

COOPERATIVE SCRUTINY BOARD

Finance – Capital and Revenue Monitoring Report



This report is the first quarterly monitoring report for 2013/14 and outlines the finance monitoring position of the Council as at the end of June 2013.

The primary purpose of this report is to detail show how the Council is delivering against its financial measures using its capital and revenue resources, and to approve relevant budget variations and virements, and the approval of new schemes to the capital programme.

The estimated revenue overspend is £1.892m in this quarter. The current estimated position shows an overspend of £1.319m in the People Directorate and an overspend of £0.573m in the Place Directorate. This equates to a net spend of £214.452m against a budget of £212.560m, which is a variance of 0.9%, although officers and members are working on actions to deliver a balanced outturn.

The latest capital programme covering 2013/14 to 2015/16 stood at £122.670m which was approved at Cabinet on 21 May 2013 (£129.477m including Tamar Bridge and Torpoint Ferry). Following the approval of new schemes identified in this report, re-profiling and variations, and the inclusion of future years' government grants the forecast capital programme for 2013/14 to 2016/17 will be £159.903m.

JUNE FINANCE MONITORING

Cabinet 6th August 2013

Revenue Monitoring Position

Directorate	2013/14 Council Approved Budget	2013/14 Budget Virements	2013/14 Latest Approved Budget	Forecast Outturn	Forecast Year End Overspend / (Underspend)
	£m	£m	£m	£m	£m
People	129.749	0.253	130.002	131.321	1.319
Place	41.908	0.182	42.090	42.663	0.573
Corporate Services	29.883	0.082	29.965	29.965	0
Chief Executives' Office	1.991	0.002	1.993	1.993	0
Corporate Items	9.029	(0.519)	8.510	8.510	0
TOTAL	212.560	0.000	212.560	214.452	1.892

Key Issues and Corrective Actions (if required)

Issue	Variation £m	Direction of Travel	Management Corrective Action
<p>PEOPLE – Joint Commissioning & Adult Social Care. Unexpected pressures, including, winter pressure spike, delay in the recruitment of staff and the current review of care home fees</p>	1.100	Same	<ul style="list-style-type: none"> Review legacy clients – following transformation all new clients are part of new operating model, next phase it to review all legacy cases (existing long term cases), Social Workers are being recruited to cover staff vacancies and will target this area of work. Management of health/social care clients (CHC/117 Forensic). Work underway to review high cost packages. Management action at front door. Prioritised and deployed dedicated professional staff to manage demand at point of contact to ensure need is met within statutory duties. ICE and Urgent Care Transformation. Health and Social Care Transformation across reablement will be rolled out from September 2013 and will aim to reduce care home admission.
<p>PEOPLE – Education, Learning and Family Support. Inflation on the Council's contribution to the Education PFI contract.</p> <p>Demand for transport has increased at a time when the extended Right to Free Travel grant has been removed.</p>	0.219	Worsening	<ul style="list-style-type: none"> Budgets reduced in line with savings achieved in the previous year and control of all non-essential expenditure Officers will review other expenditure areas to identify offsetting savings PFI inflation will be considered when the MTFP is reviewed

<p>PLACE – Economic Development. 300k - Downward pressure on commercial rents on lease renewals and rent reviews together with rent free incentives required in order to attract tenants and increased void periods. City Centre ground lease income is reducing due to increase in vacant city centre retail units and falling rents on the geared head leases at rent reviews and lease renewals.</p> <p>(20k) – Review of income opportunities from tourist information centres.</p>	0.280	Same	<ul style="list-style-type: none"> • Management are aware of pressures and looking at ways of maximising income and reducing costs. • Continue to maximise income across all of the Commercial Estate.
<p>PLACE – Transport & Infrastructure. Concessionary Fares reduced costs in line with usage trends (50K)</p> <p>Eastern Corridor/Major Projects (150K) reduced expenditure on scheme planning</p> <p>Street lighting energy costs 450K pressure.</p> <p>Revised forecast for income projections from bus lane enforcement (200K)</p> <p>Highway expenditure is also very high and if maintained will lead to significant pressures, currently being reviewed along with the capital programme for Transport.</p>	0.050	Improving	<ul style="list-style-type: none"> • Current pressures are being offset by savings achieved elsewhere in the Division and continue to be monitored closely for further savings. • Overall inflation on street lighting energy costs at this stage has been calculated at £0.450m. There is a corporate contingency of £0.300m for energy increases, which needs to be used following verification of energy increases across the whole Council.

