

## REVENUE BUDGET MONITORING APRIL 2014 TO JULY 2014

- 1.1 Appendix 2 outlines the Council's current financial position for the 2014/15 financial year to the end of July 2014 by Cabinet Portfolio. The Appendix shows the current forecast outturn position is an overspend of £1,685,000, or 0.41% of the gross expenditure budget (excluding Schools).
- 1.2 It is still relatively early in the current financial year and Strategic Directors will work to manage their budgets within the overall budget allocations approved by the Council. This will include the development of specific mitigating actions as the financial year progresses.
- 1.3 The forecast outturn position includes the requirement for the delivery of £10.88m savings as part of the approved budget for 2014/15.
- 1.4 Within the current £1,655,000 forecast overspend figure, there are areas of over and under spending which are detailed below, along with any planned management actions being taken to reduce projected overspends.
- 1.5 **Leader's Portfolio – forecast £507,000 overspend**

The overspend within this Portfolio is almost entirely due to the £500,000 additional income target from a Visitor Contribution scheme, which is not now achievable at the level anticipated. This is due to recent government legislation changes that would significantly reduce the anticipated yield from such a scheme.

### 1.6 **Community Resources Portfolio – forecast £175,000 underspend**

The forecast overspend on this portfolio is made up of the following variances:

**Support Services:** There is a £115,000 overspend in Support Services. Within this amount, there is a £205,000 forecast overspend within Resources Management owing to a one off cost of enabling proper coordination and phasing of managing savings, which once complete are due to achieve their target. In addition, there is a £98,000 overspend in Procurement, mainly caused by temporary contractors. These overspends are partially off-set by a forecast underspend in salaries of £151,000 in Customer Services, and a small underspend in Property Services.

**Corporate costs:** £290,000 forecast underspend, mainly due to the £100,000 budget for Carbon Reduction payments no longer being required as the Council is not part of this scheme, and a £185,000 saving in pension deficit costs following the Council's early payment of its share.

### 1.7 **Wellbeing Portfolio – forecast on target**

Although Fairer Contributions Income from personal contributions is now forecast to be £399,000 below budget (as these contributions and forecasts vary in line with

the financial position of individual service users), the net spend on commissioning of Older People's Services after these contributions is currently forecast to be on target.

#### **1.8 Early Years, Children & Youth Portfolio – forecast £958,000 overspend**

Within this Portfolio, there is an overspend forecast in the budgets for direct payments for children in care, particularly in the Independent Fostering and Parent & Baby Unit budgets, due to increased cases in these volatile budgets. There is also a £100,000 forecast overspend resulting from the use of agency staff with in the Children & Family Assessment & Intervention Team.

#### **1.9 Homes & Planning Portfolio – forecast on target**

Potential pressures within Planning Services following the restructure and reduction in capital income generation are likely to be off-set by increased Planning revenue income.

#### **1.10 Sustainable Development Portfolio – forecast £43,000 underspend**

The £200,000 savings target in Tourism & Destination Management is unlikely to be achieved. A review of budgets within this service is being undertaken to help mitigate this. Heritage income is again going very well and is forecast to be £243,000 over budgeted level. This results in a net underspend forecast for the Portfolio.

#### **1.11 Neighbourhoods Portfolio – forecast £439,000 overspend**

Within Environmental Services, there is a £254,000 forecast overspend in Waste Services, due to the cost of higher disposal tonnages, and an £80,000 shortfall in income with Parks & Grounds due to the underachievement of rents and sponsorship.

In addition, there is an overspend of £128,000 currently forecast in Libraries, where service redesign work is currently underway, but the delayed implementation will only realise half of the £255,000 savings target in 2014/15. These overspends are partially mitigated by a small underspend of staffing costs within Community Safety.

