

QUARTER 3 FINANCE MONITORING

Cooperative Scrutiny Board 19th February 2014

Revenue Monitoring Position

Directorate	2013/14 Council Approved Budget	2013/14 Budget Virements	2013/14 Latest Budget	Forecast Outturn	Forecast Year End Overspend / (Underspend)	Movement in Month	Movement in Qtr
	£m	£m	£m	£m	£m	£m	£m
People	129.749	0.745	130.494	131.450	0.956	0.126	(0.158)
Place	41.908	1.149	43.057	43.176	0.119	(0.108)	(0.345)
Corporate Services	29.883	0.881	30.764	30.758	(0.006)	0.000	(0.006)
Chief Executive's Office	1.991	0.248	2.239	2.239	0.000	0.000	0.000
Corporate Items	9.029	(3.023)	6.006	5.930	(0.076)	(0.000)	(0.020)
TOTAL	212.560	0.000	212.560	213.553	0.993	0.018	(0.529)

Key Issues and Corrective Actions (if required)

Issue	Variation £m	Direction of Travel	Management Corrective Action
<p>PEOPLE – Joint Commissioning & Adult Social Care. The current overspend can be attributed to unexpected sustained pressures including winter and summer “spikes” from Derriford Hospital being on black and red alert for longer than in previous years, an increase in the overall number and cost of Supported Living Learning Disability clients with increasing complexity of need and the increase to care home fees. Ongoing utility pressure following rebasing of consumption at the Life Centre.</p>	1.226	Increase	<ul style="list-style-type: none"> • A Project Review Team has been assembled including a commissioned Social Work Service to target high cost packages of care and other internal resources are targeting the remaining legacy packages of care. Progress is monitored on a fortnightly basis at Adult Social Care Management Team meetings. • Additional controls on approval limits for Care packages, escalation to senior management of any new high cost packages such as Residential Care for challenge and approval • The new multi-agency Care Co-ordination Team went live in September 2013. Health and Social Care resources are deployed to avoid inappropriate admissions to Hospital and to return people to Community based support rather than Residential and Nursing Care. The new joint Reablement service contract commenced in December 2013 • Maximising ODPH Grant Funding and negotiating additional income from the North, East & Western Locality Clinical Commissioning Group to support the Care Co-ordination Team including the new reablement service and step down beds. • Officers are reviewing opportunities within the Leisure Management Contract to deliver savings.

<p>PEOPLE – Children’s Social Care. The current overspend can be attributed to pressures on continuing increases in children in care and complexity of placements together with risks around Delivery Plans.</p>	0.310	Same	<ul style="list-style-type: none"> • Developing an alternative delivery plan to reduce risk and deliver a balanced budget. • Children’s Social Care have set up two specific panels (over the next two weeks) where the Assistant Director and Senior Managers will review all residential and secure placements. • Maximising grant funding. • Maximising joint funding for complex residential placements. • Quarterly Star Chambers have been arranged to cease all non-essential expenditure.
<p>PEOPLE – Homes & Communities. Underspend as result of management actions.</p>	(0.485)	Improving	<ul style="list-style-type: none"> • Department is projecting a underspend as a result of sustained budget management actions through prevention and holding vacant post.
<p>PEOPLE – Education, Learning and Family Support. Maximisation of grant and saving on pooled budget requirements.</p>	(0.105)	Same	<ul style="list-style-type: none"> • Sustained management action to reduce non-essential expenditure and maximise grant income.
<p>PLACE – Economic Development. 155k pressure includes: 260k - 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 retails units and falling rents on the geared head leases at rent reviews and lease renewals. This is offset by some savings within other parts of ED (20k) – Review of income opportunities</p>	0.155	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. • Reviewing contingencies and trading functions