<p>PLACE Environmental Services. Mercury Abatement 70k cost</p> <p>Recyclable Commodity Income pressure 130k.</p> <p>Efficiency savings from 12/13 delivery plans not achieved 293k</p> <p>Staff rationalisation in addition to delivery plan target (100k)</p> <p>Reduced maintenance costs of plant & equipment (50k)</p> <p>Increased income from Cemeteries and Crematoriums (40k)</p>	0.303	Same	<ul style="list-style-type: none"> Recyclate Commodity Prices are hitting a low period due to market conditions, officers will continue to seek alternative markets where possible, markets will fluctuate during the year, therefore changing variance reported. Management action underway as shown by savings identified to reduce the pressures identified to date.
<p>PLACE – Planning & Directorate Business Support. Savings identified over a range of budget lines and vacancy savings.</p>	(0.060)	Improving	<ul style="list-style-type: none"> Budget managers to continue to review budgets for potential savings.
Total Major Variances	1.892		

Delivery Plans

For quarter 1 monitoring red and amber related delivery plans have not been reflected in the overall monitoring result.

Directorate	Service	Red	Amber	Green	Total
		£m	£m	£m	£m
People	Adult Health & Social Care	1.481	0.375	3.949	5.805
	Children's Social Care	0.217	0.284	0.682	1.183
	Education, Learning & Social Care	0.030	0.628	0.816	1.474
	Homes & Communities – Safer Communities			0.336	0.336
	People Management & Support			0.040	0.040
	Programme Director		0.059		0.059
Place	Transport & Infrastructure		0.350	0.100	0.450
	Planning			0.103	0.103
	Environmental Services		0.100	0.610	0.710
	Economic Development			0.174	0.174
	Place Directorate			0.280	0.280
Corporate Services	Customer Services	0.050		0.390	0.440
	Finance, Assets, Technology & Efficiencies	0.870	0.350	0.340	1.560
	Human Resources & Organisational Development		0.185		0.185
	Democracy & Governance		0.070		0.070
Executive Office	Executive			0.295	0.295
Corporate Items	Corporate Items	1.720	0.550	2.150	4.420
Total 2013/14 Delivery Plans		4.543	3.415	9.626	17.584

Virements over £100,000 for Cabinet to approve

Directorate	Contributions to Insurance Fund	Plymouth Plan	Grants CFWD's Distribution	Total Virements
	£m	£m	£m	£m
People	(0.049)		0.377	0.328
Place	(0.212)	0.350		0.138
Corporate Services	(0.041)			(0.041)
Chief Executives' Office	(0.004)			(0.004)
Corporate Items	0.306	(0.350)	(0.377)	(0.421)
TOTAL	0.000	0.000	0.000	0.000

Virements shown in the revenue monitoring position, although still netting to zero, include all virements and are the cumulative impact of both adjustments which individually are less than £0.100m and therefore do not require cabinet approval, and those over £0.100m that require approval

Virements over £0.100m requiring approval are as follows;

- Contribution to Insurance Fund – Distribution of department's share of insurance costs to reflect the approved 2013/14 budget delivery plan.
- Plymouth Plan – For information only, virement approved by Cllr Lowry. To establish budget to fund one-off piece of work in respect of Plymouth Plan, including extensive research costs and contingency.
- Grant Carry Forwards – Distribution of grant and pooled budgets carry forwards approved by Council during 2012/13 outturn to fund on-going projects/schemes.

Virements over £0.100m, contained within Directorates, therefore net nil effect on the above table are as follows;

- The disaggregation of the 16+ service which provided support for care leavers over the age of 16. The restructure has devolved the budget 3 ways; to children in care, homes and communities (youth service) and homes and communities (accommodation service), £0.709m
- Centralisation of Strategy Budgets within the Place directorate, £0.125m

Revenues & Benefits

Collection Rates

Council Tax

Target	June 13	26.53%	£26.998m
Actual	June 13	25.93%	£25.360m
2012/13	June 13	26.53%	£24.850m

The Council Tax collection rate is 25.93%, compared to 26.53% last year. This is mainly due to the impact of the new Council Tax Support Scheme, (CTS), and the introduction of 12 monthly instalments compared with the previous arrangements of ten.

Collection for CTS cases was 21.80% which is ahead of our assumed collection rate of 12.00% however the collection rate for the new technical reform cases is 17.83%, which is lower than anticipated of 18.00%.

We have continued to proactively call customers and this information is being evaluated to assess the benefit to the collection rate and our customers.

