

Corporate Policy Development and Scrutiny Panel

Date: Monday, 15th July, 2019

Time: 4.00 pm

Venue: Aix en Provence Room - Guildhall, Bath

Councillors: Paul Myers, Winston Duguid, Mark Elliott, Andrew Furse, Hal MacFie, Manda Rigby, Alastair Singleton, Shaun Hughes and Karen Warrington

Please note there will be a pre-meeting for Panel Members only from 3.30pm.



Mark Durnford

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NOTES:

1. **Inspection of Papers:** Papers are available for inspection as follows:

Council's website: <https://democracy.bathnes.gov.uk/ieDocHome.aspx?bcr=1>

Paper copies are available for inspection at the **Public Access points:-** Reception: Civic Centre - Keynsham, Guildhall - Bath, The Hollies - Midsomer Norton. Bath Central and Midsomer Norton public libraries.

2. **Details of decisions taken at this meeting** can be found in the minutes which will be circulated with the agenda for the next meeting. In the meantime, details can be obtained by contacting as above.

3. **Recording at Meetings:-**

The Openness of Local Government Bodies Regulations 2014 now allows filming and recording by anyone attending a meeting. This is not within the Council's control.

Some of our meetings are webcast. At the start of the meeting, the Chair will confirm if all or part of the meeting is to be filmed. If you would prefer not to be filmed for the webcast, please make yourself known to the camera operators.

To comply with the Data Protection Act 1998, we require the consent of parents or guardians before filming children or young people. For more information, please speak to the camera operator.

The Council will broadcast the images and sound live via the internet www.bathnes.gov.uk/webcast An archived recording of the proceedings will also be available for viewing after the meeting. The Council may also use the images/sound recordings on its social media site or share with other organisations, such as broadcasters.

4. **Public Speaking at Meetings**

The Council has a scheme to encourage the public to make their views known at meetings. They may make a statement relevant to what the meeting has power to do. They may also present a petition or a deputation on behalf of a group. They may also ask a question to which a written answer will be given. **Advance notice is required not less than two full working days before the meeting. This means that for meetings held on Thursdays notice must be received in Democratic Services by 5.00pm the previous Monday.** Further details of the scheme:

<https://democracy.bathnes.gov.uk/ecCatDisplay.aspx?sch=doc&cat=12942>

5. **Emergency Evacuation Procedure**

When the continuous alarm sounds, you must evacuate the building by one of the designated exits and proceed to the named assembly point. The designated exits are signposted. Arrangements are in place for the safe evacuation of disabled people.

6. **Supplementary information for meetings**

Additional information and Protocols and procedures relating to meetings

<https://democracy.bathnes.gov.uk/ecCatDisplay.aspx?sch=doc&cat=13505>

Corporate Policy Development and Scrutiny Panel - Monday, 15th July, 2019

at 4.00 pm in the Aix en Provence Room - Guildhall, Bath

A G E N D A

1. WELCOME AND INTRODUCTIONS

2. EMERGENCY EVACUATION PROCEDURE

The Chair will draw attention to the emergency evacuation procedure as set out under Note 6.

3. APOLOGIES FOR ABSENCE AND SUBSTITUTIONS

4. DECLARATIONS OF INTEREST

At this point in the meeting declarations of interest are received from Members in any of the agenda items under consideration at the meeting. Members are asked to indicate:

(a) The agenda item number in which they have an interest to declare.

(b) The nature of their interest.

(c) Whether their interest is **a disclosable pecuniary interest** *or* an **other interest**,
(as defined in Part 2, A and B of the Code of Conduct and Rules for Registration of Interests)

Any Member who needs to clarify any matters relating to the declaration of interests is recommended to seek advice from the Council's Monitoring Officer or a member of his staff before the meeting to expedite dealing with the item during the meeting.

5. TO ANNOUNCE ANY URGENT BUSINESS AGREED BY THE CHAIRMAN

6. ITEMS FROM THE PUBLIC OR COUNCILLORS - TO RECEIVE DEPUTATIONS, STATEMENTS, PETITIONS OR QUESTIONS RELATING TO THE BUSINESS OF THIS MEETING

At the time of publication no notifications had been received.

7. CABINET MEMBER UPDATE

The Cabinet Member will update the Panel on any relevant issues. Panel members

may ask questions on the update provided.

8. REVENUE & CAPITAL OUTTURN 2018/19 (Pages 5 - 28)

The report is to be considered by the Cabinet at their July 2019 meeting. It presents the revenue and capital outturn for 2018/19.

9. CORPORATE STRATEGY FRAMEWORK (Pages 29 - 34)

This report is an opportunity to engage the Panel prior to further development of the Council's new Corporate Strategy.

10. PANEL WORKPLAN (Pages 35 - 36)

This report presents the latest workplan for the Panel. Any suggestions for further items or amendments to the current programme will be logged and scheduled in consultation with the Panel's Chair and supporting officers.

The Committee Administrator for this meeting is Mark Durnford who can be contacted on mark_durnford@bathnes.gov.uk, 01225 394458.

Bath & North East Somerset Council	
MEETING:	Corporate Policy Development & Scrutiny Panel
MEETING:	15th July 2019
TITLE:	Revenue & Capital Outturn 2018/19
WARD:	All
AN OPEN PUBLIC ITEM	
List of attachments to this report: Revenue & Capital Outturn Cabinet Report 2018/19 Appendix 1: Detailed Revenue Budget Outturn	

1 THE ISSUE

- 1.1 The report was considered by the Cabinet at their July 2019 meeting. It presents the revenue and capital outturn for 2018/19.

2 RECOMMENDATION

The Panel is asked to;

- 2.1 Consider the Revenue & Capital Outturn Cabinet Report 2018/19.
2.2 Note the presentation on the Councils financial monitoring process.

3 THE REPORT

- 3.1 The Revenue & Capital Outturn Cabinet Report 2018/19 and supporting detailed revenue budget outturn are included as the appendices to the paper and for Panel consideration.

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. The attached report monitors how the Council has performed against the budget and Capital Programme set in February 2018.

5 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

- 5.1 These are contained throughout the attached report and appendices.

6 RISK MANAGEMENT

- 6.1 A risk assessment related to the issue and recommendations will be undertaken, in compliance with the Council's decision making risk management guidance.

7 CLIMATE CHANGE

- 7.1 This is an information only report about the Council's financial performance against budgets set for 2018/19, it therefore does not include any decisions that have a direct impact on Climate Change.

