

Bath & North East Somerset Council

MEETING:	Cabinet	
MEETING DATE:	13th February 2020	EXECUTIVE FORWARD PLAN REFERENCE:
		E 3159
TITLE:	Revenue and Capital Budget Monitoring, Cash Limits and Virements – April 2019 to December 2019	
WARD:	All	
AN OPEN PUBLIC ITEM		
List of attachments to this report:		
Appendix 1 – Revenue Monitoring Commentary		
Appendix 2 – Key Scheme Capital Monitoring Commentary		
Appendix 3 (i) & 3 (ii) – Proposed Revenue Virements & Revised Revenue Cash Limits 2019/20		
Appendix 4 (i) & 4 (ii) – Capital Virements & Capital Programme by Portfolio 2019/20		

EXECUTIVE SUMMARY

a) Revenue budget

The Revenue budget outturn is currently forecast to be on budget with a reduction of £0.8m required from the planned use of the Financial Planning and Smoothing Reserve.

Whilst the outturn is forecast to be on budget there have been adverse movements on service revenue budgets, key areas of risk are the realisation of the Councils improvement programme savings with full delivery expected in 2020/21. The Children's Services budget has a forecast £1.9m over budget position which has been recognised and funded as a recurring pressure in the 2020/21 Budget, this is due to increases in specialist Health and Social Care placements.

This adverse position has been mitigated by a £2.79m favourable forecast on the Councils Corporate Budgets largely attributable to an under-budget position on capital financing from re-phasing of capital expenditure and lower than budgeted cost of capital from beneficial interest rates for borrowing. There has also been strong performance in income over the Christmas period across Heritage Services, Parking and Planning.

In addition, there is a SEND placement pressure of £3.1m on the Dedicated Schools Grant (DSG). Mitigation plans are being worked up which include identifying uncommitted balances within the DSG.

Of the overall savings target for 2019/20 of £8.9m, £2.04m (23%) is at risk in 2019/20 and will require delivery in 2020/21; £1.33m (15%) is forecast to be delivered by the year-end and £5.48m (62%) has been delivered. This position is being mitigated through Directors cost reduction and income generation plans which has helped improve the forecast outturn position and reduced the planned use of the Financial Planning and Smoothing Reserve by £0.8m. These will need to continue to be reviewed to ensure that the Council remains within the approved budget by the year-end.

b) Capital budget

The capital budget is currently showing a forecast spend of £91.7m against an approved budget of £146.3m leaving a variance of £54.6m, mainly due to re-phasing of Bath Quays, ACL/ADL loan drawdowns, Clean Air Zone grant and Roman Baths Archway Project into future financial years to reflect revised project spend profiles.

To ensure the Capital Programme is prioritised and aligned to current delivery expectation, an in-year review of provisionally approved schemes has been undertaken. The review has resulted in proposed reductions/removals totalling £6.663m, with specific schemes detailed in appendix 4(iii) along with the reason for reduction. The reduction to schemes funded by corporately supported borrowing totals £1.441m and the impact of the release of these borrowing costs has been reflected in the revenue monitoring position.

c) Council Tax and Business Rates

The current forecast Council's share of the year end Collection Fund position is:

- Council Tax – Surplus of £0.83m (2018/19 Surplus £0.69m)
- Business Rates – Surplus of £1.52m (2018/19 Surplus £0.76m)

d) Council Reserves

The current forecast revenue position would not require use of the Budget Contingency Reserve (which was set up to mitigate budget risk). The Council's reserve levels will continue to be monitored during the remainder of the financial year.

1 THE ISSUE

- 1.1 This report presents the financial monitoring information for the Authority as a whole for the financial year 2019/20 to the end of December 2019.

2 RECOMMENDATION

The Cabinet is asked:

- 2.1 To note the 2019/20 on budget position (as at the end of December 2019).
- 2.2 To approve the revenue virements listed for approval in Appendix 3(i) and to note those virements listed for information only.
- 2.3 To note the capital year-end forecast detailed in paragraph 3.14 of this report;
- 2.4 To note the changes in the capital programme including capital schemes that have been agreed for full approval under delegation listed in Appendix 4(i)
- 2.5 To remove from the Provisional Capital Programme schemes of £6.663m, detailed in Appendix 4(iii), to align to current delivery expectation.

3 THE REPORT

3.1 The Budget Management Scheme requires that the Cabinet consider the revenue and capital monitoring position four times per year.

