

JANUARY 2015 FINANCE MONITORING

Revenue Monitoring Position

Directorate	2014/15 Council Approved Budget	2014/15 Budget Virements	2014/15 Latest Budget	2014/15 Forecast Outturn	Forecast Year End Overspend / (Underspend)	Movement in Month
	£m	£m	£m	£m	£m	£m
Executive Office	3.697	0.127	3.824	3.824	0.000	0.000
Corporate Items	11.008	3.717	14.725	11.611	(3.114)	(0.008)
Transformation and Change Directorate	31.335	(0.584)	30.751	30.751	0.000	0.000
People Directorate	122.746	(0.641)	122.105	126.555	4.450	(0.402)
Public Health	0.184	0.009	0.193	0.193	0.000	0.000
Place Directorate	35.710	(2.628)	33.082	33.082	0.000	0.000
TOTAL	204.680	0.000	204.680	206.016	1.336	(0.410)

Issue	Variation £M	Direction of Travel	Management Corrective Action
<p>PLACE - Economic Development –</p> <p>Rents - The economic climate is resulting in lower rental income and current market position exposes the Council to a reduction in income on geared head leases, which are outside the Council's control. Increased pressure arising from the events programme Additional income from Enterprise and Employment helping to mitigate in part. One of actions to mitigate pressures continue to be identified</p>	(0.099)	Improving	<p>Continuing to review expenditure tightly.</p> <p>Mt. Edgcumbe Joint Committee have tasked joint officers to deliver a balanced budget.</p>
<p>PLACE – Street Services</p> <p><u>Highways, Parking and Marine</u> There are pressures within the highways, parking and marine department which are being mitigated by management through a range of actions such as expenditure controls and parking back office contract procurement. The highways service budget is being closely managed but there remains a potential risk of financial pressure due to responsive nature of work arising from adverse weather.</p> <p><u>Waste</u> The delay in the EFW has resulted in a net pressure due to the delay in receiving PFI Grant, which will be offset with Financial Management / Cash flow. Additional income had been achieved in the Trade Waste service.</p>	0.231	Improving	<p>Expenditure reduction and options to increase income will continue in order to meet budget by year end, recent examples include further reduction in agency spend across the whole of Street Services, fuel efficiency, additional income.</p>

<p><u>Fleet and Garage</u> Realignment of budgets has identified capital costs within fleet and garage which will not now be required in 2014/15 saving £109k. Additional fuel savings of £20k above the GAME fleet target have been identified in the revenue budgets</p> <p>Across the wider Street Services a range of mitigation has taken place, including reducing the use of agency staff, additional income and salary recharges for staff involved on other projects.</p>			
<p>PLACE - Strategic Planning and Infrastructure The overall position is favourable due to the estimated part year effect of the restructure, vacancy savings, together with increased S106 income of £102k. There are increases in Planning Application fees and other income streams (grant and s38/278 income)</p>	(0.340)	Improving	There is more planning fee income than originally forecast, restructures have generated additional savings, and management actions on spending have been implemented.
<p>PLACE - Management & Support</p> <p>GAME <u>Commercialisation</u> Commercialisation will achieve the target of £700k in the current year but plans to increase this to mitigate departmental pressures within management and support and street services will not accrue further income until 2015/16.</p>	0.208	Declining	The Department continues to limit expenditure to essential priorities. The GAME Programme Team are continuously exploring new commercial income streams.

<p>TRANSFORMATION & CHANGE – Legal</p> <p>Trend increase in Child placement court fees £70k and an increase in Coroners costs due to inquests. Partly offset by new income streams.</p>	<p>0.033</p>	<p>Declining</p>	<p>Managers are continuing to review further income generation opportunities to offset this pressure.</p>
<p>TRANSFORMATION & CHANGE – Departmental Management</p> <p>Potential pressure due to shortfall on planned efficiency savings.</p>	<p>0.200 (0.233)</p>	<p>Same Improving</p>	<p>Some planned efficiency savings have not been realised fully</p> <p>Departmental management continue to hold vacancies and reduce expenditure where possible to offset this.</p> <p>Going forward further areas for savings that have been identified include which will be considered as part of the 15/16 CCO programme:</p> <ul style="list-style-type: none"> • Integrated Assurance and Compliance Unit • Transfer of functions into transaction centre • Review of business requirements for elements of support services
<p>PEOPLE – Children’s Social Care</p> <p>Pressure with Children & Young People’s placement numbers and costs. There has been a significant increase in placements during the year. The number of young people placed in Independent foster care has reduced by 2 to 81 against an</p>	<p>2.517</p>	<p>Same</p>	<p>The annual round of ‘Star Chambers’ together with all external placements being reviewed and challenged. People DMT saving target of £100k has been achieved through maximisation of health and education funding against secure welfare placements</p>

