

Bath & North East Somerset Council			
MEETING:	Cabinet		
MEETING DATE:	11 July 2024	EXECUTIVE FORWARD PLAN REFERENCE:	
		E	3543
TITLE:	Revenue & Capital Outturn 2023/24		
WARD:	All		
AN OPEN PUBLIC ITEM			
List of attachments to this report:			
Appendix 1: Detailed Revenue Budget Outturn			
Appendices 2(i) & 2(ii): Proposed Revenue Virements & Revised Revenue Cash Limits 2023/24			
Appendix 3: Detailed Capital Variance & Rephasing Requests 2023/24			
Appendices 4(i) & 4(ii): Capital Virements & Capital Programme by Portfolio 2023/24			

1 THE ISSUE

- 1.1 The report presents the revenue and capital outturn for 2023/24, highlighting a material improvement in the position at year end with a minor adverse revenue outturn position of £0.13m after allowing for agreed transfers to/from reserves and carry forwards. This is an improvement of £1.71m from the reported position in the Quarter 3 forecast.
- 1.2 The report refers to requests to carry forward specific revenue budget items to 2024/25 and to write-off revenue over budgets where recovery in future years would have an adverse impact on continuing service delivery.
- 1.3 It is proposed that the £0.13m adverse variance is funded from the Revenue Budget Contingency earmarked reserve to give an on-budget position.
- 1.4 The report also refers to requests to re-phase specific capital budget items to 2024/25 and to remove net capital underspends.

2 RECOMMENDATION

The Cabinet is asked to;

- 2.1 **Note the revenue budget outturn on budget position for 2023/24, after allowing for carry forwards and transfers to reserves.**
- 2.2 **Approve the revenue carry forward proposals listed in the tables in paragraph 3.7.**
- 2.3 **Approve that all other over budgets are written-off as an exception to the Budget Management Rules for 2023/24.**
- 2.4 **Approve the transfer of £0.13m from corporate earmarked reserves.**
- 2.5 **Note the revenue virements for 2023/24 reported for information in Appendix 2(i).**
- 2.6 **Note the reserve positions and the use of flexible capital receipts shown in paragraph 3.21.**
- 2.7 **Note the outturn position of the 2023/24 capital programme in paragraph 3.34, and the funding outlined in paragraph 3.36.**
- 2.8 **Approve the capital rephasing and write-off of net underspends as listed in Appendix 3. This reflects the outturn spend position on projects against final budgets as detailed in Appendix 4(ii).**

3 THE REPORT

- 3.1 This report provides information about the Council's financial performance against its revenue and capital budgets in 2023/24.

Revenue Budgets

- 3.2 The report identifies that, after allowing for carry forwards and transfers to and from reserves, the Council delivered an adverse outturn position of £0.13m in 2023/24.
- 3.3 The table below shows the overall revenue outturn position by portfolio:

Portfolio	Revised Budget £m	Outturn £m	Variance Over / (Under) £m
Leader of Council	(0.21)	(0.26)	(0.05)
Climate Emergency and Sustainable Travel	1.48	1.35	(0.13)
Council Priorities and Delivery	7.91	7.60	(0.31)
Resources	6.02	1.74	(4.28)
Economic and Cultural Sustainable Development	(1.58)	(3.92)	(2.34)
Adult Services	66.87	68.26	1.39
Children's Services	41.09	46.14	5.05
Highways	(0.37)	(2.06)	(1.69)
Neighbourhood Services	25.95	27.65	1.70
Built Environment and Sustainable Development	2.84	3.28	0.44
Total (before Carry Forwards)	150.00	149.79	(0.21)
Carry Forward Requests (underspends)			0.34
Total (including Carry Forwards)			0.13

Note1: Some of the figures in this table are affected by rounding.