REVENUE BUDGET

3.2 Service Directors have been asked to outline the actual expected outturn for the year and the reasons to date for over / under budget forecasts. For revenue budgets which are forecast to be over budget, the Directors are expected to seek compensating savings to try and bring budgets back to balance.

3.3 A summary by Portfolio of the revenue position as at 31st December 2019 is shown in the table below:

Portfolio	Revised Budget £'m	Year End Forecast £'m	Variance Over / (Under) £'m
Leader	(0.36)	(0.04)	0.32
Resources	7.18	6.63	(0.55)
Adult Services	62.45	62.45	0.00
Children's Services	28.99	30.88	1.90
Climate Emergency & Neighbourhood Services	15.92	15.93	0.00
Transport Services	(0.15)	(0.28)	(0.12)
Housing, Planning & Economic Development	3.23	3.02	(0.21)
Community Services	(3.69)	(4.42)	(0.73)
Smoothing reserve to be allocated		(0.61)	(0.61)
Total	113.56	113.56	(0.00)

Note1: Some of the figures in this table are affected by rounding.

3.4 The current **year-end** forecast is an on budget position.

Portfolio Commentary

3.5 Key variances and associated actions by Portfolio are as follows, a more detailed breakdown can be found in Appendix 1.

Leader (£0.32m over budget, £0.02m adverse movement)

The adverse variance is mainly due to revisions to the Aequus company business plan projections which have resulted in the timing of the dividend payment to the Council being amended for 2019/20. It is not anticipated that this will adversely impact the 2020/21 dividend.

Resources (£0.55m under budget, £0.38m adverse movement)

There has been a £0.2m favourable movement in Capital Financing and Interest from additional investment income and lower than anticipated borrowing costs.

There has been a £0.44m improvement on Commercial Estate income which has resulted in a revised over budget position of £0.57m; the favourable movement is due to a continuation of a lease and one-off income following a rent review. The over budget position is due to a slowing down of retail income and challenges in new acquisitions that will generate additional income. This reduction will be incorporated into the 2020/21 budget planning assumptions as an unavoidable pressure. To address this, the management of the commercial estate will continue to focus on the existing commercial assets, ensuring that void units are marketed at the earliest opportunity. The performance of commercial estate income will continue to be closely monitored.

There is also an adverse variance of c£1.4m as a result of the phased implementation of schemes within the Improving How We Work savings programme; this is being mitigated through the planned use of smoothing reserves with savings to be realised in full towards the end of the financial year. This is partially offset by service mitigations from other budget areas.

There are favourable variances of c£0.4m in Information Technology, Revenues & Benefits that have partially mitigated a pressure in Legal Services alongside the above adverse variances. Variance narrative for these areas can be found in appendix 1.

Adult Services (on budget)

The Adult Service Portfolio is on budget. There has been a favourable movement from the previous period with a reduction in Older Peoples nursing costs and a release of direct payment balances back to the Council. This alongside a forecast underspend on the Better Care Fund has mitigated the over budget forecast in Learning Disabilities from new transition placements.

In addition to this there has been good progress on the delivery of Social Care savings plans which is reflected in the monitoring position, with savings commentary in section 3.6 of this report.

Childrens Services (£1.9m over budget, £0.027m adverse movement)

The Childrens Services financial position is £1.9m over budget; there is a small adverse variance of £0.027m last periods forecast.

There continues to be pressures on the Children, Young People & Families budget with a above budget position of £2.08m forecast. This is due to Social

Care placement pressures with the main areas including the complex Health and Care placements and Disabled Childrens care packages.

Some of these pressures are as a result of the 'staying put' legislation that supports children to continue in their current care placement from 18 up to 25, and hence they do not leave care.

Management action includes all requests for children to come into care are subject to service manager scrutiny. Placement with family is always considered before care placement. We regularly review whether any children in care can return home. The Placements, Contracts and Commissioning Team use a preferred provider framework and dynamic purchasing system to negotiate the best value. We are refreshing our recruitment drive for in house foster carers to reduce the need to use more costly independent fostering agencies.

Further work is underway to identify ways to better support families at an earlier stage and reduce the growth in costly specialist interventions and placements.

Schools DSG (£3.1m over budget, £0.74m adverse movement)

There has been an increase of £0.74m in the cost of placements for children with SEND funded from the high needs block within the Dedicated Schools Grant (DSG), the forecast above budget position is £3.1m. The SEND budget pressure has been recognised by the Council when the 2019/20 budget was approved with a corporate contingency of £2.35m for SEND made available to help mitigate a negative DSG balance, however the use of this funding has been subject to consultation on the funding of SEND placements.

