

Date of meeting: 10 February 2025

Title of Report: **Finance Monitoring Report December 2024**

Lead Member: Councillor Mark Lowry (Cabinet Member for Finance)

Lead Strategic Director: David Northey, (Service Director for Finance)

Authors: Helen Slater, Assistant Head of Finance
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Your Reference:

Key Decision: No

Confidentiality: Part I - Official

Purpose of Report

This report sets out the revenue and capital monitoring position of the Council forecast to the end of the financial year 2024/25 at Period 9.

Recommendations and Reasons

That Cabinet notes:

1. The forecast revenue monitoring position at Period 9 as set out in this report is an adverse variance of £1.842m
2. Senior Officers will continue to work with Cabinet to reduce the forecast overspend
Reason: controlling the outturn within budget is essential to maintain financial control.
3. The Capital Budget 2024-2029 is revised to £395.864.
Reason: controlling the outturn within budget is essential to maintain financial control with full transparency on the Capital Investments.
Reason: controlling the outturn

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 9 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 1 of the Local Government Act 1972 by ticking the relevant box.</i>						
		1	2	3	4	5	6	7

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>						
	1	2	3	4	5	6	7

Sign off:

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Originating Senior Leadership Team member: David Northey (Service Director for Finance)											
Please confirm the Strategic Director(s) has agreed the report? Yes											
Date agreed: 29/01/2025											

Cabinet Member approval: Councillor Mark Lowry (Cabinet Member for Finance)

Date approved: 29/01/2025

SECTION A: EXECUTIVE SUMMARY

Table 1: Revenue Forecast

	Budget £m	Forecast £m	Variance £m
Total General Fund Budget	241.622	243.464	1.842

1.1 This report highlights an adverse variance monitoring position at Month 9 (December 2024). A breakdown of this is set out in Table 2.

SECTION B: DIRECTORATE REVIEW

Table 2: Revenue Forecast by Directorate

Directorate	Budget £m*	Forecast £m	Forecast Net Variance £m	Status
Chief Executive's Office	7.154	7.010	(0.144)	under
Customer and Corporate Directorate	36.250	39.029	2.779	over
Children's Directorate	75.431	86.470	11.039	over
Adults, Health and Communities Directorate	108.921	111.389	2.468	over
Public Health	2.703	2.703	0.000	nil variance
Growth Directorate	31.472	30.647	(0.825)	under
Corporate Account & Council wide items	(20.309)	(33.784)	(13.475)	under
Total	241.622	243.464	1.842	over

*Please note that Directorate budgets changed at Month 7 due to the allocation of pay award budgets.

2.1 The reported position is an adverse variance of £1.842m. This an improvement of £0.617m since Month 8.

Chief Executive's Office

Month 9 Position – Chief Executive's Office Directorate	Variance £m	RAG Rating
Pressures		
B/Fwd savings plans	0.229	Green
Savings / mitigations		
Vacancy/Staff related	(0.231)	Amber
Income maximisation	(0.101)	Green

Ad hoc savings	(0.040)	Green
Variance to report	(0.144)	

- 3.1 Chief Executive Office is reporting a saving of (£0.144m) at Month 9, this is a increase in savings of (£0.104m) from month 8.
- 3.2 The additional (£0.104m) has come from staff related savings of (£0.073m), both additional vacancies and pay award savings. Ad Hoc savings of (£0.021m) across the directorate and (£0.010m) of income maximisation.

