

JUNE 2019 FINANCE MONITORING

Table 2: Revenue Monitoring Position

Directorate	Gross Expenditure	Gross Income	2019/20 Latest Approved Budget	Forecast Outturn	Forecast Year End Variation	Movement from Month 2
	£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	48.740	2.050	(0.007)
People Directorate	124.991	(38.013)	86.978	86.728	(0.250)	0.000
Office of the Director of Public Health	18.600	(19.018)	(0.418)	(0.418)	0.000	0.000
Place Directorate	80.747	(57.100)	23.647	23.693	0.046	0.018
Corporate Items	10.679	(20.796)	(10.117)	(9.867)	0.250	(0.016)
TOTAL	499.018	(313.535)	185.483	189.436	3.953	(0.005)

Table 3: Plymouth Integrated Fund

Plymouth Integrated Fund	2019/20 Budget	2019/20 Forecast	Year End Overspend / (Underspend)
	£m	£m	£m
New Devon CCG – Plymouth locality	461.504	461.504	0.000
Plymouth City Council *	253.894	255.701	1.807
TOTAL	715.398	717.205	1.807

The financial position above for the Plymouth Integrated Fund is for the 2019/20 month 2 position, and before any risk share.

*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).

Table 4: Key Issues and Corrective Actions

Issue	Variation £m	Management Corrective Action
<p>EXECUTIVE OFFICE</p> <p>Nil variance to report.</p> <p>It is worth noting there are pressures held within the budget which are being closely monitored.</p>	<p>0.000</p>	<p>Within the elections budget, management is undertaking all possible actions to maximise logistics efficiencies and generate in-year savings.</p> <p>The department is using vacancy management to off-set some of the pressure and as a result is carefully managing demand in terms of impact on capacity.</p> <p>Income generation is also being proactively sought with some success already at this point in the year of around £0.080m additional anticipated income from agreements made with third parties (income yet to be fully realised).</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>	<p>0.000</p>	<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 continue to be 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>	0.000	<p>Budget savings for staff vacancies £0.192m and efficiency savings £0.268m are continuing on 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>	0.600	<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>	0.000	<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>	0.500	<p>Plans are continuing to be 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>

CUSTOMER and CORPORATE – Transformation	(0.160)	£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.
CUSTOMER and CORPORATE – ICT Commissioned Service 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. 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	0.500	Plans are continuing be developed to mitigate these pressures. At this stage £0.500 is declared as a forecast outturn budget pressure.
CHILDREN’S DIRECTORATE The Children Young People and Families Service are reporting a budget pressure of £2.803m at month 3. 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.	2.803	The following actions are in place to address the budget position. <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;

<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 3 Placements Dashboard In the first 3 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 £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>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. 	(0.753)	<ul style="list-style-type: none"> • 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>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>
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<p>PEOPLE - Strategic Cooperative Commissioning</p> <p>The Strategic Commissioning service is forecasting a favourable variation of (£0.753m) at month 3, a change of (0.007m) from month 2. 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 however the information coming out of Carefirst is already showing increases since the start of the year, which has been included as part of our forecast. 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>0.000</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>PEOPLE – Community Connections</p> <p>Community Connections is reporting a (£0.250m) favourable variation at month 3, no change from 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>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>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,</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>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 £0.216m negative variation, which is a deterioration since last month's report of £0.018m. 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 forecasted salary related savings and underspends elsewhere within the department.</p>	<p>0.216</p>	<p>An early review of the department's Fees Policy has been instigated alongside proactive vacancy management arrangements. The SP&I Senior Management Team will be reviewing options to reduce spending and increase income to move towards a balanced position. 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.</p>
<p>PLACE - Management Support</p> <p>The opening £0.451m efficiency target has been reduced by a permanent virement of £0.150m to Street Services.</p>	<p>0.000</p>	<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> <ul style="list-style-type: none"> - 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 	<p>(0.170)</p>	<p>Efforts will continue to be taken to maximise income and reasonably contain costs.</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 Following a review of the Corporate Items, actions have been taken to reduce the risks that were identified in month 2.</p>	0.250	<p>Reallocation of the Fees and Charges target £0.250m remain as a pressure and apportionment will take place for month 4.</p> <p>As part of the Project 151 review in the autumn 2018, CMT recommended capitalisation of revenue budgets amounting to £0.550m. This will be allocated to capital projects to realise the target budget.</p>
<p>TOTAL</p>	3.953	

Recommendation

It is recommended that Cabinet note the current monitoring position.

