

MTFS Review



The following slides provide a walk through of the progress to date in updating the MTFS for the period from 1 April 2018

Overview & Scrutiny 27 September
2017

Assumptions – All 2017/18 savings will be delivered



RAG Rating Update Sept 2017	2017/18	2018/19	2019/20	2020/21
	£m	£m	£m	£m
Transformation Stretch Savings 17/18 Q1 Forecast				
Corporate Items	5.346	-1.414	0.382	0.250
Executive Office	0.255	0.035	0.022	0.000
Public Health	0.148	0.075	0.074	0.000
People	6.962	7.318	7.767	0.000
Place	2.536	-0.431	-0.298	-1.044
Transformation & Change	2.984	1.872	0.423	0.000
Total Savings 17/18 Budget	18.231	7.455	8.370	-0.794
Transformation Stretch Savings Carried forward from 16/17				
Corporate Items	0.858			
Executive Office	0.000			
Public Health	0.000			
People	4.846			
Place	0.000			
Transformation & Change	1.149			
Total Carried Forward Savings	6.853			
Total Savings	25.084	7.455	8.370	-0.794
RAG Rating Summary				
Blue	5.320	2.227	3.766	0.000
Green	5.923	-1.182	-0.901	-1.044
Amber	12.919	5.573	5.084	0.250
Red	0.922	0.837	0.421	0.000
	25.084	7.455	8.370	-0.794

Savings rated as at end of July 17

Of the savings carried fwd. and new savings for 17/18 £922k rated red.

Savings rated as red reduced by £667k. A further £1.6m now banked and rated as blue.

Focus needs to be on turning amber green.

2017/18 forecast – indicative Q2



Directorate	Gross Expenditure	Gross Income	2017/18 Latest Approved Budget	Forecast Outturn	Forecast Year End Variation	Movement from previous month
	£m	£m	£m	£m	£m	£m
Executive Office	3.749	(0.128)	3.621	3.621	0.000	
Corporate Items	14.961	(14.732)	0.229	0.529	0.300	
Transformation and Change	149.376	(116.630)	32.746	33.346	0.600	
People Directorate	253.700	(131.390)	122.310	123.310	1.000	
Public Health	19.657	(19.457)	0.200	0.200	0.000	
Place Directorate	75.742	(50.964)	24.777	25.277	0.500	
TOTAL	517.185	(333.302)	183.883	186.283	2.400	

Forecast outturn reduced from £4.2m to £2.4m
 Excludes £1.3 ESG pension funding gap

2017/18 forecast – indicative Q2



	£m
Quarter 1 forecast overspend	4.200
At year end forecast overspend will have been reduced to	2.422
Made up of:	
Cost pressures on Children's services	1.000
Unachieved procurement savings	0.300
Unachieved Smart working savings	0.305
Unachieved efficiency savings c/fwd (T&C directorate)	0.317
Street Services savings	0.500

The forecast overspend of £2.4m (plus the ESG loss of £1.3m) still need to be covered to balance the books. What other service decisions will require political agreement in order to balance the 2017/18 budget

MTFS



	2017/18 £m	2018/19 £m	2019/20 £m	2020/21 £m
	BUDGET	FORECAST		
REVENUE RESOURCES AVAILABLE	183.883	183.069	178.739	179.423
Baseline spend requirement	186.702	183.883	183.069	178.739
One off savings brought forward	4.876			
Plus identified additional costs	10.536	11.007	10.056	10.518
Overall spend requirement	202.114	194.890	193.125	189.257
In-year shortfall to be found	18.231	11.821	14.386	9.834
Cumulative shortfall	18.231	30.052	44.438	54.272
Transformation stretch savings	18.231	7.455	8.370	-0.794
REVISED SPENDING FOR YEAR	183.883	187.435	184.755	190.051
Budget Gap	0.000	4.366	6.016	10.628

Assumptions - resources



Forecast resources have increased (table page 13) (page 63 of agenda):

RSG - £6.7m (reduction unchanged as per the 4 year settlement)

Council Tax +£4.8m

ASC £3m, growth on tax base £1.75m surplus on previous year collection fund £0.1m

Business Rates +£1.1m

Growth on base £0.7m, increase due to multiplier (RPI 1.5%pa) £0.7m, decrease due to reduction in renewable energy relief £0.3m