Customer and Corporate Services Directorate

Month 9 Position – Customer and Corporate Directorate	Variance £m	RAG Rating
Pressures		
Hard Facilities Management and loss of income from Guildhall closure	3.000	Amber
Housing Benefit Subsidy Gap	0.320	Amber
Savings / mitigations		
Net savings across directorate	(0.541)	Amber
Variance currently not mitigated	2.779	

- 4.1 At Month 9 the pressure has increased by £0.221m from the Month 8 position, meaning £2.779m has been identified as unmitigated.
- 4.2 The forecasted pressure within Hard FM has increased by £0.500m to reflect the latest spend profile continuing to Financial Year End on Facilities Management repairs and maintenance. Work to capitalise costs where possible and focus on priority repairs and maintenance only remains ongoing. The Housing Benefit subsidy gap pressure of £0.908m remains unchanged, which has been offset by (£0.588m) reduction in Bad Debt Provision, the net position is therefore £0.320m pressure.
- 4.3 Additional savings of (£0.200m) within Business Support and Libraries are due to holding vacancies through to financial year end. With (£0.079m) of further savings identified in HR and Finance due to forecasted reduction in training budgets and savings on holding vacancies. These savings add to the already identified (£0.262m) within the directorate, totalling net savings across the directorate of (£0.541m).

Children's Directorate

Children, Young People & Families	Variance £m	RAG Rating
Pressures		
Looked After Children – Placements	4.981	Red
Legacy Delivery Plan Pressures	3.446	Red
Staffing/Agency Pressures	1.378	Amber
0-25 SEND Staffing Costs	0.276	Amber

Home to School Transport	0.296	Amber
Short Breaks	1.093	Amber
Mitigations		
Assumption Placement Step Downs	(0.431)	Red
Variance currently not mitigated	11.039	

- 5.1 At Month 9 pressures totalling £11.039m are currently being flagged as unmitigated, this is an increase of £2.333m from Month 8.
- 5.2 In-year Placement monitoring shows a net pressure of £4.981m, this is an increase of £0.320m from the previous reported position. Plans to step other children forward have reduced by £0.691m to £0.431m. This gives a net Placements forecast of £4.550m.
- 5.3 Currently all planned mitigations are required to offset the placements pressure, there are no further plans to meet legacy delivery plans within the budget totalling £3.446m. This results in a pressure against delivery plans which is not expected to be offset in year.
- 5.4 Agency staff costs have increased in order to meet statutory requirements and maintain caseloads at a manageable level. The recently re-branded and re-launched recruitment campaign has successfully recruited to some senior positions, but it is has not attracted permanent experienced social workers.
- 5.5 Within Education, Participation and Skills the risks associated with the Short Breaks Service budget has now been added to the forecast as it not expected that these costs can be mitigated in year. Numbers of children accessing short breaks has increased from 286 to 320 in 2024/25.
- 5.6 There continues to be a forecast overspend within the 0-25 SEND team, however this has reduced by £0.016m to £0.276m at Month 9, with pressures being related to staffing levels required to meet demand. Previous years' overspends in this area were allocated to the DSG but an ESFA review of spend has meant that all SEND administrative services will be charged in full to revenue.
- 5.7 The forecast pressure within SEND Home to School Transport has reduced by £0.052m to £0.296m at Month 9. The pressures relates to increased route costs effecting the Service's ability to make efficiency savings.

Management Actions

- 6.1 Extensive work is taking place through the Homes for Cared for Children Programme to address this increase through planning for 14 children to move on from a residential placement in this financial year and assessments are taking place for other young people whose needs can be better met with a family member, in foster care or in supported living.
- 6.2 Children have also been identified whose needs can be well met from reunification home or with extended family members or with a move from Independent Foster Carer to a Plymouth Foster Carer.
- 6.3 A Children's Brokerage team has been recruited to strengthen market engagement, placement finding and market management and monitoring and quality assurance.

- 6.4 Options for greater Plymouth based provision for children and young people are being developed.
- 6.5 Recruitment campaign and retention initiatives are being reviewed again and priority posts are being recruited to. The Director of Children's Services chairs a weekly recruitment panel, attended by the Director of Human Resources and Service Directors, to scrutinise and approve recruitment to every post within the Directorate. Only posts that are essential and where the role cannot be delivered in another way are approved.
- 6.6 The financial and support offer to Plymouth Foster Carers has been improved and there are some early signs that this is starting to have an impact with more enquiries (25) which has resulted in 13 applications received and proceeding to stage 1 (this conversation rate of over 50% is significantly higher than last year).