8 OTHER OPTIONS CONSIDERED

- 8.1 None

9 CONSULTATION

- 9.1 The Cabinet Member for Resources has been consulted on the drafting of this report as well as the S151 Officer and Monitoring Officer.

Contact person	Donna Parham, Director of Finance (01225 477468) Andy Rothery, Head of Management Accounts (01225 477103)
Background papers	2018/19 Budget Monitoring reports to the Cabinet; Revenue and Capital Budget Setting reports, Budget Management Scheme
Please contact the report author if you need to access this report in an alternative format	

Bath & North East Somerset Council		
MEETING	Cabinet	
MEETING DATE:	10 July 2019	EXECUTIVE FORWARD PLAN REFERENCE:
		E 3073
TITLE:	Revenue & Capital Outturn 2018/19	
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 2018/19 Appendix 3: Detailed Capital Variance & Rephasing Requests 2018/19 Appendices 4(i) & 4(ii): Capital Virements & Capital Programme by Portfolio 2018/19		

1 THE ISSUE

- 1.1 The report presents the revenue and capital outturn for 2018/19, highlighting a net revenue over budget position of £0.92m. The position has vastly improved through actions including a recruitment freeze that have been implemented during the financial year. The improvement has continued since the last report, which forecast an over budget position of £3.21m based on monitoring for the year to December 2018, mainly due to improvements in income generation within Heritage Services, and a reduction in capital financing costs arising from the review of the capital programme and rephasing of capital projects.
- 1.2 The report refers to the request to write-off revenue over budgets where recovery in future years would have an adverse impact on continuing service delivery. Given the overall position no carry forwards have been put forward for approval. It is proposed that the over budget position is funded through the Revenue Budget Contingency Reserve set up for this purpose. Provision of £1.6m was made as part of the 2019/20 budget to ensure the reserve was sufficient to meet future budget risks.
- 1.3 The report also refers to requests to re-phase specific capital budget items to 2019/20 and to remove net capital underspends.

2 RECOMMENDATION

The Cabinet is asked to;

- 2.1 Note the revenue budget outturn over budget position of £0.92m for 2018/19 and the use of Revenue Budget Contingency to fund the overall shortfall;
- 2.2 Note that no carry forward requests are being put forward for approval;
- 2.3 Approve that all over budgets are written-off as an exception to the Budget Management Rules for 2018/19.
- 2.4 Note the revenue virements for 2018/19 reported for information in Appendix 2(i)
- 2.5 Note the reserve positions and the use of flexible capital receipts shown in paragraphs 3.14-3.16;
- 2.6 Note the outturn position of the 2018/19 capital programme in paragraph 3.22, and the funding outlined in paragraph 3.24;
- 2.7 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 2018/19.

Revenue Budgets

- 3.2 The report identifies that after allowing for carry forwards, the Council was over budget by £0.92m, which to give some context, represents 0.34% of gross budgeted spend excluding schools. The table below shows the overall position by portfolio:-

Portfolio	Revised Budget £'m	Outturn £'m	Variance £'m
Leader	2.283	2.295	0.012
Finance & Efficiency	(0.369)	(0.311)	0.058
Transformation & Customer Services	5.825	6.085	0.260
Adult Care, Health & Wellbeing	61.718	60.738	(0.980)
Children & Young People	29.200	30.961	1.761
Development & Neighbourhoods	19.171	19.219	0.048

Portfolio	Revised Budget £'m	Outturn £'m	Variance £'m
Economic & Community Regeneration	(4.920)	(5.970)	(1.050)
Transport & Environment	(1.374)	(0.561)	0.813
Total	111.533	112.456	0.923

3.3 The main areas of over/under budget are as follows:-

Adult Care, Health & Wellbeing – £0.983m under budget mainly due to favourable variances in purchasing budgets for Older People, Physically Disabled and Learning Difficulties client groups, additional income from client contributions and delays in projects funded by the Better Care fund offsetting pressures in the purchasing budgets in Mental Health client group and delays in savings delivered.

Children & Young People - £1.761m over budget due to pressures from placement costs due to complexity of needs and increased risk, higher costs for Parent and Baby units, increased use of Special Guardianship and pressures from the Disabled Children's service provision offset by some under budget positions with-in Children centres and other minor variances.

Economy & Community Regeneration - £1.050m under budget from favourable positions within Heritage services from additional income, salary under budget and expenditure below anticipated levels, Housing services due to income over achievement and savings across staffing and other expenditure as well as other minor favourable variances.

Transport & Environment - £0.813m over budget pressures due to unachieved Transport Savings, previously identified concessionary fares budget gap, rent arrears and unachieved income offset by temporary staffing vacancies.

Finance & Efficiency - £0.058m under budget. This position includes £0.886m over budget position within Commercial Estate due to timing of new acquisitions later than anticipated. This is offset by budget underspends within Capital Financing and Corporate budgets as well as other minor variances within the portfolio.

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

Carry Forward Requests

3.5 No carry forward have been put forward for approval.

Mitigations

3.6 The over budget position of £0.92m has been mitigated and financed through release of the Revenue Budget Contingency Reserve. Provision was made as part of budget setting in 2019/20 to add £1.6m to the reserve in 2019/20 to ensure that £2.0m was provided to meet new budget risks.

3.7 It is recommended that all over budgets are written off as an exception to the Budget Management Scheme Rules to retain budget stability in 2019/20.

3.8 The ongoing implications arising from the year end have been analysed and it can be confirmed that the majority of these have been factored into the 2019/20 budget. A number of areas will need close monitoring in 2019/20, a review of the 2019/20 April – May forecast indicates :-

- Children's Services remain at risk, the 2019/20 budget has been increased to fund the increased recurring costs experienced in 2018/19, however the current forecast has indicated additional high cost health and social care placements funded by the Council and Clinical Commissioning Group.
- Commercial Estate income continues to be impacted by difficulties within the retail sector.
- The Roman Baths had a positive Easter and strong performance continued through May half-term across all sites.

These will be examined as part of the budget monitoring process, including appropriate mitigating actions.

Delivery of Savings

3.9 The 2018/19 approved budget included the requirement for the delivery of £16.99m of savings. The final outturn position included achievement of £13.58m or 80% of the savings target compared to 82% delivered in 2017/18. Savings items that are no longer deliverable in 2018/19 have been reviewed alongside other recurring budget pressures and have been incorporated into the financial planning assumptions for the 2019/20 budget. It is expected that delayed savings totalling £3.4m will be delivered in 2019/20.

