

THE CORPORATE PLAN



A COUNCIL THAT USES RESOURCES
WISELY

K06

THE LOCAL GOVERNMENT FUNDING SETTLEMENT



The local government finance settlement is the annual determination of funding to local government.

RSG - Revenue Support Grant is a central government grant given to local authorities which can be used to finance revenue expenditure on any service.

Business Rates - Under the business rates retention scheme, authorities keep up to half of the local business rates revenue as well as growth on the revenue that is generated in their area.

❖ *However, the Chancellor's announcement of 5 Oct 2015 local government be able to retain 100% of business rates at same time phasing out core grant by end of this Parliament.*

THE LOCAL GOVERNMENT FUNDING SETTLEMENT



Specific Grants - Specific grants are grants (sometimes called targeted grants) distributed outside the settlement. The basis of the distribution varies from grant to grant.

Council Tax - Each local authority then sets its basic amount of council tax (band D) at the level necessary to raise this amount, taking into account its likely collection rate.

SUMMARY OF RESOURCES AVAILABLE



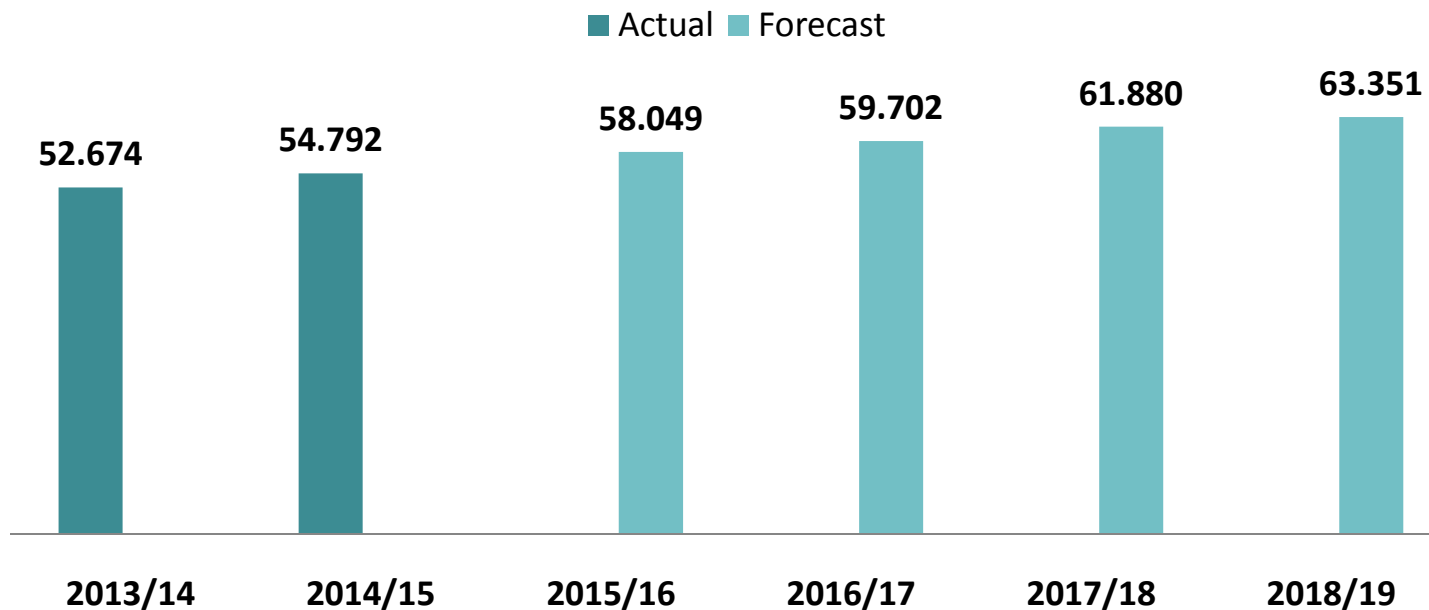
	2015/16 £m	2016/17 £m	2017/18 £m	2018/19 £m
	BUDGET	FORECAST		
Revenue Support Grant (RSG)	44.55	33.29	23.93	15.15
Business Rates	58.04	59.70	61.88	63.35
Council Tax	90.41	91.26	93.28	95.15
Total Revenue:	193.00	184.25	179.09	173.65
Annual increase / (decrease)	(11.68)	(8.75)	(5.16)	(5.44)

RSG reduces from 2015/16 £44.55m to 2018/19 £15.15m a drop of 66%
 Council Tax 2016/17 reflects freeze with growth from PCC Growth Dividend

NDR



Non Domestic Rates Income (£m)

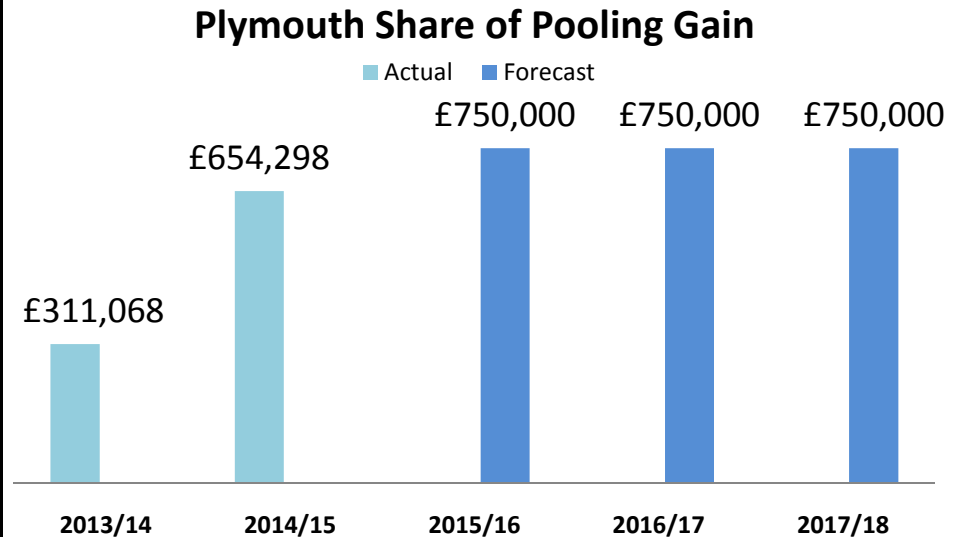


Non Domestic Rates (Business Rates) includes several elements:
Retained Business Rates (being 49% of our local collection)
“Top UP” from Central Government; Devon Business Rates Pool income;
Other adjustments (small business rate relief etc)

