

## REVENUE BUDGET MONITORING APRIL 2014 TO SEPTEMBER 2014

- 1.1 Appendix 2 outlines the Council's current financial position for the 2014/15 financial year to the end of September 2014 by Cabinet Portfolio. The Appendix shows the current forecast outturn position is an underspend of £672,000, or 0.15% of the gross expenditure budget (excluding Schools).
- 1.2 Strategic Directors will work to manage their budgets within the overall budget allocations approved by the Council for the remainder of the financial year. This may include the development of mitigating actions as the financial year progresses.
- 1.3 The forecast outturn position includes the requirement for the delivery of £10.88m savings as part of the approved budget for 2014/15.
- 1.4 Within the current £672,000 forecast underspend figure, there are areas of over and under spending which are detailed below, along with any planned management actions being taken to reduce projected overspends.
- 1.5 **Leader's Portfolio – forecast £445,000 underspend**

The budget within this Portfolio includes the £500,000 additional income target from a Visitor Contribution scheme, which is not now achievable at the level anticipated. This is due to recent government legislation changes that would significantly reduce the anticipated yield from such a scheme.

This is offset against a higher than anticipated 2013/14 Housing Benefit Subsidy claim, which has now been received in 2014/15 and is £918,000 greater than the figure included in the 2013/14 accounts. In addition, there is a small overspend on salary costs within the Strategy & Performance Service.

### 1.6 **Community Resources Portfolio – forecast £1,224,000 underspend**

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

**Resources:** There is a £76,000 overspend in Resources. Within this amount, there is a £255,000 forecast overspend within Resources Management owing to a one off cost of enabling proper coordination and phasing of managing savings, which once complete are due to achieve their target.

In addition, there is a £158,000 income shortfall in Commercial Estate caused by increased temporary voids and lease expiries, and a £55,000 overspend in Procurement due to high activity levels. These Resources overspends are partially off-set by a forecast underspend in salaries within Customer Services.

**Corporate costs:** £1,300,000 forecast underspend. This includes a £900,000 Pensions Deficit Recovery surplus, the £100,000 budget for Carbon Reduction payments no longer being required as the Council is not part of this scheme, and a £185,000 saving in pension deficit costs following the Council's early payment of its share. There is also an external audit fee rebate and a one-off Capitalisation Grant received that will not be used.

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

Although Fairer Contributions Income from personal contributions is now forecast to be £326,000 below budget (as these contributions and forecasts vary in line with the financial position of individual service users), the net spend on commissioning of Older People's Services after these contributions is currently forecast to be on target.

#### **1.8 Early Years, Children & Youth Portfolio – forecast £844,000 overspend**

Within this Portfolio, there is an overspend forecast in the budgets for direct payments for children in care, particularly in the Independent Fostering and Parent & Baby Unit budgets, due to increased cases in these volatile budgets. There is also a £100,000 forecast overspend resulting from the need to use agency staff with in the Children & Family Assessment & Intervention Team.

#### **1.9 Homes & Planning Portfolio – forecast £314,000 underspend**

The Council's revenue contribution in relation to the Disabled Facilities Grant work is forecast to be £225,000 lower than budget. This is mainly due to constraints in addressing a backlog, for which the service received an additional one off budget of £200k in 2014/15. Addressing this backlog is not within the control of the service as other parties contribute to the process, although the service is exploring ways of improving the situation. There are also £19,000 of underspends forecast in other areas of Housing services

Within Building Control & Land Charges, after offsetting pressures within the service, there is a £70,000 net underspend forecast as a result of additional Planning income.

#### **1.10 Sustainable Development Portfolio – forecast £30,000 overspend**

The £200,000 savings target in Tourism & Destination Management is unlikely to be achieved. A review of budgets within this service is being undertaken to help mitigate this. Heritage income is again going very well and is forecast to be £186,000 over budgeted level. There are also several small overspends within Economy & Culture, which results in a small net overspend forecast for the overall Portfolio.

### 1.11 Neighbourhoods Portfolio – forecast £513,000 overspend

Within Environmental Services, there is a £350,000 forecast overspend in Waste Services, due to the cost of higher disposal tonnages, and an £80,000 shortfall in income with Parks & Grounds due to the underachievement of rents and sponsorship.