Net reduction £0.8m (RSG/Council Tax/Business Rates)

New Homes Bonus (NHB) -£1.8m

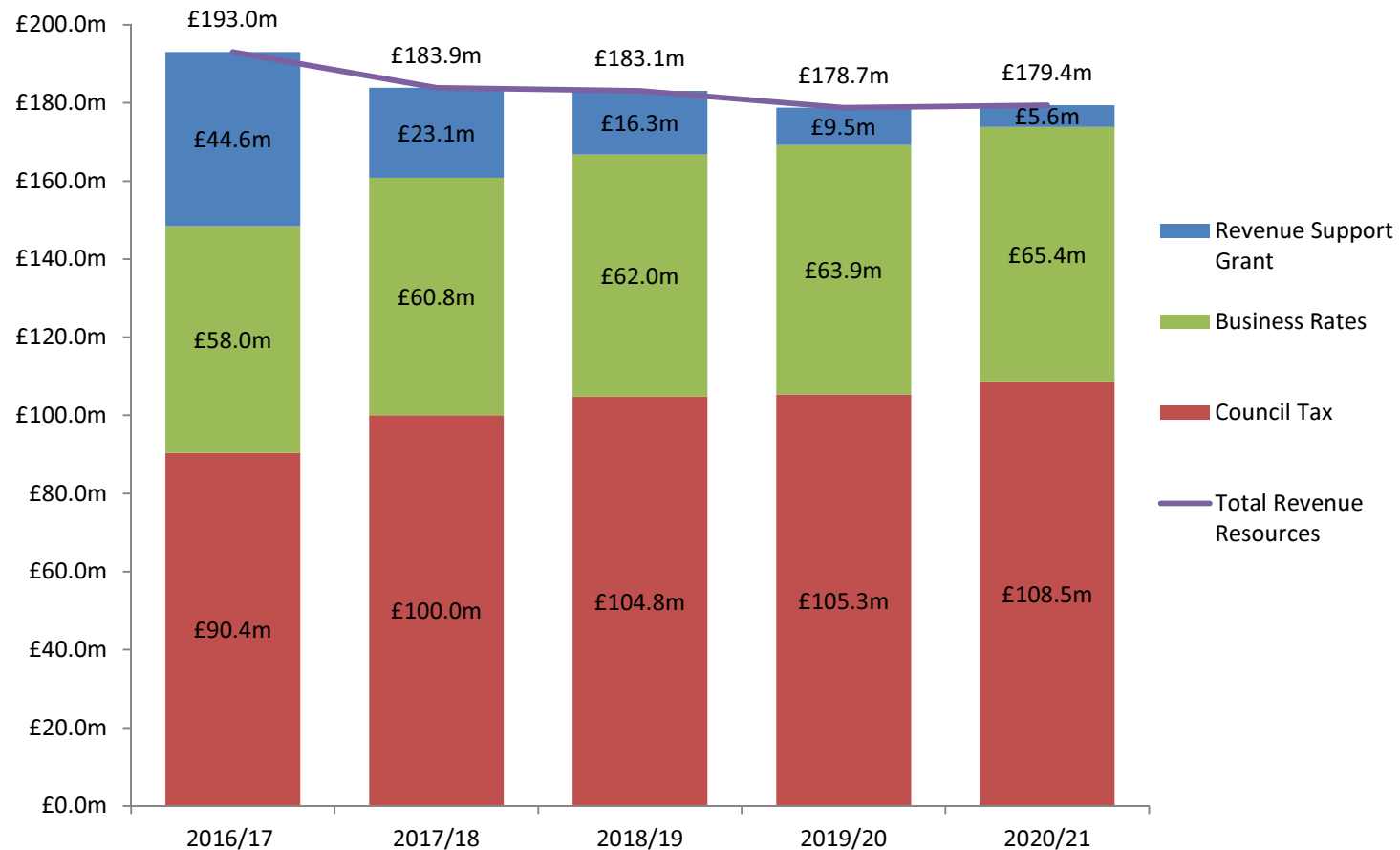
Reduction to a combination of NHB tapering (5-4yrs) and the impact of the 0.4% threshold – (estimate calculated and submitted 1 Oct 17)

Better Care Fund (BCF) +£4.6m

Increase of £4.579m in 2018/19

Net increase £2.8m (NHB/BCF)

