Economic Development and Transport & Highways are working to define targets and baselines that can be measured against long term strategic objectives for the City. By their nature the majority of these will be reported annually rather than quarterly.

SECTION B - EXECUTIVE SUMMARY – FINANCE

3. General Fund Revenue Budget

3.1 Council approved a net revenue budget of £208.237m for 2011/12 at its meeting on 28 February 2011. At the end of June 2011, a revenue overspend of £1.294m (0.6%) is forecast. Table I below shows the forecast year end position across departments.

Table I- End of year revenue forecasts

	Council Approved net departmental spending plans 28/2/11 £000	Latest Approved Budget	Latest Forecast Outturn £000	Monitoring Variation to 30 June 2011 £000	
GENERAL FUND BUDGETS					
DIRECTOR FOR CHILDREN AND YOUNG PEOPLE	49,383	49,105	49,039	(66)	-0.13%
DIRECTOR FOR COMMUNITY SERVICES	109,180	108,704	109,677	973	0.88%
DIRECTOR OF DEVELOPMENT & REGENERATION	17,073	17,838	18,015	177	0.99%
DIRECTOR FOR CORPORATE SUPPORT	27,400	26,850	27,060	210	0.78%
CHIEF EXECUTIVE	1,508	3,098	3,098	0	0.00%
CORPORATE ITEMS	3,693	2,642	2,642	0	0.00%
Total Net Budget	208,237	208,237	209,531	1,294	0.62%

3.2 Further details of the variations are outlined in the individual Directors reports in Section C of this report. The more significant variations are summarised below:

3.2.1 Children & Young People:

There are no major variances forecasted at this stage. Despite delays in implementing one of the department's Invest to Save initiatives, a reduction in Independent Foster Care placements and early implementation of future year delivery plans in LifeLong Learning have helped to balance the forecasted out-turn.

3.2.2 Community Services:

Adult Social Care is forecasting an overspend of £0.750m on social care with ongoing pressures within learning disabilities and older peoples mental health. The service wide transformation of adult social care provision is gathering pace and partnership working with health has secured £4m of section 256 funding which will be used to jointly commission improved services for health and social care users.

In Environmental Services, a £0.234m overspend is forecast due to increased transport operating and repair costs, offset by vacancies across the service and the estimated Landfill tax rebate. Action is being taken to maximise income from the sale of recyclables and increasing fees and charges.

3.2.3 Development:

There is an income shortfall in economic development due to increased voids and reduced commercial rent linked to the current economic climate. There is also a forecasted overspend in transport due to cost pressures in the shoreline asset management plan, Bretonside Bus Station and on-going pressures in CCTV staffing budgets.

3.2.4 Corporate Support:

There have been delays in implementing the staff restructure within Democracy and Governance Services. Alternative delivery plans are being actively pursued by the service to compensate for this slippage.

There are still budget pressures related to corporate savings on training and workforce development activities that are unlikely to be met solely from corporate budget or staffing resources.

3.3 **Delivery Plan Update**

In setting the budget for 2011/12, departmental delivery plans totalling £15.642m were agreed in order to achieve a balanced budget. Overall, significant progress has been made across the majority of these plans. The Red / Amber / Green (RAG) rating applied in this report have been robustly challenged. Only where a plan has started to accrue tangible financial savings in excess of 50% towards the year-end total value (which can be assumed to be 25% of the total value by the end of this 1st quarter) has a plan been classified as 'Green'. 'Amber' plans have robust delivery mechanisms in place and/or have started to generate financial savings whereas 'Red' plans have yet to make tangible progress.

Inevitably, throughout the year, original Delivery Plans will change due to changes in circumstances. Some will overachieve whereas others will not generate the savings target anticipated. Where such variations occur, initially it is the responsibility of the sponsoring department to develop and implement alternative budget delivery plans and actions. Major variations to delivery plans will be reported within individual departmental sections.

Only where there is no planned remedial action to address a non performing delivery plan will a forecasted overspend be reported. However, overspends can also occur in the event of unforeseen budget pressures such as a significant increase in service demand or loss of income stream. Similarly, underspends are identified where 'over' delivery of plans have been achieved, (or forecasted), surplus income achieved or a reduction in service demand identified.

Table 2 below summarises the progress against the published, (December 2010), revenue budget delivery plans by department.

Table 2 – Delivery Plan Summary

Department	Total Delivery Plans	Red	Amber	Green
	£000	£000	£000	£000
DIRECTOR FOR CHILDREN AND YOUNG PEOPLE	3,790	0	1,440	2,350
DIRECTOR FOR COMMUNITY SERVICES	4,686	930	1,622	2,134
DIRECTOR OF DEVELOPMENT & REGENERATION	790	250	300	240
DIRECTOR FOR CORPORATE SUPPORT	5,376	1,150	3,065	1,161
CHIEF EXECUTIVE	400	100	300	
CORPORATE ITEMS	600			600
Total Delivery Plans	15,642	2,430	6,727	6,485
% Total Delivery Plans	100.0%	15.5%	43.0%	41.5%

Overall, progress against this challenging agenda is encouraging, with just under 85% of plans rated as Green or Amber status. A detailed breakdown, by department can be seen at **Appendix C**.

4 Income Summary

- 4.1 Achieving improved income collection targets remains a challenge within the current economic environment. Whereas significant progress has been made in improving the in-year Council Tax collection target and Sundry Debtors target in recent years, such improvement becomes more difficult to sustain each year. However, we remain ambitious and constantly review alternative, more effective ways of joining up and collecting income owed to the Council.
- 4.2 Progress made against 2011/12 income collection targets as at 30 June 2011 is shown in table 3 below:

Table 3 – Income Collection performance

Type of debt	Budgeted income 2011/12	Year to date Target % 2011/12	Year to date Actual % 2011/12	Achieved % 2010/11	Year end Target % 2011/12
Council Tax	£93m	26.5	26.6	96.1	96.5
NNDR	£86m	36.8	36.2	97.3	97.5
Sundry Debt	£61m	93.0	91.0	92.5	95.0

- 4.3 Current performance of collection rates for both Council Tax and NNDR indicate that the year end target will be achieved. However, Sundry Debtor collection rates are currently below the ambitious improvement targets set at 95%. We will continue to explore opportunities for increasing this collection rate such as, wherever possible, encouraging pre-payment for goods and services wherever feasible

5. Capital Programme

- 5.1 The current capital programme for 2011/12 is £99.966m which was approved at Full Council in June 2011. This includes £19.134m within the Children and Young People programme in relation to approved capital works at the two academies. The revised 2011/12 forecast at the end of June is £102.975m which is shown below along with how it will be financed.

Table 4 – Revised Capital Programme for 2011/12 & Financing

Service	Original Budget (Approved April 11)	Latest Approved Budget (Approved June 2011)	New Schemes Approved at July '11 Full Council	New Schemes for Approval at October Council	Variations for Approval at August Cabinet	June 2011 Latest Forecast
		£000	£000	£000	£000	£000
Children & Young People Services	34,067	37,275	0	140	4	37,419
Community Services	24,838	26,932	0	2,362	0	29,294
Corporate Support	9,093	10,274	1,990	0	(1,074)	11,190
Development/Regeneration	21,376	25,485	350	349	(1,112)	25,072
TOTAL	89,374	99,966	2,340	2,851	(2,182)	102,975

Financing

£000

Capital Receipts	19,792
Unsupported Borrowing	26,082
Supported Borrowing	324
Grants, Contributions & S106	54,832
Revenue & Funds	1,945

Total

102,975

- 5.2 Full Council in July 2011 agreed the addition of two new capital projects into the 2011/12 programme. Firstly, £1.990m for a replacement for our existing SAP payroll system. This will avoid expensive licensing costs and ensure greater conformity and integration with other core council systems thus generating further efficiencies. £0.350m capital investment, funded by Invest to Save, for a 'pay on foot' system at Western Approach car park will modernise the service and generate improved income rates whilst reducing staff costs regarding non-payment enforcement.
- 5.3 The Capital Delivery Board has recently considered, and prioritised, a number of other new capital investment projects that deliver outcomes against corporate priorities. These schemes will be presented for approval at the next Full Council meeting in October 2011. For more details of each of the schemes, please see **Appendix B**.

Table 5 – New Schemes for recommendation to Full Council (Oct 11)

£000	£000	£000	£000	Schemes to be Approved at October Council
11/12	12/13	13/14	14/15	
2,135	-	-	-	<u>Purchase of replacement refuse vehicles</u> – it is proposed to purchase 15 new vehicles which will replace the need to hire in externally owned vehicles and realise net revenue savings after financing costs.
140	-	-	-	<u>Aiming High for Disabled Children</u> – These grant funded projects which are being finalised will contribute to the enhancement and improvement of the short break experience of disabled children and young people.
50	700	-	-	<u>Capitalised maintenance works to West Hoe Pier</u> – this proposed project could be undertaken in Spring 2012, after undertaking preparatory works comprising site investigation, design and contract arrangements in advance during the last quarter of the 2011/12 financial year.
160	398	-	-	<u>Saltram Countryside Park - Phase I</u> - Phase I of Plym Valley works at Saltram which will be used as match funding to support a wider scheme of works in the Plym Valley likely to be in the region of £6.5m and part funded from Heritage Lottery Funding.
100	176	1,029	1,542	<u>Plymouth Connect Local Sustainable Transport schemes</u> – Part of the overall Plymouth Connect Project to provide a strategic cycle network including bringing back into use the Laira Rail Bridge, partly funded by DfT.
89	-	-	-	<u>Royal Parade Pedestrian Crossing</u> - Works proposed following the inquest into the fatality on the crossing in 2010.
177	-	-	-	Other minor new schemes detailed in Appendix B .
2,851	1,274	1,029	1,542	Total of new Schemes for approval in Oct 2011

- 5.4 The timing around the delivery of capital spend is always open to variation due to a number of factors such as project slippage, changes in priorities, contractor performance, ability to achieve capital receipt etc. Within the boundaries of spend already approved by Full Council, we are now reporting the following changes to the timing of capital spend over the next four financial years:

Table 6 – Recommended Variations to Capital Spend

£000	£000	£000	£000	Re-profiling / Other Variations
11/12	12/13	13/14	14/15	
(367)	367	-	-	<u>Corporate Property (Accommodation Strategy) – Phase 1</u> Timing delays linked to the future of the Civic Centre
(827)	1,327	(500)	-	<u>Corporate Property (Accommodation Strategy) – Phase 2</u>
91	(91)	-	-	<u>School Condition Works</u> – schemes are proceeding in advance of the original plan.
(852)	852	-	-	<u>Material Recycling Facility</u> – Re-profiling of spend - latest proposals will be reported to Cabinet in September within the “Waste Options” paper
(164)	(164)	(114)	-	<u>Strategic Housing reduction in salary capitalisation</u> - This reduction removes all revenue funding of Capital from the Strategic Housing capital programme 2011 - 14.
110	-	-	-	<u>Strategic Cycle Network</u> - PCC has been successful in securing a further £110k grant for cycling improvements.
117	-	-	-	<u>Mayflower Steps</u> - An increase to the Highways capitalised maintenance budget to allow for works on Mayflower Steps.
(343)	-	-	-	<u>City Market Electrical Refurbishment</u> – Revised project costs from the original £1m estimate for the works.
53	-	-	-	Other Variations detailed in Appendix B .
(2,182)	2,291	(614)		Total Re-profiling / Other Variations

Capital Expenditure to Date

5.5 To date, we have accrued actual spend of £10.817m against the revised capital programme for 2011/12 of £102.975m. Whereas this amounts to only 10.5% spend against estimated annual spend, departments are confident that they will be able to deliver the vast majority of the approved capital programme in year. Further amendments will be considered by the Capital Delivery Board, fed up to Cabinet and recommended to Full Council as appropriate.

