

REVENUE BUDGET MONITORING APRIL 2013 TO JULY 2013

- 1.1 Appendix 2 outlines the Council's current financial position for the 2013/14 financial year to the end of July 2013 by Cabinet Portfolio. The Appendix shows the current forecast outturn position is an overspend of £77,000, or 0.02% of the gross expenditure budget (excluding Schools).
- 1.2 The forecast outturn position includes the delivery of £11.63m savings required as part of the approved budget for 2013/14.
- 1.3 Within the current £77,000 forecast overspend 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 £441,000 overspend**

The majority of the forecast overspend on this portfolio is £417,000 in Corporate Items, which is mainly due to a delay in implementing the Corporate Travel Plan savings. A revised proposal is currently being discussed with managers, officers and unions which will delay the implementation of the revised travel procedures, and hence the achievement of the savings.

An option to mitigate the delay in delivering this saving will be to request a one-off drawdown from the Financial Planning Reserve. This will be considered later in the financial year as the forecast outturn position progresses.

There is also a small forecast overspend in Legal Services as detailed savings proposals are reviewed, which is partially offset against an underspend in Improvement & Performance within Human Resources salary budgets.

1.5 **Community Resources Portfolio – forecast £11,000 overspend**

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

Support Services: £73,000 overspend, mainly due to Commercial Estate income being forecast £105,000 below budget following a delay in achieving anticipated rental income, and a £36,000 income shortfall in Traded Services. This is partially offset by small underspends in Finance, Risk & Assurance, Customer Services and Improvement & Performance.

Corporate costs: £62,000 forecast underspend, mainly due to additional savings in the cost of external auditors since the Government's rationalisation of the external audit regime.

1.6 Wellbeing Portfolio – forecast on target

Net spending pressures of £587,000 in purchasing budgets for Mental Health and Older People Services, due to an increase in the cost and demand of placements, and a £233,000 forecast income shortfall in Fairer Contributions Income from personal contributions have been offset within the Portfolio by Section 256 funding received in 2013/14 and carried forward funding from 2012/13 for growth in purchasing budgets.

1.7 Early Years, Children & Youth Portfolio – forecast on budget

This portfolio is currently forecast to be on target, although there are several demand-led budgets which could impact on this should they increase over the coming months, including Looked After Children, Parent & Baby Placements and Home to School Transport, which can significantly change at the start of each academic year.

1.8 Homes & Planning Portfolio – forecast on target

All budgets within the portfolio are currently forecast to be on target. Progression is being made in Planning Services to review commitments on the Local Development Fund Budget and potential planning appeals. Building Control income is being closely monitored in case of under recovery throughout the year.

1.9 Sustainable Development Portfolio – forecast £452,000 underspend

This is almost entirely due to a favourable income forecast in Heritage Services, with the trading profit forecast £443,000 above the annual target level. Admission income and visitor numbers are 11% above estimates and previous year levels in the first four months of the financial year, especially at the Roman Baths site. However, year-on-year performance over the first seven months of the calendar year is less strong, indicating that the trend in the first four months of 2013/14 may not be a wholly reliable indicator of performance in the financial year. A meaningful forecast of performance will not be possible until performance in the peak month of August has been assessed.

1.10 Neighbourhoods Portfolio – forecast £115,000 overspend

There is a £71,000 forecast net underspend in Waste Services, due to inflation savings on the waste contract.

This is used to partially offset the overspends of £131,00 in Public Protection due to savings targets not being fully achieved, and £53,000 in Library Services, partly due to falling income from film / audio book hire and from internet usage.

1.11 Transport Portfolio – forecast £38,000 underspend

There is an £81,000 underspend in Park & Ride due to increased income being reimbursed for concessionary fares, which is partially offset by unexpected expenditure on on-going Transport Schemes within Highways.

Car Parking is currently forecast on target, with work currently being undertaken to closely monitor the current & future income budgets. Income forecasts indicate potential under-recovery in Charlotte Street and Bus Gate income, which is being mitigated by positive income from on street parking and permits.

1.12 The Council has requested that the delivery of the key savings for the 2013/14 budget, including potential impacts, should be included as part of the regular budget monitoring. The following table provides a narrative on key savings:

Description of Saving	Target Saving Amount £'000	Amount Achieved to date £'000	Comments on saving including any service impacts or service user impacts
<u>Wellbeing</u>			
Savings achieved through a reduction in the “non-statutory” services funded as part of the “Supporting People & Communities Programme”.	152	152	On track to meet savings target, a number of voluntary organisations that have been funded to provide these non-statutory services have had their funding reduced and contracts agreed to enable this to happen.
<u>Early Years, Children & Youth</u>			
Reductions in Children’s Commissioned Services.	178	157	Commissions ceased where planned staffing issues still to be addressed
<u>Transport</u>			
Increase / introduce Car Parking Charges	250	250	Increases in a number of areas proposed. A majority would require changes to Traffic Regulation Orders. Some charging proposals likely to be opposed by local residents resulting in delays to implementation. Significant risk of reduction in numbers using affected car parks, renewing permits or visiting affected locations. In year monitoring & forecasting will identify achievement of additional income