<p>original estimate of 60. Residential placements have reduced by 1 to 27 against an original estimate of 18 with a significant number of these placements being high cost due to the complex nature of these children's needs.</p> <p>The number of young people placed in 'welfare' secure placements has remained static at 3 in situ. The In-House Foster Care placements have increased by 10 to 203 during the month against an original estimate of 227 placements, however provision has been included within Month 9 monitoring for numbers to increase by 3 from December to end of year, with 4 placements in 'Other Local Authority' Foster Care. There are currently 4 In House Parent & Child Assessment Placements, 2 court ordered Independent foster care placement and 3 high cost Residential placements of family groups of siblings. The number of young people 16+ placed in supported living has increased by 1 to 23 placements.</p> <p>The current increase in placement costs has been offset by maximising grant funding for core Family Support function.</p>			<p>There are a number of initiatives either implemented or in the process of being implemented as part of a containment plan to address the increasing numbers of children in care including:</p> <ul style="list-style-type: none"> • Completed reconfiguration of the Children's Social Care family support service to create an intensive family support team focusing on children on the cusp, at risk of coming into care, as well as working to return children home from care where possible • Regular review of internal and external placements, including requesting external providers to review costs. Block contracts for suitable providers being considered where appropriate • New emergency placements for 16 year olds have been commissioned <p>An 'Invest to Save' Business Case has been completed in order to implement a new multi-agency way of meeting the needs of our most complex adolescents in care (ie those in the high cost placements) and those on the cusp of care. This is now expected to commence in April 15.</p>
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<p>PEOPLE – Co-operative Commissioning & Adult Social Care</p> <p>There has been a significant pressure created by cost and volume changes, and a reduction in income, especially from the delay on the implementation of the Fairer Charging Policy</p> <p>A Supreme Court judgement in relation to Deprivation of Liberty Safeguarding (DoLS) assessments has impacted the service significantly, with resources having to be diverted to meet this statutory requirement.</p>	2.974	Same	<p>The Department is managing a Budget Containment Plan focused around reviews of High Cost Supported Living and Direct Payments, along with other packages of care.</p> <p>All spend is being reviewed to ensure that any savings possible are being captured and, at the same time, the department is looking for other ideas to help to bring down the current forecast overspend.</p>
<p>PEOPLE – Homes & Communities</p> <p>Identification of additional external funding.</p> <p>The overall picture is favourable change this month is due to further savings through external funding FWAF worklessness commissioning, lower court fees and vacancy savings.</p>	(0.489)	Improving	<p>People DMT agreed increase from maximisation of external funding (Families with a Future) and reviewing the commitments against specific reserves and further vacancy savings.</p> <p>There is a risk of c£190k around emergency temporary accommodation and Care Leavers arising from increased placements in the second half of the year as a result of the ‘Staying Put’ legislation. This is currently being contained within existing resources</p>
<p>PEOPLE – ELAFs</p> <p>Release of contingency for legal costs.</p> <p>The additional saving is being achieved through maximising</p>	(0.551)	Improving	<p>Release of contingency relating to expected legal costs not materialising.</p> <p>Additional savings have been forecast through overachievement of vacancy savings, General resource savings across the department.</p>

grant funding to cover the overall cost of the SEND service and a reduction in Teachers pension budgets.			
PUBLIC HEALTH	0.000	Same	Plans are in place within the Directorate to cover any shortfalls in cemetery income levels and to come in on budget.
CORPORATE ITEMS – Transformation Currently forecasting an under spend in transformation.	(0.393)	Improving	Forecast continually under review.
CORPORATE ITEMS - Capital Financing Reduction in interest payable on loans and improved return on investments. Saving on Capital Financing Requirement (CFR) due to reduced borrowing for Capital Programme	(0.846) (0.125)	Same	Re-profiling of the borrowing portfolio and seeking greater returns on investments has delivered a surplus against the required £1m revenue savings on Treasury Management for 2014/15. Management will continue to review the borrowing portfolio for further savings opportunities.
CORPORATE ITEMS – Business Rates The Council is part of a business rates pool with other Local Authorities in the Devon which is in its second year of operation.	(0.150)	Same	The current forecasts indicate additional income due to the Council from the pooled arrangement
CORPORATE ITEMS – Prior Year Council Tax Collection The current forecast is an improved collection rate for historic council tax debt	(0.250)	Same	The is the current estimate of the impact of a review of improved debt collection processes
CORPORATE ITEMS – Reserves + Provisions Release insurance provision Release pension top-up provision	(0.850)	Same	Insurance plus pension top-up £0.850m
CORPORATE ITEMS – Contingency Release of part of the central contingency budget	(0.500)	Same	The £1m contingency budget was set for 15/16, half of it has been released at this point

EXECUTIVE OFFICE On target to deliver a balanced position.	0.000	Same	Continued restrictions on expenditure and vacancies have reduced the overspend to a balanced position
TOTAL	1.336		