

**Plymouth City Council**  
**Finance Monitoring – 2019/20**  
**Quarter 4 Outturn at 31 March 2020**

**I. Introduction**

- I.1 This report reviews the Council's financial performance and in terms of activity for the year ended 31 March 2020. By its very nature this report reviews past financial performance and how this will impact upon future years' i.e. reserves and balances. The impact of COVID 19 has also had an impact on the financial performance of the council albeit the latter part of March 2020. However, its impact and consequences upon the council's future financial position and reporting cannot be underestimated. Members and officers are working closely to assess the full year effect of COVID 19 and monitoring arrangements have been put in place to capture all costs related to the pandemic. These will be reported formally to Members as part of the planned monitoring of the council's finances and a revised budget for 2020/21 will be submitted to Council later in the year.
- I.2 The provisional outturn position (subject to external audit review) for 2019/20 is a small overspend of £0.005m. This outturn position needs to be seen in context of the financial challenges the Council faced during the year and needs to be read in the context of needing to deliver in excess of £17.000m of savings in 2019/20. Taking all of these factors into account, this is a commendable outturn position.
- I.3 In comparison to 2018/19 the reported overspend before making use of working balances was £1.117m. This year represents an improvement and the small £0.005m balance will be drawn from the Council's working balance. The 2020/21 budget has already made provision to replenish reserves as part of a planned approach over the next three years. This has been reflected within the developing Medium Term Financial Plan (MTFP).
- I.4 Significant pressures within Children's Social Care have been experienced due to increased cost and volume of looked after children's placements, as well as delivery plans not bringing the results anticipated. Within the Federated Directorate for social care these additional costs have been largely offset by efficiencies within Strategic Commissioning where client numbers were less than the budgeted number.
- I.5 Within the Place Directorate pressures within Street Scene were identified and have been managed down by identifying savings and maximising income across the Directorate although a significant pressure still remains and will need to be addressed in the current financial year.
- I.6 Pressures were identified within Customer Services due to volatility within the housing benefit budget and a number of legacy saving targets which were not achieved in year.
- I.7 The Government has allowed local authorities to use capital receipts to fund the revenue costs of Transformation Projects as part of the flexible use of capital receipts strategy. To be eligible any project funded from capital receipts must deliver ongoing revenue savings after the project has been completed. The Council has made use of this flexibility in previous years

and Council approved the Strategy in 2017/18 and 2018/19. During 2019/20 the Transformation team has embarked upon projects which are eligible under the Policy, however, these projects were not identified and approved as part of the 2019/20 budget. The Service Director for Finance is recommending that Cabinet approve these projects form part of the 2019/20 flexible use of capital receipts strategy and these are retrospectively approved by Council at its next meeting.

- I.8 The Business Administration Review will form part of the Council's flexible use of capital receipts strategy. The revenue costs for this project of £0.400m have been capitalised and the project will generate ongoing revenue savings of £0.588m from 2020/21 and £1.730m in 2021/22. This project along with work undertaken on the council's accommodation, which will have developed an outline business case by the end of June 2020, will be the two biggest financial contributions made by Transformation. Other projects being supported by Transformation include – Caring for Plymouth, the digital programme which will redesign our front doors and Procurement. All this work is subject to the impact of the emergency response to COVID19.
- I.9 Further details of the main variations are contained within section A of this report.
- I.10 It is appropriate, given the financial challenges facing the Council in the next financial year due to COVID19 and its impact upon the delivery of savings plans in the medium term, that as part of reporting the final position for 2019/20 further consideration is now given to future levels of the Working Balance and reserves. As is normal practice at this time of year the Chief Finance Officer, the Service Director for Finance, will ensure the details of the Council's reserves and provisions will be set out within the Statement of Accounts.
- I.11 The outturn figures will now feed into the Council's formal Statement of Accounts, which will include the Balance Sheet position. Due to the disruption caused by COVID 19 the Ministry for Housing Communities and Local Government (MHCLG) have confirmed details of the changes made to the Accounts and Audit Regulations 2015. The Accounts and Audit (Coronavirus) Amendments Regulations 2020 extend the statutory audit deadline for 2019/20 for all local authorities. The Service Director for Finance, as the Council's Section 151 Officer, must publish the draft Statement of Accounts by 31 August 2020 at the latest. The publication date for audited accounts will move from the 31 July to 30 November 2020 for all local authority bodies.

