

CITY OF PLYMOUTH

Subject: Performance and Finance Report (including Capital Programme update)

Committee: Cabinet

Date: 15 November 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 304942
e-mail: david.northey@plymouth.gov.uk
patrick.hartop@plymouth.gov.uk

Ref: fin/djn1111

Key Decision: No

Part: 1

Executive Summary:

This report is the second monitoring report for 2011/12 and outlines the performance and finance monitoring position of the Council as at the end of September 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, as per the previous quarter, continues to have no highly critical issues. In fact, it should be noted that 45% of our performance indicators monitored in year are on track, with a further 31% just off track. Therefore, despite the difficult circumstances we are currently facing, we can report 76% of our performance indicators are there or there about on target.

Examples of positive outcomes include:

- The America's Cup World Series event has been officially hailed a huge success.
- Delayed Transfers of Care continues to perform strongly
- Learning Disability and Mental Health targets are improving

- National Non Domestic rate collection (NNDR) is above target
- Council Tax collection rates remain strong at 54.04%
- Eastern Corridor Phase I is scheduled to complete 1st November

Areas requiring close scrutiny are:

- Serious acquisitive crime is a concern, although we continue to perform well when compared to similar cities in our family group.
- There are increasing numbers of 16 -18 year old young people who are not in Education, Employment or Training (NEET).
- Numbers of children in the Residential and Independent Sector Foster Care are currently not meeting the 2011/12 targets.
- The cumulative average time to process new Housing and Council Tax Benefit claims is currently 28.9 days against an annual target of 20 days. Performance has slightly improved since the first quarter when it stood at 29.7 days.

As stated in the first quarter report, 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 remains at its lowest for the past few years; the UK economy is dependent on the success of its European trading partners; much now depends on the success of the agreement drawn up by European Leaders to bail out failing national economies and underpin the future of the Euro. 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 - Revenue

The Council is forecasting a revenue overspend at year end of £0.569m (previous report £1.294m) against a net revenue budget of £208.237m (0.3%).

The main variations relate to Community Services, forecasting an over spend of £0.755m, although this has improved by £0.218m in the three months from June 2011, and represents 0.7% of the £108.7m budget. This reflects increases in supported living packages across the Adult Social Care service, with some continuing healthcare funded cases becoming the Council responsibility in the Learning Disability Service. The service continues to focus on scrutinising all spend and managing down expensive packages of care, in particular targeting the Learning Disability Service. Progress is scrutinised and challenged through the ASC Programme Board.

All other departments also show an improvement in their costs over the three month period.

Good progress has been made against the £15.742m revenue delivery plans set for 2011/12. Where there has been slippage in implementation, Directors have brought 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.

During the last three months, CMT has undertaken a full review of all Council reserves; working balance; reserves; and provisions. As a result, this report includes a recommendation to transfer some small, un-used balances into the revenue “invest-to-save” reserve which was created last year. There is a further recommendation to allocate this increased reserve to ICT investment and road repairs.

Finance summary - Capital

Following approval at Full Council in October 2011, the Capital Programme for the year was increased through approved new expenditure of £3.247m. Projects included the purchase of Plymouth Argyle Football Ground for £1.681m; Refurbishment of Armada Way Toilets for £0.500m; School projects for £1.066m. However, with further schemes and re-profiling being recommended to the next Full Council, the projected Capital Spend for 2011/12 reduces to a proposed £85.679m. The main variation reflects updated profiling of forecast expenditure on the two Academy Projects, which were initially assumed to be delivered during 2011/12.

Through this report, we are seeking approval to merge the monies held in the Capital Receipt Reserve into the regular capital receipts programme. This will allow additional, already approved, capital schemes to be funded from capital receipts rather than unsupported borrowing, which will relieve pressure on revenue funding.

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. Approve the variations to capital spend and re-profiling as detailed in Table 5
2. Cabinet recommend to Full Council the new capital schemes for investment as detailed in Table 6 amounting to £0.128m additional capital spend for 2011/12 and £1.795 for future years
3. Approve the consolidation of the Capital Receipt Reserve balance of £19.056m into the regular capital receipts programme.
4. Approve the budget virements as detailed in Table 8 of the report
5. Approve the consolidation of unrequired reserves, value £0.462m into the Invest-to-Save reserve.
6. Recommend to Full Council that the revised Revenue Invest-to-Save reserve be allocated £1.3m to the provision of an ICT Data Centre at Windsor; £1.3m to road repairs in the city,

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
 - Joint Performance and Finance Report – August 2011
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Sign off:

Fin	MC111 2.016	Leg	TH0029	HR	MG	Corp Prop		IT		Strat Proc	
Originating SMT Member M Coe											

Plymouth City Council
Performance and Finance Monitoring – 2011/12
Quarter 2 to 30 September 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 and revenue reserves. This is the second quarterly report of the year, and the period of this report covers April to the end of September 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*

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.

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		Overall rating is up to 15% off target
	Overall rating is more than 15% off target		No data available. Baseline data and targets are yet to be agreed
	No indicators set for this service		

2nd quarter performance headlines

2.3 Some of the key points raised in the scorecard narrative are:

Community Services

2.4 Serious acquisitive crime remains a concern. At the end of September 2011 we have recorded an increase of 19% (237 more crimes) compared to the same period the year before; this means we are currently missing the target to reduce crime levels. Despite this concerning performance we continue to perform well when compared to similar cities in our family group.

2.5 Delayed Transfers of Care continue to perform strongly. Adults with Mental Health problems, Supported to Live Independently is above target. Both Learning Disability and Mental Health targets are improving and this is expected to continue as it is dependent on review activity which will increase in the latter part of the year.

2.6 Self-Directed Support/Direct Payments are slightly below target in September. However the implementation of Phase 3 of the Carefirst upgrade necessitated considerable 'time out' from front line duties for Proof of Concept staff during August which will have impacted on performance. Performance will be kept under close review to minimise further slippage.

Children's Services

2.7 Numbers of children in the Residential and Independent Sector Foster Care are currently not meeting the 2011/12 targets. The additional financial pressure this presents is being eased by under-spend in in-house placements and the reduction of average cost for these placement types through competitive commissioning.

2.8 Following a slow start to the year greater numbers of 'Common Assessments' are now being undertaken and as Locality working develops the year-end target is expected to be achieved.

2.9 There are increasing numbers of 16 -18 year old young people who are not in Education, Employment or training (NEET). Through extensive research a greater understanding of risk factors that make individuals more vulnerable to being NEET has been gained. This will inform the specification of the Career South West contract for 2012-13.

Corporate Support

2.10 National Non Domestic Rates (NNDR) collection is above target at the end of September, standing at 65.85% against the in-year target of 60.65%.

2.11 Council Tax collection narrowly missed the in-year target during this period, recording 54.04% against a target of 54.28%

2.12 Sickness absences continue with a downward trend towards the Council's target of 6 days per FTE. New policies and procedures, as well as a focus on employee health are having the desired impact.

2.13 The cumulative average time to process new Housing and Council Tax Benefit claims is currently 28.9 days against an annual target of 20 days. Performance has slightly improved since the first quarter when it stood at 29.7 days.

The new structure in the Revenue and Benefits department takes effect from 1 November; this will have a clear focus on driving service improvement.

Development and Regeneration

- 2.14 The America's Cup World series event has been officially hailed a huge success, with an estimated 115,000 visitors through the seven days of racing. There were over 1 million hits on the YouTube site covering the racing from the city showing the waterfront and Hoe in the most spectacular environment possible.
- 2.15 The first phase of the Eastern Corridor transport improvement scheme is scheduled to be completed on 1st November. The changes will significantly cut congestion and improve traffic flow in the East End. This will make an important contribution to easing accessibility across the city.
- 2.16 The first edition of Plymouth's Economic Review shows that over the long term, the city's economic performance has tended to fall behind the national average, but there were signs of improvement in the years leading up to the recession of 2008/9.

Chief Executive

- 2.17 A period of public consultation is being planned for the Council's budget plans 2012/13. 'Priorities Our Pounds' will run between 11th October and 7th November.

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%) was forecast. At the end of September 2011, this forecast overspend has now reduced to £0.569m (0.3%). Table I below shows the forecast year end position across departments.

Table I- End of year revenue forecasts

DIRECTORATE	Council Approved Budget Feb '11 £000	Latest Approved Budget £000	Latest Forecast Outturn £000	Monitoring Variation June 2011 £000	Monitoring Variation Sept 2011 £000	Movement in Quarter £000	
CHILDREN AND YOUNG PEOPLE	49,383	49,236	49,070	(66)	(166)	(100)	-0.3%
COMMUNITY SERVICES	109,180	108,710	109,465	973	755	(218)	0.7%
DEVELOPMENT & REGENERATION	17,073	17,988	18,057	177	69	(108)	0.4%
CORPORATE SUPPORT	27,400	27,814	27,833	210	19	(191)	0.1%
CHIEF EXECUTIVE	1,508	2,492	2,384	0	(108)	(108)	-4.5%
CORPORATE ITEMS	3,693	1,997	1,997	0	0	0	0.0%
GENERAL FUND BUDGETS	208,237	208,237	208,806	1,294	569	(725)	0.3%

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

3.2.1 Children & Young People:

There are no major adverse variances forecasted at this stage. The forecast underspend is a result of early implementation of future year delivery plans in LifeLong Learning.

