

REVENUE BUDGET MONITORING APRIL 2015 TO JULY 2015

- 1.1 Appendix 2 outlines the Council's current financial position for the 2015/16 financial year to the end of July 2015 by Cabinet Portfolio. The Appendix shows the current forecast outturn position is an overspend of £835,000, or 0.21% 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 appropriate mitigating actions as the financial year progresses.
- 1.3 The forecast outturn position includes the requirement for the delivery of £9.73m savings as part of the approved budget for 2015/16.
- 1.4 The forecast outturn position reflects adjustments to some budgets to reflect a review of the actual income and expenditure position of the Council for the previous financial year (2014/15). This "rebasng" will provide opportunity for the Council to balance the current year budget without recourse to drawing down one-off funding from reserves, and avoid a carry forward deficit into the future Budget considerations for 2016/17 and beyond.
- 1.5 Within the current £835,000 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.
- 1.6 **Leader's Portfolio – forecast £16,000 overspend**

There is a £30,000 overspend forecast in Legal & Democratic Services owing to the use of agency staffing as the new Council Solicitor reviews workload and staff requirements ahead of permanent recruitment. This is partly offset by reduced forecast in staffing costs in the Strategy & Performance service.

- 1.7 **Finance & Efficiency Portfolio – forecast £44,000 overspend**

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

Support Services: There is a £404,000 overspend across Support Services. Within this amount, there is a £200,000 forecast shortfall of budgeted income within Commercial Estate, attributable to there currently being no viable prospective acquisitions identified in order to meet the 2015/16 target for new rental Income.

There is also a small £9,000 overspend forecast in Business Services caused by Financial Management savings targets in 2015/16 being delayed, but off-set by an underspend in Information Technology.

In addition, Traded Services are forecast to be £167,000 overspent, split £120,000 in Print Services and £47,000 in Catering Services. There are reviews underway in both Services to access the on-going deliverability of the income targets.

Corporate costs: £360,000 forecast underspend, mainly due to a projected surplus on the Council contribution required for historic pension deficit recovery.

1.8 Adult Social Care & Health Portfolio – forecast on target

At this early stage in financial and activity monitoring, a balanced outturn position is being forecast for this Portfolio. However, the commissioning budgets are supported by the earmarking of funds from the Better Care Fund Social Care Reserve, and it is currently anticipated that £1.5million will be drawn down for 2015/16.

An announcement was by the Chancellor to reduce Public Health budgets, which could include an in-year reduction for 2015/16 grants. A current consultation has indicated a potential reduction of up to £540,000 for the Council, which the Director of Public Health is developing contingency plans to absorb.

1.9 Children’s Services Portfolio – forecast £410,000 overspend

The forecast overspend within this Portfolio is mainly due to two pressures. The use of agency staff to support the Children, Family Assessment and Intervention, Children in Need and Court Duty teams is resulting in a £250,000 forecast overspend. The agency staff are being used to cover sickness, maternity and added case-loads.

In addition, there is also a forecast overspend of £161,000 for Home to School Transport, due to pressures on Special Educational Needs transport. Placing pupils locally with behavioural issues is becoming increasingly difficult, as the three special schools within the area have reached current capacity. Efforts are being made to extend capacity by opening units for behaviour within mainstream schools.

1.10 Homes & Planning Portfolio – forecast £6,000 underspend

An overall underspend is forecast within Development, with staffing underspends and grant income offsetting forecast overspends in claim costs. There is risk that Planning income targets will not be met if large development projects do not commence in the current year.

1.11 Economic Development Portfolio – forecast £60,000 underspend

The forecast is largely due to the over achievement of Heritage Services profit target, based on performance to the period to July only. A full forecast will be made later after the main summer trading season, which could be impacted by electrification works to the railway.

1.12 Community Services Portfolio – forecast £441,000 overspend

For Waste & Fleet Services there is an overspend of £200,000 forecast. This includes a £105,000 adverse variances in Fleet Services, and an external review of the service is underway with a view to closing these gaps. In addition, there are forecast overspends of £62,000 for Public Conveniences, arising from historic

contract specification changes (the details of which are currently being examined), and £33,000 in Waste, due to higher disposal tonnage costs.

There is an overspend of £240,000 forecast in Place Overheads, the remaining balance of a 3 year Directorate management savings target, and alternative proposals will need to be developed.

1.13 **Transport Portfolio – forecast £9,000 underspend**

There is an underspend of £85,000 forecast within Public & Passenger Transport, mainly owing to a reduction in fare values within concessionary fares. This is partially used to offset a £65,000 forecast overspend in Transport, Planning & Policy, caused by agency staff covering sickness and vacancies.

CAPITAL BUDGET MONITORING – APRIL 2015 TO JULY 2015

2.1 The 2015/16 Capital Programme approved by Council in February 2015 was £57.873m. Provisional capital projects of £0.975m have been approved, and re-phasing of £20.192m was identified in the 2014/15 Outturn Report on 16 July 2015.

Progressing Capital Projects Updates

2.2 **Bath Transport Package** - The Park and Ride elements of the projects and Lansdown and Newbridge have been completed and are fully operational. Works at Stall St/ Lower Borough Walls have progressed well over the Summer and will be complete by September 2015, as well as the Bus Stops & Shelters programme, which is due to be completed at this time. The first phase of Real Time Information at Shelters was completed in April 2015 and the second phase scheduled to begin in Autumn 2015.