## SECTION A: REVENUE FINANCE OUTTURN

### 2. Revenue Finance Outturn 2019/20

- 2.1 Council approved a gross revenue budget of £501.368m with a net revenue budget of £185.483m for 2019/20 at its meeting in February 2019. Table I below provides a summary of the Council's overall revenue expenditure and compares the provisional outturn (subject to Audit) with the latest approved budget.
- 2.2 The finance outturn position, before using working balances, shows a small overspend of £0.005m. The outturn position needs to be considered in the context of a challenging financial climate and the continuation of the Government's austerity programme with respect to public finances. In 2019/20 the Council has managed a £17.000m savings programme in addition to increasing service demands and customer expectations.

**Table I** End of Year Revenue Outturn by Directorate.

| Directorate                              | 2019/20<br>Gross<br>Expenditure | 2019/20<br>Gross<br>Income | 2019/20<br>Latest<br>Budget | 2019/20<br>Outturn | Year End<br>Over /<br>(Under)<br>Spend |
|--|---------------------------------|----------------------------|-----------------------------|--------------------|--|
|  | £m                              | £m                         | £m                          | £m                 | £m                                     |
| Executive Office                         | 6.450                           | (0.590)                    | 5.860                       | 5.859              | (0.001)                                |
| Finance*                                 | 22.139                          | (5.051)                    | 17.088                      | 17.374             | 0.286                                  |
| Customer and Corporate Services          | 96.991                          | (81.248)                   | 15.743                      | 16.554             | 0.811                                  |
| Children's Directorate                   | 139.818                         | (92.934)                   | 46.884                      | 47.911             | 1.027                                  |
| People Directorate                       | 125.360                         | (38.393)                   | 86.967                      | 85.984             | (0.983)                                |
| Office for the Director of Public Health | 18.572                          | (19.019)                   | (0.447)                     | (0.558)            | (0.111)                                |
| Place Directorate                        | 82.472                          | (58.074)                   | 24.398                      | 25.539             | 1.141                                  |
| Corporate Items                          | 9.566                           | (20.576)                   | (11.010)                    | (13.175)           | (2.165)                                |
| <b>TOTAL</b>                             | <b>501.368</b>                  | <b>(315.885)</b>           | <b>185.483</b>              | <b>185.488</b>     | <b>0.005</b>                           |

\*Finance Directorate includes the Councils Treasury Management activities which are subject to a separate outturn report considered by Audit Committee.

- 2.3 Full details of outturn position by Directorate are shown in Appendix A. Further details for other adjustments and reserve movements are set out in section 5 of the report.
- 2.4 Across the Council, management actions to reduce the potential of an over spend being incurred included a review of all discretionary spend and delayed expenditure wherever possible.
- 2.5 Table 2 shows the outturn position for the Plymouth Integrated Fund.

**Table 2** Plymouth Integrated Fund

| Plymouth Integrated Fund             | Section 75 indicative position | 2019/20 Budget | Forecast Outturn | Forecast Year End Over / (Under) Spend |
|--------------------------------------|--------------------------------|----------------|------------------|--|
|                                      | £m                             | £m             | £m               | £m                                     |
| N.E.W. Devon CCG – Plymouth locality | 349.581                        | 380,817        | 381,000          | 0.183                                  |
| Plymouth City Council                | 253.559                        | 255,569        | 255,662          | 0.093                                  |
| <b>TOTAL</b>                         | <b>603.140</b>                 | <b>636,386</b> | <b>636,662</b>   | <b>0.276</b>                           |

\*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).