The Government has published its response following the consultation, this has clarified that the whole of the 2019/20 SEND cost pressure would need to remain within the DSG and be carried forward to future years (unless permission is given by the Secretary of State to disregard the requirement).

The Council will need to take a view at year-end about the out-turn level of expenditure on the DSG and how this pressure can be mitigated. The Department for Education expects that most Local Authorities with a DSG deficit will be able to bring their high needs budget into in-year balance, and go on to recover the deficit by managing their expenditure within the larger DSG total

Climate Emergency & Neighbourhoods (on budget)

There are no material variances to report for the April – December monitoring report; services are forecast to be on budget at year end.

Transport Services (£0.12m under budget, £0.61m favourable movement)

The favourable movement from last period is attributable to a favourable movement in Parking of £0.4m following good income performance through the last quarter with Pay and Display income up and additional one-off income from filming in the city centre. In addition, there has been a one-off underspend in passenger transport from debt recovery and vacancies.

It is also forecast that CCTV income target of £0.15m will not be achieved; a service review of the Councils CCTV operations is planned in the coming

months that will assess the technology and service configuration with a recommended set of options for implementation.

Housing, Planning & Economic Development (£0.21m under budget, £0.33m favourable movement)

There have been favourable movements from the last quarter, Planning has improved by £215k through an improvement in application income and rephasing of planning policy work to 2020/21. Housing and Regeneration forecasts have improved by £115k from salary savings and bad debt recovery.

Community Services (£0.73m under budget, £0.26 favourable movement)

There has been further improvement from strong visitor performance over the Christmas period in the Roman Baths resulting in favourable movement of £0.26m from the last period and above income target performance of £0.88m; this has offset adverse variances in Bereavement Services from a lower number of cremations to date than the previous year and a reduction in income from Building Control fees.

REVENUE BALANCES, CONTINGENCY AND RESERVES

The current forecast revenue position includes planned and approved use of earmarked reserves as set out in the table below.

Key Reserves

The following table shows the balances of key reserves at the beginning of the year, planned use, and expected balance at the year-end based on current forecast:

	Unallocated Balance as at 1/4/19 £'m	Projected Use / Commitments £'m	Current Estimated Unallocated Balance 31/3/20 £'m
Revenue Budget Contingency	3.05	0.28	2.77
Financial Planning and Smoothing Reserve*	5.73	0.75	4.98
Transformation Investment Reserve *	2.15	1.95	0.20
Restructuring & Severance Reserve	2.18	0.00	2.18

Note * Use of these reserves are in line with budget plans agreed in February 2019

Reserves and Flexible Capital Receipts

Flexible Capital Receipts are being utilised for revenue spend that results in ongoing revenue savings. A three year target of £11.5m was agreed as part of budget setting in February 2019, this has now been updated to reflect the re-profiled requirement and re-phasing into 2020/21 as follows:

	Actual Usage 2017/18 £'m	Actual Usage 2018/19 £'m	Estimated Usage 2019/20 £'m	Estimated Usage 2020/21 £'m	Estimated Total Usage £'m
Flexible Capital Receipts	3.12	3.45	1.93	3.00	11.50

Unapplied capital receipts of £1.25m were carried forward from 2018/19 and £2.14m has been received in 2019/20 so far with a further £4.02m expected by 31st March 2019.

General Fund Un-earmarked Reserve

The General Fund Un-earmarked Reserve is retained to meet the Council's key financial risks. The risk assessment has set a range of between £11.9m and £13.1m to meet those risks in the 2019/20 financial year (note this has been increased to a range of £12.3m and £13.5m for 2020/21). The current estimate is that as at 31/03/20 the reserve will remain at £12.3m and remains sufficient to meet those risks. A further £1.2m will be added to Un-earmarked Reserves once the budget for 2020/21 has been approved.

SAVINGS PERFORMANCE

3.6 The 2019/20 revenue budget approved savings of £8.9m, with £2.2m of these savings to be found through service improvement, £3.2m from commissioning and contract management, £2m from additional income and the rest from service efficiencies. The table below shows forecast performance against the savings targets.