3.4 As a result of the £6.50m over budget forecast in Quarter 2 monitoring, urgent recovery action was put in place consisting of implementation of specific controls on recruitment to vacant posts and expenditure controls on all non-essential spend. In addition, Directors were tasked to actively develop mitigation plans to manage the in year financial position by year end. £6.6m of favourable movement between the Quarter 2 forecast and the outturn position was achieved by a combination of these service mitigations and corporate mitigations as shown in the table below.

Mitigation Actions	£m
Service Cost Recovery Mitigations (including vacancy and non-essential spend controls)	2.8
Corporate Mitigations (including capital financing, release of contingency and unbudgeted grant receipt)	3.8
Total	6.6

3.5 The main areas of over/under budget and change against the April to December (Q3) forecast financial position are as follows:

Leader of the Council (£0.05m under budget, £0.01m favourable movement)

Minor cost pressures relating to corporate subscriptions and city centre security were more than covered by interest receivable from the Council's Housing Delivery Vehicle.

Climate Emergency and Sustainable Travel (£0.13m under budget, £0.10m adverse movement)

Recovery of staff costs from projects in the Environmental Monitoring team, along with staff vacancies and delayed discretionary spend within Green Transformation resulted in a favourable financial position for the portfolio.

Council Priorities and Delivery (£0.31m under budget, £0.28m favourable movement)

The primary reason for the favourable variance is due to the proposed carry forward of unspent 2024/25-2025/26 Ward Empowerment Scheme. Vacancy management across all services also contributed to the portfolio underspend.

Resources (£4.28m under budget, £2.42m favourable movement)

Borrowing costs were £1.87m less than budgeted, primarily due to slippage in spend on the Council's capital programme. This also contributed to a lower Minimum Revenue Provision charge (the charge to revenue made in respect of paying off the principal sum of the borrowing undertaken to finance the capital programme), which was £0.98m less than budgeted. Release of corporate contingencies (£0.92m) to support the Council's bottom line position, along with government grant income (£0.67m) mainly related to business rates which was notified late in the financial year resulted in corporate budgets coming in at a total favourable variance of £5.01m.

The IT Service ended the year with a £0.35m favourable variance resulting from in-year contract efficiencies and staffing underspends, while the Revenues and Benefits Service was able to maximise government grants to fund costs to achieve a £0.39m underspend. This helped offset overspends in Housing Benefit Subsidy (£0.96m) and Commercial Estate (£0.56m). High demand for temporary accommodation to reduce homelessness at a cost over and above the claimable subsidy was the fundamental reason for the Housing Benefit Subsidy adverse variance, while staffing pressures and service supported borrowing costs were key reasons for the Commercial Estate outturn position.

Economic And Cultural Sustainable Development (£2.34m under budget, £0.81m favourable movement)

Heritage Services' visitor numbers were in excess of budgeted levels for 2023/24, which combined with underspends on maintenance and investment budgets resulted in a service favourable variance of £2.88m. The Corporate Estate ended the year with an adverse variance of £0.2m due to high costs of running surplus / unoccupied buildings. Regeneration also ended the year with an adverse variance, primarily due to the holding costs of the Old Post Office in advance of the property generating a rental income for the organisation.

Adult Services (£1.39m over budget, £0.01m favourable movement)

The outturn position for Adult Social Care is an overspend variance of £1.393m after a transfer from the Adult Social Care reserve of £0.514m. Increased activity has been seen in 2023-24 with demand for package placements increasing by over 25%. The cost of care also continued to increase during the year due to the economic and market factors experienced through 2023/24 and the increasing complexity in care needs. The Market Sustainability and Improvement Fund Grant monies (MSIF £1.7m) has been used to support market sustainability in meeting the increasing fee rates seen. This funding continues in 2024-25. Arrangements for hospital discharges have continued and were jointly agreed with BSW ICB, making use of the various discharge grants received in 2023/24. These arrangements are planned to continue in 2024/25.

The level of future demand is expected to cause pressure that will see more people requiring support and rising cost pressures that providers face due both to general inflation and sector specific cost pressures. To balance this, work will continue with providers on issues to make the market more sustainable and on the delivery of the service transformation plans to ensure services can be provided to meet and sustain this demand.

