

## REVENUE BUDGET MONITORING APRIL 2010 TO SEPTEMBER 2010

1.1 Appendix 2 outlines the Council's current financial position for the 2009/10 financial year to the end of September 2010 by Cabinet Portfolio. The Appendix shows the current forecast outturn position is an underspend of £995,000, or 0.4% of the gross expenditure budget (excluding Schools).

1.2 Within the current £995,000 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.

### 1.3 Service Delivery – forecast £655,000 underspend

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

**Planning & Transportation** £608,000 overspend. Transport Design and Projects are forecasting an overspend of £615,000 due to capital income declining from capital programme reductions not fully reflected in staff Resourcing. Decreased patronage and delayed price increase have resulted in a forecast shortfall of Park & Ride income of £245,000. These overspends are partly offset by offset by increased income from Geographical Information System (GIS) recharges of £93,000 and savings in Planning of £200,000 related to reduced Regional Spatial Strategy (RSS) scope and lower contributions to the West of England partnership.

**Environmental Services** £1,179,000 underspend. The two main elements of this underspend are £237,000 due to the one off 2010/11 funding allocation for food waste collection needing to be aligned to costs which will be split over 2010/11 & 2011/12, and a £448,000 favourable car parking income forecast, due to improved Bus Gate and Penalty Charge Notice performances. There are further savings related to the re-tendering of the Street Lighting Energy Contract (£113,000) and improved Garden Waste income (£97,000).

### 1.4 Children's Services portfolio – forecast £277,000 overspend

The cause of this overspend is costs associated with children in care, based on spend to date and an estimation of costs for the rest of the year. This estimate is based on the number of children in care rising to 145 (currently 143), 45 of these children remaining placed in Independent Fostering Provider placements at average unit costs from 2009/10, and the pooled budget coming in on budget.

1.5 **Adult Social Services & Housing – forecast £13,000 overspend** after mitigating actions have been achieved, although there are some overspends and underspends within the Portfolio. The main variances are overspends of £364,000 in Mental Health and £221,000 in Older People's Services due to purchasing of care, offset by underspends in Advice Services following a contract review of the Supporting People budget (£250,000) staff costs in Housing

(£55,000) and an underspend of £193,000 in Community Resource Centres, as a result of staff savings and additional income from service user contributions.

## 1.6 Resources & Support Services Portfolio – forecast £630,000 underspend

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

**Support Services:** marginal overall £16,000 underspend, consisting an overspend of £168k caused by a shortfall in commercial estate rents offset by underspends in other Property and Risk and Assurance budgets.

**Corporate costs:** £614,000 underspend mainly made up of £100,000 additional investment interest from higher than expected cash balances and £133,000 underspend in borrowing costs, all due to re-phased capital spend. In addition, a provision of £255,000 for inflation on gas and insurance costs is no longer required following re-tendering which secured a reduction in gas prices together with a lower than anticipated annual increase in insurance premiums. The arrangements for capital financing costs in 2010/11 and future years are currently being reviewed.

## CAPITAL BUDGET MONITORING – APRIL 2010 TO SEPTEMBER 2010

1.7 The 2010/11 Capital Programme approved by Council in February 2010 was £46.5m (excluding contingency). Since then, £15.5m of spend on existing capital projects has been approved by Cabinet, along with rephasing as recommended in the 2009/10 Outturn Report on 15<sup>th</sup> July 2010.

1.8 The approved Capital Programme for 2010/11 is currently £70.2m (excluding contingency), which is detailed in Appendix 5(ii). Changes to the Capital Programme since Council approval in February are shown in Appendix 5(i).

1.9 The capital programme has been reviewed in detail in light of the current financial position, with some projects being put on hold. These have been subject to Strategic Director and Cabinet Member review and approval to progress.

### 1.10 Key Capital Issues

- Bath Transportation Package: The project is on hold pending grant approval from DfT. Property negotiations and purchases are progressing.
- The Children's Services Capital Programme has been scaled back to reflect reductions in grant funding. The future programme is uncertain due to Secondary School Reorganisation, the impact of Academies and funding uncertainty.
- The play pathfinder project has completed on time and on budget.
- The Primary Capital Programme Projects at Batheaston, Midsomer Norton, Weston All Saints and Bathford are progressing, and contracts are now in place for all projects.

- Writhlington (BSF) – is expected to come in on budget. The Applied Learning Centre is progressing well.
- The Government cancellation of Building Schools for the Future projects has not directly affected the Council, as no projects were at an advanced enough stage. However, the 14-19 Grant for Diplomas has been cut by approximately £660k.
- The Workplaces and Lewis House projects are progressing to plan.
- Bath Western Riverside – The project is progressing towards s106, Planning Conditions, Corporate Agreement, Funding Agreements between the Council, Crest Nicholson and Somer Housing. Further work is being undertaken to secure funding streams.
- Combe Down Stone Mines - Negotiations are ongoing with HCA as to how to progress the closing elements of the project.
- Public Realm – The City Information System, Preparatory Projects and Union Street projects are progressing to plan.

#### **1.11 Capital Funding Sources**

- Following the review of the capital programme, projects are only progressing as capital funding is secured.

#### **1.12 Approval of Capital Projects**

- A number of projects have now progressed to the stage where they require approval, and are included in Appendix 6.