

REVENUE BUDGET MONITORING APRIL 2016 TO SEPTEMBER 2016

- 1.1 Appendix 2 outlines the Council's current financial position for the 2016/17 financial year to the end of September 2016 by Cabinet Portfolio. The Appendix shows the current forecast outturn position is an overspend of £941,000 or 0.30% 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, including not committing any unnecessary expenditure and stringent budgetary control.
- 1.3 The forecast outturn position includes the requirement for the delivery of £12.644m savings as part of the approved budget for 2016/17, a significant element of which was been confirmed as delivered.
- 1.4 Within the current £941,000 forecast overspend 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 £120,000 overspend**

This forecast overspend is in Legal & Democratic Services, where the proposed service restructure in order to achieve savings targets will not be implemented until April 2017 due to external and additional unplanned work demands on the Council Solicitor, e.g. EU Referendum. Management actions have been taken to prevent further overspend, and the April 2017 restructure will deliver the full savings from 2017/18.

1.6 **Finance & Efficiency Portfolio – forecast £476,000 underspend**

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

Support Services: There is a £609,000 overspend forecast across Support Services.

Customer Services are forecasting an improved position of a £327,000 overspend. The shortfall is mainly a result of reduced grant related to Universal Credit implementation, and other savings that have not been identified, as well as the income target from potentially running a "Payment by Results" pilot scheme with the Department for Works & Pensions not currently proceeding.

Within Human Resources, there is a shortfall of income from Schools following academy conversions, which have resulted in a forecast overspend of £154,000. There is also a £65,000 staffing overspend forecast in People Services, where the full efficiency savings from the new Payroll system are yet to materialise.

There is a net £55,000 forecast shortfall of budgeted income within Commercial Estate, mainly attributable to tenants in administration causing letting delays.

In addition, Traded Services are forecast to be £50,000 overspent in Print Services, with a review underway to generate efficiency savings, and £78,000 overspent in Catering, owing to an overspend in Community Meals where consultation is currently taking place for mitigating actions, and delayed food procurement savings.

Within the Portfolio, there is also £82,000 of management savings across Support Services which are yet to be identified, and £160,000 of further Procurement savings targets across the Council which are yet to be achieved.

These overspends are partially offset by underspends £269,000 in Corporate Estate, due to lower accommodation and energy costs, and £167,000 in Information Technology project budgets.

Corporate costs: £1,085,000 forecast underspend. There is additional income of £300,000 forecast from the Thermae Spa Profit Share arrangements, and a £560,000 underspend forecast in Capital Financing costs, owing to capital programme slippage delaying the need to borrow, and Minimum Revenue Provision (MRP) savings. There is also an £80,000 surplus in the budget for Education Services Grant reduction, plus several other small underspends including the Charter Trustees not taking their budgeted grant, unfunded pensions costs and a small projected surplus on the Council contribution required for historic pension deficit recovery.

1.7 Adult Social Care & Health Portfolio – forecast on target

The Adult Social Care revenue budget forecasts a balanced outturn position for 2016/2017. This position has been supported by anticipated use of the Social Care Reserve, as planned when the budget was set; this is mitigating inflationary and demographic pressures in Adult Social Care as a result of the implementation of the Living Wage and the costs associated with purchased care packages supporting complex service users in their home. The current service pressure is forecast to be £1,433,000 which will be balanced by a transfer from the Social Care Reserve. (Increased from £698,000 following further information from Service Users as to pressures).

1.8 Children's Services Portfolio – forecast £1,125,000 overspend

The forecast overspend within this Portfolio is due to a number of pressures.

Children's Social Care operational costs are forecast to overspend by £457,000 due to increased spend on court action and Child Sexual Exploitation awareness to help the safety of younger people, as well as an overspend on staffing where staffing remains at a level that ensures the safe monitoring and protection of vulnerable children whilst ensuring good outcomes, and are in line with other Local Authorities who have been commended in Ofsted inspections as providing appropriate services to vulnerable children. This area is being reviewed to identify potential mitigations.

There is also an improved position forecast of a £252,000 overspend forecast (previously £300,000 overspend) on Children's Centres and Nurseries, where although management costs have been reduced, income targets have not been

met. The provision of this will be reviewed in areas where there is a high level of alternative service delivery.

In addition, there is also a forecast overspend of £650,000 for Home to School Transport, due to pressures on Special Educational Needs (SEN) and Mainstream transport, following demand increases as a result of legislative change in recent years. Also, high demand from outside the area for places in the Council's Special Schools is making the placement of pupils locally increasingly difficult, and therefore it is required to transport pupils further distances outside of the area. Efforts are being made to extend capacity by opening SEN units within mainstream schools and Academies. There is also review of transport currently underway.

