

REVENUE BUDGET MONITORING APRIL 2011 TO JULY 2011

- 1.1 Appendix 2 outlines the Council's current financial position for the 2011/12 financial year to the end of July 2011 by Cabinet Portfolio. The Appendix shows the current forecast outturn position is an underspend of £1,009,000, or 0.25% of the gross expenditure budget (excluding Schools).
- 1.2 Within the current £1,009,000 forecast underspend figure, there are areas of over and under spending which are detailed below along with planned management actions being taken to reduce any overspends.

1.3 Leader's Portfolio – forecast £154,000 overspend

The forecast overspend on this portfolio is mainly due to a £201,000 of required savings in Legal & Democratic Services not having been fully demonstrated as achievable within year. This is partially offset by the £61,000 forecast underspend in Improvement & Performance, mainly due to vacant posts in Human Resources. Further work is being undertaken to identify possible mitigating actions.

1.4 Community Resources Portfolio – forecast £1,390,000 underspend

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

Support Services: £115,000 underspend, mainly due to Commercial Estate income being forecast £129,000 above budget following acquisition of an additional asset. There are also some small underspends and overspends in other areas such as Customer Access, Property, Finance and Risk & Assurance Services.

Corporate costs: £1,274,000 underspend, mainly made up of £250,000 additional investment interest from higher than expected cash balances, a provision of £360,000 for potential low pay provision and £611,000 additional income from a New Homes Bonus Grant, both of which are currently forecast not to be spent this year. In addition, there is a £52,000 forecast underspend in historic pension liabilities.

1.5 Wellbeing Portfolio – forecast £20,000 overspend

An overspend of £919,000 for the purchase of care for older people and £201,000 for the purchase of mental health care have been almost entirely offset within the Portfolio by additional national grant for social care services, the containment of spend on the purchase of care for learning difficulties, and salary savings in Older People's Services.

1.6 Early Years, Children & Youth Portfolio – forecast £121,000 overspend

This overspend is being forecast mainly due to the spend on children in care, and is dependant on the number of children placed. Mitigating actions, such as promotion of adoption and in-house fostering recruitment, are being undertaken, along with the negotiation of payment rates to providers.

1.7 Homes & Planning Portfolio – forecast £161,000 underspend

This forecast underspend is due to the provision in the budget for the historic downsizing costs now not being required, as these costs were fully absorbed in the 2010/11 outturn.

The underlying position within this Portfolio without taking into account the underspend on this provision is a small overspend of £7,000.

1.8 Sustainable Development Portfolio – forecast £45,000 underspend

Within the forecast for this Portfolio, there is a £176,000 forecast overspend in Tourism & Destination Management, due to a provision for legal fees, and commitments to events and projects. This is offset by £221,000 additional income forecast in Heritage, due to a higher level of performance expected over the Summer.

1.9 Neighbourhoods Portfolio – forecast £367,000 underspend

There is a £318,000 underspend in waste, mainly due to the rebasing of the recycling contract and staffing budget underspends, partially reduced by adverse income in trade waste. There are also a number of other small underspends in Neighbourhood Services which amount to £66,000.

There are overspends in the Library Service of £34,000 due to staff savings not being achieved, and £11,000 in Active Lifestyles due to project commitments.

Similar to the Homes & Planning Portfolio, there is also a provision in the budget of £158,000 for the historic downsizing costs that were fully absorbed in the 2010/11 outturn.

The underlying position within this Portfolio, without taking into account this provision, is an underspend of £209,000.

1.10 Transport Portfolio – forecast £659,000 overspend

This overspend is mainly made up of a shortfall against income budgets of £240,000 in Park & Ride and £450,000 in Parking Services, mainly as a result of a year on year decline in volume. Detailed analysis work is being undertaken to understand the trend and to identify possible mitigating actions. There is also an overspend of £80,000 in Parking Services due to unbudgeted costs.

Similar to the Homes & Planning and Neighbourhood Portfolios, there is also a provision in the budget of £110,000 for the historic downsizing costs that were fully absorbed in the 2010/11 outturn.

The underlying position within this Portfolio without taking into account the underspend on this provision is an overspend of £770,000.

CAPITAL BUDGET MONITORING – APRIL 2010 TO JULY 2011

1.11 The 2011/12 Capital Programme approved by Council in February 2011 was £33.6m (excluding contingency). Since then, £18.1m of spend on existing capital projects has been approved, along with rephasing of £12.6m as recommended in the 2010/11 Outturn Report on 13th July 2011.

1.12 The approved Capital Programme for 2011/12 is currently £64.3m (excluding contingency), and is detailed in Appendix 5(ii). Changes to the Capital Programme since July Cabinet are shown in Appendix 5(i).

1.13 Key Capital Issues

- Bath Transport Package: At their meeting in July, Council agreed the basis of a revised Bid to the Department for Transport. The bid was submitted in accordance with the deadline of 9th September 2011.
- Victoria Bridge: The requirements in respect of Victoria Bridge are currently being reviewed pending a formal proposal to the Council via PID & Capital Strategy Group as appropriate.
- Leisure Provision: The Leisure Strategy is currently under review and specific proposals will be considered as part of the Budget for 2012/13.
- Hetling Spring Borehole: The specific details for the delivery of this scheme including related capital costs are currently being developed
- Rossiter Road: Costs are currently being evaluated as part of a full scheme work up.
- Keynsham Regeneration: The Council are committed to the scheme and alternative funding options are being considered.
- Wellsway Sports Hall: An alternative planning application has been submitted and will go to Planning Committee in November.