DEVON BUSINESS RATES POOL

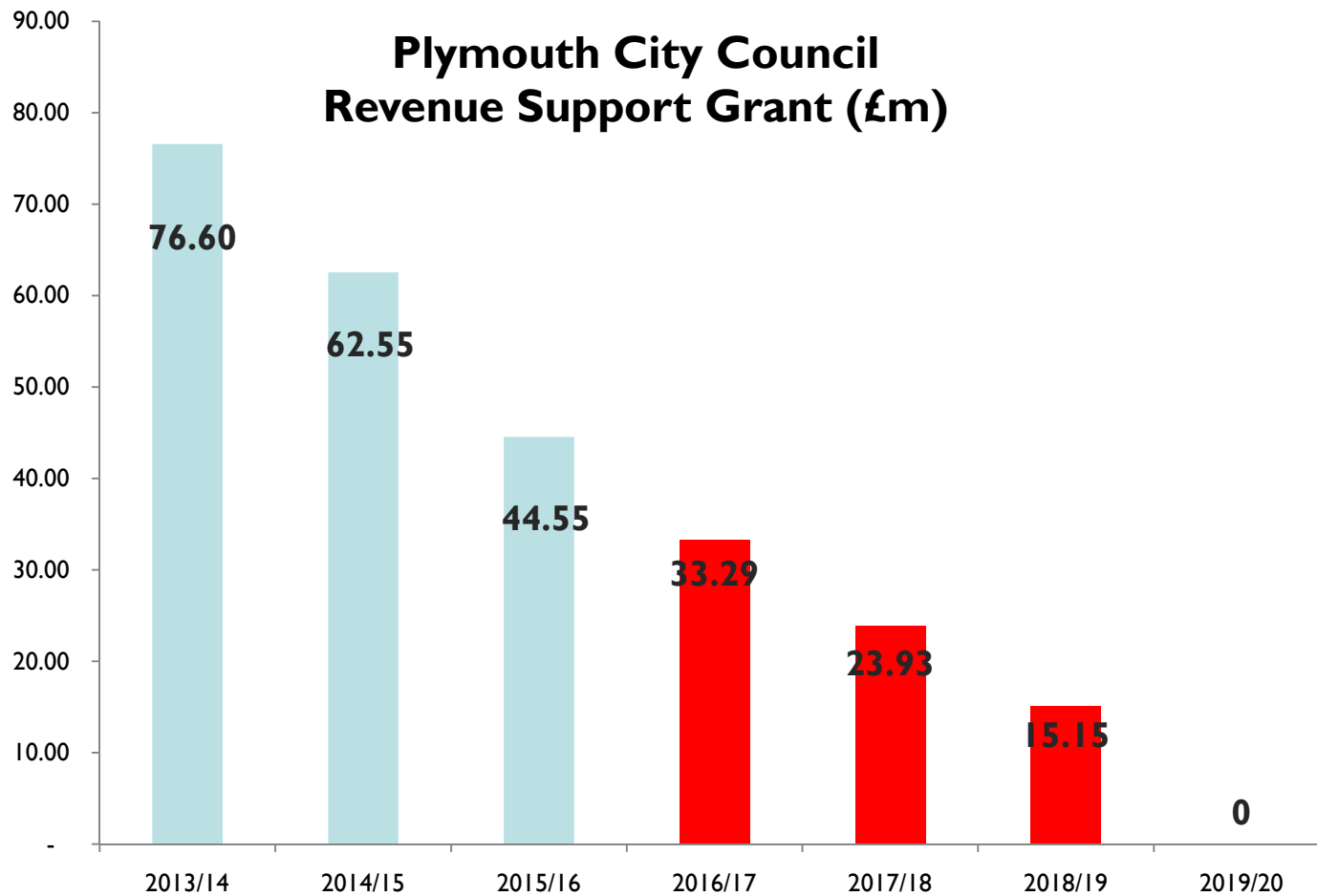


Members	Share of 2014/15 Pooling Gain	
	£	%
East Devon	105,797	4.16%
Exeter	236,909	9.31%
Mid Devon	55,931	2.20%
North Devon	109,295	4.29%
Plymouth	654,298	25.71%
South Hams	103,164	4.05%
Teignbridge	107,852	4.24%
Torbay	324,837	12.76%
Torrige	44,920	1.76%
West Devon	41,427	1.63%
Devon County	760,654	29.89%
TOTAL GAIN	2,545,083	100.00%



“The key advantage of a Pool is it can enable more of any business rates growth to be retained locally than if each authority was treated as ‘standalone’ under the business rates funding system.”