### 3. Analysis of the Final Outturn Position by Directorate

#### Executive Office

- 3.1 This service area has recorded an underspend of £0.001m for the year, despite the substantial challenges faced by the Chief Executive's office during the year in managing demanding income and expenditure targets.
- 3.2 The costs of significant work supporting the Council's Brexit planning arrangements were recoverable from the Council's Brexit grant. In addition, the costs of legal work in delivering major capital projects for the Council and supporting public sector partners were also recovered. These actions, alongside a strong focus on minimising non-essential expenditure and re-allocating work to cover key vacancies in our establishment, has resulted in a successful year-end position.

#### Corporate Items

- 3.3 Corporate items is showing a favourable position of £2.165m see above. These budgets include a number of budget lines that do not relate to any specific directorate and are corporate by their nature. They include pensions and insurance. Due to the nature of these budgets, any pressures or saving that arise are difficult to address with any service specific actions leading to corporate pressure or underspend.
- 3.4 Budgets within this area played a significant part in ensuring the council declared a balanced budget at year end. Examples of these adjustments include:
- Releasing of the council's redundancy reserve;
  - Release of the 2019/20 council tax surplus due to collection performance during the year;
  - Receipt of NNDR levy surplus from government as part of the overall resources for business rates;
  - Release of savings from the Pension deficit solution.

Finance

- 3.5 Finance has ended with a £0.286m overspend. Although there have been some areas with significant pressure the successful management of Treasury Management (TM) activity has helped address most of these in-year.
- 3.6 It is worth noting TM activity will continue to feel the result of economic activity. Even more so in the light of the impact has following the lockdown measure in place to prevent the spread of Coronavirus. The service area will need to continue to manage interest rate challenges due mainly to the increase in borrowing to support the council's ambitious capital investment programme.
- 3.7 Facilities Management (FM) budgets in aggregate have overspent in 2019/20. Soft FM services have faced cost increases with Security staffing and cleaning materials. Within Hard FM emergency works due to asbestos and water leaks have contributed to the overspend.
- 3.8 Income targets for both TM and FM proved to be challenging this year and it is anticipated this challenge will continue into 2020/21 and beyond.

Customer and Corporate

- 3.9 The Customer and Corporate Directorate is reporting an adverse outturn position of £0.811m.
- 3.10 This is made up of many service areas including the Customer Service Department which is reporting an overall pressure of £0.524m. This is predominantly due to pressure within the Revenues and Benefits department offset by wider department vacancies savings.
- 3.11 Housing Benefit, is renowned for its volatility and has been acknowledged previously as an area of risk due to underfunding the provision as more claimants move to Universal Credit thereby reducing the ability to recover. Pressure continues with Housing Benefit subsidy funds and overpayments.
- 3.12 The Service Centre has, as outlined in the MTFP, a significant savings target that remains a challenge going forward. The pressure in 2019/20 totalled £0.600m but some in-year savings helped reduce this to £0.287 this financial year. Despite this, the £0.600m has been carried forward to 2020/21.
- 3.13 Human Resources (HR) & Organisational Development (OD) also delivered an underspend of £0.334m following reduced spend against the training budget and in-year vacancy savings.
- 3.14 There is a pressure of £0.534m held in the Customer Department. This pressure is the result of legacy items once held in the old Transformation and Change Directorate being apportioned out amongst the original members. This is the proportion belonging to Customer Services, Human Resources and ICT. A similar legacy target has been absorbed by Finance and the Chief Executive Office.
- 3.15 The Transformation department has a £0.106 underspend. This is due to departmental efficiencies achieved through the year and the application of capital receipts to fund the revenue costs Transformation projects.
- 3.16 The ICT budget recorded an overspend of £0.193m. This pressure has arisen due to the increased costs incurred from financing IT expenditure not being fully met by income including the Delt dividend. Costs have been closely monitored all year and controls put in place to

prevent them growing further. In addition the budget has absorbed costs of systems contributing to benefits being delivered in core services.