Recommendations:

1. Cabinet recommend to Full Council the new capital schemes for investment as detailed in Table 5 amounting to £2.851m additional capital spend for 2011/12.
2. Cabinet approve the re-profiling and variations to capital spend as detailed in Table 6.

Capital Medium Term Forecast

5.6 Projecting forward the above changes across the next three financial years provides an initial capital programme as detailed in Figure 7. This is the programme based on known projects and funding streams. The council will remain proactive at optimising external grant funding wherever possible in order to continue significant capital investment in the city. It is proposed that the Council adopts a four year Capital MTF (current year plus the next three) given the uncertainty around future funding streams, this will align it with the number of years over which the revenue MTF is based. The programme will grow in future years when we receive more certainty around future funding streams.

Table 7 – Capital Medium Term Forecast

	2011/12 Revised £000	2012/13 Revised £000	2013/14 Revised £000	2014/15 Revised £000	Total £000
Children's Services	37,419	10,123	1,021	0	48,563
Community Services	29,294	2,446	177	337	32,254
Corporate Support	11,190	3,263	500	0	14,953
Development & Regeneration	25,072	9,684	6,523	7,371	48,650
	102,975	25,516	8,221	7,708	144,420

Funding Source	£'000
Capital Receipts	24,128
Unsupported Borrowing	29,307
Supported Borrowing	324
Grants, Contributions & S106	88,716
Revenue & Funds	1,945
Total	<u>144,420</u>

Capital Receipts

5.7 There has been extreme pressure on the council's ability to generate capital receipts over the last couple of years due to falling property and land prices. The current Medium Term capital programme assumes generation of £24.1m new receipts.

5.8 Potential capital receipts available to fund the programme from the disposal of land and buildings are as follows:

i. Disposals of land / buildings	<u>£000</u>
2010/11 b/f	-
2011/12 rec'd to date	388
2011/12 estimated to be rec'd	5,403
2012/13	6,137
2013/14	9,750
2014/15	<u>2,002</u>
Total	<u>23,680</u>

The Council uses capital receipts as part of its funding streams; however the timing of when the capital receipts are paid into the Council does not always match up with when we wish to apply them to schemes. This mismatch on timing between capital receipts generated and capital receipts requirement has been flagged up consistently in previous reports. As such, any temporary shortfall of required capital receipts will need to be funded by short-term unsupported borrowing that would be financed from the Capital Finance Reserve or the working balance, until such time as additional capital receipts are generated.

However, given the current economic climate it is likely that the potential capital receipts level may not be realised due to lower values being achieved, or sales delayed, and officers are constantly reviewing the position to achieve maximum returns.

SECTION C – EXECUTIVE SUMMARY – HUMAN RESOURCES

Human Resources Key Messages

- 6.1 The total wage bill for the Council (including on-costs) is around £130million. Each year the Council's budget includes a savings target of 3% for 'vacancy savings' which is naturally achieved from vacant positions and natural turnover of staff.
- 6.2 HR indicators monitor establishment, sickness and agency spend and details are now included on the departmental score cards. This section summarises the position across the Council as a whole, excluding schools, as at the end of June 2011.
- 6.3 Key facts and figures are;
- We currently have 3601.8 FTE central employees in post.
 - Control of agency staff has improved, following the award of the temporary workers' (Pertemps), contract in 2010. Corporately a threshold of 5% of the total wage bill has been set, to monitor the use of agency staffing. Agency Spend is currently 4.55% of the monthly wage bill;
 - Sickness – there have been improvements throughout the council at reporting absences providing much better management information. A rigorous target of 6 working days per FTE per year has been set. However, actual sickness levels at the end of May 2011 12.59 working days per FTE for the last rolling 12 months. There is a corporate drive to significantly reduce this level and HR is working closely with departments to consistently address proactive management of absence.
- 6.4 The Council aims to reduce the direct and in-direct costs of the workforce through:
- Natural turnover
 - Planned retirements / use of temporary contracts
 - Recruitment controls and improving redeployment opportunities
 - Reducing the overheads of the workforce (direct and indirect)
 - Negotiated workforce reductions
 - Modernisation and workforce re-modelling
 - Maintaining capacity and improving productivity (which will also require some investment from the Council in skills, training and support)
 - Reducing the overall size of the workforce

Redundancies and Voluntary Release:

- 6.5 At the end of the first quarter of 2011/12, 17 employees left through redundancy (predominantly as a result of grant funding ending). 21 out of 38 employees 'at risk' were successfully redeployed.

- 6.6 At the end of the first quarter, 6 people had actually left employment through the voluntary release scheme, with 77 expected to leave by the end of September 2011.
- 6.7 The Council's target is to improve our rate of re-deployment to only one out of eight people being made redundant during 2011/12 through improved redeployment and vacancies created through the Voluntary Release Scheme.
- 6.8 The Council currently has £2.6m put aside in a specific reserve to fund the costs of redundancies and voluntary releases brought about by reducing the overall workforce.

Review of Terms and Conditions

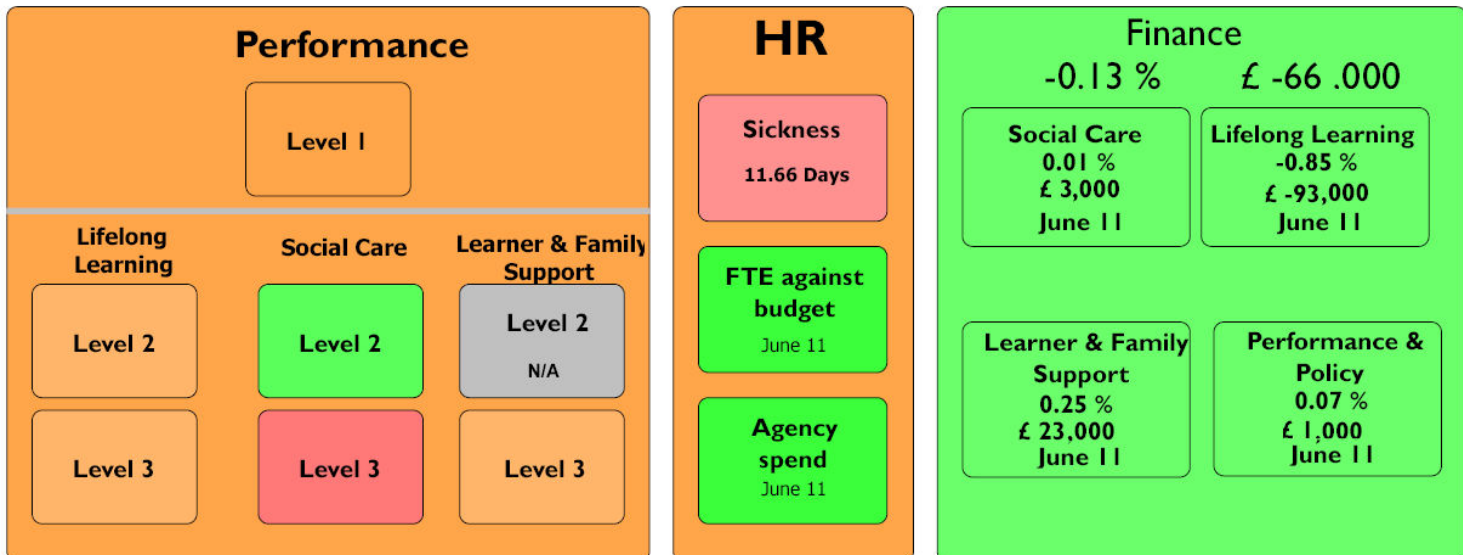
- 6.9 The Council has reviewed some terms and conditions affecting (NJC Local Government Services and JNC for Youth and Community Workers) with a planned implementation date of 1 August 2011. This is delayed from the original implementation date of 1 April 2011.
- 6.10 All three key Unions have balloted their members and received a 'Yes' vote to accepted the proposed revisions to T&Cs. However, at the time of writing the report, one of these Unions has yet to formally sign up to the agreement.
- 6.11 Further slippage against the August 2011 implementation date will result in significant budget pressures which, inevitably, will have to be addressed through reducing the overall wage bill elsewhere.
- 6.12 The Chief Officers' Terms and Conditions were reduced with effect from 1 April 2011, with the agreement of the Chief Officers.

SECTION D – DEPARTMENTAL PERFORMANCE & FINANCE REPORT

7 Children & Young People’s Services

7.1. Scorecard - General Fund Revenue Forecast is an underspend (£0.066m)

Services for Children and Young People



Responsible Officers: Mairead MacNeil, Maggie Carter; Colin Moore & Claire Oatway.

The first ‘quarterly’ Finance and Performance report for the financial year 2011/12 sees a revamped scorecard which now includes the P2020 Integrated Performance Framework. The overall performance position does not at this stage report any highly critical issues. The financial position, for the first three months of the year, reports a slight favourable variation of (£0.066m). HR report the Service’s absence as a concern which is explained in more detail below.

With a forecast overspend of £0.003m for the first quarter; Social Care report a reducing number of Independent Sector Foster placements - 66, against a budget of 56, and an increasing number of Residential Placements - 17 against a budget of 13. The cost of this has been offset by savings within the In-House Foster Care Service provision resulting in an overall overspend on placements of £0.060m. Overall, caseloads and budget pressures within the Service are under weekly scrutiny. Workforce and budget planning continues with the management team distributing resources accordingly. The current savings of (£ 0.055m) can be attributed to additional funding via the ‘Children’s Workforce Development Grant’ and employee savings.

Life Long Learning is showing a favorable variation of (£0.093m). An early estimate has been made of savings (£0.260m) which will accrue from the implementation of 2012/13 delivery plans. Pressures offsetting the savings are a commitment to fund the Hoops 4 Health programme £0.067m from the now discontinued Standards Fund Allsortz and the recent HMRC re-investigation of the tax liability arising from the self-employment status of School Improvement Partners, which could result in an additional payment of £0.100m - (£0.038m was paid in 2010/11)

Early indications suggest the number of CAF's (Common Assessment) is not meeting its target. This has been recognised by both the Service's Commissioning and Finance board and Plymouth Safeguarding Board as a multi-agency issue. A 'deep dive' exercise is going to be undertaken to attempt to highlight barriers to successful achievement of this measure. The number of 16 -18 year old young people who are not in Education, Employment or Training (NEET), a level 2 indicator, is increasing.

In order to reduce NEETs, we are implementing an 'Increasing Participation' Plan partly funded by the DfE through our involvement in 'Raising the Participation Age' trial work.

