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| Date of meeting: | 25 November 2024 |
| Title of Report: | Capital Monitoring Report September 2024 (Quarter 2) |
| Lead Member: | Councillor Mark Lowry (Cabinet Member for Finance) |
| Lead Strategic Director: | David Northey, (Service Director for Finance) |
| Authors: | Wendy Eldridge, Lead Accountancy Manager (Capital and Treasury Management) |
| Contact Email: | David.Northey@plymouth.gov.uk |
| Your Reference: | |
| Key Decision: | No |
| Confidentiality: | Part I - Official |

Purpose of Report

This report sets out the capital monitoring position of the Council forecast at Period 6, September 2024.

Recommendations and Reasons

That Council approves:

1. The revised Capital Budget 2024-2029 £372.669m as shown in Table I.
Reason: controlling the outturn within budget is essential to maintain financial control with full transparency on the Capital Investments.
Reason: controlling the outturn
2. Note the Prudential Indicators Q2 2024/25

Alternative options considered and rejected.

There are no alternative options – our Financial Regulations require us to produce regular monitoring of our finance resources.

Relevance to the Corporate Plan and/or the Plymouth Plan

The 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 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:

Financial risks concerning period 6 reporting are discussed in the body of the report and relate to the attainment of a balanced budget position in financial year 2024/25.

Carbon Footprint (Environmental) Implications:

There are 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 within budget is paramount to ensuring the Council can achieve its objectives

Appendices

| 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> | | | | | | |
|------|-------------------|--|---|---|---|---|---|---|
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Background papers:

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> | | | | | | |
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Sign off:

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|---|-----------------------|-----|--|------------|---------------------------------------|----|--|--------|--|--------------|--|
| Fin | DJN.2 4.25.1 30 | Leg | LS/0 000 339 0/14 /LB/ 15/1 1/24 | Mon Off | Click here to enter text. | HR | | Assets | | Strat roc | |
| Originating Senior Leadership Team member: David Northey (Service Director for Finance) | | | | | | | | | | | |
| Please confirm the Strategic Director(s) has agreed the report? Yes | | | | | | | | | | | |
| Date agreed: 11/11/2024 | | | | | | | | | | | |
| Cabinet Member approval: Cabinet | | | | | | | | | | | |
| Date approved: 11/11/2024 | | | | | | | | | | | |

The capital programme as at 30th September 2024 incorporates the movement from Q1 position at 30 June 2024, with the five year capital budget 2024-2029 currently forecast at £372.669m.

Table 1 reflects the change in 5 year programme scope and movement through new approvals and variations.

Capital Programme Movement

Table 1 The Capital Budget consists of the following elements:

| Description | £m |
|---|----------------|
| Capital Programme as at 30 June 2024 for 5 year period 2024 - 2029 | 360.488 |
| New Approvals – June to September see Table 3 for breakdown | 19.097 |
| Variations – June to September | (6.916) |
| Total Revised Capital Budget for Approval (2024/25 -2028/29) | 372.669 |

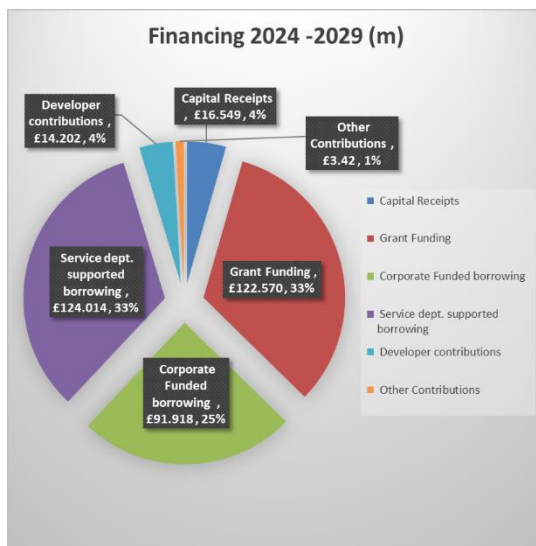
A breakdown of the current approved Capital Budget by directorate and by funding is shown in Table 2 below.

