

Cabinet



Date of meeting:	08 February 2022
Title of Report:	Finance Monitoring Report December 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
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Your Reference:	Fin/djn/2021(09)
Key Decision:	No
Confidentiality:	Part I - Official

Purpose of Report

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

The overall savings plans for the year continue to be set out in detail in Appendix A. Of the total target savings of £13.845m, Directorates are reporting that £8.016m (over 57%) are already achieved, with a further £3.416m (over 24%) on course to be delivered by the end of the year.

Recommendations and Reasons

That Cabinet:

1. Notes the current revenue monitoring position;
2. Approves the virements as shown in Section C to Full Council and
3. Approve the revision of the Capital Budget 2021-2026 to £688.366 (as shown in Section D Table I) to Full Council 28 February 2022

This is part of the monthly monitoring cycle to ensure good financial reporting in line with 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.

Sign off:

Fin	pl.21. 22.24 6	Leg	LS/37 984/A C/27/ 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: 17/12/2021											
Cabinet Member approval: Councillor Nick Kelly (Leader)											
Date approved: 21/12/2021											

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	196.094	0.526

The forecast revenue outturn after the application of Covid grants and council mitigating actions is currently estimated at £0.526m over budget, which is a variance of +0.27% against the net budget (+0.10% against the gross budget). This is a favourable movement in the month of £0.218m from the last report (period 8). 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.

The pandemic continues to have a major impact on our financial resources, with a potential drawdown of £18.284m against the currently available grants. Accordingly there is a nil impact on the forecast variance.

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	5.655	(0.226)	0.000	on budget
Customer and Corporate Services	44.031	45.267	(1.212)	0.024	over
Children's Directorate	53.074	63.575	(9.410)	1.091	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	28.708	(3.732)	0.000	on budget
Corporate Items	(20.846)	(39.414)	18.284	(0.284)	under
Total	195.568	196.094	0.000	0.526	over

1. Executive Office

- 1.1 The Executive Office is reporting a balanced position. COVID-19 related pressures reflect additional costs associated with court activity and resourcing.

2. Customer and Corporate Services Directorate

- 2.1 The Directorate is forecasting an over spend of £0.024m. This has improved by £0.594m in the last month owing to treasury management performance, savings on training budgets and continued management of staffing costs, aided by the use of the Covid Outbreak Management Fund. COVID-19 costs have grown due to impact on court fee income.

3. Children's Directorate

- 3.1 The Directorate is forecasting an over spend of £1.091m; this is an increase of £0.677m from the November forecast. £0.362 relates to a shortfall against savings; £0.201m pressure within Children's Social Work relating to increased assessment costs; and £0.114m increased interagency fees with the Regional Adoption Agency.

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

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

Place Directorate

- 4.2 The Directorate is reporting a balanced position, although COVID-19 related additional spend and income foregone totals £3.732m. The majority of this continues to relate to loss of car parking income.

5. Corporate Items

- 5.1 Favourable variances of £0.284m are expected at a corporate level and in addition. COVID-19 financial support continues to be held here.

SECTION C: VIREMENTS

Directorate	Departmental movements £'000	Totals £'000
Executive Office	0	0
Customer and Corporate Services	477	477
Children's Directorate	(360)	(360)
People Directorate	0	0
Public Health	0	0
Place Directorate	(118)	(118)
Corporate Items	0	0
	0	0

These changes occurred in Q1 and reflect the full year effect of the Business Support Review

Recommendation:

For Cabinet to approve these virements

SECTION D Capital Finance Report Quarter 3 2021/22

The five-year capital budget 2021-2026 is currently forecast at £688.366m as at 31 December 2021. The capital budget has been adjusted to take into account the new approvals or changes to the capital programme and to adjust the future funding assumptions shown in table 1.

Current Capital Resources

Table 1 The Capital budget consists of the following elements:

Description	£m
Approved Capital Programme 2021-2026	402.356
Future Funding Assumptions *	286.010
Total Revised Capital Budget for Approval (2021-2026)	688.366

* Estimate of funding to be received to finance future capital projects (funding see Table 2b)

The above table includes both existing programming and programming where funding may become available looking forward.

Capital Programme

New schemes are added to the Programme following approval of an agreed business case. Once in receipt of officer authorisation, these business cases are presented for Executive decision and then reported to Cabinet in the quarterly updates to the Capital Programme.

Future Funding Assumptions

The current estimate of future capital funding for the next five years 2021-2026 is £286m. (see table 2b). This figure changes from time to time and comprises both ring-fenced and un-ringfenced grants, SI06 resources and other external contributions.

Tables 2a and 3 below show the revised capital programme for the period 2021-2026, as at 31 December 2021.

