

### REVENUE BUDGET MONITORING APRIL 2013 TO DECEMBER 2013

- 1.1 Appendix 2 outlines the Council's current financial position for the 2013/14 financial year to the end of December 2013 by Cabinet Portfolio. The Appendix shows the current forecast outturn position is an underspend of £1,945,000 before one-off costs, or 0.61% 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 £1,945,000 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. The Council has also incurred a range of one-off costs relating to the delivery of planned savings. The funding for these costs may be offset against the projected underspends.

#### 1.4 **Leader's Portfolio – forecast £37,000 underspend**

There is a £44,000 forecast overspend in Legal Services as detailed savings proposals are reviewed. This is offset against underspends of £14,000 in People Services and £59,000 in Human Resources salary budgets.

This Portfolio includes an approved use of reserves of £500,000 to cover the delayed implementation of the Council's Corporate Travel Plan arrangements. This will be reviewed pending the actual outturn position.

#### 1.5 **Community Resources Portfolio – forecast £795,000 underspend**

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

**Support Services:** There is an overspend of £252,000 in Property and Facilities, mainly due to Commercial Estate income being forecast £323,000 below budget following a delay in achieving anticipated rental income. This is being partially offset by reduced spend in repairs & maintenance, and salary savings within Property Services. Elsewhere within Support Services, there are underspends of £75,000 Finance due to recharges to the Change Programme, and £54,000 in Customer Services due to salary savings pending a service restructure.

**Corporate costs:** £885,000 forecast underspend, mainly due to £600,000 forecast net savings in debt costs and interest following the recent repayment of council borrowing. There are also additional savings of £80,000 in the cost of external auditors since the Government's rationalisation of the external audit regime, a £125,000 favourable adjustment to prior years' Housing Benefit subsidies, and the Council Tax Freeze Grant is £50,000 higher than originally budgeted for.

## **1.6 Wellbeing Portfolio – forecast on target**

Net spending pressures of £126,000 in purchasing budgets for Older People Services (including Physically Disabled) and £188,000 in Learning Difficulties, due to an increase in the demand of packages, have been offset within the Portfolio by Section 256 funding received from the PCT in 2013/14, and carried forward funding from 2012/13 for growth in purchasing budgets. Fairer Contributions Income from personal contributions is now forecast to be £20,000 above budget.

## **1.7 Early Years, Children & Youth Portfolio – forecast £45,000 overspend**

Within this portfolio, there is a £99,000 forecast overspend resulting from an individual remand case, estimated to cost £500 per day. This has been partially offset by salary and training savings across services. 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 remand care.

## **1.8 Homes & Planning Portfolio – forecast £192,000 underspend**

The underspend in this Portfolio is due to £169,000 underspend in Planning Services due to increased volumes of planning applications, and £23,000 in Building Control and Land Charges, due to staffing savings and increased income. Building Control income is being closely monitored in case of under recovery throughout the year.

## **1.9 Sustainable Development Portfolio – forecast £1,110,000 underspend**

The majority of this forecast underspend is due to a favourable income forecast in Heritage Services, with the trading surplus forecast now £903,000 above the annual target level of £4.054m.

Admission income and visitor numbers are 10% above estimates and previous year figures at the Roman Baths site. Retail gross surplus in Heritage Services is also higher than expected.

Within Tourism & Destination Management there is also forecast to be additional income from the Council's share of trading activity profit for the year. This is currently forecast to be £115,000 higher than projected.

## **1.10 Neighbourhoods Portfolio – forecast £178,000 underspend**

There is a £393,000 forecast net underspend in Waste Services, due to one off underspends from inflation savings on the waste contract, lower disposal tonnages, staffing turnover savings and a delay in service supported debt costs being charged to the service following delays in the procurement process of new vehicles.

This is offsetting overspends of £104,00 in Public Protection due to savings targets not being fully achieved, £63,000 in Neighbourhoods partially resulting from overspending in public conveniences, £20,000 in Leisure Services due to staffing

overspends, and £25,000 in Library Services, due to income shortfall and IT centralisation pressures.

### 1.11 Transport Portfolio – forecast £179,000 underspend

There is a £191,000 underspend in Park & Ride due to increased income being reimbursed for concessionary fares, unbudgeted income from bus penalties and renegotiated bus contract. There are also underspends totalling £213,000 in Transport Design & Projects & Transportation Planning, due to more accurate concessionary fares charging and staffing / project under-spending. This is offsetting £70,000 unexpected expenditure on on-going Transport Schemes within Highways. There are also potential upcoming pressures in Highway Maintenance dependant on the winter weather.

Parking Services is currently forecast £150,000 overspent, with £100,000 of this being a shortfall in bus gate income. On-going work is being undertaken to closely monitor the current & future income budgets.

