

REVENUE BUDGET MONITORING APRIL 2016 TO DECEMBER 2016

- 1.1 Appendix 2 outlines the Council's current financial position for the 2016/17 financial year to the end of December 2016 by Cabinet Portfolio. The Appendix shows the current forecast outturn position is an overspend of £1,039,000 or 0.37% of the gross expenditure budget (excluding Schools).
- 1.2 Strategic Directors need to work towards managing within budget in the current year for their respective service areas, using action plans to achieve this, 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 has been confirmed as delivered.
- 1.4 Within the current £1,039,000 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 £156,000 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 and work in the Mayoral Combined Authority (MCA). The April 2017 restructure will deliver savings in 2017/18.

1.6 **Finance & Efficiency Portfolio – forecast £566,000 underspend**

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

Support Services: There is a £658,000 overspend forecast across Support Services.

Customer Services are forecasting a slightly improved position of a £299,000 overspend. The shortfall is mainly a result of reduced grant related to Universal Credit implementation, 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, plus a shortfall of Fire Risk Assessment income, which have resulted in a forecast overspend of £138,000. There is also a £59,000 staffing overspend forecast in People Services, where the full efficiency savings from the new Payroll system are yet to materialise. A manager's training plan is in place.

In addition, Traded Services are forecast to be £287,000 overspent, including a £50,000 overspend in Print Services, with a review underway to generate efficiency savings, and a £272,000 overspend in Catering. The Catering overspend has continued to increase owing to a combination of overspends in Community Meals, where consultation is currently taking place for mitigating actions, and also inflationary pressures in the supply of food costs from the new Schools food contract, which were originally expected to generate savings. These are partially mitigated by £35,000 of net additional income in Cleaning Services.

Within the Portfolio, there is also £82,000 of management savings across Support Services which have not been delivered, and £160,000 of further Procurement savings targets across the Council which are yet to be achieved.

These overspends are partially offset by forecast underspends of £92,000 in Property Services from the restructure implementation in November, £205,000 in Corporate Estate due to lower accommodation and energy costs, and £92,000 in Information Technology project budgets.

Corporate costs: £1,224,000 forecast underspend. There is additional income of £300,000 forecast from the Thermae Spa Profit Share arrangements, and a £680,000 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; this is mitigating inflationary and demographic pressures in Adult Social Care as a result of the implementation of the National Living Wage and the costs associated with purchased care packages supporting complex service users in their home and, also, the increasing demand for high dependency residential care and nursing care home placements. The current service pressure is forecast to be £1,478,000 which will be balanced by a transfer from the Social Care Reserve (slightly increased from £1,433,000 previously reported, due to greater clarity in expenditure incurred).

1.8 Children's Services Portfolio – forecast £1,488,000 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 £739,000 (previously forecast as a £457,000 overspend), 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. The forecast overspend has worsened due to increased costs associated with placements of children in high cost residential placements, and the increased use of court directed parent and baby placements. This area continues to be reviewed to identify potential mitigations.

There is also a £254,000 overspend forecast 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 a reduced overspend of £488,000 forecast for Home to School Transport (previous forecast £650,000 overspend). The overspend is 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. There has been a reduction in the overspend forecast due to the mitigating actions being taken by management as part of its review of transport. The main actions producing savings at present are the review of safer routes to school and the introduction of personal transport budget for pupils with Education, Health and Care Plans (EHCP).

1.9 Homes & Planning Portfolio – forecast £6,000 underspend

An overall underspend of £6,000 is forecast within Development, with higher than budgeted pre-application planning income offsetting increased administration costs and a reduction in spa water monitoring income. The previously reported underspend in Housing Services has reduced due to unplanned pressures affecting the service.

1.10 Economic Development Portfolio – forecast £399,000 underspend

There is a £247,000 overspend forecast in Economy & Culture, where the savings attributable to a review of Destination Management, and income budgeted from "Digital B&NES" have been delayed. This is offset by a net £542,000 forecast over achievement of Heritage Services profit target, reflecting visitor trends remaining above the national average for visitor attractions, and also a £110,000 underspend in Regeneration, owing to the temporarily increased recharges to Capital Projects such as Bath Quays.

1.11 Community Services Portfolio – forecast £256,000 overspend

Within Community Services, there is now a £125,000 overspend forecast in Libraries (previously forecast at a £62,000 overspend), due to shortfalls in income and savings not currently identified, and these shortfalls are being addressed as

part of the Modern Libraries project. In addition, there is an overspend of £68,000 forecast in Bereavement Services relating to the need to employ a technical specialist to cover a period of sickness, the impact of delayed savings arising from the strategic review (now delivered), and the need to undertake unplanned enhancements to the public facing areas following refurbishment works at Haycombe Cemetery. There is also a £33,000 pressure in Place Overheads due to the decision to fund the 2016 Christmas light displays, and a £30,000 shortfall in Public Protection licensing income, mainly owing to street trading in Southgate underperforming against expectations.

1.12 Transport Portfolio – forecast £110,000 overspend

The £188,000 shortfall on Bus Lane Enforcement income and £110,00 pressure on Bus Revenue Support have been mitigated by higher than budgeted income from car parking and parking enforcement, as well as staffing savings in the Parking Office & Enforcement Teams and a business rates rebase on the park & ride sites, resulting in a net £53,000 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 DECEMBER 2016

- 2.1 The approved Capital Programme for 2016/17 is currently £94.147m, and is detailed in Appendix 5(ii). Changes to the Capital Programme since November Cabinet are shown highlighted in Appendix 5(i).

