

## CITY OF PLYMOUTH

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

**Committee:** Cabinet

**Date:** 7 February 2012

**Cabinet Member:** Councillor Bowyer and Councillor Ricketts

**CMT Member:** CMT

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**Ref:** fin/djn01/12

**Key Decision:** No

**Part:** I

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### Executive Summary:

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

With effect from 1 January 2012, the Council restructured its Directorates to move from five to three, with a corresponding reduction in Directors. However, for comparison purposes, this report continues to monitor against the "old" five directorate model. This report also introduces the Council's newly designed Scorecards.

### 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 54% (last quarter 45%) of our performance indicators monitored in year are on track, with a further 34% (last quarter 31%) just off track. Therefore, despite the difficult circumstances we are currently facing, we can report 88% of our performance indicators are there or there about on target.

Examples of positive outcomes include:

- Planning application performance continues to rise with 82% of major developments determined in time

- British Art Show was a great success with 75,000 visitors which was in excess of anticipated numbers
- Homelessness prevention target being achieved, although homeless numbers continue to add pressure to demand

Areas requiring close scrutiny are:

- Domestic burglary has increased by 28.9% (196 more crimes) compared to same period last year
- The cumulative average time to process new Housing and Council Tax Benefit claims is currently 27.7 days against an annual target of 20 days. Performance has slightly improved since the first quarter when it stood at 28.9 days.
- Q3 NEET's figure is 6.7% (0.1% higher than the same period last year), against a target of 5.30%. However, lower than national figure of 9.5%
- Self-Directed Support; this is a critical personalisation indicator and we are not forecasting we will meet our end-of-year target of 60%. As at the end of the December quarter we are at 30%.

It must be remembered that 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. Despite strains on local businesses, which we could expect to result in pressure on rate payments, we have not seen an impact on our income collection rates.

### **Finance summary - Revenue**

The Council is forecasting a revenue over spend at year end of £0.454m (previous report an over spend of £0.569m) against a net revenue budget of £208.237m. This equates to a net spend of £208.691m which is a variance of 0.2%, and a small improvement of £0.115m in the quarter.

The main adverse variation relates to Community Services, forecasting an over spend of £1.072m, an adverse movement of £0.317m in the three months from September 2011, and represents 0.98% of the £107.8m 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. Environmental Services are now reporting an overspend of £0.529m at Quarter 3 mainly due to removing the anticipated income projection of £0.398m for landfill rebate; whilst action still continues to secure this rebate it will not be received in 2011/12

Children and Young People have consolidated the reported savings in quarter two; they are now forecasting an under spend of £0.751m, a positive movement in the quarter of £0.585m.

Children's Social Care is reporting a favourable variance of £0.423m reflecting an increased under spend within the quarter. Learner and Family Support are reporting a favourable variance of £0.110m, with the pressure on transport having been managed down. Lifelong Learning reports an under spend of £0.203m

Details can be found in the C&YP section of this report.

### **Finance summary – Revenue Delivery Plans**

Good progress has again been made against the £15.197m revenue delivery plans set for 2011/12, with just under 95% rated either Green or Amber. RAG rated delivery plans are detailed within the report.

### **Finance summary - Capital**

In the quarterly report for September 2011, the 2011/12 Capital Programme stood at £85.679m. Following approval of new schemes, re-profiling and variations at Full Council in December 2011, the capital programme for 2011/12 was £87.005m however the latest forecast at 20<sup>th</sup> January 2012, is now £78.661m.

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### **Corporate Plan 2012 - 2015:**

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

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### **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.

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### **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.

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

That Cabinet:-

1. Approve the variations to capital spend and re-profiling as detailed in Table 6.
2. Recommend to Full Council the new capital schemes for investment as detailed in Table 7 amounting to £0.056m in 2011/12 and £2.026m for future years.
3. Approve the budget virements as detailed in Table 9 of the report
4. Approve the potential draw down on the Waste Reserve for 2011/12, subject to the 2011/12 Outturn position.
5. Approve the potential draw down on the Pension Reserve for 2011/12, subject to the 2011/12 Outturn position.
6. Approve the funding of the Council's element of the CRC Levy for 2011/12.

**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 – November 2011

**Sign off:**

Fin	MC111 2.06	Leg	TH3 0/1/ 12	HR	MG	Corp Prop	n/a	IT	n/a	Strat Proc	n/a
Originating SMT Member M Coe											

**Plymouth City Council**  
**Performance and Finance Monitoring – 2011/12**  
**Quarter 3 to 31 December 2011**

**I. Introduction**

- I.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.
- I.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.
- I.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)
- I.4 This report outlines the progress against key performance indicators, forecasts the year end revenue position, provides details of progress against delivery plans and recommends updates to the council's capital programme and revenue reserves. This is the third quarterly report of the year, and the period of this report covers April to the end of December 2011.
- I.5 A revised scorecard has been included within each Directorate report which focuses on exception reporting and identifying remedial action to be taken where necessary.
- I.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

### 2. 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*

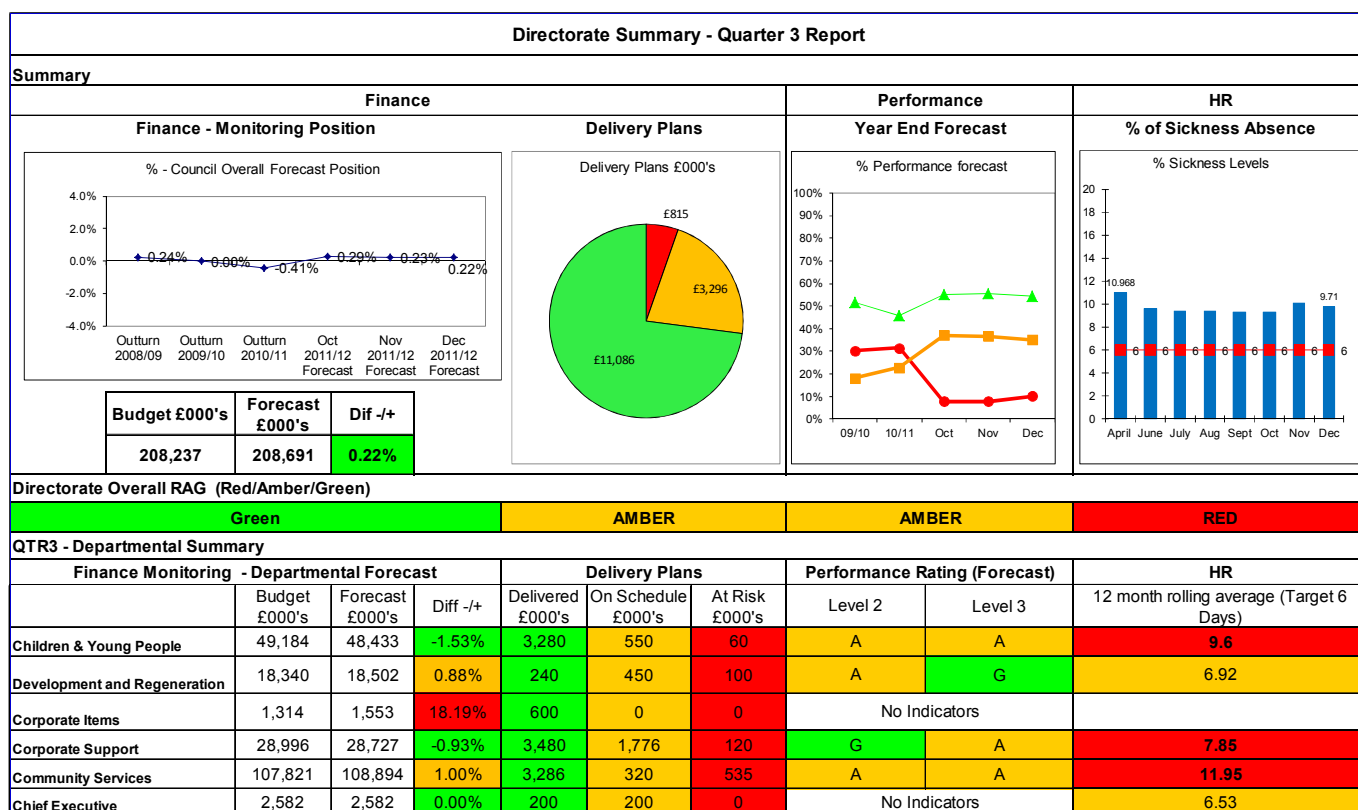
**Level 3** - are single agency indicators that either support Levels 1 and 2 or are business critical to the organisation. Targets are set on a 3 year rolling basis. *Example: % people from health deprived neighbourhoods accessing Sports Development activities*

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.

<b>RAG Rating key - Budgets</b>			
	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		
<b>RAG Rating key -Measures – an average of all measures that sit within Departments</b>			
	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		

### 3<sup>rd</sup> quarter performance headlines

**Table I- Quarter 3 Corporate Scorecard**



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

#### Community Services

- 2.4 Overall performance for the directorate is predicted to be rated amber by the end of the financial year and has been affected by the increase in domestic burglaries, lower than anticipated take up of Personal Budgets and lower museum attendances.
- 2.5 Almost 66% of delivery plan savings have been achieved so far with a further 22% on schedule to deliver by the end of the financial year.
- 2.6 Community Services has the highest sickness levels for the Council, though these have continued to reduce throughout the year.

#### Children and Young People's Services

- 2.7 At least 70% of CYPs performance indicators are in the top or middle quartiles when compared nationally.
- 2.8 The local forecast is that the directorate predicts to achieve an amber rating for performance at the end of the financial year. However, this is due to a set of very challenging targets.
- 2.9 Sickness is above the target of an average of 6 days (FTE) per year, but the directorate has seen a decrease by more than 2 days since the beginning of the financial year.

## **Corporate Support**

- 2.10 The directorate reports a favourable variation against budget and has 65% of its delivery plans achieved with a further 33% on schedule to achieve by the end of the financial year.

## **Development and Regeneration**

- 2.11 The directorate predicts an amber rating for its financial position at the end of the financial year
- 2.12 Delivery plans are mostly achieved or on track to achieve.
- 2.13 Along with Chief Executive's, Development & Regeneration have the lowest average sickness across the council.

## **Chief Executive**

- 2.14 The directorate is on target to achieve its budget by the end of the financial year.
- 2.15 50% of its delivery plan savings have been achieved with the remaining 50% on schedule to deliver by the end of the financial year.
- 2.16 This directorate along with Development and Regeneration has the lowest sickness levels (though above the 6 days target) for the whole council.

## **Corporate Items**

- 2.17 The department is forecasting an over spend of £0.240m, as explained in the report, but will achieve its budget Delivery Plan target by the end of the financial year.
- 2.18 Sickness absences continue with a downward trend towards the Council's target of 6 days per FTE. A comparison of sickness absence, for a rolling 12 months, at the end of December 2011, compared with the end of December 2010 shows that sickness has decreased by 3.45 days from 13.16 days to 9.71 days per FTE. New policies and procedures, as well as a focus on employee health are contributing to this favourable trend.



## 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 had reduced to £0.569m (0.3%). At the end of this quarter, to the end of December 2011, we are reporting a further improvement to an over spend of £0.454m Table 2 below shows the forecast year end position across departments.