Table 2 Capital Programme by Directorate

| Directorate | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Total |
|--|----------------|----------------|---------------|---------------|---------------|----------------|
| | £m | £m | £m | £m | £m | £m |
| Children's Services | 0.735 | 0.114 | | | | 0.848 |
| Adults, Health and Communities | 28.120 | 11.922 | 0.842 | 0.164 | | 41.048 |
| Growth - Economic Development | 34.082 | 32.181 | 42.215 | 16.715 | 12.582 | 137.775 |
| Growth - Strategic Planning & Infrastructure | 61.444 | 49.298 | 28.915 | 0.672 | 0.275 | 140.605 |
| Growth - Street Services | 24.860 | 11.835 | 0.295 | 0.234 | 0.212 | 37.435 |
| Customer and Corporate | 3.465 | 4.093 | 0.728 | 0.280 | 0.101 | 8.667 |
| Office for Director of Public Health | 6.221 | 0.070 | | | | 6.291 |
| Total | 158.927 | 109.513 | 72.995 | 18.065 | 13.170 | 372.669 |
| Financed by: | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Total |
| | £m | £m | £m | £m | £m | £m |
| Capital Receipts | 3.230 | 1.763 | 9.368 | 0.180 | 2.008 | 16.549 |
| Grant Funding | 87.765 | 34.565 | 0.023 | 0.023 | 0.193 | 122.570 |
| Corporately Funded Borrowing | 32.621 | 35.352 | 22.539 | 0.860 | 0.545 | 91.918 |
| Service Supported Borrowing | 28.800 | 33.872 | 34.100 | 16.920 | 10.322 | 124.014 |
| Developer Contributions | 3.968 | 3.129 | 6.921 | 0.082 | 0.102 | 14.202 |
| Other Contributions | 2.542 | 0.831 | 0.043 | | | 3.416 |
| Total | 158.927 | 109.513 | 72.995 | 18.065 | 13.170 | 372.669 |

Based on the latest 2024/25 forecast totalling £158.927m, actual spend as at 30 September 2024 was £37.188m which equates to 23.40% of forecast figure of the Capital Programme for 2024/25.

Analysing historical monthly actual figures to overall outturn for years 2019 – 2024 has identified a percentage spend as at 30 September averaging 33.42% compared to final outturn. Applying this to current year actual spend with a 10% contingency threshold would indicate a 2024/25 outturn forecast closer to £115m.



Finance officers continue to work with Project Officers reviewing forecasts to ensure any necessary reprofiling is reported.

Of the 5-year programme, £91.918m is forecast to be funded from corporate borrowing which equates to 25% of programme. Work is ongoing to update the capital pipeline which will identify further corporate borrowing requirements. The affordability of the capital programme and future funding assumptions is under review.

Table 3 Capital new approvals Q2 including funding

| Service / Directorate | Governance | New Approvals | 5 Year Programme Approvals £ m | Financed By |
|--------------------------------|------------|---|--------------------------------|-----------------|
| SPI | S151 | National Cycle Network Barrier Removal | 0.002 | S106 |
| PH | S151 | Plymouth Life Centre - Pool Covers | 0.019 | RF Grant |
| ED | S151 | Plymouth & S Devon Freeport Project: Land at Sherford | 0.200 | RF Grant |
| ED | S151 | Mount Edgcombe Orangery Toilets | 0.006 | SB |
| CS | S151 | Cann Bridge - SEN Expansion | 0.075 | RF Grant |
| CS | S151 | Mill Ford - SEN Satellite Provision | 0.075 | RF Grant |
| CCO | S151 | Prince Rock Gas Main Replacement | 0.200 | URF CB |
| SS | S151 | Grass Cutting Equipment 2024 | 0.154 | RF SB |
| CS | S151 | Mill Ford - Devolved Capital | 0.034 | RF Grant |
| SPI | S151 | Woolwell to The George (widening & Park & Ride) | -0.206 | URF Grant |
| CCO | S151 | St Budeaux Public Toilet | 0.118 | URF CB/RCCO |
| CCO | S151 | Four Woods Nursery Boiler Replacement | 0.042 | URF CB |
| CCO | S151 | Midland House IT Decommissioning | 0.100 | RF SB |
| CCO | Exec Dec | Theatre Royal Roof Repairs | 0.289 | URF CB |
| AHC | Exec Dec | Efford Youth & Community Centre | 0.500 | URF CB |
| AHC | Exec Dec | Honicknowle Youth & Community Centre | 0.500 | URF CB |
| ED | Exec Dec | Plymouth and South Devon Freeport Dredging | 0.382 | RF Grant |
| AHC | Exec Dec | Disabled Facilities (incl Care & Repair works) | 3.469 | RF Grant/Cont |
| SPI | Exec Dec | Harewood House | 0.458 | RF Grant/URF CB |
| SPI | Exec Dec | Plymouth Major Road Network | 6.356 | RF Grant/S106 |
| ED | Exec Dec | Future High Streets Fund - Civic Centre | -8.500 | RF Grant |
| ED | Exec Dec | Future High Streets Fund - Civic Centre | 2.450 | CB |
| SPI | Exec Dec | City Centre Public Realm Old Town St / New George St | 1.294 | CB |
| SPI | Exec Dec | Armada Way Delivery | 10.754 | CB / Cap Rec |
| ED | Exec Dec | Mount Edgcombe English Garden House | 0.326 | RF Grant / Cont |
| Total Capital Approvals | | | 19.097 | |