### Children's Directorate

- 3.17 The Children's Directorate are reporting an adverse outturn position of £1.027m. The overall reported pressure can be attributed to a variety of reasons including the increased cost and volume of looked after children's placements, as well as delivery plans not bringing the results anticipated.
- 3.18 The cost of the care is particularly high due to increased numbers of looked after children. Numbers increased from 418 to 436 from April 2019 to March 2020.
- 3.19 In addition to this 5 high cost unregistered arrangements for young people with complex needs either had their arrangements established or extended. The level of support needed to keep young people safe, such as specialist residential care placements with high levels of staffing.
- 3.20 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.
- 3.21 The Service through business as usual have continued to hold expenditure wherever possible through the quarterly budget review exercise, holding vacant positions and grant maximization.
- 3.22 The Service continue to keep the pressure on going into the new financial year by continuing with the following actions to address the pressure in the system.
- Looked after Children – only one point of contact for all new entrants.
  - Fortnightly placement review to ensure step down of high cost placements.
  - Maximize contribution from partners including Health and Education.
  - Maximize local residential placements to avoid higher out of area costs.
- 3.23 Ongoing work continues, all placements are reviewed regularly in order to reduce the pressure on cost and volume where appropriate.
- 3.24 Education, Participation and Skills (EP&S) are reported within the overall Children's Directorate.

### People Directorate

- 3.25 The Strategic Commissioning service is reporting a balanced position at year end. It is worth noting that throughout 2019/20, the Strategic Commissioning department has offset any savings against the Children's directorate pressures.
- 3.26 Adult Social Care client numbers have been dropping all year, resulting in reduced costs. These savings were however offset against the corresponding reduction in client contributions of £2.900m.
- 3.27 The Community Equipment budget overspent in year by £0.430m with the push to get people home safe without the need for expensive care packages, but this was offset against addition monies received from health.

- 3.28 As part of the MTFP for 2019/20, Strategic Commissioning have achieved savings of £2.519m as well as £2.546m of savings brought forward from 2018/19 that were realised from one off savings and needed to be achieved in this financial year.
- 3.29 Work will continue into 2020/21 to review all costs and volume impacts on the department spend with management actions to minimise all administration costs where possible.
- 3.30 The weekly dashboards will continue to be used to inform the service of all client numbers and costs, with the continuation of the successful Budget Containment meetings (2 per month) working with our key partners Livewell and CCG. These meetings oversee a Budget Recovery Plan with key measures including an enhanced Scheme of Delegation and client reviews.
- 3.31 Community Connections has finished the year £0.983m under budget following grant maximisation and controlling costs. The department was allocated full budget provision to run the service as part of the council's allocation of resources. Throughout the year, as one-off specific grants have been received these have been swapped out allowing the release of the original budget funding.
- 3.32 Average Bed and Breakfast (B&B) numbers for the year have been increasing and finished with an average number of 43 placements per night, although there was a reduction in the number at the same time last year (46). Housing benefit claims again increased due to the change to the Universal Credit System.
- 3.33 This cost pressure has been offset within the Localities budget with additional capitalisation of Community Equipment and the maximisation of government grants, one of which was received within March 2020. Increases in the B&B numbers have been minimised by the service with use of alternative properties provided through existing contracts as well as use of additional contracted staff to target single occupancy stays.
- 3.34 The department will face continuing pressures going into 2020/21 but will do all it can to achieve budget over all People Directorate services.

Office of the Director of Public Health (ODPH)

- 3.35 The Public Health Directorate has achieved an underspend of £0.111m at year end. The budget is made up of the grant funded Public Health of £14.925m plus the Public Protection Service and Bereavement Services. The grant funded section of Public Health forms part of the Integrated Fund.
- 3.36 The £0.405m reduction in the Public Health grant received in 2019/20 from the 2018/19 allocation has been covered by a variety of management actions, mainly around the contracts that are held within the department.

Place Directorate

- 3.37 Strategic Planning and Infrastructure (SP&I) underspent by £0.293m. This has been achieved through proactive budget management including maximising income, managing vacancies and capitalising salaries where applicable.
- 3.38 This has also enabled the commencement of the National Marine Park project.
- 3.39 Departmental Management has enabled savings to be made across all three service areas to offset overspending relating to the legacy target apportioned and GAME staffing pressures.