**Table 2 End of year revenue forecasts**

DIRECTORATE	Council Approved Budget Feb '11 £000	Latest Approved Budget £000	Latest Forecast Outturn £000	Monitoring Variation to 31 Dec 2011 £000	Movement In Quarter £000
<b>CHILDREN AND YOUNG PEOPLE</b>	49,383	49,184	48,433	(751)	(585)
<b>COMMUNITY SERVICES</b>	109,180	107,820	108,892	1,072	317
<b>DEVELOPMENT &amp; REGENERATION</b>	17,073	18,340	18,502	162	93
<b>CORPORATE SUPPORT</b>	27,400	28,996	28,727	(269)	(288)
<b>CHIEF EXECUTIVE</b>	1,508	2,582	2,582	0	108
<b>CORPORATE ITEMS</b>	3,693	1,315	1,555	240	240
<b>GENERAL FUND BUDGETS</b>	208,237	208,237	208,691	454	(115)

- 3.2 Further details of the variations are outlined in the individual Directors reports in Section D of this report.

### 3.3 Delivery Plan Update

In setting the budget for 2011/12, departmental delivery plans totalling £15.197m 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 3 below summarises the progress against the 2011/12 revenue budget delivery plans by department.

**Table 3 – Delivery Plan Summary**

<b>DIRECTORATE</b>	<b>Total Delivery Plans</b>	<b>Red</b>	<b>Amber</b>	<b>Green</b>
<b>CHILDREN AND YOUNG PEOPLE</b>	3,890	60	550	3,280
<b>COMMUNITY SERVICES</b>	4,141	535	320	3,286
<b>DEVELOPMENT &amp; REGENERATION</b>	790	100	450	240
<b>CORPORATE SUPPORT</b>	5,376	120	1,776	3,480
<b>CHIEF EXECUTIVE</b>	400	0	200	200
<b>CORPORATE ITEMS</b>	600	0	0	600
<b>Total Delivery Plans</b>	<b>15,197</b>	<b>815</b>	<b>3,296</b>	<b>11,086</b>
<b>% Total Delivery Plans</b>	<b>100.0%</b>	<b>5.4%</b>	<b>21.7%</b>	<b>72.9%</b>

Overall, progress against this challenging agenda is encouraging, with just under 95% 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.

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 31 December 2011 is shown in table 4 below:

**Table 4 – 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	82.10	81.54	96.1	97.00
NNDR	£86m	87.31	86.19	97.3	98.00
Sundry Debt	£61m	95.00	93.06	92.5	95.00

- 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 for September 2011, the 2011/12 Capital Programme stood at £85.679m. Following approval of new schemes, re-profiling and variations at Full Council in December 2011, the capital programme for 2011/12 was £87.005m however the latest forecast at 20<sup>th</sup> January 2012, is now £78.661m.

The additional schemes, not included as part of the quarter 2 monitoring report but approved at the December Full Council, are shown in Table 5.

**Table 5 – Additional Schemes Approved at December Council Meetings**

£000	£000	£000	£000	Schemes Approved at December Councils
11/12	12/13	13/14	14/15	
26	1,274	-	-	Data Centre
1,300	-	-	-	Capitalised Road Maintenance
<b>1,326</b>	<b>1,274</b>	<b>0</b>	<b>0</b>	<b>Total of Additional Schemes Approved</b>

- 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 6 – Recommended Re-profiling and Variations to Capital Spend**

<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>	<b>Re-Profiling / Other Variations</b>
<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	
(2,041)	2041	-	-	Corporate Accommodation Strategy - Re-profiling to take into account changes to work plans.
(535)	535	-	-	Autistic Spectrum Disorder - Re-profiling of expenditure on project following delays in planning and feasibility.
(1,093)	1,093	-	-	Mercury Abatement – Re-profiling to reflect more realistic delivery dates.
(1,087)	1,087	-	-	SAP Replacement – Updated cashflow information from project officer.
-	(3,800)	3,800		Materials Recycling Facility – Re-profiling with updated information from project officer.
662	(657)	(5)	-	Plymouth Life Centre - Re-profiling of budget from 12/13 to 11/12 for risk items that will be expended in this financial year.
(4,350)	4,176	327	191	Other Re-profiling – Details in Appendix B
44	1,097	3,928	4,853	Variations & Virements – Details in Appendix B
<b>(8,400)</b>	<b>5,572</b>	<b>8,050</b>	<b>5,044</b>	<b>Total Re-Profiling / Other Variations</b>

- 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 February 2012.

**Table 7 – New Scheme for recommendation to Full Council (Feb 2012)**

<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>Scheme to be Approved at February Council</b>
<b>11/12</b>	<b>12/13</b>	<b>13/14</b>	<b>14/15</b>	
-	80	320	500	Plymouth Natural Networks – Increased green space in the city to match the additional housing as per the Growth Agenda
-	790	-	-	Gypsy and Travellers Site – Site at Broadley Park
-	51	285	-	Southway Community Football Hub
56	-	-	-	Mt Edgcumbe – Purchase of Marquee
<b>56</b>	<b>921</b>	<b>605</b>	<b>500</b>	<b>Total of new Schemes for approval Feb 2012</b>

- 5.4 The Capital Programme is always subject to variations, due to a number of different factors and these are reviewed each month.

	<b>£000</b>
<b>Programme following approvals at Full Council December 11</b>	<b>87,005</b>
Re-profiling for approval at February Cabinet (Table 6)	(8,444)
Variations / Virements for approval at February Cabinet (Table 6)	44
New Schemes for approval at February Council (Table 7)	56
<b>Revised (Latest Forecast)</b>	<b>78,661</b>

### Capital Expenditure to Date

- 5.5 To date, we have accrued actual spend of £50.448m which equates to 64% spend against the revised estimated annual spend of £78.661m. 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, submitted 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 6.
2. Cabinet recommend to Full Council the new capital schemes for investment as detailed in Table 7 amounting to £0.056m in 2011/12 and £2.026m for future years.

### Capital Receipts

- 5.6 There has been 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 £35.2m receipts up to, and including, 2014/15.
- 5.7 The capital receipts now available to fund the programme (RAG rated) from the disposal of land and buildings are as follows:

Capital Receipt to date	19.970
2011/12 Estimated to be Rec'd	1.156
2012/13 Estimated Receipts	6.888
2013/14 Estimated Receipts	4.569
2014/15 Estimated Receipts	1.781
<b>Total</b>	<b>34.364</b>

- 5.8 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.

### **Capital Medium Term Forecast**

- 5.9 Projecting forward the above changes across the next three financial years provides an initial capital programme as detailed in Table 8. 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 MTFE aligning it with the number of years over which the revenue MTFE is based. The programme will grow in future years when we receive more certainty around future funding streams.

**Table 8 – Capital Medium Term Forecast & Funding**

	2011/12 Revised £000	2012/13 Revised £000	2013/14 Revised £000	2014/15 Revised £000	<b>Total £000</b>
Children's Services	15,727	25,431	15,987	5,948	<b>63,093</b>
Community Services	26,951	9,012	1,155	1,062	<b>38,180</b>
Corporate Support	7,662	6,547	521	0	<b>14,730</b>
Development & Regeneration	28,321	9,731	11,135	7,871	<b>57,058</b>
	<b>78,661</b>	<b>50,721</b>	<b>28,798</b>	<b>14,881</b>	<b>173,061</b>

<b>Funding Source</b>	<b>2011/12 £000</b>	<b>2012/13 £000</b>	<b>2013/14 £000</b>	<b>2014/15 £000</b>	<b>Total £000</b>
Capital Receipts	20,126	9,955	5,077	0	35,158
Unsupported Borrowing	19,528	5,195	0	0	24,723
Supported Borrowing	277	47	0	0	324
Grants & Contributions	33,574	33,177	23,472	13,294	103,517
SI06 / Tariff	1,857	957	51	1,250	4,115
Revenue & Funds	3,299	1,390	198	337	5,224
<b>Total</b>	<b>78,661</b>	<b>50,721</b>	<b>28,798</b>	<b>14,881</b>	<b>173,061</b>

## SECTION C – EXECUTIVE SUMMARY – HUMAN RESOURCES

### 6. Human Resources Key Messages

6.1 The annual basic salary bill for the Council establishment is around £84million. 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 Key facts and figures are;

- At the end of December 2011, there were 4248 employees (3351 FTE), a reduction to headcount of 516 employees (348.3FTE) from December 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 5.36% of the monthly wage bill in December 2011.
- 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. At the end of December 2011, the average sickness level was 9.71 days per FTE, for the last rolling 12 months. This is a 3.45 days' reduction from December 2010. There is a corporate drive to significantly reduce this level and HR is working closely with departments to consistently address proactive management of absence.

6.3 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:**

- 6.4 During this financial year until 31 December 2011, 61 people have been made redundant and left the Authority.

In the last 12 months to 31 December 2011 81 people have been made redundant and left the Authority.

We have successfully redeployed 40 people at risk of redundancy this financial year. This equates to 45% of people being successfully redeployed.

We have successfully redeployed 61 people at risk of redundancy in the last 12 months to 31 Dec 11.

- 6.5 The voluntary release scheme has allowed 85 people to leave the Authority before the end of the year.

### **New Local Terms and Conditions**

- 6.6 The new local terms and conditions are now being implemented in accordance with the implementation timetable.