Adults, Health and Communities Directorate

Adult Social Care

Month 9 Position – Adult Social Care	Variance £m	RAG Rating
Pressures		
Reduction in client income	2.396	Amber
Care Package Expenditure	1.777	Amber
Other service pressures	0.080	Green
Mitigations		
Vacancy savings and non-staffing savings	(0.637)	Green
Service Delivery Contingency	(0.516)	Green
Delivered – Additional BCF Funding	(0.487)	Green
In Progress – Intermediate Dom Care Review	(0.500)	Amber
Variance not currently mitigated	2.033	

- 7.1 At Month 9 pressures totalling £2.033m are currently being flagged as unmitigated, this is an increase of £0.595m from the Month 8 position.
- 7.2 Pressures within Nursing Long Stay Care Packages (£0.573m), Short Stay Packages (£0.710m), Domiciliary Care (£0.493m) and Supported Living (£0.427m) are being offset in part by savings in other package types including Direct Payments and Residential Care, resulting in a net pressure of £1.777m on Care Package expenditure budgets.
- 7.3 Pressures due to reduced Client Income are being flagged; the bulk of which are within Fairer Charging (£1.930m) and Residential Client Income (£0.670m) which are having a significant impact on the budget, totalling a forecast pressure of £2.396m. The forecast has improved by a further £0.200m since Month 8 due to additional Joint Funding following a review of high-cost placements.
- 7.4 The service is reviewing obligations related to Intermediate Dom Care and whether funding can be recovered for this, or whether the provision can be stopped.
- 7.5 At Month 9 the vacancy savings target of (£0.460m) has already been achieved, with additional vacancy savings of (£0.581m) being forecast based on holding vacancies within the structure. The

Service are also expecting all brought forward and in-year delivery plans savings (£8.881m) to be met.

Community Connections

Month 9 Position – Community Connections	Variance £m	RAG Rating
Risk: Increase in numbers in Temporary Accommodation	0.660	Amber
Risk: Delivery Plans – Expected delays in planned activity	0.386	Amber
Other service pressures	0.279	Amber
Mitigation: Salary savings, grant maximisation and line by line budget review	(0.890)	Amber
Position to report at Month 9	0.435	

- 8.1 Community Connections has a delivery plan target of £1.000m in this financial year. Currently there are delays in delivery of the plans associated with this target which is creating a pressure of £0.386m at Month 9. To mitigate this, further work is being undertaken alongside the larger property purchase projects to find alternative properties.
- 8.2 The Service is also seeing continued growth in numbers of people needing temporary accommodation, resulting in a pressure of £0.660m. Whilst this is expected to be covered in part by staffing savings and grant maximisation a pressure of £0.435m remains unmitigated, however this is a reduction of £0.186m since Month 9.

Office of the Director of Public Health (ODPH)

Month 9 Position – ODPH	Variance £m	RAG Rating
Risk: Bereavement Service (increased Service Borrowing, reduced income)	0.696	Amber
Mitigation: Leisure Management efficiencies (Service Borrowing and Electricity)	(0.251)	Amber
Mitigation: Savings within Public Protection Service (staffing)	(0.099)	Amber
Mitigation: Reviewing forecast expenditure, income and capitalisation of costs associated with the new Crematorium.	(0.346)	Amber
Position to report at Month 9	0.000	

- 9.1 Additional service borrowing and reduced income within Bereavement are creating forecast pressures of £0.696m within the Service's budgets, which is offset in part by savings within Leisure Management, and Public Protection. Work is ongoing to explore expenditure containment, increased income opportunities and ensuring spend on the new Crematorium is capitalised where appropriate. The intention is that the overall pressure will be mitigated so there is currently nil variance reported, this is the same position as Month 8.