3.2.2 Community Services:

Adult Social Care is forecasting an over spend of £0.750m with on-going pressures within learning disabilities and older peoples mental health. We have seen increases in supported living packages across the service with some continuing healthcare funded cases becoming the Council responsibility in the Learning Disability Service. The service continues to focus on scrutinising all spend and managing down expensive packages of care, in particular targeting the Learning Disability Service.

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. £0.070m of the cost of the America's Cup event managed by Economic Development will be met from the 2012/13 Leisure Budget; therefore the Department is expected to overspend by this amount in 2011/12. The major improvement in the quarter is the projected £0.100m saving against the Waste Management project.

3.2.4 Corporate Support:

There have been delays in implementing the staff restructure within Democracy and Governance Services. However the resultant over spend has been offset by other savings. Restructures across Revenues and Benefits, Customer Services and changes in Finance Management have resulted in Delivery Plan targets being exceeded for 2011/12.

3.3 **Delivery Plan Update**

In setting the budget for 2011/12, departmental delivery plans totalling £15.742m 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

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

DIRECTORATE	Total Delivery Plans	Red	Amber	Green
CHILDREN AND YOUNG PEOPLE	3,890	60	1,360	2,470
COMMUNITY SERVICES	4,686	830	810	3,046
DEVELOPMENT & REGENERATION	790	250	300	240
CORPORATE SUPPORT	5,376	120	2,526	2,730
CHIEF EXECUTIVE	400	100	300	-
CORPORATE ITEMS	600	295	-	305
Total Delivery Plans	15,742	1,655	5,296	8,791
% Total Delivery Plans	100.0%	10.5%	33.7%	55.8%

Overall, progress against this challenging agenda is encouraging, with just under 90% of plans rated as Green or Amber status. A detailed breakdown, by department can be seen at **Appendix C**.

We must continue to work on achieving all of the delivery plans for the current year, not only to achieve our budget for the year, but also because the majority of the current plans roll forward and underpin the budgets for the coming two years.

CMT are holding Budget Challenge Sessions by Directorate to review current and future plans. Cabinet Members must also continue to challenge all Directors.

4 Income Summary

- 4.1 As previous reported, continuing to improve income collection rates 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 September 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	54.3	54.0	96.1	96.5
NNDR	£86m	60.7	65.9	97.3	97.5
Sundry Debt	£61m	95.0	93.0	92.5	95.0

- 4.3 We are confident, given the current performance of collection rates for both Council Tax and NNDR that the year-end target will be achieved. However, Sundry Debtor collection rates are currently (marginally) 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.

5. Capital Programme

- 5.1 In the quarterly report June 2011, the 2011/12 Capital Programme stood at £102.975m. Following approval of new schemes at Full Council in October 2011, the current capital programme for 2011/12 is **£106.222**.

This increase of £3.247m is shown in Table 4. The table also sets out the additional schemes approved for our Capital Medium Term Financial Forecast (MTFF) which cover the period to 2014/15.

Table 4 – Schemes Approved at July & October Council Meetings

£000	£000	£000	£000	Schemes Approved at July & October Councils
11/12	12/13	13/14	14/15	
1,681	-	-	-	Purchase of Argyle Football Ground
500	-	-	-	Refurbishment of Armada Way Toilets
-	3,148	-	-	MRF Upgrade (increased provision)
566	1,235	2,512	629	Wave 2 Primary School Basic Need Projects
500	1,000	-	-	Boringdon School
-	(601)	-	1,000	School Condition Works
3,247	4,782	2,512	1,629	Total of Schemes Approved

- 5.2 Due to timing around the delivery of capital spend, and variations due to project slippage, changes in priorities, contractor performance, ability to achieve capital receipt etc. we are now reporting the following changes to the timing of capital spend over the next four financial years:

Table 5 – Recommended Variations to Capital Spend

£000	£000	£000	£000	Re-profiling / Other Variations
11/12	12/13	13/14	14/15	
(18,897)	8,472	10,425	-	<u>Academies Re-profiling</u> Re-profiling of forecast expenditure on Academy projects. This will be updated as more detailed information becomes available, following design work etc
(2,000)	2,000	-	-	<u>Plymouth Life Centre Re-profiling</u> A timetable for the re-provision of ice and arena facilities has now been agreed in line with the OJEU procurement process.
625	391	(1,016)	-	<u>Other Re-profiling</u> Details in Appendix B
(399)	-	-	-	<u>Variations & Virements</u> Details in Appendix B
(20,671)	10,863	9,409	0	Total Re-profiling / Other Variations

- 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 December 2011.

Table 6 – New Schemes for recommendation to Full Council (Dec 2011)

£000	£000	£000	£000	Schemes to be Approved at December Council
11/12	12/13	13/14	14/15	
-	1,571	-	-	Academies – additional funding from Central Gov't
74	-	-	-	Prospect Row Play Area
30		-	-	Environmental Survey Works
-	50	-	-	St Budeaux Multi Use Games Area (MUGA)
24	-	-	-	Bretonside & Notte St Improvement Works
-	174	-	-	Traffic Improvements
128	1,795	0	0	Total of new Schemes for approval Dec 2011

- 5.4 The Capital Programme is always subject to variations, due to a number of different factors. The further revision of the 2011/12 programme will move the latest known position to £85.679m.

	£m
Programme following approvals at Full Council October 2011	106.222
Re-profiling for approval at November Cabinet (Table 5)	(20.272)
Variations for approval at November Cabinet (Table 5)	(0.399)
New Schemes for approval at December Council (Table 6)	0.128
Revised (Latest Forecast)	85.679

Capital Expenditure to Date

- 5.5 To date, we have accrued actual spend of £34.350m which equates to 40.1% spend against the revised estimated annual spend of £85.679. Departments are confident that they will be able to deliver the vast majority of the approved capital programme in year however further amendments will be considered by the Capital Delivery Board, fed up to Cabinet and recommended to Full Council, as appropriate.

Recommendations:

1. Cabinet approve the re-profiling and variations to capital spend as detailed in Table 5.
2. Cabinet recommend to Full Council the new capital schemes for investment as detailed in Table 6 amounting to £0.128m additional capital spend for 2011/12 and £1.795 for future years

Capital Receipts

- 5.6 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 £34.7m new receipts up to, and including, 2014/15.
- 5.7 The council received a net capital receipt of £19.056m (including notional interest) in relation to the one-off sale of Plymouth CityBus in 2009. This is currently held separately in a Capital Receipt Reserve. To date, this receipt has not been applied to the general Capital Receipts Programme.
- 5.8 During September 2011, CMT, as part of the 2012/13 budget setting process, undertook a full review of all reserve and provision balances. We currently hold the balance of £19.056m in a separate Capital Receipt Reserve. In order to fund our ambitious Medium Term Capital Programme it is necessary to consolidate this reserve balance into the general Capital Receipts Programme. Therefore, for transparency purposes, we now propose to incorporate this one off receipt within the overall projected capital receipts of the Council.
- 5.9 This amalgamation will allow a number of projects which are currently funded by unsupported borrowing to be funded from capital receipts. This will reduce the level of borrowing, reduce the cost of borrowing, and therefore relieve pressure on revenue funding.
- 5.10 Following this consolidation, the capital receipts now available to fund the programme (RAG rated) from the disposal of land and buildings are as follows:

Disposal of Land / Buildings	£m
2010/11 B/fwd	0
2011/12 Rec'd to Date	0.402
Capital Receipt Reserve transfer	19.056
2011/12 Estimated to be Rec'd	1.685
2012/13 Estimated Receipts	6.682
2013/14 Estimated Receipts	4.569
2014/15 Estimated Receipts	1.001
Total	33.395

- 5.11 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.

- 5.12 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. To fully fund our Medium Term Forecast, we require total Capital Receipts of £34.767m; our RAG rated receipts schedule currently projects receipts of £33.395m, leaving a shortfall of £1.372m

Recommendation:

3. Cabinet approve the consolidation of the Capital Receipt Reserve balance of £19.056m into the general capital receipt programme.

Capital Medium Term Forecast

- 5.13 Projecting forward the above changes across the next three financial years provides an initial capital programme as detailed in Table 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. The Council has adopted a four year Capital MTFF aligning it with the number of years over which the revenue MTFF is based. The programme will grow in future years when we receive more certainty around future funding streams.

Table 7 – Capital Medium Term Forecast & Funding

	2011/12 Revised £000	2012/13 Revised £000	2013/14 Revised £000	2014/15 Revised £000	Total £000
Children's Services	19,551	22,231	12,937	1,629	56,348
Community Services	27,866	4,532	183	337	32,918
Corporate Support	11,040	3,622	500	0	15,162
Development & Regeneration	27,222	12,569	6,523	7,371	53,685
	85,679	42,954	20,143	9,337	158,113

Funding Source	£m
Capital Receipts	34.767
Unsupported Borrowing	24.774
Supported Borrowing	0.324
Grants, Contributions & S106	96.729
Revenue & Funds	1.519
Total	158.113

SECTION C – EXECUTIVE SUMMARY – HUMAN RESOURCES

Human Resources Key Messages

- 6.1 The total wage bill for the Council (including on-costs) is around £130 million. 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 September 2011.
- 6.3 **Key facts and figures are;**
- We currently have 3421.3 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 4.93% 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 September 2011 are 10.18 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 September 2011, over the past 12 months, 70 people left the Authority for reason of redundancy and 53 people who were at risk of redundancy were redeployed.
- 6.6 The voluntary release scheme will result in a total of 85 people leaving the Authority before the end of the year.
- 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 collective agreement was agreed and signed by the trade unions on 14 September 2011. This is delayed from the original implementation date of 1 April 2011.
- 6.10 Implementation is taking place in accordance with the implementation timetable.