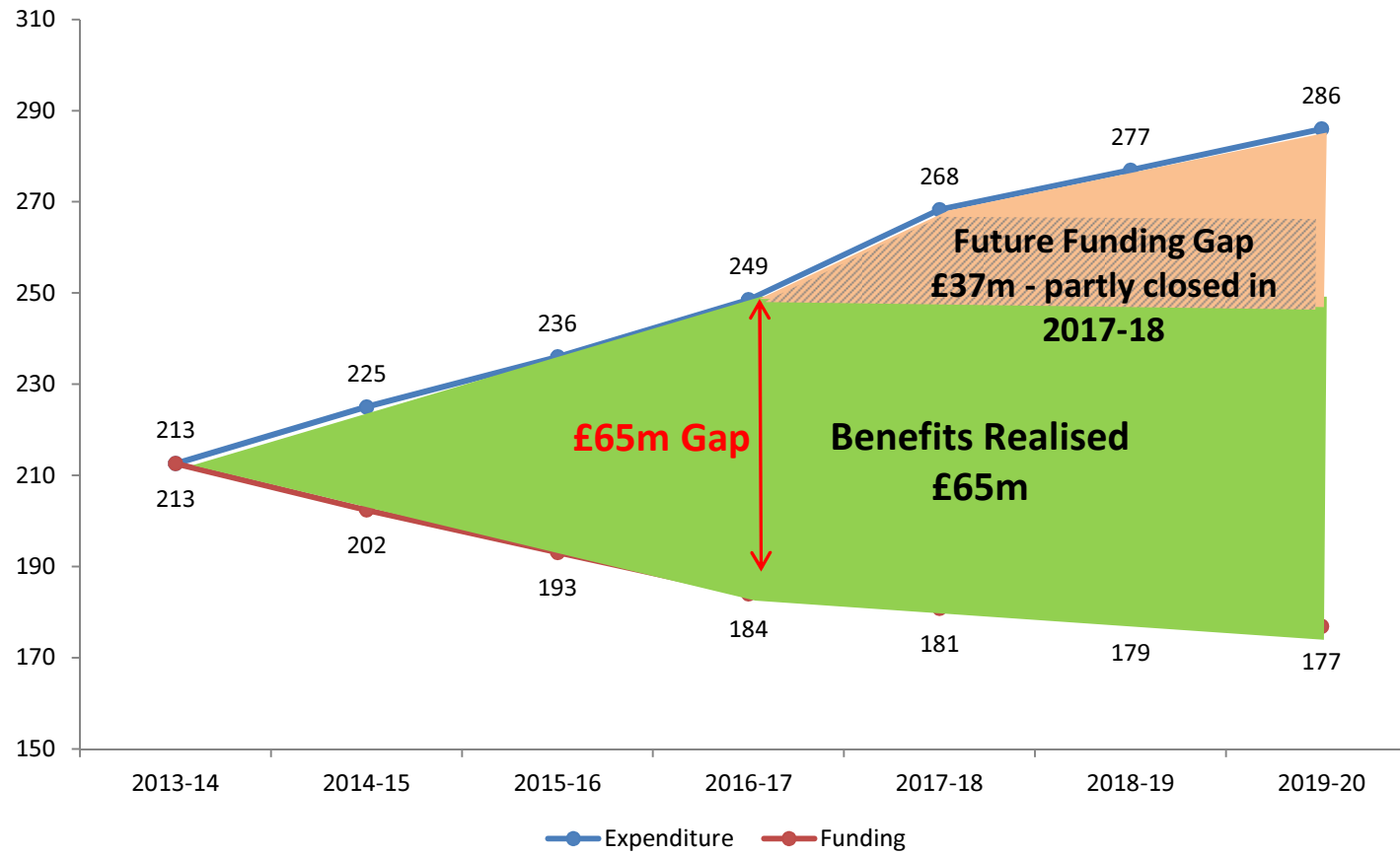
Revenue Resources



PCC Revenue Funding



Transformation Programme



Assumptions – additional costs



Costs added to MTFS since Feb 2017 (£m)	2018/19	2019/20
As per MTFS Feb 2017	7.357	6.403
Reduction in Provision for pay award	-0.100	-0.100
Reduction in Provision to met pension actuarial valuation	-0.250	0.150
Re-profiling major investment	-0.150	0.371
Increase on Redundancy provision	0.250	0.500
Children's placement costs	2.000	1.806
Homelessness costs	0.500	0
Withdrawal of ESG	1.300	0
Increase in Adults social care and NLW	0	0.926
Elections Service	0.100	0
Total additions	3.650	3.653
New total of cost pressures (£7.357+£3.900 = £11.257)	11.007	10.056

