

MAY 2019 FINANCE MONITORING

Table 1: Revenue Monitoring Position

Directorate	Gross Expenditure	Gross Income	2019/20 Latest Approved Budget	Forecast Outturn	Forecast Year End Variation	Movement from Month 1
	£m	£m	£m	£m	£m	£m
Executive Office	6.458	(0.608)	5.850	5.850	0.000	0.000
Finance	22.564	(5.039)	17.525	17.942	0.417	0.000
Customer and Corporate	96.477	(81.149)	15.328	16.768	1.440	0.000
Children's Directorate	138.502	(91.812)	46.690	48.747	2.057	0.000
Strategic Co-operative Commissioning Directorate	124.991	(38.013)	86.978	86.728	(0.250)	0.000
Office of the Director of Public Health	18.600	(19.019)	(0.419)	(0.419)	0.000	0.000
Place Directorate	80.747	(57.100)	23.647	23.675	0.028	0.000
Corporate Items	10.679	(20.796)	(10.117)	(9.851)	0.266	0.000
TOTAL	499.018	(313.536)	185.482	189.440	3.958	0.000

Plymouth Integrated Fund

The financial position for the Plymouth Integrated Fund will be reported in the next monitoring report

Table 3: Key Issues and Corrective Actions

Issue	Variation £m	Management Corrective Action
<p>EXECUTIVE OFFICE</p> <p>Nil variance to report as at month 2.</p> <p>It is worth noting there are pressures held within the budget which are under review and more detailed plans are to be reported in month 3.</p>	0.000	<p>Within the Elections budget specifically, there is a five year rolling budget which will manage the pressures within it.</p> <p>Due to the nature of the budgets within this service and the requirement to contain pressures, vacancy management is being used which needs to be carefully managed as it does have an impact upon capacity.</p>
<p>EXECUTIVE OFFICE – Legal</p> <p>There is currently a pressure, £0.189m, which is carry forward from 2018/19 and is being managed.</p> <p>£0.100m was to be achieved from a Service review as indicated in the MTFP and £0.089m is apportioned Transformation legacy savings</p>	0.000	<p>Plans will be put in place for a service review to deliver savings. Vacancy management, where capacity allows, will be used to supplement the achievement of the savings target.</p>
<p>FINANCE</p> <p>The main budget pressures are legacy savings and target savings for Treasury Management which are at risk.</p> <p>The directorate includes total efficiency savings of £3.050m of which £2.314m are for Treasury Management.</p>	0.417	<p>All opportunities are being explored to meet the Treasury Management savings target. This includes working with our Treasury Management Advisors to explore new and innovative opportunities e.g. rescheduling LOBSs if market conditions are favourable.</p> <p>We are developing plans to deliver the Legacy savings target of £0.417m. Any reductions will have a direct impact upon staffing levels which are already managing challenging vacancy management targets.</p>

<p>CUSTOMER and CORPORATE – Customer Services</p>	<p>0.000</p>	<p>Budget savings for staff vacancies £0.192m and efficiency savings £0.268m are being managed through salary savings and other savings.</p>
<p>CUSTOMER and CORPORATE – Service Centre</p> <p>The budget pressure of £0.600m includes a £0.500m legacy saving.</p>	<p>0.600</p>	<p>CMT previously agreed to the transfer of other transactional services into the Service Centre. Benefits will be quantified in 2019/20. These can only be delivered by working in partnership and with co-operation from all service business areas.</p>
<p>CUSTOMER and CORPORATE – Human Resources & Organisational Development</p> <p>There is a legacy savings target of £0.050m.</p>	<p>0.000</p>	<p>This pressure will be managed through vacancy management.</p>
<p>CUSTOMER and CORPORATE – Departmental</p> <p>The budget includes legacy savings of £0.879m which are being reported as at risk of delivery.</p>	<p>0.500</p>	<p>Plans are in the process of being developed e.g. a review of management overheads across the directorate and other challenging decisions which will need further discussion. Therefore at this stage it is prudent to declare a pressure of £0.500m.</p>
<p>CUSTOMER and CORPORATE – Transformation</p>	<p>(0.160)</p>	<p>£0.160m of savings has been achieved mainly due to vacancies within the salaries budget within the Project Management Team. Further savings are expected to be made and will be shown next month.</p>
<p>CUSTOMER and CORPORATE – ICT Commissioned Service</p> <p>There are a number of budget pressures being reported. Several budgets are lower than required; Unitary Charge £0.720m, PADS £0.066m and Payroll £0.074m.</p>	<p>0.500</p>	<p>Plans will be developed to mitigate these pressures. At this stage £0.500 is declared as a forecast outturn budget pressure.</p>