Children's Services (£5.05m over budget, £0.59m adverse movement)

There are two main drivers of this over budget position, firstly the continuing cost and demand pressures from 2022/23 across the demand-led placement and package budgets, and secondly the increasing pressures from ongoing cost and demand increases across Home to School Transport (HTST).

Demand-led placement pressures are due to a mix of increased demand, especially around Residential, Unaccompanied Asylum Seeker Children (UASC) and increased packages of care and support costs needed, due to the increased needs our Children and Young People continue to present with. There are also continued increased costs because of the complex packages of care needed for those with the highest need in the Disabled Children's Team (DCT). In total these areas are £3.18m over budget. The biggest area of pressure is Residential (£1.22m over budget), this has been driven by an increase in numbers of placements because of the need to safeguard young people suffering criminal exploitation, in addition to an increased trend of young people suffering from emotional dysregulation and mental health. The other principal areas of pressure are DCT (£1.02m over budget), spend on packages of care to support those not in care to remain so (£0.81 over budget), UASC support (£0.51m over budget), Independent Foster Carers (£0.42m over budget) and Mother and Baby placements (£0.08m over budget). The complex needs funding stream underspend (Joint Agency Panel - JAP) offsets some of the DCT overspend, as young people who are no longer funded from JAP are funded now from DCT instead (JAP £0.91m under budget).

The £3.18m pressure across the demand-led budgets includes partial mitigation by an additional £1.00m in-year one-off savings. This is in addition to the £1.19m budgeted Transformation savings being delivered in 2023/24. The in-year savings are a result of focussed work across multiple areas such as reduction in the usage of Independent Foster Carers, holding vacancies, delayed spend and reduced agency usage versus 2022/23.

The Home to School Transport (HTST) service includes a £1.42m over budget position. This is due to significant pressure from ongoing market forces creating cost pressures when procuring HTST, including reduced availability of drivers, costs

inflation and reduced tendering activity for many routes. Pressures from Teachers Pensions of £0.16m (this is a new ongoing pressure), and staffing pressures (£0.33m over budget) across the SEN Team, Psychology Team and Safeguarding and Quality Assurance Team also contributed to the adverse position. The aforementioned staffing pressures are primarily from the need to use agency staffing to respond to demand and cover vacancies.

Highways (£1.69m under budget, £0.25m favourable movement)

Parking income has exceeded budget across the majority of locations. This, combined with a number of staff vacancies, means the service ended the year with a £0.92m favourable budget position. Street-works income within the Network and Traffic Management service is also over and above budgeted levels, which combined with staffing underspends totalled a £0.55m favourable variance. Vacancies and reductions in running costs across Passenger Transport also contribute £0.31m to the portfolio underspend position.

The Clear Air Zone scheme sits within this portfolio and its performance to date is detailed in paragraph 3.19.

Neighbourhood Services (£1.70m over budget, £1.19m adverse movement)

Waste and Fleet Services ended the year with an adverse variance of £1.55m. Key reasons for the overspend were staffing costs to maintain service levels, and costs incurred as a result of moving to the new Pixash site. Underachievement of income in the Bereavement and Public Protection services has also contributed to the portfolio overspend outturn position.

Built Environment and Sustainable Development (£0.44m over budget, £0.14m favourable movement)

Underachievement of income across both Planning and Building Control services was the core reason for the adverse portfolio year-end position, although this did improve slightly in the last quarter.