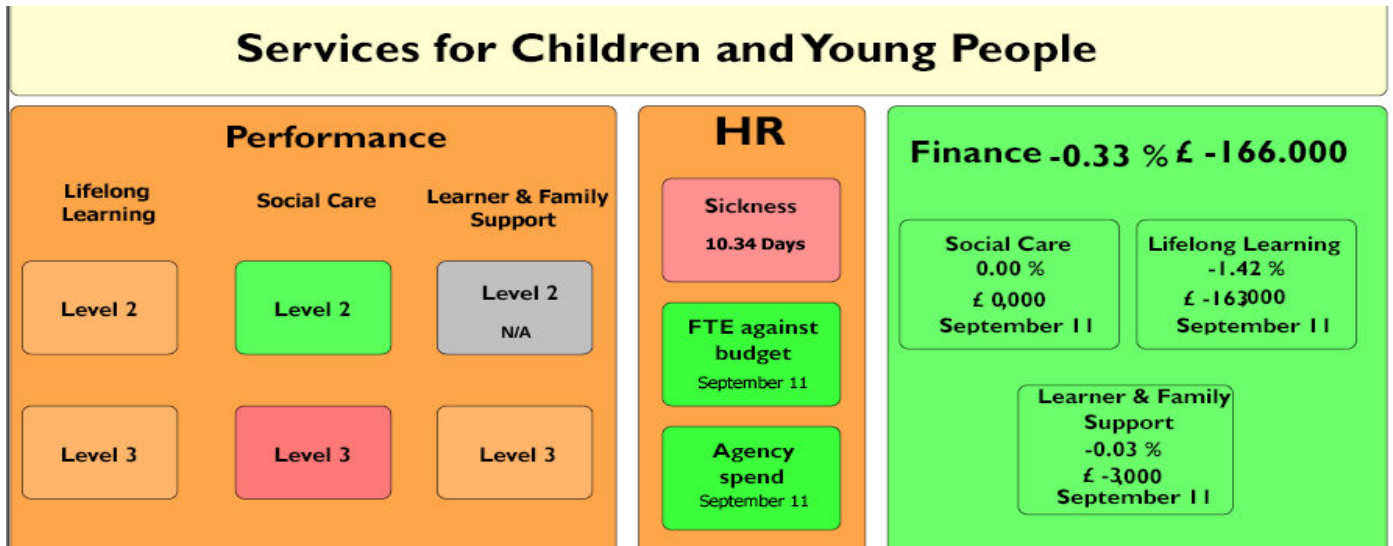
Senior Management Review

- 6.11 The new directorate structure was agreed by Full Council on 10 October 2011. This will reduce the number of directorates to three on 1 January 2012. Director level appointments are delegated to the Appointments Panel that will sit in November 2011.
- 6.12 Consultation has commenced on the next phase, which will involve changes to the assistant director structure. Recommendations on the new structure will be submitted to Full Council on 5 December 2011.

SECTION D – DEPARTMENTAL PERFORMANCE & FINANCE REPORT

7 Children & Young People’s Services

7.1. Scorecard - General Fund Revenue Forecast is an underspend £0.166m



Responsible Officers: Maggie Carter / Colin Moore / Mairead MacNeil

Social Care

Social care reports a nil variation in the second quarter of the year. The number of residential placements has increased from 17 to 19 (against a target of 13) and the number of Independent Sector Foster placements from 65 to 66. This has resulted in an increased forecast expenditure within the quarter of £0.046m which has been offset by savings within 16+ Service placement budget and the In- House Fostering provision.

Analysing quarter 2 performance, the achievement of 2011/12 targets for Residential and Independent Sector Foster Care, as well as the overall number of children in care target is looking difficult to achieve. **This is because we will always put children’s safety first.** The additional financial pressure this presents is being eased by under-spend in in-house placements and the reduction of average cost for these placement types through competitive commissioning. Caseloads and budgets are under weekly scrutiny.

Learner and Family Support

Learner and Family Support reports a favourable variation of (£0.003m). Special Educational Need transport pressures of £0.134m have been partially offset by additional income sourced for Extended Right to Free Travel of (£0.092m). The Integrated Disability Service is forecasting an under spend resulting from maximising the use of grant funding (£0.155m). These favourable variations offset other pressures relating to the release of staff and grants ending prior to the cessation of staffing contracts. Greater numbers of ‘Common Assessments’ are being undertaken and as Locality working develops the year end target is expected to be achieved.

Lifelong Learning

Lifelong Learning report a favorable variation of (£0.163m). There is a pressure relating to the tax liability of School Improvement Partners, which could result in an additional payment of £0.100m. The pressure has been offset by the early achievement of 2012/13 delivery plans. We continue to report increasing numbers of 16 -18 year old young people who are not in Education, Employment or training (NEET) through extensive research we have developed an understanding of risk factors that make individuals more vulnerable to being NEET. This will inform the specification of the Career South West contract for 2012-13 to ensure better targeted and intensive work with Young People from vulnerable groups. We are also introducing a post-16 reengagement model within the localities team.

People Management

The Services' sickness levels is showing 10.34 and is slightly below the overall council figures (10.18), but is still above the Council's target (6 days). Collaborative action is being taken to monitor and manage absences, particularly around long term sickness cases which are of particular sensitivity.

7.2 Delivery Plan Update

Children & Young People has a Delivery Plan of £3.890m 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	360	190	550
Lifelong Learning	0	0	0	0
Social Care	0	580	180	760
Other Delivery Groups	60	420	2,100	2,580
Total CYP	60	1,360	2,470	3,890

Performance against delivery continues with the Commissioning & Finance programme board tracking progress on a monthly basis.

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 – this will impact on the revenue budget and the delivery plans. At the current time, Social Care savings will need to be achieved to deliver a balanced budget but there is a risk of increased numbers resulting in higher costs in the second half of the year if mitigating action is not taken.

- Demand for Transport could increase and result in higher costs.
- The Carefirst programme currently has a net £0.600m resourcing gap over capital and revenue streams spread across the current and next 3 years. This gap needs to be closed to fully balance the project.

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 started during October, which means 6 months slippage. There has been an increase in court ordered placements in the first 6 months, and as a result there will be slippage in the estimates stated in the original business case. Once the team is established it is imperative that the in-house team pick up the majority of these assessments in order to achieve the savings contained in the business case (although the slippage in the recruitment to October will partially offset costs with savings).

Assessment Type	Business Plan	Revised Plan	Actual to date
Court Ordered External	14	15	9
In-house	9	3	1

Autistic Spectrum Disorder (ASD) and Complex Needs

The full business case to facilitate supporting children with complex care needs in the family home and the local community, placing less reliance on the expensive independent residential sector was approved by the Capital Delivery Board with work on the building due to commence in December 2011. The operational project team is currently providing the planned service from various venues with a view to becoming fully operational within the one venue when building work is complete.

7.5 Schools

The Schools DSG position is regularly reported to the Schools Forum.

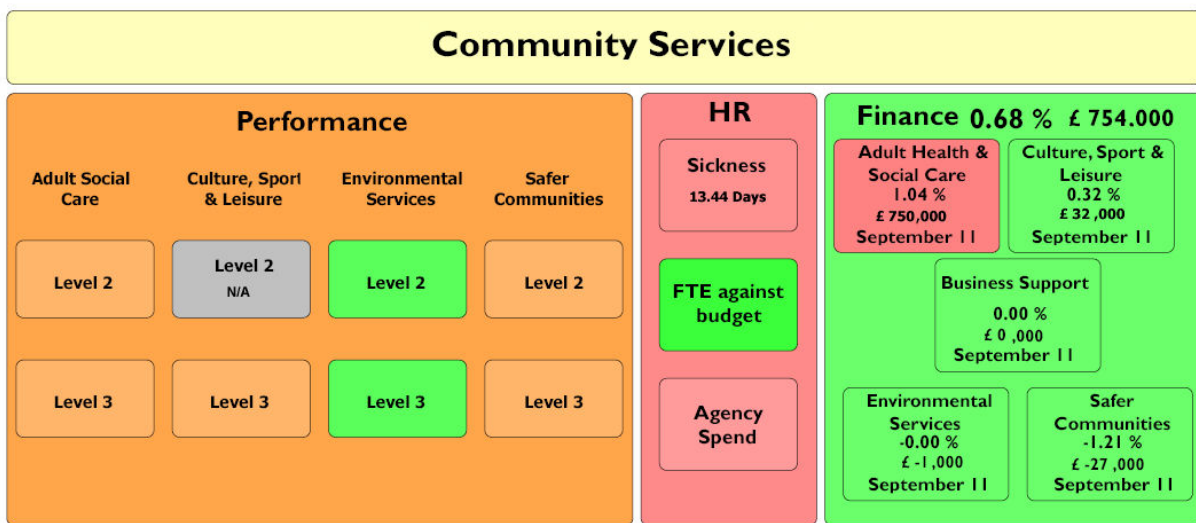
The latest forecast shows a projected underspend of £0.138m for DSG funded activities. Pressures relating to insurance costs being borne by a smaller number of schools because of Academy transfers and the increased Planned Admission Numbers for some schools have been offset by the lower take-up of the early years free entitlement and reductions in independent sector placements.