Schools

3.10 The Overall Dedicated Schools Grant for 2018/19 was £135.60m, however of this sum £84.63m was returned to the DFE to be allocated to academies, £20.75m was allocated to schools through funding formula, with the remaining £30.23m retained by the LA to support Special Educational Needs, central expenditure and Early Years.

3.11 The centrally held elements of the Dedicated Schools Grant (DSG) were over budget and required £2.22m of the £2.30m allocated within the revenue budget to support Special Educational Needs expenditure. For 2019-20 the £2.3m is placed in a contingency reserve that may be utilised to fund any overspends at year end once all other options including underspends within other DSG Blocks and the contribution from schools have been utilised.

3.12 Schools balances reduced by £730k to £388k at the year-end, this is mainly due to schools transferring their balances once they converted to academies. The remaining schools have increased their balances overall by £92k. These 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. Most large balances are retained as part of plans for capital projects in schools.

Public Health

3.13 The Public Health budget is currently ringfenced. The year-end outturn was a £0.022m over budget position mainly due to activity driven expenditure from commissioned services. This has been funded from the Public Health Grant balances held in reserve to leave £0.608m remaining as at the 31st March 2019. Budgets have been adjusted to reflect the transfer to reserves.

Reserves and Flexible Capital Receipts

3.14 The year-end position of earmarked reserves is as follows:-

Council's Earmarked Reserves	£'m
<i>Corporate Earmarked Reserves</i>	
Insurance Fund	1.864
Capital Financing Reserve	7.611
Revenue Budget Contingency*	1.457
Transformation Investment Reserve	2.149
Business Rates Reserve	2.602
City Deal Smoothing Reserve	1.234
Restructuring & Severance Reserve	2.183
Financial Planning and Smoothing Reserve	6.437
Invest to Save Reserve	1.256
Public Health Grant Reserve	0.608
Community Empowerment Fund	0.324
Revenue Grants Unapplied	1.221
Revenue Funding of Capital Reserve	0.285
Other	0.323
<i>Sub Total</i>	29.554
Schools Balances	0.388
Service Specific Reserves	2.708
General Service Reserves	3.528
<i>Total Earmarked Reserves</i>	36.178
* Balance excludes any allocations previously agreed from the Revenue Budget Contingency but not yet spent, and the £1.6m transfer into the reserve approved as part of the 2019/20 Budget Report	

3.15 The year-end position of non-earmarked reserves was £12.3m in line with the risk assessed requirements of a range of £11.9m to £13.1m.

Flexible Use of Capital Receipts

3.16 Council approved a revised Efficiency Strategy in February 2019 as part of the 2019/20 budget. This enables the authority to utilise capital receipts for once-off spend such as severance costs that result in the delivery of ongoing savings. Flexible capital receipts of £3.45m were utilised in 2018/19 taking the total used to £6.58m and it is estimated that this spend will contribute to the release of ongoing

revenue savings of £13.37m by 2020/21. Further details of spend and savings are shown in the following table.

Category	Spend			Savings			
	2017/18 £m	2018/19 £m	Total £m	2017/18 £m	2018/19 £m	2019/20 £m	2020/21 £m
Restructuring & Severance Costs	3.124	3.045	6.169	0.102	2.658	5.053	5.241
Procurement, Commissioning and other service redesign	0.000	0.408	0.408	0.000	3.425	6.126	8.126
Total	3.124	3.453	6.577	0.102	6.083	11.179	13.367

Council Tax, Business Rates and Collection Fund

3.17 The final outturn position on the Council Tax Collection Fund was a surplus of £0.691m for the Council's share, this represents a 0.8% variance against target income. The reason for the surplus is mainly due to the number of chargeable dwellings being slightly higher than forecast. For 2018/19, the tax base included an adjustment of £8.9m for the estimated costs of the Local Council Tax Support Scheme and the outturn position is in line with this amount.

3.18 The collection rate for Council Tax was 98.22% (98.12% 2017/18).

3.19 The year-end position for the Council's share of Business Rate income relating to 2018/19 is £0.502m higher than estimated, which benefits the Collection Fund. The overall Collection Fund position, including the positive element relating to the 2017/18 outturn, is a surplus of £0.760m. The main factors impacting on Business Rates outturn position are the one-off benefits arising from a number of business rates appeals being withdrawn in the final quarter, and a lower bad debt provision requirement partly offset by higher than forecast empty property and small business rate reliefs. The Council holds a Business Rates Reserve to ensure that the General Fund is not adversely impacted in any one year. Following outturn transfers, the balance of the Business Rate Reserve was £2.6m as at the 31st March 2019. The collection rate for Non Domestic Rates was 98.61% (98.84% 2017/18).

3.20 The following table shows the overall estimated position, for which provision was made in the 2019/20 Budget Report, and the actual outturn position for the Council share of the Collection Fund for 2018/19. These figures exclude preceptor and central government shares:-

	Estimated Surplus/ (Deficit) £'m	Actual Surplus/ (Deficit) £'m	Difference £'m
Council Tax	0.713	0.691	(0.022)
Business Rates	(0.274)	0.760	1.034
Total	0.439	1.451	1.012