### **Senior Management Review**

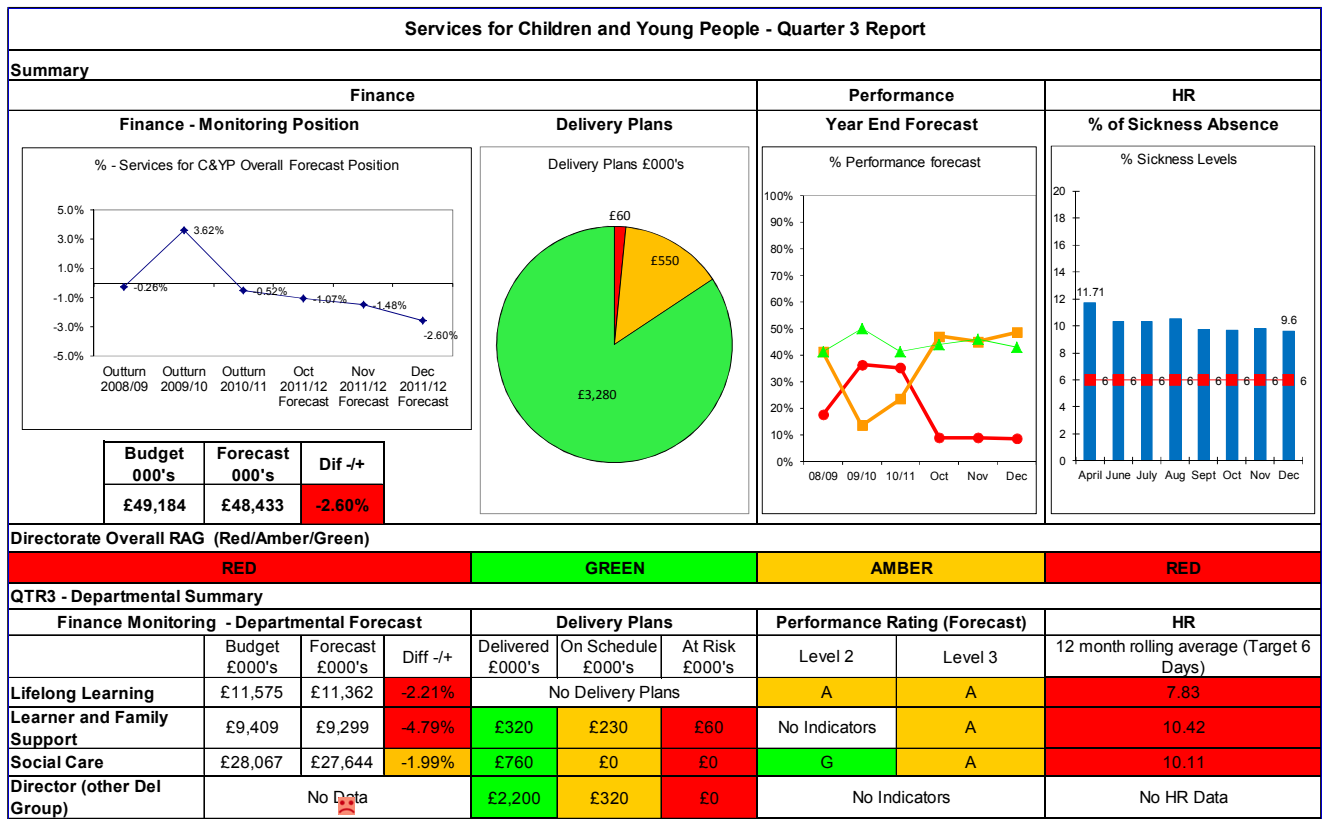
- 6.7 The three new directorates came into effect on 1 January 2012. The Appointments Panel will make appointments to the Assistant Director level during January 2012, to take effect from 1 March 2012.



## SECTION D – DEPARTMENTAL PERFORMANCE & FINANCE REPORT

### 7 Children & Young People's Services

#### 7.1. Scorecard - General Fund Revenue Forecast is an underspend £0.751m



Responsible Officers: Maggie Carter / Colin Moore / Mairead MacNeil

#### Social Care

Children's Social Care is reporting a favourable variation of (£0.423m) reflecting an increased underspend within the quarter. Residential placements have increased to 20, against a target of 13, Independent fostering placements have decreased by 2 to 63 with a target of 56. There have also been a number of changes to existing placements across all service provision resulting in an overall reduction of (£0.102m). Additional savings relating to employee costs of (£0.315m) within the quarter due to permanent staffing changes, agency cover and the reduction in take up of family group conferencing. Both Delivery Plans number 8 Diversion of Children from Care (£0.400m) and 10 'Secure Placements' (£0.180m) have been turned green during the quarter and the budget has been reduced accordingly. A contribution of £0.650m towards the Carefirst project has now been agreed.

#### Learner and Family Support

A favourable budget forecast for year end of (£0.110 m) excluding the £0.060m red delivery plan. Previously reported pressure in transport has been managed down. Recruitment delays resulting from the Council's restructure have led to additional in-year savings against some planned projects.

The department has some concerns regarding the number of Common Assessments being undertaken (CAF). However, as the Localities project begins to take effect it is

anticipated that numbers will increase. The latest performance data released (2010/11) indicates that the department has more than 75% of indicators in the top or middle quartiles when compared nationally. More challenging targets have been set again for 2011/12 and it is anticipated that at least 50% of all indicators will achieve their target by the end of the year.

### Lifelong Learning

A favourable budget forecast position of (£0.203m). There is an on-going potential 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. There are therefore no delivery plans to report. The department is currently focusing on the rising levels of young people not in employment, education or training (NEET). In order to help reduce NEETs, we are implementing an 'Increasing Participation' Plan partly funded by the DfE through our involvement in 'Raising the Participation Age' trial work. The latest performance data released (2010/11) indicates that the department has more than 70% of indicators in the top or middle quartiles when compared nationally. Of those measures in the bottom quartile, Achievement at Level 4 or above in both English and Maths at KS2 is a concern. An action plan is in place to ensure performance improves. More challenging targets have been set again for 2011/12 and it is anticipated that at least 50% of all indicators will achieve their target by the end of the year. Sickness levels have been gradually reducing over the last 7 months and are the lowest within the Service.

### People Management

The Services' sickness levels is showing 9.6 and is slightly below the overall council figures (9.71), 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 have a Delivery Plan target 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	60	230	320	610
Lifelong Learning	0	0	0	0
Social Care	0	0	760	760
Other Delivery Groups	0	320	2,200	2,520
<b>Total CYP</b>	<b>60</b>	<b>550</b>	<b>3,280</b>	<b>3,890</b>

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 future years' delivery plans.
- Looked after Children numbers are monitored on a weekly basis and currently based on trends being experienced by other local authorities, there is a risk of increased numbers which could result in higher costs in the latter end of the year. Savings currently achieved to some extent mask the underlying cost pressures meaning activity still needs to be addressed to address underlying trends.
- Demand for Transport could increase and result in higher costs
- Capacity to achieve the Delivery Plans continues to be managed through the Commissioning and Finance Programme board
- Changes to grants and funding streams could have an adverse impact on the service
- Invest to save projects to deliver reductions in current and future costs need to be monitored for progress against the targets in the original business cases.

### **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**

The Parent and Child Assessment team will be fully staffed by the beginning of February 2012. The team manager was appointed at the beginning of autumn 2011 and took up her post at the beginning of October. She has completed the recruitment of the whole team including a temporary administrator, and an assessing social worker. The team have places on evidence based assessment training to be undertaken during January 2012.

The Parent and Child Assessment team will become operational in January 2012 and aim to have completed three parent and child assessments by the end of March 2012. Fostering aim to have approved one further set of carers (as a minimum), in addition to the current two sets, who will be available for parent and child fostering by end of March 2012. This will start to contribute towards the aim of reducing the number of out of city placements which will improve the service provided to families and reduce costs.

The initiative is estimated to provide estimated annual savings of £0.135m against approved budgets from year 3 onwards, which actually equates to £0.290m savings when compared to 2010/11 expenditure levels. Due to timings around staff recruitment and actual external placement numbers there are expected to be savings of up to £0.050m in 2011/12.

## **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 February 2012. 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.

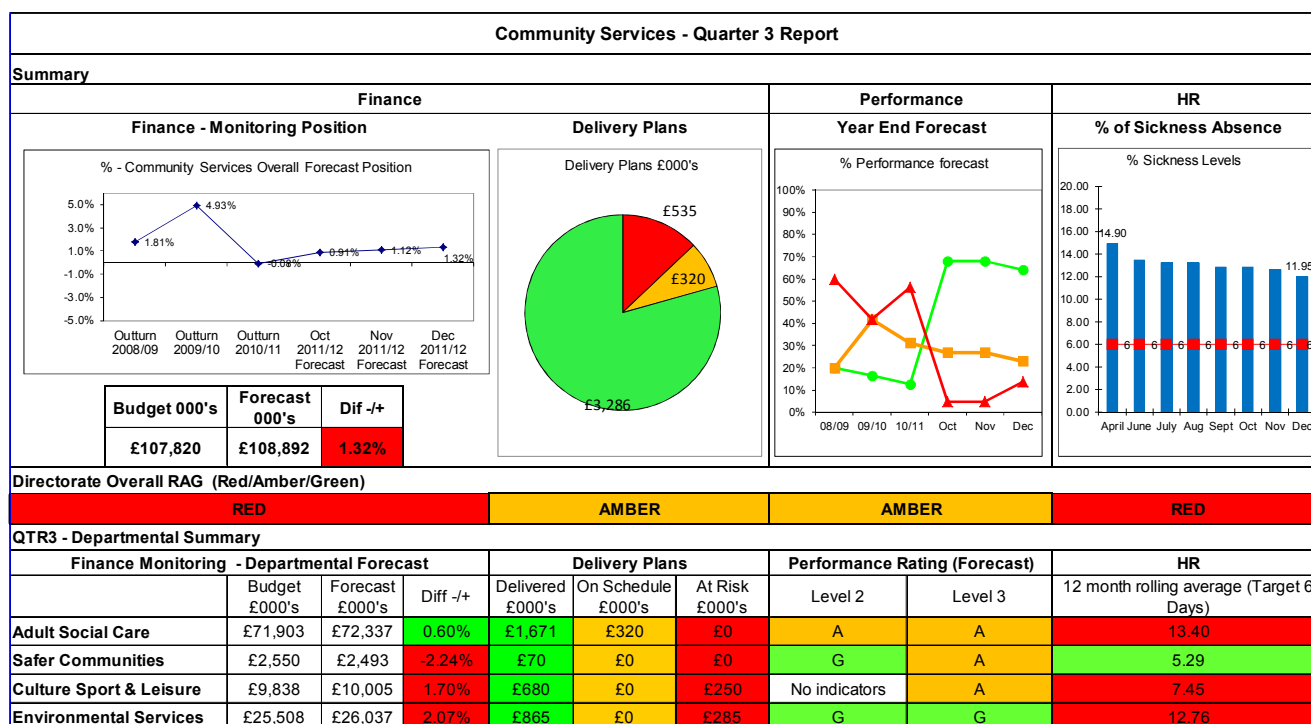
The latest forecast, as at the end of November 2011, shows a projected underspend of £0.363m for DSG funded activities. Pressures relating to insurance costs being borne by a smaller number of schools because of Academy transfers and the increased Planned Admission Numbers for some schools have been offset by the lower take-up of the early years free entitlement, reductions in independent sector placements and the Lifelong Learning service restructure

### **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 children's services and schools.

## 8. Community Services

### 8.1 Scorecard - General Fund Revenue Forecast is an overspend of £1.072m



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

#### Adult Social Care

The forecast overspend in Adult Social Care has decreased to £0.434m assuming all delivery plans are achieved by year end. Delivery plans are mostly completed or on track to be delivered with no red rated plans. The service continues to focus on scrutinising all spend and managing down expensive packages of care. Progress against budget is scrutinised and the level of financial risk is challenged through both the ASC Management Team and also the ASC Programme Board. We are no longer expecting to achieve the self direct support/direct payment target at year end but we are expecting to improve on last year's outturn position of 31%. We are rolling out significant change across the service in a managed and phased way. This approach will have longer term benefits. Performance has been affected in the short term as it requires significant culture change and not all staff have yet received the necessary induction and training to operate in a personalised way. However, we remain confident that we will achieve the 100% target by March 2013. Sickness in the service, although high, is being actively managed and has continued to fall since May 2011, despite the significant change required of the service and the restructure which is underway.

On a more positive note delayed transfers of care continue to perform strongly. Adults with Mental Health problems supported to live independently is above target. Both our Learning Disability and our Mental Health additional targets are improving and this is

#### Culture Sport & Leisure

An adverse variation of £0.167m is reported at Quarter 3 which is mainly due to delivering the Leisure management project, Plymouth Life Centre early mobilisation costs and supporting the operating deficit for the Mayflower Centre.

The number of enquiries to the Tourist Information Centre was below target, but still in excess of the same period last year.