REVENUE SUPPORT GRANT FORECAST



In 2018/19 RSG is forecast to be only 20% of the grant received in 2013/14

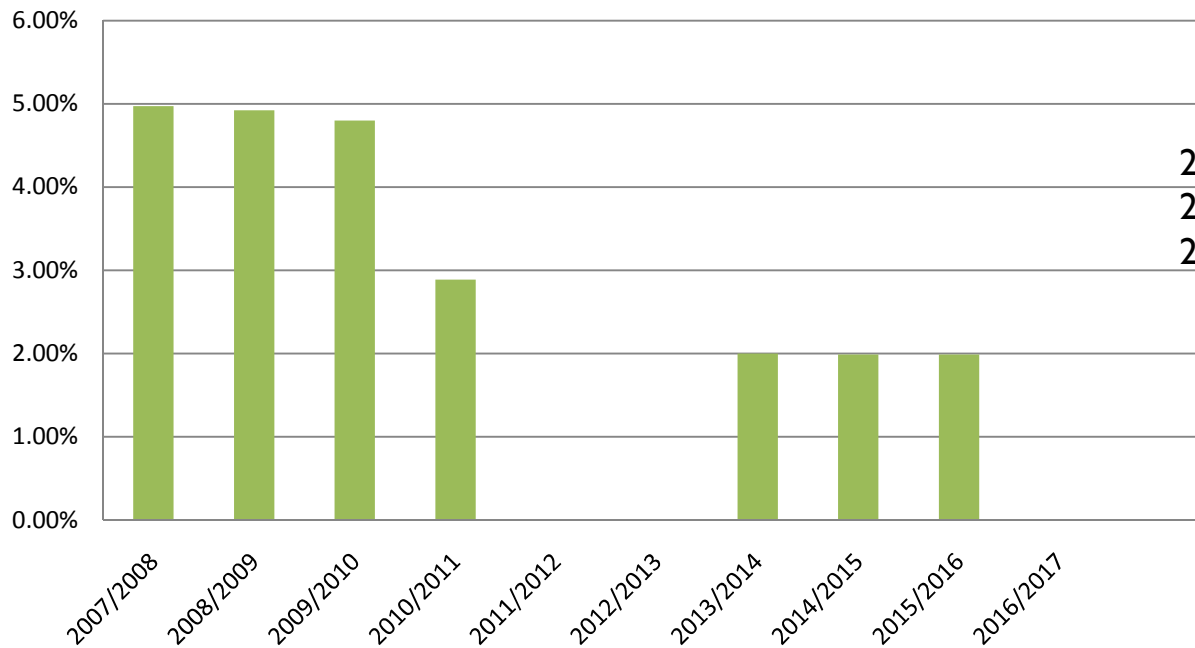
COUNCIL TAX



The chart shows the % change year-on-year

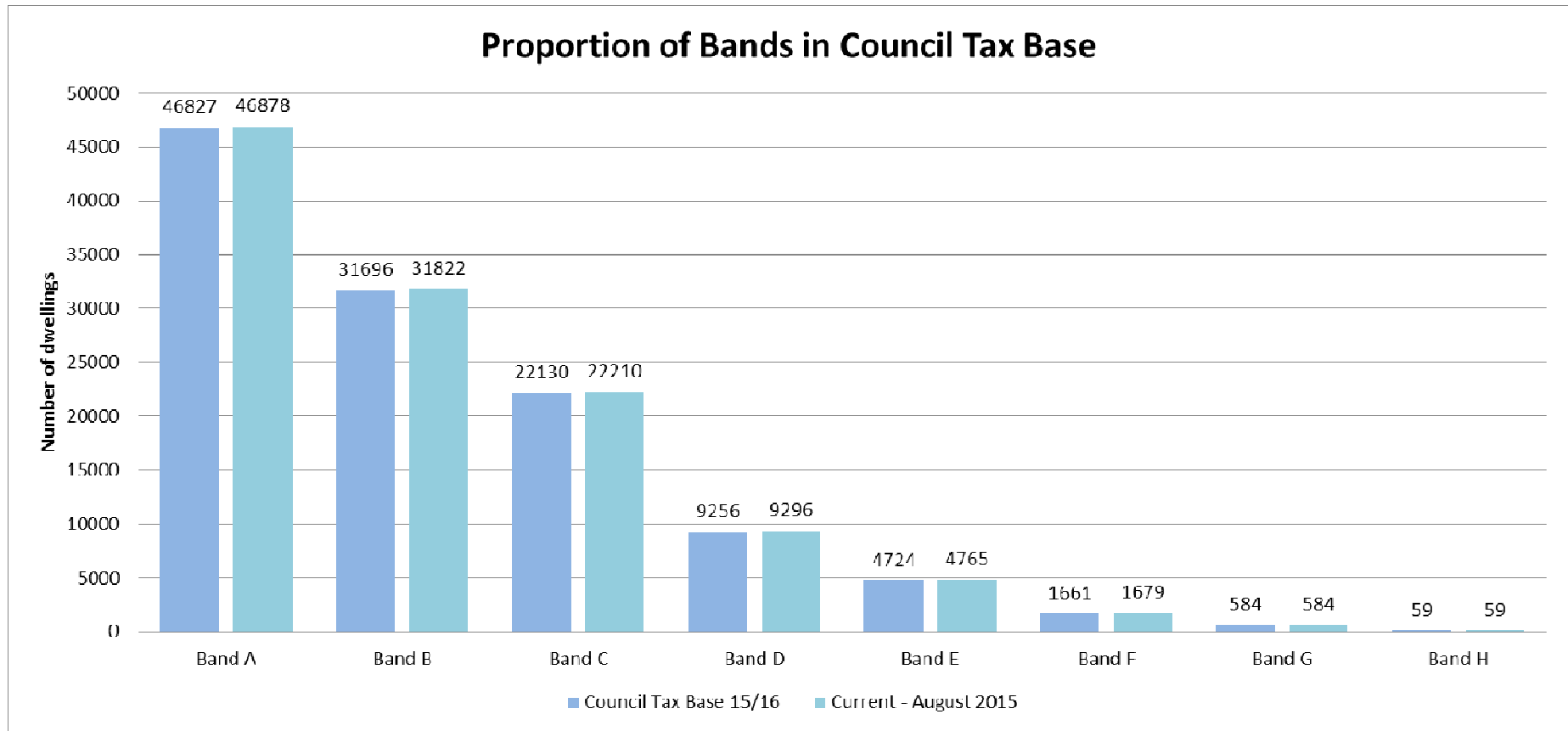
Our income also grows as the Council Tax Base grows due to additional properties, reassessments, changes in circumstance

Council tax increase (% Band D) 2007/08 to 2016/17



C Tax	Freeze Grant
2011/12	0% £2.4m
2012/13	0% £2.4m
2016/17	0% TBC

COUNCIL TAX



Biggest growth during year is “Band B” properties (36% of all growth)

NEW HOMES BONUS (NHB)



The current NHB scheme only guarantees funding for a six year period which starts to taper out from 2017/18.

At its estimated peak, in 2016/17, the Council will be reliant on more than **£5m** of NHB funding within core revenue budgets. Growth projections from 2017/18 and beyond have been netted off by the anticipated drop out of funding received on a rolling six year basis (e.g. 2011/12 NHB will drop out from 2017/18 income projections).