7.6 Medium Term Issues

- The level of Schools buy back and Academy business will impact on the level of income and the net cost of services. Furthermore, a significant increase in the central government top slicing of the overall local authority formula grant, which is then used to fund academies, will result in less resources being passed to the council and in particular Childrens' Services and schools.
- Changes to Grants and funding streams could have an adverse impact on the service

8. Community Services

8.1 Scorecard - General Fund Revenue Forecast is an overspend of £0.754m



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

Adult Social Care

There is a forecast £0.750m overspend in Adult Social Care, assuming all delivery plans are achieved by year end. There have however been increases in supported living packages across the service with some continuing healthcare funded cases becoming the Council responsibility in the Learning Disability Service. The service continues to focus on scrutinising all spend and managing down expensive packages of care, in particular targeting the Learning Disability Service. Progress is scrutinised and challenged through the ASC Programme Board.

We are slightly below target in September for Self Directed Support/Direct Payments. However the implementation of Phase 3 of the Carefirst upgrade necessitated considerable 'time out' from front line duties for Proof of Concept staff during August which will have impacted on performance. Performance in this area will be kept under close review to minimise further slippage.

On a more positive note Delayed Transfers of Care continues to perform strongly. Adults with Mental Health problems, Supported to Live Independently is above target. Both our Learning Disability and Mental Health additional targets are improving and this is expected to continue as it is dependent on review activity which will increase in the latter part of the year.

Culture Sport & Leisure

There is a forecast overspend of £0.032m as a result of an operating deficit on the Mayflower Centre , which PCC have longstanding agreements to underwrite. The centre is experiencing a reduction in income due to the proximity of building works for the Plymouth Life Centre and the awareness of its impending closure.

Museum visits were down this August due to the closure of the galleries in preparation for the British Art Show and has impacted on visitor numbers for the quarter. Increased numbers of enquiries at the Tourist Information Centre was largely due to the Americas Cup event. Library attendances continue to be above target.

The transfer of leisure staff to Everyone Active has proved successful with reported increases in attendances at Plympton Pool and Brickfields Sports Centre.

Environmental Services

The £0.234m forecasted overspend at June 2011 has reduced to nil mainly due to forecasted reductions in tonnages going to landfill from 79,000 Tonnes to a projected 77,500 Tonnes. There are however continuing revenue pressures particularly in Waste Collection that are offset by an assumption of a Landfill Tax rebate of £0.398m.

The amount of residual waste at the end of quarter 2 (NI 191) is 320.6kg per household, a reduction of 4.1% when compared to the same period last year, and, although residual waste will increase during the winter months, it is currently on course to meet the annual target. The percentage of waste diverted from landfill (NI 192) is 34.15%, currently 1.15% above target. Performance will fall as composting reduces through the winter, offset to some extent by an extended garden waste collection, and should be very close to the annual target of 33%.

Waste minimisation and recycling education has continued to raise awareness during the quarter with road-shows, doorstepping events and talks to community groups as well as working closely with our collection service to target specific areas where problems have been highlighted.

Safer Communities

There is a projected £0.027m underspend as a result of additional commissioning savings and efficiencies in business support.

Levels of overall crime in Plymouth remain low when compared to other similar cities (4th lowest in our family group of 15).

Serious acquisitive crime remains a concern, at the end of September 2011 we have recorded an increase of 19% (237 more crimes) compared to the same period the year before, this means we are currently missing the target to reduce crime levels. The biggest increases are in levels of domestic burglary (+107) and theft from motor vehicle (+113). Despite this we continue to perform well when compared to similar cities in our family group. Council crime reduction staff and partners have undertaken several initiatives recently, targeting identified key areas. The increase in serious acquisitive crime has also impacted on our target to reduce crime in the neighbourhoods which have the highest crime rates (compared to the city average). Levels of violence and criminal damage continue to reduce across the city, and we are on target to achieve our target to reduce violence with injury.

People Management

Agency spend is measured as a percentage of our overall monthly spend on wages (salary including on-costs plus agency costs). Agency spend stands at 10.79% of the overall wage bill for Community Services against the corporate target of 5%, which is a increase of 1.84% from the previous month. The department is working hard to reduce this position.

The Council has set a target of 6 working days per FTE. Sickness levels at the end of September are 13.44 working days per FTE for the last rolling 12 months. The council wide sickness statistics are 10.18 days per FTE for the last rolling 12 months. The department is working hard with HR to address this position.

8.2 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	520	2,001	2,521
Culture, Sport & Leisure	250	140	540	930
Environmental Services	480	0	435	915
Safer Communities	0	0	70	70
Other Delivery Groups	100	150	0	250
Total	830	810	3,046	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 are some savings in the current year. Full year savings will occur from 2012/13.
- The programme of Community Asset transfers is also 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.

8.3 Risks and Issues

- Maintaining front line services whilst implementing a number of Delivery plans will be challenging.
- 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 (Quality, Innovation, Productivity & Prevention) efficiencies and the Health Service Transformation.
- Reductions in ad hoc and SLA income from Plymouth Community Homes
- Repairs to foreshore at Mount Edgcumbe estate where sea wall collapse is undermining the highway
- There is an assumption that Environmental Services will receive a landfill tax rebate of £0.398m, the full value of the claim, lodged in March 2011

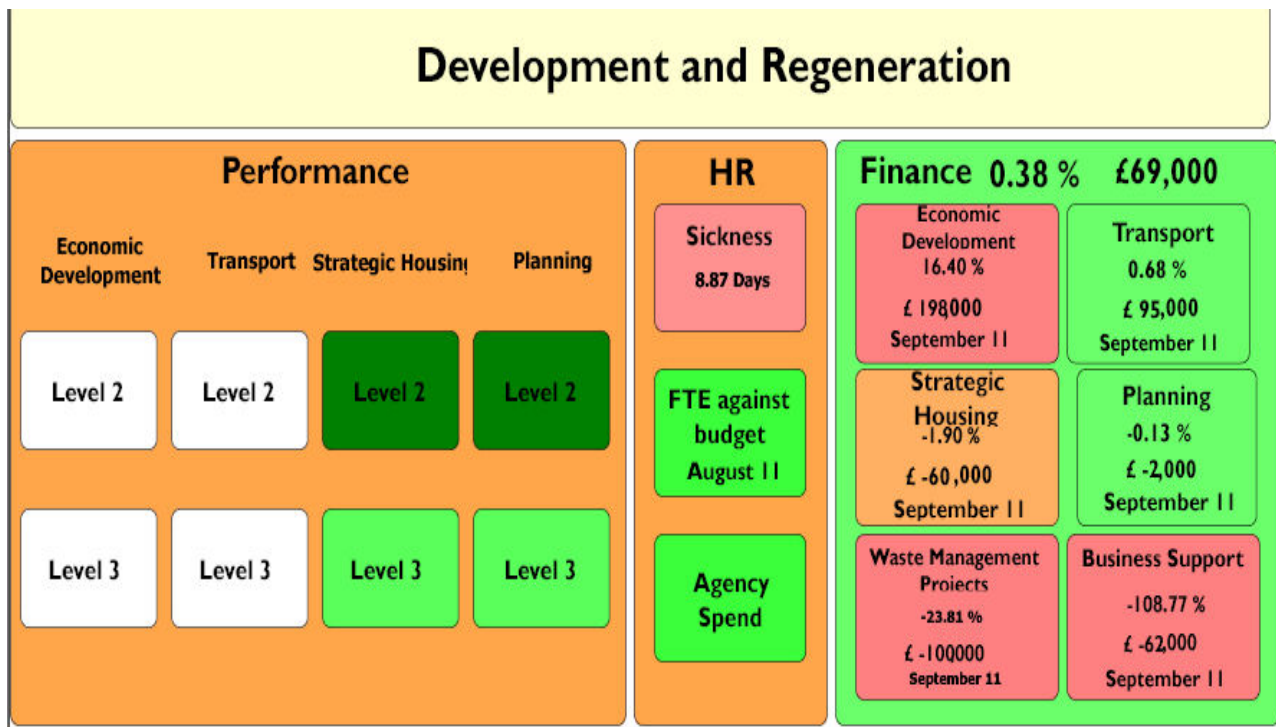
8.5 Medium Term Issues

- 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. This needs to be compared against the current Waste Management provision of £2.4m
- Gypsy & Travellers permanent site provision
- Downturn in Economy leading to less opportunity to maximise discretionary fees
- The effect of demographic increases on demand led services with stand still budgets
Outstanding Government Election pledge - Increase of £250 per person for the low paid (1,400 staff in Community Services - £0.420m)

9. Development and Regeneration

9.1 Scorecard - General Fund Revenue Forecast is an underspend of £0.069m



Responsible Officers: Clive Perkin/Gill Peele/David Draffan/Paul Barnard/Stuart Palmer/Mark Turner

The Department continues to make good progress in supporting and enabling Growth within the City.

Development is responsible for 5 long term outcome measures and has almost finalised the targets for its basket of Level 2 and 3 indicators, informed by the Economic Review.

Economic Development

Destination Plymouth is nearing completion of the City's first ever Visitor Plan to achieve a 25% increase in visitors by 2020 and the Waterfront Partnership are consulting with businesses on their first draft Business plan for the Plymouth Waterfront Business Improvement District.