Museum visits will not meet the target for 2011/12 due to reduced venue sizes for touring exhibitions compared to 2010/11. The target for this indicator will need to be reviewed for next year. Nevertheless, attendances at the museum are still up.

The British Art Show was a great success with 75,000 visitors which was in excess of anticipated numbers. Trips by schools and other educational establishments were particularly successful.

Work continues on the Plymouth Life Centre with planned completion on 27th February and the official opening scheduled for late March 2012.

### **Environmental Services**

An overspend of £0.529m is now reported at Quarter 3 mainly due to removing the anticipated income projection of £0.398m for landfill rebate; whilst action still continues to secure this rebate it will not be received in 2011/12.

A series of events took place during the quarter to encourage more recycling and waste minimisation including door-stepping in parts of the city where participation in schemes is low, Roadshows, community talks etc. There have also been promotional events over the Christmas period aimed at recycling excess waste including Christmas trees, wrapping paper and glass bottles.

Due to the garden waste extension into November an additional 352 tonnes (equivalent to 8%) was diverted from landfill. The percentage of household waste diverted from landfill this quarter (NI 192) was 32.7% narrowly missing the target of 33%, but this is a normal seasonal variation due to the Christmas shut down and current projections indicate that end of year performance will be close to the target. The amount of waste sent to landfill per household during this period (NI191) is better than the quarterly target of 162 kg with actual performance at 155.6kg, and remains on course to meet the annual target.

### **Safer Communities**

The favourable variation of (£0.057m) is due to staff savings and income. Provision has been made within Community Cohesion budgets for anticipated revenue costs associated with new Gypsy and Travellers sites and it is anticipated that this provision will be required in this financial year.

Serious acquisitive crime is a concern. Domestic burglary has increased by 28.9% (196 more crimes) compared to same period last year. Theft from vehicle is steady but is also showing an increase of 14.9% (109 more crimes). Despite this, we are performing well when compared to similar cities. Council crime reduction staff and partners, continue to work on tackling these issues focusing on enforcement and crime prevention.

### **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 £4.141m 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**

<b>Service</b>	<b>Red £000</b>	<b>Amber £000</b>	<b>Green £000</b>	<b>Total £000</b>
Adult Health & Social Care	0	320	1,671	1,991
Culture, Sport & Leisure	250	0	680	930
Environmental Services	285	0	615	900
Safer Communities	0	0	70	70
Other Delivery Groups	0	0	250	250
<b>Total</b>	<b>535</b>	<b>320</b>	<b>3,286</b>	<b>4,141</b>

- The Leisure Management contract has been signed earlier than anticipated and although there will be no savings in the current year or 2012/13, significant savings of 20% will occur over the life of the 10 year contract.
- The programme of Community Asset transfers will not meet the full target in 2011/12, although this is partially offset with overachieved savings in restructuring. A transfer from the waste reserve will be required in 2011/12 to address targets allocated to Environmental Services for waste operations when the budget was set. 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.

## 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

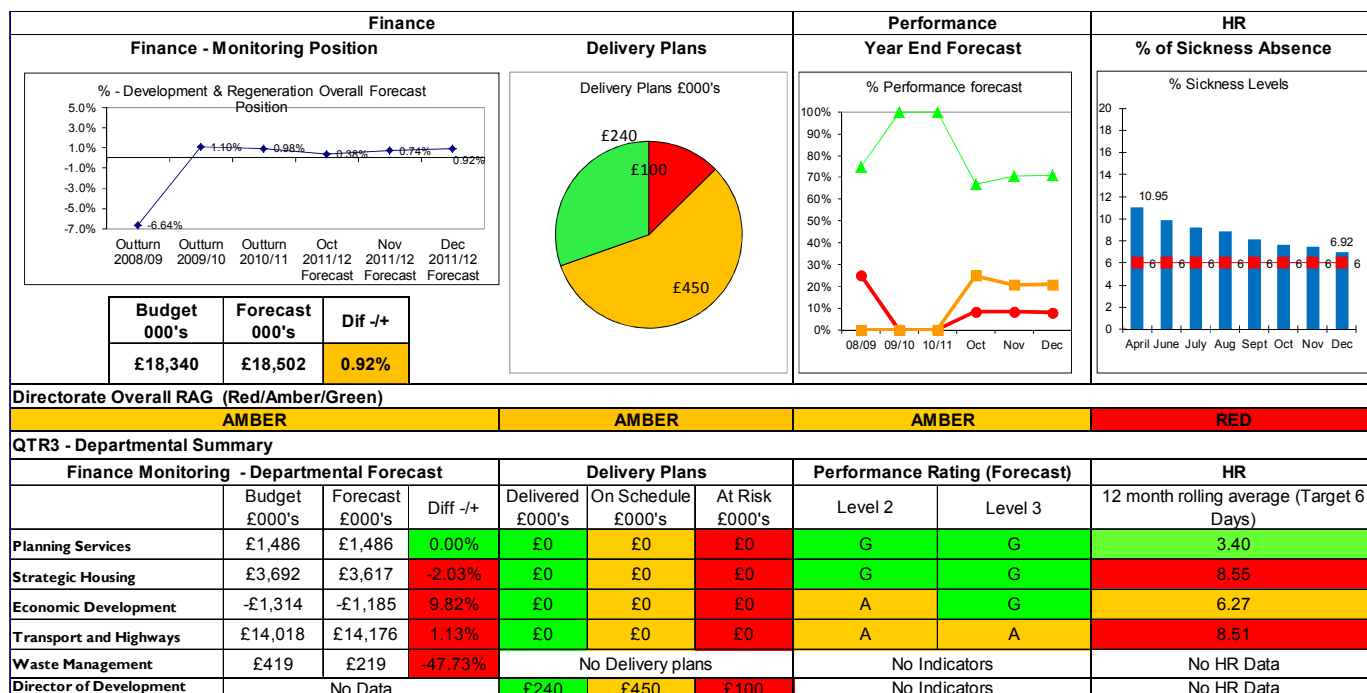
## **8.5 Medium Term Issues**

- 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 & Travelers 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.



## 9. Development and Regeneration

### 9.1 Scorecard - General Fund Revenue Forecast is an over spend of £0.162m



**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

Worklessness Plan in place. We have linked with the Jobcentre on the Work Experience element of the Get Britain Working scheme, where the council will offer placements for those who are 18-24 and have been claiming benefit for over 6 months. These placements will last for up to 8 weeks. Plymouth Growth Board has a dedicated sub group to look in to the issues around worklessness and what can be done with partners from across the city. The council is also a financial partner with the Jobcentre for a scheme run by Enterprise Plymouth aimed at moving eligible job seekers closer to work, by working on barriers that they may face. These may include development of basic work skills, CV writing and voluntary work.

The GAIN portal work begun and due for go live in late March, branding work completed and PR contract with DCA producing good results in local and regional media. GAIN is poised to be the main delivery body for technology businesses for the Heart of the South West and Cornish local enterprise partnerships.

The South West has been formally designated a Marine Energy Park by the government, providing a major boost to Plymouth's marine renewable sector.

The Visitor Plan for Plymouth has been completed and approved by Destination Plymouth and Plymouth City Council. The Visitor Plan can be viewed at: [www.visitplymouth.co.uk](http://www.visitplymouth.co.uk;);

Destination Plymouth has established four Working Groups (Marketing, Events, Interpretation and Development) to progress the star projects described in its plan. It has also launched the Marine City Festival to be held 8-16 September 2012. This event will be supported by an associated City marketing campaign, including a new digital marketing programme, designed to reposition Plymouth as the UK's Marine City.

### **Planning Services**

Planning Services has recently been focusing on the determination of the North Yard Energy from Waste plant and several other major planning applications in support of the city's growth agenda. Planning application performance continues to rise with 82% of major developments determined in time, 84% for minor developments and 92% for householder developments. The service continues to develop the Derriford Area Action Plan and will shortly publish the proposed Community Infrastructure Levy Charging Schedule to replace the Plymouth Development Tariff as the mechanism to fund future infrastructure. The service has also been developing a number of bids in relation to recently announced Government funding programmes such as Get Britain Building and the Growing Places Fund.

### **Strategic Housing**

By end of the December quarter, 123 new affordable homes have been completed. We are currently projecting 273 completions for 2011/12 – however, as is normally the case, there is the likelihood that there could be some slippage from Q4 into next year, but we expect to exceed our target of 200.

By quarter end, we have brought 67 empty private sector homes back into use and are projected 75 for 2011/12 – exceeding our target of 65.

### **Transport**

The East End transport scheme was completed on schedule in November and is already demonstrating improved punctuality and journey times for bus routes along the corridor. Final works on the public realm works will be completed during the final quarter of this financial year and will provide further enhancements as a result.

The Rail task force is now preparing a response to the Great Western franchise consultation, and work continues to seek a joint response with all other authorities in the far SW peninsula to strengthen the issues being raised to the DfT.

Work continues with the Highways Agency to consider improved performance on the road network and to potentially seek funding for pinch points along the main A38 corridor.

Bus punctuality figures will be available at year end.

### **Strategic Waste**

The Energy from Waste project is still to go through planning. It now has an approval from planning committee subject to the signing of the S106.

## People Management

Sickness levels are at 6.9 working days per FTE for the last rolling 12 months, against a council wide target of 6 days. This has decreased from the previous quarter's 8.87 as a result of initiatives led by HR including increasing management and staff awareness.

### 9.2 Delivery Plan Update

£0.790m (net) of delivery plans were set within the 11/12 revenue budget for Development and £0.390m are green with a further £0.300m amber, (more than 87% in total) 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.

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)	0	0	850	850
Transport	0	300	0	300
Economic Development	0	150	50	200
Other Delivery Groups	100	0	50	150
<b>Total</b>	<b>100</b>	<b>450</b>	<b>240</b>	<b>790</b>

### 9.3 Risks and Issues

- There are a number of significant risks in the Development 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 additional Fees and Charges income target will be met from existing savings elsewhere in 11/12. The current climate has applied pressure to already challenging targets, and further discussion is on-going.
- £0.100m for Printing, Publicity and Advertising have not yet been allocated over the departments budgets for these activities; Assistant Directors will slow spend in these budgets to support achievement of the Corporate target.