2.3 **Cycle City Ambition Fund Projects** – This is an emerging capital item as a grant of £3.88m over 3 years has been provisionally awarded to the Council. The projects are now in the early stages of development.

2.4 **Leisure Works** – The programme of leisure works requires review following the re-procurement of leisure services, for which the finalisation of contract negotiations on the capital costs is currently underway. There is a separate report on the Agenda for the meeting relating to this.

2.5 **Metrowest: Greater Bristol Metro Project** – The development of the project in readiness for a funding bid to DfT major scheme funding continues to progress as anticipated.

2.6 **Rossiter Road** – These works are now largely complete with the switch over of traffic management now finalised.

2.7 **7 Dials** – Works on this area are now largely complete and the space is now in shared use.

- 2.8 **Bath Western Riverside Phase 1** – The first stage housing development is complete and all residences are fully occupied and the construction of all remaining phases on Crest land (up to 813 dwellings) is moving forward a pace. The Destructor Bridge is now removed from site.
- 2.9 **Affordable Housing** – The majority of schemes underway are now nearing completion. Talks are progressing with developers around the Extra Care Scheme at Ensleigh (Lansdown).
- 2.10 **Bath Quays Waterside (Innovation Quay)** – The contractor is now appointed and pre-construction activities including design, planning & consents are now being progressed. Construction is anticipated to commence in early 2016.
- 2.11 **Bath Quays North** – The outline business case for works on the North bank of the quays has now been progressed and planning permission granted, with the more detailed business case now underway.
- 2.12 **Bath Quays Bridge** – The competition for the design of the bridge has now been launched with submissions due in September and a view to announcing the winner in November.
- 2.13 **Digital B&NES** – Connecting Devon & Somerset (CDS) rural broadband project Phase 1 on track. Draw down of match funds expected 2015/16. CDS Phase 2 is currently out to tender. A survey and pilot of the urban option has successfully been completed, with the development of extended pilot now underway.
- 2.14 **Gypsy and Traveller Sites** – Completion now anticipated during September 2015 due to a small number of outstanding works by the contractors.
- 2.15 **London Road** – Works are now largely complete with only minor works related to traffic regulation order signage remaining.
- 2.16 **Radstock Infrastructure (Highways Improvements)** – The main scheme has now been substantially completed, although some additional works may be required to finalise the full project pending professional advice.
- 2.17 **Royal Victoria Skate Park** – This project is expected to have completed during September 2015. Some delays to the project were experienced as a result of additional rock excavation works required on the site.
- 2.18 **Keynsham New Build and Regeneration** – The offices are now occupied by B&NES staff and our partners, Sirona and the Police. The Police have also moved into the Civic Centre One Stop Shop with a front facing desk in the public area. Energy usage is being monitored and remains on track for achieving highest Display Energy Certificate (DEC) ‘A’ certificate.

Construction works for the highways scheme are substantially complete, with minor road markings and signage being installed over the coming weeks. Retail units are generally fitted to a basic “white box” standard and lettings are progressing. These units are either occupied or under contract, with only 3 units currently vacant.

2.19 Weston All Saints Primary School - The KS2 classroom and kitchen extension project was completed and handed over to the school on Friday 11th July 2014. The KS1 six classroom block was completed and handed over to the school on 28th July 2015, ready for occupation 1st September 2015.

2.20 Bishop Sutton Primary School - The Phase 1 one classroom extension will be completed for occupation on 1st September 2015. Associated works: new school reception, remodelling to hall and external access and car parking works are also scheduled for completion September 2015. Construction of the five classroom block has started and is on target for practical completion in August 2016 and occupation 1 September 2016.

2.21 Paulton Junior School – This scheme is for a four classroom extension and internal hall expansion but with option to increase to 6 classrooms, subject to the school funding all the additional costs. Planning submission is due in August and determination October 2015 with start on site in January 2016. Completion now expected to be December 2016.

2.22 St. Saviour's Junior School - The new build block of five classrooms and external access works is now almost complete with handover to school scheduled for 28th August for occupation 1st September 2015. The final phase of the scheme for demolition of temporary buildings, new kitchen extension and landscaping is ongoing and scheduled for completion December 2015.

2.23 Ensleigh new school - Ongoing detailed design with a view to planning application submission in Autumn 2015. Currently anticipating to be on site around March 2016, with delivery of the new school is expected for reception year pupils to start in September 2017.

2.24 Somerdale new school - There is continued liaison with the developer, who will be funding the development in respect of delivery of the new Somerdale School in Keynsham. Delivery of the new school is expected for reception year pupils to start in September 2017.

2.25 Client Data System – Children's Social Care & Adult Social Care Database - These two capital schemes were procured together through the IT Connect project to provide a new client data system, which will replace the CareFirst system. The project is progressing with implementation scheduled to complete by March 2016.

Amendments to the Capital Programme

2.26 The following provisional schemes will not be developed until further approval:

- **Weston Flood Alleviation Scheme** – This project was subject to availability of Environment Agency funding which is not identified in the current period of the Capital Programme.
- **Grand Parade & Undercroft Phase 2** – a business case for this scheme will not be developed.

- **IT Asset Refresh (Servers & Networks)** – these will be funded from the IT Reserve in accordance with the relevant asset life policy.