Finally, whilst the Services' sickness levels are in line with the overall council figures, they are above the council target. Collaborative action is being taken to monitor and manage absences. The Council has set a target of 6 working days per FTE. Current sickness levels are 11.66 working days per FTE for the last rolling 12 months, which is a slight decrease of 0.05 days per FTE from the previous month. The council wide sickness statistics excluding schools staff are 12.59 days per FTE for the last rolling 12 months

7.2 Delivery Plan Update

Children & Young People have Delivery Plans of £3.790m for 2011/12. The table below shows the summary position by Red Amber and Green rating (RAG). The detailed Delivery plan is contained in **Appendix C**

Service	Red £000	Amber £000	Green £000	Total £000
Learner & Family Support	0	380	70	450
Lifelong Learning	0	0	0	0
Social Care	0	580	180	760
Other Delivery Groups	0	480	2,100	2,580
Total CYP	0	1,440	2,350	3,790

Overall, performance against delivery continues to be strong with the Commissioning & Finance programme board tracking progress on a monthly basis.

In particular, the diversion of Children from Care, being the highest risk, is monitored every month with remedial action being planned as appropriate whilst ensure safeguarding is maintained. Vacant posts are being held across the service attributing to the amber status and once restructures are complete and updated the delivery plans will become green.

7.3 Risks and Issues

- The numbers of Children in Care can change quickly and so Diversion from Care strategies and related initiatives will continue to be implemented;
- The level of Schools buy back and Academy business will impact on the level of income and the net cost of services;
- Changes to grants and funding streams could have an adverse impact on the service

7.4 Invest to Save

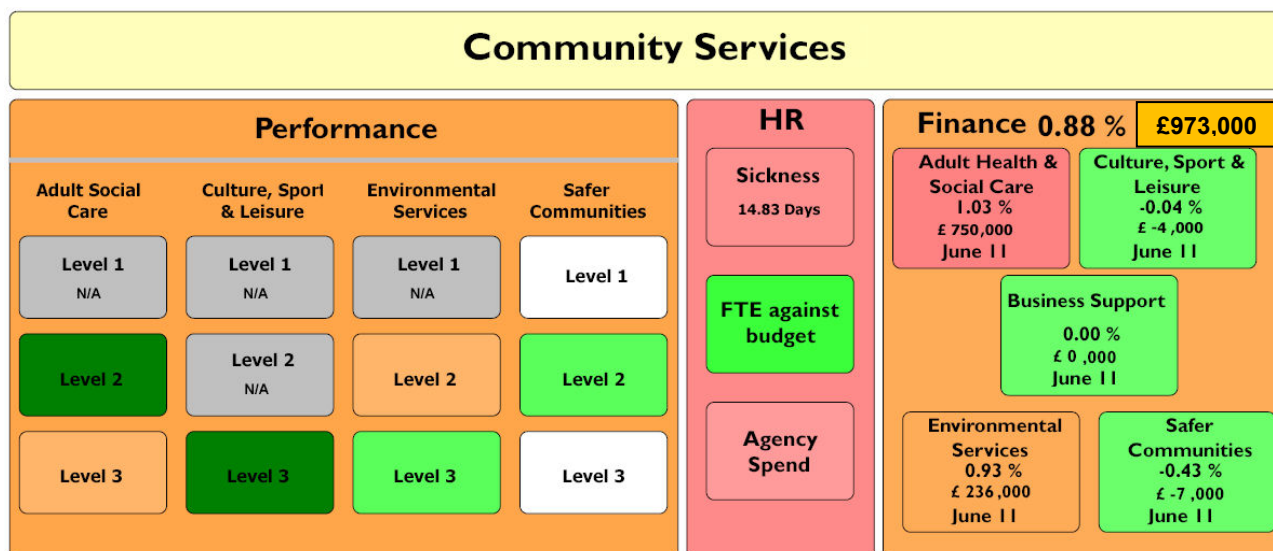
The department has two invest to save projects. Parent and Child Assessments and Intensive Support for Young People with Multiple and Complex Needs.

Parent and Child Assessments – A Team Leader has been appointed and will start in October, which means 6 months slippage. There has been an increase in court ordered placements in the first quarter, but these are still within the annual estimates contained in the original business case. Therefore, once the team is established it is imperative that the in-house team pick up more of these assessments in order to achieve the savings contained in the business case. Despite the delay in implementing this scheme, the department is still forecasting a end of year balanced budget at this stage.

Autistic Spectrum Disorder (ASD) and Complex Needs – A Project Manager for the capital plan has been appointed and progressing this work. The feasibility study for the use of the Downham House site was reviewed on 24/6/11 and the business plan is being updated. This project is on track for completion June 2012. In parallel, the service design project is on track with the proposed service specification ready for review by September 2011, enabling the required lead in to September

8. Community Services

8.1 Scorecard - General Fund Revenue Forecast is an overspend of £0.973m



Responsible Officers: Pam Marsden, James Coulton, Jayne Donovan and Pete Aley

There is a forecast £0.750m overspend in Adult Social Care. Delivery Plans are assumed as achieved by year end with on-going pressures within the Learning Disabilities service and older people's mental health. Management action is focusing on these areas in order to scrutinise spend.

The work of the Proof of Concept teams to roll out a service wide transformation of Adult Social Service provision to clients is gathering pace and will result in a change in the way care is provided and greater independence and choice for clients. Close monitoring of the cost of providing care services will be key during this transition.

In addition, to transforming the service, partnership working with Health colleagues has secured a £4m Section 256 transfer of funding to Social Care which will be used to jointly commission improved services for health and social care users. The first business case to develop a new Reablement Service has been signed off which will improve services to clients, reduce costs and increase efficiency for both partners.

Environmental Services are reporting an adverse variation of £0.236m. Significant progress has been made in reducing costs including increasing fees and charges, maximising the income from sale of recyclables, removing vacant posts, challenging the level of charges for occupancy of Prince Rock Depot and receiving a reduction of £0.241m. There remains however a challenging target of £480k in delivery plans which are actively being progressed.

A series of events took place during the quarter to encourage more recycling and reduce the amount of waste put out by households. This included promotional events at supermarkets, shopping centres etc., and working with our partners such as PCSO's to get the message across to a wide audience. There were also doorstepping activities in particularly poor performing parts of the city, to encourage higher performance. This work appears to have had a positive effect as household waste arisings have fallen during this quarter, by over 3,000 tonnes when compared to the same period last year. Despite the decrease in tonnage we have marginally missed this quarters performance target with the amount of waste landfilled (NI 193) at 60.81% against a target of 60%.

The tonnage of household waste recycled (NI 192) has fallen in proportion with household waste arisings but, despite this and the loss of recycling tonnages from bring banks located at Tesco's supermarkets, the percentage of household waste diverted from landfill is just 0.11% lower than at the same point last year and is also currently on course to meet this year's target of 33% with current performance at 33.53% for the first quarter.

Library visitor numbers per 1,000 population show an average 3.3% increase over the same period last year. The largest percentage increases are in the new libraries at Devonport (St Aubyn) and Estover (Tor Bridge). Among the larger libraries, the most significant increase is at Plymstock which continues to benefit from the pulling power of Café Library.

The saving in Safer Communities of £0.007m relates to vacancy savings. Overall crime levels remain low in Plymouth compared to similar cities. The council's crime reduction work with partners has seen recent success in tackling a rise in violence causing injury and this is now back on target. However serious acquisitive crime (including burglary and vehicle related theft) has increased (104 more crimes recorded up to the end of June compared to same period last year). This means we are not currently achieving our target to reduce this crime and we are working with partners to address this. We do however, continue to perform well when compared to similar cities for serious acquisitive crime, being ranked second best out of fifteen.

HR indicators have been introduced for establishment, sickness and agency spend.

Agency spend for June stands at 8.09% of the overall monthly wage bill for Community Services which is a decrease of 0.22% from the previous month.

A major reorganisation of adult services provision during 2011/12 will provide a challenge to manage attendance. This is likely to be a complex process as services are re-configured for the personalisation of services. Part of the change management plan will include support to staff and active monitoring of absence during this period.

The overall cost of sickness within the Directorate is reducing as long-term cases are being actively managed.

8.2 Adult Social Care - Blue Badge Improvement Service

The Government has made significant changes to the administration of the Blue Badge Scheme. Issuing Local Authorities remain responsible for decisions on whether or not an applicant is eligible for a Blue Badge, for referrals for medical assessments and other checks. However, the application forms and system management will now be administered nationally by Northgate. The Government has agreed with Northgate that this should be at a fixed price £4.60 plus VAT. The badge is renewed every three years. The Portfolio Holder for Adult Social care has agreed to increase the charge for the badge from the current charge of £2.00 to £4.60 plus VAT to cover the new costs. The changes to the scheme are to be implemented from 1st January 2012. We are required to notify the Department for Transport of the fee level by 30th September 2011.

Recommendation:

3. Cabinet approve the Blue Badge administration fee increase to £4.60 plus VAT with effect from 1 January 2012

8.3 Delivery Plan Update

Community Services has Budget Delivery Plans of £4.686m for 2011/12. The table below shows the summary position by Red Amber and Green rating (RAG). The detailed Delivery Plan is shown as **Appendix C**

Service	Red £000	Amber £000	Green £000	Total £000
Adult Health & Social Care	0	1,232	1,089	2,321
Culture, Sport & Leisure	250	140	540	930
Environmental Services	480	0	435	915
Safer Communities	0	0	70	70
Other Delivery Groups	200	250	0	450
Total	930	1,622	2,134	4,686

There are a number of significant risks emerging in the Community Services Delivery plan where savings and efficiencies are possible but will not materialise until the end of the current or the next financial year.

- The Leisure Management contract has been signed and there will be no savings in the current year. Full year savings will occur from 2012/13;
- The programme of Community Asset transfers are unlikely to delivery savings in the current financial year although alternative options may in part produce some savings;
- Business and Administrative Reviews are currently in the early stages of determining the full scope for savings in 2011/12.

Community Services Management Team will continue to develop and consider alternative actions and delivery plans in order to address any such revenue funding shortfalls.