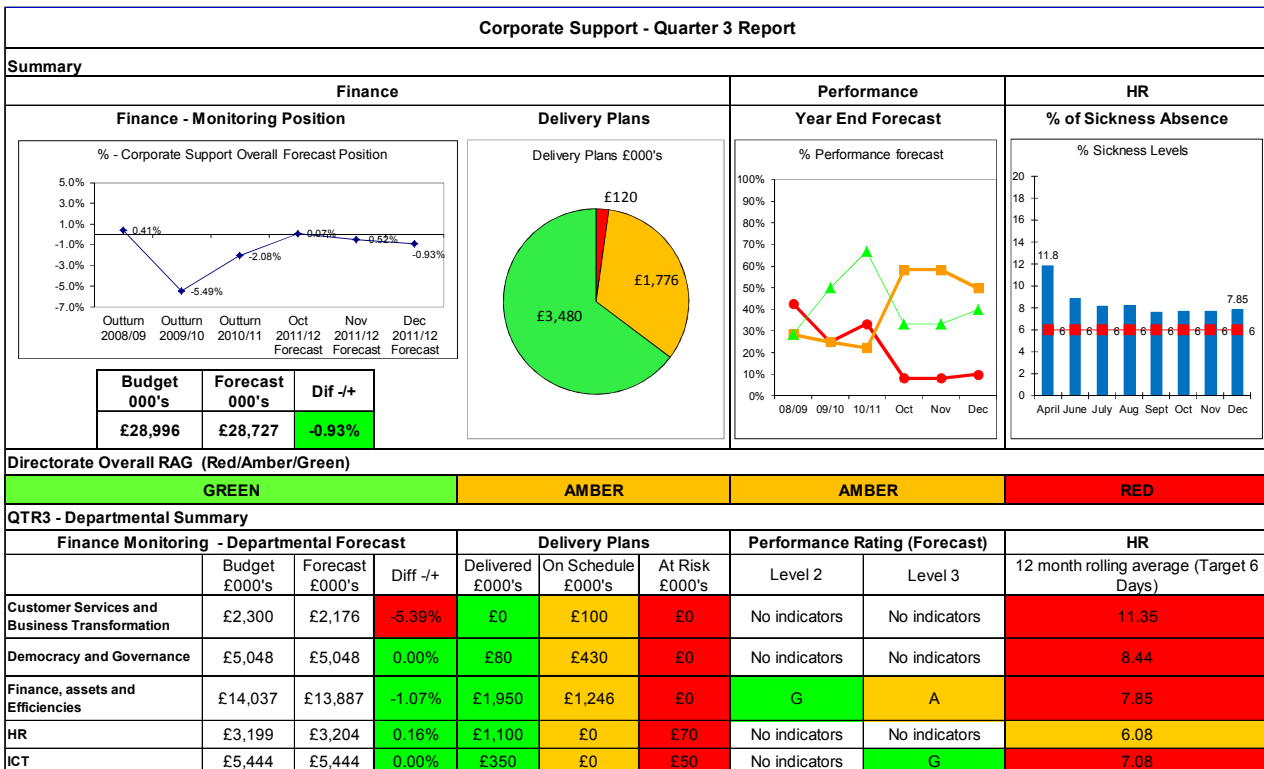
### 9.4 Medium Term Issues

- There is increasing demand for Housing services brought about by the housing market, welfare benefit reforms and the recession.
- There is a significantly increasing demand for homelessness and housing need -with the first upturn in no's of people in temporary accommodation since 2005/6 ,and 28% increase in homeless applications from previous years

- The Highway asset Management plan is being developed further to ensure that future demands on revenue for maintenance of the network are minimised whilst maintaining the function of the network.
- Concessionary fares and subsidised bus services are likely to come under greater pressure with increasing bus operation costs so are being carefully managed at this time.
- In terms of policy the recently launched Growing Places Fund of which £14.2 million has been allocated to the Heart of the West LEP, places an onus on councils to provide the 'technical and financial expertise' to deliver projects which unlock growth and the ED service will make an essential contribution to this policy and challenge for Plymouth as an authority.
- Community Infrastructure Levy: will replace Section 106 agreements and has major resourcing implications for future infrastructure planning and coordination of resources to support growth.
- Economic Climate: fragile economy has necessitated radical and innovative approach to overcome development viability through Market Recovery Scheme. Planning application fee income is still weak as a consequence although applications are rising raising workload implications if not managed carefully.

## 10. Corporate Support

### 10.1 Scorecard - General Fund Revenue Forecast is an under spend of £0.269m



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

#### Customer Services

Customer Services performed well through December as the new working arrangements bedded in. Work volumes were reasonable, but were not as low as usual for December as staff geared up for the anticipated busy start to the year. Main Reception was freshened up and looked smarter. Work is well underway preparing the department for CSE accreditation at the end of January. Absence management continues to be robustly managed, and this was reflected in a continuing fall in sickness rates in the team.

#### Democracy and Governance

Close monitoring and review of all budget heads has enabled the forecasts to be met despite the unforeseen budget pressures. An additional benefit has been the ability of the Legal service to increase their fee income through shared working/services.

#### ICT

Availability of the top 14 services remains above target even though there have been recent major disruptions due to implementing new Anti-Virus software required as part of an exercise to help meet our delivery plan savings.

#### HR

During the last quarter, employee numbers have reduced by 109 (70.3 FTE) from a headcount of 4357 to 4248. 85 employees had left the council through the Voluntary Release Scheme by the end of December 2011.

A comparison of sickness absence, for a rolling 12 months, at the end of December 2011, compared with the end of December 2010 shows that sickness has decreased from 13.16 days per FTE to 9.71 days, a decrease of 3.45 days per FTE. This downward trend continues towards a target of 6 days. The focus of employee health, together with management interventions and targeted programmes for staff continues.

99.7% appraisals completed as at end December – missing just 12 appraisals and only 3.4% employees “did not meet expectations” (fell by 0.1 from last year). Engagement index rose from 57% to 62% this year

### Finance Assets and Efficiencies

F&E continue to make good progress against the budget delivery plans. Significant savings have been made through rationalising accommodation, more efficient external procurement and reducing management costs through staff restructures. We are now forecasting an underspend of £150k at year end over and above achieving all delivery plans. The Revenues and Benefits, Customer Services, Creditors and Incomes restructure took effect from 1 November 2011. A service improvement plan has been put in place and significant progress made in tackling housing benefits backlogs. Addressing backlog HB claims will have a short term negative impact on processing times as we work through older cases, however, this trend will be reversed throughout the last quarter of this financial year.

## 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

In addition, the figures include 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; strategic procurement; and revised Terms & Conditions across the council.

Service	Red £000	Amber £000	Green £000	Total £000
FAE	0	1,246	1,650	2,896
HR	70	0	1,100	1,170
Customer Services	0	100	300	400
Democracy & Gov.	0	430	80	510
ICT	0	0	300	300
Other	50	0	50	100
<b>Total</b>	<b>120</b>	<b>1,776</b>	<b>3,480</b>	<b>5,376</b>

There has been slippage in some delivery plans. That said, this is a marked improvement on the position reported at the end of the 2<sup>nd</sup> quarter. Overall, progress is encouraging with either some plans being bought forward or alternative actions put in place.

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**

#### **HR**

The Council is replacing its HR and Payroll systems and has entered into contracts for the implementation of these new systems. The proposed 'go live' date is July 2012.

#### **Finance, Assets & Efficiencies**

Provision has been made in the revenue budget to meet the costs of the routine maintenance of the Council's operational buildings. Improvement works are charged to the capital budget. The asset management strategy identifies that there is a significant backlog in maintenance obligations. Risks include health and safety issues that may arise during the year and the uncertainties over the future of the Civic Centre.

The national economic climate is having an impact on the local authority. This may result in reduced collection rates for the Authority.

#### **Democracy & Governance**

There are potential pressures for 12/13 and beyond around known and potential elections. For example, if a referendum on executive arrangements for the Council is "Yes" for a Mayor then there has to be a full election within 6 months, with the costs associated with this a pressure to revenue budget.

## ICT

ICT continues to be under significant pressures working on vital projects such as HR Payroll, new way of working roll-out, the building of the new data centre, the designing and provisioning of services to facilitate the co-location with Health, and the planning for an eventual move out of the Civic Centre.

These are all significant projects that will require careful control and oversight. Any delay due to other emerging priorities could have huge consequential impacts

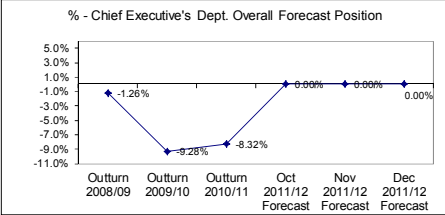
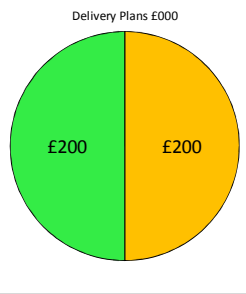
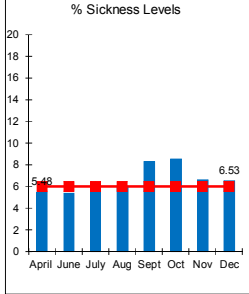
### 10.5 Invest to Save

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

**Procurement Category Management** – we continue to be engaged with our advisors Agilyis and workshops and meetings with key personnel and DMTs are well progressed. A budget benefit realisation mechanism has now been approved by CMT. A monthly report is now being produced and savings signed off by each Directorate.

## II. Chief Executive

### 11.1 Scorecard - General Fund Revenue Forecast is on budget

Chief Executives - Quarter 3 Report															
Summary															
Finance				Delivery Plans		Performance		HR							
<b>Finance - Monitoring Position</b>  <table border="1"> <thead> <tr> <th>Budget 000's</th> <th>Forecast 000's</th> <th>Dif +/-</th> </tr> </thead> <tbody> <tr> <td>£2,582</td> <td>£2,582</td> <td>0.00%</td> </tr> </tbody> </table>				Budget 000's	Forecast 000's	Dif +/-	£2,582	£2,582	0.00%	<b>Delivery Plans</b> 		<b>Year End Forecast</b> No performance indicators		<b>% of Sickness Absence</b> 	
Budget 000's	Forecast 000's	Dif +/-													
£2,582	£2,582	0.00%													
Directorate Overall RAG (Red/Amber/Green)															
GREEN				AMBER				AMBER							
QTR3 - Departmental Summary															
Finance Monitoring - Departmental Forecast				Delivery Plans			Performance Rating (Forecast)		HR						
	Budget £000's	Forecast £000's	Dif +/-	Delivered £000's	On Schedule £000's	At Risk £000's	Level 2	Level 3	12 month rolling average (Target 6 Days)						
Chief Executive	£2,582	£2,582	0.00%	£200	£200	£0	No performance indicators		6.53						

**Responsible Officers: Giles Perrit, Richard Longford**

#### Chief Executive

The overall position in Chief Executives is currently forecasting to come in on budget. 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 now been agreed

During this period the Department has been leading on budget scrutiny. This has involved producing a draft Corporate Plan for 2012/13 and co-ordinating a series of challenge sessions with the Corporate Management Team and the Overview and Scrutiny Management Board.

The 2012/13 Budget and Corporate Plan will be agreed at Council on 27th February.

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### **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 1<sup>st</sup> 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.

Following a spike in sickness earlier in the year days lost to sickness have now reduced to 6.53 days 0.53 days above the corporate target of 6 days.

## **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.

<b>Service</b>	<b>Red £000</b>	<b>Amber £000</b>	<b>Green £000</b>	<b>Total £000</b>
Performance & Intelligence	<b>0</b>	<b>0</b>	<b>100</b>	<b>100</b>
Consultation	<b>0</b>	<b>100</b>	<b>0</b>	<b>100</b>
Corporate Subscriptions	<b>0</b>	<b>0</b>	<b>100</b>	<b>100</b>
Printing, publicity & Advertising	<b>0</b>	<b>100</b>	<b>0</b>	<b>100</b>
<b>Total</b>	<b>0</b>	<b>200</b>	<b>200</b>	<b>400</b>

## **11.3 Risks and Issues**

- The Directorate is on target to achieve its plans by the end of the year.

