

### REVENUE BUDGET MONITORING APRIL 2016 TO JULY 2016

- 1.1 Appendix 2 outlines the Council's current financial position for the 2016/17 financial year to the end of July 2016 by Cabinet Portfolio. The Appendix shows the current forecast outturn position is an overspend of £2,219,000, or 0.72% 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, including not committing any unnecessary expenditure and stringent budgetary control.
- 1.3 The forecast outturn position includes the requirement for the delivery of £12.644m savings as part of the approved budget for 2016/17, a significant element of which was been confirmed as delivered.
- 1.4 Within the current £2,219,000 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 £120,000 overspend**

This forecast overspend is in Legal & Democratic Services, where the proposed service restructure in order to achieve savings targets will not be implemented until November 2016 due to external work demands on the Council Solicitor, resulting in only a part-year savings achievement in 2016/17.

- 1.6 **Finance & Efficiency Portfolio – forecast £429,000 overspend**

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

**Support Services:** There is a £525,000 overspend forecast across Support Services.

Within this amount, there is a net £105,000 forecast shortfall of budgeted income within Commercial Estate, attributable to tenants in administration and asbestos causing letting delays.

Customer Services are forecasting a £424,000 overspend, mainly as a result of reduced grant related to Universal Credit implementation, and other savings that have not been identified, as well as the income target from potentially running a "Payment by Results" pilot scheme with the Department for Works & Pensions not currently proceeding.

There is a shortfall of income from Schools following academy conversions and Fire Risk Assessments, which has resulted in a forecast overspend of £155,000 in Human Resources. There is also a £72,000 staffing overspend forecast in People Services, where the full efficiency savings from the new Payroll system are yet to materialise.

In addition, Traded Services are forecast to be £50,000 overspent in Print Services, with a review underway to generate efficiency savings, and also £82,000 of management savings across Support Services which are yet to be identified.

These overspends are partially offset by underspends in Corporate Estate, due to lower accommodation and energy costs, in Information Technology project budgets, and staffing savings within Finance.

**Corporate costs:** £96,000 forecast underspend, as a result of several small underspends including Parish Grant payments, unfunded pensions costs and a small projected surplus on the Council contribution required for historic pension deficit recovery.

### **1.7 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. This position will be supported by the anticipated use of £698,000 from the Social Care Reserve; this is mitigating inflationary and demographic pressures in Adult Social Care as a result of the implementation of the Living Wage and the costs associated with purchased care packages supporting complex service users in their home.

### **1.8 Children’s Services Portfolio – forecast £1,229,000 overspend**

The forecast overspend within this Portfolio is due to a number of pressures. Children’s Social Care operational costs are forecast to overspend by £493,000 due to increased spend on court action and Child Sexual Exploitation awareness to help the safety of younger people, as well as an overspend on staffing. This area is now being reviewed to identify potential mitigations.

There is also a £300,000 overspend forecast on Children’s Centres and Nurseries, where although management costs have been reduced, income targets have not been met. The provision of this will be reviewed in areas where there is a high level of alternative service delivery.

In addition, there is also a forecast overspend of £450,000 for Home to School Transport, due to pressures on Special Educational Needs (SEN) transport. Following demand increases as a result of legislative change in recent years, as well as high demand from outside the area for places in the Council’s Special Schools. This is making the placement of pupils locally increasingly difficult, and therefore it is required to transport pupils further distances outside of the area. Efforts are being made to extend capacity by opening SEN units within mainstream schools and Academies. There is also review of transport currently underway.

Pressures in the Safeguarding Assurance and Quality Assurance budgets have arisen from additional staffing needed to cover workload increases, including from an exceptional safeguarding investigation (which has now been concluded). Work is underway to review capacity and to explore alternative approaches to some areas of work to reduce this overspend.

### **1.9 Homes & Planning Portfolio – forecast £96,000 underspend**

An overall underspend of £65,000 is forecast within Development, with staffing underspends and higher than budgeted pre-application planning income. Within Housing, there is a £31,000 underspend forecast, mainly due to reduced consultancy fees and a lower Bed & Breakfast accommodation demand forecast.

