

Cabinet



Date of meeting:	11 January 2022
Title of Report:	Finance Monitoring Report November 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(08)
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 November 2021.

The overall savings plans for the year continue to be set out in detail in Appendix 2. Of the total target savings of £13.845m, Directorates are reporting that £7.142m (over 50%) are already achieved, with a further £2.629m (19%) on course to be delivered by the end of the year.

Recommendations and Reasons

That Cabinet:

1. Notes the current revenue monitoring position;

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

Sign off:

Fin	ba.21. 22.22 4	Leg	LS/37 890/A C/7/1 /22	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: 04/01/2022											
Cabinet Member approval: Leader after discussion with Cabinet colleagues											
Date approved: 04/01/2022											

SECTION A: EXECUTIVE SUMMARY

Table 1: End of year revenue forecast

	Budget £m	Net Forecast Outturn £m	Variance £m
Total General Fund Budget	195.568	196.312	0.744

The forecast revenue outturn after the application of Covid grants and council mitigating actions is currently estimated at £0.744m over budget, which is a variance of +0.38% against the net budget (+0.14% against the gross budget). This is a positive movement in the month of £0.139m from the last report (period 7).

This is the November 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 £17.302m 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) £0.618m reported within Customer & Corporate Services Directorate. This has improved by £0.037m in the last month owing to continued management of staff vacancies.
 - b) £0.414m reported within Children's Directorate. This is the same as reported last month.
3. Key favourable variances:
 - a) The Public Protection Service, within The Office of the Director of Public Health (ODPH), is reporting an underspend of £0.305m, a small adverse variance from last month's £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	5.691	(0.245)	0.017	over
Customer and Corporate Services	44.031	45.813	(1.164)	0.618	over
Children's Directorate	53.074	61.865	(8.404)	0.414	over
People Directorate	89.441	93.018	(3.577)	0.000	on budget
ODPH	(0.537)	(0.715)	(0.127)	(0.305)	under
Place Directorate	24.976	28.761	(3.785)	0.000	on budget
Corporate Items	(20.819)	(38.121)	17.302	0.000	on budget
Total	195.568	196.312	0.000	0.744	over

1. Executive Office

1.1 The Executive Office is reporting a small overspend due to printing costs. COVID-19 related pressures reflect additional 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 £0.618m. This is a further improvement from last month of £0.037m. Work will continue to adopt mitigating actions and the position will continue to be closely monitored moving forward. COVID-19 costs have remained unchanged.

3. Children's Directorate

3.1 The Children's Directorate is forecasting an over spend of £0.414m; this represents no change from the October forecast.

4. People Directorate

4.1 The People Directorate is continuing to forecast a breakeven position for the year.

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

5.1 Public Protection Service, within Public Health, is reporting an under spend of £0.305m due to staffing costs being charged to Covid grant and additional funding.

6. Place Directorate

6.1 The Directorate is reporting a nil variance this month. This is an improved position from the October reported £0.121m over spend. The pressures arising from the impact on income targets following delegated decisions signed off in June 2021 have been set against savings from Treasury Management activity.

6.2 COVID-19 related additional spend and income foregone totals £3.785m. The majority of this continues to relate to loss of car parking income.

7. **Corporate Items**

7.1 The overall position shows a nil variance.

7.2 COVID-19 financial support continues to be held here, and is being used to offset pressures that have arisen across all Directorates due to the pandemic; currently these are forecast to a total of £17.302m.

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	1.723	0.688	1.176	0.414
People	3.160	3.160	0.000	0.000	0.000
ODPH	0.028	0.028	0.000	0.000	0.000
Customer & Corporate Place	4.571	1.136	1.896	0.019	1.520
Corporate Items	1.035	0.080	0.045	0.257	0.653
	1.050	1.015	0.000	0.000	0.035
2021/22 Savings	13.845	7.142	2.629	1.452	2.622

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	0.168		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	
Children - Savings	4.001	1.723	0.688	1.178	0.414
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	1.485			
People - savings	3.160	3.160	0.000	0.000	0.000

ODPH					
Additional Income	0.008	0.008			
Additional Income #2	0.020	0.020			
ODPH - savings	0.028	0.028	0.000	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	0.917	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		
Customer & Corporate Services and Executive Office savings	4.571	1.136	1.896	0.019	1.520
Place					
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	
Place savings	1.035	0.080	0.045	0.257	0.653
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	7.142	2.629	1.452	2.622