

JANUARY CORPORATE MONITORING

OSMB 13th March 2013



PLYMOUTH
CITY COUNCIL

Revenue Monitoring Position

Directorate	2012/13 Council Approved Budget	2012/13 Budget Virements	2012/13 Latest Approved Budget	Forecast Outturn	Forecast Year End Overspend / (Underspend)	Overspend / (Underspend) movement since December
	£m	£m	£m	£m	£m	£m
People	122.620	1.374	123.994	127.116	3.123	(0.248)
Place	42.460	0.513	42.973	43.409	0.435	0.122
Corporate Services	30.296	0.380	30.676	30.366	(0.310)	0.138
Chief Executives Office	1.901	0.534	2.435	2.251	(0.184)	0.000
Corporate Items	6.489	(2.801)	3.688	1.718	(1.970)	(0.300)
TOTAL	203.766	0.000	203.766	204.860	1.094	(0.288)

Key Issues and Corrective Actions (if required)

Issue	Variation £m	Direction of Travel	Management Corrective Action
<p>PEOPLE. Children’s Social Care, independent sector costs offset against in-house foster care savings. Residential budgeted placements 16 v actual of 20</p>	0.155	Improving	<ul style="list-style-type: none"> • Bring forward review and soft market test of parent and residential placements • Continue to focus on reducing additional payments for children in independent foster care • Budget challenges have taken place • Continue to review and hold vacancies where appropriate
<p>PEOPLE. Adult Social Care. Implementation of the new care management system is on track and we will continue to shift commissioned services to personal budgets (which means allocating resources based on needs and not the cost of services) However the significant increase in the numbers of direct payments is not being offset by reduced spend in other areas at the same rate. There are also pressures in the system relating to reduced income through fairer charging and the cost of supporting a small number of complex high cost clients linked to the criminal justice system.</p>	<p>1.438</p> <p>3.151</p>	<p>Same</p> <p>Same</p>	<ul style="list-style-type: none"> • Management action around sign off of spend at the front door and a number of other measures implemented is starting to have an impact • Client service reviews • Review of high cost packages • Govt grant funding towards Winter Hardship programme – announcement still awaited - £0.500m has been included in the forecast
Issue	Variation £m	Direction of Travel	Management Corrective Action

<p>PEOPLE. Homes & Communities. Spending review to target spending reductions to help the overall departmental position.</p>	(0.724)	Improving	<ul style="list-style-type: none"> • Continue to hold vacancies held pending service restructure and future admin and business support reviews. • Review non-staffing spend • Management actions agreed to balance the budget
<p>PEOPLE. Education Learning & Family Support</p>	(0.848)	Improving	<ul style="list-style-type: none"> • Management actions agreed to balance the budget
<p>PLACE - Highways Maintenance - £300k from increased highway maintenance on pot hole repairs (additional DfT monies not forthcoming), £375k from rising street lighting energy costs, The period has also seen a drop in anticipated income from Parking of £100K due to poor economic climate and bad weather, although this is being offset from road safety income. Recent flooding has placed further strain on the network and further bad weather will have an adverse impact on this budget.</p>	0.107	Improving	<ul style="list-style-type: none"> • Vacancies being held in the transportation strategy unit are partly offsetting the increased pressures. • Improved income road safety & improved concessions forecasts. However income is dependent upon a number of variables that can be volatile to the numbers.
<p>PLACE - Waste Disposal & Collection are reporting further increases in disposal costs due to increased tonnage levels as well as recycling income projections continuing to remain well below target due to a dramatic fall in prices across the euro zone.</p>	0.130	Worsening	<ul style="list-style-type: none"> • Recycling prices are holding although at a low whilst there may be increased recycling income following the festive break. • Improved income in public protection services, and other savings across Street Services. • The dept has taken extensive action to mitigate the above pressures by deferring spend, and reviewing element of the 3rd and 4th management structure • Subject to the final outturn position, the department will need to consider requesting to draw down additional reserves of £0.250m at year end to cover additional disposal costs, and reduced recycling income that has been reflected in the numbers.

PLACE – Planning LDF	0.065	Worsening	<ul style="list-style-type: none"> Local Development Framework for Derriford costs originally anticipated for 13/14 now fall into the current, year. Earmarked reserves are in place although these had been allocated to reduce overall department pressures across Place.
PLACE – Customer Contact Centre Delivery Plan	0.100	Same	<ul style="list-style-type: none"> Will not be achieved in 2012/13, customer transformation programme will deliver saving in 2013/14. This delivery plan is expected to be met from departments delivering additional savings targets.
PLACE		Same	<ul style="list-style-type: none"> Management action has now been implemented to stop/delay all non-essential spends to address department pressures. Various action plans have been rolled out to achieve this target.
CHIEF EXECUTIVE	(0.184)	Same	<ul style="list-style-type: none"> Review non-staffing spend
CORP SERVICES - FETA	(0.673)	Improving	<ul style="list-style-type: none"> Continued reviews of non-staffing spend. Building on vacancy savings in excess of targets, 40% reduction of annual external fees and increased income for Client Financial Services Deputyship fees. Continued delay in non-staffing spend
CORP SERVICES – Customer Services	(0.102)	Same	<ul style="list-style-type: none"> Continued reviews of non-staffing spend.
CORP SERVICES – HR & OD	(0.068)	Same	<ul style="list-style-type: none"> Continued reviews of non-essential expenditure.
CORP SERVICES – Delivery Plan.	0.526	Worsening	<ul style="list-style-type: none"> Previously assumed half of the saving would be achieved in 3/4th Tier Management reductions now reporting lower savings as management savings have been banked elsewhere within directorates. Suggested action any 12/13 Directorate savings linked to Voluntary Release Scheme in excess of the £0.1m already reported are held against this delivery plan.
CORP ITEMS – Insurance	(0.670)	Same	<ul style="list-style-type: none"> Full review of claims history for 12/13 and projection to year end
CORP ITEMS – VRS scheme	(0.100)	Same	<ul style="list-style-type: none"> Over 100 applications to date Continue to progress remaining applications Suggested action any 12/13 Directorate savings linked to Voluntary Release Scheme in excess of the £0.1m already reported are used to offset the 3rd and 4th tier delivery plan
CORP ITEMS. Contingency	(0.300)	Improving	<ul style="list-style-type: none"> Released part of contingency budget £300k
CORP ITEMS. CRC charge	(0.200)	Same	<ul style="list-style-type: none"> Release saving on Carbon Reduction Charge (CRC) - invoice now received is lower than budget for 2011/12 and assumed for 2012/13 (2 x £100k)