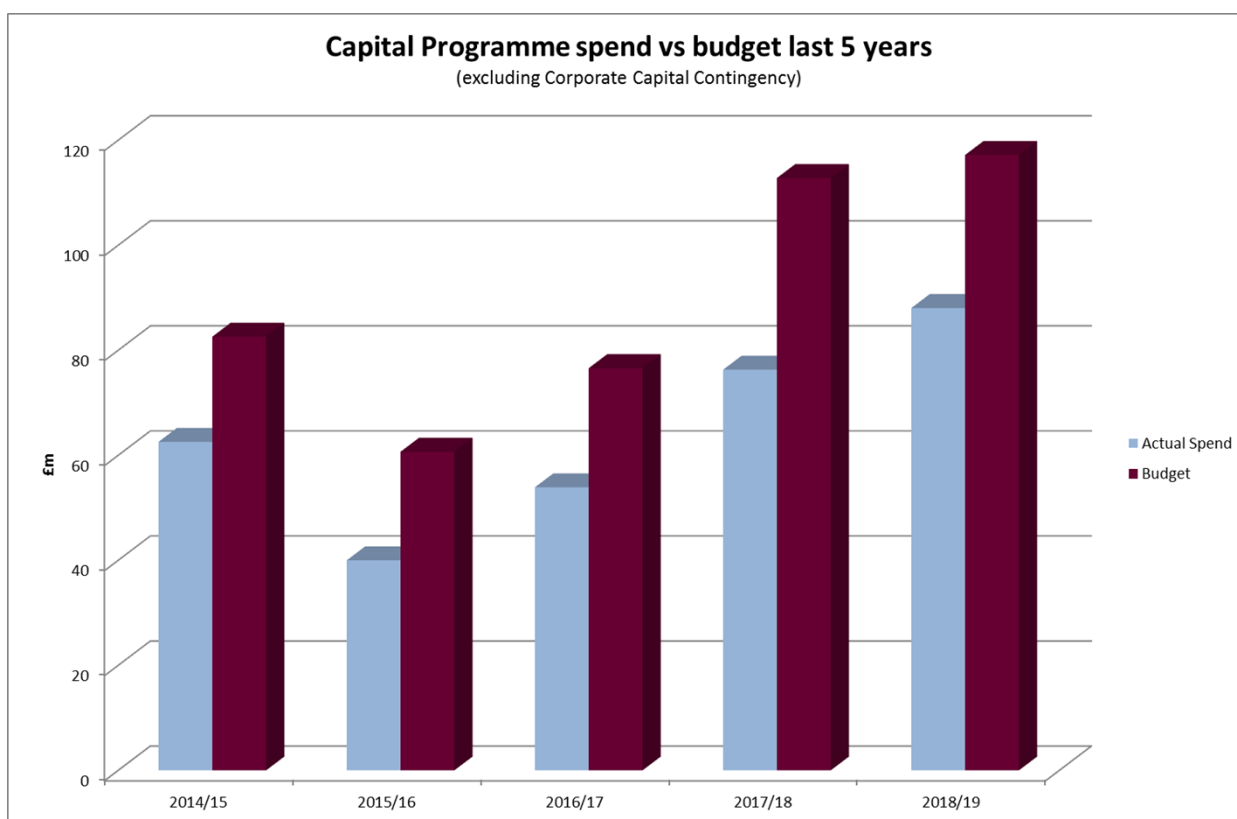
3.21 At an overall level the outturn position on the Collection Fund improved by £1.012m over the estimated position and this difference will be taken into consideration when estimated the closing 2019/20 Collection Fund position as part of the 2020/21 Budget process.

Capital Programme

3.22 The capital spend in 2018/19 was £88.043m (75%) against a budget of £117.185m giving a variance of £29.142m, primarily reflecting the delivery time to complete projects moving into future financial periods.

Portfolio Summary	2018/2019 Outturn Position			
	Capital Budget £'m	Outturn £'m	Variance £'m	Rephasing to 2019/20 Requested £'m
Development & Neighbourhoods	14.933	12.987	(1.946)	1.891
Economic & Community Regeneration	22.331	10.665	(11.666)	11.624
Transport & Environment	14.953	12.521	(2.432)	2.428
Children & Young People	10.582	6.440	(4.142)	4.142
Adult Care, Health & Wellbeing	0.756	0.323	(0.433)	0.433
Finance & Efficiency	52.790	44.546	(8.245)	8.245
Transformation & Customer Services	0.840	0.560	(0.279)	0.279
TOTAL	117.185	88.043	(29.142)	29.042

3.23 Of this variance, £29.042m is requested for carry forward to 2019/20 to cover re-phased costs of capital projects. 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:



3.24 The funding of the capital programme for 2018/19 is as follows:-

	£'m
Total Capital Spending:	88.043
Funded by:	
Capital Receipts	4.159
Capital Grants	21.181
3 rd Party Receipts (inc S106 & CIL)	3.697
Revenue	0.134
Prudential Borrowing (Implied Need)	58.872
Total	88.043

3.25 The Council's provisional Capital Financing Requirement (CFR) as at 31st March 2019 is £300.7 million. This represents the Council's requirement to borrow to finance capital expenditure, and demonstrates that total borrowing of £226.1 million remains well below this requirement as at 31st March 2019. This illustrates the extent to which the Council is currently cash-flowing capital projects in line with the Treasury Management Strategy.

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 2018.

5 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

5.1 These are contained throughout the report and appendices.

6 RISK MANAGEMENT

6.1 A risk assessment related to the issue and recommendations has been undertaken, in compliance with the Council's decision making risk management guidance.

6.2 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 Corporate Director, with these risks re-assessed on a monthly basis as part of the budget monitoring process.

7 CLIMATE CHANGE

7.1 This is an information only report about the Council's financial performance against budgets set for 2018/19, it therefore does not include any decisions that have a direct impact on Climate Change.

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 2019/20 with a considerable impact on service delivery especially in Children's Services.

9 CONSULTATION

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

9.2 The provisional outturn position has been discussed at Senior Management Team and Directors' Group in May.

Contact person	Donna Parham – 01225 477468; Gary Adams – 01225 477107; Andy Rothery – 01225 47103; Donna_Parham@bathnes.gov.uk Gary_Adams@bathnes.gov.uk ; Andy_Rothery@bathnes.gov.uk
Background papers	2018/19 Budget Monitoring reports to the Cabinet; Revenue and Capital Budget Setting reports, Budget Management Scheme
Please contact the report author if you need to access this report in an alternative format	

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APPENDIX 1 - Financial Monitoring Statement (Revenue): All Portfolios at Cashlimit level

REVENUE SPENDING For the Period APRIL 2018 to MARCH 2019	YEAR END ACTUAL			DIRECTOR NARRATIVE
	Annual Current Budget £000	Net Actual £000	Outturn Variance Over / (Under) £000	Notes on main areas of variance to budget

Detailed Analysis of Budgets for the Leader

Council Solicitor & Democratic Services	2,283	2,295	12	The variance is related to the phasing of the proposed savings with planned implementation in 2019/20 offset by additional income and other service underspends.
Leader Total	2,283	2,295	12	

Detailed Analysis of Budgets for Finance and Efficiency

Page 17 Information Technology	4,654	4,500	(154)	Budget variances including salary underspend relating to on-going recruitment, reduction in borrowing charges following amended phasing of IT investment projects during the year, underspend on Infrastructure budgets relating to telephones, data lines, software support, server maintenance and additional fees & charges. Additional one-off income from providing services to other organisations.
Property Services	2,118	2,191	73	Additional security staff at the Guildhall. This is an insurance requirement. There is also a shortfall in recoveries from projects due to income generating staff being diverted to non recoverable activities.
Corporate Estate Including R&M	2,278	2,259	(19)	Increased corporate estate holding costs offset by additional income and lower than anticipated R&M spend
Traded Services	216	485	269	Shortfall in income within Print Services due to decreasing demand, but desire to keep team to manage print requirements for the local elections in May 2019. Under recovery of income in Catering prior to service closure in August 2018.
Finance	2,271	2,308	37	Delay in achievement of management savings (£93k) mitigated by service underspends and agreed service recharges and recovery from reserves