VIIREMENTS

There are no virements that need approval.

Capital Budget - 2019-2024

The latest capital budget as at 31 March 2019 for the five years from 2018/19 to 2022/23 was £832.975m.

The capital budget has been adjusted to take into account some of the changes to the capital programme, including the rolling forward the five years which has removed 2018/19 and added 2023/24 and adjustments to the income assumptions shown in table 5.

The five year capital budget 2019-2024 is currently forecasted at £753.444m. This is set out in Table 1.

Current Capital Resources

Table 5: The Capital budget consists of the following elements:

Description	£m
Capital Programme approved by CCIB	284.236
Income Assumptions *	469.208
Total Revised Capital Budget for Approval (2019-2024)	753.444

* Estimate of income to be received to finance future capital projects

Within the approved budget (representing forecast resources), the Capital Programme represents projects that have been approved by the City Council Investment Board (CCIB). Project officers prepare detailed business cases and present them to the board and if approved the CCIB recommends them to the Leader for approval. Once the executive decision has been signed by the leader the projects are added to the Capital Programme for delivery.

Tables 6 and 7 below shows the revised capital programme for the period 2019-2024, as at the end of June 2019. Appendix 1 shows a detailed breakdown of the Capital Programme.

Revised Capital Programme

Table 6: Capital Programme by Delivery Outcome

Primary Outcome of Projects	£m
Securing Growth in the City Centre/Waterfront	26.926
Securing Growth in Derriford and the Northern Corridor	64.335
Securing Growth in the Eastern Corridor	7.510
Delivering More/Better Housing	8.078
Ensuring Essential City Infrastructure	26.312
Improving Neighbourhoods and Community Infrastructure	5.347
Ensuring Good Quality School Places	3.631
Growing the Economy	4.154
Delivering Oceansgate	15.437
Connecting the City	28.686
Celebrating Mayflower	5.635
Delivering The Box	14.442

Asset Investment Fund	0
Transforming Services	73.700
Total	284.236

Table 7 Capital Programme by Directorate

Directorate	2019/20	2020/21	2021/22	2022/23	2023/24	Total
	£m	£m	£m	£m	£m	£m
People	5.797	0.178	0.172	0.172	0.000	6.319
Place	166.043	46.582	18.966	16.468	6.577	254.636
Transformation & change	9.572	2.442	-	-	-	12.014
Public Health	6.423	4.844	-	-	-	11.267
Total	187.835	54.046	19.138	16.640	6.577	284.236

Recommendation

Council approve that the Capital Budget 2019-2024 is revised to £753.444m (as shown in Table 5)

Appendix I: Detailed Breakdown of the Capital Programme

Approved Capital Programme	2019/20	2020/21	2021/22	2022/23	2023/24	Total
	£000	£000	£000	£000	£000	£000
Celebrating Mayflower						
Mayflower 400 - Public Realm Improvements	799	-	-	-	-	799
Mayflower 400 – Public Realm Enabling	2,552	512	-	-	-	3,064
Mayflower 400 - Elizabethan House	866	398	-	-	-	1,264
Mayflower 400 - Monument	310	-	-	-	-	310
Mayflower 400 - Waterfront Event Infrastructure	197	-	-	-	-	197
Total Celebrating Mayflower	4,725	910	0	0	0	5,635
Connecting the City						
Mayflower Coach Station	20	-	-	-	-	20
Electric Car Charge Points	2	-	-	-	-	2
Cot Hill Bridge	739	25	-	-	-	764
Plymouth Rail Station Regeneration	2,277	2,558	4,793	13,014	4,020	26,662
Ply Railway Station Concourse (TCF)	1,238	-	-	-	-	1,238
Total Connecting the City	4,276	2,583	4,793	13,014	4,020	28,686
Delivering More/Better Housing						
Self Build Housing Sites	145	-	-	-	-	189
North Prospect Phase 4	1,000	-	-	-	-	154
North Prospect Phase 5	950	-	-	-	-	950
Bath Street	170	-	-	-	-	2,059
Plan for Homes	738	-	-	-	-	732
Demolitions for Housing	214	-	-	-	-	472
Asbestos Claims by PCH	696	500	500	400	400	2,496
Extra Care Housing Support Millbay	450	-	-	-	-	450
How Street Specialist Housing Programme	238	-	-	-	-	238
Four Greens Wellbeing Hub	7	-	-	-	-	7
Total Delivering More/Better Housing	4,616	2,163	500	400	400	8,078
Delivering Oceansgate						
Oceansgate Remediation/separation works	1,297	-	-	-	-	1,297
Oceansgate Phase 1 Direct Development	182	-	-	-	-	182
Oceansgate Phase 2 Direct Development	6,765	3,085	-	-	-	9,850
Oceansgate Phase 2 Infrastructure	988	-	-	-	-	988
Oceansgate Phase 2 Offsite Drainage	3,119	-	-	-	-	3,119
Total Delivering Oceansgate	12,352	3,085	-	-	-	15,437
Delivering The Box						
The Box	12,625	816	-	-	-	14,442