### **1.10 Economic Development Portfolio – forecast £83,000 underspend**

There is a £276,000 overspend forecast in Economy & Culture, where savings attributable to a review of Destination Management and income from “Digital B&NES” have been delayed. This is offset by the forecast over achievement of Heritage Services profit target, and the temporary increased Regeneration recharges to Capital Projects such as Bath Quays.

### **1.11 Community Services Portfolio – forecast £585,000 overspend**

Within Waste & Fleet Services, there is a forecast overspend of £455,000. This includes a £175,000 adverse variance in Fleet Services, where an external review of the service is continuing with a view to further close these gaps. In addition, there is a forecast overspend of £230,000 in Waste Treatment & Disposal, as a result of contracts requiring renegotiation and changes in the market since last renegotiated.

There is also an £80,000 overspend forecast in Libraries due to savings not currently identified, although a review of this is being carried out, and a £44,000 shortfall in Public Protection licensing income, owing to street trading in Southgate underperforming against expectations.

### **1.12 Transport Portfolio – forecast £37,000 overspend**

The £242,000 pressure on Bus Lane Enforcement has been mostly mitigated by higher than budgeted income from car parking and parking enforcement, as well as additional income received from the charging of penalties in the Public Transport service.

## **CAPITAL BUDGET MONITORING – APRIL 2016 TO JULY 2016**

- 2.1 The 2016/17 Capital Programme approved by Council in February 2016 was £58.213m. In addition, provisional capital projects of £1.665m have now been approved, and re-phasing of £20.294m was identified in the 2015/16 Outturn Report on 14 July 2016.

### **Progressing Capital Projects Updates**

- 2.2 **Bath Transport Package: Main Works** - Variable message signs on A36 and A4 and on the A46 and A420 will be installed during this financial year.
- 2.3 **Transport Improvement Programme** – Multiple schemes now underway (including Tunley Overdale footway and Bath Steps Refurbishment) or in design & consultation, with some scheduled for progression later during 2016/17. All are currently on target.
- 2.4 **Highways Maintenance Programme** – Programme of works agreed with contractor, planned and on-target. This includes the additional pothole grant of £176,000 and the further Council allocation of £500,000.
- 2.5 **Kennet & Avon Towpath** – Works covering improvements to the length, width and surface of the towpath between Sydney Gardens and Bathampton were completed in July 2016. Cycle parking implementation is also underway and that is expected to be completed in the final quarter of 2016/17.
- 2.6 **East of Bath Transportation** – An update report was taken to Cabinet in May 2016 to report on the further investigation and study works undertaken, and to identifying the next steps following a report from the Local Development Framework Steering Group and the Communities Transport and Environment Policy Development & Scrutiny Panel.
- 2.7 **Waste Infrastructure Relocation** – In recent months, approval to take forward the development at Locksbrook for the relocation of the Outer Bath Street Cleansing team has been given. A Single Member Decision was approved on 13<sup>th</sup> August for the land acquisition and design development for the relocation of Refuse and Recycling collection operations, Commercial Waste Service and Waste Transfer Station. In addition, works to explore options for the Bath Recycling Centre are underway.
- 2.8 **Bath Leisure Centre Refurbishment** – Works have now begun on site for first phase of development to build the new enlarged Health & Fitness Suite and refresh the remaining Sports Hall.
- 2.9 **Keynsham Leisure Centre** – Acquisition of the leasehold interest has progressed through the legal process and completion is anticipated in August, with architectural drawings being finalised.