*Executive Decision (Published)

| Glossary | |
|----------|-------------------------------------|
| AHC | Adults, Health and Communities |
| CS | Childrens Services |
| SPI | Strategic Planning & Infrastructure |
| SS | Street Services |
| ED | Economic Development |
| CCO | Customer and Corporate Services |

| Glossary | |
|----------|-----------------------|
| RF | Ring Fenced |
| URF | Unring Fenced |
| CB | Corporate Borrowing |
| SB | Service Borrowing |
| Cap Rec | Capital Receipts |
| Cont | External Contribution |

The budget for 2024/25 was £176.029m at the start of Q2, against this (£17.102m) has been reprofiled into future years to reflect latest project plans with notable variances listed below:

- Property Regeneration Fund (£3.930m)
- Langage Development South Phase 2 (£1.370m)
- Woolwell to The George (£2.577m)
- Forder Valley Interchange (£1.326m)
- Transport Capitalised Maintenance (£2.146m)
- Street scene & Waste Vehicles (£2.747m)
- Re-provision of Vines & Colwill Lodge (£2.511m)

Together with new approvals programmed for 2024/25 and variations produces a latest forecast for 2024/25 totalling £158.927m.

Table 5 below includes a breakdown by directorate of actual cash spend as at 30 September 2024 shown as a value and percentage against latest forecast, overall 23.40%. Comparable percentage for 2023 was 20.98%.

Table 5 2024/25 Programme including actual spend and % spent compared to latest forecast

| Directorate | Latest Forecast 2024/25 | Actual Spend as at 30 Sept 2024 | Spend as a % of Latest Forecast |
|--|-------------------------|---------------------------------|---------------------------------|
| | £m | £m | £m |
| Children's Services | 0.735 | 0.138 | 18.76% |
| Adults, Health and Communities | 28.120 | 8.174 | 33.37% |
| Growth - Economic Development | 34.082 | 8.526 | 33.67% |
| Growth - Strategic Planning & Infrastructure | 61.444 | 8.657 | 25.01% |
| Growth - Street Services | 24.860 | 6.668 | 14.09% |
| Customer and Corporate | 3.465 | 1.166 | 26.82% |
| Office for Director of Public Health | 6.221 | 3.860 | 62.05% |
| Total | 158.927 | 37.188 | 23.4% |

Profiling of the capital programme will continue to review robustness of forecasts to spend as project officers assess the inflationary impact to schemes and challenges to meet grant funding conditions.

A detailed monitoring project forecast has been issued to Service Directors highlighting projects with grant risk, specifically within Children's services £16m grant funding has been awarded by Department for Education with an element at risk of clawback unless specific devolved funds received in 2020/21 is spent.

Progression of grant funding with government departments has been impacted by general election restrictions, risk is held with National Marine Park project awaiting approval for LUF grant.