- 3.40 Income generation, including that from Asset Investment Fund (AIF) acquisitions have enabled a series of spend pressures within Economic Development to be met, including the loss arising from the discovery of asbestos at the City Business Park, unavoidable commercial estate pressures and delivering on political pledges.
- 3.41 Across the service, Streets are reporting a significant adverse variation of £1.902m, the details of which can be seen below. A reduction of income and additional disposal costs during social distancing (16 March) and Lockdown (23 March) have increased the adverse position from month 11 to outturn which made the adverse situation significantly worse.
- 3.42 Also included in this pressure are legacy savings totalling over £0.600m which have previously been covered by over achievement on income.
- 3.43 Street Scene & Waste adverse variation of £1.408m can be attributed to: the Refuse Transfer Station fire and closure of the facility for 9 weeks (and the subsequent loss of income) and increased costs associated with recovery and ensuring the return to pre-fire throughput levels over a period of time, increased agency spend to mitigate risks to over-exposure of Hand Arm Vibration equipment; health, safety and wellbeing (HSW) improvements as advised by the HSW Programme Board and Risk Summit, increased non-scheduled maintenance and fuel costs of an aging fleet, overall pressures to deliver clean and tidy streets in the lead up to Mayflower 400 and a loss of commercial income and increased agency costs during March 2020.
- 3.44 Grounds Maintenance reported an adverse variation of £0.221m as a consequence of a shortfall of predicted income and an increase in spend around agency staff – some of which can be attributable to an increased activity towards the end of the financial year.
- 3.45 Fleet and Garage adverse variation of £0.237m was as a consequence of unachievable savings targets.
- 3.46 Highways and Car Parking Outturn shows an adverse variation of £0.036m, in part due to a loss of income from car parking, which in any other year would have shown a surplus and helped ease pressure elsewhere in the service.
- 3.47 The Place Directorate has historically always managed to balance in previous years, the levels of additional commercial income that were able to assist in that regard this year were lower than historic capability.

#### **4. Other Financial Performance**

- 4.1 In addition to the financial outturn reports within this report there were a range of other significant performance achievements which have contributed to the year-end position. In-year collection targets are set for our Council Tax, Business Rates, Commercial Rent, and Sundry Debt Income including our Trade Waste Income. The 2019/20 revenue budget was based on the achievement of the required targets.
- 4.2 Some Key Indicators are:
- ↑ 98.97 of NNDR collected against a target of 98.0% (2017/18 = 99.06%). 1% of NNDR collected equates to £0.916m.
  - ↑ Average borrowing rate of 1.89% was achieved against target of 2.80% (2018/19 = 2.18%). This equates to a notional £5.189m saving.



- ↑ VAT partial exemption at 4.27% against a target of 4.99% (2018/19 = 4.31%).
- ↑ Average investment return of 2.11% was achieved against target of 1.5% (2018/19 = 1.77%). This equates to a £0.572m return.
- ↓ 96.4% of Council Tax collected against a target of 98.0% (2017/18 = 96.8%). This equates to £130.141m.

## 5. 2019/20 Financial Review

- 5.1 As part of consideration of the outturn position, and before officially closing the accounts, it is necessary to review the Council's overall financial position, looking not only at the general fund revenue outturn position for the year, but reviewing the adequacy of reserves and provisions in the light of financial liabilities identified over the short to medium term. Decisions made feed into the Council's statutory Statement of Accounts which is subject to external audit.

### Working Balance

- 5.2 The Working Balance as at 31 March 2020 is £8.045m. The Working Balance has a recommended minimum set at 5% of the net revenue budget. This minimum is approved by Council. Due to the continued pressures felt, the Council has had to make further use of its Working Balance reducing it to 4.3% of the net revenue budget in order to deliver a breakeven position.

