

SCRUTINY MANAGEMENT BOARD



Date of meeting:	24 June 2025
Title of Report:	Budget Monitoring 2025-26
Lead Member:	Councillor Mark Lowry (Cabinet Member for Finance)
Lead Strategic Director:	Ian Trisk-Grove (Service Director for Finance)
Author:	Helen Slater (Assistant Head of Finance), Wendy Eldridge (Lead Accountancy Manager)
Contact Email:	Helen.Slater@plymouth.gov.uk
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 2025/26, at Month 2.

Recommendations and Reasons

1. That Cabinet notes the forecast revenue monitoring position at Month 2, is a nil variance but with risks highlighted
2. Senior Officers will continue to work with Cabinet to reduce budgetary risks
Reason: controlling the outturn within budget is essential to maintain financial control, including full transparency on Capital investments.

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 Month 2 reporting are discussed in the body of the report and relate to the attainment of a balanced budget position in financial year 2025/26.

(Provided by LB)

Carbon Footprint (Environmental) Implications:

There are no impacts directly arising from this report.

Other Implications: e.g. Health and Safety, Risk Management, Child Poverty:

** When considering these proposals members have a responsibility to ensure they give due regard to the Council's duty to promote equality of opportunity, eliminate unlawful discrimination and promote good relations between people who share protected characteristics under the Equalities Act and those who do not.*

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

*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	Budget Monitoring Month 2 2025/26							

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)						
	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.						
	1	2	3	4	5	6	7

Sign off:

Fin	OW. 25.26. 024	Leg	LS/00 0038 41/6/ LB/11 /07/2 5	Mon Off	N/A	HR	N/A	Assets	N/A	Strat Proc	N/A
Originating Senior Leadership Team member: Ian Trisk-Grove											

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

Date agreed: 09/07/2025

Cabinet Member approval: *Approved verbally – Councillor Lowry*

Date approved: 09/07/2025

EXECUTIVE SUMMARY

1.1. This budget monitoring report currently shows nil variance at Month 2 but highlights budgetary risks in several Directorates

Table 1: General Fund Revenue Forecast

	Budget £m	Forecast £m	Forecast Net Variance £m
Total General Fund Budget	253.418	253.418	0.000

2. DIRECTORATE REVIEW

2.1. The reported position is a nil variance at Month 2; this is the first reported position for the 2025/26 financial year.

Table 2: Revenue Forecast by Directorate

Directorate	Budget £m	Forecast £m	Forecast Net Variance £m	Status
Adults, Health and Communities Directorate	119.128	119.128	0.000	nil variance
Chief Executives Office	1.632	1.632	0.000	nil variance
Children's Directorate	90.775	90.775	0.000	nil variance
Customer and Corporate Services Directorate	43.316	43.316	0.000	nil variance
Growth Directorate	29.579	29.579	0.000	nil variance
Office of the Director of Public Health	3.874	3.874	0.000	nil variance
Corporate Items	(34.885)	(34.885)	0.000	nil variance
Total	253.418	253.418	0.000	

3. ADULTS, HEALTH AND COMMUNITIES' DIRECTORATE

Table 3: Adults, Health and Communities Directorate Forecast

Adults, Health and Communities Directorate	Budget £m	Forecast £m	Forecast Net Variance £m
Adult Social Care	113.455	113.455	0.000
Community Connections	5.673	5.673	0.000

3.1. The Adults, Health and Communities Directorate is reporting nil variance in Month 2 but is flagging the following risks, actions and mitigations:

- £0.726m forecast pressure within Domiciliary Care budgets related to volume increases (numbers of clients and weekly hours of care).
- £0.872m forecast pressure within Residential Care budgets relating to the cost of packages, driven by increased complexity of need.

- 3.2. It is anticipated at this point in the year that increased ASC care packages costs will be offset by increased client income; there is a correlation between increased package costs and income recoverable from clients and through joint (health) funding
- 3.3. £1.175m of savings targets have been achieved, with £1.558m savings targets unachieved at this point – these relate to savings through the Target Operating Model (TOM) and anticipated salary savings.
- 3.4. All non-package budgets (including staffing and contracts) will be monitored at Month 3; this will provide a more accurate assessment of the progress against savings targets.
- The ASC Budget Containment Group has been set up for 2025/26 and will focus on the following areas initially:
 - Domiciliary Care, included Intermediate
 - Residential and Nursing Care Packages – both long and short term
 - Income – health funded
 - Working age adults

The function of the group is to focus on emerging high-risk areas, assigning task groups to identify actions to be taken to contain spend, such as focused package reviews.

- 3.5. Within Community Connections: in the build-up to the Renters Reform Bill coming into effect in Autumn 2025, numbers of clients accessing Temporary Accommodation, within Community Connections, have increased. Further analysis will be undertaken at Month 3 to ascertain whether this is a temporary increase, and quantify the impact for this, and future, financial years.

4. CHIEF EXECUTIVE'S OFFICE

Table 4: Chief Executive's Office Forecast

Chief Executive's Office	Budget £m	Forecast £m	Forecast Net Variance £m
Chief Executive's Office	1.632	1.632	0.000

- 4.1. The Chief Executive Office is reporting nil variance at Month 2. Costs associated with Local Government Reorganisation are currently in line with expectations but continue to be closely monitored.

All budgets will be reviewed at Month 3.

5. CHILDREN'S DIRECTORATE

Table 5: Children's Directorate Forecast

Children's Directorate	Budget £m	Forecast £m	Forecast Net Variance £m
Children's Social Care	72.971	72.971	0.000
Children's Central Spine	11.282	11.282	0.000
Education, Participation and Skills	6.521	6.521	0.000

5.1. The Children's Directorate is reporting nil variance in Month 2 but is flagging the following risks:

5.2. £0.613m of Children's Social Care placement related savings have already been achieved but £2.181m savings targets are unachieved at Month 2. However, there are tangible plans for savings associated with specific children and these savings targets were originally profiled across a full year. There is risk with these savings plans from potential delays around transition, and new alternative provision offers not being forthcoming.