8.4 Risks and Issues

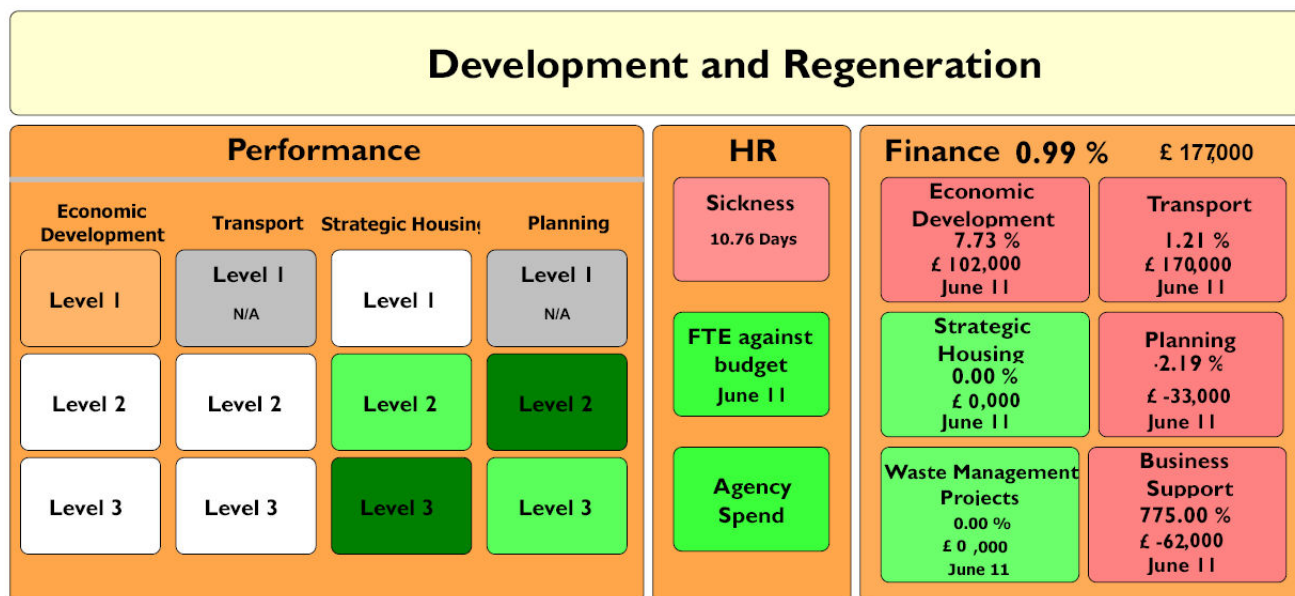
- Maintaining front line services whilst implementing a number of Delivery plans will be challenging;
- The cost of an ageing fleet continues to add pressure to already stretched resources. Business cases are being developed with the first agreed at Capital Delivery Board to replace vehicles and reduce costs to end users;
- Managing expectations of enhanced level of service against the current budget, particular in the service area of Waste Collection ,Street Scene and Parks;
- 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 and the Health Service Transformation

8.5 Medium Term Issues

- The Council has issued an OJEU notice inviting expressions of interest for the provision of Ice and Arena facilities. This will enable the Council to explore options over the coming 6 months. Consequently, there will be an associated £0.800m revenue implication to extend existing services at Plymouth Pavilions to September 2012, subject to review depending on progress once competitive dialogue commences.
- Municipal Waste Management Strategy (MWMS) identified that waste management costs would increase significantly due to the need to procure a waste disposal facility.

9. Development and Regeneration

9.1 Scorecard - General Fund Revenue Forecast is an overspend of £0.177m



Responsible Officers: Economic Development, David Draffan : Transport, Clive Perkin : Strategic Housing, Stuart Palmer : Planning, Paul Barnard

The Directorate continue to make good progress in supporting and enabling Growth within the City. The Heart of the South West LEP (Local Enterprise Partnership) Board has now been appointed and the Growth Board has now completed its review of the Local Economic Strategy action plans. The purchase of Derriford Business Park has been completed and the RDA (Regional Development Agency) asset transfer is on course for completion in September. Approx £7.3m of funding will be received from the Department for Transport Local Sustainable Transport Fund from 2011/12 to 2014/15 to deliver the Plymouth Connect project and Plymouth is hosting a regional smartcard initiative. £0.170m is being provided to the LEP from central Government to support the building of its capacity. Destination Plymouth is making good progress on developing the City's first ever visitor plan and the Waterfront Partnership is developing its BID (Business Improvement District) business plan. Plans are well underway for the Americas Cup and we have to date secured considerable private sector support and world-wide media coverage. We hope to hear about the outcome of the City's bid for Enterprise Zone status over the summer followed in early autumn by the outcome of a number of RGF (Regional Growth Fund) bids.

In Transport there is a net overspend of £0.170m which has arisen due to cost pressures in the shoreline asset management plan, Bretonside Bus Station and on-going pressures in CCTV staffing budgets. **Economic Development** - there is a shortfall in net budgeted income of £0.102m relating to increased voids and rental reductions linked with the current difficult economic climate. Forecasted savings in Business Support and Planning partially offset these overspends.

Sickness levels are at 10.76 working days per FTE for the last rolling 12 months, against a target of 6 days and a council wide average of 12.59 days. This has decreased by 0.19 from the previous month.

9.2 Delivery Plan Update

£0.640m (net) of delivery plans were set within the 11/12 revenue budget for Development and £0.240m are green (more than 50% achieved). Progress against the remaining red and amber delivery plans are summarised below and shown in detail on Appendix C. Any plans not delivered will be replaced by alternative savings. In addition there is an allocation of a further £0.150m of delivery plans where savings will be achieved from other directorate projects. These are included in the table below as “Other Delivery Groups”.

Service	Red £000	Amber £000	Green £000	Total £000
Strategic Housing	0	0	210	210
Departmental (Loss of New Growth Points funding)	0	0	(1,020)	(1,020)
Departmental (including Growth Fund)	100	0	850	950
Transport	0	300	0	300
Economic Development	0	0	200	200
Other Delivery Groups	150	0	0	150
Total	250	300	240	790

9.3 Risks and Issues

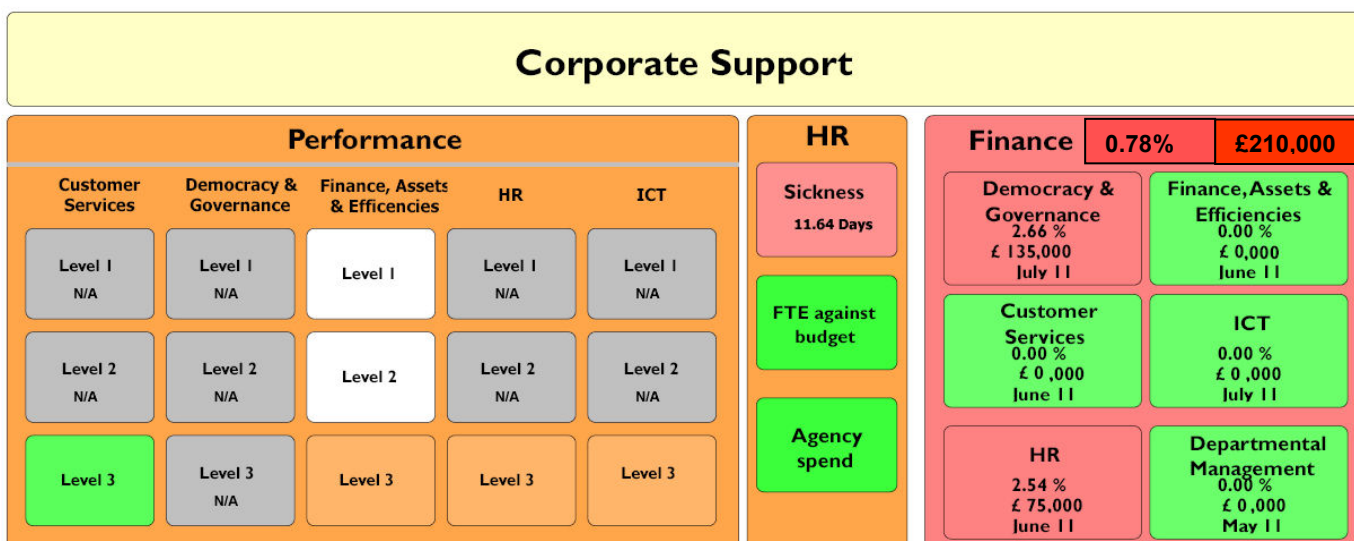
- Heavy reliance on income generation which is affected by market forces e.g. car-parking;
- Commercial rent income is becoming increasingly unreliable due to the current economic climate with a consequential cost of voids and rental reductions;
- Requirement to invest revenue resources to develop schemes which are ‘ready to go’ when the economic situation improves as growth is a key priority for the Council;
- Private Sector Renewal funding ceased from April 2011 restricting the amount of funding available for the removal of Category I hazards, energy efficiency measures, empty homes and impacting on adaptations work.

9.4 Medium Term Issues

- Resourcing a long term growth agenda rather than reacting to short term delivery needs will be challenging in the current economic climate
- Reduced public expenditure (from £8.4 billion to £4.5 billion for 2011 to 2014) will impact on our ability to deliver new affordable homes

10. Corporate Support

10.1 Scorecard - General Fund Revenue Forecast is an over spend of £0.210m



Responsible Officers: Customer Services, JP Sanders : Democracy and Governance, Tim Howes : Finance Assets & Efficiencies, Malcolm Coe : Human Resources, Mark Grimley : ICT, Neville Cannon

The overall position in Corporate Support is a forecast overspend of £0.210m. At under a 1% variation this is within the monitoring variation parameters set for each Department of the Council. It should be noted that almost 60% of the direct Corporate Support Delivery plans and approximately 95% of the indirect (cross-cutting) plans are either Green or Amber which evidences significant progress but all Red and Amber plans remain a financial risk until achieved.

Democracy & Governance currently has found 375K within the department leaving a current shortfall overall of 135k on the Democratic Support Delivery Plan. We are currently reviewing options to deliver the remainder.

There are still pressures of £75k related to corporate savings on training and workforce development activities that are unlikely to be met solely from corporate budget or staffing resources.

Two of the Level 3 indicators in Finance Assets and Efficiencies are off target for this period. The average time to process new claims was 29.74 days against a target of 20 days. The service has seen a significant increase in new claimants. There are now over 30,000 claimants for Council and Housing Tax Benefit compared to 28,000 last year, a sign that the recession has deepened in the first half of 2011. Whilst not every new claimant is unemployed many are claiming due to change of circumstance; reduced hours loss of income etc. Despite the increase in volume, the backlog of new claims has been cleared. This improvement is a real achievement given the fact that the service is currently going through the restructure process. It is however anticipated that the restructure and term time will begin to impact on performance over the coming weeks.

NNDR performance for June collection rates stood at £31,101m (36.17%) against a target of £31,647m (36.81%) a shortfall of 0.64% or £545,773. It is fully expected that performance will improve from July onwards when the impact of changes to Small Business Rate Relief will be felt. Council Tax collection is above target. Cumulative collection at the end of June stood at £24,746m (26.62%) equating to 0.05% or £55,106 above the target of £24,691m (26.57%).

Customer Services are performing well and on budget in spite of the distractions of the major restructure of the team currently underway. Overall customer interactions for the quarter are up on last year due to the team now handling all Car Park and residual Cashiers face to face customer work. The average phone wait to be answered is now just 21 seconds, down from over 30 seconds last year due to utilising our new telephony system features. There has been a surge in the levels of formal Data Protection Act requests to Children and Young People. This has resulted in a dip in performance with 48% of requests being processed within 40 calendar days of receipt by the council against a target of 68%. Alternative ways of responding to demand are being explored by the customer relations teams

HR has developed a new Capability Policy and Managing Attendance Guide. Sickness thresholds are reduced to 5 days at which point managers are to pro-actively monitor and manage employee's attendance levels. HR continue to support services to address high staff sickness levels.

The Council has set a target of 6 working days per FTE. Sickness levels for Corporate Support are currently 11.64 working days per FTE for the last rolling 12 months, which is a decrease of 0.16 days per FTE from the previous month. The council wide sickness statistics excluding schools staff are 12.59 days per FTE for the last rolling 12 months.

Both indicators measuring agency spend and establishment are currently well within corporate tolerances.

