

# Cabinet



Date of meeting:	21 December 2021
Title of Report:	<b>Finance Monitoring Report October 2021</b>
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
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Your Reference:	Fin/djn/2021(07)
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 October 2021.

## Recommendations and Reasons

### That Cabinet:

1. Notes the current revenue monitoring position;
2. This is part of the monthly monitoring cycle to ensure good financial reporting in line best accounting practices.

## 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.

## Financial Risks

This is the monitoring position as at the end of October 2021. As with all financial information there are associated risks as we move through the year. These are set out in the report, and in particular within the savings chart. All efforts will be made to bring the financial position back to a balanced outturn at the year end.

## 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:

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Originating Senior Leadership Team member: Brendan Arnold (Service Director for Finance)

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

Date agreed: 30/11/2021

Cabinet Member approval: Councillor Nick Kelly (Leader)

Date approved: 26/10/2021

## SECTION A: EXECUTIVE SUMMARY

**Table 1: End of year revenue forecast**

	Budget £m	Net Forecast Outturn £m	Variance £m
<b>Total General Fund Budget</b>	<b>195.541</b>	<b>196.424</b>	<b>0.883</b>

The forecast revenue outturn after the application of Covid grants and council mitigating actions is currently estimated at £0.883m over budget, which is a variance of +0.45% against the net budget (+0.17% against the gross budget). This is an adverse movement in the month of £0.154m from the last report (period 6).

This is the October 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 £17.257m against the currently available grants. 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) £0.655m reported within Customer & Corporate Services Directorate. This has improved by £0.110m in the last month owing to continued management of staff vacancies.
  - b) £0.414m reported within Children's; this has moved from a nil variance and reflects the movement on the fostering savings plan to red status.
3. Key favourable variances:
  - a) The Public Protection Service, within The Office of the Director of Public Health (ODPH), is reporting an underspend of £0.327m.

**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	5.429	5.694	(0.245)	0.020	over
Customer and Corporate Services	44.031	45.850	(1.164)	0.655	over
Children's Directorate	53.047	61.865	(8.404)	0.414	over
People Directorate	89.441	93.018	(3.577)	0.000	on budget
ODPH	(0.537)	(0.730)	(0.134)	(0.327)	under
Place Directorate	24.976	28.830	(3.733)	0.121	over
Corporate Items	(20.846)	(38.103)	17.257	0.000	on budget
Total	195.541	196.424	0.000	0.883	over

**1. Executive Office**

- 1.1 The Executive Office is reporting a small overspend due to printing costs. COVID-19 related pressures have further increased due to costs associated with court activity and resourcing.

**2. Customer and Corporate Services Directorate**

- 2.1 The Customer and Corporate Services Directorate is forecasting an over spend of £0.655m. This is a further improvement from last month of £0.110m. Work will continue to adopt mitigating actions and the position will continue to be closely monitored moving forward. COVID-19 costs have also increased by a further £0.101m due to loss of rent as office building is not used and increased software costs.

**3. Children's Directorate**

- 3.1 The Children's Directorate is forecasting an over spend of £0.414m. This has increased from a forecast breakeven position last month, due to moving the risk of delivery of part of the Fostering delivery plan from Amber to Red. COVID-19 related costs have increased to £8.404m for the year, due to increased placement and staffing costs. This is offset by applying equivalent grant funding.

**4. People Directorate**

- 4.1 The People Directorate is forecasting a breakeven position for the year.

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

- 5.1 Public Protection Service, within Public Health, is report an under spend of £0.327m as a result of staffing costs being charged to Covid grant and additional funding that has been received.

**6. Place Directorate**

- 6.1 The directorate is reporting an over spend of £0.121m due to income targets being impacted on following delegated decisions signed off in June 2021. Service areas are doing what they can to mitigate.

6.2 COVID-19 related additional spend and income foregone totals £3.733m. The majority of this continues to relate to loss of car parking income. Although significant increased costs are still showing in Street Scene and Waste.

## 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 £17.257m.

**Appendix A 2021/22 Savings status (I) Summary**

	<b>Total</b>	<b>Achieved savings</b>	<b>on track for delivery</b>	<b>Working on for delivery</b>	<b>Planned, internal/external actions required to deliver</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Children's	<b>4.001</b>	1.723	0.688	1.176	0.414
People	<b>3.160</b>	3.160	0.000	0.000	0.000
ODPH	<b>0.028</b>	0.028	0.000	0.000	0.000
Customer & Corporate	<b>4.571</b>	1.136	1.896	0.019	1.520
Place	<b>1.035</b>	0.080	0.045	0.257	0.653
Corporate Items	<b>1.050</b>	1.015	0.000	0.000	0.035
<b>2021/22 Savings</b>	<b>13.845</b>	<b>7.142</b>	<b>2.629</b>	<b>1.452</b>	<b>2.622</b>

## 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
<b>Children</b>					
EPS step up	0.152			0.152	
Home to School Transport	0.179			0.179	
AST	0.500	0.168		0.332	
Fostering	0.670	0.189	0.067		0.414
Troubled Families	0.650	0.317	0.333		
Placement Review	1.400	1.049	0.288	0.063	
Management Actions	0.450			0.450	
<b>Children - Savings</b>	<b>4.001</b>	<b>1.723</b>	<b>0.688</b>	<b>1.178</b>	<b>0.414</b>
<b>People</b>					
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	1.485			
<b>People - savings</b>	<b>3.160</b>	<b>3.160</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>
<b>ODPH</b>					

Additional Income	0.008	0.008			
Additional Income #2	0.020	0.020			
<b>ODPH - savings</b>	<b>0.028</b>	<b>0.028</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>
<b>Customer, Corporate Services and Executive Office</b>					
Efficiency	0.949				0.949
FM review	0.550				0.550
Business support	1.200	0.917	0.283		
ICT	1.000		1.000		
CEX; Legal services	0.100		0.100		
Coroner	0.040			0.019	0.021
Training	0.153	0.153			
Capitalise Capital Team	0.050	0.050			
Internal Audit	0.016	0.016			
Departmental	0.513		0.513		
<b>Customer &amp; Corporate Services and Executive Office savings</b>	<b>4.571</b>	<b>1.136</b>	<b>1.896</b>	<b>0.019</b>	<b>1.520</b>
<b>Place</b>					
Regeneration Property Fund	0.500				0.500
Concessionary Fares	0.080	0.080			
Weston Mill, bulky & trade waste income	0.208			0.180	0.028
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	
<b>Place savings</b>	<b>1.035</b>	<b>0.080</b>	<b>0.045</b>	<b>0.257</b>	<b>0.653</b>
<b>Corporate</b>					
Schools PFI - adjustments	1.015	1.015			
Income target not allocated	0.035				0.035
<b>Corporate savings</b>	<b>1.050</b>	<b>1.015</b>	<b>0.000</b>	<b>0.000</b>	<b>0.035</b>
<b>Overall Total savings</b>	<b>13.845</b>	<b>7.142</b>	<b>2.629</b>	<b>1.452</b>	<b>2.622</b>