APPENDIX 1 - Financial Monitoring Statement (Revenue): All Portfolios at Cashlimit level

REVENUE SPENDING For the Period APRIL 2018 to MARCH 2019	YEAR END ACTUAL			DIRECTOR NARRATIVE
	Annual Current Budget £000	Net Actual £000	Outturn Variance Over / (Under) £000	Notes on main areas of variance to budget
Risk & Assurance Services	1,154	1,079	(75)	One West underspend (£32k) due to increased income opportunities; not be wholly sustainable in 2019-20. Materially mitigated by a revised staffing structure. Forecast underspend will not now be transferred to Audit Partnership Reserve. Procurement overspend £9k results from additional resource to drive through Council's overall Procurement savings. Forecast reflects Centralised Stationery saving to offset pressure in achieving Agency levy
Human Resources	1,097	951	(146)	Favourable forecast due to some temporary staffing vacancies (about to be filled) and reduction in staffing contracted hours. HR and Finance have now rebased the budget to reflect the recent HR restructure.
HSC / Council Tax Benefits Subsidy	(195)	(254)	(59)	
Capital Financing / Interest	3,716	2,974	(741)	Underspend mainly due to lower than forecast borrowing cost arising from revision to capital spending profiles and the removal of some schemes following the capital programme review that was undertaken during the year.
Unfunded Pensions	1,679	1,564	(116)	Lower than forecast costs in respect of historic pensions liabilities.
Corporate Budgets including Capital, Audit and Bank Charges	(7,473)	(7,776)	(303)	Main variances relate to £155k underspend on pension deficit contribution reflecting transfer of academies, £120k additional income from Spa profit share agreement, £30k underspend on Apprenticeship Levy payments due to reduced paybill, and £30k underspend in bank charges. These are partially offset by a £45k pressure on E-transaction costs due to increased volumes and removal of charges for payments by credit card following changes to legislation.
Magistrates	17	11	(5)	
Coroners	305	297	(7)	
Environment Agency	231	229	(2)	
West of England Combined Authority Levy	3,873	4,011	138	Increase in Levy charge to reflect actual 2017/18 outturn costs of concessionary fares

APPENDIX 1 - Financial Monitoring Statement (Revenue): All Portfolios at Cashlimit level

REVENUE SPENDING For the Period APRIL 2018 to MARCH 2019	YEAR END ACTUAL			DIRECTOR NARRATIVE
	Annual Current Budget £000	Net Actual £000	Outturn Variance Over / (Under) £000	Notes on main areas of variance to budget
Property Rechargeable Works		55	55	Accounting error at 2017-18 year end. Debtors schedule entered but no income due
Commercial Estate	(16,293)	(15,407)	886	In line with changes to statutory guidance, a review of further acquisitions was undertaken. As a result several planned purchases did not proceed, however the consequential reduction in targeted revenue was partially offset by lower in year borrowing costs on previous acquisitions
Strategic Director - Resources	432	299	(134)	Release of management savings
Corporate Items	(309)	(165)	144	Process now in place for holding posts, however we need to adopt a simple way of capturing the corresponding savings.
People Services	309	285	(25)	Forecast underspend due to managed salary saving
Housing Delivery Vehicle	(450)	(205)	245	ADL transfers are progressing steadily. Cashlimit is behind budget due to slippage on some complex development sites resulting in delays to transfers to ADL. 2019/20 is expected to show progress as sales at Riverside View in Keynsham commence
Finance and Efficiency Total	(369)	(311)	58	

APPENDIX 1 - Financial Monitoring Statement (Revenue): All Portfolios at Cashlimit level

REVENUE SPENDING For the Period APRIL 2018 to MARCH 2019	YEAR END ACTUAL			DIRECTOR NARRATIVE
	Annual Current Budget £000	Net Actual £000	Outturn Variance Over / (Under) £000	Notes on main areas of variance to budget

Detailed Analysis of Budgets for Adult Care Health and Wellbeing

CRC & Community Equipment contracts	6,557	6,604	47	Variance relates to nursing and is covered by FNC income collected .
Adults Substance Misuse (DAT)	513	513		On budget. Service in process of being restructured within Public Health management.to be introduced from April 2019
Adults & Older People-Mental Health Commissioning	9,858	10,518	660	£660k over budget, Staff vacancies are partially mitigating the over spend across all purchase care areas.
Supporting People & Communities Commissioning	1,104	1,098	(6)	Salary savings and changes in Community Meal provision.
Adult Care Commissioning	784	934	150	Staff savings and other service savings will be achieved; mitigating additional temporary managerial resource
Older People & Physically Disabled Purchasing	13,298	13,121	(176)	£447k Underspend is a result of reduction in purchased care expenditure versus budget, with a positive underlying shift in spend towards Homecare from Residential and nursing, due to keeping more people at home.
CRC's and Extra Care	(1,733)	(2,270)	(537)	£537k additional income above budget target.
Learning Disabilities Commissioning	16,983	16,910	(73)	At outturn, an underspend was seen on the pooled budget spend and this reflects the council share in line with the S75 agreement and percentage split contained within (23.36% CCG/76.64% LA). This reflects the continued management of costs pressures seen within the pool throughout 2018/19.