10.2 Delivery Plan Update

Corporate Support Services has direct Delivery Plans totalling 2.360m for 2011/12. The table below shows the summary position by Red Amber and Green rating (RAG). The detailed Delivery plan is attached as Appendix C

Service	Red £000	Amber £000	Green £000	Total £000
FAE/Customer Services	0	450	650	1,100
HR	350	0	50	400
Democracy & Gov.	430	0	80	510
ICT	200	100	0	300
Senior Management	50	0	0	50
Total	1,030	550	780	2,360

There has been slippage in some delivery plans. However, overall progress is encouraging with either some plans being bought forward or alternative actions put in place. This is reflected in the end of year forecast for the department which, at this stage, is only showing a marginal overspend of £0.210m.

Cross Cutting Delivery Plans

In addition to the above there are indirect (cross-cutting) Delivery Plans within Corporate Support totalling £3.016m to be achieved through savings across the Council. The plans are being driven by Theme groups comprising of cross departmental representatives led by the officers named below. Examples include:

- Delivering the accommodation strategy
- Driving savings from strategic procurement and
- Negotiating revised terms and conditions across the council

Service Lead	Red £000	Amber £000	Green £000	Total £000
FAE	0	2,096	0	2,096
Customer Services	0	100	0	100
HR	770	0	0	770
Democracy & Gov.	50	0	0	50
Total	820	2,196	0	3,016

10.3 Risks and Issues

- Delivery of the cross cutting delivery plan on negotiating revised Terms and Conditions for staff remains a risk until the three main Unions have signed the relevant agreement;
- Challenge of improving support services whilst managing down spend and meeting delivery plan savings targets;
- Capacity within the department to support the Council's change agenda and challenging financial targets
- Ensuring that expertise is retained throughout the service and redundancy costs are minimised
- Accommodation Strategy – risk of not achieving required revenue long term savings through delays in obtaining a long term solution for the future of the Civic Centre.
- Any delay in the implementation of the new Customer Relationship Management system will delay the move of services into the Customer Service team and subsequent cross cutting delivery plan.

10.4 Medium Term Issues

Significant investment in ICT is still needed in order to facilitate much of the transformational change required across the council. Progress has been made through the accommodation strategy, but key initiatives such as an Electronic Document Records Management and a replacement payroll system will be critical moving forward.

The continued trend in Schools converting to academy status will have a significant impact on corporate support. The department will need flexibility in order to scale down services and overheads should less schools commission our services.

On-going economic issues could lead to a sustained increase in Benefits claimants, increasing workloads for a team that has reduced in size. In addition uncertainties about Universal Credit and the future delivery of benefits and the shape of NNDR reforms will hamper future planning. Customer Services transformational change to provide cost effective service and to facilitate cross cutting efficiencies is dependent on the adoption and implementation of our single Customer Relationship Management system - Microsoft Dynamics.

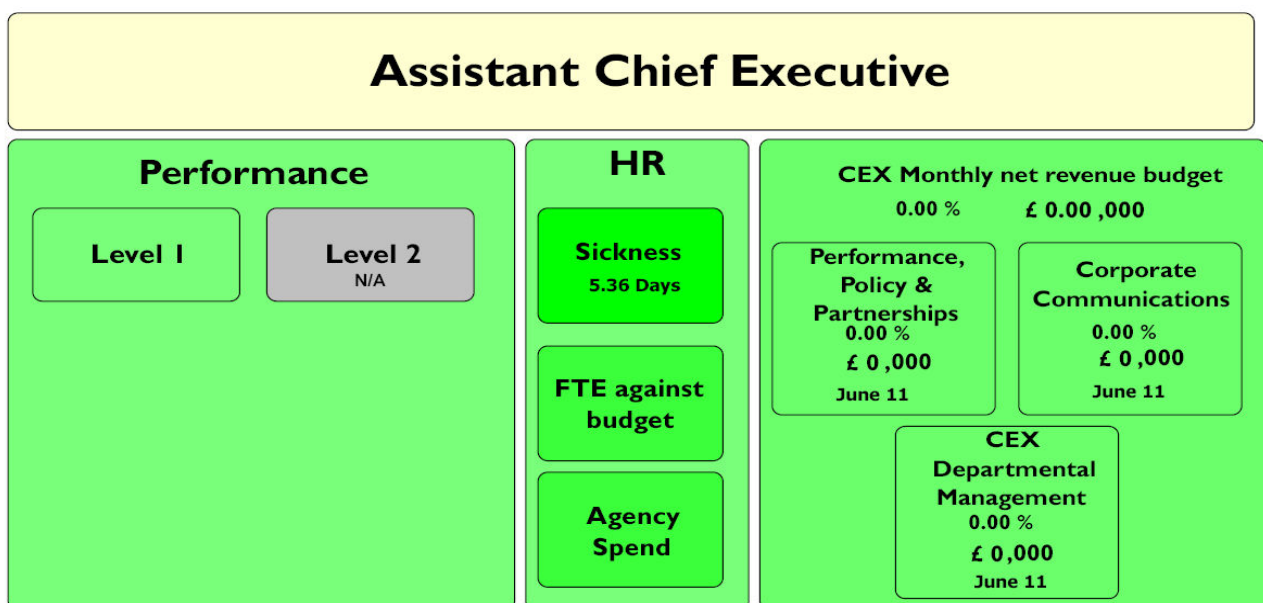
10.5 Invest to Save

Accommodation Strategy - The project is progressing well with several vacated premises generating £350k savings to date. On-going delays around the future of the Civic are not helpful at this time.

Procurement Category Management – we are now engaged with our advisors Agilysis and workshops and meetings with key personnel and DMTs are well progressed. A budget benefit realisation mechanism has now been approved by CMT.

11. Chief Executive

11.1 Scorecard - General Fund Revenue Forecast is balanced budget



Responsible Officers: Ian Gallin, Giles Perrit, Richard Longford

The overall position in Chief Executives is currently forecast to budget. No variations are reported at this stage.

Monitoring to date within the Civil Protection Unit has however flagged that there may be a future favourable variation due to increased fees and charges, and this will be confirmed and reflected in the monitoring position once the new charging process is established.

Performance & Policy units across the Council are being merged into one unit within Chief Executives as part of a delivery plan, progress on this is reported below.

11.2 Delivery Plan Update

Chief Executives has a total Delivery Plan of £0.4m for 2011/12. The table below shows the summary position by Red Amber and Green rating (RAG).

Service	Red £000	Amber £000	Green £000	Total £000
Performance & intelligence	0	100	0	100
Consultation	0	100	0	100
Corporate Subscriptions	0	100	0	100
Printing, publicity & Advertising	100	0	0	100
Total	100	300	0	400

11.3 Risks and Issues

- The main risk at this stage is within the Printing, publicity and Advertising delivery plan which is currently RED and is awaiting confirmation of savings from other council departments.
- Any delay in the completion of the restructure would reduce the savings achieved in the current year.

11.4 Medium Term Issues

- Civil protection unit talks are still ongoing with regard to the peninsular wide unit

12. Corporate Items and Cross Cutting Issues

Revenue budget forecasted out-turn

- 12.1 No variation is currently forecast on the corporate items budget. This area contains a challenging target to deliver just under £1m of savings from treasury management activities, and whilst there have been some favourable one off items during the first quarter, the ability to achieve significant returns from our cashflow investments are impaired by continuing low interest rates. The Treasury Management Board is still focussed on delivering a break even budget at year end.

Capital Financing Budget /Treasury Management

- 12.2 The Council continues to make use of temporary short term borrowing to meet cash flow needs. At the 30 June '11, the Council's borrowing stood at £261.408m. All borrowing activity during the year has remained within the approved borrowing limits. Investments stood at £162.109m. The average rate on deposits taken in the period 1 April 2011 to 30 June 2011 was 1.1737% compared to a target rate for new deposits in the year of 1%. All investment activity has been undertaken in accordance with the approved investment strategy and counter party limits.
- 12.3 The Treasury Management Board continues to meet regularly to discuss the actions in respect of borrowing and investments in accordance with the approved strategy. At the end of June '11, savings of £0.167m had been achieved from investment activities. Future proposals being considered to achieve the overall £1m savings target include:
- **Debt rescheduling-** rescheduling can result in either a premium (adverse) or discount (favourable) payment depending on movements in interest rates, either of which are required to be spread across years based on the remaining term of the rescheduled loan. Interest rates are monitored daily, both by Council officers and our Treasury Management advisors Arlingclose seeking the most appropriate time to reschedule debt to gain the maximum benefit over the short to medium term. Conditions during the early part of 2011/12 have not yet indicated an optimal time for rescheduling;
 - **Investments-** During the first quarter, all investments continue to be made in call accounts or fixed term deposits with institutions on the approved counter party list. The Treasury Management Board, in conjunction with Arlingclose is currently considering options for investments in a range of instruments, including money market funds.
 - In 2009/10 the Council made an impairment adjustment in its accounts relating to the **Icelandic bank** investments using an approved capitalisation adjustment. The impairment assumes interest will continue to be accrued on anticipated recoveries over the next few years. A sum of £0.324m was transferred to the Icelandic bank reserve in 2010/11 in respect of accrued interest. The anticipated repayment of Icelandic bank investments is now looking more favourable than 12 months ago. We therefore might not require the full amount in the reserve.

Icelandic Bank Update

- 12.4 The Council continues to receive regular dividend payments in respect of its investment in Heritable bank, with the following dividends received so far in 2011/12:

	Principal £000	Interest £000	Total £000
April 2011	187	10	197
July 2011	122	6	128

This brings the total amount recovered to date to £1.812m (60.42%).

- 12.5 Investments in Landsbanki (£4m) and Glitnir (£6m) remain subject to court proceedings. The Council is expecting its claim to be heard by the Icelandic Courts in September 2011. Based on the test case hearings, the Council is hopeful that its claims will receive priority creditor status and 100% of monies in Glitnir will be recovered, with recovery of money in Landsbanki at 95%. The Council working with Bevan Brittan solicitors and the LGA continues to actively pursue the recovery of its total investments.

Contingency

- 12.6 Standard practice is to set a revenue contingency budget which is held within Corporate Items. For 2011/12 this is £0.500m and, at this stage, although there are no commitments against contingency, it is assumed that the budget will be used in full during the year.

Budget Virements

- 12.7 The Council's net budget requirement was set by Council at its meeting on 28 February 2011 at £208.237m. Amendments to this overall budget can only be made by Full Council. During the year there will be several movements in budget allocations across services/departments as part of the delivery of the day to day business of the Council. Movements in the budget are continually tracked and an audit trail held for budget control purposes. In addition, Financial Regulations require all budget virements in excess of £100,000 to be approved by Cabinet.
- 12.8 Cabinet are now requested to approve the budget virements detailed in Figure 9. All of these virements balance to zero with the overall council net revenue budget remaining at £208.237m

Figure 9 – Virements for Cabinet Approval

	Reallocate Corporate Action Plans	Disaggregate Business support/policy units	Grant Carry forwards	Other Virements*	Total Virements
	£000	£000	£000	£000	£000
Children & Young People Services	(350)	(163)	938		425
Community Services	(450)	(701)	736	151	(264)
Corporate Support	(1,100)	548	70	(151)	(633)
Development and Regeneration	0		759		759
Chief Executive	0	163	567		730
Corporate Items	1,900	153	(3,070)		(1,017)

A brief explanation of these virements is as follows:

Corporate Action Plans

- 12.9 Following the final grant settlement for 2011/12 there was a need to identify further budget delivery plans. Many of these were crosscutting and in terms of setting the budget at Council were held in corporate items. Responsibility for implementation of these delivery plans has now been allocated to specific Directors and the savings target transferred accordingly.

