

CABINET MINUTES 88 AND 88a OF 13 NOVEMBER 2012

88. FINANCE - CAPITAL AND REVENUE MONITORING REPORT (INCLUDING ADDITIONS TO THE CAPITAL PROGRAMME TO BE APPROVED AT COUNCIL)

The Corporate Management Team submitted a written report outlining the financial position of the Council as at the end of September 2012 and recommending further actions to address the projected overspend to achieve a balanced budget at year end.

The report indicated –

- (a) that the estimated revenue overspend was now £3.221m (an increase of £1.432m in the quarter) against a net revenue budget of £203.766m;
- (b) that the overspend within the People Directorate was due to pressures totalling £3.151m in Adult Social Care linked to demographic changes, increased demand for supported living and reduced income from a number of sources. The pressures were similar to those being faced by adult social care services across the country with funding shortages, an ageing population and people living longer with disabilities and illness;
- (c) that the capital programme for the current year was over £60m, rising to £132m by 2015/16. A number of new capital schemes were presented for noting or approval;
- (d) progress on the revenue delivery plans for 2012/13;
- (e) that the latest forecast for the capital programme, as at end of September 2012, was £57.390m assuming approval of the recommendations in this report and in other reports on this Cabinet agenda. The new capital schemes (over £0.500m) set out in Table 14 in the written report would be referred to the City Council for approval and amounted to £11.772m (in the period 2012/13 – 2015/16).

Councillor Lowry (Cabinet Member for Finance) presented the report and proposed two additional recommendations concerning the introduction of a staff incentive scheme and the reintroduction of a voluntary release scheme. He advised that the costs of the voluntary release scheme could be met from provision that had been made for redundancies and that there would be no enhanced packages offered to staff. The Chief Executive and directors were asked to ensure that those staff who left the Council were thanked for their services.

Councillor Lowry also drew Cabinet Members' attention to the provision of £250,000 in the capital programme for road re-surfacing and pot hole repairs.

Alternative options considered and reasons for the decision –

As set out in the report.

Cabinet noted that in the light of the emerging pressure in Adult Social Care, the Chief Executive had commissioned a full review of all demographic pressures across the Council.

Agreed –

- (1) that the forecasted overspend for the year against budget of £3,221m was noted and Portfolio Holders and officers will continue to work closely together to take corrective action to deliver a balanced budget position by March;
- (2) the revenue budget virements as detailed in table 11 of the report;
- (3) the reprofiling and variations (reductions) of (£5.097m) in 2012/13 and £3.422m for future years to capital spend, as detailed in Appendix B to the written report;
- (4) the introduction of a staff incentive scheme, to engage all members of staff to put forward cost saving initiatives;
- (5) the re-introduction of a voluntary release scheme to allow staff to leave during the current financial year.

(See also minute 88a below).

88a Finance - Capital and Revenue Monitoring Report (including additions to the capital programme - Recommendation to the City Council.

Further to minute 88 above, the City Council is Recommended to approve the new capital schemes over £0.500m for investment as detailed in Table 14, amounting to £11.772m.

Note:

The full report in connection with this minute is available on the website

www.plymouth.gov.uk/democracy

or by contacting Democratic Support on 01752 304867