

## Summary Portfolio Revenue Report

### Financial Monitoring Statement: All Portfolios

REVENUE SPENDING All Portfolios For period to	ACTUAL TO DATE			YEAR END FORECAST			ADV/FAV	NOTE
	Actual Spend or (Income)	Budgeted Spend or (Income)	Over or (under) spend	Forecast Spend or (Income)	Budgeted Spend or (Income)	Forecast over or (under) spend		
	A £'000	B £'000	C £'000	D £'000	E £'000	F £'000		
<b>Sep-06</b>								
Transport & Highways	2,453	1,942	512	5,795	4,740	1,055	ADV	1
Children's Services	(803)	(384)	(419)	17,841	17,455	386	ADV	2
Social Services	10,315	17,589	(7,274)	35,251	35,177	74	ADV	3
Economic Development	(825)	(1,324)	499	(2,665)	(2,491)	(173)	FAV	4
Sustainability & the Environment	5,817	6,044	(227)	13,066	13,215	(150)	FAV	5
Resources	7,973	9,854	(1,881)	17,682	18,664	(982)	FAV	6
Leader	2,071	2,086	(15)	4,110	4,163	(54)	FAV	7
Tourism, Leisure & Culture	146	716	(570)	3,665	3,589	76	ADV	8
Community Safety and Housing Services	2,045	2,563	(517)	4,808	5,009	(201)	FAV	9
<b>TOTAL</b>	<b>29,193</b>	<b>39,085</b>	<b>(9,892)</b>	<b>99,552</b>	<b>99,521</b>	<b>31</b>	ADV	

Note: "ADV" indicates an adverse variance, "FAV" a favourable variance, and a "(")" in the over and under spend columns indicates an underspend or overachievement of income

**Note 1: Highways & Transport Overheads:** vacancy management target of £109,000. Vacancy freeze beyond current 3rd tier recruitment has been to target balancing pressures within department. **Street Lighting:** the service plan assumed electricity prices would return to RPI trend after large increases in 05/06. Continued volatility of utility markets means that additional expenditure is forecast from re-tender exercise undertaken in September. It is proposed to delay 4 lighting schemes to recover the position and seek to fund other schemes through the capital programme (saving £150,000). A further £150,000 saving from **Highways Maintenance** austerity measures, reducing to demand led expenditure only, is necessary to balance other pressures in the transportation portfolio. **Public Rights of Way** £1,000 underspend: application for a Village Green near University has been received and a Legal Counsel is required to be engaged for a public enquiry. Savings identified through reduced footpath maintenance risking closures.

**Note 1 cont'd: Passenger** £10,000 overspend: additional commitment to Bath dial -a-ride made to Integrated Transport Board. No funding identified but are being sought. **Traffic Safety:** unbudgeted additional staff to operate CCTV for bus lane enforcement. **Public Transport:** increase passengers than predicted could result in a £650,000 overspend, (this is the high end of a range of forecasts) although this figure may change favourably as a result of a legal appeal currently being determined. This is a demand led budget and a new statutory responsibility, the additional government grant has proved inadequate. Mitigation is being proposed. Overall shortfall in **parking** income of £439,000, resulting from pay on foot deficits in off street car parking and lower fine income. The Assistant Director for Environmental Service will bring forward a paper of future Parking Strategy, including addressing income shortfall by further price increases.

**Note 1 cont'd: Park & Ride:** there was a net income loss from delays to fare increases resulting from late delivery of new buses. Price rises introduced in September has increase beyond the service plan requirement to recovery the position.

**Note 2: Strategic Management** forecast £94,000 overspend is due to pension as a result of amalgamation of schools, falling pupil numbers and school performance. Management propose actions will produce a small saving of £11,000. **Access** is forecast to overspend by £334,000 due to Home to School Transport. **Children's Services** £349,000 overspend is due to the increase in Independent Fostering Placements since the start of 2005/06. Management actions have been put into place to prevent further overspend.

**Note 3: Adult Services** £207,000 overspend is an improvement over last month and is in part due to a general improvement in the purchasing budget for residential and domiciliary care and ending of a catering contract. Mitigation is impact of transfer of placements to new extra care and ongoing reduction in residential and nursing care. **Learning Difficulties** £632,000 overspend decreased this month due to income generated by charging for an external client. Further mitigation is anticipated through deaths during the year and the re-commissioning of care for approximately 80 people where approximately £218,000 savings have already been achieved.