The America's Cup World series event has been officially hailed a huge success, with an estimated 115,000 visitors through the seven days of racing. There were over 1 million hits on the YouTube site covering the racing from the city showing the waterfront and Hoe in the most spectacular environment possible. The PCC inward investment programme attracted many influential visitors and resulted in proactive discussions in support of the growth of the city, including visits to potential development sites.

The transfer of key assets from the South West Regional Development Agency has been completed. These include Royal William Yard, Plymouth International Medical and Technology Park and reclaimed land at Stonehouse Creek. The Council has also acquired Derriford Business Park which is earmarked as a possible site for the proposed Derriford District Centre. These transfers support the plans for long term economic growth and the potential to create many jobs.

A new group has been established to keep a watch on the city's economic progress.

The Economic Intelligence sub-group of the Plymouth Growth Board will publish six-monthly economic reviews. By using a range of statistics, research, projections and business surveys, the reviews will provide a better understanding of what is happening in Plymouth's economy, and will provide a more robust analysis for the Level 1 and 2 targets

The first edition of Plymouth's Economic Review shows that over the long term, the city's economic performance has tended to fall behind the national average, but there were signs of improvement in the years leading up to the recession of 2008/9.

The report highlights the fact it is vital that the city must regain the momentum developed before the recession to ensure it is competitive in the recovery. The city's Local Economic Strategy (LES) provides the platform for this, identifying the economic development priorities for delivering sustainable growth in the long-term.

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, the Waste Management project team and Strategic Housing offset these overspends.

The current overspend position of £0.096m for the cost of the America's Cup event managed by Economic Development will not be met from a contribution of £0.070m from the Leisure Budget until 2012/13; therefore the Department is expected to overspend by this amount in 2011/12.

Planning Services

The performance of the determination of Major Planning Applications within the prescribed timescale of 13 weeks has, so far this year, significantly exceeded the nationally set target of 60% by achieving a cumulative total of 78%

Strategic Housing

We will exceed the year end target for the number of new affordable homes delivered with good progress on sites as part of the £56M Affordable Housing programme running into next year, and providing over 1000 new affordable homes. We are nearing completion of contracts between the Homes and Communities Agency and a range of delivery partners for the new Affordable Rent Framework launched by the government this year, delivering new homes over the next four years as part of our Housing Plan 2012-17, which will be coming to cabinet for approval in December.

This includes an increased grant rate above the national average for the North Prospect regeneration project, as the only UK exception in an otherwise low grant regime, recognising the difficulties of delivering the largest regeneration scheme in the South of England. Although the number of potentially homeless people approaching the service has increased by 28% so far this year, our homeless prevention work continues to achieve the overall target.

Transport

The first phase of the Eastern Corridor transport improvement scheme is scheduled to be completed on 1st November. The changes will significantly cut congestion and improve traffic flow in the East End, hence making an important contribution to easing accessibility across the city.

There is a net forecast overspend of £0.095m mainly due to the work relating to the shoreline asset management plan and CCTV historical cost pressures which is an improvement of £0.075m from the position reported at the end of June.

Strategic Waste

Delivery of the long term waste PFI project continues within budget, following the submission of the planning and permit applications. The two capital environment projects at Chelson Meadow are similarly on budget and programme capping works and leachate treatment upgrade due to be completed by April 2012

People Management

Sickness levels are at 8.87 working days per FTE for the last rolling 12 months, against a target of 6 days and a council wide average of 10.18 days. This has decreased by 0.66 from the previous month as a result of initiatives led by HR including increasing management and staff awareness.

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

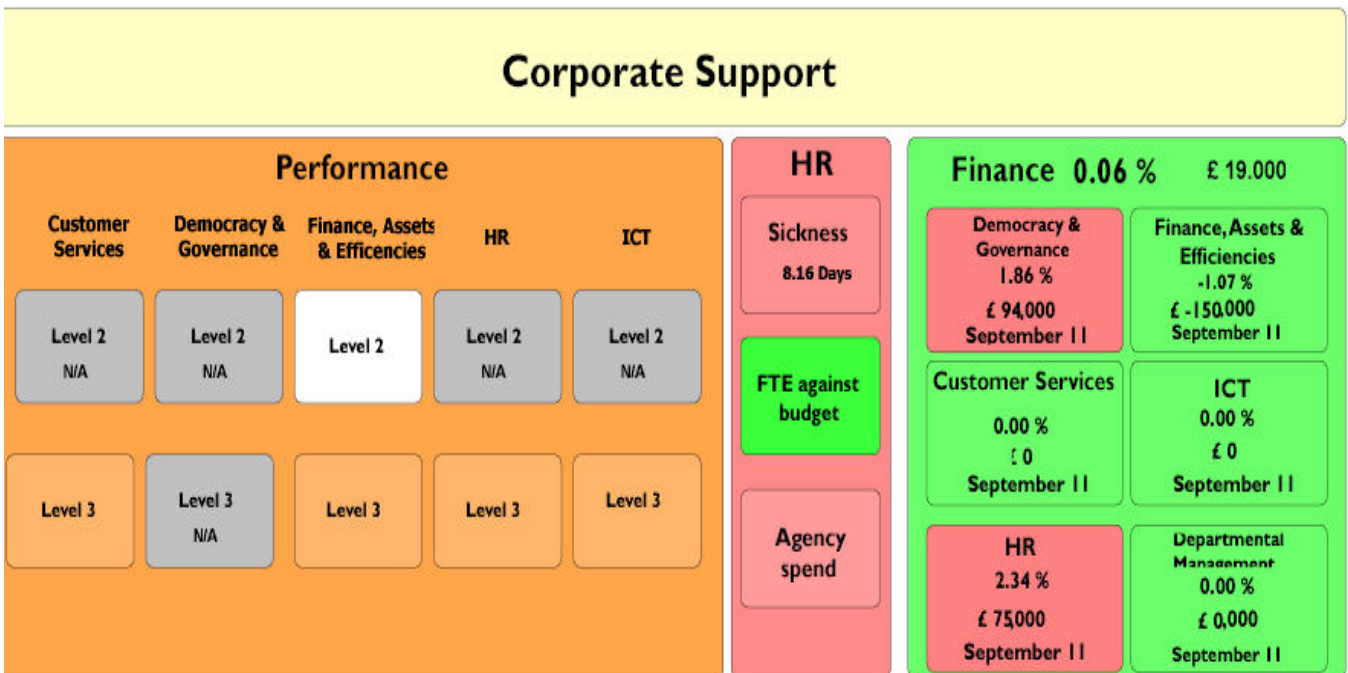
- Heavy reliance on income generation which is affected by market forces e.g. car-parking;
- Commercial rent income is becoming increasingly unreliable due to the current economic climate with a consequential cost of voids and rental reductions;
- Requirement to invest revenue resources to develop schemes 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 1 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 £0.019m



Responsible Officers: JP Sanders / Tim Howes / Malcolm Coe / Mark Grimley / Neville Cannon

Customer Services

Social Care complaints performance has improved significantly due to increased focus and assistance from colleagues in Legal services helping with the very heavy court case burden. However a review of the resources for this service are required, and will be presented to CMT, as there has been a steady increase in workloads. The non social care complaints performance was consistent through the month - however this will take careful handling over the next few months as responsibilities for this are handed over following restructure. Work in both areas is subject to new guidelines and policies coming from central government and the Information Commissioner. In addition the structure of the various Ombudsman is also subject to change as well, which we are monitoring.

Finance Assets and Efficiencies

The cumulative average time to process new Housing and Council Tax Benefit claims is currently 28.9 days against an annual target of 20 days. Performance has slightly improved since the first quarter when it stood at 29.7 days. The on-going restructure and an increasing workload which is now nearly 31,000 representing a 10% increase over the last year has had an impact on performance. The restructure will go live from 1st November and it is anticipated that performance will improve in the 3rd and 4th quarters once the team has bedded down.

National Non Domestic Rate collection (NNDR) is above target at the end of September standing at 65.85% against the in year target of 60.65%. Council Tax collection narrowly missed the in year target during this period recording 54.04% against a target of 54.28%.

The forecasted financial savings of £0.150m relates to an over-achievement of 2011/12 budget delivery plans, primarily regarding reducing staff costs.

HR and Organisational Development

Sickness absence continues to have a downward trend towards the Council's target of 6 days per FTE. New policies and procedures, as well as a focus on employee health is having the desired impact. Further management interventions and targeted programmes at key staff will continue. Staff are being encouraged to take up the winter vaccine against influenza.

Agency spend is marginally above tolerances, this is predominantly temporary capacity during restructures and time-limited project work that is more cost-effective for short-term engagements.

The Council is on target for the number of apprenticeships created to support work-based learning and skills.

ICT

Following last month's dip in availability of core systems, performance has resumed and is now above target.

Performance across the year in terms of numbers of Freedom of Information requests processed has improved. However, we are still below target and therefore further work along with process reviews are required to enable us to meet all expectations.

In respect of numbers of Subject Access Requests processed, quarterly performance had increased in July and August. However, a dip in September's performance was due to staff absence.

Democracy and Governance

Through ongoing efficiency savings and reductions in general running expenses in legal services, Officers have reduced the deficit figures. Officers are continuing to review options to cover the now reducing forecast adverse variation of £0.094m.

