

Date of meeting:	14 June 2021
Title of Report:	Capital and Revenue Outturn Report 2020/21
Lead Member:	Councillor Nick Kelly (Leader)
Lead Strategic Director:	Brendan Arnold (Service Director for Finance)
Author:	David Northey – Head of Integrated Finance
Contact Email:	David.northey@plymouth.gov.uk
Your Reference:	Fin/djn/2021
Key Decision:	No
Confidentiality:	Part I - Official

Purpose of Report

The primary purpose of this report is to detail how the Council has delivered against its financial measures using its capital and revenue resources, to note relevant budget variations and virements, and report new schemes approved in the capital programme.

For the financial year 2020/21, the Council has balanced its budget, reporting a breakeven position. The overall net spend matches the net budget of £193.677m.

Within this overall balanced position the following headline financial issues are reported:

- A variance of £0.625m overspent on a gross expenditure budget of £514.089m for business as usual activities.
- A receipt in advance of COVID-19 grants is to be carried forward in the sum of £14.8m to 2021/22 for application to specific and general COVID-19 purposes in the new financial year.
- As part of this position, and to assist in preparing for budget settlements in 2022/23 and 2023/24 the Council is proposing to set aside a contingency in the sum of £3.526m.

At its meeting in September 2020, Cabinet sought and approved the creation of a Covid Reserve from General Fund resources to fund the additional costs and lost income arising from the Pandemic. This recommendation preceded confirmation of the level of grant funding the Government would provide for COVID-19 relates costs. Cabinet also approved in the Quarter 3 Monitoring report, the creation of a £0.750m Deferred Activity Reserve, giving total resources of £3.150m.

In light of the outturn position reached and the existence of a £14.8m carry forward of COVID-19 grants this additional resource is no longer required. In its place, Cabinet has decided that £3.5m of General Fund resources be carried forward as a contingency amount to assist in balancing the Council's financial position in financial years 2022/23 and 2023/24.

The movement from the business as usual over spend of £0.625m to the breakeven position takes account of the favourable financial yearend adjustments totalling £4.151m. These cover reversal of Revenue Contributions to Capital Outlay (RCCO) across several directorates £1.451m; an adjustment to the Minimum Revenue Provision (MRP) £1m; a major asset maintenance funding switch to capital £0.500m plus various leisure management associated cost adjustments £0.800m and the reversal of adult social care costs which have moved into 2021/22 £0.400m. Full details are covered within the body of this report.

The capital programme expenditure for 2020/21 is £105.741m. This is within the approved Capital Budget of £778.671m for 2021-2025 reported to Full Council on 22 February 2021. Please see Table 6 in Section C of the report.

It must be noted that this outturn position is still provisional but will now be used to form the 2020/21 Financial Statements. It is provisional due to the imminent external audit process which may necessarily result in adjustment to some of the provisional numbers; these include hedge accounting and clarification of pension accounting treatment.

Recommendations and Reasons

1. Note the provisional revenue outturn position as at 31 March 2021 and
2. Note the Capital Outturn Report including the Capital Financing Requirement of £105.741m.

Alternative options considered and rejected

None – our Financial Regulations require us to produce regular monitoring of our finance resources including a revenue and capital outturn position which culminates in the production of the 2020/21 annual statement of accounts.

Relevance to the Corporate Plan and/or the Plymouth Plan

The financial outturn 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 regularly 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.

Carbon Footprint (Environmental) Implications:

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 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
1	Capital and Revenue Outturn Report 2020/21							

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) <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: Brendan Arnold (Service Director for Finance)											
Please confirm the Strategic Director(s) has agreed the report? Yes											
Date agreed: 08/06/2021											
Cabinet Member approval: Councillor Nick Kelly (Leader)											
Date approved: 08/06/2021											