<p>Savings of £0.129m are shown against the financing charges for the way we work. Included in the £0.720m are identified additional savings of £0.184m. The DELT dividend is being forecast at £0.160m which is £0.270m lower than budget</p>		
<p>Children’s Directorate</p> <p>The Children Young People and Families Service are reporting a budget pressure of £2.803m at month 2.</p> <p>The cost of the care is particularly high due to the level of support needed to keep young people safe, such as specialist residential care placements with high levels of staffing and the need to place young people with complex needs in wrap around as no suitable placement is available.</p> <p>This increasing financial demand on Children’s Services is not just a local issue, but is seen nationally and is a culmination of rising demand, complexity of care, rising costs and the availability of suitable placements.</p> <p>Month 2 Placements Dashboard</p> <p>In the first 2 months of the year we are seeing additional staffing support for children with complex wrap around packages, temporary accommodated plans to move these to residential settings within 3 months. Initial pressure identified at £0.900m but Step Down plan developed</p> <p>Additional Service costs</p> <p>£0.238m This is a mixture of additional resource costs and cost of borrowing, already partly offset from savings in the Safeguarding Children's Board.</p>	<p>2.803</p>	<p>The following actions are in place to address the budget position.</p> <ul style="list-style-type: none"> • Looked After Children - only one point of contact for all new entrants; • Fortnightly placement review to ensure step down of high cost placements; • Review of staying put arrangements and financial remuneration; • Maximize contribution from partners including Health and Education; • Maximize local residential placements to avoid higher out of area costs. <p>Actions taking place against pressures:-</p> <p>Under constant review for full mitigation</p> <p>Senior Management will continue to review all items on the list and seek mitigation to cover in full</p>

<p>Unidentified savings plans £1.628m Overall savings £6.258m, less plans in place £4.630m</p> <p>Delivery plans at risk £1.175m Following a robust challenge by finance to the services, this is highlighting the risk against the overall delivery plan of £4.630 and comprises:-</p> <ul style="list-style-type: none"> - End 2 End Review risk at 50% £0.300m; - Fostering risk at 50% £0.175m; - Placement review risk at 50% £0.700m. 	<p>(0.746)</p>	<p>Initial indications of savings to be derived from commissioning</p> <p>New Programme Lead and additional resource into the directorate to ensure we get back on track against the original target.</p> <p>Fortnightly Programme Boards now in place plus additional resources within the directorate to ensure we maximise the savings</p>
<p>PEOPLE - Strategic Cooperative Commissioning</p> <p>The Strategic Commissioning service is forecasting a favourable variation to budget of (£0.746m) at year end. Since setting the budget, clients numbers in ASC have dropped this is as a direct result of the work undertaken over the last year to deliver improvements in the management of the ASC front door, the implementation of a robust scheme of delegation and the close working arrangement with LWSW through budget containment meetings to address system pressures. This has resulted in a current underspend in expenditure, partly offset by a reduction of client contributions, as would be expected. The information coming out of Carefirst is already showing a small increase since the start of the year, which has been included as part of our forecast, however this will need to be reviewed closely as due to the demand led nature of the budget the position can change on a weekly basis.</p>		<p>Strategic Commissioning have been tasked with achieving savings of £4.765m, as well as £2.404m of savings brought forward from 2018/19 that were realised from one off savings and needed to be achieved in this financial year. At this time, it is thought that the full £7.169m will be achieved, however most of these will be achieved through one off savings again, which will cause further pressure in 2020/21.</p> <p>The development of the next phase of transformation is underway to support the delivery of sustainable savings during 20/21 and thus reduce the reliance on one off savings in future years.</p> <p>Additional savings of £0.250m targeted to support the overall Federated position</p>

<p>PEOPLE – Community Connections</p> <p>Community Connections is reporting a (£0.250m) favourable variation at month 2. At this time, B&B numbers are being reduced, from those reported during 2018/19, through the use of alternative placements secured in existing contracts. This is being achieved and maximised through partnership working with the Alliance.</p>	<p>(0.250)</p>	<p>The department has been tasked with achieving savings of £0.030m, as well as £0.228m of savings brought forward from 2018/19 that were realised from one off savings and needed to be achieved in this financial year. At this time, it is thought that the full £0.258m will be achieved, however most of these will be achieved through one off savings again, which will cause further pressure in 2020/21.</p> <p>Additional savings of £0.250m targeted to support the overall Federated position.</p>
<p>People Management & Support</p> <p>The People Management & Support budget is currently forecast to balance to budget at year end.</p>	<p>0.000</p>	
<p>Office of the Director of Public Health</p> <p>The budget for the Office of the Director of Public Health (ODPH) is forecasting to come in on budget for 2019/20. The budget is made up of:</p> <ul style="list-style-type: none"> • Public Health, which is grant funded and forms part of the Integrated Fund; • Public Protection Service; and • Bereavement Services. <p>There has been a reduction in the Public Health grant received in 2019/20 of £0.405m from the previous year, which will be contained by a variety of management actions, mainly around the contracts that are held within the department.</p>	<p>0.000</p>	<p>ODPH have been tasked with achieving savings of £0.228m which, at this time, it is thought that will be fully achieved, whether through ongoing savings or one offs.</p>