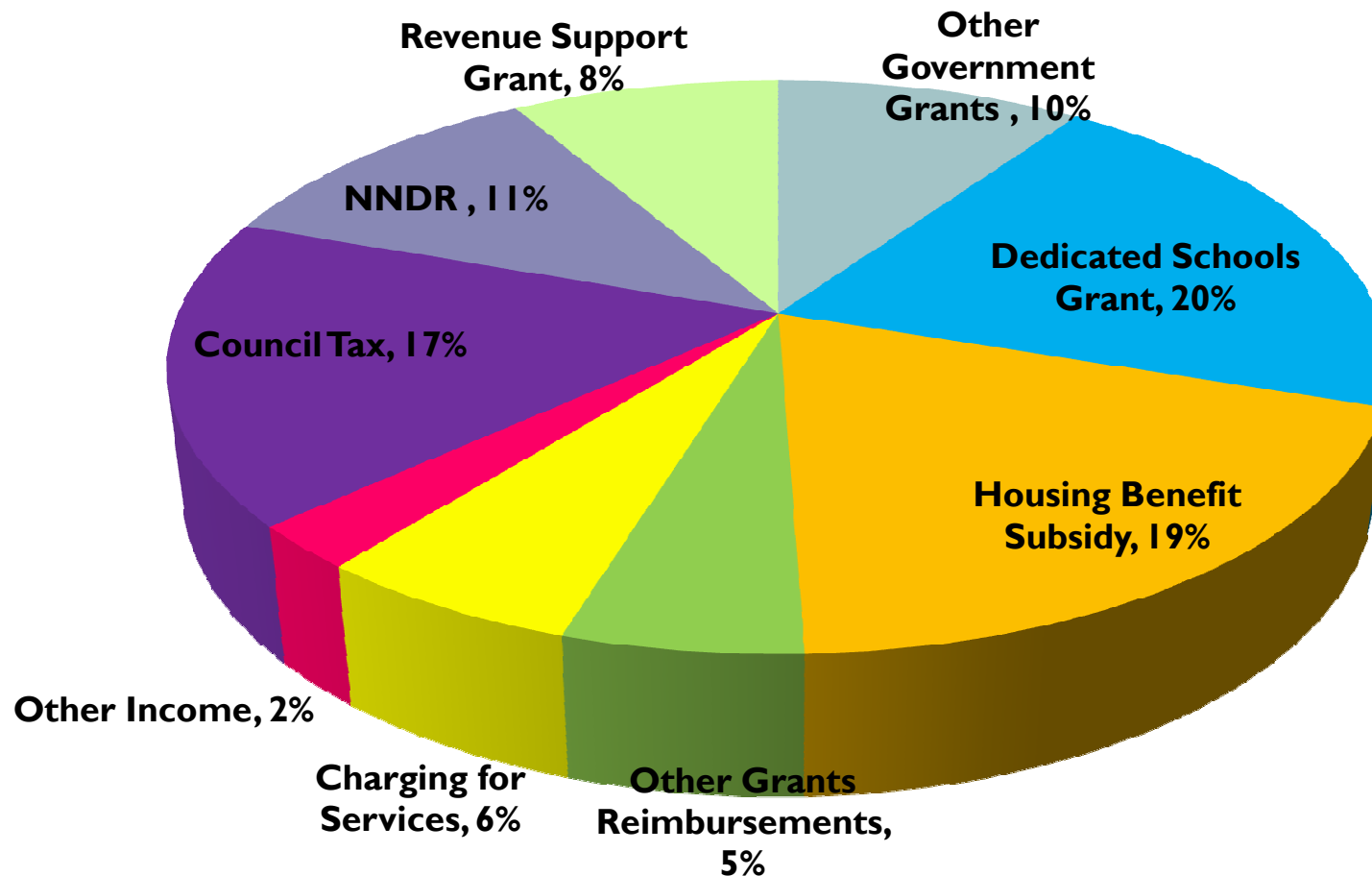
2011 / 12	2012 / 13	2013 / 14	2014 / 15	2015 / 16	2016 / 17	2017 / 18	2018 / 19	2019 / 20
£832,349	£832,349	£832,349	£832,349	£832,349	£832,349			
	£705,682	£705,682	£705,682	£705,682	£705,682	£705,682		
		£867,952	£867,952	£867,952	£867,952	£867,952	£867,952	
			£1,188,756	£1,188,760	£1,188,760	£1,188,760	£1,188,760	£1,188,760
				£601,820	£601,820	£601,820	£601,820	£601,820
					£850,000	£850,000	£850,000	£850,000
						£850,000	£850,000	£850,000
							£850,000	£850,000
								£850,000
£832,349	£1,538,031	£2,405,982	£3,594,738	£4,196,562	£5,046,562	£5,064,214	£5,208,532	£5,190,580

DCLG Director has stated that the gov't are committed to retain NHB 10

THE LOCAL GOVERNMENT FUNDING SETTLEMENT 2015/16



2015/16 Income Sources £525m



PLYMOUTH CITY COUNCIL

2015/16 EXPENDITURE



Gross Expenditure £525m

Consisting of;

- Dedicated Schools Grant pass ported to Schools - £108M
- Housing Benefit payments to claimants - £101m

Leaving £338m for services including;

- Adult Social Care - £94m
- Children's Social Care - £38m
- Education Services - £34
- Public Health - £20m
- Street Services - £55m
- Strategic Planning - £14m
- Economic Development - £9M
- Corporate Financing - £20m
- Support Services £26m
- Other Services - £6m

4 YEAR MEDIUM TERM FINANCIAL FORECAST



	15/16 £m	16/17 £m	17/18 £m	18/19 £m
	budget	forecast		
Revenue Resources	193.00	184.25	179.09	173.65
Base Budget Spend	204.68	193.00	184.25	179.09
Add Cost/Income & Volume	9.43	14.88	2.75	2.30
Less Savings identified/required	(21.11)	(23.63)	(7.91)	(7.74)
Revised Budget Spend	193.00	184.25	179.09	176.85
(DEFICIT) / SURPLUS:	0.00	0.00	0.00	0.00



INTEGRATED HEALTH & WELLBEING and PEOPLE DIRECTORATE



Northern, Eastern and Western Devon
Clinical Commissioning Group



One System, One Budget - *'the right care, at the right time, in the right place'*

PEOPLE

Key Achievements to Date



- **Creating One System**
 - Development of Integrated Governance Arrangements
 - Four Draft Integrated Commissioning Strategies covering Cradle to Grave
 - Commissioning of Integrated Health and Social Care Provider
 - Developed a joined up advice and referral co-ordination offer for children and young people
- **Creating One Budget**
 - Section 75 between PCC & NEW Devon CCG
 - Integrating funds of £460 million
 - Underpinned by Risk Share and Financial Framework
- **Culminating in £8.384m savings**

One System, One Budget - 'the right care, at the right time, in the right place'

Challenges Remain: Key Principles and Priorities



- Protection of Front Line Services
- Extend the breadth and depth of Integration
- Review and Restate Local Authorities Core Offer
- Work with a range of partners to deliver services regardless of organisational form
- Focus on High Impact Areas

Forward View 16/17

- Integration Priorities



- **Integrated Delivery** will focus on the realisation of a single management arrangement and multi-skilled workforce the efficiencies created by this will be realised through the integrated PCH contract and a reduction in care package costs.
- The **integrated commissioning** priorities will be to further identify areas where services can be jointly commissioned thus collectively managing the provider market, removing duplication of effort, joining together offers and realising efficiencies through the reduction/rationalisation of contracts across the whole system and maximising income and grant funding

Forward View 16/17

- Integration Priorities



- The **Children's Project** has been reviewing existing working practices and systems, over the coming months the focus will be on two key areas of the pathway.
 - Early Help and how we can grow this offer across the whole system to prevent escalation in need and thus minimise high cost packages of support
 - Whilst in Children's Social Care, new ways of working, the implementation of a revised IT system and the joining together of functions we will improve capacity across the system and realise efficiencies whilst protecting frontline staff

One System, One Budget - *'the right care, at the right time, in the right place'*

Forward View 16/17

- Integration Priorities



- The **People Directorate** review will accelerate to support the review of all areas not within the scope of Integrated Delivery, Commissioning or Children's and Young People where we have modelled a 20-40% headcount reduction in order to achieve our delivery targets. This will be achieved through the opening of EVRS and then the subsequent remodelling of teams and services across the directorate.