3.6 Further detail of outturn budget variances is attached at Appendix 1.

Carry Forward Requests

3.7 The following carry forward requests have been made for approval:

Request and Reason for Request	£
<p>Corporate Strategy and Communications – Ward Empowerment Fund</p> <p>The Ward Empowerment Fund is a two-year scheme for Councillors to fund improvement schemes within their wards. The carry forward is required to take the remaining funds into the second year of the scheme.</p>	161,610
<p>Green Transformation – Renewable Energy Investment</p> <p>To cover existing planned work supporting the corporate priority on renewable energy, specifically covering legal advice for a proposed joint venture, a heat demand study underpinning test drilling for heat from mines, technical development of building decarbonisation plans, survey work for solar installation; and community energy development. Budget was not utilised during the year as a result of the discretionary expenditure freeze.</p>	55,000
<p>Children’s Services</p> <p>Carry forward of pooled budget balance for Youth Justice Service.</p>	66,206
<p>Community Safety – Violence Reduction Unit (VRU)</p> <p>Income held on behalf of four Unitary Authorities to fund costs associated with VRU staffing costs that cover both 2023/24 and 2024/25.</p>	22,989
<p>Revenue and Benefits – Financial Assistance</p> <p>To be used to provide additional financial assistance to residents on welfare benefits and/or in low income households with respect to the Council Tax Premium for 2024/25.</p>	15,000
<p>Heritage Services – Record’s Office Donation</p> <p>Income received late in the year from a legacy bequest to the Record’s Office that has yet to be spent.</p>	15,000
Total	335,805

3.8 After allowing for the above carry forwards, it is proposed that the net over budget position of £0.13m, is funded from the Revenue Budget Contingency Reserve, which is used to fund unbudgeted revenue pressures which are unable to be mitigated by management and recovery actions.

3.9 It is recommended that all other over budgets are written off as an exception to the Budget Management Scheme Rules to retain budget stability in 2024/25.

Delivery of Savings and Income Generation Budget Proposals

3.10 The 2023/24 revenue budget approved savings and income generation proposals of £14.38m. These savings were split into on-going base budget savings (£12.48m) and one-off 23/24 savings only (£1.90m). Of the total savings, 76% (£10.98m) have been delivered in full, 4% (£0.57m) have been mitigated by one-off underspends in year, with the remaining 20% delayed until 2024/25 or addressed through the budget setting proposals.

3.11 Of the on-going savings, 77% (£9.66m) were delivered in full, 5% (£0.57m) have been mitigated through savings elsewhere in the respective service, and 18% (£2.25m) of savings are delayed until 2024/25 or addressed through the budget setting proposals.

3.12 Of the one-off savings, 70% (£1.32m) were delivered in full, while 30% were not achieved.

Schools

3.13 The overall Dedicated Schools Grant (DSG) for 2023/24 was £177.104m, however of this sum £123.873m was returned to the Department For Education (DFE) to be allocated to Academies, £29.075m was allocated to schools through funding formula, with the remaining £24.596m (after the prior year overspend of £13.453m) retained by the Local Authority (LA) to support Special Educational Needs (SEND), Central Expenditure, and Early Years.

3.14 The centrally held elements of the DSG were over budget by £8.810m, due to significant increases in numbers and cost of placements for children with SEND which is funded from the High Needs Block within the DSG. This Overspend reflects the payment of £0.550m from the DFE as part of the Safety Valve Agreement plan (see below). This overspend will be carried forward along with the accumulated deficit on the DSG of £13.453m giving a total overspend to be carried forward of £22.263m. In line with Government guidance any overspend is carried forward for recovery against future DSG funding. Therefore, the LA cannot fund this pressure from its own General Fund revenue budget (unless permission is given by the Secretary of State to disregard the requirement to fund from the DSG). Year-end budgets have been adjusted to reflect the transfer of the £22.263m overspend into a specific unusable reserve for recovery against future DSG funding. This treatment is in line with recently announced Government guidance stating that DSG in-year and cumulative deficits should no longer be held as a negative earmarked reserve and should instead be held in an unusable reserve called the Dedicated Schools Grant Adjustment Account. This accounting treatment has the effect of separating DSG budget deficits from the LA's General Fund and, following the recently announced extension, covers the period to 31st March 2026.