## 12. Corporate Items and Cross Cutting Issues

### Revenue budget forecasted out-turn

- 12.1 Unlike previous quarterly reports, we are now reporting an over spend of £0.240m. We are still awaiting full confirmation of the true impact on the Council of the 2011/12 Carbon Reduction Commitment (CRC) Tax Levy. This is the first year of this new levy, based on our CO2 emissions. Our calculations for the whole estate suggest the charge will be circa £0.400m. However, the council will passport £0.160m of this charge to schools (£0.120m) and Academies (£0.040m); Hence the net exposure of £0.240m. Both schools and academies are aware of their element of this charge.

The Treasury Management Board are now confident we will, despite a challenging target to deliver just under £1m of savings from treasury management, come in on budget.

### Capital Financing Budget /Treasury Management

- 12.2 The Treasury Management Board continues to meet regularly to discuss the actions in respect of borrowing and investments in accordance with the approved strategy.

- **Debt Rescheduling**

Movements in gilts over in 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

- 12.3 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 – January 2012:

	Principal £000	Interest £000	Total £000
April 2011	187	10	197
July 2011	122	6	128
October 2011	126	6	132
January 2012	100	5	105

This brings the total amount recovered to date to £2.142m (67.92%)

- 12.4 Investments in Landsbanki (£4m) and Glitnir (£6m) remain subject to court proceedings. The Council continues to work with Bevan Brittan solicitors and the LGA continues to actively pursue the recovery of its total investments.

### Contingency

- 12.5 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 it is assumed that the budget will be used in full during the year. We have assumed £0.300m has been allocated to cover the predicted shortfall to the current year's Employer Pension Contributions. Following the tri-annual Pension Fund Valuation, the Council's contribution rates for 2011/12, 2012/13 and 2014/15 were confirmed. The contribution rates were held at the same rates as for the previous three years. However, there was a condition attached which stated the rates assumed that total contributions each year would match a minimum monetary value.

In the past week, we have had an indication that the shortfall in contributions in 2011/12 is circa £0.300m. At this stage, this has been allocated against the revenue contingency budget.

### Budget Virements

- 12.6 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.
- 12.7 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 9 – Virements over £100k for Cabinet Approval**

Virements over £100k	000's		
	Delivery Plan Mgt	Other	Total virements
<b>DIRECTORATE</b>			
CHIEF EXECUTIVE	(5)	0	<b>(5)</b>
CHILDREN AND YOUNG PEOPLE SERVICES	(37)	0	<b>(37)</b>
CORPORATE ITEMS	(0)	(721)	<b>(721)</b>
COMMUNITY SERVICES	(914)	87	<b>(826)</b>
CORPORATE SUPPORT	1,019	58	<b>1,077</b>
DEVELOPMENT & REGENERATION	(63)	575	<b>512</b>
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>

A brief explanation of these virements is as follows:

### **Delivery Plan Mgt**

- 12.9 In the previous quarter's report, we advised that the Chief Executive's 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**

- 12.10 Transfer of the preventing Homelessness Grant from Corporate items to Strategic Housing. There has also been a transfer of CIP agreed reserves from Corporate Items to Culture, Sport and Leisure, Safer Communities and Finance, Assets & Efficiencies.

### **Working Balance**

- 12.11 The Council's working balance stood at £11.518m at 1 April 2011. This equates to 5.5% 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%.

### **Pension Reserve**

- 12.12 The council currently has monies set aside into a Pension Reserve, with a balance of £1.080m.
- 12.13 This reserve was created to ensure we are able to meet future shortfalls in our contributions to the Pension Fund. Last week the pension Fund Administrator indicated the likely shortfall for 2011/12 to be circa £0.300m.
- 12.14 If our contribution remain at the same level for the next two years, the period of the last tri-annual valuation, we would anticipate further shortfalls for 2012/13 and 2013/14. For this outturn report, we have assumed that the 2011/12 is currently able to be covered from the Corporate Items contingency budget. If this remains possible for the final outturn position, we will not need to call down from the reserve this year.
- 12.15 We would therefore still carry forward the balance of £1.080m, giving us greater protection against future shortfalls. We must be mindful that, as staff numbers reduce, the pension contributions are likely to reduce. This will require larger draw-downs from the reserve in the future.

### **Waste Reserve**

- 12.16 The Waste Reserve currently stands at £2.4m and was specifically set aside to manage the potential shortfall where operational costs exceeded budget following the closure of Chelson Meadow until a new Waste solution would be operational. There may be a requirement in 2011/12 to draw down from the waste reserve to cover the operational costs of the waste collection and disposal service due to rising gate fee, landfill tax and transport costs. It was anticipated when the current budget was constructed that 2011/12 would be the year that costs might start to escalate following the closure of Chelson Meadow.
- 12.17 This report assumes the first draw down of £0.800m from this reserve, leaving a net balance of £1.600m to carry forward to future years.

12.18 Once the year end position is known the financial call on the reserve can be requested for approval. This position will be reviewed as the full outturn result becomes clear.

### **Corporate Items - other**

12.19 The Council has a number of backdated VAT claims lodged with HMRC known as 'VAT Fleming' cases. Four of these have been resolved in recent years. However there are 3 outstanding cases still under consideration which the Council continue to work with PWC to appeal initial HMRC findings. The Council have just been advised that one of these around trade waste has been assessed in the Council's favour, and officers are awaiting further information and clarity to finalise the favourable financial outcome for the Council. It is anticipated that the position will be clarified within the next month.

12.20 As highlighted in Lifelong Learning section of this report, there is an on-going potential tax liability from HMRC in connection with School Improvement Partners. This could result in an additional tax payment of £0.100m. For this outturn report, it has been assumed that the department can cover the cost by offsetting against other forecasted savings. Officers will continue to monitor closely and consider the possible requirement to set up a provision to cover.

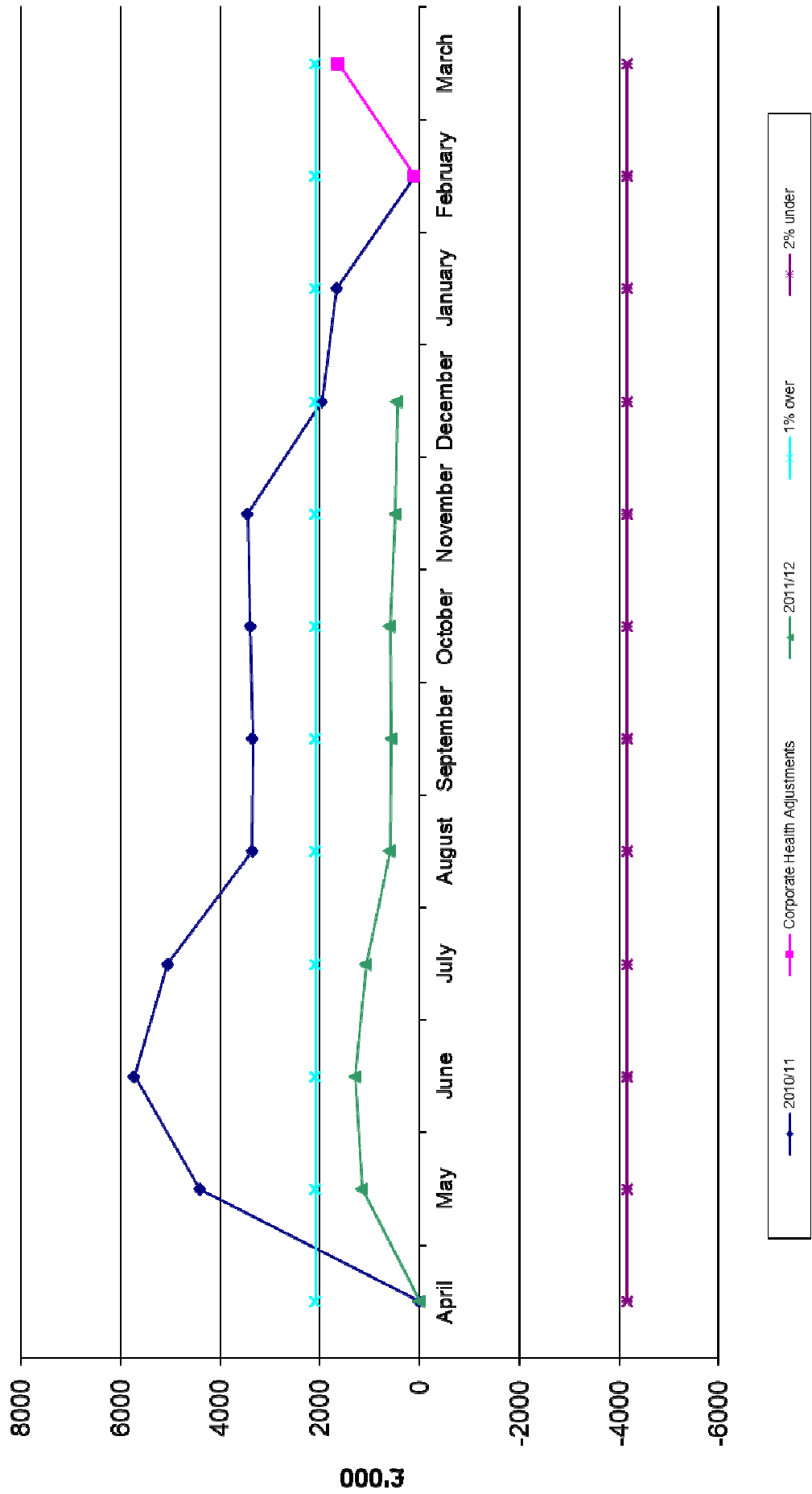
### **Recommendations**

3. Cabinet approve the budget virements as detailed in Table 9.
4. Cabinet approve the potential draw down on the Waste Reserve for 2011/12, subject to the 2011/12 Outturn position.
5. Cabinet approve the potential draw down on the Pension Reserve for 2011/12, subject to the 2011/12 Outturn position.
6. Approve the funding of the Council's element of the CRC Levy for 2011/12.

## SECTION E - CONCLUDING REMARKS

- 13.1 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. For 2011/12 the council has prioritised reduced funding in order to continue to protect front line priority services.
- 13.2 In total, the council has embarked on over £15m of revenue budget delivery plans for the current year. Where possible, we have engaged in cross departmental officer groups to generate significant spending reductions in areas such as accommodation, business support and procurement.
- 13.3 Despite reduced funding, the council remains committed to improving services and has revised its performance management framework to ensure that key focus is maintained on performance measures that contribute most towards the council and wider city's priorities.
- 13.4 Although there are no critical issues to report on finance this time around, there are some areas of variance within individual departments that require close scrutiny.
- 13.6 Revenue budgets are currently forecasting an end of year over spend of £0.454m. Departments will continue to address this overspend as we target an on-budget outturn in March 2012.
- 13.7 During the second quarter, the percentage of Delivery Plans which are rated Green or Amber has increased from 89.5% to 94.7%.
- 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 now in excess of £173m.
- 13.9 The Indicative Budget for 2012/13 has now been published and been the subject of public scrutiny in early January 2012.
- 13.10 Officers are now working hard to put together the final revenue budgets for 2012/13 to 2014/15. The final budget will be signed off by Full Council, when the Council Tax will be set, 27 February 2012.
- 13.11 This reports shows we are very close to achieving budget for the current year. We will not assume anything as we enter the final quarter and will continue to minimise spend to reduce the over spend by the year end.