<u>Neighbourhoods</u>			
Public Protection - consolidate services, review elements for delivery with a view to minimising service provided.	303	166	Target includes 40k Licensing generic working saving Current savings achieved through Voluntary Redundancies, vacancies and supplies and services savings. Plans are being reviewed for remaining target.
<u>Community Resources</u>			
Property - reduction in staffing levels to facilitate a 20% reduction target. Reduction in Repairs & Maintenance budgets.	721	721	Dependent upon splitting the delivery and commissioning roles and combining project delivery elsewhere in the Council. Target for 2013-14 is already achieved and further plans are being worked up and costed for the achievement of 2014-15 target.
Property Services – increased revenue income through investment in Commercial properties	550	0	Arises from the potential to invest in properties with secure returns that exceed those available through usual treasury management opportunities. Future acquisitions need to be linked to the enhancement of the Council's estate and to therefore achieve wider property objectives
Capital & Debt Charges	1,700	1,700	Debt Restructuring Proposal agreed in June. Loan Repayments taking place in July and August.
<u>Leader</u>			
Corporate Travel Plan - review of business travel & reimbursement arrangements across the Council.	500	84	The project is to support changes in the business travel practices of staff, reducing journeys and carbon emissions A revised proposal is currently being agreed with managers, staff and unions which will impact on savings deliverable in the current year.
ICT - rationalisation of systems, improved procurement, implementation of IT strategy & Consolidation of budgets. In-sourcing of ICT function.	350	200	Delivery is dependent upon ICT transferring in-house on 1 st August and centralisation and rationalisation of all ICT spend from April. Reduced spend on ICT will mean ICT will be provided strictly to meet business needs Staffing impacts cannot be accessed until service has returned in-house.

CAPITAL BUDGET MONITORING – APRIL 2013 TO JULY 2013

1.13 The 2013/14 Capital Programme approved by Council in February 2013 was £58.07m (excluding contingency). Since then, £13.64m of spend on existing capital projects has been approved, along with re-phasing of £12.14m as recommended in the 2012/13 Outturn Report on 10th July 2013.

1.14 The approved Capital Programme for 2013/14 is currently £83.85m (excluding contingency), and is detailed in Appendix 5(ii). Changes to the Capital Programme since July Cabinet are shown in Appendix 5(i).

1.15 Progressing Capital Projects Update

- **Keynsham Regeneration** – All construction works remain on programme. Two floors of the Civic Centre car park are due to be handed back to the council in early October. Works to the frame of the main office building and OSS/Library are progressing. Meetings to agree the highways scheme are in progress. Preparations for the staff workshops are continuing. These are planned to start in October following comments from Senior Management Team and Directors Group.
- **Bath Transport Package** - Street furniture installation anticipated September 2013 and bus shelter installation anticipated January/February 2014 (subject to resolution of design issues). A revised planning application for Newbridge Park & Ride has been submitted with the current programme suggesting completion of Newbridge Park & Ride in September 2014.
- **Guildhall Co Working Hub** - The project was delivered on time and on budget. They opened to members in mid-July as part of their “soft-launch”, formal launch is expected in September 2013. This space provides hotdesking, break out and meeting facilities, as well as a canteen area, showers and cycle parking, and is already running an events programme which draws business networks in from across the city.
- **Victoria Bridge** – Recommendation to approve listed building consent has been submitted, decision expected mid-August. Balfour Beatty have been appointed as principal contractor to complete stage one. Works commencement is envisaged in October/November 2013.
- **Rossiter Road** – A cost evaluation has taken place which costs the current design at c£1.5m - £1.8m, this will be funded from the budget available, with any additional costs being met from the Highways Maintenance capital budget.

- **St Gregory's and St Mark's Joint 6th Form Centre** - Forecast expenditure is in line with budget. The construction and fit-out works will be completed by 2nd September 2013 ready for the Sixth Form Centre to open the new school year.
- **Grand Parade and Undercroft** - An updated project plan is being prepared for the project team to sign off. A senior valuer has been appointed to the project team to secure a pre let as per the Cabinet report.
- **Revolving Infrastructure Fund Schemes – Flood Alleviation, Destructor Bridge, Gas Tanks** – Funding offer letters have now been signed by the council with the West of England Revolving Infrastructure Fund for all these projects. All schemes have now moved to delivery phase and will be monitored against the key milestones going forwards.
- **Batheaston Bridge** – A revised budget has been approved for the delivery of this scheme totalling £910,000. The current project plan indicates that work will commence in August and be completed in January 2014.