Additions to the capital programme during the quarter

Table 2. Additions to the capital programme

During the quarter, the new approvals are as follows:

Project	£'000
Purchase of a Freehold Property Interest	2,069
Ballard House Roof Repairs	1112
New Data Migration Centre	221
National Marine Park (Development)	803
Derriford District Park	17,860
Safer Streets	444
Settled Housing – PATH	220
Woolwell to the George	33,501
Housing – Brownfield Land Release Funded Projects	950
Green Homes	1,752
King George V Playing Field	31
Plymouth Natural Grid	169
Other	566
Total	59,698

All additions to the capital programme in Table 2 above are fully funded within the existing budget.

The capital programme is delivering some major projects across the city and it has won large grant funding bids for these projects. Some of the notable projects:

- Future High Streets Fund grant - £12.047m
- National Marine Park - National Heritage Lottery Fund award £9.6m
- The Eclipse project - £1.887m
- Forder Valley Link Road – £41.191m
- Forder Valley Interchange - £7.336m
- Transforming Cities Fund – £51.244m
- Brunel Plaza redevelopment of Plymouth Train Station – £26.224m
- Highway maintenance and essential engineering – £19.198m
- Plymouth Crematorium - £13.001m
- Woolwell to the George – Levelling Up Fund - £19.924m
- Brownfield Land Release Funding - £0.600m
- Safer Street - £0.418m
- Green Homes - £1.752m

Revised Capital Programme**Table 2a Capital Programme by Directorate**

Directorate	2021/22	2022/23	2023/24	2024/25	2025/26	Total
	£m	£m	£m	£m	£m	£m
People	8.930	11.876	3.716	0.132	0.132	24.786
Place - Economic Development	29.534	74.537	34.728	0.418	0.080	139.297
Place – Strategic Planning and Infrastructure	58.149	84.886	18.465	8.600	0.756	170.856
Place – Street Services	22.404	14.702	3.963	2.017	0	43.086
Customer & Corporate Services	8.768	3.193	0	0	0	11.961
Public Health	12.370	0	0	0	0	12.370
Total	140.155	189.194	60.872	11.167	0.968	402.356
Financed by:						
Capital Receipts	1.618	5.632	6.428	0.619	0.836	15.133
Grant funding	50.860	69.000	14.293	0.132	0.132	134.417
Corporate funded borrowing	47.282	33.011	10.208	9.310	0	99.811
Service dept. supported borrowing	33.041	70.424	26.433	0.304	0	130.202
Developer contributions	5.051	11.124	3.510	0.802	0	20.487
Other contributions	2.303	0.003	0	0	0	2.306
Total Financing	140.155	189.194	60.872	11.167	0.968	402.356

Table 2b Future Funding Assumptions

Future Funding Estimates	2021/22	2022/23	2023/24	2024/25	2025/26	Total
	£m	£m	£m	£m	£m	£m
Service borrowing & external loans	26.250	30.850	2.120	4.696	5.000	68.916
Grants	10.548	16.456	20.787	30.416	105.094	183.301
SI06 and CIL	4.071	4.452	4.088	3.736	3.791	20.138
Other sources	2.771	6.971	1.288	1.335	1.290	13.655
Total	46.640	58.729	28.283	40.183	115.175	286.010

Table 3: Capital Programme by Delivery Outcome

Primary Outcome of Projects	£m
Securing Growth in the City Centre/Waterfront	17.247
Securing Growth in Derriford and the Northern Corridor	75.642
Securing Growth in the Eastern Corridor	3.922
Delivering More/Better Housing	28.162
Ensuring Essential City Infrastructure	86.840
Improving Neighbourhoods and Community Infrastructure	5.511
Ensuring Good Quality School Places	0.868
Growing the Economy	74.514
Delivering Oceansgate	4.202
Connecting the City	32.068
Celebrating Mayflower	1.160
Delivering The Box	0.936
Transforming Services	71.284
Total	402.356

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	2.562	0.401	0.262	0.776
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	2.845	0.019	0.571
Corporate Items	1.035	0.080	0.170	0.257	0.528
	1.050	1.050	0.000	0.000	0.000
2021/22 Savings	13.845	8.016	3.416	0.538	1.875

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	0.293		0.207	
Fostering	0.670	0.189	0.082		0.399
Troubled Families	0.650	0.505	0.145		
Placement Review	1.400	1.171	0.174	0.055	
Management Actions	0.450	0.225			0.225
Children - Savings	4.001	2.562	0.401	0.262	0.776
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	2.845	0.019	0.571
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	0.170	0.257	0.528
Corporate					
Schools PFI - adjustments	1.015	1.015			
Income target not allocated	0.035	0.035			
Corporate savings	1.050	1.050	0.000	0.000	0.00
Overall Total savings	13.845	8.016	3.416	0.538	1.875