- 2.10 **Affordable Housing** – Extra Care Scheme at Ensleigh (Lansdown) progressing with on-site start expected early 2017/18. Rural units at Farmborough expected to complete Autumn 2016, with Bathampton rural units expected to be delivered during the latter part of 2016/17 with completion in early 2017/18.
- 2.11 **Digital B&NES** – The Connecting Devon & Somerset broadband rollout programme is on target for the completion of phase 1 by the end of 2016. The phase 2 Invitation to Tender is now available publicly, and a contract will be awarded by December 2016.
- 2.12 **Saw Close Regeneration** – Private casino and leisure development on site including a new square. Revolving Infrastructure Funding approved by LEP board early January 2016 for wider public realm improvement. Site surveys have commenced, identifying potential issues with existing underground services, and designers are working up solutions to manage within budget. Engagement with local business, user groups and the public is underway.
- 2.13 **RIF Project – Destructor Bridge:** Bridge super-structure now complete, although final project completion delayed until October 2016.
- 2.14 **RIF Project - Gas Holders:** Decommissioning works completed. Remediation works re-profiled to follow rationalisation works. Further project development is on hold, pending negotiations between developer and land owner, with the overall completion now not likely until 2017/18 with no additional budget pressures.
- 2.15 **RIF Project - Bath Quays Waterside (Innovation Quay):** Highway diversion completed and operational, and the north bank service diversions substantially complete. North bank archaeological trial trenching is complete, and the north bank excavation has now started, as have works on the south side of the river. Ground contamination and requirement to undertake further archaeological work have extended forecast excavation programme. The completion of works now likely to be in Quarter 1 2017. Funding streams continue to be monitored and increased project scope, including railings for waterside safety, under consideration.
- 2.16 **Bath Quays North** – Proposals for procurement of development partner being considered with a decision by Council in 16/17. Revised outline EDF Business Case being prepared and submission expected Autumn 2016, with detailed business cases to be submitted by end of 2016/17.
- 2.17 **Bath Quays South** – Council examining direct delivery of scheme. Currently awaiting external valuation reports to inform Business Case proposals, which comprises infrastructure works and construction of office block and residential block.
- 2.18 **Bath Quays Bridge** – Aiming towards a bridge planning application submission in parallel with the Quays development in 2016, with construction completion forecast before 2017/18 year end.
- 2.19 **Roman Baths Archway Project** – The Archway Centre project will provide a new Roman Baths Learning Centre and World Heritage Centre, and extend public access to previously unseen parts of the Roman Baths. The £5Million project will

be funded by a Council capital contribution of up to £1Million, together with a Heritage Lottery Fund (HLF) grant of £3.4Million, other grants and fundraising. The grant application to the HLF was submitted in June 2016, and applications have also been submitted to the Clore Duffield Foundation and Garfield Weston Foundation. Decisions on these grant applications are expected by the end of September.

- 2.20 **Schools Capital Maintenance Programme** - The replacement of poor condition temporary buildings at St Michael's Junior School is due for completion at the end of August. Additionally, worst condition repairs and maintenance projects are being carried out at Chandag Infants, Farmborough, Peasedown St. John, St. Philip's Odd Down, Ubley and Westfield.
- 2.21 **Saltford Primary - Basic Need** - New 6 classroom block. The replacement of 4 poor condition temporary buildings undermined by badgers, and the provision of 2 permanent basic need classrooms to expand the school from a planned admission number of 50 to 60.
- 2.22 **Paulton Junior School - Basic Need** - The contractor has commenced works on site to remodel areas of the school and provide new accommodation. From September, additional classroom space will be provided for a further 30 pupils.
- 2.23 **Ensleigh - New Primary School** - Construction of the new school began on site in July 2016. The project is on programme to deliver the new accommodation for September 2017 admissions. The new school name has been confirmed as Abbot Alphege Academy.
- 2.24 **Adult Social Care Database replacement** - Project on track to achieve September Go Live, with primary user training courses currently under way. There has been good engagement across all partners around training.
- 2.25 **Grand Parade & Undercroft** - Planning approval was gained on 27th July 2016 and the project team will now engage with the market around potential tenants to obtain the necessary pre-lets, as set out as a requirement in the May 2013 Cabinet report and develop the full Business Case. At the same time, the design team will produce detailed design. Work on site expected next year.