3.15 In March 2023 the LA entered into a Safety Valve Agreement recovery plan to bring spending in line with budget over the next 6 years with the DFE. The Safety Valve Agreement is a process set up to support Local Authorities with DSG deficits, whereby the LA will show its ability to ensure that spending is controlled within the DSG and the DFE will look to support the accumulated overspend. The agreement signed by the LA and the DFE sets out the recovery of the cumulative overspend with the DFE providing additional funding to the LA as set out in the table below. However, as we have not

achieved the targets of our plan, the DFE require us to submit a revised version, so also shown below are the payments received to date.

Year	The DFE agrees to pay to the LA the additional £m of DSG by each year-end (Original Safety Valve Agreement)	Actual payments received to date £m
2022/23	£7.68m	£7.68m
2023/24	£1.65m	£0.55m
2024/25	£1.65m	TBC
2025/26	£1.65m	TBC
2026/27	£1.65m	TBC
2027/28	£1.65m	TBC
2028/29	£3.29m	TBC
Total	£19.22m	TBC

3.16 To date, the LA has received £8.23m and the DFE will reprofile the remaining payments over the length of the new arrangement once it has been agreed.

3.17 The seven schools maintained by the LA have balances that have increased by £0.356m to £1.190m at the year-end. This increase is partly due to some schools building up balances for capital projects in future years. These balances are closely monitored by Schools Forum which has adopted an excessive balances policy in line with continued DFE best practise guidance. All schools with balances deemed to be excessive are challenged to explain their position.

Public Health

3.18 The Public Health budget is currently ringfenced. The year-end outturn was in line with the value of the grant funding, resulting in a balanced position against the value of this funding, including transfers to the Public Health reserve of £0.037m. The revised balance held in the reserve is £0.608m as at 31st March 2024. Budgets have been adjusted to reflect the transfer from reserves.

Clean Air Zone

3.19 The Clean Air Zone (CAZ) has generated £15.99m operational income since its launch (15 March 2021- 31 March 2024). This is comprised of £6.75m daily charges paid in time, with a further £9.24m generated by penalty charge notice (PCN) surcharges for non-payment of daily charges and through retrospective recovery as part of the PCN scheme. Grant income associated with the early years of the scheme was £3.14m. In terms of operating income associated with 2023/24, £1.75m was received in daily charges and £2.39m in PCN surcharges and retrospective recovery. 2023/24 CAZ operating costs totalled £2.38m bringing whole scheme operating costs since launch to £8.39m.

3.20 After operational costs & decommissioning provisions are met, surplus CAZ proceeds are ringfenced for transport investment or air quality related schemes as referenced

within the [CAZ charging order](#). By 31 March 2024, £4.33m has been added to smoothing and decommissioning reserves for future year costs; the CAZ revenue re-investment reserve stands at £6.25m, having already used £0.16m for projects to date. All £6.25m of the current balance has been allocated to future projects: £2.5m (over two years) funding B&NES' contribution to City Region Sustainable Transport Settlement (CRSTS) together with £3.75m supporting capital transport spending and associated air quality projects. Future year's budgets currently estimate a further £0.95m will be available for reinvestment, bringing the investment reserve balance to £7.2m, which has been allocated to further support future transport initiatives.