APPENDIX 1 - Financial Monitoring Statement (Revenue): All Portfolios at Cashlimit level

	YEAR END ACTUAL			DIRECTOR NARRATIVE
REVENUE SPENDING For the Period APRIL 2018 to MARCH 2019	Annual Current Budget £000	Net Actual £000	Outturn Variance Over / (Under) £000	Notes on main areas of variance to budget
Physical Disability, Hearing & Vision	4,601	4,326	(275)	Reduction in forecast spend due to the impact reclassification of people based on needs, mainly into Mental Health.
Public Health	(96)	(95)	1	No variances identified; service fully identified and delivered all in year management savings.
Better Care Fund	8,401	7,727	(673)	Due to delays in projects within the BCF it has been identified that £804k can be released in year for the protection of social care. This is non recurrent for 2018-19 only
Safeguarding, MCA and DOLS support	1,247	1,150	(98)	Salary savings in Safeguarding Adults teams delivered in excess of management savings target.
Community Equipment	203	203	()	The final pool budget is reported as balanced.
Adult Care Health and Wellbeing Total	61,718	60,738	(980)	

APPENDIX 1 - Financial Monitoring Statement (Revenue): All Portfolios at Cashlimit level

REVENUE SPENDING For the Period APRIL 2018 to MARCH 2019	YEAR END ACTUAL			DIRECTOR NARRATIVE
	Annual Current Budget £000	Net Actual £000	Outturn Variance Over / (Under) £000	Notes on main areas of variance to budget

Detailed Analysis of Budgets for Children & Young People

Children, Young People & Families Page 22	15,195	16,917	1,723	The Key budgets (placements & adoption) over budget £91k, (in addition to in year £860k virement). Rise in placement costs relate to increase in complexity of need, including risks associated with very young children, as well as adolescent placements due to exploitation and risk of offending. Parent and baby unit higher costs due to significant rise in court applications for very young children, as well as the complex needs and/or high risks. Increased use of Special Guardianship placements provide a cost avoidance for both in house fostering and independent sector placements. Disabled children's provision over budget £423k, (increase in demand for family support/packages of care). These children have complex needs linked to disability, although this has led to increased spend, this has enabled the majority of these children to remain at home in their families and communities, and not come into care. Inter-agency adoption fees over budget £281k. The Children in Need and ART client budgets are over budget by £275k, this is due to package costs. Legal costs for court processes have outstripped budget by £196k. Directorate savings targets not achievable over budget £285k. Cases with no recourse to public funds are over budget by £79k. Children Leaving Care over budget £33k, (demand). Youth Offending Service over budget £21k.
Learning & Inclusion	3,208	3,109	(99)	The changes made to the Children Centre service has resulted in a under budget year end position of £131k, due to vacancies and cost control. CHIF costs were under budget by £35k due to less demand than anticipated. Children missing education ended over budget by £73k, this was due to a contribution not being transferred into this service area from another Children's Service area in error.

APPENDIX 1 - Financial Monitoring Statement (Revenue): All Portfolios at Cashlimit level

REVENUE SPENDING For the Period APRIL 2018 to MARCH 2019	YEAR END ACTUAL			DIRECTOR NARRATIVE
	Annual Current Budget £000	Net Actual £000	Outturn Variance Over / (Under) £000	Notes on main areas of variance to budget
Health, Commissioning & Planning	8,220	8,408	187	The Home to school Transport budget has overspent in 2018-19 mainly due to the increasing demands of SEND pupils. This overspend amounted to £643k. The Education service team budgets (including School Improvement, finance, governors support) have saved £418k and a further one off saving from income and grants has saved £92k.
Schools Budgets	(438)	(438)		Schools Budgets are allocated to each school through a funding formula and any under or overspend is carried forward in the schools accounts
Integrated Commissioning - CYP	2,290	2,227	(63)	Net staffing underspend due to Director change and backfill arrangements.
Safeguarding - CYP	725	738	13	Cash limit overall balances as Local Safeguarding Children's Board operates on a multi agency pooled basis; any surplus is retained within this arrangement
Children & Young People Total	29,200	30,961	1,761	

APPENDIX 1 - Financial Monitoring Statement (Revenue): All Portfolios at Cashlimit level

REVENUE SPENDING For the Period APRIL 2018 to MARCH 2019	YEAR END ACTUAL			DIRECTOR NARRATIVE Notes on main areas of variance to budget
	Annual Current Budget £000	Net Actual £000	Outturn Variance Over / (Under) £000	

Detailed Analysis of Budgets for Development & Neighbourhoods

Building Control & Land Charges	(55)	(11)	44	Unachievable savings target of £68k aligned with Water Monitoring, offset by one-off savings and other minor variances
Place Overheads	57	57	()	All budgets vired out, residual costs covered by reserves
Public Protection & Health Improvement - Regulatory & Active Lifestyles	1,438	1,376	(63)	£87k Casino income now confirmed and included in forecast plus small underspends across all budgets identified
Public Protection & Health Improvement - Leisure	879	879		On budget
Community Safety	41	44	3	
Neighbourhoods & Environment - Waste & Fleet Services	14,655	14,655		Recovery plans for previous adverse forecast are delivering savings in non-essential spend by delaying projects, combined with a significant reduction in waste disposal tonnages and an increase in recycle.
Neighbourhoods & Environment - Parks & Bereavement Services	1,125	1,222	97	A restructuring of service supported borrowing and the appointment of a permanent Bereavement Services Manager in Q4 will ensure that these variances are not repeated.
Development Management	1,030	997	(34)	Review of income and salary budgets has resulted in them being set more realistically next year so these variances should not be repeated.
Development & Neighbourhoods	19,171	19,219	48	

APPENDIX 1 - Financial Monitoring Statement (Revenue): All Portfolios at Cashlimit level

REVENUE SPENDING For the Period APRIL 2018 to MARCH 2019	YEAR END ACTUAL			DIRECTOR NARRATIVE
	Annual Current Budget £000	Net Actual £000	Outturn Variance Over / (Under) £000	Notes on main areas of variance to budget

Detailed Analysis of Budgets for Economic & Community Regeneration

Heritage	(7,782)	(8,538)	(755)	<p>The total budget overachievement of £755k is mainly driven by the following:</p> <ul style="list-style-type: none"> - Admission income £170k (1%) - Staff cost underspend £150k (3%) - Contingency released £140k (47%) - Supplies and Services £130k (9%) - Backdated rent £100k - Investment £86k (6%) - Debt Charges £50k (9%) - Adverse catering concession income (£115k) (14%)
Housing	1,124	906	(218)	<p>£60k favourable from Supported Lodgings u/spends from salaries, supplies & services and additional income along with £123k from Housing Options & Homeseach staff u/spends and overachievement of income. An o/spend in central housing costs due to parking expenditure miscoding not able to be reclaimed and minor changes totals £32k adverse. The H.M.O licensing team has an amount set aside of £52k for corporate overheads. £10k minor changes elsewhere make up the total underspend for Housing.</p>
Project Delivery	79	79		
Regeneration	353	327	(26)	£20k salary savings and £13k OHs recharged on Capital income plus other small variance
Economy and Culture	1,154	1,112	(41)	The cessation of the Arts Service has resulted in a £101k underspend within Economy and Culture. This has been off-set by overspends in other areas.
World Heritage	153	143	(10)	On budget
Economic & Community	(4,920)	(5,970)	(1,050)	