**Table 4** Working Balance

|                        | March 2019   | MTFP adjustment | March 2020   |
|------------------------|--------------|-----------------|--------------|
|                        | £m           | £m              | £m           |
| <b>Working Balance</b> | <b>8.050</b> | <b>(0.005)</b>  | <b>8.045</b> |

### Schools Balances

- 5.3 At the end of the year there was a total of £1.965m unspent monies against schools' delegated budgets and other reserves. The main reasons why schools hold balances are:
- Anticipation of future budget pressures usually arising from pupil number variations.
  - To provide for the balance of Government grants paid during the financial year (April–March) which cover expenditure occurring across the academic year (September – August).
- 5.4 There is one nursery, one maintained mainstream school and one maintained special school with deficit balances included in this overall figure above, with a combined deficit of £0.180m. There are currently no implications to Plymouth City Council for this deficit as these are offset by the schools with a surplus balance.

**SECTION B:****CAPITAL FINANCE REPORT FOR THE CAPITAL PROGRAMME  
OUTTURN 2019/20****6.0 Capital Programme outturn 2019/20**

6.1 The capital programme expenditure for 2019/20 is £196.180m. This is shown by Directorate in Table 5 below. This is within the approved Capital Budget of £892.91m reported to Full Council in February 2020.

**Table 5** Capital Spend - Outturn 2019/20

| Directorate                      | Latest Forecast December 2019 | Re-profiling     | Approvals post Dec | Variations & virements | 2019/20 Capital Spend | Movement in quarter % |
|----------------------------------|-------------------------------|------------------|--------------------|------------------------|-----------------------|-----------------------|
|                                  | £m                            | £m               | £m                 | £m                     | £m                    |                       |
| Place                            | 159.559                       | (59.750)         | 11.045             | (2.489)                | 108.365               | 68                    |
| People                           | 7.879                         | (2.453)          | 0.856              | 0.024                  | 6.306                 | 80                    |
| Customer & Finance Service       | 112.711                       | (34.296)         | 0.222              | (0.021)                | 78.616                | 70                    |
| Public Health                    | 6.423                         | (3.930)          | 0.000              | 0.000                  | 2.493                 | 39                    |
| <b>TOTAL CAPITAL PROGRAMME</b>   | <b>286.572</b>                | <b>(100.429)</b> | <b>12.123</b>      | <b>(2.486)</b>         | <b>195.780</b>        | <b>68</b>             |
| Efficiency Strategy              | 0.000                         | 0.000            | 0.400              | 0.000                  | 0.400                 |                       |
| <b>TOTAL CAPITAL EXPENDITURE</b> | <b>286.572</b>                | <b>(100.429)</b> | <b>12.523</b>      | <b>(2.486)</b>         | <b>196.180</b>        |                       |

6.2 The 2019/20 programme outturn of **£196.180m** has enabled investment in some notable schemes, including:

- **£50.073m** Asset Investment acquisitions including:
  - Carkeel Retail Park
  - Car Dealerships Showrooms
  - Next
  - Langage Business Park
- **£73.375m** Repayment of Pension deficit
- **£5.897m** Forder Valley Link Road and Interchange
- **£4.976m** Charles Cross Roundabout Improvements
- **£13.688m** for the redevelopment of the City Museum and Library into the 'The Box'
- **£6.943m** Highway maintenance and essential engineering
- **£4.991m** Community neighbourhoods, parks and public realm.

- **£1.898m** of Basic Need works in Plymouth schools to allow for increasing capacity trajectories
- **£2.446m** for Disabled Facilities Grant works
- **£1.999m** maintaining corporate and heritage assets
- **£2.451m** ICT provision, upgrading and creating new capabilities for ICT infrastructure

