

Cabinet



Date of meeting:	07 September 2021
Title of Report:	Finance Monitoring Report July 2021
Lead Member:	Councillor Nick Kelly (Leader)
Lead Strategic Director:	Brendan Arnold (Service Director for Finance)
Author:	David Northey - Head of Integrated Finance Hannah West – Finance Business Partner
Contact Email:	David.northey@plymouth.gov.uk
Your Reference:	Fin/djn/2021 (04)
Key Decision:	No
Confidentiality:	Part I - Official

Purpose of Report

This report sets out the revenue finance monitoring position of the Council to the end of the financial year 2021/22, as at the end of July 2021.

Recommendations and Reasons

That Cabinet:

- I. Notes the current revenue monitoring position;

Alternative options considered and rejected

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

Relevance to the Corporate Plan and/or the Plymouth Plan

The financial outturn report is fundamentally linked to delivering the priorities within the Council's Corporate Plan. Allocating limited resources to key priorities will maximise the 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 MTFP 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.

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

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.

Appendices

*Add rows as required to box below

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If some/all of the information is confidential, you must indicate why it is not for publication by virtue of Part 1 of Schedule 12A of the Local Government Act 1972 by ticking the relevant box.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	2021/22 Savings status							

Background papers:

*Add rows as required to box below

Please list all unpublished, background papers relevant to the decision in the table below.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 any 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:

Fin	ba.21. 22.96	Leg	LS/37 225/A C/27/ 8/21.	Mon Off		HR		Assets		Strat Proc	
Originating Senior Leadership Team member: Brendan Arnold (Service Director for Finance)											
Please confirm the Strategic Director(s) has agreed the report? Yes											
Date agreed: 19/08/2021											
Cabinet Member approval: Councillor Nick Kelly (Leader)											
Date approved: 24/08/2021											

SECTION A: EXECUTIVE SUMMARY**Table I: End of year revenue forecast**

	Budget £m	Net Forecast Outturn £m	Variance £m
Total General Fund Budget	195.568	197.014	1.446

The forecast revenue outturn after the application of Covid grants and council mitigating actions is currently estimated at £1.446m over budget, which is a variance of +0.7% against the net budget (+0.3% against the gross budget).

This is the July monitoring report for 2021/22 and it should be noted that the financial position will fluctuate as we move through the year. Officers and Members will work closely to manage the finances towards a balanced position by the end of the year.

Within this position the following headline financial issues are reported:

1. The pandemic continues to have a major impact on our financial resources, with a potential drawdown of £15.480m against the currently available grants. This will be reviewed as the year progresses. The impact of COVID-19 will continue in this financial year but in this forecast the additional costs identified are offset by grant and so there is a nil impact on the forecast variance.
2. Key budget pressures:
 - a) £1.498m reported within Customer & Corporate Services Directorate due to a legacy efficiency target not yet realised plus a savings target of £0.550m within the facilities management department due to the risk of non delivery in the current year.
 - b) Place Directorate are reporting a £0.042m pressure against revenue due to borrowing charges applied to Street Services. This has reduced since last month.
3. Key favourable variances:
 - a) Public Health is reporting an under spend of £0.094m.

SECTION B: Directorate Review**Table 2: End of year revenue forecast by Directorate**

Directorate	Budget £m	Forecast £m	COVID offset £m	Forecast Net Variance £m	Status
Executive Office	5.428	5.471	(0.043)	0.000	on budget
Customer and Corporate Services	44.004	46.296	(0.794)	1.498	over
Children's Directorate	53.070	60.984	(7.914)	0.000	on budget
People Directorate	89.441	93.018	(3.577)	0.000	on budget
Public Health	(0.537)	(0.572)	(0.059)	(0.094)	under
Place Directorate	25.069	28.204	(3.093)	0.042	over
Corporate Items	(20.907)	(36.387)	15.480	0.000	on budget
Total	195.568	197.014	0.000	1.446	over

1. Executive Office

1.1 The Executive Office is continuing to report a nil variance, after offsetting COVID-19 related costs totalling £0.043m.

2. Customer and Corporate Services Directorate

2.1 The Customer and Corporate Services Directorate is forecasting an over spend of £1.498m, the greater part of which relates to savings that are likely to be delivered later than planned. Work is underway to adopt mitigating actions and the position will be closely monitored moving forward.

