

AUGUST 2015 FINANCE MONITORING

Revenue Monitoring Position

Directorate	2015/16 Council Approved Budget	2015/16 Budget Virements	2015/16 Latest Budget	Forecast Outturn	Forecast Year End Variation	Movement from previous month
	£m	£m	£m	£m	£m	£m
Executive Office	3.840	(0.021)	3.819	4.046	0.227	(0.029)
Corporate Items	14.010	(6.025)	7.985	8.255	0.270	0.000
Transformation and Change	26.682	6.604	33.286	34.215	0.929	0.180
People Directorate	121.400	1.716	123.116	123.497	0.381	(0.016)
Public Health	0.194	0.815	1.009	1.009	0.000	0.000
Place Directorate	26.883	(3.089)	23.794	24.127	0.333	(0.102)
TOTAL	193.009	0.000	193.009	195.149	2.140	0.033

Plymouth Integrated Fund	Section 75 indicative position	2015/16 Latest Budget	Forecast Outturn	Forecast Year End Overspend / (Underspend)
	£m	£m	£m	£m
New Devon CCG – Plymouth locality	331.000	347.370	347.892	0.523
Plymouth City Council	*131.000	135.911	136.292	0.381
TOTAL	462.000	483.280	484.184	0.904

* This represents the net People Directorate budget plus the gross Public Health Commissioning budget (which is financed by a ring fenced Department of Health Grant)

Under the s75 risk share agreement with NEW Devon CCG, the forecast outturn indicates a potential transfer of £0.085m from the CCG to PCC

Table 3: Key Issues and Corrective Actions

Issue	Variation £M	Management Corrective Action
<p>EXECUTIVE OFFICE</p> <p>Democratic support cost pressures</p>	0.227	£0.225m relates to a stretch target for efficiencies in this area for which officers are reviewing options including staffing and resource levels through vacancy management
<p>CORPORATE ITEMS</p> <p>The cross cutting savings target linked to a strategic asset review of £0.3m is currently only forecasting identifiable savings estimated at this stage of £0.030m</p>	0.270	Project managers within the P&OD transformation programme are reviewing other potential areas for savings alongside producing a strategic asset strategy framework
<p>TRANSFORMATION and CHANGE – Finance</p> <p>There are currently pressures on reactive maintenance of £0.375m which are being partially offset by vacancies and NDR savings</p>	0.117	Management continue to review staffing levels and a capital allocation for corporate property works has been approved which will reduce the pressure on maintenance budgets
<p>TRANSFORMATION and CHANGE – Legal</p> <p>There is currently pressure on the recovery of legal expenses £0.080m, an estimated shortfall on vacancy turnover £0.055m and under recovery of specialist lawyer recharges £0.046m</p>	0.141	Plans being reviewed to see what opportunities can be achieved to reduce this shortfall in year
<p>TRANSFORMATION and CHANGE – Customer Services</p> <p>There is a shortfall in achieving the transformation saving target of £1.2m due to delays in implementing the service review</p>	0.266	The service are reviewing all current vacancies to assist in managing the shortfall pending the realignment which is underway and anticipated to deliver the full year saving in future years. An enhanced voluntary release scheme was offered, and this had a significant takeup which has been effective from September onwards

<p>TRANSFORMATION and CHANGE – Human Resources & OD</p> <p>There is a forecast underspend on staffing costs which is partly offset by reduced income from HR advisory services</p>	(0.060)	
<p>TRANSFORMATION and CHANGE – CCO programme and Departmental</p> <p>The CCO programme has a target of £1.5m to achieve in 15/16.</p> <p>Reviews of business support, HR and Finance service provision were delayed and are now estimated to only achieve £0.160m of the £0.8m target in this financial year. There is also a shortfall against IT efficiencies of £0.3m and this is being reviewed alongside the overall IT contract provision. The overall in year shortfall against the CCO programme is forecast to be £1.140m, the majority of which is forecast to be an in year issue only.</p> <p>There are more than £0.2m of previous savings targets which were achieved in 14/15 through one off activities or underspends.</p> <p>There is a forecast overspend on Transformation costs of £0.065m</p>	0.465	<p>Management are reviewing staffing expenditure to ensure that all opportunities are maximised</p> <p>Officers have reviewed insurance provisions and reserves and at this stage anticipate the potential for an in year reduction of up to £1m which will offset delays in achieving the CCO target in year.</p> <p>The current forecast overspend on Transformation costs is anticipated to be reduced as project costs are reviewed</p>
<p>PEOPLE – Children Young People and Families</p> <p>The Children Young People and Families Service is reporting a budget pressure of £0.671m, an increase of £0.015m in the month due to an increase secure welfare accommodation</p> <p>The Care Leavers Service are currently running with a significant pressure relating to placement costs with regard to staying put arrangements, supported lodgings and supported accommodation. The full pressure stands at £0.268m</p>	0.671	<p>The full pressure on care leavers has already been reduced by a delivery plan of £0.160m and increased activity to minimise costs by ensuring all benefits are</p>