Growth Directorate

Growth Directorate Month 9 Budget Monitoring Summary	£m Variance	
Pressures		1.741
- Shortfall on Legacy Delivery Plan savings	1.305	

- In year business as usual pressures	0.436	
Mitigations / savings		(2.566)
- Economic Development, including lease income	(1.066)	
- Assumed 24-25 Energy from Waste profit share income (tbc)	(1.500) *	
Variance to report		(0.825)

- 10.1 The Growth Directorate are continuing to project total cost pressures of £1.7m.
- 10.2 £1.3m of the £1.7m forecast pressure is from a shortfall in previously agreed 23-24 savings delivery plans. This includes the impact of delayed implementation of route optimisation, garden waste pressures, non-implementation of income charges that were budgeted from household waste recycling centres, and historical legacy targets without specific action plans.
- 10.3 £0.4m of business-as-usual pressures, are arising largely in the delivery of Street Scene & Waste, & Grounds. This includes from a need for agency staff, unscheduled vehicle maintenance & external hire. Pressures also include the cost of a new SSR overhead recharge that has been levied from 2024-25 on grant funded posts, as in the majority of instances, this cannot be claimed or met from within already committed projects.
- 10.4 It is forecast that these £1.7m pressures, can be mitigated by an estimated (£2.5m) of mitigation measures. Mitigations include income maximisation from assumed future Energy from Waste profit share, and commercial lease renewals.
- 10.5 *It should be highlighted however that unplanned outages during December at the Energy from Waste plant, put the achievement of the forecast £1.5m profit share mitigation measure, at risk of not being fully achievable.

Corporate Items & Council wide

Month 9 Position – Corporate Items	Variance £m	RAG Rating
Pressures		
Facilities Management – Corporate costs	0.465	Amber
Pay Award	0.633	Green
Mitigations		
Treasury Management Savings	(2.289)	Amber
Release of general contingency	(3.913)	Green
Release of minimum revenue provision contribution not required	(5.707)	Green
Contingency brought forward from prior years	(0.384)	Green
Prior year council tax surplus	(1.000)	Green
Release of insurance provision	(0.300)	Green
Housing Benefit overpayment recovery	(0.680)	Amber
Use of reserves	(0.300)	Amber
Variance to report at Month 9	(13.475)	

- 11.1 Facilities Management (FM) continue to see additional costs associated with the corporate estate. These are all fully mitigated in-year by one-off savings and resolved going forward into 2025/26.

- 11.2 £3.913m of usable general contingency monies, held in case of in year cost pressures and £0.384m of brought forward contingencies have been released to support pressures within Directorate budgets. At Month 9 £0.300m has been identified in usable reserves to support the in-year overspend.
- 11.3 In addition to this £1.000m of Council Tax funding held within reserves is also being released,
- 11.4 The pay award for 2024/25 has now been agreed which resulted in additional costs of approximately £3.8m, this was £0.633m more than budgeted for which has put a pressure on the Corporate budget. Treasury Management savings due to project slippage £2.289m have also been added.
- 11.5 Budget held for Minimum Revenue Provision of £5.707m that is no longer required has been released to offset pressures within Service areas.
- 11.6 A quarterly review of Business Rates, including the Business Rates Pool, and Council Tax collections versus assumptions was undertaken at Quarter 2. An increase to the Pooling Gain assumption and additional s31 grants expected removes previously anticipated pressures within Core Resources. This has been updated for Quarter 3.

Core Resources Summary - Quarter 3			
	Budget	Q3 Forecast	Variance
Revenue Support Grant	(12.328)	(12.328)	0.000
Council Tax	(139.479)	(140.684)	(1.205)
Business Rates	(82.065)	(81.169)	0.896
NNDR Pooling Gain	(2.750)	(2.441)	0.309
Reserves	(5.000)	(5.000)	0.000
Total	(241.622)	(241.622)	(0.000)

Savings Budgets 2024/25

- 12.1 The additional savings built into Directorate budgets for 2024/25 are set out below:

Directorate	Savings 2024/25 £m	Plan	RAG Rating
Children's	Total Savings (1.873) Related Growth 0.777 Net Savings Target (1.096)	Net savings associated with profile of placement types	Red
Adults, Health and Communities	(1.500)	£1.000m reduction in Homelessness spend	Amber
		£0.500m release of Bad Debt Provision	Green
ODPH	(0.200)	Contribution to revenue budgets	Green

Corporate Items	(0.900)	Minimum Revenue Provision and Bad Debt Provision release	Green
	(3.696)		

CAPITAL

- 13.1 The capital programme as at 31st December 2024 incorporates the movement from Q2 position at 30 September 2024, with the five year capital budget 2024-2029 currently forecast at £395.864m.
- 13.2 Table 1 reflects the change in 5 year programme scope and movement through new approvals and variations.

Capital Programme Movement

- 13.3 Table 2 The Capital Budget consists of the following elements:

Description	£m
Capital Programme as at 30 September 2024 for 5 year period 2024 - 2029	372.669
New Approvals – October to December see Table 3 for breakdown	24.205
Variations – October to December	-1.010
Total Revised Capital Budget for Approval (2024/25 -2028/29)	395.864

- 13.4 The capital pipeline is £97.563m and reflects projects that have been endorsed either through Capital Programme Board or noted through Cabinet decisions.
- 13.5 These projects are not included in Table 2 capital programme below but they have been considered within the capital financing strategy 2025/26.
- 13.6 December monitoring included project reprofiling of £21.279m previously reported within 2024/25 into future years, £15.902m of this related to a targeted review of 30 projects.
- 13.7 A breakdown of the current approved Capital Budget by directorate and by funding is shown in Table 3 below.

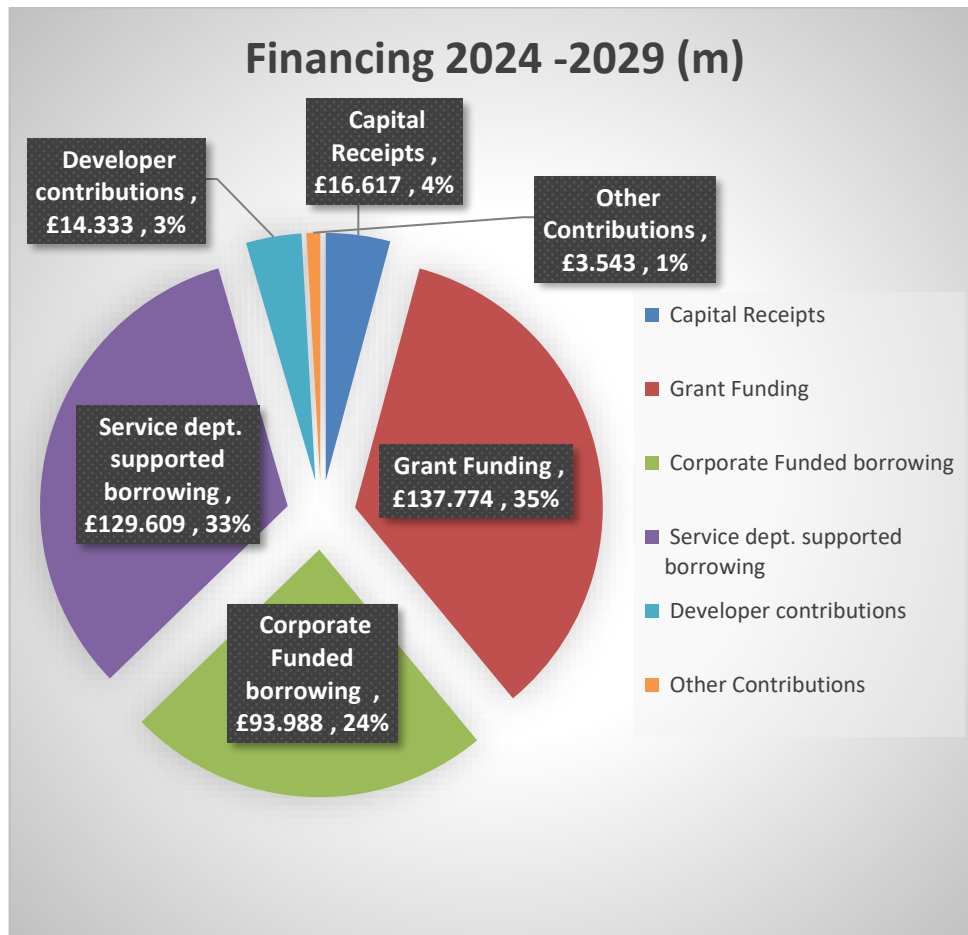
Table 3: Capital Programme by Directorate