Pressures in the Safeguarding Assurance and Quality Assurance budgets have arisen from additional staffing needed to cover workload increases, including from an exceptional safeguarding investigation (which has now been concluded). Work is underway to review capacity and to explore alternative approaches to some areas of work to reduce this overspend.

1.9 Homes & Planning Portfolio – forecast £80,000 underspend

An overall underspend of £16,000 is forecast within Development, with staffing underspends and higher than budgeted pre-application planning income. Within Housing, there is a £63,000 underspend forecast, mainly due to reduced consultancy fees and additional HMO licencing income.

1.10 Economic Development Portfolio – forecast £330,000 underspend

There is a £250,000 overspend forecast in Economy & Culture, where savings attributable to a review of Destination Management and income from “Digital B&NES” have been delayed. This is offset by a £458,000 forecast over achievement of Heritage Services profit target, reflecting visitor trends remaining above the national average for visitor attractions (£254,000 from Easter 2016), and also a £101,000 underspend in Regeneration, owing to the temporary increased recharges to Capital Projects such as Bath Quays.

1.11 Community Services Portfolio – forecast £472,000 overspend

Within Waste & Fleet Services, there is a reduced forecast overspend of £258,000 (from £455,000). This includes a £164,000 adverse variance in Fleet Services, where an external review of the service is continuing with a view to further close these gaps. In addition, there is an improved forecast overspend at £112,000 (from £230,000 overspend) in Waste Treatment & Disposal, as a result of contracts requiring renegotiation and changes in the market since last renegotiated. This is partially offset by recycling contract savings, where contract deflation has been successfully negotiated.

There is also an £62,000 overspend forecast in Libraries due to savings not currently identified, although a review of this is being carried out, a £100,000 pressure in Place Overheads due to the decision to fund the 2016 Christmas light

displays, and a £53,000 shortfall in Public Protection licensing income, mainly owing to street trading in Southgate underperforming against expectations.

1.12 Transport Portfolio – forecast £105,000 overspend

The £214,000 pressure on Bus Lane Enforcement has been mitigated by higher than budgeted income from car parking and parking enforcement, as well as staffing savings in the Parking Office & Enforcement Teams, resulting in a net £59,000 underspend forecast in Transport & Parking Services. There is a £163,000 overspend forecast in Highways, predominantly due to Policy & Development where difficulties in recruiting staffing vacancies on statutory provision are being covered by agency staff.

CAPITAL BUDGET MONITORING – APRIL 2016 TO SEPTEMBER 2016

- 2.1 The approved Capital Programme for 2016/17 is currently £87.602m, 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: Main Works** – The installation of variable message signs on A36, A4, A46 and A420, plus six real time information installations along Dorchester Street, will all be completed this financial year, which will complete the whole project.
- 2.3 **Transport Improvement Programme** – Multiple schemes now underway or in design and consultation, with some scheduled for progression later during 2016/17. Tunley/Overdale footway works now complete. Saltford pedestrian crossings upgrades, as well as Bannerdown Road footway, are due for construction in October, and are all currently on target. Phases 2 and 3 on North Parade are due for completion end of October 2016. The additional drainage work identified will be covered by contingencies allowed for in the original £300,000 allocation, and a small saving on Phase 1.
- 2.4 **Highways Maintenance Programme** – Schemes progressing, with the programme of works agreed with contractors, including the additional grant of £176,000 and further £500,000 allocation. Surfacing and surface treatment programmes are substantially complete.
- 2.5 **Kennet & Avon Towpath** – Works covering improvements to the length, width and surface of the towpath between Sydney Gardens and Bathampton were completed in July 2016. Final project completion including seating, cycle stands and signing anticipated by end 2016/17.
- 2.6 **East of Bath Transportation** – An update report was taken to Cabinet in May 2016 which highlighted the options available for the possible location of an East of Bath Park and Ride, arising from the work done by the Local Development Framework Steering Group and the Communities Transport and Environment Policy Development & Scrutiny Panel.
- 2.7 **Waste Infrastructure Relocation** – In recent months, approval to take forward the development at Locksbrook for the relocation of the Outer Bath Street Cleansing team has been given. A Single Member Decision was approved on 13th August 2016 for the land acquisition and design development for the relocation of Refuse and Recycling collection operations, Commercial Waste Service and Waste Transfer Station. In addition, works to explore options for the Bath Recycling Centre are underway.
- 2.8 **Bath Leisure Centre Refurbishment** – The first phase of works of the development are progressing to build the new enlarged Health & Fitness Suite and refresh the remaining Sports Hall. Final costs and timescales for the remaining phases of works are being developed now. The project is anticipated to be on budget.