<p>The Department is also working up options to improve its overall position by (£0.192m) as agreed at the IHWB discussion board and this is reflected in the forecast</p> <p>As part of the transformation project for 2015/16, the CYP&F budget will need to make savings of over £1.5m (in order to contribute to the £8.045m Directorate target) with the activities and actions that will drive delivery forming part of the transformation programme.</p> <p>There are risks that will require close monitoring and management during the year:</p> <ul style="list-style-type: none"> • Starting point in April of 86 Independent Foster Care (IFA's) placements with budget for only 68 achieving savings from interim and transformation wrap-around placements. • Lack of availability of the right in-house foster care placements creating overuse of IFA's. • High number of placements in Welfare Secure, there are currently 3 in situ. • Unexpected court ordered spend on Parent & Child Assessment placements. <p>The overall number of children in care at the end of August has increased by 2 to now stand at 386.</p> <p>The number of children placed with independent fostering agencies has increased by 3 to 84 which is above the budgeted target of 68. Residential placements have reduced by 2 to 20 against a target of 26 budgeted placements with a significant number of these placements being high cost due to the complex nature of these children's needs. In particular 2 young people at particular risk are in short term placements (i.e. 3 months) at a higher cost than welfare secure. The number of young people placed in 'welfare' secure placements reduced as planned by 1 with 2 young people currently in situ. The In-House Foster Care placements have remained static at 196 placements against a target budget of 209 placements, with 2 placements in 'Other Local</p>	<p>applied for directly following the young persons 18th birthday.</p> <p>Other cost pressures identified within the service are currently being managed within the existing service budget. The CYP&F service is forecast to achieve the £1.5m wrap around placements transformation savings.</p>
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<p>Authority' Foster Care. There are currently 2 In House Parent & Child Assessment Placements, 3 court ordered Independent foster care placements and 2 high cost Residential placements. The number of young people 16+ placed in supported living has increased by 1 to 24 against a target budget of 22 where young people have stepped down from residential care. However, this has had an adverse effect on the average placement cost although this should improve as their level of support is stepped down.</p> <p>The service has received 352 referrals in August 2015 which was 12.5% more than August 2014 (313). The YTD figure for referrals is 2260 compared to 2166 for the same period in 14/15. This is an increase of 4.3%.</p> <p>The performance against single assessments for August was 92.8% completed within 45 working days</p> <p>The number of child protection plans in August reduced from 422 to 413 which is 5.5% lower than August 2014 (437).</p>		
<p>PEOPLE – Strategic Co-operative Commissioning</p> <p>The Strategic Co-operative Commissioning (SCC) service is reporting to come in (£0.290m) under budget at the end of month 5, an adverse change from month 4 of £0.041m. The overall variation is mainly in the following areas:</p> <p>Leisure Management – mainly due to a saving on utilities, there is expected to be a saving of (£0.091m) against budget this year.</p> <p>Salaries and related costs – we are forecasting an adverse variation of £0.264m, mainly around the In-House provision which is being closely monitored.</p> <p>Non Residential Income – currently there is a favourable variation of (£0.514m) which has arisen due to the change in the Fairer Charging policy and the Direct Payment income that is being collected as a result.</p> <p>Day Care costs – there is currently an adverse variation on day care of £0.226m which is due to both increased costs and usage of the service.</p>	<p>(0.290)</p>	