GAME and PLACE DIRECTORATE

PLACE KEY ACHIEVEMENTS TO DATE



The Growth, Assets & Municipal Enterprise Programme has grouped its projects around delivering three main outcomes:

Accelerating processes using new skills and resource to increase revenue benefits from CT, NHB and NNDR



Making the Council more Commercial by changing behaviours to increase income / efficiency savings

Creating a Brilliant, Co-operative Street Services

PLACE SUCCESSES



- ❖ **Housing and Business growth exceeding target**
e.g. 1,115 net additions to the dwelling stock against a target of 1,070 in 2014/15
- ❖ **Successful delivery of new waste collection routes**
Nation Winners of APSE's Best Transformation and Efficiency Project 2015
- ❖ **New Street Services Management & Supervisory Structure**
Of the 70 posts reduced, 40 fewer management and supervisory posts
- ❖ **Fleet reduced by over 60 vehicles & revised working patterns**
Improved fleet management and tracker technology, 6 days working week including evenings
- ❖ **Making the Council more Commercial**
e.g. Amey service and maintenance contract, opening Chelson Meadow to the trade
- ❖ **Leading to net benefit of £4.312m**

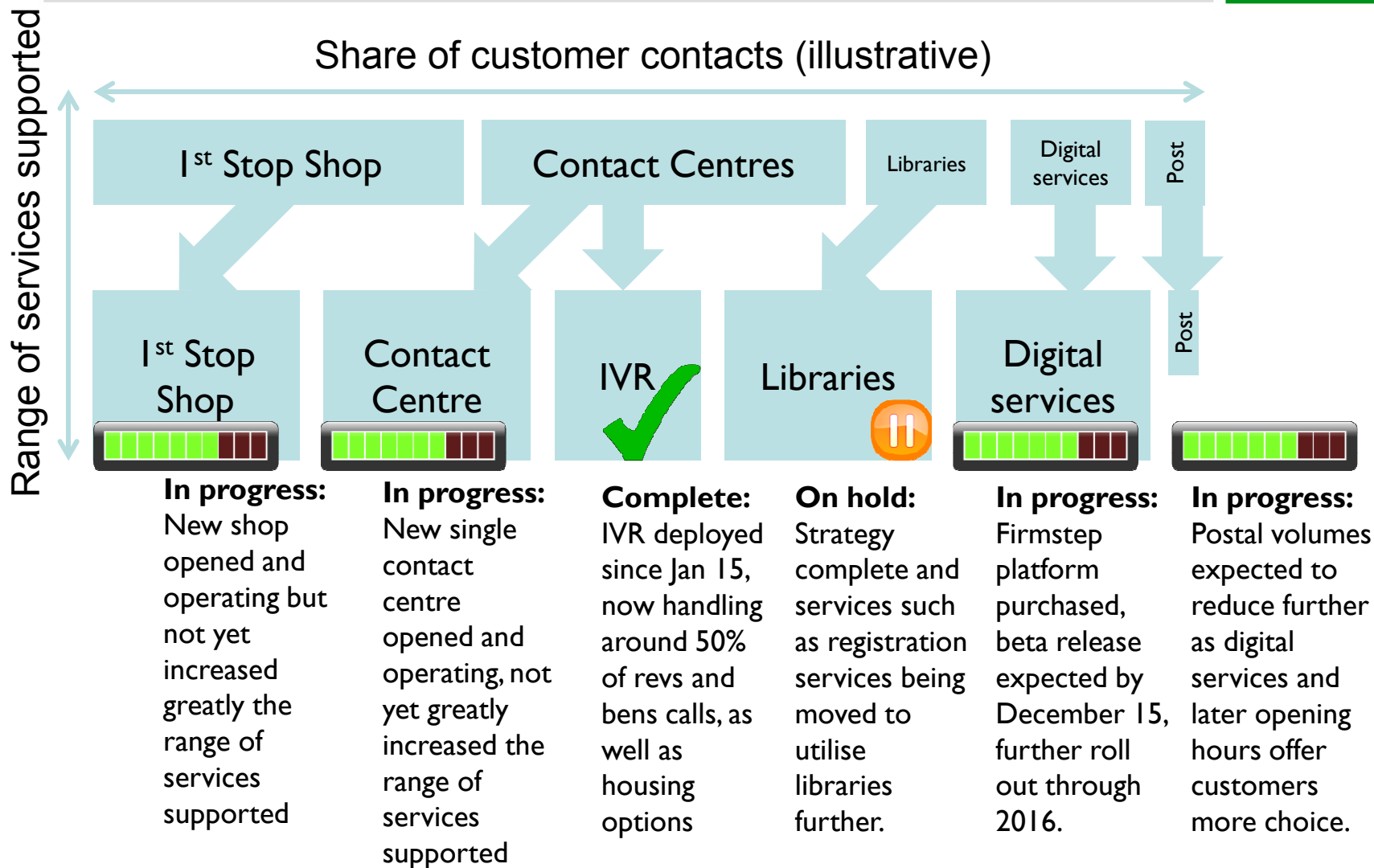
FORWARD VIEW PLACE 2016/17



- Further accelerate housing and business growth,
- Identify new income opportunities and strengthen Commercial capability
- Fees and Charges Review(s)
- Continue the modernisation of Street Services around working patters and ensure more integrated working
- Provision of Passenger Transport

