

## REVENUE BUDGET MONITORING APRIL 2010 TO JANUARY 2011

- 1.1 Appendix 2 outlines the Council's current financial position for the 2010/11 financial year to the end of January 2011 by Cabinet Portfolio. The Appendix shows the current forecast outturn position is an underspend of £262,000, or 0.1% of the gross expenditure budget (excluding Schools), with an additional £368,000 VAT refund for Leisure Tuition Fees.
- 1.2 Within the current £262,000 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 £602,000 underspend**

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

**Planning & Transportation** £562,000 overspend. Transport Design and Projects are forecasting an overspend of £293,000 due to capital income declining from capital programme reductions not fully reflected in the timing of reduced staff resources. Decreased patronage and delayed price increase have resulted in a forecast shortfall of Park & Ride income of £226,000, and there is a shortfall of £66,000 in Land Charges income.

**Environmental Services** £1,069,000 underspend. The main elements of this underspend are £741,000 in Waste Services (mainly due to increased garden waste income, a saving from the waste disposal contract review, increased scrap metal prices and reprioritisation of the Waste Strategy with reduced consultancy costs), an underspend of £103,000 on street lighting following the re-tender of the energy contract, and £147,000 underspend in Public Protection due to higher income and lower staff costs.

In addition, within the Service Delivery Portfolio, there are also forecast underspends in **Tourism, Leisure & Culture** of £50,000, due to increased visitor numbers in heritage, and £45,000 in **Customer Access**.

### 1.4 **Children's Services portfolio – forecast £50,000 overspend**

There is a £374,000 overspend on 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 150 (currently 152), 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. This overspend is partially offset by underspends of £221,000 in departmental staffing underspends and £97,000 in the utilisation of grants.

**1.5 Adult Social Services & Housing – forecast £94,000 overspend** after mitigating actions have been achieved, although there are some overspends and underspends within the Portfolio. The main variances are overspends of £250,000 in Mental Health, £395,000 in Older People's Services and £167,000 in Learning Difficulties due to purchasing of care packages, offset by underspends in Advice Services following a contract review of the Supporting People budget (£264,000) staff costs in Housing (£59,000) and an underspend of £338,000 in Community Resource Centres, as a result of additional income from service user contributions.

**1.6 Resources & Support Services Portfolio – forecast £81,000 overspend**

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

**Support Services:** £126,000 underspend, consisting of small underspends of £67,000 in Property & Facilities, £40,000 in Policy & Partnerships and £31,000 in Risk & Assurance, and £11,000 overspend in Finance.

**Improvement & Performance:** £28,000 underspend.

**Corporate costs:** £235,000 overspend, mainly made up of £200,000 additional investment interest from higher than expected cash balances and £130,000 underspend in Ex-Avon Debt costs. 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. This also includes a potential virements to finance adverse weather costs and redundancy provisions. The arrangements for capital financing costs in 2010/11 and future years are currently being reviewed, as described in 5.5 of the Report.

**1.7 Development & Major Projects – forecast £115,000 overspend**, due to costs associated with the Leisure Re-provision project, which have been partially met by savings within the Development & Major Projects budgets.

**CAPITAL BUDGET MONITORING – APRIL 2010 TO JANUARY 2011**

1.8 The 2010/11 Capital Programme approved by Council in February 2010 was £46.5m (excluding contingency). Since then, £17.7m of spend on existing capital projects has been approved by Cabinet, along with rephasing of £8m as recommended in the 2009/10 Outturn Report on 15<sup>th</sup> July 2010.

1.9 The approved Capital Programme for 2010/11 is currently £72.2m (excluding contingency & projects approved at February Cabinet), which is detailed in Appendix 5(ii). Changes to the Capital Programme since Council approval in February are shown in Appendix 5(i).

1.10 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.

### 1.11 Key Capital Issues

- Bath Transportation Package - The project is under review pending grant approval from DfT. Property negotiations and purchases are progressing.
- Bath Western Riverside – The corporate HCA and Somer funding agreements have been signed off and the project is progressing.
- Workplaces Project - Is on programme to rationalise the number of administrative offices utilised in BANES. Phase three of The Lewis House project is advancing. The Hollies refurbishment project team has now been established and the detailed feasibility plan is in formation for sign off as part of the Gateway two process. Work is expected to commence in 2011/12. Over 20% of staff are now working more flexibly in newly refurbished office accommodation with 'the right tools for the job'.
- Combe Down Stone Mines - Negotiations are ongoing with HCA as to how to progress the closing elements of the project and the timings of grant payments.
- Public Realm – The City Information System, Preparatory Projects and Union Street projects are progressing to plan.
- Victoria Bridge – the Cabinet will be considering the potential allocation of available ongoing revenue funding to support the capital costs of advancing repairs to the structure, and open this route particularly for pedestrians and cyclists.

### 1.12 Capital Funding Sources

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

### 1.13 Approval of Capital Projects

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