from tourist information centres (75k) - After analysis of current bad debt and existing provisions only 50k top up required so residual 75k not needed this year. (10k) additional income from City Business park through increasing income streams			
PLACE – Transport & Infrastructure. There are various pressures within Transport and (excluding street lighting energy) it is hoped can these be contained within existing budgets for 13/14. Budgets and forecasts will continue to be reviewed and any material variations will be reported as they are identified.	0.00	Same	<ul style="list-style-type: none"> The street lighting energy cost pressure has reduced from £450k to £400k because of very favourable energy prices over the summer period. Winter energy prices are due soon and will be built into future forecasts. The remaining £400k cost pressure has been offset by the corporate £300k contingency and £100k Parking income (committed at DMT on 10/7/13).
PLACE - Environmental Services. Mercury Abatement 70k cost Recyclable commodity Prices are hitting a low period due to market conditions. Staff rationalisation in addition to delivery plan target Reduced maintenance costs of plant & equipment Increased income from Cemeteries and Crematoriums.	0.150	Improving	<ul style="list-style-type: none"> The new vehicles and plant ordered this year are beginning to show savings on defects and short term hire. Reduced spend on Private contractors, due to maximising own workforce capacity. Increased levels of Income from new landscaping schemes, Nature Reserves, as well as some additional funding from Greenspace challenge and Tree Partnership.
PLACE – Planning & Directorate Business Support. Savings realised from improved income projections as well as from identified vacancy savings.	(0.186)	Improving	<ul style="list-style-type: none"> Budget managers to continue to review budgets for potential savings. There has been an improvement in income from building control and pre application planning advice
CORP SERVICES – FETA. VFM & Efficiencies - Pressure due to HB subsidy 150K	0.000	Same	<ul style="list-style-type: none"> HB Subsidy full year targets of 0.300m, management continue to review and remodel but currently forecasting 50% achievement. Remedial action will put in place to generate savings elsewhere.

<p>Technology - Photocopier rentals pressure of 164k, offset by lower usage charges (89k), maintenance contracts (28k) and proactive management actions.</p>			<ul style="list-style-type: none"> • To achieve a forecasted nil variance at year end, 1.050m of management action savings have been enacted including staff rationalisation across all services; reduction in spend on assets through Corporate Landlord and improvements in both procurement and contract management. • Management will continue to review expenditure and challenge down where appropriate in order to deliver a balanced budget.
<p>CORP SERVICES – D&G. Legal Services – Fees income pressure of 70k, and salary variations including temporary staff 84k, offset by land charge income and other savings (23k) Democracy & Governance – small salary variance, delivery plan pressures and management actions (83k) Registration Service – salary variations 40k Lord Mayoralty 18k in respect of vacancy saving, offset by (18k) in member support.</p>	0.000	Same	<ul style="list-style-type: none"> • Management will continue to review expenditure and challenge down where appropriate and look to maximise income opportunities where possible. • Action plans being established to reduce overspend and deliver a balanced budget.
<p>CORP ITEMS - Other Corporate Items & Capital Financing. Reduction in borrowing costs (66K) Review of Borrowing Portfolio (420K) Pressures due to unachieved delivery plans; Procurement 490K</p>	(0.076)	Same	<ul style="list-style-type: none"> • Treasury Management will continue to review Portfolio where possible to minimise borrowing costs. • 14/15 Management Action to reduce cost of borrowing by £1.000m has been bought forward to current year to provide part year saving of £0.420m • Procurement: full year target of £2.100m leaves £0.490m unachieved. Management continue to review to reduce the shortfall.

Senior Management restructure 403K ICT Shared Services 500K Customer Services Transformation 250K Offset by Management Actions; Carbon Reduction Commitment (33K) Corporate Review of Contingency (1200K) – one-off allocation			<ul style="list-style-type: none"> Senior Management Restructure: In year residual against full year target of £0.960 (full year base achieved for future years). ICT: Timing around DELT implementation. Customer Services Transformation: Delays with implementation of Customer Services Transformation Programme, management continue to develop an alternative delivery plan to reduce and deliver target. Corporate review of contingency – Council Tax collection rates have been retained above estimate following introduction of Council Tax Support scheme; Business rates pooling has generated revenue surplus in 2013/14.
Total Major Variances	0.989		

Virements over £100,000 for Cabinet to approve

Directorate	Utilities Cost Increase	Senior Management Delivery Plan	Realign budget targets	Total Virements
	£m	£m	£m	£m
People		(0.430)		(0.430)
Place	0.300			0.300
Corporate Services		0.415	0.750	1.166
Chief Executives' Office		0.015		0.015
Corporate Items	(0.300)		(0.750)	(1.050)
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. The virements shown in the table above are those relevant to quarter 3 only, as those reported previously to cabinet in quarter 2 have been approved.