#### **1.12 Transport Portfolio – forecast on target**

It is planned to mitigate emerging staffing pressures within Transportation Planning & Policy within the Service. Parking income has been strong so far this year, and should meet budget expectations if the current trend continues, despite the loss of around £50,000 of income from Saw Close once the car park closes in September 2014.

1.13 The Council has requested that the delivery of the key savings for the 2014/15 budget, including potential impacts, should be included as part of the regular budget monitoring. The following table provides a narrative on key savings:

<b>Description of Saving</b>	<b>Target Saving Amount £'000</b>	<b>Amount Achieved to date £'000</b>	<b>Comments on saving including any service impacts or service user impacts</b>
<b><u>Wellbeing</u></b>			
Social Care savings	1,064	689	2 Targets: £375,000 reduced residential care from increase preventative services, and an already achieved £689,000 through targeted reductions and negotiated contract amendments.
In partnership with Sirona Care & Health, further efficiency savings.	868	293	Core contract savings £293,000 achieved, plus further efficiencies of £575,000 currently being implemented, subject to formal contract.
<b><u>Early Years, Children &amp; Youth</u></b>			
Connexions – Discontinuation of current form of service	480	480	On track. Contractual notice served to LPW and merged service in place.
<b><u>Leader</u></b>			
Visitor Contribution	500	0	This was a target for additional income to be derived by charging a voluntary contribution on visitors to Bath. Due to recent government legislation, this target will not be delivered as the scheme cannot be implemented as planned.
Corporate Procurement	200	150	This target applies to procurement across the Council. Part achieved via renegotiation of a major contract and plans for the remainder are still being worked on.
ICT - Corporate - rationalisation, improved procurement & new ICT Strategy (£500k), insourcing (£100k) and removal of transformation budget	800	800	Continuation of £350k target achieved in 2013/14. Plans for delivering this target are in place and on target.

(£200k).			
<b><u>Neighbourhoods</u></b>			
Libraries - to deliver the services differently in the future with support from our emerging Community Library Programme.	255	128	Plans in place for delivery but a 6 months delay in implementation is envisaged.
<b><u>Community Resources</u></b>			
Property Services – reduction in staffing levels.	230	230	Continuation of 2013/14 savings. 2014/15 plans are on target.
Property Services – increased revenue income through investment in Commercial properties	250	160	Approval has been given to purchase a property which will contribute towards the achievement of this target. There are continuing efforts to seek further appropriate investment opportunities.
<b><u>Sustainable Development</u></b>			
Heritage Services – higher net profit.	450	450	2 Targets: £250,000 as per Business Plan plus a £200,000 stretched profit target. Currently forecast on target anticipating that this will be met.
Identification of further Commercial activity for Heritage and related services.	200	0	Possibilities are being looked at and recommendations will follow in coming months as a result of a review of opportunities.
Destination Management Saving	200	0	Saving unlikely to be achievable. Review of all budget lines within Destination Management budgets to be undertaken.

## **CAPITAL BUDGET MONITORING – APRIL 2014 TO JULY 2014**

2.1 The 2013/14 Capital Programme approved by Council in February 2014 was £67.084m. £12.263m of provisional capital projects has been approved and re-phasing of £18.026m made in the 2013/14 Outturn Report on 16 July 2014.

2.2 The approved Capital Programme for 2014/15 is currently £97.373m, and is detailed in Appendix 5(ii). Changes to the Capital Programme since July Cabinet are shown highlighted in Appendix 5(i).

### **Progressing Capital Projects Update**

2.3 **Bath Western Riverside** Residential occupations for phase 1 are complete with 58 open market and 55 Affordable units. Phase 2 has 135 Units complete, with 105 under construction in 2014 and Phase 3 has 55 affordable homes are under construction. The energy centre is complete and commissioning underway. The Gas Holder has been decommissioned and Hazardous Storage License revoked.