In addition, there is an overspend of £107,000 currently forecast in Libraries, where service redesign work is currently underway, but the delayed implementation will only realise half of the £255,000 savings target in 2014/15. The overspends within the Portfolio are partially mitigated by a small underspend of staffing costs within Community Safety.

### 1.12 Transport Portfolio – forecast £76,000 underspend

There is a £100,000 underspend in Passenger & Public Transport due to lower concessionary fare users and supported bus service contingency, and a £92,000 underspend in Parking mainly due to salary savings and increased revenue from off-street parking. This is being partly used to mitigate emerging pressures in Transport Planning & Policy of £116,000.

1.13 The Council has requested that the delivery of the key savings for the 2014/15 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>Wellbeing</b>			
Social Care savings	1,064	689	2 Targets: £689,000 through targeted reductions and negotiated contract amendments already achieved, plus £375,000 from reduced residential care from increased preventative services is on track but still subject to negotiation.
In partnership with Sirona Care & Health, further efficiency savings.	868	868	Core contract savings £293,000 achieved, plus further efficiencies of £575K through service redesign achieved through service restructuring and agreed through a variation to the 2014/15 contract baseline value.

<b><u>Early Years, Children &amp; Youth</u></b>			
Connexions – Discontinuation of current form of service	480	480	Achieved. Contractual notice served to LPW and merged service in place.
<b><u>Leader</u></b>			
Visitor Contribution	500	0	This was a target for additional income to be derived by charging a voluntary contribution on visitors to Bath. Due to recent government legislation, this target will not be delivered as the scheme cannot be implemented as planned.
Corporate Procurement	200	150	This target applies to procurement across the Council. Part achieved via renegotiation of a major contract and plans for the remainder are still being worked on.
ICT - Corporate - rationalisation, improved procurement & new ICT Strategy (£500k), insourcing (£100k) and removal of transformation budget (£200k).	800	800	Continuation of £350k target achieved in 2013/14. Plans for delivering this target are in place and on target.
<b><u>Neighbourhoods</u></b>			
Libraries - to deliver the services differently in the future with support from our emerging Community Library Programme.	255	128	Plans in place for delivery but a 6 months delay in implementation is envisaged.
<b><u>Community Resources</u></b>			
Property Services – reduction in staffing levels.	230	230	Continuation of 2013/14 savings. 2014/15 plans are on target.
Property Services – increased revenue income through investment in Commercial properties	250	250	The Council wishes to invest in properties with secure returns that exceed those available through usual treasury management opportunities. A property was purchased in August and rental income arising from that purchase has contributed towards the achievement of this target.
<b><u>Sustainable Development</u></b>			
Heritage Services – Additional net profit over three years in line with the Heritage Services Business Plan	450	450	2 Targets: £250,000 as per Business Plan plus a £200,000 stretched profit target. Currently forecast on target anticipating that this will be met.

Identification of further Commercial activity for Heritage and related services.	200	0	Possibilities are being looked at and recommendations will follow in coming months as a result of a review of opportunities. This saving is unlikely to be achieved in 2014/15, however there is sufficient additional forecast net profit from the Heritage service to compensate for this.
Destination Management Saving	200	0	Saving will not be achieved. Review of all budget lines within Destination Management budgets to be undertaken.

## **CAPITAL BUDGET MONITORING – APRIL 2014 TO SEPTEMBER 2014**

2.1 The approved Capital Programme for 2014/15 is currently £111.663m, and is detailed in Appendix 5(ii). Changes to the Capital Programme since September Cabinet are shown highlighted in Appendix 5(i).

### **Progressing Capital Projects Updates**

2.2 **Bath Western Riverside.** Phase 1 is complete and all residences are fully occupied and the construction of all remaining phases on Crest land (up to 813 dwellings) has commenced. The Destructor Bridge Easement Agreement is in place with the Canals and River Trust to enable replacement of the bridge. The Gas holder demolition completes in October 2014 and building 17 has also been handed over to Curo for occupation of a further 58 Affordable Homes.

2.3 **London Road** Contractor appointed and works underway with target completion of Spring 2015. The budget increased by £80,000, funded from s106 contributions, to cater for cycling improvements. A further budget increase of £219,000 is also confirmed for various scope increases and adjustments, including the addition of north footway works between the Cleveland Place and Snow Hill junctions.

2.4 **Rossiter Road** Work commenced in July and costs are on target. Further highway maintenance is also being carried out concurrently and the Contractor is currently producing a new programme.