Reserves and Flexible Capital Receipts

3.21 The year-end position of earmarked reserves, taking into account the 2023/24 outturn, are shown in the table below.

Council's Earmarked Reserves	2022/23	2023/24	Movt
	£'m	£'m	£m
Corporate Earmarked Reserves			
Insurance Fund	1.041	1.076	0.035
Capital Financing Reserve	10.214	11.663	1.449
Revenue Budget Contingency	3.469	3.348	(0.121)
Transformation Investment Reserve	1.887	1.400	(0.487)
Business Rates Reserve	1.301	10.148	8.847
City Deal Smoothing Reserve	2.203	2.993	0.790
Restructuring & Severance Reserve	1.806	4.883	3.076
Financial Planning and Smoothing Reserve	3.200	2.842	(0.358)
Public Health Grant Reserve	0.571	0.608	0.037
Community Empowerment Fund	0.324	0.324	0.000
Revenue Grants Unapplied	4.712	1.038	(3.674)
Revenue Funding of Capital Reserve	0.616	0.896	0.281
Covid19 Outbreak Management Fund Grant Reserve	0.308	0.086	(0.223)
Covid 19 Test & Trace Reserve	0.152	0.000	(0.152)
Covid 19 General Reserve	3.354	1.005	(2.349)
City Region Sustainable Transport Settlement Contribution Reserve	3.000	3.000	0.000
Energy Inflation Reserve	1.082	0.450	(0.632)
Other	0.601	0.358	(0.242)
Sub Total	39.840	46.115	6.276
Schools Balances	0.834	1.191	0.357
Service Specific Reserves	1.893	4.436	2.543
General Service Reserves	28.257	21.909	(6.348)
Total Earmarked Reserves	70.824	73.652	2.827

Reserve balances excludes any 2024/25 transfers agreed as part of the 2024/25 Budget Report and the transfers proposed in paragraph 3.8.

Note: Some of the figures in this table are affected by rounding.

3.22 The year-end position of uncommitted non-earmarked reserves was £12.6m in line with the risk assessed requirements of a range of £11.6m to £12.8m agreed in the 2023/24 Budget Report.

Flexible Use of Capital Receipts

3.23 Council approved a revised Efficiency Strategy in February 2024 as part of the 2024/25 budget. This enables the authority to utilise capital receipts for one-off spend such as severance costs that result in the delivery of ongoing savings. Flexible capital receipts of £1.481m were utilised in 2023/24 taking the total used to £9.732m and it is estimated that this spend will contribute to the release of ongoing revenue savings of £15.355m by the end of 2024/25. Further details of spend and savings are shown in the following tables.

Category	Spend			
	2017/18 - 2021/22	2022/23	2023/24	Total
	£m	£m	£m	£m
Restructuring & Severance Costs	7.375	0.162	1.481	9.018
Procurement, Commissioning and other service redesign	0.714	0.000	0.000	0.714
Total	8.089	0.162	1.481	9.732

Category	Cumulative Savings			
	2017/18 - 2021/22	2022/23	2023/24	2024/25
	£m	£m	£m	£m
Restructuring & Severance Costs	6.219	6.387	6.525	9.065
Procurement, Commissioning and other service redesign	6.290	6.290	6.290	6.290
Total	12.509	12.677	12.815	15.355

Council Tax, Business Rates and Collection Fund

Council Tax

- 3.24 The 2023/24 tax base allowed for the same number of Local Council Tax Support (LCTS) recipients as at the end of November 2022 to continue into 2023/24 with budgeted costs of LCTS set at £10.26m. The cost at the end of March was £10.09m. This is £0.17m below the budget estimate and has contributed to a Council Tax surplus at year end. The number of working age claimants at the end of March was 5,794 compared to the budget assumption of 5,803 and the number of Pensioner claimants was 3,353 compared to the budget assumption of 3,469.
- 3.25 The non LCTS elements of the Collection Fund also ended the year in a favourable position, with a surplus of £0.39m mainly due to an increase in chargeable dwellings and lower than forecast increase in the bad debt provision.
- 3.26 Taking all these factors into account, the final in-year surplus on the Collection Fund in respect of Council Tax is £0.56m, of which the Council's share is £0.46m. This represents a positive variance of 0.4% against the 2023/24 forecast council tax income.
- 3.27 The Council's share of the final position on the Collection Fund, including the net deficit carried forward from 2022/23, is a surplus of £0.12m. This represents an improvement of £0.37m from the estimated deficit provision of £0.25m made in the 2024/25 Budget Report.

Business Rates

- 3.28 The outturn position for the Business Rate element of the collection fund is a surplus of £5.63m. The table below shows the Council's share of the surplus is £5.29m, which represents an improvement over the Quarter 3 forecast position of £5.34m.