General Fund Monitoring Comparison 2010/11 & 2011/12



## APPENDIX B

### Capital Programme – Variations and Re-profiling

Section 5.2 Table 6 cross-refers

£000	£000	£000	£000	Other Reprofiling for Approval
2011/12	2012/13	2013/14	2014/15	
(181)	(415)	596	0	Basic Need – Holy Cross (Reported delay, then removed in budget)
(185)	185	0	0	Basic Need – Mount Wise updated cashflow following letting contract
(565)	565	0	0	Estover Campus - revised contractors plan (project not delayed)
(260)	260	0	0	Basic Need - Riverside (PFI)
(100)	859	109	(324)	Basic Need - Salisbury Road brought forward to single phase delivery
(135)	485	(350)		Basic Need - wave 2 - St Josephs and Holy Cross
0	(20)	(695)	515	Basic Need - Stoke Damerel - project rephased
0	(175)	175	0	Basic Need - Other
(388)	388	0	0	Boringdon - Replacement of temporary classrooms minor delay in procurement process
(250)	250	0	0	St Boniface - practical cooking spaces - school procurement delay
(590)	590	0	0	Devolved Capital - Estimated schools carry forwards
(125)	125	0	0	Other CYP Reprofiling
(620)	620	0	0	Vehicle Replacement Ph1 – for vehicles expected to be delivered in April and May 2012
13	(13)	0	0	Other Community Services Reprofiling
(224)	224	0	0	Accommodation Strategy Ph1 re-profiling
(150)	150	0	0	Accommodation Strategy Ph2 re-profiling
103	(103)	0	0	Data Centre fit out
(125)	125	0	0	Other Corporate Support Reprofiling
(102)	(298)	400	0	Saltram Countryside – to ensure that it can be used as match funding to support Plymouth Natural Networks
(110)	110	0	0	Home Improvement Assistance reprofiled to meet the demand for Disabled Facilities adaptations in 12/13
358	(358)	0	0	Waste projects – capping and leachate treatments – reprofiled to meet estimated expenditure in 11/12
(137)	137	0	0	Other Strategic Housing reprofiling
(346)	346	0	0	Other Transport S106 funded reprofiling
(231)	139	92	0	Other Development reprofiling
<b>(4,350)</b>	<b>4,176</b>	<b>327</b>	<b>191</b>	<b>Total Reprofiling for Approval</b>



## APPENDIX B

£000	£000	£000	£000	Other Variations for Approval
2011/12	2012/13	2013/14	2014/15	
0	(240)	533	533	Estimated Devolved Formula Capital (DFC)
(200)	0	0	0	Basic Need - Weston Mill. Savings achieved
(140)	0	0	0	High View - Removal of Contingency as project nears completion.
0	(393)			Tor Bridge Campus (formerly Estover CC). Removal of contingency.
30	79	2,500	400	Condition Works - additional allocation to meet increase in liability
0		(169)	(305)	Basic Need - Holycross
		(103)		Basic Need - St Josephs - reduced estimate following initial design costings
		(711)		Basic Need - Stoke Damerel - reduced estimate following initial design costings
	35	1,125	3,500	Basic Need - Future Waves - provision for wave 3 and 4 delivery
(59)	88	40	0	Other Variations for Services for Children and Young People
0	605	693	725	Adult Personal Social Care grant
(139)	(50)	0	0	Vehicle Replacement programme – lower costs than originally estimated
210	0	0	0	PLUSS Building, Clittaford Road – claw-back of original grant used on building.
(69)	65	0	0	Accommodation Strategy Variations
46	49	20	0	Other Corporate Support Variations
0	(307)	0	0	Reduced reliance on capital receipts to fund Chelson Meadow
70	0	0	0	Tavistock Road Signals implementation of additional works
65	0	0	0	North Road East Public Crossing works.
0	108	0	0	Addition to LTP programme - Marjon bus link
0	247	0	0	Addition to LTP programme – George Park and Ride access improvements
	291			Addition to LTP programme – Digital speed cameras
0	337	0	0	Flood defence works at Arnold Point
123	0	0	0	Disabled Facilities Grant – additional funding from Central Government
115	110	0	0	Strategic Housing capitalised salaries to be funded from revenue
(8)	73	0	0	Other Development Variations
<b>44</b>	<b>1,097</b>	<b>3,928</b>	<b>4,853</b>	<b>Other Variations for Approval</b>

## APPENDIX B

£000	£000	£000	£000	<b>2011/12 Virements for Approval</b>
<b>SCYP</b>	<b>Comm</b>	<b>Corp</b>	<b>Dev</b>	
5	(5)	0	0	Virement re Lipson Vale Recreational Land
(115)	0	115	0	Virement from Torbridge project
(31)	0	31	0	Funding of additional work at Bretonside re amalgamation of Pupil Referrals Unit at Martins Gate to Corporate Support
<b>(141)</b>	<b>(5)</b>	<b>146</b>	<b>0</b>	<b><u>Total Virements for Approval</u></b>

Children & Young People Budget Delivery Plans December 2011			APPENDIX C		
Balancing the budget : Areas for savings, efficiency gains or increase		Delivery Plan	Progress Update		
		2011/12			
		Rag	2011/12 '£000	Revised	
				R/A/G	
1a	<b>Transport:</b> Cease concessionary transport from Sept '11 (over calculated in error, £280 was never achievable. New plans needed in 2011/12)	G	130	Transport Policy changes re cessation of Concessionary fares implemented from Sept 2011. However, these changes have only produced a part year saving of £99k. Full year savings in 12/13 £120k	G
1b	<b>Transport:</b> Review Special School routes and develop a more flexible approach for Special Educational Needs Transport from Sept '11	A	80	Volatile budgets dependant on needs of SEN statements. Following on from the robust review of routes undertaken during the Summer a part year saving for 2011/12 of £70k appears achievable.	A
1c	<b>Catering:</b> Efficiency savings	A	150	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	<b>Selling services to Academies</b>	G	20	Buy back from Academies into the Education Welfare Service	G
2	Locality Restructure	G	100	Posts deleted from system	G
3	Disability Service Restructure	G	70	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	A	0	Restructure of SEN Services planned as part of department restructure	G
<b>LEARNER &amp; FAMILY SUPPORT TOTAL:</b>			<b>550</b>		
5	Equalities and Diversity reconfiguration	G	0	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	G	0		
7	Early Years - reduction in staffing	G	0		
<b>LIFELONG LEARNING TOTAL:</b>			<b>0</b>		
8	Recommissioning of placements years 0-24 in line with 'Diversion of Children From Care' PLAN	G	0	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.	G
8a	2011/12 budget monitoring savings within the 16+ service	G	160	Achieved November 2011	G
8b	2011/12 budget monitoring savings within the in-house foster care service	G	240	Achieved November 2011	G
8c	2012/13 Children in care placement plan	R	0	Diversion of Children from Care strategy and this is reviewed each month so remedial action can be implemented as early as possible. There a	R
8d	2012/13 children in care placement plan	R	0	Diversion of Children from Care strategy and this is reviewed each month so remedial action can be implemented as early as possible. There are a number of foster carers being assessed for our in house service. If the level of care is appropriate and the match is appropriate, the aim is to bring children back to Plymouth from out of city placements. There is also a risk in that number of children in care appear to be increasing across the country and the trend is likely to filter down to us as Devon have already seen a noticeable increase.	R
9	Staff reductions - Impact of reducing services	A	0	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)	G	180	Achieved - No secure placements used. However, the Home Office transfer of financial responsibility for young offenders remanded to the local authority may have an impact	G
11	Youth Offending Service - reduce PCC Contribution by 10%	G	50	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	G	130	Achieved WEF 1/4/2011	G
13	Integration of various child care services - restructuring to deliver efficiencies	A	0	Intensive support service diverting children from care	A
<b>CHILDREN SOCIAL CARE TOTAL:</b>			<b>760</b>		

Children & Young People Budget Delivery Plans December '11 APPENDIX C					
Savings delivered to Children & Young People by other budget delivery groups:					
14	<b>Performance and Intelligence:</b> 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	A	100	Informal staff consultation completed and restructuring is currently in progress	A
15	<b>Administration &amp; Business Support Review:</b> Rationalise Business Support & Administration across the council. Includes savings generated from Care First project	A	220	Agreement to hold vacant posts pending formal restructure. Staff being surveyed.	A
16	<b>Printing, Publicity and Advertising:</b> challenge the current demand across the council and rationalise future publicity & advertising activity. Notional saving for department based on total council spend.	G	100	Budget reductions agreed and savings identified against cost centres. Actual spend curtailed accordingly. Delivery plan now Green and removed from budget.	G
17	<b>Reduction in Senior Management:</b> consistent with other departmental plan, objective of reducing senior management by 20%	G	50	Vacant posts identified for initial discussion and following Union consultation these have now been deleted	G
18	<b>School Catering:</b> Charge Schools for packed lunch catering arrangement* (Blue Collar Group)	R	60	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	<b>Area Based Grant reduction</b>	G	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	<b>Early Intervention Grant reduction</b>	G	1,700		G
<b>SAVINGS FROM OTHER DELIVERY GROUPS:</b>			<b>2,580</b>		
<b>TOTAL OF ALL DELIVERY PLANS: CHILDREN &amp;</b>			<b>3,890</b>		

Balancing the budget : Areas for savings, efficiency gains or increase income		RAG	Actual Value	Progress Update	Revised
			2011/12		2011/12
			£000		
1	<b>Domiciliary Care Services:</b> remodel in house provision	G	342	Reablement business case developed.	G
2	<b>Supported Living:</b> remodelling of services and standardisation of unit rates	G	201	Delivered	G
3	<b>Care Management Services:</b> reviewing of high cost packages and alternative service provision	G	200	Delivered	G
4	<b>Day Care:</b> remodelling of services and standardisation of unit rates	G	167	Delivered	G
5	<b>Enabling and Floating Support:</b> remodelling of services and standardisation of unit rates	G	403	Delivery on track	G
6	<b>Residential Care - Under 65:</b> remodelling of services and standardisation of unit rates	G	358	On track	G
7	<b>Workforce re-modelling:</b> linked to CareFirst 6 and Charteris Business Process Re-design	A	320	On track for future years, monitoring the current year options.	A
<b>ADULT SOCIAL CARE TOTAL:</b>			<b>1,991</b>		
8	Events, grants and other funds initiatives	G	140	The delivery plans continue to be worked through to achieve the required savings	G
9	Reduction in revenue support grants - Theatre Royal & Pavilions	G	120	On target saving realised. Pavilions site market test to provide greater clarity on achieving future year savings.	G
10	<b>Library Service:</b> modernisation of service.	G	370	Library service review is continuing. £380k savings on track through staff restructure along with other actions within the service.	G
11	<b>Museum:</b> restructure	G	50	Savings realised through restructure.	G
12	<b>Transfer of assets:</b> transfer of assets / facilities to local community ownership.	R	0	Not due to commence until 2012/13, but research underway	R
25	<b>Leisure Management Contract</b>	R	250	Leisure Management contract has begun and 20% savings will accrue over the 10 year life of the contract (there will be no savings in the current year).	R
<b>CULTURE, SPORTS &amp; LEISURE TOTAL:</b>			<b>930</b>		

