

REVENUE BUDGET MONITORING APRIL 2011 TO DECEMBER 2011

1.1 Appendix 2 outlines the Council's current financial position for the 2011/12 financial year to the end of December 2011 by Cabinet Portfolio. The Appendix shows the current forecast outturn position is an underspend of £308,000, or 0.08% of the gross expenditure budget (excluding Schools).

1.2 This is after the removal of:

- £1,300,000 provision for the carry forwards particularly where necessary to support the 2012/13 proposed budget. This amount includes £1,000,000 in Adult Care Commissioning, as detailed in 1.6 below.
- £450,000 relating to one-off financial settlement.

1.3 Within the current £308,000 forecast underspend figure, there are areas of over and under spending which are detailed below along with planned management actions being taken to reduce any overspends.

1.4 **Leader's Portfolio – forecast £62,000 underspend**

The forecast underspend on this portfolio is mainly due to an overspend of £30,000 in Legal & Democratic Services, offset by the £91,000 forecast underspend in Improvement & Performance, mainly due to changes in National Performance Management requirements and vacant posts in Human Resources.

1.5 **Community Resources Portfolio – forecast £596,000 underspend**

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

Support Services: £148,000 underspend, mainly due to Commercial Estate income being forecast £209,000 above budget following an acquisition and reviews of existing leases, as well as reduced management fees. There are also some small underspends and overspends in other areas such as Corporate Estate, Property, Finance and Risk & Assurance Services.

Corporate costs: £448,000 underspend, mainly made up of £250,000 additional investment interest from higher than expected cash balances, a £60,000 forecast underspend in the contribution to the Coroners Service, a £230,000 provision for the financing of the Places for Change project not required in the current year, and a forecast underspend of £100,000 based on the latest estimates for the Carbon Trading Levy. There is also underspends in the unfunded pension and audit fees budgets, and a provision for £300,000 for carry forwards.

1.6 Wellbeing Portfolio – forecast £44,000 overspend

There are several areas of overspending and under spending within Wellbeing, which are balanced to within £44,000 within this £50m net Portfolio. In addition, there is a £1,000,000 identified provision in Commissioning, partly due to the timing slippage on Adult Social Care schemes, with projects committed to commence in early 2012/13. This has already been removed from the reported figures, as part of the 2012/13 proposed Budget.

1.7 Early Years, Children & Youth Portfolio – forecast £125,000 underspend

There is an overspend of £127,000 being forecast on children in care payments, and this is dependent on the number of children placed. This overspend is being offset by a saving of £100,000 in the re-tender of the home to school transport contract and other small underspends. There is also underspends in School Improvement and Early Years, generated from staffing vacancies and limiting spending on projects, resulting in an overall underspend in the Portfolio.

1.8 Homes & Planning Portfolio – forecast £200,000 underspend

The overall underspend on the Portfolio is due to underspends of £84,000 in Housing and £201,000 in Planning Services due to staff savings, increased income and an underspend in the Local Development Framework, offset against a £85,000 overspend in Land Charges & Building Control, mainly as a result of lower applications resulting in lower fees.

1.9 Sustainable Development Portfolio – forecast £349,000 underspend

This underspend is almost entirely due to additional income forecast in Heritage Services, due to a higher level of performance expected over the Summer and increased spend per visitor head. There is a small underspend in Development & Major Projects, as well as small overspends forecast in Tourism & Destination Management & Libraries.

1.10 Neighbourhoods Portfolio – forecast £688,000 underspend

There is a £419,000 underspend in Waste Services, mainly due to the rebasing of the recycling contract and staffing budget underspends, partially reduced by adverse income in trade waste and higher fuel costs. There are also underspends in the Portfolio of £119,000 in Public Protection due to staffing savings and £148,000 in Customer Service overheads.

1.11 Transport Portfolio – forecast £1,668,000 overspend

This overspend is made up of income shortfalls of £257,000 in Park & Ride and £1,375,000 in Car Parking largely due to the recession. Whilst overall patronage of the Park and Ride sites has increased the proportion of concessionary fare passengers has increased significantly substituting fare paying passengers.

Increases in capacity at the existing Park and Ride sites are planned next year to allow potential revenue growth.

Neighbouring authorities are experiencing declines of 10% in their parking income and whilst Bath has performed better than this the effect of Southgate on Avon Street is clear. A range of mitigating action is being progressed to stimulate income. These include improving the customer experience by better site management and procuring more flexible permit and payment systems. Alternative sources of income are being investigated to replace custom lost to Southgate, for example contract parking for various organisations. Other options, such as variable charging to stimulate off peak demand, are also being considered together with an increased marketing profile through the Council's website.

The headline overspend will be reduced by £450,000 arising from a financial settlement received in year relating to Highways Maintenance. Management have undertaken detailed analysis of the underlying causes and are implementing action plans to address the shortfall. Positive variances resulting from management action in waste and tourism, leisure and culture further reduce the total overspend across the Service Delivery Directorate.

CAPITAL BUDGET MONITORING – APRIL 2011 TO DECEMBER 2011

1.12 The 2011/12 Capital Programme approved by Council in February 2011 was £33.6m (excluding contingency). Since then, £23.2m of spend on existing & new capital projects has been approved, along with rephasing of £12.6m as recommended in the 2010/11 Outturn Report.

1.13 The approved Capital Programme for 2011/12 is currently £69.4m (excluding contingency), and is detailed in Appendix 5(ii). Changes to the Capital Programme since November Cabinet are shown in Appendix 5(i).

1.14 Key Capital Issues

- Bath Transport Package: On the 14th December DfT announced Programme Entry of the Council's best and final bid. This allows the Council to proceed towards full approval, the result of which should be known around May 2012.
- Victoria Bridge: A decision was taken to proceed with emergency works under 'Rule 16 - Special Urgency' provisions in the Council's Constitution on the basis that the decision could not reasonably be deferred due to the serious risk that the Bridge could fail unless emergency action was taken.
- The permanent solution will be considered as part of the Budget process for 2012/13.
- Hetling Spring Borehole: The project was approved at November Cabinet and is currently underway. Drilling has been successful and head works are being installed. Completion is expected in Feb.

- Rossiter Road: Costs are currently being evaluated as part of a full scheme work up and the updated position will be reflected in the Budget process for 2012/13.
- Keynsham Regeneration: The Cabinet meeting on 7th December 2011 approved progression of the project to apply for planning permission and appoint a construction delivery partner. The full capital budget is subject to approval by Council in February as part of the budget proposed.
- Wellsway Sports Hall: Alternative planning application was approved in November meaning the facility is expected to be operational in January 2013. £1.4m of rephasing is expected to into 2012/13 largely due to the planning delays.
- Combe Down Stone Mines: A final claim figure has been agreed in principle with HCA. The audit is currently underway and should be completed by March 2012.
- Norton Radstock Infrastructure: The initial highway scheme is currently under review and a report was approved by the Cabinet on the 11th January 2012 detailing the new TRO proposals.