Directorate	2024/25	2025/26	2026/27	2027/28	2028/29	Total
	£m	£m	£m	£m	£m	£m
Children's Services	1.716	1.991	-	-	-	3.707

Adults, Health and Communities	16.809	20.935	3.617	0.164	-	41.525
Growth - Economic Development	30.810	48.482	42.181	16.575	12.427	150.475
Growth - Strategic Planning & Infrastructure	40.963	65.375	28.090	8.280	0.275	142.983
Growth - Street Services	18.673	20.359	0.372	0.241	0.212	39.857
Customer & Corporate Services	4.548	4.903	0.728	0.280	0.100	10.559
Office for Director of Public Health	6.488	0.270	-	-	-	6.758
Total	120.007	162.315	74.988	25.540	13.014	395.864

Financed by:	2024/25	2025/26	2026/27	2027/28	2028/29	Total
	£m	£m	£m	£m	£m	£m
Capital Receipts	2.002	3.048	9.379	0.180	2.008	16.617
Grant Funding	70.477	63.094	0.741	3.269	0.193	137.774
Corporate Funded borrowing	23.108	39.638	27.198	3.666	0.378	93.988
Service dept. supported borrowing	21.117	43.423	36.655	18.080	10.334	129.609
Developer contributions	1.705	11.430	1.015	0.082	0.101	14.333
Other Contributions	1.598	1.682	-	0.263	-	3.543
Total	120.007	162.315	74.988	25.540	13.014	395.864

Financing presented as a percentage



- 13.8 Based on the latest 2024/25 forecast totalling £120.007m, actual spend as at 31st December 2024 was £63.799m which equates to 53.16% of forecast figure of the Capital Programme for 2024/25.
- 13.9 Analysing historical monthly actual figures to overall outturn for years 2019 – 2024 has identified a percentage spend as at 31st December averaging 68.06% 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 £100m.
- 13.10 Finance officers continue to work with Project Officers reviewing forecasts to ensure any necessary reprofiling is reported.
- 13.11 An exercise has been undertaken reviewing 30 projects with highest balance of outstanding spend to 2024/25 latest forecast at 30 November 2024, 17 of these projects were reprofiled and £15.902m forecast expenditure slipped into future years. The remaining 13 projects are on track to spend as per forecast by year end.
- 13.12 Of the 5-year programme, £93.988m is forecast to be funded from corporate borrowing which equates to 24% 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 4: Capital new approvals Q3 including funding