2.4 **London Road.** Original scheme proposal has been re-evaluated in light of comments received from cycling community groups, and a revised scheme developed which has support from community groups. A preferred contractor is identified and appointed. Highways approvals and Traffic Regulation Order are being progressed, with a target completion for the scheme of Winter / Spring 2015.

2.5 **Rossiter Road** The contract for works is let and work commenced in July. The scheme is on target for completion in November 2014.

2.6 **Batheaston Bridge** All works are now complete and the bridge was formally opened by Councillor Ian Gilchrist on 15<sup>th</sup> July after being delayed due to very wet conditions through last Winter and Spring. Tree planting due to commence in the Autumn.

2.7 **Victoria Bridge.** Off-site steelwork fabrication and iron conservation works are ongoing, whilst on-site conservation of stonework is substantially complete and the construction of substructures ongoing. The deck installation has commenced and is progressing well. All works are due for completion by January 2015.

2.8 **Bath Flood Mitigation.** The production of Environmental Impact Assessment, Planning Application and Listed Building Consents is currently underway for submission envisaged in August 2014. Works due to commence in mid-2015.

### **2.9 Bath Transport Package**

(1) **Lansdown.** The replacement sports pitch top soil has been stripped and remains on schedule to be completed in September 2014.

(2) **Newbridge** Works to the north section of the carriageway is currently running behind programme due to the removal of the Japanese Knotweed and drainage issues. New sections of the highway boundary retaining walls are progressing, with highways reinstatement works scheduled to start in August. The stone

formation to the new car park is nearing completion with drainage and attenuation tanks being installed. The piling for the facilities building has commenced.

- (3) **Real Time Information (RTI)** All 102 buses for service in and around Bath have been fitted with the RTI equipment. On street displays installation is due to commence in Autumn 2014, subject to performance checks.
- (4) **Bus Stops** 282 stops out of 378 have been upgraded and the programme is expected to complete around March 2015.
- (5) **Bus Shelters** The First and second phase of the shelter installation programme is complete; 57 shelters (from 197) & 50 (from 181) poles have been installed to date, including 3 new shelters in the High Street and Abbey Area.
- (6) **Variable Message Signs (VMS)** All 6 car park signs are operational along with 4 from 8 outer VMS signs
- (7) **Stall St/Lower Borough Walls:** Pedestrian Improvements detailed design is now finished and awaiting approval

**2.10 Keynsham New Build and Regeneration** The project remains on-time and on-budget. The raised access flooring is complete and 2<sup>nd</sup> fix mechanical & electrical works continuing along with finishes works. The first section of the new building was handed over on the 1<sup>st</sup> August 2014 to allow the start of the IT fit out in the new server room. Completed building and Council Staff moving in from October 2014. Highways regeneration works are also ongoing.

**2.11 Odd Down Playing Fields** The 3G Pitch Planning consent was granted in January 2014. The contractor is appointed and is progressing with works. Works have also started on changing rooms, and completion is anticipated for March 2015.

**2.12 Weston All Saints Primary School** The KS2 classroom and kitchen extension project was completed and handed over to the school on Friday 11<sup>th</sup> July 2014. The kitchen requires additional ventilation for which a solution is being worked on. Planning permission for KS1 Classroom block was obtained on 4<sup>th</sup> July 2014 and the target start-on-site date is late September 2014.

**2.13 Castle Primary School** 2 classroom extension is progressing well to programme and within budget. Construction of Elliott Building has commenced. Completion scheduled for end of August 2014.

**2.14 Paulton Infants School** Phase 3 of the works started on the 16<sup>th</sup> June and the programme is on target for practical completion in August 2014.

**2.15 St. Saviour's Primary School** Planning consultation period has now closed, with a Planning decision expected in September 2014. Enabling works and temporary accommodation construction is underway.

**2.16 Universal Infant Free School Meals.** All priorities have been agreed with Catering Services and the programme is on track to ensure free school meal requirement can

be met from the start of term in September 2014. Additional funding of £170,000 approved at July Cabinet.