3. Children's Directorate

3.1 The directorate is forecasting a breakeven position for the year, after identifying COVID-19 related costs of £7.914m for the year, offset by applying equivalent grant.

3.2 These additional costs cover additional placements (including residential placements) social workers and family support workers.

4. People Directorate

4.1 The People Directorate is forecasting a breakeven position for the year. The £3.577m of Covid-19 related expenditure includes additional costs for bed & breakfast accommodation and in the leisure service.

5. Office of the Director of Public Health (ODPH)

5.1 Public Health is reporting an under spend of £0.094m.

6. Place Directorate

6.1 The directorate is reporting a small overspend of £0.042m which is an improved position.

6.2 Concerns remain regarding the ability to meet the Regeneration Property Fund target and the Directorate continues to pursue methods of offsetting in year pressures of £0.250m.

7. Corporate Items

7.1 The overall position shows a nil variation.

7.2 COVID-19 financial support continues to be held here, and is being used to offset pressures that have arisen across all Directorates as a result of the pandemic; currently these are forecast to a total of £15.480m.

Appendix A 2021/22 Savings status (I) Summary

	Total	Achieved savings	on track for delivery	Working on for delivery	Planned, internal/external actions required to deliver
	£m	£m	£m	£m	£m
Children's	4.001	1.644	1.278	1.079	0.000
People	3.160	0.000	2.980	0.180	0.000
ODPH	0.028	0.000	0.028	0.000	0.000
Customer & Corporate	4.571	0.000	2.266	0.040	2.265
Place	1.035	0.080	0.105	0.350	0.500
Corporate Items	1.050	1.015	0.000	0.000	0.035
2021/22 Savings	13.845	2.739	6.657	1.649	2.800

Appendix A 2021/22 Savings status (2) Detail

Directorate / Plans	Target Savings	Achieved savings	Plans on track for delivery	Plans worked on for delivery	Planned, internal/external actions required to deliver
	£m	£m	£m	£m	£m
Children					
EPS step up	0.152			0.152	
Home to School Transport	0.179			0.179	
AST	0.500	0.100	0.312	0.088	
Fostering	0.670	0.189	0.271	0.210	
Troubled Families	0.650	0.317	0.333		
Placement Review	1.400	1.038	0.362		
Management Actions	0.450			0.450	
Children - Savings	4.001	1.644	1.278	1.079	0.000
People					
Care Package Reviews (SC)	0.775		0.775		
Direct Payment Reviews (SC)	0.250		0.250		
Increased FCP Income (SC)	0.100			0.100	
Commissioned Contracts (SC)	0.250		0.250		
Grant Maximisation (CC)	0.200		0.200		
Management Actions (CC)	0.050		0.050		
Income Targets (CC)	0.050		0.050		
One Off Savings 2020/21 (SC)	1.485		1.405	0.080	
People - savings	3.160	0.000	2.980	0.180	0.000

ODPH					
Additional Income	0.008		0.008		
Additional Income #2	0.020		0.020		
ODPH - savings	0.028	0.000	0.028	0.000	0.000
Customer, Corporate Services and Executive Office					
Efficiency	0.949				0.949
FM review	0.550				0.550
Business support	1.200		0.434		0.766
ICT	1.000		1.000		
CEX; Legal services	0.100		0.100		
Coroner	0.040			0.040	
Training	0.153		0.153		
Capitalise Capital Team	0.050		0.050		
Internal Audit	0.016		0.016		
Departmental	0.513		0.513		
Customer & Corporate Services and Executive Office savings	4.571	0.000	2.266	0.040	2.265
Place					
Regeneration Property Fund	0.500				0.500
Concessionary Fares	0.080	0.080			
Weston Mill, bulky & trade waste income	0.208			0.208	
Resident Parking	0.060		0.060		
On/Off parking	0.065			0.065	
Fees and charges including Mt. Edgcumbe	0.122		0.045	0.077	
Place savings	1.035	0.080	0.105	0.350	0.500
Corporate					
Schools PFI - adjustments	1.015	1.015			
Income target not allocated	0.035				0.035
Corporate savings	1.050	1.015	0.000	0.000	0.035
Overall Total savings	13.845	2.739	6.657	1.649	2.800