National Non Domestic Rates

Target	June 13	36.31%	£32.998m
Actual	June 13	35.38%	£32.156m
2012/13	May 12	36.11%	£32.163m

NNDR collection is 35.38% - just below the target of 36.31% and last year's figure of 36.11%.

The award of discretionary rate relief is affecting collection on some accounts as ratepayers are withholding payment until a decision has been made. Decisions about the award will be made at Cabinet on 6th August which we anticipate should result in an increase in the collection rate.

Like Council Tax we are beginning to profile those businesses going onto 12 monthly instalments so that we can begin to determine the impact on monthly profiled targets.

We continue to remain confident that our recovery processes will improve collection in year.

Capital Position

Spend to date

People	Place	Corporate Services	Total
£m	£m	£m	£m
8.070	0.845	0.599	9.514

Revised medium term programme 2013/14 – 2016/17 is £159.903m, and is forecast to be financed as follows

Capital Receipts	Unsupported Borrowing	Tamar Bridge & Torpoint Ferry Borrowing	Grants	Contributions	SI06/ Tariff / RIF	Revenue / Funds	Total Funding
£m	£m	£m	£m	£m	£m	£m	£m
21.313	30.952	7.446	90.732	2.140	2.272	5.049	159.903

The capital position has been updated to reflect a number of items including:

New schemes requiring approval for Marjons Link Road £1.5m and Vehicle and Plant Replacement phase IV £1.8m,

The Council commitment to road maintenance - £6m of the £20m commitment has been added over the current medium term 2013/14 – 2016/17 (the initial £2m has already been included in 2013/14 in the report to Cabinet on 21 May 2013)

Initial estimates on central government block grant funding for 2015/16 and 2016/17 of £19.3 m. These relate to funding associated with Transport, Schools, Disabled Facilities and Adult Social Care. They will be refined in the light of the recent government funding announcement in June as government departments indicate how national allocations will be reallocated to individual local authorities.

Capital Receipts

Year	Capital Receipts b/fw	Received year to date	RAG Rated Forecasted Receipts	Total Receipts Received / Expected	Capital Receipts required	Cumulative (Shortfall) / Surplus
	£m	£m	£m	£m	£m	£m
2013/14	0	0.177	6.694	6.694	4.653	1.841
2014/15	1.841	N/A	6.197	8.038	9.160	(1.122)
2015/16	(1.122)	N/A	6.406	5.284	5.500	(0.216)
2016/17	(0.216)	N/A	2.026	1.810	2.000	(0.190)
Total					21.313	(0.190)

Additional Information

Human Resources and Organisation Development data;

- FTE numbers
- FTE head count
- Sickness

WORK FORCE: FULL TIME EQUIVALENTS																	
	Jun-13																
				Change 2012 /													Change in
	2010/11	2011/12	2012 / 13	13	Jul 12	Aug 12	Sept 12	Oct 12	Nov 12	Dec 12	Jan 13	Feb 13	Mar 13	Apr 13	May 13	June 2-13	rolling 12
																	months
Council Wide	3718.70	3671.60	3063.00	-608.60	3252.60	3270.60	3249.50	3239.60	3235.10	3212.40	3193.90	3163.70	3063.00	3111.00	3077.21	3028.70	(223.90)
Executive Office																	
Corporate Communications					12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	0.00
Management & Support (Chief Executive)					2.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(2.00)
Policy, Performance and Partnerships					23.90	23.90	23.90	23.90	23.90	23.90	23.90	22.90	21.90	21.90	21.04	22.00	(1.90)
Total					37.90	35.90	35.90	35.90	35.90	35.90	35.90	34.90	33.90	33.90	33.04	34.00	(3.90)
Corporate Services																	
Customer Services					140.70	139.60	144.10	142.20	144.10	170.10	169.10	169.60	161.20	166.10	162.26	157.60	16.90
Democracy and Governance					88.10	88.10	88.50	87.90	89.50	87.60	89.20	87.20	86.50	87.50	89.74	90.30	2.20
Finance, Efficiencies, Technology & Asst					511.30	514.70	513.10	510.80	510.00	481.90	482.70	478.50	467.50	463.20	462.53	446.40	(64.90)
Human Resources and Organisational Dev					101.80	102.80	100.40	86.90	86.90	86.90	85.90	84.70	83.30	83.30	79.76	79.90	(21.90)
Management and Support					2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	0.00
Total					843.90	847.20	848.10	829.80	832.50	828.50	828.80	819.30	800.50	802.10	796.30	776.20	(67.70)
People																	
Childrens Social Care					330.60	333.60	333.50	339.40	339.80	338.10	329.10	310.40	310.20	305.20	288.89	279.20	(51.40)
Education, Learning & Families					575.30	584.30	567.60	563.60	564.70	553.70	544.20	539.30	539.60	542.00	513.40	506.90	(68.40)
Homes & Communities					224.10	228.10	226.30	226.60	225.50	224.50	225.00	240.50	239.40	244.40	250.61	247.70	23.60
Joint Commissioning & Adult Social Care					441.20	440.50	439.00	446.00	443.80	439.20	433.90	416.40	344.00	386.10	376.88	373.90	(67.30)
Lifelong Learning																	0.00
Programmes Director					3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	6.00	6.00	3.00
Public Health														11.93	11.90	11.90	
Management and Support					1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.00
Total					1575.20	1590.50	1570.40	1579.60	1577.80	1559.60	1536.20	1510.70	1437.20	1481.70	1448.71	1426.60	(148.60)
Place																	
Business Team (Dev & Reg)					7.70	7.70	7.70	7.70	7.70	7.70	7.70	7.70	7.70	7.70	6.71	6.80	(0.90)
Economic Development					99.90	105.80	103.80	106.00	105.80	104.80	102.30	105.30	105.30	105.30	105.88	106.00	6.10
Environmental Services					486.80	485.80	487.80	484.80	479.20	478.40	475.20	470.70	467.10	464.10	471.89	467.90	(18.90)
Planning Services					74.40	73.90	72.90	71.00	71.80	72.00	72.50	77.50	77.50	79.50	79.40	78.40	4.00
Strategic Housing																	
Transport & Infrastructure					123.80	119.90	119.90	120.70	120.50	121.70	131.30	133.60	129.70	133.60	133.28	130.80	7.00
Waste PFI					2.00	2.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00				
Management and Support					1.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	1.00	1.00	0.00
Total					795.60	797.10	795.10	793.20	788.00	787.50	792.00	797.80	790.30	792.20	798.16	790.90	(4.70)