People Management

Agency spend is measured as a percentage of our overall monthly spend on wages (salary including on-costs plus agency costs). Agency spend stands at 5.42% of the overall wage bill for Corporate Support which is an increase of 1.11% from the previous month.

The Council has set a target of 6 working days per FTE. Sickness levels at the end of September are 8.16 working days per FTE for the last rolling 12 months, which is a decrease of 0.02 days per FTE from the previous month.

The council wide sickness statistics are 10.18 days per FTE for the last rolling 12 months.

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	0	1,100	1,100
HR	0	0	400	400
Democracy & Gov.	0	380	130	510
ICT	0	50	250	300
Senior Management	0	0	0	50
Total	0	430	1,830	2,360

There has been slippage in some delivery plans .That said, this is a marked improvement on the position reported at the end of the 1st quarter. Overall, progress is encouraging with either some plans being bought forward or alternative actions put in place.

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. 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	1,246	850	2,096
Customer Services	0	100	0	100
HR	70	700	0	770
Democracy & Gov.	50	0	0	50
Total	120	2,096	850	3,016

Again, there has been a lot of improvement within this area; in particular we are starting to see tangible savings from the Procure 2 Pay (P2P) project.

10.3 Risks and Issues

- 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, and further efficiencies will be realised from next year following Full Council approval to invest in the SAP replacement payroll system.

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.

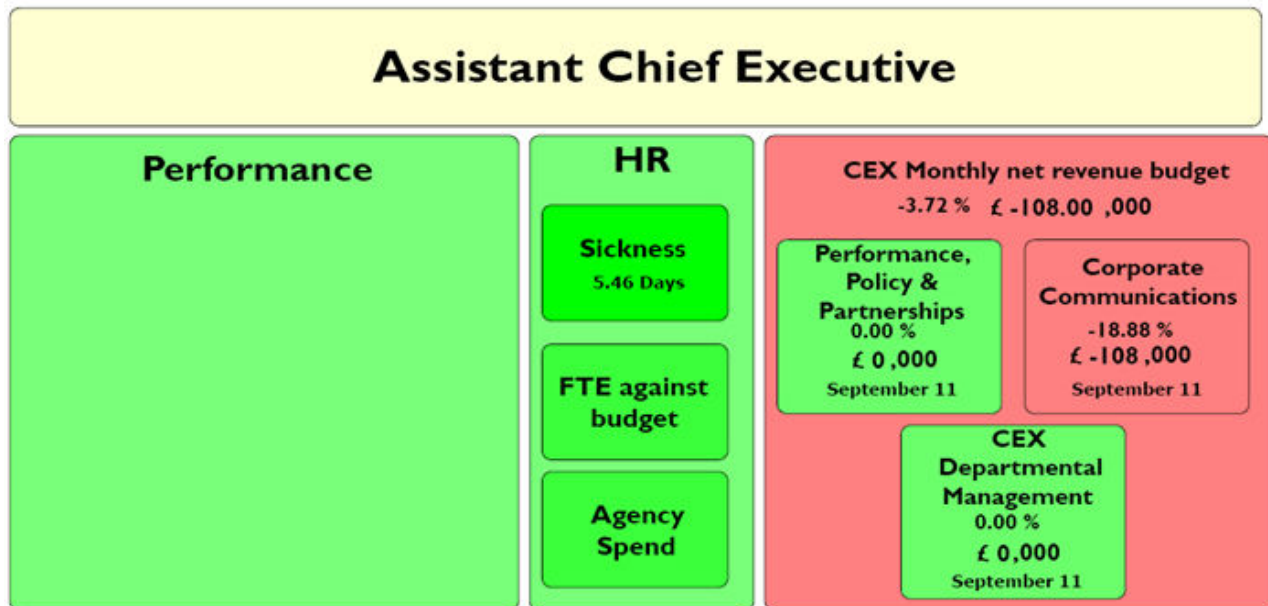
10.5 Invest to Save

Accommodation Strategy - The project is progressing well with several vacated premises generating £400k savings to date. On-going delays around the future of the Civic remain a challenge.

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 and to date we have realised savings in excess of £350k. A monthly report is now being produced and savings signed off by each Directorate.

11. Chief Executive

11.1 Scorecard - General Fund Revenue Forecast is an underspend of £0.108m



Responsible Officers: Ian Gallin, Giles Perrit, Richard Longford

Chief Executive

The overall position in Chief Executives is currently forecasting £0.108m underspend. The Corporate Communications Unit has been working towards achieving the Chief Executive's Department's element of the Printing, Publicity and Advertising cross-cutting Delivery Plan. The mechanism for capturing these savings across the authority has still to be agreed hence the Delivery Plan is continuing to be reported as 'Red' and therefore the savings are now being declared as a monitoring variation.

Performance & Policy

Performance & Policy units across the Council have been merged into one unit within Chief Executives as part of a delivery plan. The implementation date for this new structure was 1st September 2011 and therefore the salary savings achieved from this process have now been established.

People Management

The Council has set a target of 6 working days per FTE. Sickness levels at the end of September are 5.46 working days per FTE for the last rolling 12 months, which is a slight increase of 0.10 days per FTE from the previous quarter.

The council wide sickness statistics are 10.18 days per FTE for the last rolling 12 months.

11.2 Delivery Plan Update

Chief Executive's has a total Delivery Plan of £0.4m for 2011/12. There is one direct delivery plan for the department and three delivery plans that will be delivered across all departments. 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
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

Printing, Publicity and Advertising – RED

This is where we will challenge the current demand across the council and rationalise future publicity & advertising activity. The notional saving for the department is based on reducing 25% of total council expenditure. Agreement needs to be reached on how savings are removed from departments. The aim is for savings to be driven out by the new process for approving publications.

11.3 Risks and Issues

- The success in the Printing, Publicity and Advertising delivery plan is reliant on staff changing attitudes and ways of working.

11.4 Medium Term Issues

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

12. Corporate Items and Cross Cutting Issues

Revenue budget forecasted out-turn

- 12.1 As with the previous quarter's report, no variation is currently forecast on the corporate items budget, despite a challenging target to deliver just under £1m of savings from treasury management activities. Whilst there have been some favourable one off items during the year so far, the ability to achieve significant returns from our cashflow investments are impaired by continuing low interest rates. The impact of this plus increased borrowing to support our increasing Capital Programme, is reflected in the Red rated delivery plan status. We are showing £295k as red against the delivery plan total of £600k

The Treasury Management Board is still focussed on delivering a break even budget at year end.

Capital Financing Budget /Treasury Management

- 12.2 Since the last quarterly report credit conditions have deteriorated with problems with sovereign debt in the Eurozone and credit rating downgrades for a number of banks. As a result of this the decision was made to reduce credit risk by using available cash flow to repay short-term borrowing on maturity. At 30 September 2011 the Council's borrowing stood at £213.598 compared to £261.408 at 30 June 2011. All borrowing activity during the year has remained within the approved borrowing limits. Investment at 30 September 2011 stood at £95.913m down from £162,109 at 30 June 2011.

Maturity limits on Investments were also reduced with the majority of deposits made in liquid call accounts. The average rate on investments taken in the period 1 April 2011 to 30 September 2012 was 1.0246% compared to a target rate for new deposits in the year of 1%. All investment activity has been undertaken in accordance with the approved 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. Credit conditions have had an impact on savings achieved against the overall £0.924m target although borrowing and investment decisions made earlier in the year had achieved savings of £0.305m. This together with reductions in Minimum Revenue Provision (MRP) and other interest have resulted in total savings of £0.688m. The Treasury Management board continues to review options to achieve the shortfall in savings against target of £0.236m.

- **Debt Rescheduling**

Movements in gilts over the first half of the year have reduced PWLB loan interest rates meaning that there have been no opportunities to date to achieve savings from the repayment or rescheduling of long-term debt. It is unlikely that in the current climate interest rates will move in a favourable direction but PWLB rates continue to be monitored by Council officers and our Treasury management advisors Arlingclose to take any opportunity to make revenue savings as and when this occurs.

- **Investments**

Council Officers and Arlingclose will monitor credit conditions and further deposits will be made in line with the Council's Treasury Management strategy when conditions are appropriate for such investments.

- **Reserves**

The calculation of the impairment on Icelandic deposits in 2009/10 allowed for accrued interest to be credited to revenue over the next few years. This accrued interest resulted in a transfer of £0.324m to the Icelandic Bank reserve in 2010/11 to cover the possibility of an increase in impairment. The anticipated repayment of Icelandic bank investments is now looking more favourable than 12 months ago and this reserve may not be required.

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 in the period April – September 2011:

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

Further, we can confirm the receipt of the next dividend at the end of October 2011:

October 2011	126	6	132
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This brings the total amount recovered to date to £2.037m (64.6%)

- 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, with a decision likely either late October or early November 2011. If the outcome is known after publication of this report, an update will be given in a timely manner to Council as appropriate.