<p>The Public Protection service, funded from RSG and other income streams, are forecasting to spend to budget, however there will need to be reviews of spending across the service during the year to achieve this.</p> <p>The Bereavement Service is showing an increase in the numbers of cremations budgeted for at this point in the year, although any surpluses from this service are ring-fenced and cannot be counted towards any favourable variations for the Directorate.</p>		
<p>PLACE - Strategic Planning and Infrastructure (SP&I)</p> <p>The forecast SP&I budget position shows a net £0.198m negative variation. This pressure is largely as a result of forecast shortfalls in planning application fees (£0.200m) and building regulation application fees (£0.021m). This adverse variation has been partly mitigated by additional Section 106 contributions for non-commercial routes.</p>	0.198	<p>A review of both planning and building control fees will ensure maximising income for the rest of the year. Vacancy management arrangements will also be reviewed in light of the projected adverse variation. If required, areas of departmental activity may be stopped for the remaining part of the year if the next few months of monitoring do not show a significant improvement in the projected outturn position. All areas are tasked with maximising income to address budget pressures.</p>
<p>PLACE - Management Support</p> <p>Of the £0.451m opening efficiency target £0.150m has been reallocated to Street Services.</p>	0.000	<p>Overall Place monitoring on-going will need to contain Management efficiencies by reducing costs and maximising potential income opportunities. All income lines are being maximised with any surplus above current Place targets being allocated to cover this pressure in the first instance’.</p>
<p>PLACE - Economic Development</p> <p>Forecast income generation from Asset Investment Fund acquisitions have enabled:</p>	(0.170)	<p>Efforts will continue to be taken to maximise income and reasonably contain costs.</p>

<p>- a number of spend pressures within Economic Development to be met includes earmarking resources to meet a loss arising from the discovery of asbestos at the City Business Park, containing unavoidable commercial estate pressures, and delivering on political pledges.</p>		
<p>PLACE – GAME</p>	<p>0.000</p>	<p>Nil variance to report</p>
<p>PLACE - Street Services</p> <p>Street Scene & Waste services: SSW are currently reporting to budget, although there are currently risks around the mitigation of the non-achievement of the £0.220m Rock Solid income target (mitigating through increased commercial/trade waste income); £0.040m of unbudgeted litter picking work on the A38; £0.027m of additional salary recharges to SSW; overtime; pertemps spend; and savings targets.</p> <p>Fleet and Garage: Fleet are reporting to budget but have a risk of £0.034m. This relates to a £0.026m gap against previous savings target, and an £0.008m pressure due to the requirement for a new fuel system. There is also a risk around their £0.050m additional savings target, although delivery plans are being worked on to help meet this that rely on client account savings. Garage are forecasting to come in on budget. The Garage also has a £0.050m savings target that is being picked up in the aforementioned delivery plan.</p>	<p>0.000</p> <p>0.000</p>	<p>As well as ensuring the provision of all services within street services, every effort will be made to maximise income and/or reduce costs linked to parking, waste and permits</p>

<p>Highways and Car Parking: Highways are currently forecasting to come in on budget, although there are risks around 2019/20's additional car parking income target.</p>	0.000	
<p>CORPORATE ITEMS</p> <p>These cover budgets which are not specifically allocated to a service. They contain pressures of up to £0.516 and relate to reserves movements and legacy budget savings which are at risk of being delivered. These include Procurement savings £0.186m, efficiency savings £0.080m and increase in fees and charges £0.250m.</p>	0.266	<p>Plans are in place to deliver the majority of these savings but at this stage £0.266m are at risk and declared.</p> <p>As part of the Project 151 review in the autumn 2018, CMT recommended capitalisation of revenue budgets amounting to £0.550m. This needs to be allocated to capital projects to realise the target budget.</p>
<p>TOTAL</p>	<p>3.958</p>	