<p>PCH Contract – an assumption has been made of a saving against the full year contract of (£0.200m)</p> <p>As part of the transformation project for 2015/16, the SCC budget will need to make savings of over £5m (in order to contribute to the £8.045m Directorate target) with the activities and actions that will drive delivery forming part of the transformation programme. There are also two emerging risks that will require close monitoring and management during the year:</p> <p>DoLS assessments – over the past year there has been a very significant increase in Deprivation of Liberty Safeguard (DoLS) applications. Official data from the Health and Social Care Information Centre (HSCIC) show that there has been a ten-fold increase on previous activity levels.</p> <p>Care Coordination Team clients – there are currently a large number of clients that are waiting for an assessment which could result in the costs being charged to SCC – see monitoring variations above.</p>		<p>So far, SCC has achieved in the region of £2.4m of savings around reduced client numbers in residential and nursing, reviews of high cost packages and contract savings, however there are £2m of delivery plans for 2015/16 that are currently showing as RAG rated red or amber, ie reviews to care packages, and further use of ECH housing instead of higher cost placements, that will need to be reviewed and, if necessary, alternative plans put in place to make the savings.</p> <p>A DOLS action plan has now been developed and will be monitored through the year.</p> <p>A working group has been established to ensure reviews are completed in a planned and managed way.</p>
<p>PEOPLE – Housing Services</p> <p>The Housing Service reported a £0.073m pressure at the end of July which has now been contained within existing budgets through an improvement due to increased occupancy of Raglan Court and also further management actions.</p>	-	
<p>PEOPLE – Learning & Communities</p> <p>Learning and Communities is reporting to come in on budget at the end of month 4. During 2015/16 the Learning and Communities budget will need to make savings of £0.600m (in order to contribute to the £8.045m Directorate target) with activities and actions that will drive delivery forming part of the transformation programme.</p>	-	<p>The department is reviewing any potential pressures with the intention of mitigating these with off-setting actions.</p>

<p>PUBLIC HEALTH –</p> <p>The public health ring-fenced grant has been identified as one of the areas targeted for in year budget cuts as part of the government. Indications are of a circa 7% reduction which would equate to £0.9m</p>	-	<p>The Public Health Management team have fed back on the consultation around the allocation of reductions which closed on 28th August, and are considering potential options for reducing expenditure once the final details on reductions are released</p>
<p>PLACE - Economic Development</p> <p>Economic Development is currently forecasting to deliver within budget by year end, although this is not without risk.</p> <p>Economic pressure on commercial rents continues. The return on head leases is outside of the Councils control and far from being a risk has now become an issue to mitigate.</p> <p>The Events programme will deliver within the overall programme of events.</p>	-	<p>The Economic Development Service is endeavouring to identify savings to offset these costs pressures but the ability to generate one off or recurring options continues to reduce year on year as the portfolio is systematically reviewed to maximise opportunities.</p> <p>The Council continues to sponsor and promote major events across the city underwriting from Council budgets. Officers continue to work to seek to manage the budget and ensure a positive economic benefit for the local economy.</p>
<p>PLACE - Strategic Planning and Infrastructure</p> <p>Forecast increases in Planning application/DES fee income and savings on salaries are offsetting potential pressures in SPI.</p>	(0.099)	<p>Income and Expenditure is routinely reviewed each cycle to control spend and maximise income.</p>

<p>PLACE - Street Services</p> <p>Street Services is currently planning to deliver within budget through careful cost control and by seeking opportunities to improve the way it operates. As a key frontline service there are some demand risks in delivering services within the available budget.</p> <p><u>Waste Services</u> The Trade Waste service at Chelson Meadow is anticipated to generate more income than originally planned which is helping address cost pressures within the Waste Service. Further reviews of the operation will generate a mixture of one off and recurring savings. One off savings continue at the Energy from Waste Plant during the extended commissioning period.</p> <p><u>Highways Parking & Marine Service</u> Monitoring of car parking income is showing some reduction which could impact on the Parking Trading account contribution to Highways.</p>	<p>(0.083)</p>	<p>We are currently modelling new opportunities to reduce costs to ensure key services can be delivered within existing budget whilst also planning ahead for longer term service delivery as available resources are reduced. We will also continue to explore opportunities to maximise income and productivity.</p> <p>The impact of any changes to parking income needs to be considered as part of setting the overall 16/17 budget</p>
<p>PLACE - GAME</p> <p>The Commercialisation Workstream is making a significant contribution of £1m towards the transformation programme although the integrated transport projects will result with in-year cost pressures in the region of £0.420m.</p>	<p>0.515</p>	<p>Organisation wide commercialisation opportunities will continue to be explored and accelerated to address the current projected shortfall. The favourable position in the core Place budget is contributing to mitigating the Staff and Passenger Transport pressures in the GAME programme.</p>
<p>TOTAL</p>	<p>2.140</p>	