Service / Directorate	Governance	New Approvals	5 Year Programme Approvals £m	C P O G	Financed By
ED	Exec Dec	Plymouth & South Devon Freeport Langage Spine Road Design	1.300		RF Grant
ED	Exec Dec	Plymouth and South Devon Freeport Langage Core Infrastructure	0.550		RF Grant
ED	Exec Dec	Plymouth & South Devon Freeport A38 Deep Lane	4.019		RF Grant
ED	Exec Dec	Oceansgate Phase 3.1 - Innovation Area	6.900		RF Grant/ RF SB
ED	Exec Dec	Plymouth & South Devon Freeport : Princess Yachts Factory	0.315		RF Grant
PH	Exec Dec	Plymouth Life Centre - Gym Refurbishment	0.487		RF SB
SPI	Exec Dec	Local Electric Vehicle Infrastructure (LEVI)	2.415		RF Grant
CCO	Exec Dec	Mount Edgcumbe Slipway	0.550	✓	URF CB
CCO	Exec Dec	Replacement of CoreHR for Itrent	0.958		URF CB
CS	Exec Dec	Early Years Capital Expansion Programme	0.435		RF Grant
ED	Exec Dec	Future High Streets Fund - Guildhall	0.491	✓	RF SB
SS	Exec Dec	Food Waste Collection Service Vehicles and Containers	2.297	✓	RF Grant/RF SB
CS	Exec Dec	Development of Children's Homes (Project A)	2.000	✓	RF SB
AHC	Exec Dec	Re-provision of Vines and Colwill Lodge	0.469		URF CB
SS	S151	Improving Outdoor Play Phase 3	0.007	✓	RF Grant
SPI	S151	Northern Corridor Strategic Cycle Network	0.010	✓	RF Cap Rec
SS	S151	Military Road Adoption Scheme	0.114		RF Cont
ED	S151	Mount Edgcumbe Garden Battery Enabling Works	0.045		RF Cap Rec
ED	S151	Mount Edgcumbe Vehicle	0.012		RF Cap Rec
CS	S151	Residential Short Breaks	0.200		RF SB
CS	S151	SEND Sufficiency Plan Programme	0.200		URF Grant
ED	S151	UKSPF: Nudge Community Builders	0.001	✓	RF Grant
AHC	S151	Disabled Facilities (incl Care & Repair works)	0.007	✓	RF Cont
SS	S151	Street Furniture Replacements	0.003	✓	RCCO
CS	S151	Cann Bridge (Downham) - Modular Units Fit Out	0.000	✓	URF Grant
CS	S151	Lipson Vale - Fire Alarm	0.003		RCCO
CCO	S151	Elliot Terrace Waldorf Room Water Damage Repairs	0.139	✓	URF CB
CCO	S151	3 Elliot Terrace Front Elevation repairs and Decoration	0.101	✓	URF CB
CCO	S151	Plympton Guildhall Structural Repairs	0.020	✓	URF CB
CCO	S151	Remediation works to Raglan Court	0.011	✓	URF CB
CCO	S151	Burrington Way - Annex Building Drake Hill Court	0.116	✓	RF SB
CS	S151	Mill Ford Toilets	0.030	✓	URF Grant
Total Capital Approvals			24.205		

*Executive Decision (Published)

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

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

Capital Programme 2024/25 monitoring

14.1 The budget for 2024/25 was £158.927m at the start of Q3, against this (£38.918m) has been reprofiled into future years to reflect latest project plans with notable variances listed below:

- Zero Emission Bus Regional Areas (£3.513m)
- Plan for Homes Programme (£3.974m)
- Woolwell to The George (£2.823m)
- Plymouth Major Road Network (£2.831m)
- Transport Capitalised Maintenance (£2.588m)
- Street scene & Waste Vehicles (£2.713m)
- Chelson Meadow Solar Farm (£4.734m)
- Plymouth Sound National Marine Park (£3.110m)
- Dispersed Temporary Housing (£4.594m)
- The Royal Building (£4.945m)

14.2 Together with new approvals programmed for 2024/25 and variations produces a latest forecast for 2024/25 totalling £120.009m.

14.3 Table 4 below includes a breakdown by directorate of actual cash spend as at 31st December 2024 shown as a value and percentage against latest forecast, overall 53.16%. Comparable percentage for 2023 was 50.17%.

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

Directorate	Latest Forecast 2024/25	Actual Spend as at 31 Dec 2024	Spend as a % of Latest Forecast
	£m	£m	%
Children's Services	1.716	0.661	38.52%
Adults, Health and Communities	16.809	10.596	63.04%
Growth - Economic Development	30.812	13.902	45.12%
Growth - Strategic Planning & Infrastructure	40.963	20.935	51.10%
Growth - Street Services	18.673	10.445	55.94%
Customer & Corporate Services	4.548	2.470	54.33%
Office for Director of Public Health	6.488	4.790	73.83%
Total	120.009	63.799	53.16%

14.4 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.