ASC BUDGET 2016/17 – 2019/20



	2016/17	2017/18	2018/19	2019/20
	£m	£m	£m	£m
Demographic growth 2016/17	1.778	1.778	1.778	1.778
Demographic growth 2017/18		2.756	2.756	2.756
Demographic growth 2018/19			2.813	2.813
Demographic growth 2019/20				2.386
National Living Wage 2016/17	2.217	2.217	2.217	2.217
National Living Wage 2017/18		1.670	1.670	1.670
National Living Wage 2018/19			2.304	2.304
National Living Wage 2019/20				3.393
Total additional costs pressures	3.995	8.421	13.538	19.317

ASC BUDGET 2016/17 – 2019/20



	2016/17	2017/18	2018/19	2019/20
	£m	£m	£m	£m
Total additional costs pressures	3.995	8.421	13.538	19.317
2% Council Tax Precept 2016/17	1.845	1.845	1.845	1.845
3% Council Tax Precept 2017/18		2.859	2.859	2.859
3% Council Tax Precept 2018/19 (assumed)			2.859	2.859
Improved Better Care Fund		0.764	3.286	7.663
ASC Grant (one off) *		1.300		
Total additional funding	1.845	6.768	10.849	15.226
ASC Funding Gap	2.150	1.653	2.689	4.091
* off set by New Homes Bonus reduction		1.281		

Savings included in MTFS at Feb 17



	2018/19	2019/20
As per MTFS Feb 2017	6.805	8.520
City Deal re-profiling	0.500	
Public Transport Efficiencies (One-offs 2018/2019 only)	0.150	-0.150
	7.455	8.370

The Council's savings programme is centred around the three transformation programmes. As programmes develop the profile of savings will inevitably change. The table above reflects two such schemes.

MTFS savings GAME



	2018/19	2019/20	2020/21
City Deal Re-profiling (Saving in 2018/2019; increase for 2019/2020)	£0.500		

Oceansgate is the flagship project in the Plymouth and South West Peninsula City Deal. The plan is to transform under-utilised docks in part of South Yard in to a major marine hub. A masterplan has been undertaken indicating the creation of up to 1,200 jobs and 25,000m² of floorspace. Oceansgate is being developed in three phases: the Phase 1 build is near completion with strong market interest; Phase 2 land has been transferred to the City Council from the MoD; and Phase 3 is likely to be transferred within the next two/three years. On completion of Phase 3, the City Council will need to pay ongoing security costs that separate Oceansgate from the rest of the Naval Base. The City Council had made provision in the MTFS of £500,000 for these costs to be met in the early years whilst Oceansgate establishes financial sustainability as part of its commitments to the City Deal. However, this is now not required as early as previously envisaged and so represents a saving for the 2018/2019 budget. The latest estimates of these security costs are £570,000, for which the provision would need to be made in 2019/20 or 2020/21 depending upon the date of the actual transfer.

MTFS savings GAME



	2018/19	2019/20	2020/21
Public Transport Efficiencies (One-off for 2018/2019 only)	£0.150	(£0.150)	

Plymouth's Real Time Passenger Information system provides live electronic bus timetable information at 88 displays located at bus stops around the city. The previous contract ended in late 2016 and following a very robust tender process a new system has recently been launched provided by 21st Century Passenger Solutions Limited. The previous contract had relied upon outdated technology which required significantly more infrastructure, whereas the new state of the art system converts GPS location signals direct from the bus ticket machines. The new more efficient system has already delivered an on-going annual saving of £24,000 which was included as part of the 2017/2018 budget setting process. With the roll out of the new display infrastructure, the Public Transport Team in Strategic Planning & Infrastructure have identified that provisional sums set aside to cover projected future maintenance costs are no longer required. Therefore a one off saving of £150,000 can be delivered in 2018/19. Provision has however been made to support the on-going revenue maintenance for the new displays.