Progressing Capital Projects Updates

- 2.2 **Bath Transport Package: Main Works** – Variable message signs on A36 and A4 installed. Engagement on positioning of variable message signs for A46 and A420 will be required, and due to this, the installation will run into 17/18. Six remaining real time information installations along Dorchester Street will be installed during this financial year.
- 2.3 **Transport Improvement Programme** – Programme is progressing well, with multiple schemes in design and consultation and several are now completed, including Bannerdown Road (Batheaston) footway works and Adaptations to 20mph & Rural 20 mph schemes. Quarter four schemes are now being progressed, including Saltford pedestrian crossing upgrades, Marksbury safety improvements and Charlotte Street pedestrian improvements.
- 2.4 **Highways Maintenance Programme** – Schemes progressing to programme, including the additional grant of £176,000 and further £500,000 allocation. Surfacing and surface treatment programmes are substantially complete, notably resurfacing a section of the A37 through Pensford and the A4 Upper Bristol Road in Bath.
- 2.5 **East of Bath Transportation** – Council reaffirmed its commitment to an East of Bath Park & Ride within an integrated transport strategy, and has asked for the Local Development Framework Steering Group to review options, and the Communities, Transport & Environment Panel to undertake a scrutiny review, with a view to the Cabinet selecting a preferred site at its meeting on 25th January 2017.
- 2.6 **Waste Projects including Infrastructure Relocation** – Land acquisition and design development for the relocation of Refuse and Recycling collection operations, Commercial Waste Service and Waste Transfer Station in progress. Work to explore future options for the Bath Recycling Centre is underway, along with plans to relocate the outer Bath street cleansing team. Approvals being progressed to procure new vehicles and containers.
- 2.7 **Bath Leisure Centre Refurbishment** – The first package of works 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 in development. Completion of Phase 1 likely to be March 2017, and Package 2A (Trampoline park, soft play etc.) to start early 2017 for anticipated completion by Summer 2017.
- 2.8 **Keynsham Leisure Centre** – Final scheme has now been submitted to the planning authority. Interior designs still to be finalised, and works are anticipated to commence during Summer 2017, subject to approval being granted.

- 2.9 **Affordable Housing** – Extra Care Scheme at Ensleigh (Lansdown) is progressing, with on-site start expected early 2017/18. 13 rural affordable housing units at Farmborough, with a further 5 rural units in Bathampton are due for completion 2017/18; Capital funding for a “Platform for Life”, a shared housing project for young people and a rural scheme in Chew Valley have now been approved. The remaining capital programme for 2016/17 and 2017/18 is now provisionally allocated/earmarked.
- 2.10 **Digital B&NES** – The phase one of Connecting Devon and Somerset (CDS) broadband rollout programme in B&NES with BT will hit its superfast contracted target by March 2017. Phase 2 will progress rollout further and the invitation to Tender is now closed and preferred bidders were selected. Contracts due to be awarded imminently with delivery to commence in late Spring/early Summer 2017. Public Wi-Fi in Bath City Centre is still expected to go live in Spring 2017.
- 2.11 **Saw Close Regeneration** – Private casino and leisure development on site including a new square. Revolving Infrastructure Funding approved by Local Enterprise Partnership board in January 2016 for wider public realm improvement. Project is running to programme in coordination with private developer, and due to be on site from Spring 2017.
- 2.12 **RIF Project – Destructor Bridge:** Bridge complete and opened for pedestrian and cycle use. Opening to vehicular use pending highway approval to traffic management on Midland Road.
- 2.13 **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. Ground contamination and the requirement to undertake further archaeological work have extended excavation programme. The completion of works now likely to be in Quarter 1 2017.
- 2.14 **Bath Quays North** – Proposals for procurement of a development partner are being considered, with a decision by Council. A revised outline EDF Business Case is being prepared, with submission expected in Autumn 2017, with detailed business cases to be submitted by end of 2017/18.
- 2.15 **Bath Quays South** – Council progressing direct delivery of scheme, with a full EDF Business Case Decision expected in Q4 2016/17, with relevant approvals being undertaken. Planning Application has now been submitted.
- 2.16 **Bath Quays Bridge** – Planning application submitted in November 2016 with a decision is expected in early 2017. Construction works will follow thereafter, with construction completion forecast in the first quarter of 2018.
- 2.17 **Schools Capital Maintenance Programme** – Condition repairs and maintenance projects are ongoing at Farmborough, Peasedown St. John, St. Philip's Odd Down, Ubley, Westfield, St Nicholas Primary, Batheaston, St Martins Garden, Newbridge and Swainswick.

- 2.18 **Roman Baths Archway Project** - This £5Million project will be funded by a Council capital contribution of £1Million, together with a Heritage Lottery Fund (HLF) grant of £3.376 Million, other grants and fundraising. A £75,000 grant has been awarded by the Garfield Weston Foundation and other applications are in the pipeline, including to the Clore Duffield Foundation. The Council is on track to meet the match funding target. Planning permission and Listed Building Consent were granted in September 2016.
- 2.19 **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.