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
<b><u>Wellbeing</u></b>			
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.
<b><u>Early Years, Children &amp; Youth</u></b>			
Reductions in Children’s Commissioned Services.	178	157	Commissions ceased where planned, with staffing issues still to be finalised. Forecast that full saving will be achieved by year-end.
<b><u>Neighbourhoods</u></b>			
Public Protection - consolidate services, review elements for delivery with a view to minimising service provided.	303	166	Current savings achieved through Voluntary Redundancies, vacancies and supplies and services savings. Plans are being reviewed for remaining target.

<b>Community Resources</b>			
Property - reduction in staffing levels to facilitate a 20% reduction target. Reduction in Repairs & Maintenance budgets.	721	721	Target for 2013-14 is already achieved and further plans are being worked up and costed for the achievement of 2014-15 target. Budget has been reduced and staff working towards new target.
Property Services – increased revenue income through investment in Commercial properties	550	250	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	Complete. Following the proposal that was agreed in June, the loan repayments took place in July and August.
<b>Leader</b>			
Corporate Travel Plan - review of business travel & reimbursement arrangements across the Council.	500	0	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	350	Following a review of insourcing and ICT budget centralisation, these savings are confirmed for 2013/14.

### **CAPITAL BUDGET MONITORING – APRIL 2013 TO DECEMBER 2013**

1.13 The 2013/14 Capital Programme approved by Council in February 2013 was £58.07m (excluding contingency). Since then, £14.9m 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 10<sup>th</sup> July 2013.

1.14 The approved Capital Programme for 2013/14 is currently £84.904m (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** – Project remains on-time and on-budget. Window installations are progressing as planned to the Offices and Civic Centre. Mechanical and electrical first fix works have commenced. Solar PVs have been ordered for both the Office and Civic Centre roofs. The tower crane has been removed.
- **Bath Transport Package – Lansdown Park and Ride**  
Bus shelter structure complete. Sports pitch remedial works on-going, wet weather has hindered operations.

### **Newbridge Park and Ride**

Planning permission for the Park & Ride has been granted. The contractors continue to manage the on-going Environmental works. Detailed design work is currently progressing.

### **Real Time Information (RTI)**

68 buses have already been fitted out ready with the RTI equipment. Equipment has now been installed on Wiltshire buses and will be installed on Wessex buses by March 2014. On street displays installation work is due to be undertaken during Summer 2014.

### **Bus Stops**

Contractors are delivering the Bus Stop construction; currently 184 stops have been upgraded. The Bus Stop programme is expected to complete in March 2015

**Victoria Bridge** – Listed Building Consent now granted and pre-start conditions discharged.

- o Main Contractor stage 1 pre-construction services underway.

- o Works completion anticipated Q3 2015.

- o It is anticipated that access will be maintained over the bridge for the majority of the works period and a small number of short stoppages of the Bridge will be required.

- **Rossiter Road** – The capital budget available to bring the scheme to completion is £1.835m. The detailed design of the scheme is being progressed, with highways surfacing costs met from highways capital maintenance budget. The scheme is scheduled for delivery in 2014/15 and procurement is underway, which will finalise cost estimates.
- **Grand Parade and Undercroft** -  
Project remains on-time and on-budget. A positive response has been received from the planning pre-application. Soft market testing is ongoing with encouraging feedback so far. Marketing literature is being finalized.

- **Revolving Infrastructure Fund Schemes – Gas Tanks**

Gas Holder has been decommissioned and Hazardous Storage License revoked. Wales and West have now completed the demolition tendering.

- **Flood Alleviation**

Project has completed the pre-application process. Further environmental work is being undertaken as part of the environmental statement. B&NES & Environment Agency held a 2<sup>nd</sup> successful stakeholder workshop in October 2013. Design team working towards a planning application in the new year.

- **London Road Regeneration** - The project is nearing design completion. Following comments from the cycling group a review of the scheme has taken place and revisions to the layout are now being considered by the design team before submission to the Highway Authority for approval.

- **Batheaston Footbridge and Bridleway** - Contractor appointed with work commencing October 2013, planned completion is now delayed due to disruption on the flood plain.

- **Heritage Investment**

The catering development created a new facility for Roman Baths visitors in response to customer feedback requesting additional catering facilities and in order to increase further the “secondary spend” (catering income) generated from visitors. The refurbishment of the Pump Room façade forms part of a rolling programme of works to conserve the infrastructure of the Roman Baths historic monument. All neighbours, ward councillors and key partners were advised of the work before it started. The Temple Precinct scheme continues the programme to redevelop and refurbish visitor facilities and provide step-free access for Roman Baths visitors. All three projects form part of the integrated five year business strategy for Heritage Services approved by Cabinet in April 2013.