2.5 **Victoria Bridge** Assembly of the super structure has been successfully completed. The bridge has now been released from the temporary truss and is supporting its own weight. The next major operation is removal of the temporary truss which will require a 3-week bridge closure from the start of November. The target completion for the works is the end of 2014.

2.6 **Bath Flood Mitigation** Planning and listed building consent applications have been submitted, with a Planning decision expected in January 2015. Detailed design and contractor procurement is underway, and construction works are due to start in mid 2015. Written confirmation of Local Levy and Flood Defence Grant in Aid funding is awaited from the Environment Agency (EA) following verbal approval provided last month by EA Project Appraisal Board.

### **2.7 Bath Transport Package**

(1) **Lansdown** This has been completed.

(2) **Newbridge Park & Ride** It is anticipated the expansion area will be open by end of November 2014, and the facilities building will be complete in early 2015.

(3) **Stall St/ Lower Borough Walls** – access restrictions and street works will now commence early in 2015 with completion by summer 2015 (the works have been delayed awaiting the completion of the Gainsborough Hotel).

- (4) **Real Time Information** - Although now fully installed, this will not commence until Spring 2015 as we ensure all systems are fully tested before becoming operational.
- (5) **Bus Stops** - over 75% of bus stops have been upgraded and the programme is expected to complete around summer 2015.
- (6) **Bus Shelters** - 70 shelters have been installed, and another 20 are planned before the end of 2014. The remaining shelters will be installed between March and August 2015.

2.8 **Gypsy and Traveller Sites** The authorisation of pre-commencement works means the development is currently ahead of schedule, and the exchange of contracts is expected imminently. Forecast spend is within approved budget.

2.9 **Kelston Road** Progress is ahead of the original programme. The Council expects to reopen the road before Christmas and costs to be within the revised, approved budget. On site works include completion of the temporary access road and first row of piles have now been installed. To enable the road to reopen at the earliest date, other works such as the improved drainage system and rebuilding the retaining wall is progressing simultaneously.

2.10 **Norton Radstock Regeneration (NRR) Infrastructure** This is progressing to plan and the construction of new link road is well underway. The foundations are complete, and the new curbs and pavements are under construction. The surfacing is due to be completed during November

2.11 **River Corridor Fund** These projects are progressing to plan. This includes the granting of funding for Minerva Rowing Club and the scope has been defined for river railings near Widcombe Lock. A designer has been appointed for security devices, the scope and location have been agreed for the river greening trial and consultants have been appointed for Radial Gates options.

2.12 **Digital B&NES** Survey work has started in Bath and Somerset, and the Council is liaising with British Telecom and Parish councils. Wireless Broadband discussions are underway with a potential provider for the centre of Bath.

2.13 **Radstock Regeneration** – funding has been allocated to improve community facilities within Radstock. Small traffic management improvements have also been made

2.14 **Odd Down Playing Fields** The 3G pitch is complete and starting to take bookings. The changing rooms are in progress, and at this stage completion is expected on target with no issues.

- 2.15 **Keynsham New Build and Regeneration** The One Stop Shop has now reached completion and the Council now has full control of the building to complete the final IT installation and commissioning. Staff training and familiarisation is ongoing. The facility opened to the public in October as planned. The furniture is installed in the offices, with 3 floors of the North Block now handed over to the Council for IT desktop installation. The fit out of the server room is nearing completion, and the network is now live in the building. A number of the retail units are now being fitted out with the first unit due to open to the public during the first week of November.
- 2.16 **Weston All Saints Primary School** The KS2 classroom and kitchen extension projects have been completed. KS1 Classroom block build has commenced in September 2014, and is on target for completion in 2015.
- 2.17 **Castle Primary School** Classroom extension and the construction of Elliott Building effectively completed within budget.
- 2.18 **Paulton Infants School** Phase 3 of the works is completed within budget.
- 2.19 **St. Saviour's Primary School** Start on site is expected to be 17<sup>th</sup> November 2014 following the discharge of planning conditions.
- 2.20 **Universal Infant Free School Meals.** All schemes have been completed so ensure free school meal requirements were met from the start of term in September 2014.
- 2.21 Discussions are ongoing with the contractor in respect of the Rossiter Road, Newbridge Park & Ride, London Road and Keynsham Highways schemes in relation to operating difficulties. The aim is to ensure the contract delivery remains on track.