CCO & CST and TRANSFORMATION & CHANGE DIRECTORATE

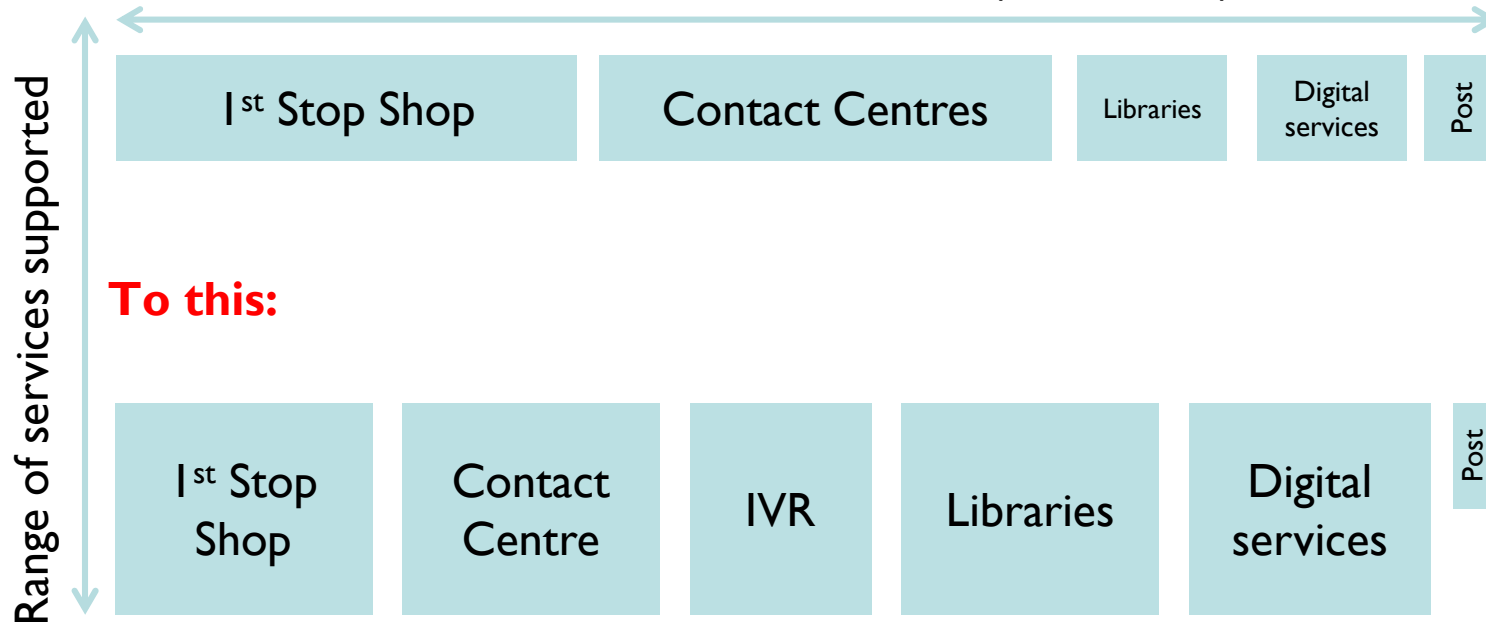
WHAT HAS BEEN ACHIEVED SO FAR?



WHAT IS CST DOING TO IMPROVE ACCESS AND CHOICE TO SERVICES?



From this: Share of customer contacts (illustrative)



- Heavy dependency on expensive channels with limited opening hours
- Little value added by Customer Services

- Extended opening hours
- 24 hour availability of digital services
- Customer Services resolving more contacts

CST is offering customers more choice and control to customers over how, where and when they can access services provided by PCC

WHAT OTHER BENEFITS HAVE BEEN DELIVERED?



	Financial target	Benefit delivered
FY 14/15	£274k	£274k + C tax recovery ~ £600k
FY 15/16	£1.356m	£1.356m from Restructure in Customer Services (delivered in part via EVRS) + ~ £400k from C tax recovery
FY 16/17	£1.349m	Not yet started

Other non financial benefits:

- ➔ Customer satisfaction improvements in 1st Stop Shop
- ➔ Extended opening hours offering greater accessibility and choice to customers
- ➔ Registration services about to be provided from additional locations with a broader range of services
- ➔ Reporting on Lync telephony now allowing services to monitor customer demand and service levels provided
- ➔ Customer Service Excellence award

WHAT'S NEXT FOR CST?



- Revenues and Benefits

- Complete deployment of additional systems to automate currently manual tasks and improve management information reporting – Jan 2016

- Digital services delivery

- Beta release to replace “My Plymouth” mobile app – December 2015
- CRM replacement functionality – May 2016
- Further customer self service expansion and content simplification – through 2016

- Service reviews

- Street services review – January 2016
- Strategic Planning and Infrastructure – July 2016
- Electoral Services – December 2016



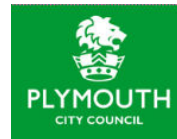
PEOPLE & ORGANISATION DEVELOPMENT PROGRAMME



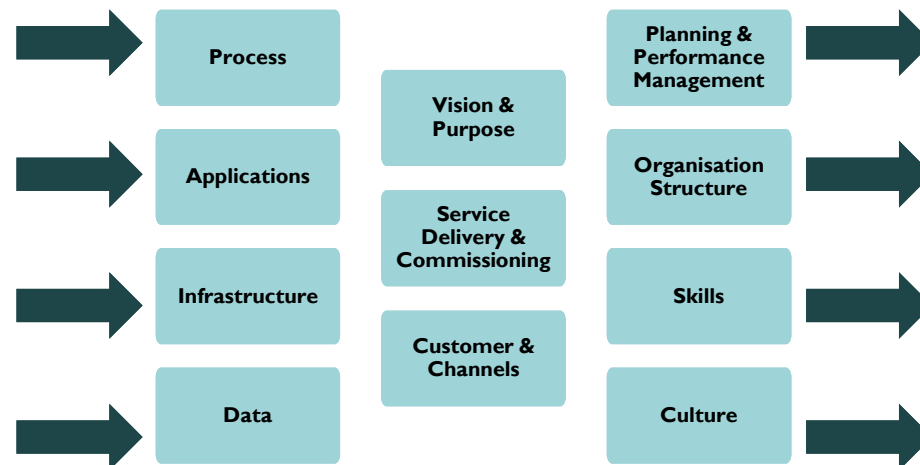
The People & Organisational Development Programme is in existence to mature and develop new and existing corporate capabilities as well as enabling the rest of the Transformation Programmes to deliver the Co-operative vision of Plymouth City Council.