Total Delivering The Box	12,625	816	-	-	-	14,442
Ensuring Essential City Infrastructure						
King George V Pedestrian and Walking Cycle Route	262	-	-	-	-	262
Mount Wise - Charge Point and Ticket Machine	11	-	-	-	-	11
Bus Punctuality improvement plan (BPIP)	14	-	-	-	-	14
Prince Maurice Road Junction Improvements	45	-	-	-	-	45
TCF Tranche Phase I	6,415	-	-	-	-	6,415
S106 Transport Projects	626	-	-	-	-	626
Derriford Community Park	87	-	-	-	-	87
Ham Lane – flood Alleviation	120	-	-	-	-	120
European Marine Sites - Recreational Behaviour Changing Measures	45	55	-	-	-	100
Home Energy	124	80	60	-	-	264
Warm Homes	617	-	-	-	-	617
Civic Centre District Energy	717	-	-	-	-	717
Development Funding	125	125	125	125	125-	500
Capitalised Maintenance Schemes	7,105	2,000	2,000	2,000	2,000	15,105
Local Safety Schemes	251	-	-	-	-	251
Living Streets	247	-	-	-	-	247
Keep Plymouth Moving	235	-	-	-	-	235
Visitor Signage	36	-	-	-	-	36
Flood defence Works	36	-	-	-	-	36
West Hoe Pier	80	-	-	-	-	80
Co-operative & Mutuels Development Fund	60	346	287	229	156	1,078
Public Conveniences	711					711
Mount Edgcumbe Projects	334	-	-	-	-	334
Total Ensuring Essential City Infrastructure	18,301	2,606	2,472	2,354	2,156	27,889
Ensuring Good Quality School Places						
Pomphlett Basic Need	1,148	-	-	-	-	1,148
Yealmpstone Farm Primary School Basic Need	112	-	-	-	-	112
Plymstock School Expansion	2,370	-	-	-	-	2,370
Total Ensuring Good Quality School Places	3,238	-	-	-	-	3,631