Disaggregation of Business Support

- 12.10 The Chief Executives delivery plan contains an action to deliver a new Corporate Policy and Performance service. This involves the transfer of functions, budgets and staff from both Children's Services and Community Services business support and strategy units to the Chief Executive department. Further transfers will be made over the next few months as the policy and performance restructure proposals are implemented and staff are appointed to the new structure.

Grant Carry forwards

- 12.11 As part of the new IFRS Statutory accounting arrangements, any unspent, (but committed), grant income at year end was carried forward via the earmarked reserves mechanism. These grants have been released back to the departments for 2011/12, effectively increasing expenditure budgets. The equivalent reserve transfer is currently accounted for in corporate items.

Other Virements- Links budget

- 12.12 This budget was originally formed under the Area Based Grant regime. The expenditure budget has traditionally been held within Corporate Support (procurement team) but the function has been delivered by adult social care staff. The budget is now being transferred to the responsible service manager.

Insurances

- 12.13 Cabinet were advised on 8 March 2011 that the revised insurance contract would result in savings of approximately £0.408m in the current year, although an element of this related to schools. Approval was given to earmark £0.250m of the savings to meet the costs of potential additional claims as a result of the higher excess on the liability programme.
- 12.14 Insurance budgets and premiums are reallocated across departmental budgets. Therefore over the next few weeks the savings on service budgets will be clawed back from departments and held within corporate items pending the annual review of reserves and provisions at year end.

Working Balance

- 12.15 The Council's working balance stood at £11.518m at 1 April 2011. This equates to 5.2% of the Council's net revenue spend for 2011/12 and remains in line with the medium term financial strategy to maintain a working balance of at least 5%.

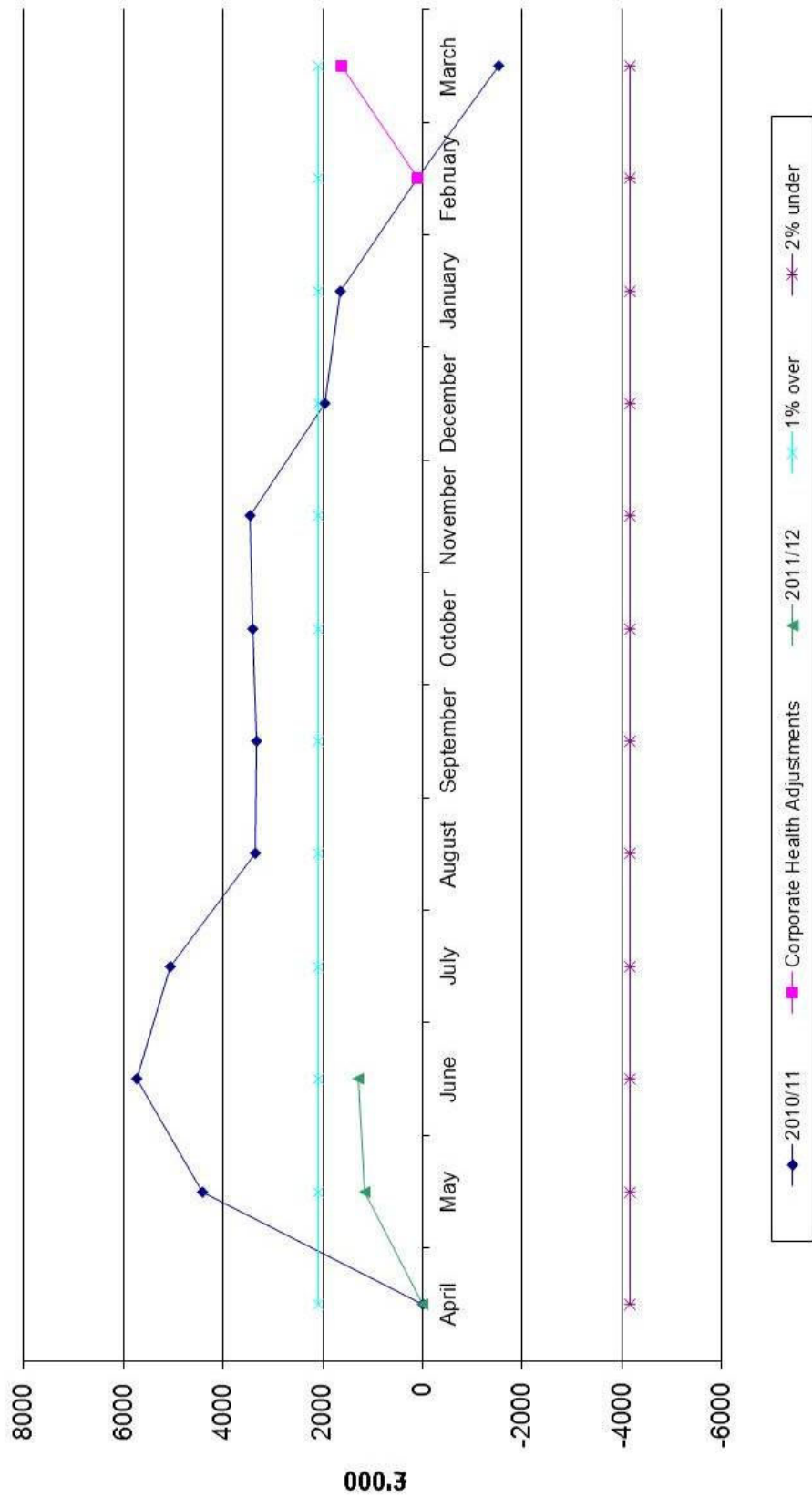
Recommendations

4. The budget virements as detailed in Figure 9 be approved by Cabinet
5. Approve that savings in the insurance premiums be clawed back from departmental budgets and held in corporate items pending the annual review of reserves and provisions.

SECTION E - CONCLUDING REMARKS

- 13.1 2011/12 is the first full year of significant public sector funding reductions under the new Comprehensive Spending Review. The council has prioritised reduced funding in order to continue to protect front line priority services.
- 13.2 In total, the council has embarked on £15.642m of revenue budget delivery plans for the current year. Where possible, we have engaged in cross departmental officer groups to generate significant spending reductions in areas such as accommodation, business support and procurement.
- 13.3 Despite reduced funding, the council remains committed to improving services and has revised its performance management framework to ensure that key focus is maintained on performance measures that contribute most towards the council and wider city's priorities.
- 13.4 There are no critical issues to report on finance this time around, although there are some areas of variance within individual departments that require close scrutiny.
- 13.5 Revenue budgets are currently forecasting an end of year overspend of £1.2m. Departments will continue to bring forward new delivery plans in order to address this overspend.
- 13.6 The council still has an ambitious capital investment programme. With the inclusion of £19.1m for two academy schools, the 2011/12 projected capital spend is in excess of £102m.

General Fund Monitoring Comparison 2010/11 & 2011/12



Capital Programme - New Schemes, Variations and Re-profiling

£000	£000	£000	£000	New Schemes for Approval
11/12	12/13	13/14	14/15	
140				<u>Aiming High for Disabled Children</u> – These projects will contribute to the enhancement and improvement of the short break experience of disabled children and young people.
50	700			<u>Capitalised maintenance works to West Hoe Pier</u> – this proposed project could be undertaken in Spring 2012, after undertaking preparatory works comprising site investigation, design and contract arrangements in advance during the last quarter of the 2011/12 financial year.
2,135				<u>Purchase of replacement refuse vehicles</u> – It is proposed to purchase 15 new vehicles at an estimated cost of £2.135m which will replace the need to hire in externally owned vehicles. The revenue savings from this will be available to repay the unsupported borrowing required to purchase the vehicles and are estimated to generate net savings of at least £0.5m (excluding residual vehicle values) in total over 5 years. It will also give the council flexibility over its management and retention of these owned vehicles after the initial assumed useful life of 5 years.
65				<u>Honicknowle Multi Use Games Area (MUGA) and Plan Hub</u> – Provision of a MUGA at the open green space opposite Stirling House on PCC owned land and relocation of the existing play equipment. PCC is to take on accountable body status on behalf of Honicknowle Commnet.
50				<u>Neswick Street (Stonehouse) Play Area</u> – Refurbishment of the PCC owned Neswick St Play Park. PCC is to take on accountable body status on behalf of Friends of Wyndham Square (FofWS).
13				<u>Radford Quarry</u> – Improvements to the car park at Oreston Recreation Ground.
14				<u>Russell Avenue Tennis Courts</u> – Improvements and upgrading of existing tennis courts.
35				<u>Brickfields Athletics Stand</u> – Urgent work is needed to bring the stand up to the required Health & Safety standards before the site is passed to Everyone Active to be managed.

APPENDIX B

£000	£000	£000	£000	New Schemes for Approval
11/12	12/13	13/14	14/15	
160	398			<u>Saltram Countryside Park - Phase 1</u> - Approval of phase 1 of Plym Valley works at Saltram which is 100% funded by displaced New Growth Point grant. Phase 1 (£0.558m) works will be used as match funding to support a wider scheme of works in the Plym Valley likely to be in the region of £6.5m and part funded from Heritage Lottery Funding (for which a phase 1 bid is being submitted later in 2011) Phase 1 works will include improvements to entrances at Marsh Mills and the Ride, and new routes in from Plympton St Maurice. Phase 2 works at Saltram will be included in the Initial Project Proposal for £6.5m Plym Valley works.
50	81			<u>Finnigan Road Junction</u> - part of the overall Plymouth Connect project to provide a strategic cycle network.
50				<u>CCTV Car</u> - part of the overall Plymouth Connect.
	91			<u>Exeter Street University Cycle Path</u> – part of the overall Plymouth Connect project to provide a strategic cycle network.
	4			<u>Wayfinding Signage</u> – part of the overall Plymouth Connect project to provide a strategic cycle network.
		161		<u>Friary Park Path</u> – part of the overall Plymouth Connect project to provide a strategic cycle network.
		868	1,542	<u>Laira Rail Bridge</u> – part of the overall Plymouth Connect project to provide a strategic cycle network.
89				<u>Royal Parade Pedestrian Crossing</u> - Works proposed following the inquest into the fatality on the crossing in 2010.
2,851	1,274	1,029	1,542	New Schemes for Approval