WORKFORCE: HEADCOUNT (NUMBER OF EMPLOYEES)																		
	Jun-13																	
Establishment Report (Headcount)	Mar-10	Mar-11	Mar-12	Mar-13	Change 2012/13	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Change in rolling 12 months
Council Wide	4,751	4,713	4,155	3,838	(249)	4,155	4,160	4,130	4,093	4,083	4,040	4,025	3,993	3,838	3,909	3,924	3,862	(293)
																		0
Executive Office																		0
Corporate Communications					0	12	12	12	12	12	12	12	12	12	12	12	12	0
Management & Support (Chief Executive)					(3)	2	-	-	-	-								(2)
Policy, Performance and Partnerships					0	26	26	26	26	26	26	26	25	24	24	23	24	(2)
Total					(3)	40	38	38	38	38	38	38	37	36	36	35	36	(4)
Corporate Services																		
Customer Services					15	197	195	200	198	199	229	228	229	216	222	217	213	16
Democracy and Governance					0	104	103	103	102	104	102	103	101	100	101	103	104	0
Finance, Efficiencies, Technology & Asst					(66)	688	696	702	688	684	645	651	642	632	623	629	611	(77)
Human Resources and Organisational Dev					(30)	112	113	111	96	96	96	95	93	91	91	89	89	(23)
Management and Support					(1)	2	2	2	2	2	2	2	2	2	2	2	2	0
Total					(82)	1,103	1,109	1,118	1,086	1,085	1,074	1,079	1,067	1,041	1,039	1,040	1,019	(84)
People																		
Childrens Social Care					(21)	362	364	364	370	370	368	359	339	338	333	330	320	(42)
Education, Learning & Families					178	938	926	897	884	883	863	853	852	841	856	852	832	(106)
Homes & Communities					105	269	274	271	271	270	268	268	285	283	288	294	291	22
Joint Commissioning & Adult Social Care					(123)	582	583	578	581	578	572	566	542	437	494	483	481	(101)
Lifelong Learning					(253)													0
Programmes Director					(2)	3	3	3	3	3	3	3	3	3	3	6	6	3
Public Health																13	13	13
Management and Support					0	1	1	1	1	1	1	1	1	1	1	1	1	0
Total					(115)	2,155	2,151	2,114	2,110	2,105	2,075	2,050	2,022	1,903	1,975	1,979	1,944	(211)
Place																		
Business Team (Dev & Reg)					0	9	9	9	9	9	9	9	9	9	9	8	8	(1)
Economic Development					1	112	118	116	118	119	118	116	119	119	119	119	119	7
Environmental Services					(29)	496	495	497	495	489	488	483	478	474	471	481	476	(20)
Planning Services					5	81	80	79	77	79	79	80	86	86	88	90	89	8
Strategic Housing					(71)													0
Transport & Infrastructure					46	156	156	156	156	155	155	166	171	166	169	170	169	13
Waste PFI					(2)	2	2	1	1	1	1	1	1	1	Moved to TIE			0
Management and Support					1	1	2	2	2	2	2	2	2	2	2	1	1	0
Total					(49)	857	862	860	858	854	852	857	866	857	858	869	862	5