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**Note 3 cont'd: EPH's** £38,000 underspend has improved since last month due to a reduction in salary costs. General £11,000 underspend due to staff vacancies and close management of stationery and equipment budgets. Additional **management action** to freeze all non-essential non-care items of expenditure, fill vacancies only by exception and to curtail transport/mileage costs has been in place for 4 months.

**Note 4: Administration** £34,000 underspend due to vacant post being held following secondment of previous post holder; additional contribution being received from NRR towards support for a post. **Training Services** underspend includes the £56,000 carry forward from Aug 05 to Mar 06 reflecting the Service delivering annual contracts based on an academic year, the first contract ending in July 2006. Further savings have arisen on vacant posts (Programme manager, marketing & finance), an increase in additional Entry to Employment income. All budgets are now being revised to reflect the new contracts which commenced in 1st August 2006. **Employment Development Service** £36,000 underspend: a current Co-ordinator vacancy is being held; this will be filled by transfer of staff from Linear Way, following the re-focus of the Council's Print service. The underspend is partially offset by increased IT recharges relating to small works & desktop / laptop SLA charges. **Corporate Estate** £29,000 forecast underspend is due to premises costs being lower than budgeted.

**Note 5: Planning Control** (£29,000) underspend has arisen from the management of vacant administration posts through the planned use of temporary posts. The transfer of responsibilities to **Council Connect** will be met through this. **Planning Policy** (£8,000) overspend: there are two principal factors. A forecast underspend on **Policy and Major developments** (£30,500) will arise due to the management of a vacant Senior Planning officer post. This is partially offset by an overspend (£41,000) within **Heritage and Environment** as Contributions made to various external organisations, as a saving (£35,000) that was originally included within both the Service Plan and budget for this item, which cannot now be delivered.

**Note 5 cont'd: Management & Administration** (£100,000) overspend: Management is developing a plan to achieve £160,000 savings against budget, targeting reductions in overheads in all areas, including postage, advertising & IT. **Cleansing:** Olympics Host Support, commitment given to regional project to promote use of local facilities. This was not included in service plans and alternative funding will be identified. The new parks port-a-cabin offices have replaced the former outdated ones. Additional grounds work to be funded through efficiencies in the service. Additional commitment to Night Cleansing made to City Centre Management Group, estimated to cost an additional £20,000. In addition, crematorium trading suggests good performance to date, which the replacement project has been arranged not to impact upon. However, in view of overspending elsewhere, it is necessary for savings to be achieved, through economies made in these services.

**Note 5 cont'd: Waste Management:** the service strategy to increase recycling and reduce landfill continues to exceed the budget expectations, with net savings resulting from disposal gate fee savings, balanced by some increases recycling costs. The result depends on the key assumption of achieving £20 per permit for the current LATS trading surplus, which although this figure is supported by DEFRA advice, the market for buying and selling permits is immature and generally recent trading has been at a lower prices. The West of England Waste project is examining the issue of regional facilities for disposal of residual waste post 2012, necessary to for the council to achieve is LATS obligations. The current project plan shows the original sum earmarked in the service plan of £73,000 is likely to be exceeded. To balance pressures generally, economy measures are required towards a savings target of £40,000.

**Note 5 cont'd: Waste Operations:** additional running costs of transfer stations reflect requirements of extra security costs and vehicle costs. Short term lettings of Pixash Lane are now not expected. Savings will be identified to balance the budget.

**Note 6: Overspend on Democratic & Members Services** (£16,500) has arisen due to additional agency staff & recharge activity. A vacant Corporate consultation post has partially offset this. Current £20,000 overspend on **Registrars** is forecast due to higher recharges incurred and higher seasonal staffing costs. Services income is currently being reviewed, specifically with regard to increased opportunities that were identified in the Business Plan produced in Summer 2005. It is very likely that additional income will be generated to offset any service pressures identified.

**Note 6 cont'd:** The **Human Resources** cost centre incorporates the savings target for the Service of £165,300, which includes the £22,000 efficiency saving required on **Corporate Training**. This saving will be largely achieved by vacancy management within the personnel teams, enhanced by additional grant income receivable by the Education team. An overspend of £20,500 is also forecast on **Criminal Records Bureau**, as well as a volume variation charge of £100,000 relating to starters and leavers from the organisation. As with 2005-06 a recovery mechanism through generating services will be pursued, pending a review of internal processes. An underspend (£13,800) on **training support costs** is forecast at this stage, based on the planned programme of events. A review of training programmes will be carried out in October re-allocating the overspend to date.