APPENDIX B

£000	£000	£000	£000	Reprofiling / Other Variations for Approval
11/12	12/13	13/14	14/15	
(367)	367			<u>Corporate Property (Accom Strategy)</u> – Phase 1
(827)	1,327	(500)		<u>Corporate Property (Accom Strategy)</u> – Phase 2
91	(91)			<u>School Condition Works</u> – Profile changes for schemes that are proceeding in advance of original plan.
(852)	852			<u>Material Recycling Facility</u> - Reprofiting of the M.R.F project, for which latest proposals are now due to be reported to Cabinet in September within the “Waste Options” paper.
(164)	(164)	(114)		<u>Strategic Housing reduction in salary capitalisation</u> - This reduction removes all revenue funding of Capital from the Strategic Housing capital programme 2011 - 14.
110				<u>Strategic Cycle Network</u> - PCC has been successful in securing a further £110k grant for cycling improvements which increases the approval for this project in 2011 – 13 to £0.92m.
117				<u>Mayflower Steps</u> - Project approved to increase Highways capitalised maintenance budget by £0.117m to allow for works on Mayflower Steps. These works are funded from an Environment Agency grant.
(343)				<u>City Market Electrical Refurbishment</u> – Updated information has now resulted in a revised cost for this project of £600k from the original £1m. This forecast meets operational needs which will result in revenue budget savings & address health and safety concerns.
20				<u>Henderson Place / Melville Rd refuge Islands</u> - Use of S106 receipts to satisfy legal obligation to provide refuge islands at specified locations.
33				<u>Classroom improvement works</u> – funded by S106 receipts and revenue contributions.
(2,182)	2,291	(614)	0	Total Reprofiting / Other Variations for Approval

Balancing the budget : Areas for savings, efficiency gains or increase income	Delivery Plan Savings		Progress Update	
	2011/12	Budget		Revised
	£000	Risk		R/A/G
1 Transport: Cease concessionary transport, review Special School routes and develop a more flexible approach for Special Educational Needs Transport from Sept '11	280	A	Transport Policy changes re cessation of Concessionary fares on track for implementation from Sept 2011. However, these changes will only produce a part year saving. Further alternative options are being explored to bridge shortfall.	A
2 Locality Restructure	100	A	Already achieved - secondment ceased. Post remain vacant pending wider locality review.	A
3 Disability Service Restructure	70	A	On track - deletion of posts and use of grant	G
4 Review staffing requirements in the light of changes to statutory Special Educational Needs policies	0	A	Restructure of SEN Services planned as part of department restructure	A
LEARNER & FAMILY SUPPORT TOTAL:	450			
5 Equalities and Diversity reconfiguration	0	G	No action required for 2011/12. However, the service will be subject to a number of other DP's and a restructure that are being dealt with at DMT level	
6 Reduce Primary Advisory support	0	G		
7 Early Years - reduction in staffing	0	G		
LIFELONG LEARNING TOTAL:	0			
8 Recommissioning of placements years 0-24 in line with 'Diversion of Children From Care' PLAN	400	R	Cost and volume contract re-negotiated. In-house fostering recruitment assessments continuing. £0.260m market rate savings and £6k savings on existing frameworks. Performance scorecard developed to track Diversion of Children from Care strategy and this is reviewed each month so remedial action can be implemented as early as possible.	A
9 Staff reductions - Impact of reducing services	0	R	Supernumery posts (over establishment) now deleted and agency staff reduced. Permanent front-line staff recruitment under offer. Structures will contract in future years as the number of children in care is reduced whilst safeguarding is maintained	A
10 Secure Budget - Trends show that there has been a reduction in court ordered placements (£150k) Transport (£30k)	180	A	No secure placements used. However, the Home Office transfer of financial responsibility for young offenders remanded to the local authority may have an impact	A
11 Youth Offending Service - reduce PCC Contribution by 10%	50	G	Achieved realigning service - integrating preventative service with youth service	G
12 Review and reduce financial support and non statutory payments made to Care Leavers and review B&B	130	G	Achieved WEF 1/4/2011	G
13 Integration of various child care services - restructuring to deliver efficiencies	0	A	Intensive support service diverting children from care	A
CHILDREN SOCIAL CARE TOTAL:	760			

Savings delivered to Children & Young People by other budget delivery groups:

14	Performance and Intelligence: rationalise performance management, completion of government returns and data analysis across the council. 1/3rd of total planned savings applied to Children & Young People at this early stage of development	100	G	Informal staff consultation completed and restructuring is currently in progress	A
15	Administration & Business Support Review: Rationalise Business Support & Administration across the council. Includes savings generated from Care First project	220	A	Agreement to hold vacant posts pending formal restructure. Staff being surveyed.	A
16	Printing, Publicity and Advertising: challenge the current demand across the council and rationalise future publicity & advertising activity. Notional saving for department based on total council spend.	100	A	Budget reductions agreed and savings identified against cost centres. Actual spend to be closely monitored to determine level of savings achievable	A
17	Reduction in Senior Management: consistent with other departmental plan, objective of reducing senior management by 20%	50	G	Vacant posts identified for initial discussion and following Union consultation these have now been deleted	G
18	School Catering: Charge Schools for packed lunch catering arrangement* (Blue Collar Group)	60	A	Following confirmation of school lunch grant for 2011-12, work in progress to identify details and impact for affected schools	A
19	Area Based Grant reduction	350		EIG focus is shifting to prevention. EIG commitments reviewed and a programme of contract award is in place.	G
20	Early Intervention Grant reduction	1,700		Children's plan approved so now the remaining EIG can be targeted against priorities. Tendering and SLA's will be the next steps. Planned savings blocks on the EIG will target £2.005m savings which will contribute towards the ABG target DP20 above.	G
SAVINGS FROM OTHER DELIVERY GROUPS:		2,580			

TOTAL OF ALL DELIVERY PLANS: CHILDREN & YOUNG PEOPLE	3,790
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RAG RATING RULES
Green = clear plans in place / capacity to deliver identified / more than 50% of financial savings have already been realised
Amber = clear plans in place / capacity to deliver identified / clear milestones and project management arrangements identified / evidence of significant progress against these milestones
Red = no clear project plan / no milestones in place to evidence achievability of required revenue savings for 2011/12 and / or no clear capacity identified in order to implement the delivery plan.

Balancing the budget : Areas for savings, efficiency gains or increase income		Delivery Plan savings		Progress Update	Revised R/A/G
		2011/12	Budget		
		£000	Risk		
1	Domiciliary Care Services: remodel in house provision	342	A	Reablement business case developed. Risk re health and social care money to delivery	A
2	Supported Living: remodelling of services and standardisation of unit rates	262	A	Delivered or on track	G
3	Care Management Services: reviewing of high cost packages and alternative service provision	200	A	Delivered	G
4	Day Care: remodelling of services and standardisation of unit rates	164	G	Delivered or on track	G
5	Enabling and Floating Support: remodelling of services and standardisation of unit rates	463	A	Delivered or on track	G
6	Residential Care - Under 65: remodelling of services and standardisation of unit rates	570	A	On track	A
7	Workforce re-modelling: linked to CareFirst 6 and Charteris Business Process Re-design	320	A	On track. Risks to delivery around CareFirst 6 training and HR capacity	A
ADULT SOCIAL CARE TOTAL:		2,321			
8	Events, grants and other funds initiatives	140	A	The delivery plans continue to be worked through to achieve the required savings	A
9	Reduction in revenue support grants - Theatre Royal & Pavilions	120	A	On target saving realised. Pavilions site market test will provide greater clarity on way forward for achieving future year savings.	G
10	Library Service: modernisation of service.	370	R	Library service review is continuing. £380k savings on track through staff restructure along with other actions within the service.	G
11	Museum: restructure	50	G	Savings realised through restructure.	G
12	Transfer of assets: transfer of assets / facilities to local community ownership.	0	R	Not due to commence until 2012/13, but research underway	G
CULTURE, SPORTS & LEISURE TOTAL:		680			

Community Services Delivery Plans June '11

APPENDIX C

Community Services - Savings delivered through other Budget Delivery Groups:

13	Performance and Intelligence: rationalise performance management, completion of government returns and data analysis across the council. 1/3rd of total planned savings applied to Community Services at this early stage of development	100	R	Community Services Staff included in ringfence. Restructure currently in progress	A
14	Administration & Business Support Review: Rationalise Business Support & Administration across the council.		R	Community Services engaged in project proposals but no firm savings yet identified.	R
15	Printing, Publicity and Advertising: challenge the current demand across the council and rationalise future publicity & advertising activity. Notional saving for department based on total council spend.	100	A	Community Services engaged in project proposals but no firm savings yet identified.	R
16	Equalities: Transforming Translate Plymouth to self financing model and other reshaping of the service to reflect national changes, local priorities & deliver efficiency savings.	70	G	Post deleted and self financing model established. NHS have signed a short term SLA and negotiations over Longer Term SLA are looking positive.	G
17	Bulky waste: Increase bulky waste collection charge	15	G	The charges were increased on the 1st April 2011.	G
18	Management of Toilets: Transfer some public toilets from PCC to be maintained by others	200	A	Independent research into footfall is underway and a range of options will shortly be presented to Cabinet Planning	R
19	Playgrounds: Transfer some playgrounds to local community ownership	50	A	Dialogue with the community sector is underway and play spaces are being surveyed	R
20	Bowling Greens: Transfer some bowling greens to clubs / local community ownership	160	A	Plan to increase fees from April 2012 (Fee structure to be agreed), meetings with Bowling Clubs has taken place to discuss future options for alternative delivery models.	R
21	Cemeteries & Crematoria: increase fees above the rate of inflation	300	A	Charges were increased on 1st April 2011	G
22	Rationalisation of Environmental Services Structure	120	A	Completed. Posts removed from establishment by 1 April 2011	G
23	City water features: to be delivered by others	70	G	Annual maintenance was not undertaken however, a long term solution is still needed as water features are incurring cleaning costs	R
24	Reduction in Senior Management: consistent with other departmental plan, objective of reducing senior management by 20%	50	G	A range of options are currently being considered	A
25	Leisure Management Contract	250		The Leisure Management contract has now been awarded and will commence in February 2012 so there will be no savings in the current year. Full year savings will occur from 2012/13.	R
26	Review specialist placement spend	200		On track	A
SAVINGS FROM OTHER DELIVERY GROUP TOTAL:		1,685			
TOTAL OF PLANS FOR COMMUNITY SERVICES:		4,686			

RAG RATING RULES

Green = clear plans in place / capacity to deliver identified / more than 25% of financial savings have already been realised

Amber = clear plans in place / capacity to deliver identified / clear milestones and project management arrangements identified / evidence of significant progress against these milestones

Red = no clear project plan / no milestones in place to evidence achievability of required revenue savings for 2011/12 and / or no clear capacity identified in order to implement the delivery plan.