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 continues to work 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 Table 9. All of these virements balance to zero with the overall council net revenue budget remaining at £208.237m

Table 8 – Virements over £100k for Cabinet Approval

Virements over £100k	£000's			
	Carry forwards	Delivery Plans	Other	Total virements
DIRECTORATE				
CHILDREN AND YOUNG PEOPLE SERVICES	0	(406)	0	(406)
COMMUNITY SERVICES	0	127	(203)	(76)
DEVELOPMENT & REGENERATION	100	0	107	207
CORPORATE SUPPORT	300	175	550	1,025
CHIEF EXECUTIVE	0	105	0	105
CORPORATE ITEMS	(400)	0	(454)	(854)
TOTAL	0	0	0	0

A brief explanation of these virements is as follows:

Carry forwards

- 12.9 As part of the Corporate adjustments at closedown, monies were approved for carry forward to 2011/12. These were £100k to support Development & Regeneration fund the America's Cup, and £300k to Corporate Support for the cost of urgent ex-school demolitions. These demolitions were urgent due to on-going Health & Safety concerns relating to vandalism of both sites. The funds were being held within Corporate Items.

Budget Delivery Plan (including Disaggregation of Business Support)

- 12.10 In the previous quarter's report, we advised that 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.

Other

- 12.11 As part of the management of the Carefirst project a movement of budget has been made from Community Services to Corporate items. There has also been a transfer of budget re flood water management from corporate items to the service area within Development, as well as a transfer of the Centralised Repairs budget from Corporate Items to Capital & Assets which sits within Corporate support.
- 12.12 Further virements will be required going forward, and will be reported in the quarterly reports as required.

Insurances

- 12.13 As reported last time, over the past quarter, the savings on service budgets have been clawed back from departments and held within corporate items pending the annual review of reserves and provisions at year end.

Working Balance

- 12.14 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%.

Revenue Invest-to-Save Reserve

- 12.15 In September 2010, as part of the 2011/12 Budget setting process, the Council approved the creation of a revenue "Invest-to-Save" Reserve in the value of £2.262m. During September 2011, CMT has undertaken a further review of all reserves and recognised that certain existing reserves are no longer required, and should be used to augment the Invest-to-Save reserve.

	£m
Invest-to-Save reserve balance June 2011	2.262
CIP reserve no longer required	353
Chief Executive 2010/11 Carry-forward	12
Corporate Capital Database 2010/11 Carry-forward	31
Corporate Support 2010/11 Carry-forward	66
Invest-to-Save reserve balance September 2011	2.724

- 12.16 Following discussions with Cabinet Members, CMT further recommend that the Revenue Invest-to-Save reserve is used to fund the purchase of an ICT Data Centre at Windsor House, at £1.3m; and used to fund road repairs in the city in the sum of £1.3m
- 12.17 The Council continues, as do most organisations, to place more reliance on the continuing availability of its ICT systems. Access to information, and the increasing use of hosted systems means that additional measures need to be taken to meet these operational needs, and to comply with the Civil Contingency Act 2004. The Council has previously agreed to build a data centre facility at Windsor House. The £1.3m now being sought will provide the additional equipment necessary to furnish this facility and to operate in this new, more resilient manner.
- 12.18 Plymouth roads, as in other cities across the country, have suffered due to recent extreme winter temperatures and resultant heavy frosts. Thaws have left the roads damaged with "potholes". Following a successful resurfacing and patching programme on the road network this financial year, additional funding of £1.3m has been allocated to deal with further phases of resurfacing. This money will help address the problem, and will be prioritised as required to best serve the city.

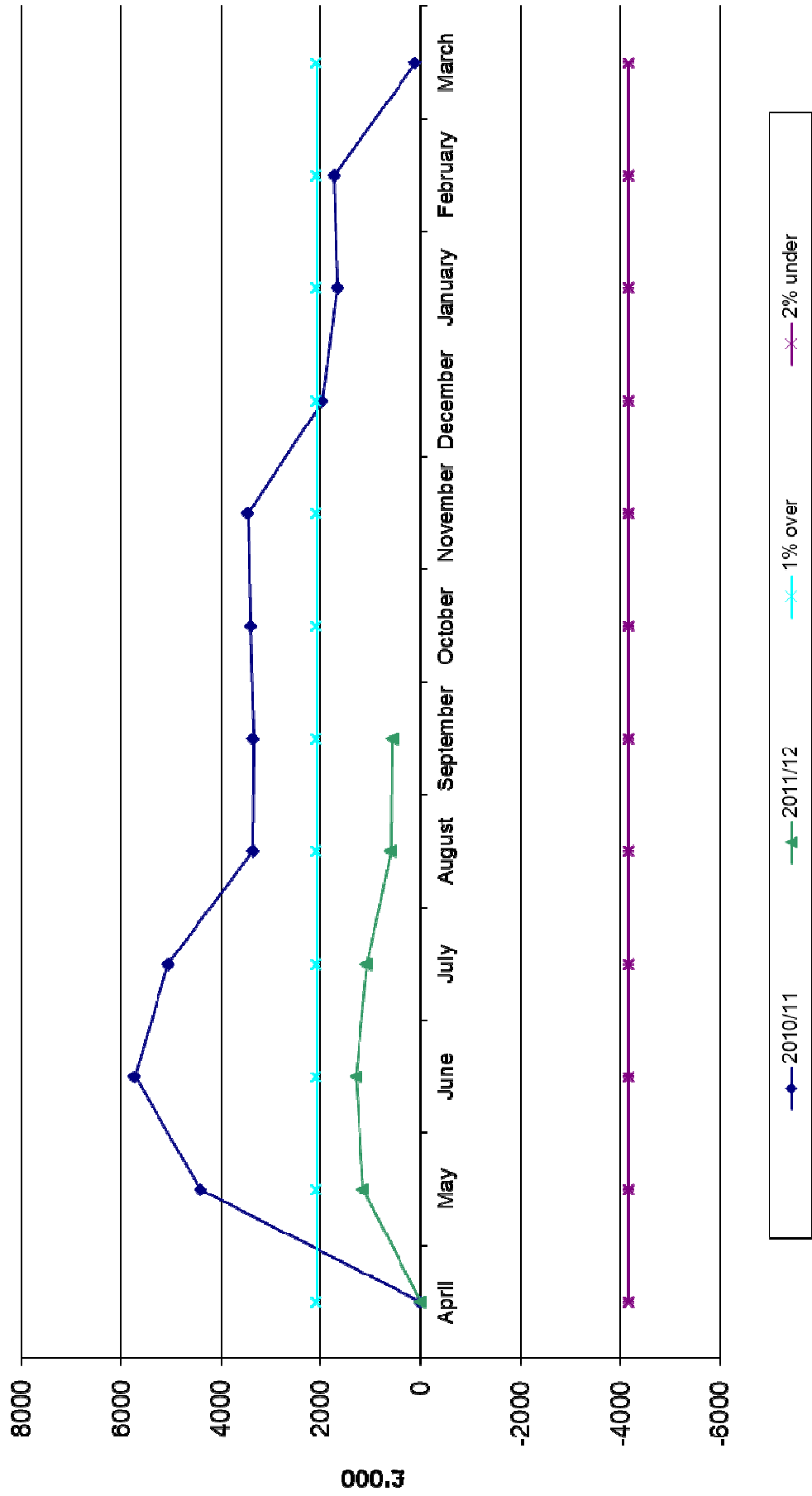
Recommendations

4. Cabinet approve the budget virements as detailed in Table 8.
5. Cabinet approve the consolidation of unrequired reserves, value £0.462m and detailed above, into the Revenue Invest-to-Save reserve.
6. Cabinet recommend to Full Council that the revised Invest-to-Save reserve be allocated £1.3m to the provision of an ICT Data Centre at Windsor; £1.3m to road repairs in the city.

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 2011/12 is year one of our three year budget, in which we need to achieve budget savings of £30m by 2013/14. It is imperative that the current year Delivery Plans are achieved in-year as they roll forward to underpin the budget for the next two years.
- 13.3 In total, the council has embarked on £15.742m 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.
- 13.4 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.
- 13.5 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.
- 13.6 Revenue budgets are currently forecasting an end of year overspend of £0.569m. Departments will continue to bring forward new delivery plans in order to address this overspend.
- 13.7 During the second quarter, the percentage of Delivery Plans which are rated Green or Amber has increased from 84.5% to 89.5%. The remaining Red rated plans have therefore reduced from 15.5% to 10.5%.
- 13.8 The council still has an ambitious capital investment programme. With the inclusion of £19.1m for two academy schools, the projected capital spend over the next four years is in excess of £158m.
- 13.9 We face unprecedented reductions in future funding, and are continually receiving details of new Central Government initiatives. Officers are compiling appropriate responses to consultation documents for areas such as NNDR reform; Council Tax benefit reform. CMT has commissioned an officer working group to look at our planning for and response to welfare reform and related issues. The group's aims will include:
- Influencing National policy on welfare reform and related issues
 - Ensuring effective services for our customers most affected by the reforms
 - Recommending budget priorities in response to reforms
 - Planning medium-term strategy in response to reforms.
- 13.10 Officers are now working hard to put together the revenue budgets for 2012/13 to 2014/15. The draft budget will be signed off by Cabinet at the end of November, in preparation for our public scrutiny sessions scheduled for mid-January 2012.