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**Note 6 cont'd: Finance** forecast £28,000 underspend is due to staff costs being lower than budgeted. **Revs & Bens** £81,000 overspend: unbudgeted costs have been incurred for ESP work in support of the BFI response. There have been training costs and Revs & Bens have employed additional trainees above establishment in preparation for future anticipated changes. Above establishment agency staff were kept on for the first few months of the year to maintain existing performance standards, unfortunately it will be difficult to maintain these performance standards following the departure of these staff. **Legal Services:** there are a number of service variances identified, primarily in current vacancies being held. These variances will all be reflected within the quarterly charges levied by Legal Services, which will be based on actual activities undertaken. This process will recover all costs incurred by the Service, and thus will balance to zero.

**Note 6 cont'd: Catering** £100,000 overspend: prudent forecast that school catering income will fall below target; further detailed investigation to be undertaken. **Cleaning** £30,000 underspend: forecast underspend on salary costs allows for contribution to be exceeded. **Building Engineering Services** £100,000 overspend: major variance relates to overspends on materials and sub contractors produced through PCB. The income target is forecast to be achievable. **Operations Overheads:** the funding model for the implementation of Council restructuring assumed introduction of second tier management by 1st April. In reality, it has been necessary to incur recruitment costs and interim management arrangements to ensure service continuity. The forecast assumes capital funding for Transport / Planning posts £60,000 and £25,000 for Tourism.

**Note 6 cont'd: Loan Charges** £1,200,000 underspend due to low capital expenditure to date and slippage from 2005/06 delaying the need to borrow thus reducing estimated interest costs and also the Minimum Revenue Provision (MRP) calculation is less than estimated. Borrowing has been secured at lower interest rates than budgeted for this year adding to underspend.

**Note 7:** A £35,000 salary underspend is forecast on **Council Connect** (management action from a previous month). The **Customer Access** programme is still on target to achieve the income that will be generated from additional services that will be supported. **ECS - Voluntary Sector Grants** £12,000 underspend is due to adjustment in provision for concessionary rent at Bath Citizens Advice Bureau. **Equalities** £15,000 underspend forecast in respect of 2 current posts; both are currently being recruited. **CPU / former commercial services overheads** have one-off savings generated through vacancy management. It is noted that these budgets are overstated pending desegregation to other services, including procurement function to Policy and Partnership, plus management budgets to Support Services and Environmental services. These savings were being reserved for the HR overspend but in view of the revised forecast from this Service, these budgets will now be directed towards new performance initiatives.

**Note 8: Libraries & Information:** shortfall of £33,000 is forecast on total income receivable; operational income is only £9,000 short, which is a considerable improvement on 2005/06. Other variations include a £40,000 shortfall on Friends Group income, which is not now expected to be generated. A specific management action had been previously agreed involving a reduction in the books & material fund. This saving has now been partially replaced by savings elsewhere in the Service. An overspend of £22,000 on staffing is forecast, which is spread across the Service. The additional cost of **Spa operational management**, including water monitoring costs, are under review together with funding options including profits to be received in future years. **Tourism, Leisure & Culture Overheads** £48,000 underspend forecast due to part year start of the new Assistant Director for Tourism, Leisure & Culture.

**Note 8 cont'd: Heritage** results were above target in the first four months. However, the recovery of the visitor market has not been as great as expected in August and September, influenced by terrorist threats to trans Atlantic travel. **Parks & Open Spaces** £65,000 overspend: Directors savings target of £75,000 to achieve income from sponsorship will not be achievable in 2006/07, which was additional to the service plan target of £23,000. The service will deliver vacancy savings, plus other economies. **Sport and Active Leisure** overspends will be recovered through economies. The £190,000 for **Spa Completion** is a potential revenue provision, part of the additional £800,000 funding that was approved by the July'06 Council. This will be reviewed during the year to assess whether these costs should be charged to revenue or capital.

**Note 9: Environmental & Consumer and Building Control:** vacancy management and income surpluses to be managed to achieve a further £60,000 saving to budget. **Housing:** £45,000 underspend increased due to continuing staff vacancies. **Coroners:** Bristol City Council is continuing negotiations over a phased implementation of increases to hospital charges proposed by the NHS Trust. £95,000 was earmarked in reserves for additional Coroners costs as part of the 2005/06 outturn report. The provision will be drawn down to cover any overspend once the position on the hospital charges is agreed.

#### Budget Reconciliation

Budget per last report	99,255
Virements	266
Current budget	99,521

<b>The overall monitoring position for these services is</b>	
<b>that they are currently</b>	<b>£9,892,000 Underspent</b>
<b>and, with management actions, by the end of this financial year</b>	
<b>they are forecast to be</b>	<b>£684,000 Overspent</b>