

REVENUE BUDGET MONITORING APRIL 2015 TO SEPTEMBER 2015

- 1.1 Appendix 2 outlines the Council's current financial position for the 2015/16 financial year to the end of September 2015 by Cabinet Portfolio. The Appendix shows the current forecast outturn position is an underspend of £8,000, or 0.01% of the gross expenditure budget (excluding Schools).
- 1.2 Strategic Directors will continue to work to manage their budgets within the overall budget allocations approved by the Council. This will include the development of appropriate mitigating actions as the financial year progresses.
- 1.3 The forecast outturn position includes the requirement for the delivery of £9.73m savings as part of the approved budget for 2015/16.
- 1.4 Within the current net £8,000 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 In addition, uncommitted New Care Act burdens funding will be transferred to revenue reserves at year end, currently estimated to be £750,000.
- 1.6 **Leader's Portfolio – forecast £98,000 overspend**

There is a £128,000 overspend is forecast in Legal & Democratic Services, owing to the use of agency staffing as the new Council Solicitor reviews workload and staff requirements ahead of permanent recruitment. This is partially offset by a £30,000 forecast underspend in Strategy & Performance, mainly arising from staff vacancies. The service currently undergoing a restructuring exercise which will aim to fully deliver the allocated savings target from 2016/17 onwards.

1.7 Finance & Efficiency Portfolio – forecast £368,000 underspend

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

Support Services: There is a £302,000 overspend across Support Services. Within this amount, Traded Services income targets are forecast to be £160,000 less than budget, split £80,000 in Print Services and £80,000 in Community Meals (Catering Services). There are reviews underway in both Services to access the on-going deliverability of the income targets.

There is also a £116,000 overspend forecast in Human Resources due to spend on Training and Occupational Health contracts, and a loss of Fire Risk Assessment income.

In addition, there is a £49,000 forecast overspend within Commercial Estate owing to the fees incurred for asset revaluations required by external auditors, and a £60,000 forecast overspend in Customer Services due to higher spend on out of hours contract, postage and consultants.

This is partially offset by a forecast net underspend of £93,000 in Business Support, within which an underspend in Information Technology more than exceeds the overspend caused by Financial Management savings targets in 2015/16 being delayed.

Corporate costs: £670,000 forecast underspend, mainly due to a projected surplus on the Council contribution required for historic pension deficit recovery.

1.8 Adult Social Care & Health Portfolio – forecast on target

At the half year stage in monitoring, a balanced outturn position is being forecast. However the commissioning budgets are supported by the earmarking of funds from the protection of social care element of the Better Care Fund transferred to the Council from B&NES CCG under a Section 75 agreement. It is currently anticipated that £1.8 million will be required in 2015/16 to fund service pressures in purchased care for Mental Health and Older Adults service users. If future guidance for the usage of this monies changes, it is likely that the council would need to identify alternative sources of funding to support the provision of the statutory adult social care service.

It is also currently anticipated that the provision of additional £1.5 million of New Care Act burdens will not be fully committed in the current year, and is forecast that £750,000 of this amount should be released to Council Reserves. Work is currently being undertaken to review the demand level of placements, as well as the impact of re-ablement and the Care Act.

Public Health

An in-year cut has been made to the public health grant based on a treasury view that there have been significant underspends across the country that have added to Council's reserves. Nationally, a £200 million reduction is being made, and a consultation has just finished about how that will be allocated. The preferred option of the consultation equates to a cut for in B&NES of £544,000. The majority of the Public Health budget is committed to commissioned services, and with only a small contingency fund held to manage a wide range of in-year risk, it is challenging to find this level of in-year savings, even more so with half the financial year over.

The Public Health team have been working on identifying a variety of in-year savings to mitigate the reduction in grant which amount to around £200,000, to make a significant contribution to the target while avoiding taking on undue risk to the Council's ability to fulfil its public health responsibilities. For the remaining balance of savings required a proposal to cover the shortfall from the Revenue Budget Contingency reserve will be reviewed at year end in light of the overall Council revenue monitoring position. The budget reduction has so far only been presented as a one year intention, but we do not know if it will become recurrent or not.

1.9 Children's Services Portfolio – forecast £410,000 overspend

The forecast overspend within this Portfolio is mainly due to two pressures. The use of agency staff to support the Children, Family Assessment and Intervention, Children in Need and Court Duty teams is resulting in a £250,000 forecast overspend. The agency staff are being used to cover sickness, maternity and added case-loads.

In addition, there is also a forecast overspend of £161,000 for Home to School Transport, due to pressures on Special Educational Needs transport. Placing pupils locally with behavioural issues is becoming increasingly difficult, as the three special schools within the area have reached current capacity. Efforts are being made to extend capacity by opening units for behaviour within mainstream schools.

1.10 Homes & Planning Portfolio – forecast £153,000 underspend

There is a £188,000 underspend in Housing, which is made up of a number of factors including staffing vacancies, additional enabling fee income and a lower revenue contribution to Disabled Facilities Grant capital works. These underspends are partially used to off-set a net £35,000 overspend in Development Management & Building Control.

1.11 Economic Development Portfolio – forecast £28,000 underspend

The forecast underspend is due to the over achievement of Heritage Services profit target, based on performance to date, and some staffing vacancies within Economy & Culture.

1.12 Community Services Portfolio – forecast £245,000 overspend

This includes a £124,000 adverse variances in Fleet Services, and an external review of the service is underway with a view to closing these gaps. Within Waste Services, there is a £136,000 underspend in Waste Recycling, owing to variations and deflation in the contract, £80,000 underspend on refuse fuel costs, and £68,000 additional garden waste subscription income. There is also a forecast overspend of £133,000 in Parks & Bereavement Services, mainly due to the removal of earth from Haycombe.

