

FINANCIAL MODELLING

The following financial model shows the projected operational position for PAL over 5 years and for the total of the contract, with the impact to PCC revenue budgets also shown

	2026/27 £m	2027/28 £m	2028/29 £m	2029/30 £m	2030/31 £m	TOTAL 2026 to 2031	TOTAL 2026 to 2042
Operational							
Income	(7.569)	(7.973)	(8.412)	(8.674)	(8.966)	(41.593)	(157.605)
Expenditure (incl depreciation)	8.184	8.477	8.688	8.895	9.103	43.345	159.330
Operational (surplus)/deficit	0.615	0.504	0.276	0.221	0.137	1.752	1.725
Enhancement of Facilities	0.046	0.193	0.122	0.026	(0.007)	0.381	(1.510)
Other							
Agency charge to PCC	(0.553)	(0.491)	(0.348)	(0.259)	(0.191)	(1.842)	(2.907)
(Surplus)/Deficit	0.108	0.207	0.050	(0.012)	(0.061)	0.291	(2.692)
Cost to Plymouth City Council							
Agency charge to PCC	0.553	0.491	0.348	0.259	0.191	1.842	2.907
PCC service borrowing costs	0.000	0.042	0.042	0.042	0.042	0.167	0.557
	0.553	0.533	0.390	0.301	0.233	2.009	3.464

It shows the subsidy required over the term, with the financial modelling indicating that business growth within agency services is likely to have a beneficial impact on the Council's revenue position, with the potential opportunity to re-invest surpluses to meet asset management costs, or to release an MTFP saving.