14.5 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.

14.6 Progression of grant funding with government departments has been impacted by delays with funding announcements, is held with National Marine Park project awaiting approval for funding originally announced as Levelling up funding.

Prudential Indicators Q3 2024/25

- 15.1 The Authority measures and manages its capital expenditure, borrowing and commercial and service investments with references to the following indicators.
- 15.2 It is now a requirement of the CIPFA Prudential Code that these are reported on a quarterly basis.
- 15.3 **Capital Financing Requirement:** The Authority's cumulative outstanding amount of debt finance is measured by the capital financing requirement (CFR). This increases with new debt-financed capital expenditure and reduces with MRP / loans fund repayments and capital receipts used to replace debt.
- 15.4 The actual CFR is calculated on an annual basis.

	2023/24 actual £m	2024/25 forecast* £m	2025/26 budget £m	2026/27 budget £m
General Fund services	866.405	986.460	1051.045	1192.790

* Arlingclose have been commissioned to review impact for accounting for a change in the accounting for leases (IFRS16).

- 15.5 **Gross Debt and the Capital Financing Requirement:** Statutory guidance is that debt should remain below the capital financing requirement, except in the short term. The Authority has complied and expects to continue to comply with this requirement in the medium term as is shown below.

	2023/24 actual £m	2024/25 forecast* £m	2025/26 budget £m	2026/27 budget £m	Debt at 31.12.2024 £m
Debt (incl. PFI & leases)	774.032	919.225	1005.286	1172.139	753.432
Capital Financing Requirement	866.405	986.460	1051.845	1192.790	

- 15.6 **Debt and the Authorised Limit and Operational Boundary:** The Authority is legally obliged to set an affordable borrowing limit (also termed the Authorised Limit for external debt) each year. In line with statutory guidance, a lower "operational boundary" is also set as a warning level should debt approach the limit.

	Maximum debt Q3 2024/25 £m	Debt at 31.12.24 £m	2024/25 Authorised Limit £m	2024/25 Operational Boundary £m	Complied? Yes/No
Borrowing	664.532	664.532	900.000	800.000	Yes
PFI and Finance Leases	89.974	88.900	269.000	269.000	Yes
Total debt	754.506	753.432	1169.000	1069.000	

15.7 Since the operational boundary is a management tool for in-year monitoring it is not significant if the boundary is breached on occasions due to variations in cash flow, and this is not counted as a compliance failure.

15.8 Provision for £100m has been included in authorised limit and operational boundary in 2024/25 for a CFR increase arising from a change in the accounting for leases

15.9 **Net Income from Commercial and Service Investments to Net Revenue Stream:** The Authority's income from commercial and service investments as a proportion of its net revenue stream has been and is expected to be as indicated below.

	2023/24 actual £m	2024/25 forecast £m	2025/26 budget £m	2026/27 budget £m
Total net income from service and commercial investments	(3.258)	(3.283)	(3.382)	(3.090)
Proportion of net revenue stream	1.50%	1.30%	1.34%	1.22%

15.10 **Proportion of Financing Costs to Net Revenue Stream:** Although capital expenditure is not charged directly to the revenue budget, interest payable on loans and MRP / loans fund repayments are charged to revenue.

15.11 The net annual charge is known as financing costs; this is compared to the net revenue stream i.e. the amount funded from Council Tax, business rates and general government grants.

	2023/24 actual £m	2024/25 Forecast £m	2025/26 Budget £m	2026/27 Budget £m
Financing costs (£m)	34.820	41.519	50.262	53.887
Proportion of net revenue stream *	16.01%	17.18%	19.87%	21.09%

* includes removal of MIEL MRP pending capitalisation direction

Previously reported incl MIEL MRP	17.62%
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15.12 The increase in financing costs for 2025/26 reflects the current approved capital programme and assumption on capitalisation direction for the MIEL transaction.