Objectives

- Mature & introduce key capabilities to Smart Working
- Enable the change to Smart Working
- Transform corporate and support services
- Improve internal tools and processes
- Improve internal tools and processes



Rationalise Overlaps & Duplication Share & Integrate Where Possible



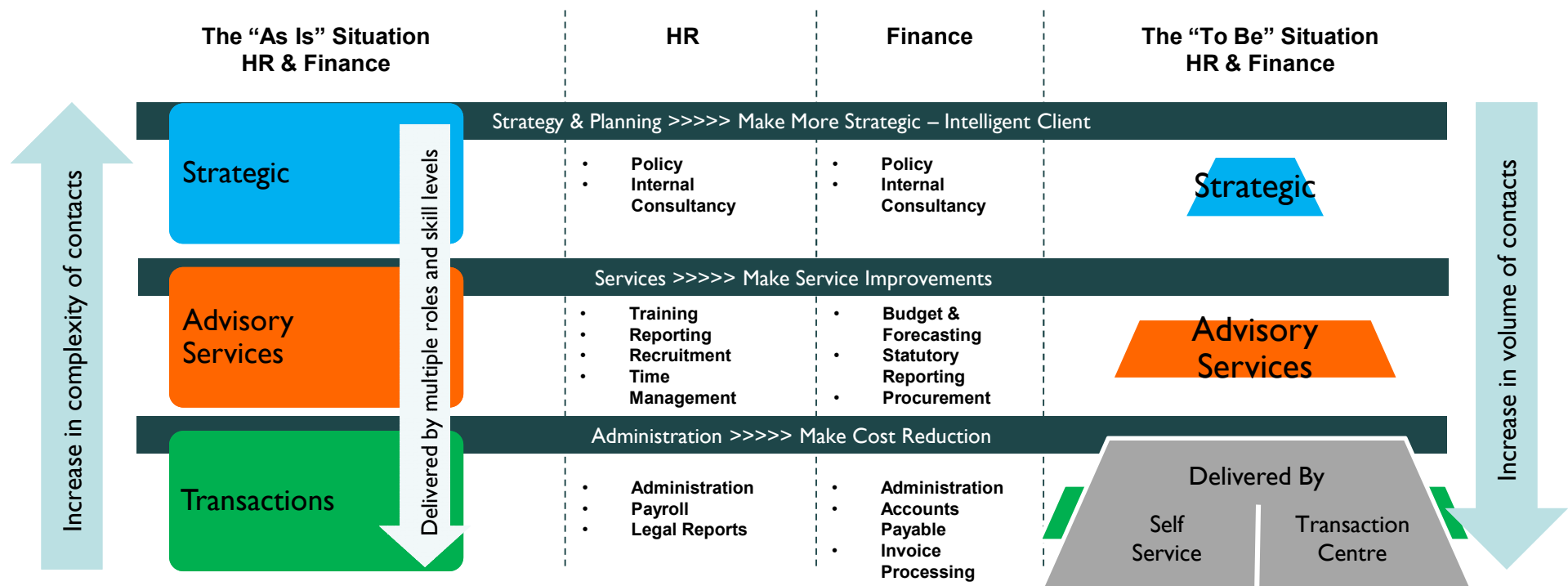
Outcomes

- ✓ More efficient and effective corporate and support services
- ✓ An organisation aligned to business need
- ✓ Maximised assets that meet the need of the Council
- ✓ Skills aligned to business need
- ✓ Decision makers have easier access to the right expertise, advice and support
- ✓ The services we buy or purchase are consistently managed
- ✓ Assurance functions within the organisation work better together and provide accurate information, clear ownership and accountability.

MATURE & INTRODUCE KEY CAPABILITIES TO DEVELOP NEW WAYS OF WORKING: HR & FINANCE



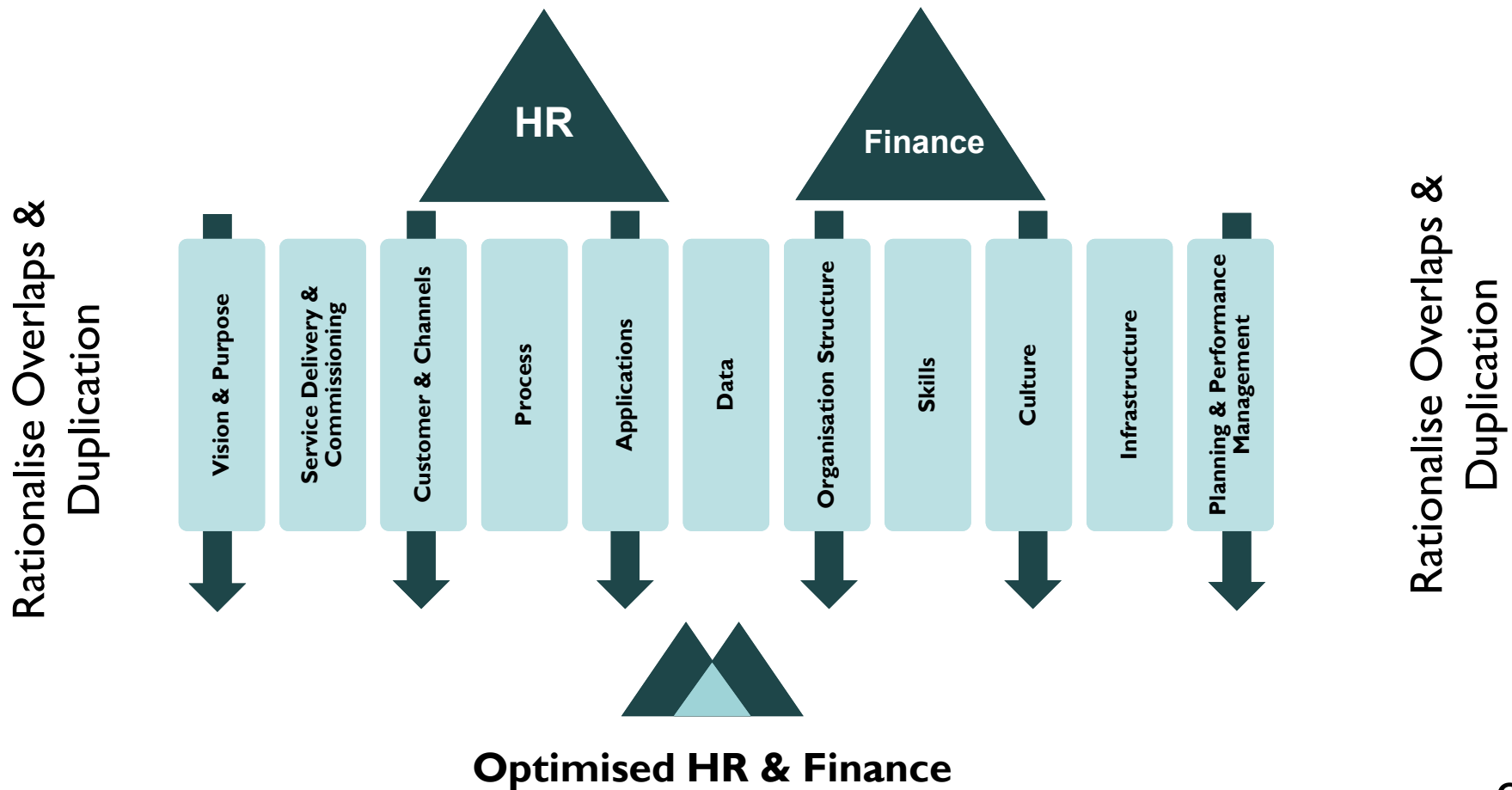
The model represented here is now the accepted way forward and promoted by the Local Government Organisation, our own strategies and principles and is supported by forward thinking consultancies and throughout industry. The model is as applicable for Finance as it is for HR, with the core emphasis being on the Council **providing high value, low volume activities and finding better ways to provide high volume, low value services.**