General Fund Monitoring Comparison 2010/11 & 2011/12



Capital Programme – Variations and Re-profiling

Section 5.3 Table 6 cross-refers

£000	£000	£000	£000	Re-profiling for Approval
11/12	12/13	13/14	14/15	
785	236	(1,021)		<u>Basic Need</u> - Reprofiting of Basic Need (Wave 1) project expenditure based on revised cashflows. This will enable the provision of required school places for September 2012.
(197)	197			<u>Tor Bridge (Estover) Campus</u> – Reprofiting of forecast expenditure to revised cash flow. Project remains on time and within budget.
40	(45)	5		<u>Plymouth Life Centre</u> – Reprofiting of internal cost budgets to be used to fund the FF&E.
(81)	81			<u>Horsham & Staddiscombe</u> - An opportunity of additional funding from the Football Association for the Staddiscombe element of the project has led to the works being postponed in order that this can be explored.
(359)	359			<u>Corporate Accommodation Strategy</u> – Reprofiting of resources required for 2011/12 arising from changes in planned Business Case proposals.
(58)	58			<u>Woolwell & Mt Wise</u> - Rescheduling of improvements to Mutton Cove bus stop and to Woolwell roundabout.
(51)	51			<u>Royal Parade Crossing</u> – Reprofiting of the phase 2 works of this scheme into 2012/13.
4	(4)			<u>Leachate Treatment Works</u> - reprofiling.
(351)	351			<u>A386 George Junction</u> – potential compensation payments.
2,500	(2,500)			<u>East End Major Transport project</u> – cost of land acquisitions.
(1,607)	1,607			<u>Chelson Meadow</u> – Reprofiting of restoration works following detailed contractor negotiations.
625	391	(1,016)	0	Total Re-profiling for Approval

APPENDIX B

£000	£000	£000	£000	Other Variations for Approval
11/12	12/13	13/14	14/15	
(190)				<u>Devolved Capital for New Start Academies</u> – Reduction to the latest forecast in respect of these secondary allocations, which will now be paid directly to the schools rather than the Council.
33				<u>Additional School Contributions</u> – An increase to the programme in respect of school matched funding for projects, where this funding is sourced from revenue or other external means.
(57)				<u>Primary Capital Programme</u> - Saving achieved in Demolition Works at West Park School. Expenditure is reported as part of the Shakespeare school delivery.
(400)				<u>Devolved Capital Forecast</u> - This reflects the removal of centrally held devolved capital funding. This will be used to support the advanced profile of Basic Need expenditure as approved by the Schools Forum.
(31)				<u>Plymouth High School for Girls</u> – Minibus and mobile equipment.
(10)				<u>Devonport High School for Boys</u> – Boundary fence and gates.
19				<u>Eggbuckland Vale</u> – Car park resurfacing.
9				<u>Longcause</u> – Sports hall.
9				<u>Beaumont Park</u> - Variation re the installation of equipment (including benches) at Beaumont Park.
235				<u>Accommodation Strategy</u> – changes to the original works, ie, kitchen equipment and heating improvements at Martins Gate Referral Units and capitalised maintenance works at Windsor House, all funded from revenue contributions.
(28)				<u>ECO Homes - Garrison Close & Riverside</u> – Changes to the original scheme forecast.
30				<u>Smart Ticketing</u> - An increase to the current Smart Ticketing scheme which will be met by a contribution from Devon County Council.
(18)				<u>Strategic Property Acquisition</u> – Reduction on original estimate of fees.
(399)	0	0	0	Other Variations for Approval

Children & Young People Budget Delivery Plans Sept '11

APPENDIX C

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
1a	Transport: Cease concessionary transport from Sept '11 (over calculated in error, £280 was never achievable. New plans needed in 2011/12)	130	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 of £70k. Full year savings in 12/13 £120k	A
1b	Transport: Review Special School routes and develop a more flexible approach for Special Educational Needs Transport from Sept '11	80	A	Volatile budgets dependant on needs of SEN statements. A clearer position will be known by the end of October following on from the robust review of routes undertaken during the Summer	A
1c	Catering: Efficiency savings	150	A	Efficiency savings made on labour and food costs. Additionally the meal selling price has been increased to a more realistic level to reduce the amount of subsidy needed.	A
1d	Selling services to Academies	20	A	Buy back from Academies into the Education Welfare Service	G
2	Locality Restructure	100	A	Posts deleted from system	G
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	G
LEARNER & FAMILY SUPPORT TOTAL		550			
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			

Children & Young People Budget Delivery Plans Sept '11

APPENDIX C

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. The required action will not come into place until April 2012	R
19	Area Based Grant reduction	350		EIG focus is shifting to prevention. EIG commitments reviewed and a programme of contract award is in place. 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
20	Early Intervention Grant reduction	1,700			G
SAVINGS FROM OTHER DELIVERY GR		2,580			
TOTAL OF ALL DELIVERY PLANS: CHI		3,890			

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.

Community Services Delivery Plans Sept '11

APPENDIX C

	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.	G
2	Supported Living: remodelling of services and standardisation of unit rates	262	A	Delivered	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	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	G
7	Workforce re-modelling: linked to CareFirst 6 and Charteris Business Process Re-design	320	A	On track.	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 Sept '11 APPENDIX C

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 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		£217k identified to Sept 2011	A
SAVINGS FROM OTHER DELIVERY GR		1,685			

TOTAL OF PLANS FOR COMMUNITY S	4,686
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Development & Regeneration Delivery Plans Sept '11 Appendix C

Balancing the budget : Areas for savings, efficiency gains or increase income		Delivery Plan Savings			Sep-11
		2011/12	Budget	Progress Update	Revised
		£000	R/A/G		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	A	Savings identified to date: £130k from new concessionary fare repayment mechanism; £50k from Access Plymouth; £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	R	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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Corporate Support Services Delivery Plans Sept '11

Appendix C

	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	Finance: further refinement of the staff structure	100	9	Savings will be achieved in 2011/12 following the final changes to the Finance Management plus additional in-year vacancies	G
2	Corporate Property: Management restructure and efficiency savings on Facilities Management	100	6	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	12	Cashiers closed. Combined with plans 4, 5 & 7. We are now midway through the restructure process and new structure will be implemented from 1 September, with full savings coming on stream once staff are either redeployed or drop out of the PCC process.	G
4	Debt Management: better co-ordination of existing processes. Challenge the effective use of legal services / bailiffs etc	100	9	Combined with plans 3, 5 & 7. We are now midway through the restructure process and new structure will be implemented from 1 September, with full savings coming on stream once staff are either redeployed or drop out of the PCC process.	G
5	Income Generation: increase selling of support services externally and explore the potential for advertising on corporate assets	50	12	Combined with plans 3, 4 & 7. We are now midway through the restructure process and new structure will be implemented from 1 September, with full savings coming on stream once staff are either redeployed or drop out of the PCC process.	G
6	Audit Fee: Negotiate a reduction in external and internal audit scope and associated fees	50	6	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	6	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	12	Combined with plans 3, 4 & 5. We are now midway through the restructure process and new structure will be implemented from 1 September, with full savings coming on stream once staff are either redeployed or drop out of the PCC process.	G
8	Human Resources: staff restructure (relies on e-transactions, shared services & investment). To include a review of Trade Union Facilities	50	9	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	12	Saving target includes ICT training team (£250k).	G
10	Democratic Services: reduce the level of Civic engagements and restructure the democratic support service	200	16	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	16	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	9	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	12	Departmental systems, infrastructure and telephony reviewed for duplication and reduced where appropriate. Further projected savings identified with replacement of legacy systems with enterprise solutions.	G
14	ICT direct costs: Reduce licence costs, lease costs, phone rentals, licences etc	100	9	Significant savings achieved by improved analysis and robust challenge of existing hardware and software licence portfolio.	G
15	Data Quality Project. Reduction in duplication across different systems	50	16	Awaiting investment in dynamics and data matching software to be agreed. The savings from this investment will accrue across other departments from operational savings.	A
16	Senior Management: Reduce Senior management structure/ costs by 20%	0	6	No plans in place to achieve this saving to date. Assessed as 'Green' (not Red) as no requirement for financial savings to be made in 2011	G
16a*	Senior Management: Accelerate implementation of Sen Man restructure	50	12	Requirement to bring 2013/14 savings forward to commence in 2011/12. No plans in place yet to achieve this saving hence risk assessed as red.	G
CORPORATE SUPPORT DIRECT TOTALS:		2,360			

Corporate Support Services Delivery Plans Sept '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	16	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.	G
17a	Corporate Support: Procurement *	381		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	12	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		At least £400k of the £700k savings target at risk due to delay in implementing the new Terms and Conditions.	A
20	Workforce Management: remove duplication with staff based within departments	70	8	Staff still within departments - next step requires CMT buy-in to 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	20	Intending to undertake options appraisal back end of 2011/12. No financial or staff savings planned for next financial year	G
22	Accommodation Strategy	715	12	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
		150	12		A
23	Business Support: restructure across the Council - anticipated savings attributable to Corporate Support	50	9	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			

Chief Executive Delivery Plans Sep '11

Appendix C

Balancing the budget : Areas for savings, efficiency gains or increase income	Delivery Plan savings		Progress Update	
	2011/12	Budget		Revised
	£000	RAG		R/A/G
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	Lots of good work has been carried out to restructure in order to realise this DP within the timescales originally set - this has now been successfully implemented. The DP is still being reported as Amber as there is still a slight shortfall in achieving the targets originally set, however other ways on delivering these savings are being reviewed within the Department.	A
2 Performance and Intelligence: Impact of losing the Performance Reward Grant. Overall restructure linked to Item 1 above	0	G	Risk assessment included in PID. Main risks highlighted here	G
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	Although the restructure above addressed this action there is still a question over whether this activity is still being carried out within Departments, therefore the DP is resported as Red.	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			