Development & Regeneration Delivery Plans June '11 Appendix C

Balancing the budget : Areas for savings, efficiency gains or increase income		Delivery Plan Savings		June '11	
		2011/12	Budget	Progress Update	2011/12 Revised
		£000	Risk		R/A/G
1	Family Intervention and Anti Social Behaviour: Review and rationalise the service to account for a total loss in Revenue Grant £682k	210	A	Saving to alleviate pressure achieved through reducing the service to fit the resources available in 2011/12, continuing to seek external funding, negotiating income from Registered Social Landlords £200k and EIG Grant £400k (£268k reduction from 2009/10). No sustainable solution identified for 2012/13 onwards.	G
2	Package of Transport Options: considering options for increased income and/or revised service provision. For example, subsidised bus fares, shop mobility, car park charges etc.	300	Risk	Savings identified to date: £130k from new concessionary fare repayment mechanism; £50k from Access Plymouth; £30k from Boat Moorings; £20k from income on S278/38 works. Shortfall in savings plans of £70k still being reviewed	A
3	Loss of Grant Funding: New Growth Points revenue grant removed (£1.02m). Replacement grant funding still requires further clarification	(1,020)	A	Already reduced expenditure/staffing to take account of lost grant as far as possible without adversely affecting growth agenda	G
4	Create a Growth Fund: creating a 'ring fenced' revenue growth fund from potential new revenue streams which are currently out to consultation and will become live from April 2011.	550	A	New Homes Bonus announced and ring-fenced through growth fund	G
	NEW Additional income to be achieved through new growth related revenue streams e.g. New Homes Bonus	300	A	New Homes Bonus announced and ring-fenced through growth fund	G
5	Economic Development: removal of remaining contribution to City Development Company.	200	G	Closure of the CDC delivered ongoing £200k saving, however, a CDC Legacy Fund working with the HCA and RDA has been created to support economic development activity	G
	NEW Additional income to be achieved through Fees and Charges	100	Risk	Department reviewing all fees and charges over and above those already built into the base budget and taking into account the difficult economic climate	R
DEVELOPMENT DIRECT PLANS TOTAL:		640			

Savings delivered to Development by other budget delivery groups:

6	Administration & Business Support Review: Rationalise Business Support & Administration across the council.	0	A	Department has already taken action to further reduce admin support in base budget of £66k.	A
7	Printing, Publicity and Advertising: challenge the current demand across the council and rationalise future publicity & advertising activity. Notional saving for department based on total council spend.	100	A	Department has already taken action to reduce service base budgets in these areas by £67k. Additional savings will be required to achieve this target and when identified during the year it is anticipated that the RAG rating will become green	R
8	Reduction in Senior Management: consistent with other departmental plan, objective of reducing senior management by 20%	0	G	Awaiting wider Corporate proposal but no impact on 2011/12	G
9	NEW Reduction in Senior Management: Accelerate implementation of senior management restructure	50	A	Awaiting wider Corporate proposal. Assumed to be effective from September 2011.	R
SAVINGS FROM OTHER DELIVERY GROUPS:		150			

TOTAL OF ALL DELIVERY PLANS FOR DEVELOPMENT:	790
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RAG RATING RULES

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Amber = clear plans in place / capacity to deliver identified / clear milestones and project management arrangements identified / evidence of significant progress against these milestones

Red = no clear project plan / no milestones in place to evidence achievability of required revenue savings for 2011/12 and / or no clear capacity identified in order to implement the delivery plan.

Corporate Support Services Delivery Plans June '11 Appendix C

Balancing the budget : Areas for savings, efficiency gains or increase income		Delivery Plan savings		Progress Update	2011/12
		2011/12	Budget		Revised
		£000	Risk	R/A/G	
1	Finance: further refinement of the staff structure	100	G	Modification to the structure concerning Finance Management Team restructure were presented to Unions in July '11 and formal consultation is currently in progress	A
2	Corporate Property: Management restructure and efficiency savings on Facilities Management	100	G	Consultation with the Unions completed in February 2011. 3 Posts were removed in June 2011 and the £100k 2011/12 savings have started to be realised.	G
3	Cashiers: Revise and refine the council's approach to cash collection	100	A	Cashiers closed. Combined with plans 4, 5 & 7. We are now midway through the restructure process and new structure will have full implementation from 1 November 11, with full savings coming on stream once staff have been through redeployment process.	G
4	Debt Management: better co-ordination of existing processes. Challenge the effective use of legal services / balifs etc	100	G	Cashiers closed. Combined with plans 4, 5 & 7. We are now midway through the restructure process and new structure will have full implementation from 1 November 11, with full savings coming on stream once staff have been through redeployment process.	A
5	Income Generation: increase selling of support services externally and explore the potential for advertising on corporate assets	50	A	Cashiers closed. Combined with plans 4, 5 & 7. We are now midway through the restructure process and new structure will have full implementation from 1 November 11, with full savings coming on stream once staff have been through redeployment process.	A
6	Audit Fee: Negotiate a reduction in external and internal audit scope and associated fees	50	G	Revised fee negotiated. Financial savings have been delivered. No FTE impact.	G
24*	Benefits Subsidy: Improvements to Housing Benefits subsidy claim to maximise income from benefit overpayments.	300	G	Joint work between finance and revs & bens has reduced our financial liability to DWP in respect of 2008/09 and 2009/10 claims. Improved processes to maximise HB subsidy claim. This financial saving is achievable based on current monitoring information.	G
7	Customer Services & Revenues & Benefits: integration of services, including Single Point of Contact & increased use of the Council website	300	A	Cashiers closed. Combined with plans 4, 5 & 7. We are now midway through the restructure process and new structure will have full implementation from 1 November 11, with full savings coming on stream once staff have been through redeployment process.	A
8	Human Resources: staff restructure (relies on e-transactions, shared services & investment). To include a review of Trade Union Facilities	50	G	5.2 FTE reduction July 2011 further savings to be achieved through SharePoint and a new payroll database	G
9	Training & Development: review the provision of training throughout the department / council	350	G	Saving target includes ICT training team (£250k). No clear plans in place for this delivery plan to date	R
10	Democratic Services: reduce the level of Civic engagements and restructure the democratic support service	200	A	2 posts advertised and filled and Admin Support reorganised which allows deletion of 2 vacant posts. Consultation to begin on deletion of posts - additional pressures through delay in approving new Constitution and Scrutiny structure after June '11	A
11	Legal Services: Restructure the service and reduce support in non-critical areas	230	A	Discussion with finance over rationalisation of debt underway but delays have adversely impacted on elements of budget savings. Legal Services are therefore revisiting its delivery plan to find alternative delivery methods.	A
12	Registration Service: challenge the structure and increase fees and charges	80	G	New fees and charges introduced, time lag due to advance bookings. Nationality checking being introduced as additional income stream.	G
13	ICT Support: Reduce support provided to departments and minimise duplication across the council (will need some ICT investment)	150	A	Requirements across the Council being gathered and alternative arrangements being analysed for some support services.	R
14	ICT direct costs: Reduce licence costs, lease costs, phone rentals, licences etc	100	G	Reduction in MS enterprise agreement being finalised to deliver required saving. Also currently tendering a Wan contract for the Council that is expected yield savings and improve connectivity across the Council. Around £30k of savings identified to date.	A
15	Data Quality Project. Reduction in duplication across different systems	50	A	Awaiting investment in dynamics and data matching software to be agreed. The savings from this investment will accrue across other departments from operational savings.	R
16	Senior Management: Reduce Senior management structure/ costs by 20%	0	G		G
16a*	Senior Management: Accelerate implementation of Sen Man restructure	50	A	Plans have been formulated and the full report is anticipated to be published for Sept '11	A
CORPORATE SUPPORT DIRECT TOTALS:		2,360			

Corporate Support Services Delivery Plans June '11 Appendix C

Publicly Cross-Cutting: Savings delivered on behalf of, or reliant on, other departments

2011/12

17	Procurement: Procure To Pay / Buyer roll out. Driving efficiencies out of external purchasing	850	A	Buyers now in place for Corporate Support, Community Services, Children's and Development - processes revised and updated. Beginning to realise financial savings. Savings vs target will be closely monitored throughout the year.	A
17a	Corporate Support: Procurement *	381	R	Added target as part of the 2011/12 final budget setting process in February 2011. Proposed contingency of £400k from 2010/11 end of year adjustments.	A
18	Customer Contact Centre: bring in services from other departments into contact centre. Improve service & reduce costs	100	A	Social Care complaints now successfully moved and finalising plan to move car park telephone queries progressing well. Implementation of Microsoft Dynamics CRM critical to moving other services - progress dependent on installation of latest version of Dynamics which is behind schedule.	A
19	Employee Terms & Conditions: review and revise Terms and Conditions across the whole council *	700	A	Initial Union ballot rejected by 2 out of 3 of the Unions. Re-ballot in June 2011 led to 3/3 acceptance. At time of publishing, all of the unions have yet to sign the agreement. £700k savings target at risk due to delay in decision.	R
20	Workforce Management: remove duplication with staff based within departments	70	G	Staff still within departments - next step requires moving resources into one co-ordinated organisational team	R
21	Print and Document Services (PADS) - consider options for future service delivery and/or increase productivity	0	R	Intending to undertake options appraisal back end of 2011/12. No financial or staff savings planned for next financial year	G
22	Accommodation Strategy Phase 1	715	A	Vacated several satellite offices generating £350k under phase 1 from actions to date. Risk of not achieving £750k in 2011/12 due to delay in selling the Civic. Bringing forward Phase 2 asset disposals to mitigate this risk.	A
	Phase 2 (additional)	150	A		A
23	Business Support: restructure across the Council - anticipated savings attributable to Corporate Support	50	G	This plan is aimed at saving significant sums of money across all departments through a comprehensive restructure of Business Support. No tangible plans in place as to how this will be achieved - hence assessed as 'Red'	R
CORPORATE SUPPORT INDIRECT TOTAL:		3,016			

TOTAL DELIVERY PLANS CORPORATE SUPPORT:	5,376
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RAG RATING RULES

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Amber = clear plans in place / capacity to deliver identified / clear milestones and project management arrangements identified / evidence of significant progress against these milestones

Red = no clear project plan / no milestones in place to evidence achievability of required revenue savings for 2011/12 and / or no clear capacity identified in order to implement the delivery plan.

Chief Executive Delivery Plans June '11

Appendix C

Balancing the budget : Areas for savings, efficiency gains or increase income	Delivery Plan savings		Progress Update	Revised
	2011/12	Budget		
	£000	Risk		R/AG
1 Performance and Intelligence: rationalise performance management, completion of government returns and data analysis across the council. 1/3rd of total planned savings applied to Chief Executives at this early stage of development	100	G	Formal consultation due to end 23 May 2011. Implementation expected to commence over the next few weeks. Budgets relating to posts in scope now need to be transferred from departments to CE.	A
CHIEF EXECUTIVE DIRECT PLANS TOTAL:	100			

Savings delivered on behalf of, or reliant on, other departments

2 Consultation: Better joined up / rationalised small team of dedicated consultation staff. Look at duplication between departments and ensure consultation activity is relevant and required	100	G	Forms part of the P&P restructure above. Currently out to formal consultation	A
3 Corporate Subscriptions: challenging the need for subscriptions to professional organisations. Joining up subscriptions and/or removing non essential spend.	100	G	Departments requested to submit business plans. These indicate a substantial saving compared to previous years could be achieved in 11/12, exceeding budget targets but some departments are yet to respond. These savings will not be directly cashable. Final position will not be known until year end but will be monitored during the year.	A
4 Printing, Publicity and Advertising: challenge the current demand across the council and rationalise future publicity & advertising activity. Notional saving for department based on reducing 25% of total council spend.	100	A	Agreement needs to be reached on how savings are removed from departments. Savings are being driven out by the new process for approving publications but this will not deliver the corporate savings of £400k. To be raised/discussed at SMT	R
CHIEF EXECUTIVE INDIRECT PLANS TOTAL:	300			

TOTAL OF ALL DELIVERY PLANS FOR CHIEF EXECUTIVES:	400
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RAG RATING RULES
Green = clear plans in place / capacity to deliver identified / more than 50% of financial savings have already been realised
Amber = clear plans in place / capacity to deliver identified / clear milestones and project management arrangements identified / evidence of significant progress against these milestones
Red = no clear project plan / no milestones in place to evidence achievability of required revenue savings for 2011/12 and / or no clear capacity identified in order to implement the delivery plan.