## 7.0 Capital Financing 2019/20

7.1 The table below shows the final financing of the 2019/20 capital programme.

**Table 6** Financing of 2019/20 Capital Programme

| Method of financing                                 | Un ring-fenced<br>£m | Ring-fenced<br>£m | Total<br>£m    |
|---|----------------------|-------------------|----------------|
| - Capital receipts                                  | 0.000                | 3.755             | 3.755          |
| - Grants (e.g. gov't, HLF, LEP, Environment Agency) | 6.241                | 20.881            | 27.122         |
| - Internal PCC Balance Sheet Funds                  | 0.000                | 0.138             | 0.138          |
| - Contributions, SI06 & CIL (neighbourhood element) | 0.000                | 4.598             | 4.598          |
| - Direct Revenue Funding from service areas         | 0.000                | 0.130             | 0.130          |
| - Borrowing:  |                      |                   |                |
| - Corporately funded                                | 103.221              | 0.000             | 103.221        |
| - Service borrowing (revenue budget funded)         | 0.000                | 56.816            | 56.816         |
| <b>CAPITAL PROGRAMME FINANCING 2019/20</b>          | <b>109.462</b>       | <b>86.318</b>     | <b>195.780</b> |
| - Capital Receipts to fund the efficiency strategy  | 0.000                | 0.400             | 0.400          |
| <b>TOTAL CAPITAL EXPENDITURE FINANCING</b>          | <b>109.462</b>       | <b>86.718</b>     | <b>196.180</b> |

## 8.0 Corporate Borrowing

- 8.1 Corporately funded schemes are charged to the Treasury Management budget. Over recent years there has been a big increase in corporate borrowing to fund capital projects. The cost of interest and loan repayments MRP (Minimum Revenue Provision) is directly charged to the revenue budget through the Treasury Management budget. Additional budget will be required to fund the future interest and loan repayments and this will be reviewed each year as part of the MTFP.
- 8.2 Service Borrowing: Service departments will make a revenue contribution for their borrowing based on the amount of the loan, the interest rate and the life of the individual assets. The interest cost is calculated using interest rates provided by the Treasury Management Team and is based on the term of the borrowing. The interest rates are fixed for the full term of the borrowing so that the service knows the full cost of borrowing.
- 8.3 The cost of borrowing is charged the year after the assets comes into use. The service would cover the cost of borrowing from the benefits gained once the scheme has been completed and commissioned. There should therefore be no additional cost to the service budgets because they will receive the income or savings derived from the project which will fund the cost of repaying the borrowing.

**Revised Capital Programme 2020 – 2025****Table 7** The revised Capital Programme for the period 2020 – 2025:

| Directorate                   | 2020/21<br>Forecast | 2021/22<br>Forecast | 2022/23<br>Forecast | 2023/24<br>Forecast | 2024/25<br>Forecast | Total<br>Programme |
|-------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|--------------------|
|                               | £m                  | £m                  | £m                  | £m                  | £m                  | £m                 |
| Place                         | 165.974             | 29.986              | 19.160              | 7.884               | 0.664               | 223.668            |
| People                        | 3.647               | 0.182               | 0.172               | 0.000               | 0.000               | 4.001              |
| Customer & Finance<br>Service | 8.186               | 29.000              | 0.000               | 0.000               | 0.000               | 37.186             |
| Public Health                 | 8.774               | 0.195               | 0.000               | 0.000               | 0.000               | 8.969              |
| <b>TOTAL</b>                  | <b>186.581</b>      | <b>59.363</b>       | <b>19.332</b>       | <b>7.884</b>        | <b>0.664</b>        | <b>273.824</b>     |