AVERAGE NUMBER OF DAYS SICK PER FULL TIME EQUIVALENT (FTE)

Jun-13

Directorate	Department	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Target	Threshold
Corporate Services	Democracy and Governance	12.62	12.25	12.36	11.82	10.95	10.81	8.93	9.35	9.04	8.42	7.14	6.60	9.00	10.50
	Finance, Efficiencies, Technology & Asst	8.86	9.13	9.43	9.87	9.99	9.92	10.23	9.63	9.26	9.47	9.05	8.94	9.00	10.50
	Human Resources and Organisational Dev	5.34	5.54	5.99	6.56	7.77	8.76	9.59	9.09	9.11	9.10	8.90	8.84	7.00	9.00
	Customer Services	6.16	6.69	6.82	6.97	6.99	7.11	6.90	6.47	6.40	6.84	6.56	6.71	7.00	9.00
	Management & Support (Corp Services)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5.00	7.00
	DIRECTORATE TOTAL		8.35	8.59	8.87	9.17	9.32	9.31	9.33	8.88	8.63	8.77	8.29	8.18	8.50
Executive Office	Policy, Performance and Partnerships	4.89	5.51	5.60	5.22	6.73	10.82	12.95	9.98	8.11	7.98	8.22	7.17	7.00	8.00
	Corporate Communications	7.71	8.38	5.33	5.33	5.25	5.25	5.33	5.17	5.58	5.58	5.00	3.42	7.00	8.00
	Management & Support (Chief Executives)	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6.00	7.00
	EXECUTIVE OFFICE TOTAL	5.58	6.47	5.51	5.12	6.06	8.72	10.13	7.99	7.01	6.93	6.84	5.68	7.00	
People	Joint Commissioning & Adult Social Care	13.76	14.04	14.23	14.44	15.11	15.11	14.74	13.69	13.23	13.14	12.38	11.75	11.00	12.00
	Homes & Communities	8.90	8.44	8.35	8.03	7.63	7.85	8.02	8.16	8.42	7.45	7.18	6.68	7.00	8.00
	Childrens Social Care	10.85	10.93	11.33	11.54	11.89	11.67	11.70	10.86	10.23	10.39	10.32	10.46	9.00	10.50
	Education, Learning & Families	7.38	7.40	7.50	7.91	8.21	8.86	9.15	9.06	8.68	8.88	7.91	7.98	7.00	9.00
	Programmes Director	1.33	3.67	3.67	3.67	3.67	2.33	2.33	3.33	3.33	3.33	1.67	1.67	6.00	7.00
	DIRECTORATE TOTAL (excluding Schools)	10.13	10.15	10.32	10.53	10.83	11.07	11.07	10.55	10.18	10.06	9.43	9.14	9.45	
Place	Planning Services	3.01	3.29	3.50	4.18	3.35	4.96	3.86	4.79	3.45	4.26	4.73	4.74	7.00	9.00
	Business Team (Dev & Reg)	1.16	1.16	1.16	1.42	1.03	3.49	6.33	8.91	13.54	16.02	22.30	22.30	7.00	7.00
	Environmental Services	11.26	11.31	10.97	10.31	10.32	10.15	10.24	9.84	9.58	9.80	9.77	8.96	9.00	10.00
	Economic Development	7.15	7.38	6.97	4.41	4.45	4.80	5.10	5.45	5.78	6.12	6.49	4.58	7.00	9.00
	Strategic Housing														
	Transport & Infrastructure	8.08	7.58	7.77	9.45	10.47	9.46	9.12	7.84	7.18	6.86	3.46	7.53	9.00	10.50
DIRECTORATE TOTAL	9.34	9.34	9.16	8.72	8.81	8.59	8.69	8.33	8.18	8.32	8.39	7.80	8.50		
COUNCIL TOTAL (excluding Schools)		9.4	9.49	9.59	9.65	9.88	9.96	10.01	9.52	9.23	9.24	8.83	8.50	8.49	