CORP ITEMS. Capital Financing	(0.699)	Same	• Release accrued savings from Treasury Management activity
TOTAL MAJOR VARIANCES	1.104		

Capital Position

	Quarter 1 Forecast (approved at Sept Council)	Quarter 2 Forecast (approved at Dec Council)	Budget Book Mid Jan 2013	New Schemes for Approval	Re-profiling	Virements	Variations	January 2013	January 2013	
									Actuals	Spend as % of Latest Forecast
			£000	£000	£000	£000	£000	£000	£000	£000
People	38,007	35,666	33,628	132	(109)	0	26	33,677	23,683	70.32%
Place	13,727	14,416	10,980	0	(104)	0	(121)	10,755	5,370	49.93%
Corporate Services	8,747	7,308	7,738	0	(604)	0	0	7,134	4,505	63.15%
Capital Programme	60,481	57,390	52,346	132	(817)	0	(95)	51,566	33,558	65.08%
Tamar Bridge & Torpoint Ferry	1,626		1,052					1,052	201	19.11%
Total Capital Programme	62,107	57,390	53,398	132	(817)	0	(95)	52,618	33,759	64.16%

MTFF Capital Programme					
	2012/13	2013/14	2014/15	2015/16	
	LATEST FORECAST	LATEST FORECAST	LATEST FORECAST	LATEST FORECAST	Total
	£000	£000	£000	£000	£000
People	33,677	33,256	7,777	1,304	76,014
Place	10,755	22,677	25,687	14,945	74,064
Corporate Services	7,134	6,645	1,427	485	15,691
Capital Programme	51,566	62,578	34,891	16,734	165,769
Tamar Bridge & Torpoint Ferry	1,052	2,727	2,430	1,650	7,859
Total Capital Programme	52,618	65,305	37,321	18,384	173,628

Financing of 2012/13 to 2015/16									
	Capital Receipts	Unsupported Borrowing	Cornwall Unsupported Borrowing	Supported Borrowing	Grants	Contributions	S106 / Tariff / RIF	Revenue / Funds	Total Funding
	£000	£000	£000	£000	£000	£000	£000	£000	£000
People	3,402	2,179			67,433	1,010	544	1,446	76,014
Place	16,142	20,289	0	107	32,495	753	1,780	2,498	74,064
Corporate Services	1,803	11,447	0	0	410	201	7	1,823	15,691
Capital Programme	21,347	33,915	0	107	100,338	1,964	2,331	5,767	165,769
Tamar Bridge & Torpoint Ferry	0	0	7,859	0	0	0	0	0	7,859
Total Capital Programme	21,347	33,915	7,859	107	100,338	1,964	2,331	5,767	173,628

Key Issues

Actual expenditure to date in 12/13 is 65% of forecast, however there are a number of projects, including University Technical College £3.8m, All Saints Academy £3.9m and Strategic Cycle Network £0.9m, where expenditure is either not planned until the end of the financial year or needs approval before any money can be expended. Officers are continually working with project staff to review cashflow forecasts in order to provide assurance over the overall forecast expenditure in 2012/13.

The £20m Investment Fund, taken to 12th February 2013 Cabinet, is shown within the Place monitoring figures. The creation of the fund is a key focus of the Working Plymouth theme of the Corporate Plan and seen as critical to growing jobs and the economy in the city. It is also the 19th project in the Plan for Jobs. Resources have been identified to finance this Investment Fund, the details of which, and the governance proposals for their use, are set out in the Cabinet report.

Capital Receipts Summary - Using Actual Receipts Received and RAG Rating Forecasted Receipts							
Year	Capital Receipts b/fwd from Previous Year	Cap. Receipts Actually Received (YTD)	RAG Rated Forecasted Receipts	Estimated Pooled HSG Cap Receipts / Loan Repayments	Total Receipts Received / Expected	Capital Receipts Required for Funding (as above)	(Shortfall) / Surplus of Capital Receipts
	£000	£000	£000	£000	£000	£000	£000
2012 / 2013	2,176	2,837	4,308	37	6,521	6,748	(228)
2013 / 2014	(228)	0	9,546	37	9,355	8,993	362
2014 / 2015	362	0	5,169	37	5,568	5,606	(39)
2015 / 2016	(39)	0	2	37	0	0	0
Total						21,347	0

Officers are keeping the capital receipts position under review, and ensuring that the best use of resources is made.