Business Rates Collection Fund	Outturn Position		Qtr3 Forecast		Change
	Total (£m)	B&NES Share (£m)	Total (£m)	B&NES Share (£m)	B&NES Share (£m)
Business Rates (Excl Appeals Provision)	0.99	0.93	0.39	0.36	0.56
Appeals Provision	(5.95)	(5.59)	0.33	0.31	(5.91)
In Year (Surplus) / Deficit	(4.97)	(4.67)	0.72	0.68	(5.34)
2022/23 Surplus carried Forward	(0.66)	(0.62)	(0.66)	(0.62)	0.00
Total (Surplus) / Deficit	(5.63)	(5.29)	0.06	0.06	(5.34)

- 3.29 The main reason for the improved position is due to a one-off release of £5.99m from the provision held for appeals against the 2017 rating list. Following the closure of the 2017 rating list on 31st March 2023 the VOA has been assessing the checks,

challenges and appeals made against the list. There were over 300 checks and challenges against the rateable value (RV) of business properties in the Council area outstanding at the start of the financial year. This has reduced to 34 outstanding challenges by year end and the revised estimate of appeals impact on these has resulted in the release from the provision.

3.30 Section 31 grant income to revenue from business rate compensation grants ended the year £2.6m above budget, this relates to increased relief granted in respect of Retail Relief, Supporting Small Business Rate Relief and compensation for the cost of capping and freezing the business rate multiplier. This is partly offset by £0.5m payable to the City Region Deal Business Rate Pool to give a forecast net favourable revenue budget position of £2.1m. This balance has been transferred to the Business Rate Reserve in line with the approach for managing surpluses and deficits on business rate income as set out in the Budget Report.

3.31 The balance on the Business Rate Reserve as at 31st March 2024 was £10.1m which equates to around 14% of the annual rates income (excluding retail relief).

Overall Collection Fund

3.32 The following table shows the overall estimated position, for which provision was made in the 2024/25 Budget Report, and the actual outturn position for the Council share of the Collection Fund for 2023/24. These figures exclude preceptor shares:-

	Estimated (Surplus)/ Deficit £'m	Actual (Surplus)/ Deficit £'m	Difference £'m
Council Tax	0.249	(0.123)	(0.372)
Business Rates	0.057	(5.287)	(5.344)
Total	0.306	(5.410)	(5.716)

3.33 At an overall level, the outturn position on the Collection Fund improved by £5.716m over the estimated position. The overall difference will be taken into consideration when estimating the closing 2024/25 Collection Fund position as part of the 2025/26 Budget process.

Capital Programme

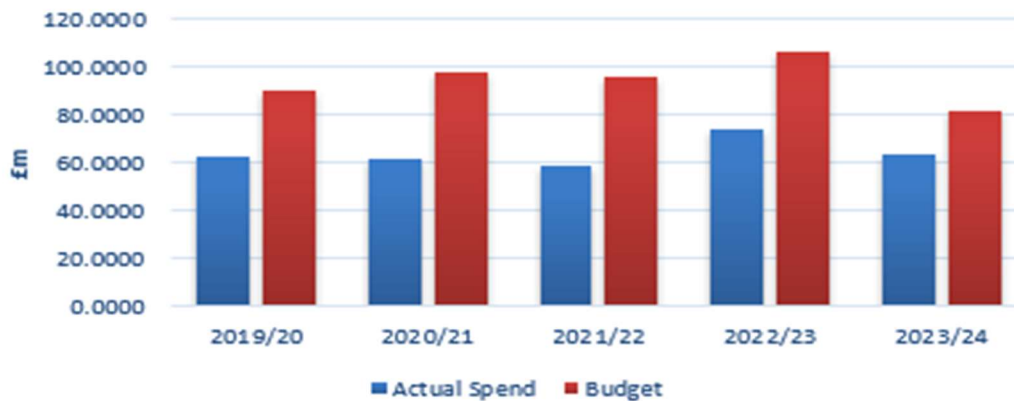
3.34 The capital spend in 2023/24 was £63.502m (77%) against a budget of £82.206m giving a variance of £18.704m, the variance mostly reflects the delivery of projects moving into future financial periods.