## Appendix A - REVENUE OUTTURN VARIANCES MARCH 2020

| DEPARTMENTS   | 2019/20<br>Gross<br>Expenditure<br>Latest<br>Approved<br>Final | 2019/20<br>Gross Income<br>Latest<br>Approved<br>Final | Latest<br>Approved<br>Final | Outturn        | Outturn<br>Variation |
|---|--|--|-----------------------------|----------------|----------------------|
|   | £'000  | £'000  | £'000                       | £'000          | £'000                |
| Executive Office  | 1,678  | (156)  | 1,521                       | 1,320          | (202)                |
| Departmental Support                                    | 858  | (10)   | 849                         | 816            | (33)                 |
| Members   | 1,346  | 0  | 1,346                       | 1,285          | (61)                 |
| Electoral Function                                      | 678  | (2)  | 677                         | 807            | 130                  |
| Legal   | 1,890  | (422)  | 1,468                       | 1,631          | 163                  |
| <b>Total Executive Office</b>                           | <b>6,450</b>   | <b>(590)</b>   | <b>5,860</b>                | <b>5,859</b>   | <b>(1)</b>           |
| Other Corporate Items                                   | 9,566  | (20,576)   | (11,010)                    | 13,175         | 2,165                |
| <b>Total Corporate Items</b>                            | <b>9,566</b>   | <b>(20,576)</b>  | <b>(11,010)</b>             | <b>13,175</b>  | <b>2,165</b>         |
| Finance   | 22,139   | (5,051)  | 17,087                      | 17,374         | 286                  |
| <b>Total Finance</b>                                    | <b>22,139</b>  | <b>(5,051)</b>   | <b>17,087</b>               | <b>17,374</b>  | <b>286</b>           |
| Customer Services                                       | 85,165   | (80,588)   | 4,576                       | 5,101          | 524                  |
| Human Resources & OD                                    | 2,050  | (109)  | 1,942                       | 1,608          | (334)                |
| Departmental Management                                 | (260)  | 0  | (260)                       | 275            | 534                  |
| Transformation  | 1,079  | 0  | 1,079                       | 973            | (106)                |
| ICT   | 8,956  | (551)  | 8,405                       | 8,598          | 193                  |
| <b>Total Customer and Corporate Services</b>            | <b>96,991</b>  | <b>(81,248)</b>  | <b>15,742</b>               | <b>16,554</b>  | <b>812</b>           |
| Children, Young People, Families                        | 44,103   | (6,876)  | 37,227                      | 38,253         | 1,026                |
| Education Participation Skills                          | 95,715   | (86,058)   | 9,658                       | 9,658          | 0                    |
| <b>Total Children's Directorate</b>                     | <b>139,818</b>   | <b>(92,934)</b>  | <b>46,885</b>               | <b>47,911</b>  | <b>1,026</b>         |
| Strategic Comm Adult Soc Care                           | 119,193  | (35,502)   | 83,691                      | 83,691         | 0                    |
| Community Connections                                   | 5,762  | (2,704)  | 3,059                       | 2,072          | (987)                |
| Management and Support                                  | 404  | (187)  | 217                         | 221            | 4                    |
| <b>Total People Directorate</b>                         | <b>125,359</b>   | <b>(38,393)</b>  | <b>86,967</b>               | <b>85,984</b>  | <b>(983)</b>         |
| Economic Development                                    | 20,012   | (19,985)   | 28                          | (811)          | (839)                |
| Strategic Planning                                      | 15,575   | (5,688)  | 9,887                       | 9,594          | (293)                |
| Street Services   | 46,643   | (28,306)   | 18,337                      | 20,239         | 1,902                |
| Management and Support                                  | 241  | (4,095)  | (3,854)                     | (3,483)        | 371                  |
| <b>Total Place Directorate</b>                          | <b>82,472</b>  | <b>(58,074)</b>  | <b>24,398</b>               | <b>25,539</b>  | <b>1,141</b>         |
| Bereavement Services                                    | 15,213   | (15,213)   | 0                           | 0              | 0                    |
| Civil Protection Unit                                   | 64   | (9)  | 55                          | 208            | 153                  |
| Environ Health (Food & Safety)                          | 446  | (19)   | 427                         | 348            | (79)                 |
| Environmental Protection                                | 430  | (37)   | 392                         | 365            | (27)                 |
| Licensing   | 1,159  | (2,975)  | (1,816)                     | (1,816)        | 0                    |
| Operational and Development                             | 321  | (401)  | (80)                        | (97)           | (17)                 |
| Public Health   | 741  | (332)  | 409                         | 323            | (86)                 |
| Trading Standards                                       | 200  | (34)   | 166                         | 111            | (55)                 |
| <b>Total Office of Director of Public Health (ODPH)</b> | <b>18,572</b>  | <b>(19,019)</b>  | <b>(447)</b>                | <b>(558)</b>   | <b>(111)</b>         |
| <b>Total General Fund budget</b>                        | <b>501,368</b>   | <b>(315,886)</b>                                       | <b>185,482</b>              | <b>185,488</b> | <b>0.005</b>         |