APPENDIX 1 - Financial Monitoring Statement (Revenue): All Portfolios at Cashlimit level

REVENUE SPENDING For the Period APRIL 2018 to MARCH 2019	YEAR END ACTUAL			DIRECTOR NARRATIVE
	Annual Current Budget £000	Net Actual £000	Outturn Variance Over / (Under) £000	Notes on main areas of variance to budget

Detailed Analysis of Budgets for Transformation & Customer Services

Customer Services	2,279	2,378	99	CCTV income target not achieved. A review of CCTV provision has commenced. Slight underachievement of management savings offset by £90k additional income from DWP and £60k release of bad debt provision no longer needed.
Libraries & Information	1,433	1,495	62	
Page 26 Strategy & Performance	2,199	2,288	90	This saving will not be achieved in 2019/20. This is due to the scope of the work being reduced and redefined from when the original target was agreed. This work is now being consumed into the larger "Improving how we work" project and will be reviewed during 2019/20 once phases 2 and 3 of the consolidation commence. Phase 1 of the project commenced in April 2019
Registrars Service	(86)	(76)	10	
Transformation & Customer	5,825	6,085	260	

APPENDIX 1 - Financial Monitoring Statement (Revenue): All Portfolios at Cashlimit level

REVENUE SPENDING For the Period APRIL 2018 to MARCH 2019	YEAR END ACTUAL			DIRECTOR NARRATIVE
	Annual Current Budget £000	Net Actual £000	Outturn Variance Over / (Under) £000	Notes on main areas of variance to budget

Detailed Analysis of Budgets for Transport & Environment

Highways & Traffic Management	6,920	6,901	(19)	There are two unachieved savings targets £145k carried forward from 2017/18 and current year target of £125k. There are also budget pressures in this service area as a result of service growth including increased energy costs, deferred restructuring and the need to use consultants in hard to recruit areas (transport planning). We have continued to review the highway maintenance and transportation programme to defer work and this is helping to mitigate some of these pressures.
Transport & Parking Services - Parking	(7,521)	(7,470)	51	Revised income targets are challenging and possible behaviour change may be contributing towards drop in income. PCN income reduced. Snow event caused a larger than anticipated drop in income, partially offset by staff savings and a reduction in spend.
Transport & Parking Services - Public & Passenger Transport	(773)	8	781	Savings achieved, however demand growth off-set savings due to an increase in SEND transport costs (£409k). Baseline budget gap for concessionary fares (£176k) and baseline budget gap on income (£130k). Budget growth agreed for 19/20 to address these issues.
Transport & Environment Total	(1,374)	(561)	813	
Council Total	111,533	112,456	923	

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Bath & North East Somerset Council	
MEETING:	Corporate Policy Development & Scrutiny Panel
MEETING:	15th July 2019
TITLE:	Corporate Strategy Framework
WARD:	All
AN OPEN PUBLIC ITEM	
List of attachments to this report:	
None	

1 THE ISSUE

- 1.1 This report is an opportunity to engage the Panel prior to further development of the Council's new Corporate Strategy.

2 RECOMMENDATION

The Panel is asked to;

- 2.1 Comment on the emerging strategic themes, process and approach for the new Corporate Strategy
- 2.2 Consider the role of the PDS Panels in developing the new Corporate Strategy framework and providing policy development, scrutiny and review of its implementation
- 2.3 Consider how best to ensure the Corporate Strategy is accompanied by a rigorous, public-facing performance monitoring regime which highlight the council's performance against plan delivery

3 THE REPORT

Background

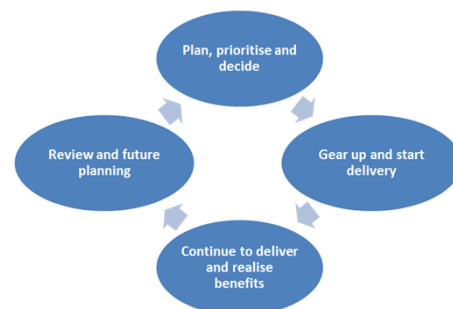
- 3.1 The Corporate Strategy is the Council's overarching strategic planning document, articulating the organisation's key aims and ambitions and guiding our activities and budget decisions.
- 3.2 The current Corporate Strategy, adopted in 2016, sets out the strategic direction for the Council to March 31st 2020. More recently, the Council published an Organisational Plan for 2019/20 and has also begun to articulate the services that we can deliver based on the resources we can reasonably expect to have at our disposal. The Council has adopted new Organisational Values to underpin

this and is developing a People Strategy to help with culture development, workforce planning and skills and training for staff.

3.3 The election of a new Council in May of this year, and the subsequent appointment of a new Leader of Council and Cabinet, provides an opportunity for the creation of a new Corporate Strategy to reflect these changes. This will set out the new Council and Cabinet's priorities and focus for the next 4 years, guiding decision-making, business planning and resource allocation over that period.

3.4 The new Corporate Strategy will set the context for the council's financial and budget strategy in the light of the new administration's priorities and be built around a 4 -phase planning cycle, as below:

- Phase One – Plan, prioritise and decide
- Phase Two – Gear up and start delivery
- Phase Three – Continue to deliver and realise benefits
- Phase Four – Review and future planning



3.5 The new Corporate Strategy will bring together

- the council's key service commitments
- its wider financial strategy and change programme, including initiatives such as moving to a more digital approach to service delivery
- the priorities, plans and focus for change of the new administration.

3.6 A particular emphasis will be on acting on the climate emergency, with a dedicated Cabinet member for this area of work. The draft strategy will therefore contain key commitments under this ambition, include assessing the impact of council decisions on climate change and working with the community and local businesses. This will also reflect the March 2019 Council resolution for our area to become carbon neutral by 2030

3.7 Linked to the commitment to address the climate emergency are ambitions to **deliver improvements for local residents** and promote more sustainable communities including:

- securing more affordable and social housing and improving the quality of rented housing, as well as making our housing stock greener and tackling fuel poverty
- reducing congestion and delivering significant improvements to public transport, walking and cycling facilities. Alongside the introduction of the Clean Air Zone, there are wider ambitions for a more pedestrian-friendly city centre and to reducing the impact of cars in residential streets through better traffic management and reductions in 'rat-running'

3.8 The draft Strategy will also highlight broader ambitions including opening up the council and promoting transparency by giving people a bigger say, including

promoting schemes such as Citizens Juries to involve local people in decision-making. The document will also be developed in the context of the financial challenges facing the council, particularly the well-publicised and nation-wide issues facing local government relating to the costs of social care. For this reason, it is expected also that the draft strategy will highlight proposal to address these issues through **focusing on prevention**.