5.3. Whilst the current forecasts for Children's Social Care placements are within budget, 7 residential placements have been agreed recently at panel, and the impact of this is not included at Month 2. If all these children are placed, the potential impact on the Month 3 full year monitoring position could be over £2m.

- The structural redesign within the Service to meet National Reform guidelines is ongoing, which will avoid reliance on agency staffing.

5.4. Education, Participation and Skills will report their first monitoring position at Month 3.

5.5. Early indications show that the number of estimated EHCP applications, used to set the Home to School Transport budget (which correlates to a rise in home to school transport costs) was accurate. The actual number of EHCP requests compared to budgeted EHCP requests will continue to be monitored each month, as well as the expected number of EHCP which are approved and result in eligibility for Home to School Transport. Budgeted savings plans will also continue to be monitored.

6. CUSTOMER AND CORPORATE SERVICES DIRECTORATE

Table 6: Customer and Corporate Services Directorate Forecast

Customer and Corporate Services Directorate	Budget £m	Forecast £m	Forecast Net Variance £m
Customer and Corporate	43.316	43.316	0.000

6.1. The Customer and Corporate Services Directorate is reporting nil variance at Month 2 but the Directorate is flagging the following risks:

- Within Hard FM there is an estimated £0.500m of surveys to be undertaken
- In Soft FM budgets there is an estimated £0.145m impact, due to reduced income as a result of the extended closure of the Guildhall
- There is an estimated £0.188m pressure on departmental management budgets due to potentially unachievable savings targets

6.2. At this point, the Directorate expects to mitigate some of the risks identified, however there are not yet fully developed plans in place to cover these pressures in their entirety.

All budgets will be monitored at Month 3 and may identify further savings to offset risks.

7. GROWTH DIRECTORATE

Table 7: Growth Directorate Forecast

Growth Directorate	Budget £m	Forecast £m	Forecast Net Variance £m
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Growth Directorate	29.579	29.579	0.000
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7.1. The Growth Directorate are working towards a balanced revenue budget position for 2025-26. This includes containing pressures predominantly from Street Services both in terms of increasing cost base and realising income targets which in the current climate are challenging. In particular, the Directorate are reviewing the projected £1.300m income from the Energy from Waste profit share which is likely to be reduced.

8. OFFICE OF THE DIRECTOR OF PUBLIC HEALTH

Table 8: Office of the Director of Public Health Forecast

Office of the Director of Public Health	Budget £m	Forecast £m	Forecast Net Variance £m
ODPH	3.874	3.874	0.000

8.1. The first reported monitoring position for the Office of the Director of Public Health will be at Month 3, this will include all budgets within the Directorate including Bereavement, Civil Protection and Leisure Management.

9. CORPORATE ITEMS

Table 9: Corporate Items Forecast

Corporate Items	Budget £m	Forecast £m	Forecast Net Variance £m
Treasury Management	23.861	23.861	0.000
Corporate Items	(58.746)	(58.746)	0.000

9.1. There is currently no monitoring variance to report within Corporate Items. This area holds budgets relating to Treasury Management and centrally held grant funding and central expenditure budgets.

A full review and forecast of Treasury Management budgets will be actioned at Month 3.

9.2. There is currently no confirmation of the nationally agreed NJC pay award, provision in the budget allows for a 3% uplift. The initial offer that has been rejected by unions was a 3.2% increase, which would result in a financial pressure of approximately £0.230m; as this has been rejected it is anticipated that any final agreed award would be higher.

10. CORE RESOURCES

Table 10: Core Resources Forecast

Core Resources	Budget £m	Forecast £m	Forecast Net Variance £m
Revenue Support Grant	(12.662)	(12.662)	0.000
Council Tax	(149.450)	(149.450)	0.000
Business Rates	(86.584)	(86.584)	0.000

Reserves	(4.722)	(4.722)	0.000
Total	(253.418)	(253.418)	0.000

10.1. Table 10 breaks down the 'Core Resources' which fund the net revenue budget for 2025/26. A full reconciliation will be undertaken quarterly to identify any variances against the budgeted levels.

11. CAPITAL

11.1. The 5-year programme approved by Full Council in February 2025 totaled £395.864m. Subsequent revisions to this programme have been agreed through the City Council's governance framework, with a summary of movements reported to Cabinet on 12th May 2025 as part of the 2024/25 Provisional Outturn report. This latest reported position is set out unchanged in table 11 below.

Table 11: Revised Capital Programme for the period 2024 – 2029

Directorate	2024/25 Actual	2025/26 Forecast	2026/27 Forecast	2027/28 Forecast	2028/29 Forecast	Total Programme
	£m	£m	£m	£m	£m	£m
Growth	81.778	168.755	63.760	23.268	19.378	356.939
Adults, Health & Communities	15.451	19.061	8.792	0.166	-	43.470
Children's Services	1.145	3.117	-	-	-	4.262
Customer & Corporate Services	4.700	3.741	1.378	0.280	0.101	10.200
Office for Director of Public Health	6.235	0.523	-	-	-	6.758
TOTAL	109.309	195.197	73.930	23.714	19.479	421.629

11.2. The Capital accounting team have recently finalised the Council's balance sheet position as part of the production of the 2024/25 Statement of Accounts. A full capital programme monitoring exercise, working with project officers to re-forecast and re-profile the position presented above, will be undertaken for the Month 3 finance monitoring report.