

Financial and Performance Outturn 2018/19 - including Capital Programme (Subject to External Audit)

Cabinet



Date: 11 June 2019

Title of Report: Financial and Performance Outturn 2018/19 – including Capital Programme (Subject to External Audit)

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

Lead Strategic Director: Andrew Hardingham (Service Director for Finance)

Author: Paul Looby (Head of Financial Planning and Reporting)
Hannah West (Finance Business Partner)
Andrew Loton (Senior Performance Advisor)

Contact Email: paul.looby@plymouth.gov.uk
hannah.west@plymouth.gov.uk
andrew.loton@plymouth.gov.uk

Your Reference:

Key Decision: No

Confidentiality: Part I - Official

Purpose of Report

This report is the financial and performance outturn report for 2018/19 and details the position of the Council as at the end of March 2019. The report consists of three sections:

- **Section A** **Corporate Plan Quarter 4 Performance Report**
- **Section B** **Revenue Finance Outturn 2018/19**
- **Section C** **Capital Programme Outturn 2018/19**
- **Appendix A** **Revenue Outturn Variances 2018/19**

In terms of performance against the Corporate Plan, this report provides analysis of quarter four (January to March 2019) performance against the Council's key performance indicators (KPIs), providing a detailed performance update against the Corporate Plan priorities.

This report forms part of the Council's Performance Framework and is a key part of our aim to achieve a 'golden thread' from the Corporate Plan and its KPIs, through to service and team level business plans, and ultimately to individual objectives

In 2018/19 we increased the number of indicators reported, from 27 in the quarter four 2017/18 report to 47 in this, the quarter four 2018/19 performance report. Completely new measures that demonstrate how the Council contributes to the economic growth of the city have been developed. Whilst these measures are still being refined, they indicate that the inward investment secured by the Council has improved in 2018/19 by over £100m to £266m compared to the previous year (£163m). This has been analysed to calculate that more than 6,000 new jobs will have been created by this investment. We have also introduced a Cleanliness Index that looks at public perception of streets and grounds. The new processes to inspect and improve our streets and grounds, whilst still embedding, are showing a steady improvement in the proportion of streets and grounds graded as "acceptable," which now stands at 87.8%. Areas for focus in 2019/20 include increasing spend locally and with small to medium sized enterprises, our commitment to reducing carbon and continuing to promote

recycling, re-use and composting, which has improved slightly over the year but more needs to be done.

In Caring we have seen some significant progress in some of our most important areas where performance has been historically challenging. Delayed transfers of care have seen a good level of improvement in performance reporting in quarter four at 1.3 days being attributed to adult social care, compared to 5.7 days per month in the 2017/18 quarter four report. This means we have improved from being amongst the worst in the country to being better than the England average. There has also been notable improvements in our performance when supporting the most vulnerable. Our use of bed and breakfast has shown an improvement, reported at 46.2 (average number of families in bed and breakfast) in quarter four 2017/18; this is now at 34.7, meaning that more suitable accommodation is being offered to those in most need. However more needs to be done to prevent homelessness. There is still significant pressure in both adult and children's social care and improved performance in repeat referrals to children's social care and sustaining improvements to reduced children with multiple child protection plans.

Customer experience will be a clear focus in 2019/20 building on improvements made to our newly introduced customer experience indicator and focusing on performing better in our resolution of complaints, which has not performed particularly well in 2018/19. Results from the Staff Survey were encouraging and we will continue to support employees in the delivery of their jobs in often difficult circumstances and look to work with our Human Resources department to address staff welfare and sickness issues.

The Council's gross revenue budget for 2018/19 was £501.679m which after allowing for income and grants was £185.556m. The financial outturn position before any adjustments is an overspend of £1.117m against the budget set in February 2018. Assuming the transfers to and from reserves a breakeven position will be declared i.e. an outturn of £185.556m.

In comparison to 2017/18 the overspend before any adjustments (e.g. the use of section 106 grants) was £2.411m. This year represents an improvement although the £1.117m will be drawn from the Council's working balance with the aim to repay this sum during the financial year starting 1 April 2019. This will be reflected within the developing Medium Term Financial Plan.

As is normal practice, this report proposes a number of adjustments to the financial accounts following the financial review always undertaken by the Section 151 Officer at the end of the year. Decisions made as part of this report will feed into the Council's annual Statement of Accounts which is subject to external audit. The external audit is expected to commence at the start of July 2019 with the final accounts approved and signed off by our external auditors at the end of July 2019.

As at 31 March 2019 the Working Balance stands at £8.050m and the final Capital outturn position is £98.963m. The Working Balance has a recommended minimum set at 5% of the net revenue budget. This minimum is approved by Council. Due to the continued pressures felt, the Council has had to make further use of its Working Balance reducing it to 4.3% of the net revenue budget.

Recommendations and Reasons

1. That Cabinet note the Corporate Plan Quarter Four Performance Report and consider the implications for delivery of the Council's priorities.
2. Note the provisional outturn position as at 31 March 2019.
3. Note the use of Working Balances to ensure a balanced position is achieved in 2018/19.
4. **Note the Capital Report including the Capital Financing Requirement of £134.005m..**

Alternative options considered and rejected

None considered as it is a statutory requirement to report on the use of the Council's budget funds.

Relevance to the Corporate Plan 2016/17-2018/19

This outturn report is fundamentally linked to delivering the priorities within the Council's Corporate Plan and sets out how the Council has allocated its limited resources to key priorities to maximise the benefits to the residents of Plymouth.

Implications for the Medium Term Financial Plan and Resource Implications:

The Medium Term Financial Plan (MTFP) is a core component of the Council's strategic framework and has a vital role to play in translating the Council's ambition and priorities set out in the Corporate Plan 2018-22-

After drawing £1.117m from working balances the overall outturn position is break even against our gross budget of £501.679m which is testament to the robust financial management and discipline across all areas of the Council.

Given the size of the financial challenge faced for 2018/19, with a total savings target of £11.534m, balancing the budget, albeit using one off additional funds, is a major achievement for the Council. This was an essential objective due to the continuing reduction in funding from central government and an even more financially challenging 2019/20 and beyond.

The MTFP will now be updated to take account of the outturn position as detailed in this report, with the aim of restoring the working balance to 5%.

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

In considering the budget variations for the year, Directors will identify any potential risks to delivering the budget in future years and risk assess the delivery of approved budget savings in 2019/20. These will be monitored as part of the corporate reporting process.

All actions taken as part of the Corporate Adjustments have been considered for their impact on: council priorities, legal obligations, customers and other services and partners.

When managing performance, where potential implications are identified from the implementation of any new activities arising from the Corporate Plan, assessments will be undertaken in line with the Council's policies.

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>						
		1	2	3	4	5	6	7
	Revenue Outturn Variances 2018/19							

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 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
The Local Government Act 2003							
The Local Authorities (Capital Finance and Accounting) (England) Regulations 2003							
The Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2015							
Capital Financing Regulations (2012)							
2017/2018 Annual report							

Sign off:

Fin	djn1920.1 7 pl19.20.1 6.	Leg	lt/32563 /3005 lt.32654 /3005	Mon Off	Click here to enter text	HR	Click here to enter text.	Assets	Click here to enter text.	Strat Proc	Click here to enter text.
Originating Senior Leadership Team member: Andrew Hardingham, Giles Perritt.											

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

Date agreed: 30/05/2019

Cabinet Member signature of approval: Electronic signature (or typed name and statement of 'approved by email') on Cabinet member approval only]

Date: 30/05/2019