HR & FINANCE TRANSFORMATION



Value will also be driven when avoiding duplication of work when dealing with the following dimensions of change:



ENABLING THE CHANGE & NEW WAYS OF WORKING



During the transition to the new ways of working for Plymouth City Council, the organisation will need to be supported by the correct assets, skills and knowledge to meet the future need of the business:

Current way of working



- Static working spaces
- High overhead costs
- Under-utilised building space
- Assets unsuitable for service delivery
- Paper heavy
- Presence based management

People & Organisational Development

- Smart Working Strategy
- Asset Strategy
- Strategic Workforce Planning
- Redefined Roles & Conditions

Future way of working



- Mobile working devices
- Low overhead costs
- Fully utilised building space
- Assets suitable for service delivery
- Paperless where possible
- Skills aligned to new ways of working
- Output based management

BENEFITS



	Financial target	Benefit Forecast
FY 15/16	£2.1m	£625K
FY 16/17	£1.604m	£2.310m

MERGE NOTE:

POD has recently merged with what was the Co-Operative Centre of Operations Programme and is now responsible for all those associated benefits. Through the merge programme resource costs have been reduced by circa £300,000 for a full year. Programme focus has been and remains maximum cashable benefits in shortest possible timeframe. Outwith finance benefits, the programme has also achieved enabling work that underpins the entire transformation process:

BENEFITS



	Financial target	Benefit Forecast
FY 15/16	£2.1m	£625K
FY 16/17	£1.604m	£2.310m

Modernise HR, Finance & Corporate Services:

Alongside HR, Finance and Service Integration Management and Facilities Management transformation projects, the Workforce Delivery sub-project is ensuring that the Council sees a reduction in the 'cost to serve,' Over the past year the Workforce Delivery project has been implementing:

- A new learning and development process to upskill the workforce for the future state
- Streamlined role profiles to enable improved flexibility in the workforce
- Leadership and management development to enable our senior team to enact the corporate plan through systems leadership
- Career transition to ensure staff are supported during the transformation process
- A review of terms and conditions to ensure they fit the business need
- A new appraisals process that supports the Council's staff and enables improved value for money against the cost to serve

CROSS PROGRAMME BENEFITS



Civic Centre Decant

Multiple capital projects, 98% complete. Releasing the Council from the circa. £30M liability represented by the refurbishment costs required for the Civic Centre. Better office space for our staff and investment in our property assets

- Ballard House - The current main office: Multiple services and support functions, Members' area, Directors. Addition of extra floor area for Legal and Electoral Services
- Derriford Business Park – New main office for Delt in Building One, new Coroners Office in Building Two, Public Protection Services in Building Four
- Prince Rock – Reconfigured and extra office space for the Traffic Control Unit and Amey staff
- The Beacon – New accommodation for Social Services Teams
- The Council House – New location for a much improved CCTV Control Centre, networking hub and office space
- The Guildhall – New efficient boilers supplying both the Guildhall and the Council House
- The Civic Centre – Separation of the building from the Council House
- **Also: Wi-Fi, Networking, Access Control, Building Management System and RTPi**

PROGRAMME ENABLING BENEFITS



IHWB

POD has been assessing what support can be given to the programme to enable the right accommodation fit for staff. This process is ongoing, but has already relocated numerous staff groups to enable BAU. It is now part of the One Public Estate Project which will bring public sector bodies together to best utilise shared assets.

GAME

Creating Co-operative Street Services & Fleet

Consolidation: P&OD has been working with GAME to ensure that its people are located in the right place to enable an effective and efficient service. This has included a Depots Master Plan, which is currently under review by Place.

Enterprise: The decant project has enabled 'Surplus Rescue', a social enterprise that is disposing of the surplus office furniture across the Council. This has created jobs and avoided waste.

PROGRAMME ENABLING BENEFITS



CST

Modernise Customer Services: Capital project to realise the new First Stop Shop to enable customer requests to be resolved at first point of contact wherever possible, thus reducing the need for case work. Also, the new contact centre in Taylor Maxwell House has brought transformed teams together.

Libraries: The new Central Library project is progressing well and is on target for opening in Spring next year. This will create a modern library in the heart of the city at Taylor Maxwell House. As the libraries' review concludes POD is standing by to support the resulting infrastructure plans (Aug 2016).

WHAT'S NEXT FOR POD (I)?



■ Finance

- Service review in define phase and will be in delivery by Feb 16

■ HR

- Service review in design phase, to be state will go live in April 16

■ Smart Working

- Shift from presence to output management to enable reduction in desk ratio in support of Accommodation Strategy.
Project now live

■ Service reviews

- Economic Development and Business Support, in pipeline for future delivery

WHAT'S NEXT FOR POD(2)?



■ **One Public Estate**

- Encompassing the new office requirements for PCC and rationalisation of the public estate in Plymouth this is a large project to maximise efficiencies of public assets and dispose of those not required. This project has rolled up the accommodation strategy work. The next bid phase completes on 16 Oct

■ **Modern Government**

- Phase 1: Modernisation of AV and introduction of electronic voting in the Council House. Underway with Delt. Phase 2: Refurbishment and modernisation of fabric of the building to bring the public back into the heart of Plymouth democracy