Growing the Economy						
Social Enterprise Fund	255	-	-	-	-	255
Langage Development Phase 2	29	-	-	-	-	29
Langage Development Phase 3	565	2,187	10	-	-	2,762
39 Tavistock Place	-	30	-	-	-	30
Total Growing the Economy	849	2,217	10	-	-	3,076
Improving neighbourhoods and delivering community infrastructure / facilities						
Barne Barton general amenity improvements	-	164	4	-	-	164
Active Neighbourhoods	6	-	-	-	-	6
Infrastructure Works at Honicknowle	26	-	-	-	-	26
Derriford Community Park	469	-	-	-	-	469
Play Pitch Projects	704	-	-	-	-	704
Central Park Improvements & Sports Plateau	2,541	-	-	-	-	2,541
Improving Outdoor Play	826	-	-	-	-	826
Dunstone Woods	13	-	-	-	-	13
Blockhouse Park Playground	2	-	-	-	-	2
Manadon Play Pitches	246	-	-	-	-	246
Plympton Swimming Pool	4	-	-	-	-	4
Pool View	96	-	-	-	-	96
Children Centres	250	-	-	-	-	250
Total Improving neighbourhoods and delivering community infrastructure / facilities	5,183	164	0	0	0	5,347
Securing Growth in Derriford and Northern Corridor						
Forder Valley Link Road	17,576	17,565	10,873	-	-	46,014
Forder Valley Interchange	5,762	2,648	-	-	-	8,410
Derriford Transport scheme	23	-	-	-	-	23
Sendalls Way Junction Improvements	300	-	-	-	-	300
Charlton Road	546	-	-	-	-	794
Northern Corridor Junction Improvements	462	-	-	-	-	1,580
Woolwell to the George	65	-	-	-	-	65
Purchase of Properties in the North of Plymouth	1,551	-	40	-	-	1,591
Morlaix Drive Access Improvements	2,906	1,691	-	-	-	4,597
Northern Corridor Strategic Cycle Network	1,677	100	150	700	-	2,627
Total Securing Growth in Derriford and Northern Corridor	11,250	22,094	29,659	700	0	64,335

Securing Growth in the City Centre and Waterfront						
Devonport Market High Tech 'Play Market'	1,498	+	-	-	-	1,498
Charles Cross	5,173	-	-	-	-	5,173
Public Realm Schemes	11,056	-	-	-	-	11,056
Millbay Boulevard & Associated Works	4,698	-	-	-	-	4,698
Cobourg House	217	-	-	-	-	217
Quality Hotel	308	-	-	-	-	308
Colin Campbell Court	10	626	-	-	-	636
Toys 'R Us	1,273	-	-	-	-	1,273
Contribution to Drake Leisure Public Realm	923	-	-	-	-	923
Contribution to Civic Centre Public Realm	2,500	-	-	-	-	2,500
Re-development of Old Town Street / New George Street East	600	2,000	-	-	-	2,600
City Centre Shop Fronts Grant Scheme	166	-	-	-	-	166
West End Public Realm	74	-	-	-	-	74
Total Securing Growth in the City Centre and Waterfront	28,496	2,626	0	0	0	31,122
Securing Growth in the Eastern Corridor						
Eastern Corridor Junction Improvements	4,229	-	-	-	-	4,229
Eastern Corridor Strategic Cycle Network	1,238	1,534	-	-	-	2,772
A379 Pomphlett to The Ride	150	240	120	-	-	510
Total Securing Growth in the Eastern Corridor	5,617	1,774	120	0	0	7,510
Transforming Services						
Barbican Footbridge	46	-	-	-	-	49
Street Services Information Management System	52	-	-	-	-	52
Fleet Replacement	354	-	-	-	-	354
Grass Cutting Equipment	253	-	-	-	-	253
Container Provision	832	-	-	-	-	832
Chelson Meadow Closure & Leachate Plant Upgrade	163	-	-	-	-	163
Asset Investment Fund	38,705	4,3618	8	8	-	43,074
Highway Works at the Former Seaton Barrack site	305	-	-	-	-	305
Disabled Facilities Grant	1	-	-	-	-	1
Bayview Electrical Safety Works	4	-	-	-	-	4
Schools Condition Works	60	-	-	-	-	60
SEN Access and Safeguarding	119	-	-	-	-	119
Schools Devolved Formula & Projects	691	178	172	172	-	1,213
St Budeaux Library	284	-	-	-	-	284
ICT	6,424	2,442	-	-	-	8,866
Corporate Asset Maintenance	361	-	-	-	-	361
Other Corporate Property	1,356	749	-	-	-	1,356

Transformation Accommodation	383	-	-	-	-	383
Boiler Replacement Programme for Council Properties	52	-	-	-	-	52
Bereavement Infrastructure	6,423	4,844	-	-	-	11,267
Total Transforming Services	56,869	11,826	180	172	0	69,047
TOTAL CAPITAL PROGRAMME						
	189,869	52,773	19,138	16,640	6,577	284,236
Forecast future income streams	59,197	97,921	105,239	50,373	159,477	469,208
GRAND TOTAL	245,306	150,694	124,377	67,013	166,054	753,444