Portfolio Summary	2023/2024 Outturn Position			
	Capital Budget £'m	Outturn £'m	Variance £'m	Rephasing to 2024/25 Requested £'m
Leader	0.734	0.497	(0.237)	0.237
Climate Emergency & Sustainable Travel	2.187	1.759	(0.428)	0.428
Resources	10.464	6.245	(4.220)	3.954
Economic & Cultural Sustainable Development	12.582	8.296	(4.287)	3.277
Children's Services	3.940	1.148	(2.793)	2.793
Adult Services	2.533	2.214	(0.319)	0.293
Highways	18.366	14.883	(3.483)	3.483
Neighbourhood Services	25.942	24.022	(1.921)	1.915
Built Environment & Sustainable Development	5.458	4.439	(1.018)	1.018
Total	82.206	63.502	(18.704)	17.398

Note: Some of the figures in this table are affected by rounding.

3.35 Of this variance, £17.398m is requested for carry forward to 2024/25 to cover re-phased costs of capital projects. The balance of £1.306m represents net underspends that are removed from the programme. These include an underspend of £1.009m on the Bath Western Riverside project reflecting project savings and receipt of WECA grant for landscaping work and underspends of £0.136m on Keynsham Memorial Park Bridge, £0.130m Office Reconfiguration and £0.026m on the Leisure facilities modernisation as these projects have now reached completion. The detailed outturn position and re-phasing of each individual project is attached at Appendix 3. The delivery of the capital spend compared to budget over the last five years is shown in the following graph:

Capital Programme Spend vs Budget Last 5 Years



3.36 The funding of the capital programme for 2023/24 is as follows:-

	£'m
Total Capital Spending:	63.502
Funded by:	
Capital Receipts	2.356
Capital Grants	17.876
3 rd Party Receipts (inc S106 & CIL)	5.312
Revenue	0.928
Prudential Borrowing (Implied Need)	37.030
Total	63.502

3.37 The Council's provisional Capital Financing Requirement (CFR) as at 31st March 2024 is £367.6 million. This represents the Council's requirement to borrow to finance capital expenditure and demonstrates that total borrowing of £246 million remains well below this requirement as at 31st March 2024. This illustrates the extent to which the Council is currently cash-flowing capital projects in line with the Treasury Management Strategy to minimise borrowing costs.

4 STATUTORY CONSIDERATIONS

4.1 The annual Medium-Term Financial Strategy and planning process allocates resources across services with alignment of these resources towards the Council's corporate priorities. This report monitors how the Council has performed against the budget and Capital Programme set in February 2023.

5 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

5.1 These are contained throughout the report and appendices.

6 RISK MANAGEMENT

6.1 The substance of this report is part of the Council's risk management process. The key risks in the Council's budget were assessed by each Director, with these risks re-assessed regularly as part of the budget monitoring process.

7 CLIMATE CHANGE

7.1 The Medium Term Financial Strategy and budget process aligns resources towards the corporate priorities and objectives set out in the Corporate Strategy, which includes tackling the climate emergency. This report monitors the Council's financial performance against those budgets.

8 OTHER OPTIONS CONSIDERED

8.1 The option to carry forward over budgeted spend could be considered which would mean that services would have to make up any deficits in 2024/25 with a considerable impact on service delivery especially in light of the challenging economic environment in 2024/25 and possibly beyond.

9 CONSULTATION

9.1 Consultation has been carried out with the Cabinet Member for Resources, Directors, Section 151 Finance Officer, Chief Executive and Monitoring Officer.

9.2 The provisional outturn position has been discussed at Executive Leadership Team and Corporate Management Team in May.

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Background papers	2023/24 Budget Monitoring reports to the Cabinet; Revenue and Capital Budget Setting reports; Budget Management Scheme
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