- 3.9 A programme of engagement on the draft Strategy will be carried out later on the year. The table below provides a high level timetable for developing and engaging on a new Corporate Strategy:

July / August	<ul style="list-style-type: none"> Engage PDS on process and overall approach Begin drafting Corporate Strategy and use it to inform the Medium Term Financial Strategy (MTFS)
September	<ul style="list-style-type: none"> Cabinet report setting out approach to Corporate Strategy and MTFS, including next steps Prepare organisational frameworks to monitor and deliver the strategy including performance management and partnership structures
September-January	<ul style="list-style-type: none"> Engagement on the draft Corporate Strategy and budget options (including PDS Panels, Area Forums and Third Sector Group)
February 2020	<ul style="list-style-type: none"> Adoption of Corporate Strategy and budget

- 3.10 Policy Development and Scrutiny (PDS) members have a key role throughout the lifetime of the Corporate Strategy, with particular aspects emphasised at certain phases in the planning cycle , as below.

Corporate Strategy Framework- Planning Cycle	PDS members' role
<u>Phase One</u> Plan, prioritise and decide	<ul style="list-style-type: none"> Ensure challenge so that priorities are reflective of local needs and outcomes and that learning from previous experience is reflected in the approach Consider whether appropriate performance measures, targets and milestones have been adopted Consider the robustness of resource allocation to ensure delivery on the Strategy's commitments
<u>Phase Two</u> Gear up and start delivery	<ul style="list-style-type: none"> Consider whether effective project management systems are in place for particular aspects of delivery and that project plans and proposals have involved the community from the outset Undertake monitoring against targets, integrated with financial reporting Check against delivery of agreed corrective action to bring targets and projects back on track Highlight any cross-cutting issues across the Panels arising from the Strategy's delivery
<u>Phase Three</u> Continue to deliver and realise benefits	
<u>Phase Four</u> Review and future	<ul style="list-style-type: none"> Check against overall delivery of the Strategy's objectives and outcomes

planning	<ul style="list-style-type: none"> • Share learning from successes and areas for improvement • Consider the key changes that have taken place since the Strategy was adopted and feed into review
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- 3.11 As part of this overall approach to monitoring the Corporate Strategy, the Panels may also want to consider the best way to utilise their 'policy development' role and how each Panel can feed into the relevant parts of the framework as it progresses. For instance, this could take the form of specific review work which identifies recommendations for Cabinet on key priority areas.

4 STATUTORY CONSIDERATIONS

- 4.1 The Corporate Strategy is the Council's overarching strategic plan and forms a key part of the Policy and Budget Framework in the Council's constitution. It is an essential communication tool and will provide a clear framework for officers and members to work within. It will outline the key priorities of the Council and help to guide activity and decision making.

5 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

- 5.1 The Corporate Strategy will outline the Council's key priorities over the next 4-5 years. This will form a key consideration in the allocation of Council resources as part of the annual budget setting process and development of the 5- year Medium Term Financial Strategy.
- 5.2 The Medium Term Financial Strategy is currently being updated for agreement by Cabinet in September 2019. More detailed information on Council budget proposals will also be presented to the Panel later in the year.

6 RISK MANAGEMENT

- 6.1 A risk assessment related to the issue and recommendations will be undertaken, in compliance with the Council's decision making risk management guidance.

7 CLIMATE CHANGE

- 7.1 As stated in the body of the report, addressing the climate emergency and helping to achieve carbon neutrality by 2030 has been identified as a key theme for the new administration, in line with Council's declaration of a climate emergency. This is one of the key themes in the strategy and will require a significant cross-organisational and community mobilisation. A dedicated Panel for Climate Change and Sustainability has been established and a report updating on progress reported to Council in October.

8 OTHER OPTIONS CONSIDERED

- 8.1 None

9 CONSULTATION

9.1 The Cabinet Member for Resources has been consulted on the drafting of this report as well as the S151 Officer and Monitoring Officer.

9.2 As the Corporate Strategy is further developed, a programme of engagement will be undertaken as set out above.

Contact person	Andy Thomas, Head of Strategy Engagement & Marketing, (01225 394322)
Background papers	B&NES Corporate Strategy 2016-20 - https://www.bathnes.gov.uk/sites/default/files/bnes_corporate_strategy_2016-2020.pdf B&NES Organisational Plan 2019-20 - https://democracy.bathnes.gov.uk/documents/s54461/E3106z%20Annex%2010%20Organisational%20Plan%202019-20.pdf
Please contact the report author if you need to access this report in an alternative format	

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CORPORATE POLICY DEVELOPMENT AND SCRUTINY PANEL

This Forward Plan lists all the items coming to the Panel over the next few months.

Inevitably, some of the published information may change; Government guidance recognises that the plan is a best assessment, at the time of publication, of anticipated decision making. The online Forward Plan is updated regularly and can be seen on the Council's website at:

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<http://democracy.bathnes.gov.uk/mgPlansHome.aspx?bcr=1>

The Forward Plan demonstrates the Council's commitment to openness and participation in decision making. It assists the Panel in planning their input to policy formulation and development, and in reviewing the work of the Cabinet.

Should you wish to make representations, please contact the report author or, Democratic Services (). A formal agenda will be issued 5 clear working days before the meeting.

Agenda papers can be inspected on the Council's website and at the Guildhall (Bath), Hollies (Midsomer Norton), Civic Centre (Keynsham) and at Bath Central, and Midsomer Norton public libraries.

Ref Date	Decision Maker/s	Title	Report Author Contact	Director Lead
15TH JULY 2019				
10 Jul 2019 15 Jul 2019 E3073	Cabinet Corporate Policy Development and Scrutiny Panel	Revenue & Capital Outturn 2018/19	 Gary Adams Tel: 01225 477107	 Director Finance - Section 151 Officer
15 Jul 2019	Corporate Policy Development and Scrutiny Panel	Corporate Strategy Framework	 Andy Thomas Tel: 01225 394322	 Director Partnership & Corporate Services
SEPTEMBER 2019				
	Corporate Policy Development and Scrutiny Panel	People Strategy	 Cherry Bennett Tel: 01225 47 7203	 Director Partnership & Corporate Services
The Forward Plan is administered by DEMOCRATIC SERVICES: Democratic_Services@bathnes.gov.uk				