Virements over £0.100m requiring approval are as follows;

- Utilities Cost Increase – Corporate Funding for increase in utilities – Street Lighting.
- Senior Management delivery Plan – Movement of budgets from services to meet the senior management delivery plan.
- Realign budget targets – Transfer of Budgets targets to Corporate Items.

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

- The 16+ Service was disaggregated during the Spring of 2013 and the transfer of budget has been agreed by the Service Managers and Assistant Directors within Children's Social Care and Homes & Communities. As part of the review of the transfer Departmental Management Team agreed to seek Cabinet approval for the transfer of additional budget amounting to £0.100m to Homes and Communities.
- Transfer of budgets previously shown under Programme Director for Leisure Management Contract to Joint Commissioning & Adult Health and Social Care.

Collection Rates

Council Tax

Target	December 13	81.00%	£82.157m
Actual	December 13	80.62%	£81.768m
2012/13	December 12	81.80%	£76.533m

Council Tax collection remains consistent, showing slight improvement, with figures at 80.62% against 81.00%.

National Non Domestic Rates

Target	December 13	85.60%	£76.640m
Actual	December 13	87.84%	£78.643m
2012/13	December 12	85.02%	£74.297m

Business Rates is showing a continued favourable forecast, being collection showing 87.84% against target of 85.60%

Voluntary Release & Redundancies

The closing date for the voluntary release scheme was Monday 13th January 2014 at which point 131 expressions of interest were received. These expressions of interest, if all approved would result in a payment of £0.878m to employees. To date a total of 31 employers have left via redundancies at a cost of £0.567m.

Capital Position

Spend to date

Spend/Forecast	People	Place	Corporate Services	Total
	£m	£m	£m	£m
Spend to date	23.587	9.365	2.799	35.751
Forecast 2013/14	31.364	18.106	9.461	58.931

Revised medium term programme 2013/14 – 2016/17 is £158.956m, and is forecast to be financed as follows

Capital Receipts	Unsupported Borrowing	Tamar Bridge & Torpoint Ferry Borrowing	Grants	Contributions	S106/ Tariff / RIF	Revenue / Funds	Total Funding
£m	£m	£m	£m	£m	£m	£m	£m
25.912	31.161	7.445	83.887	2.379	2.918	5.254	158.956

The capital position has been updated to reflect a number of items which either have delegated officer approval totalling £0.371m, or require Cabinet approval totalling £1.976. These are shown in the following table:

Table A

Scheme	Approval Value	Totals
	£m	£m
New Schemes - Already Approved as Delegated Officer Decision		
Barbican public toilets	0.371	
Total		0.371
New Schemes - Requiring Cabinet Approval		
Universal Free School Meals Programme	0.572	
The Big Greenspace challenge	0.150	
Flood Defence works at Millbay Tanks	0.278	
RTPI - Cumberland Road	0.015	
RTPI - Pocklington Rise & talking timetable	0.019	
RTPI - Staddiscombe	0.030	
RTPI - St Budeaux community centre	0.010	
RTPI - Oreston Road	0.020	
King's Tamerton & Efford Marsh wood enhancements	0.077	
Mayflower West Car Park	0.805	
Total		1.976

Virement of resources to new Investment funded projects		
Seaton Land acquisition (Investment Fund)	2.170	
Total		2.170
Virement of resources from unallocated budget following Cabinet Report		
Knowle Primary	2.475	
St Peters CE Primary	0.300	
Total		2.775
Reduction of resources following December funding announcement		
Basic Need (15/16 and 16/17)	(5.929)	
Total		(5.929)
Overall Total		1.363

Additional Information

Human Resources & Organisation Development Data;

- FTE numbers
- FTE head count
- Sickness