

Date: 11 November 2019

Title of Report: **Corporate Performance, Capital & Revenue Monitoring Report 2019/20 – Quarter 2**

Lead Member: Councillor Mark Lowry (Cabinet Member for Finance)

Lead Strategic Director: Andrew Hardingham (Service Director for Finance)

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Your Reference: CPCRMI12019

Key Decision: No

Confidentiality: Part I - Official

Purpose of Report

This report is the quarter two 2019/20 financial and performance report and details the position of the Council as at the end of September 2019. The report consists of two sections:

- **Section A** **Corporate Plan Performance Report, Quarter 2 2019/20**
- **Section B** **Capital and Revenue Monitoring Report 2019/20 – Quarter 2**

In terms of performance against the Corporate Plan, this report provides analysis as at the end of September 2019 of performance against the Council's key performance indicators (KPIs), providing a detailed performance update against the Corporate Plan priorities.

This report forms part of the Council's Performance Framework and is a key part of our aim to achieve a 'golden thread' from the Corporate Plan and its KPIs and delivery plans, through to service and team level business plans, and ultimately to individual objectives.

Performance indicators for the theme A Growing City are showing a positive performance and direction of travel in a number of areas. In particular, the inward investment that has been forecast for 2019/20 has increased to £334.4m from £265.8m in 2018/19, an increase of nearly £70m (25.8%). The benefits in terms of job creation has been forecast at 5,008 new jobs created, increasing by just over 1,500 on the 2018/19 figure (43.5%). There has also been significant improvements in delivery of new homes in the city with an average of 1,112 additional homes each year over the last five years, which compares to 630 in the previous five years. The Council's spend on small and medium-sized enterprises has increased in quarters one and two compared to the same period in 2018/19, which is encouraging.

Within the Caring Council theme, 233 households were prevented from becoming homeless in quarter two 2019/20 compared to 65 in the same period for 2018/19. There was also a notable improvement for performance in areas supporting children, young people and families. The Council has supported 592 'families with a future' to achieve outcomes, compared to 507 for the same period in 2018/19. There were also improvements in the adult social care performance for outcomes of safeguarding enquiries, which increased from 70.6% (Q2 18/19) to 80.7% (Q2 19/20) against a target of 75%.

Finally, within the How We Will Deliver theme, business rates and council tax collection performance is showing an improvement compared to the same period last year despite a very challenging economic climate.

The Revenue and Capital report outlines the finance monitoring position of the Council as at the end of September 2019.

The primary purpose of this report is to detail how the Council is delivering against its financial measures using its capital and revenue resources, to approve relevant budget variations and virements, and to report new schemes approved in the capital programme.

As shown in Table 1 below, the estimated revenue overspend is £3.466m. The overall forecast net spend equates to £188.948m against a budget of £185.483m, which is a variance of 1.87%. This needs to be read within the context of needing to deliver in excess of £17m of savings in 2019/20 on the back of balancing the 2018/19 revenue budget, where £11m of net revenue reductions were successfully delivered.

Additional management solutions and escalated action to deliver further savings from the Council's savings plans will be brought to the table over the coming months in order to address the in-year forecasted overspend.

Table 1: End of year revenue forecast

	Budget £m	Forecast Outturn £m	Variance £m
Total General Fund Budget	185.483	188.948	3.466

The latest capital budget as at 31 March 2019 for the five years from 2018/19 to 2022/23 was £832.975m. It has since been adjusted to take into account some of the changes to the capital programme, resulting in a revised budget totalling £845.354m as shown in Table 5.

Recommendations and Reasons

That Cabinet:

1. Notes the Corporate Plan Quarter Two Performance Report and consider the implications for delivery of the Council's priorities;
2. Notes the current revenue monitoring position and action plans in place to reduce/mitigate shortfalls;
3. Approves the non-delegated virements which have occurred since 1 July 2019;
4. Recommends to Council that the Capital Budget 2019-2024 is revised to £845.354m (as shown in Table 5 of the Capital and Revenue Monitoring Report 2019/20 Quarter 2).

Alternative options considered and rejected

None – our Financial Regulations require us to produce regular monitoring of our finance resources

Relevance to the Corporate Plan 2016/17-2018/19

This report is fundamentally linked to delivering the priorities within the Council's Corporate Plan. Allocating limited resources to key priorities will maximise benefits to the residents of Plymouth.

Implications for the Medium Term Financial Plan and Resource Implications:

Robust and accurate financial monitoring underpins the Council's Medium Term Financial Plan (MTFP). The Council's Medium Term Financial Forecast is updated regularly based on on-going monitoring information, both on a local and national context. Any adverse variations from the annual budget will place pressure on the MTFP going forward and require additional savings to be generated in future years.

Carbon Footprint (Environmental) Implications:

No impacts directly arising from this report. Indicators relating to recycling rates and carbon emissions are included within the Corporate Plan Performance Report.

Other Implications: e.g. Child Poverty, Community Safety, Health and Safety and Risk Management

The reducing revenue and capital resources across the public sector has been identified as a key risk within our Strategic Risk Register. The ability to deliver spending plans is paramount to ensuring the Council can achieve its objectives to be a Pioneering, Growing, Caring and Confident City.

Appendices

Ref.	Title of Appendix	Exemption Paragraph Number (if applicable) <i>If some/all of the information is confidential, you must indicate why it is not for publication by virtue of Part 1 of Schedule 12A of the Local Government Act 1972 by ticking the relevant box.</i>						
		1	2	3	4	5	6	7
A	Corporate Plan Performance Report, Quarter Two 2019/20							
B	Capital and Revenue Monitoring Report 2019/20 Quarter 2							

Background papers:

Please list all unpublished, background papers relevant to the decision in the table below. Background papers are unpublished works, relied on to a material extent in preparing the report, which disclose facts or matters on which the report or an important part of the work is based.

Title of background paper(s)	Exemption Paragraph Number (if applicable) <i>If some/all of the information is confidential, you must indicate why it is not for publication by virtue of Part 1 of Schedule 12A of the Local Government Act 1972 by ticking the relevant box.</i>						
	1	2	3	4	5	6	7

Sign off:

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Originating Senior Leadership Team member: Andrew Hardingham (Service Director for Finance) and Giles Perritt (Assistant Chief Executive)

Please confirm the Strategic Director(s) has agreed the report? Yes

Date agreed: 29 October 2019

Cabinet Member signature of approval: Councillor Mark Lowry (verbally)

Date: 30 October 2019