

AUGUST 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 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	16.931	1.603	0.163
Children's Directorate	138.502	(91.812)	46.690	48.340	1.650	(0.400)
People Directorate	124.991	(38.013)	86.978	86.528	(0.450)	(0.200)
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	23.745	0.098	0.052
Corporate Items	10.679	(20.796)	(10.117)	(10.117)	0.000	(0.250)
TOTAL	499.018	(313.535)	185.483	188.801	3.318	(0.635)

Table 2: 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	255.694	1.800
TOTAL	715.398	717.205	1.807

The financial position above for the Plymouth Integrated Fund is for the 2019/20 month 3 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 3: 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>	<p>0.417</p>	<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>Pressure is due to lower housing rent subsidy.</p>	<p>0.163</p>	<p>It is being offset in part by the need for a lower Bad Debt provision and will continue to be closely monitored.</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 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>

<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. 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>0.500</p>	<p>Plans are continuing be developed to mitigate these pressures. At this stage £0.500 is declared as a forecast outturn budget pressure.</p>
<p>CHILDREN’S DIRECTORATE</p> <p>The Children Young People and Families Service are reporting a budget pressure of £2.803m at month 4.</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</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.

rising demand, complexity of care, rising costs and the availability of suitable placements.

Month 4 Placements Dashboard

In the first 4 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. Pressure identified at £0.561m but Step Down plan developed

Additional Service costs

£0.339m This is a mixture of additional resource costs and cost of borrowing, transport and Specialist Assessments, partly offset from savings in the Safeguarding Children's Board.

Unidentified savings plans £1.628m

Overall savings £6.258m, less plans in place £4.630m.

Delivery plans at risk £1.304m

Following a robust challenge by finance to the services, this is highlighting the risk against the overall delivery plan of £4.630 and comprises:-

	£m
Placement Review & Sufficiency	0.503
Fostering	0.248
End 3 End Review (E2ER)	0.411
EHTS&FD*	0.142

* Early Help, Targeted Support and Front Door

(1.153)

Actions taking place against pressures:-

Under constant review for full mitigation

Senior Management will continue to review all items on the list and seek mitigation to cover in full

Initial indications of savings to be derived from commissioning

The Children's Programme Board is reflecting a current shortfall of £1.304m against the delivery plan target, however, this could change due to the ongoing work in fortnightly project meetings and placement reviews. The directorate are therefore holding the additional identified risk of £0.129m to reflect that progress continues against each work stream. This reporting position will be reviewed again for Quarter 2.

Fortnightly Programme Boards now in place plus additional resources within the directorate to ensure we maximise the savings, this is working well so far. This has resulted in placement reviews to step down and reduce placement costs contributing to the Placement Review & Sufficiency delivery plan.

<p>PEOPLE - Strategic Cooperative Commissioning</p> <p>The Strategic Commissioning service is forecasting a favourable variation of (£1.153m) at month 4, a change of (0.400m) from month 3. 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.</p> <p>However, the information coming out of Carefirst is continuing to show a small increase from the start of the year, which has been included as part of our forecast. This will continue to be reviewed closely, due to the demand led nature of the budget, as 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 (£0.450m) favourable variation at month 4, a change of (£0.200m) month 3. 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>(0.450)</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>The additional savings of £0.450m are 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 however there is a pressure regarding the funding for the Director for Adults but this is hoped to be found through additional management savings during the year.</p>	0.000	
<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>	0.000	<p>ODPH have been tasked with achieving an original savings target of £0.228m which, at this time, it is thought that will be fully achieved, whether through ongoing savings or one offs. There is also an additional £0.028m that has been added to the savings plan that there is currently no plan for how to achieve it.</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 £0.133m negative variation, which is a favourable variation since last month's report of £0.083m. This pressure is largely as a result of forecast shortfalls in planning application fees (£0.2m) 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>0.133</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>There are no specific actions in place to meet the remaining (£0.301m) currently</p>	<p>0.000</p>	<p>Overall Place monitoring on-going will need to contain Management efficiencies by reducing costs and potential income opportunities</p>
<p>PLACE - Economic Development</p>	<p>(0.180)</p>	<p>Efforts will continue to be taken to maximise income and reasonably contain costs.</p>

<p>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>Highways and Car Parking: Highways are currently forecasting to come in on budget, although there are risks around 19/20's additional car parking income target.</p>	0.000	
CORPORATE ITEMS	0.000	Nil variance to report.
TOTAL	3.318	