In addition, there is an overspend of £240,000 forecast in Place Overheads, the remaining balance of a three year Directorate management savings target, and alternative proposals will need to be developed.

1.13 Transport Portfolio – forecast £213,000 underspend

There is an underspend of £145,000 in Highways and Traffic Management mainly due to some short term staffing vacancies, and £106,000 forecast underspend within Public & Passenger Transport, mainly owing to a reduction in fare values within concessionary fares and savings relating to the MOD site. This is partially used to offset a £65,000 forecast overspend in Transport, Planning & Policy, caused by agency staff covering sickness and vacancies.

CAPITAL BUDGET MONITORING – APRIL 2015 TO SEPTEMBER 2015

- 2.1 The approved Capital Programme for 2015/16 is currently £79.85m, 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 Transport Package** - All Park and Ride elements of the projects (Lansdown, Newbridge and Odd Down) have been completed and are fully operational. Seven bus stops remain to be upgraded and these will be completed by end of 2015, with all Bus Shelter orders have been made and Real Time Information at Stops and Shelters to complete in March 2016. Variable Message Signs on A46 and A420 have been issued to Highways England for installation on their network, due for installation in March 2016, at which point VMS will also be complete.
- 2.3 **Cycle City Ambition Fund Projects** – Proposals for works under this funding are in in development, including ongoing discussion with the project board. The first parts of these proposals are for formal decision on or after 10 October 2015 with the second part following later in the year. Funding of £655,000 from the Cycle City Ambition Fund 2 (CAF 2) has been awarded in year 2015/16 for improvements to the length of towpath between Bathampton and Sydney Gardens, including widening it to 2.5 metres where space allows, and providing a new improved towpath surface to benefit all users. This project also includes improvements to the path between the towpath and Grosvenor Bridge near London Road.
- 2.4 **Metrowest: Greater Bristol Metro Project** – Following the approval of the Full Business Case at the West of England Investment Board, this project is now ready to proceed. The financial commitments become more significant and will require confirmation of underwriting by the individual councils.
- 2.5 **Rossiter Road** – The traffic lights were turned on the 28th July and with the last pedestrian crossing being completed the last week in September, the new road layout is operational.
- 2.6 **7 Dials** – Works on this area are now complete and the space is now in shared use with the works having cost some £250k less than budget.
- 2.7 **Affordable Housing** – Talks are progressing with developers around the Extra Care Scheme at Ensleigh (Lansdown) and proposals are being drawn up for a further 22 rural units.
- 2.8 **Bath Quays Waterside (Innovation Quay)** – The contractor, is now appointed and pre-construction activities including design, planning & consents are now being progressed. Construction is anticipated to commence in early 2016.
- 2.9 **Bath Quays North** – Detailed business case now underway with a view to progression to Cabinet for consideration in the next 3 months.

- 2.10 **Bath Quays Bridge** – Bridge design selection completed by judging panel and winner to be announced in November. This is being considered as part of the overall Bath Quays business case.
- 2.11 **Digital B&NES** – Connecting Devon & Somerset (CDS) broadband has successfully completed an initial pilot trial of wifi in Bath City Centre, with an extended pilot being undertaken for over the Christmas market period.
- 2.12 **Gypsy and Traveller Sites** – The permanent pitches are now fully occupied and, at the time of drafting the report, work was progressing for transit pitches to come into use.
- 2.13 **Radstock Infrastructure (Highways Improvements)** – The main scheme has now been completed on 19th June.
- 2.14 **Royal Victoria Skate Park** – The Skate Park was formally open on 21st September and now in use.
- 2.15 **Great Dell Walkway** – Works to improve safety of the path were completed 5th October and the aerial walkway has been re-opened.
- 2.16 **Keynsham New Build and Regeneration** – All construction work is complete. Energy usage is being monitored and remains on track for achieving highest Display Energy Certificate (DEC) 'A' certificate. The building recently was awarded the best Corporate Office development in the UK for 2015 by the British Council of Offices.
- Construction works for the highways scheme is complete. The tenant fit out to recently let units has now been completed. Only 3 units remain vacant.
- 2.17 **Weston All Saints Primary School** - The KS2 classroom and kitchen extension project was completed and handed over to the school on July 2014. The KS1 six classroom block was completed and handed over to the school on 28th July 2015, ready for occupation 1st September 2015 and is now in use by the school.
- 2.18 **Bishop Sutton Primary School** - The Phase 1 one classroom extension and associated works of new school reception, remodelling to hall and external access and car parking works were completed ready for occupation on 1st September 2015. Construction of the five classroom block has started and is on target for practical completion in August 2016 and occupation in September 2016.
- 2.19 **Paulton Junior School** –This scheme is for a four classroom extension and internal hall expansion but with option to increase to 6 classrooms, subject to the school funding all the additional costs. Planning was submitted in August and determination is anticipated in October 2015 with start on site planned for January 2016. Completion now expected to be December 2016.
- 2.20 **St. Saviour's Junior School** - The new build block of five classrooms and external access works was completed ready for occupation on 1st September 2015. The final phase of the scheme for demolition of temporary buildings, new kitchen extension and landscaping is ongoing and scheduled for completion December 2015.

2.21 **Ensleigh new school** - Initial design works completed and planning application expected to be submitted by the end of October. Currently anticipating start on site early Spring 2016, with delivery of the new school is planned for reception year pupils to start in September 2017.

2.22 **Client Data System – Children’s Social Care & Adult Social Care Database** - These two capital schemes were procured together through the IT Connect project to provide a new client data system, which will replace the CareFirst system. Implementation of the Children’s system will take place on 25th November and the Adult system will go live in Spring 2016.