- 2.9 **Keynsham Leisure Centre** – The acquisition of the lease has been completed. Following both public and stakeholder consultation, a final scheme has now been submitted to the planning authority for a pre-application response. The response to this pre-application has been received, and final amendments to the scheme are under way in preparation for a planning application in October 2016. A public feedback session has taken place in Keynsham on 3rd October 2016 to present the results of the June consultation. Further work is required to identify the full financial requirements.
- 2.10 **Affordable Housing** – Extra Care Scheme at Ensleigh (Lansdown) progressing, with on-site start expected early 2017/18. 13 Rural units at Farmborough will complete Autumn 2016. 5 rural affordable housing units in Bathampton are starting on site during Autumn 2016, with completion in 2017/18. Capital funding requirements for a shared housing project for young people are being finalised, and capital funding is being identified to secure the retention of a small rural housing scheme in the Chew valley.
- 2.11 **Digital B&NES** – The Connecting Devon & Somerset broadband rollout programme is on target for the completion of phase 1 by the end of 2016. The phase 2 Invitation to Tender is now available publicly, and a contract will be awarded by December 2016. Delivery of Phase 2 of CDS is expected to commence in late Spring, early Summer 2017. Public WiFi in Bath City Centre will be considered for implementation in Spring 2017.
- 2.12 **Saw Close Regeneration** – Private casino and leisure development on site. Revolving Infrastructure Funding approved by LEP board in early January 2016 for wider public realm improvement. Site surveys have commenced, identifying potential issues with existing underground services, and designers are working up solutions to manage within budget. Engagement with local business, user groups and the public is complete.
- 2.13 **RIF Project – Destructor Bridge:** Bridge super-structure now complete, with final project completion expected in October 2016.
- 2.14 **RIF Project - Gas Holders:** Gas holder decommissioning works completed, with the holder bases remediated and removed. Phasing of final remediation and pipework rationalisation works is under review against final land assembly.
- 2.15 **RIF Project - Bath Quays Waterside (Innovation Quay):** Highway diversion completed and operational, and the north bank service diversions substantially complete. North bank archaeological investigations are complete, and ground contamination and requirement to undertake further archaeological work have extended excavation programme. The completion of works now likely to be in Quarter 1 2017
- 2.16 **Bath Quays North** – Proposals for procurement of development partner being considered with a decision by Council in 2016/17. A revised outline EDF Business Case is being prepared and submission is expected in Autumn 2016, with detailed business cases to be submitted by end of 2016/17.

- 2.17 **Bath Quays South** – Executive decision to progress direct delivery of scheme to come forward in Autumn 2016. Planning submission expected to similar timescale.
- 2.18 **Bath Quays Bridge** – Aiming towards a bridge planning application submission in parallel with the Quays development in 2016, with construction completion forecast before 2017/18 year end.
- 2.19 **Roman Baths Archway Project** – This £5 Million project will provide a new Roman Baths Learning Centre and World Heritage Centre, and extend public access for daytime visitors to previously unseen parts of the Roman Baths. The project will be funded by a Council capital contribution of up to £1Million, together with a Heritage Lottery Fund (HLF) grant of £3.4Million, other grants and fundraising. The grant application to the HLF has been approved. The Roman Baths Foundation has secured a grant of £75k for the project from the Garfield Weston Foundation and many individual and smaller donations. At this point in time further applications to grant-giving bodies are in progress as fund-raising continues for the remaining £200,000. Decisions on the outstanding applications are expected in the Autumn.
- 2.20 **Schools Capital Maintenance Programme** - The replacement of poor condition temporary buildings at St Michael's Junior School is complete, and the children moved into the new modular building at the start of the school year in September 2016. The kitchen works at Chandag Infant School are also complete, and worst condition repairs and maintenance projects are ongoing at Farmborough, Peasedown St. John, St. Philip's Odd Down, Ubley and Westfield.
- 2.21 **Saltford Primary - Basic Need** - The school converted to academy status as part of the Wellsway MAT on 1st September 2016. Mealings have been appointed as contractor for the scheme, and will start on site early October.
- 2.22 **Paulton Junior School - Basic Need** - The contractor has commenced works on site to remodel areas of the school and provide new accommodation. The additional temporary classroom space for 30 pupils has been completed, and works are ongoing to deliver the permanent block of 4 classrooms and hall extension.
- 2.23 **Ensleigh (Abbot Alphege Academy) - New Primary School** - Construction of the new school began on site in July 2016. The project is on programme to deliver the new accommodation for September 2017 admissions. Comenius Trust, the new school sponsor, is engaged in the process and the DfE have been updated on the project milestones.
- 2.24 **Adult Social Care Database replacement** - The Liquidlogic project achieved its key milestone with the system having a successful 'go-live' in September 2016. Work is continuing to identify areas for further development and enable transition of the system into business as usual from the project team.
- 2.25 **Grand Parade & Undercroft** - Planning consent has been approved. The project team are updating the business plan based on the current rental forecast to determine the most viable way to progress this scheme. All options will be considered.