Community Services Delivery Plans December '11		APPENDIX C			
13	<b>Performance and Intelligence:</b> 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	G	100	Community Services Staff included in ringfence. Restructure completed. Budgets and future DP targets will be transferred to the new department	G
14	<b>Administration &amp; Business Support Review:</b> Rationalise Business Support & Administration across the council.	R	0	Community Services engaged in project proposals but no firm savings yet identified.	R
15	<b>Printing, Publicity and Advertising:</b> challenge the current demand across the council and rationalise future publicity & advertising activity. Notional saving for department based on total council spend.	G	100	Budgets amended to generate savings	G
16	<b>Equalities:</b> Transforming Translate Plymouth to self financing model and other reshaping of the service to reflect national changes, local priorities & deliver efficiency savings.	G	70	Post deleted and self financing model established. NHS have signed a short term SLA.	G
17	<b>Bulky waste:</b> Increase bulky waste collection charge	G	15	The charges were increased on the 1st April 2011.	G
18	<b>Management of Toilets:</b> Transfer some public toilets from PCC to be maintained by others	R	20	Community Asset Transfer will not be continued in the current year.	R
19	<b>Playgrounds:</b> Transfer some playgrounds to local community ownership	R	50	Community Asset Transfer will not be continued in the current year.	R
20	<b>Bowling Greens:</b> Transfer some bowling greens to clubs / local community ownership	R	145	Community Asset Transfer will not be continued in the current year.	R
21	<b>Cemeteries &amp; Crematoria:</b> increase fees above the rate of inflation	G	300	Charges were increased on 1st April 2011	G
22	Rationalisation of Environmental Services Structure	G	300	Completed. Posts removed from establishment by 1 April 2011	G
23	<b>City water features:</b> to be delivered by others	R	70	Annual maintenance was not undertaken however, a long term solution is still needed as water features are incurring cleaning costs	R
24	<b>Reduction in Senior Management:</b> consistent with other departmental plan, objective of reducing senior management by 20%	A	50	Now achieved	G
<b>SAVINGS FROM OTHER DELIVERY GROUP TOTAL:</b>			<b>1,220</b>		
<b>TOTAL OF PLANS FOR COMMUNITY SERVICES:</b>			<b>4,141</b>		

**Development & Regeneration Delivery Plans December 2011**

**Appendix C**

Balancing the budget : Areas for savings, efficiency gains or increase income		Delivery Plan Savings	Dec-11			
		2011/12	Progress Update			
		£000	2011/12 Revised			
			R/A/G			
1	<b>Family Intervention and Anti Social Behaviour:</b> Review and rationalise the service to account for a total loss in Revenue Grant £682k	210	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	<b>Package of Transport Options:</b> considering options for increased income and/or revised service provision. For example, subsidised bus fares, shop mobility, car park charges etc.	300	The original savings plan has to date achieved : £130k from new concessionary fare repayment mechanism; £50k from Access Plymouth; £20k from income on S278/38 works. The remaining shortfall in savings are still being reviewed.			A
3	<b>Loss of Grant Funding:</b> New Growth Points revenue grant removed (£1.02m). Replacement grant funding still requires further clarification	(1,020)	Already reduced expenditure/staffing to take account of lost grant as far as possible without adversely affecting growth agenda			G
4	<b>Create a Growth Fund:</b> 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	New Homes Bonus announced and ring-fenced through growth fund			G
	<b>NEW</b> Additional income to be achieved through new growth related revenue streams e.g. New Homes Bonus	300	New Homes Bonus announced and ring-fenced through growth fund			G
5	<b>Economic Development:</b> removal of remaining contribution to City Development Company.	200	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
	<b>NEW</b> Additional income to be achieved through Fees and Charges	100	Development are currently reviewing all income streams from fees and charges to identify additional income to meet this. Other Growth related spend will be reviewed to ensure this plan is delivered.			A
<b>DEVELOPMENT DIRECT PLANS TOTAL:</b>		<b>640</b>				
<b>Savings delivered to Development by other budget delivery groups:</b>						
6	<b>Administration &amp; Business Support Review:</b> Rationalise Business Support & Administration across the council.	0	Department has already taken action to further reduce admin support in base budget of £66k.			A
7	<b>Printing, Publicity and Advertising:</b> challenge the current demand across the council and rationalise future publicity & advertising activity. Notional saving for department based on total council spend.	100	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	<b>Reduction in Senior Management:</b> consistent with other departmental plan, objective of reducing senior management by 20%	0	New Structure implemented on 1st Jan 2012 with Directors posts appointed. AD level currently under review.			G
9	<b>NEW Reduction in Senior Management:</b> Accelerate implementation of senior management restructure	50	New Structure implemented on 1st Jan 2012 with Directors posts appointed. AD level currently under review.			A
<b>SAVINGS FROM OTHER DELIVERY GROUPS:</b>		<b>150</b>				
<b>RAG RATING RULES</b>						
<b>TOTAL OF ALL DELIVERY PLANS FOR DEVELOPMENT:</b>		<b>790</b>	Green = clear plans in place / capacity to deliver identified / more than 50% of financial savings have already been realised			
Amber = clear plans in place / capacity to deliver identified / clear milestones and project management arrangements identified / evidence of significant progress against these milestones						
Red = no clear project plan / no milestones in place to evidence achievability of required revenue savings for 2011/12 and / or no clear capacity identified in order to implement the delivery plan.						

Balancing the budget : Areas for savings, efficiency gains or increase income		Projected Savings		Feasibility & Risk	
		2011/12	Progress Update		Revised
Rag		£000			R/A/G
1	<b>Finance:</b> further refinement of the staff structure	G	100	Savings will be achieved in 2011/12 through vacant posts. Modification to the structure will be presented to Unions in June / July '11	G
2	<b>Corporate Property:</b> Management restructure and efficiency savings on Facilities Management	G	100	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	<b>Cashiers:</b> Revise and refine the council's approach to cash collection	G	100	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	<b>Debt Management:</b> better co-ordination of existing processes. Challenge the effective use of legal services / bailiffs etc	G	100	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	<b>Income Generation:</b> increase selling of support services externally and explore the potential for advertising on corporate assets	G	50	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	<b>Audit Fee:</b> Negotiate a reduction in external and internal audit scope and associated fees	G	50	Revised fee negotiated. Financial savings have been delivered. No FTE impact.	G
24*	<b>Benefits Subsidy:</b> Improvements to Housing Benefits subsidy claim to maximise income from benefit overpayments.	G	300	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	<b>Customer Services &amp; Revenues &amp; Benefits:</b> integration of services, including Single Point of Contact & increased use of the Council website	G	300	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	<b>Human Resources:</b> staff restructure (relies on e-transactions, shared services & investment). To include a review of Trade Union Facilities	G	50	5.2 FTE reduction July 2011 further savings to be achieved through SharePoint and a new payroll database	G
9	<b>Training &amp; Development:</b> review the provision of training throughout the department / council	G	350	Saving target includes ICT training team (£250k).	G
10	<b>Democratic Services:</b> reduce the level of Civic engagements and restructure the democratic support service	A	200	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	<b>Legal Services:</b> Restructure the service and reduce support in non-critical areas	A	230	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	<b>Registration Service:</b> challenge the structure and increase fees and charges	G	80	New fees and charges introduced, time lag due to advance bookings. Nationality checking being introduced as additional income stream.	G
13	<b>ICT Support:</b> Reduce support provided to departments and minimise duplication across the council (will need some ICT investment)	G	150	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	<b>ICT direct costs:</b> Reduce licence costs, lease costs, phone rentals, licences etc	G	100	Significant savings achieved by improved analysis and robust challenge of existing hardware and software licence portfolio.	G
15	<b>Data Quality Project.</b> Reduction in duplication across different systems	G	50	Awaiting investment in dynamics and data matching software to be agreed. The savings from this investment will accrue across other departments from operational savings.	G
16	<b>Senior Management:</b> Reduce Senior management structure/ costs by 20%	G	0	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*	<b>Senior Management:</b> Accelerate implementation of Sen Man restructure	G	50	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
<b>CORPORATE SUPPORT DIRECT TOTALS:</b>			<b>2,360</b>		



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

2011/12

17	<b>Procurement:</b> Procure To Pay / Buyer roll out. Driving efficiencies out of external purchasing	G	850	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	<b>Corporate Support:</b> Procurement *	A	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	<b>Customer Contact Centre:</b> bring in services from other departments into contact centre. Improve service & reduce costs	A	100	Finalising move of remaining car park services for Jan 2012. Outstanding issue is delays to full implementation of Microsoft Dynamics CRM which is critical to moving other services due to lack of agreement on capital. Customer Service pushing forward implementation as best as possible.	A
19	<b>Employee Terms &amp; Conditions:</b> review and revise Terms and Conditions across the whole council *	G	700	At least £400k of the £700k savings target at risk due to delay in implementing the new Terms and Conditions.	G
20	<b>Workforce Management:</b> remove duplication with staff based within departments	R	70	Staff still within departments - next step requires CMT buy-in to moving resources into one co-ordinated organisational team	R
21	<b>Print and Document Services (PADS)</b> - consider options for future service delivery and/or increase productivity	G	0	Intending to undertake options appraisal back end of 2011/12. No financial or staff savings planned for next financial year	G
22	<b>Accommodation Strategy</b>	A	715	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
		A	150		A
23	<b>Business Support:</b> restructure across the Council - anticipated savings attributable to Corporate Support	R	50	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
<b>CORPORATE SUPPORT INDIRECT TOTAL:</b>			<b>3,016</b>		
<b>TOTAL DELIVERY PLANS CORPORATE SUPPORT:</b>			<b>5,376</b>		
<b>TOTAL SAVINGS TARGET CORPORATE SUPPORT:</b>			<b>5,221</b>		
<b>SURPLUS/(SHORTFALL) IF ALL PLANS DELIVERED:</b>			<b>155</b>		

Chief Executive Delivery Plans December '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	<b>Performance and Intelligence:</b> 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.	G
2	<b>Performance and Intelligence:</b> 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
<b>CHIEF EXECUTIVE DIRECT PLANS TOTAL:</b>		<b>100</b>			
<b>Savings delivered on behalf of, or reliant on, other departments</b>					
2	<b>Consultation:</b> 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 reported as Red.	A
3	<b>Corporate Subscriptions:</b> 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	<b>Printing, Publicity and Advertising:</b> 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	G	Work has been ongoing within Chief Executive's Department to change activities and culture in relation to Print, Publicity and Advertising. Chief Execs has seen some positive results of this and has achieved the full DP target for this area.	G
<b>CHIEF EXECUTIVE INDIRECT PLANS TOTAL:</b>		<b>300</b>			
<b>TOTAL OF ALL DELIVERY PLANS FOR CHIEF EXECUTIVES:</b>		<b>400</b>			
<b>RAG RATING RULES</b>					
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.					