Cabinet Portfolio	RED £'000	AMBER £'000	GREEN £'000	TOTAL £'000
	£000	£000	£000	£000
Leader	150	280	0	430
Resources	1,825	686	825	3,336
Community (Leisure, Tourism & Culture)	0	9	1,350	1,359
Adult Care & Health	0	0	2,535	2,535
Children & Young People	0	0	418	418
Environment & Climate Change	16	0	260	276
Planning, Homes & Economic Development	0	95	39	134
Transport	50	259	50	359
Total	2,041	1,329	5,477	8,847

The above table shows progress has been made with £5.48m forecast to be fully delivered, £1.33m are expected to be delivered and have associated budget risks if not implemented in 2019/20 and £2.04m which will not be achieved during 2019/20.

Savings items that have been identified as high risk in 2019/20 and will require further action to ensure delivery in 2019/20 are as follows:

- **Improving How we work Programme £1.65m.**

- **Consolidation of Performance / intelligence function £0.25m**

- The first stage of the project has been completed and £0.1m of the target above reported as delivered. Delivery of savings through the remainder of 2019/20 and into 20/21 is a priority through further centralisation of activity and spend on core Corporate functions.

- **Office Accommodation £0.30m**

- The Programme will continue to explore the release of other buildings and income opportunities as the overall Programme progresses with staff working differently and more flexibly. Rental income will not start accruing until 20/21.

- **Service redesign/digital business improvement £0.75m**

- The Digital projects are already in progress and as the Programme has only just mobilised some savings will be identified this financial year but only a proportion delivered.

- **Training £0.35m**

- The centralisation of training budgets has delivered £0.15m, the balance of this savings target has been identified as a pressure that has been put forward for removal subject to agreement of the 2020/21 budget.

- **Commissioning £2.59m**

- The 2019/20 savings target has been fully allocated to purchased care budgets with the monitoring showing positive performance with a on budget position for Adult Social Care.

- **Commissioning of Destination Management £0.150m**

- The Visit Bath saving is unlikely to be achieved in 2019/20. Destination Management review is being commissioned and financial recovery plan being implemented by the Visit Bath Board to reduce annual running costs.

3.7 The Council's financial position, along with its financial management arrangements and controls, are fundamental in continuing to plan and provide services in a managed way, particularly in light of the medium-term financial challenge. Close monitoring of the financial situation provides information on new risks and pressures in service areas, and appropriate management actions are then identified and agreed to manage and mitigate those risks.

3.8 Any revenue budget virements which require Cabinet approval are listed in Appendix 3(i). Technical budget adjustments are also shown in Appendix 3(i) for information purposes, as required by the Budget Management Scheme.

COUNCIL TAX & COUNCIL TAX SUPPORT

3.9 The current overall forecast outturn position on the Council Tax Collection Fund is for a surplus of around £0.83m (Q2 £0.82m) for the Council's share, this represents a 0.9% variance against target income. The reason for the surplus is mainly due to the number of chargeable dwelling being higher than forecast. For 2019/20, the tax base included an adjustment of £9.16m for the estimated costs of the Local Council Tax Support Scheme and current

estimates continue to be in line with this amount. The one-off impacts of the Council Tax collection fund projected outturn position will be built into the financial planning assumptions for the 2020/21 budget.

- 3.10 The collection rate for Council Tax was 84.6%, compared to the previous year's figure of 85.0% at the end of December.

BUSINESS RATES

- 3.11 The current year-end forecast is for the Council's share of Business Rate income relating to 2019/20 to be approximately £0.48m (Q2 £0.19m) greater than estimated, creating a positive impact on the Collection Fund. The overall Collection Fund surplus position, including the element relating to the 2018/19 outturn, is forecast at £1.52m (Q2 £1.21m).

- 3.12 As set out in the Budget Report, any surplus or deficit on the Business Rate Collection Fund and associated income will be transferred to or from the Business Rates Reserve for consideration as part of the Business Rates calculations for future years and this position will be reflected in the 2020/21 budget. Based on current forecasts, the projected balance on the Business Rate Reserve as at the end of 2019/20 is £3.1m, rising to £5.1m by the end of 2020/21, which represents c7.7% of annual business rates payable. The main in year factors impacting on Business Rates are new chargeable properties and lower than forecast empty property and retail reliefs, partially offset by higher than forecast small business and charitable reliefs. Any further relief granted during the remainder of the financial year would reduce the projected collection fund surplus position.

- 3.13 The collection rate for Business Rates was 83.1% at the end of December, compared to the previous year's figure of 82.7%.

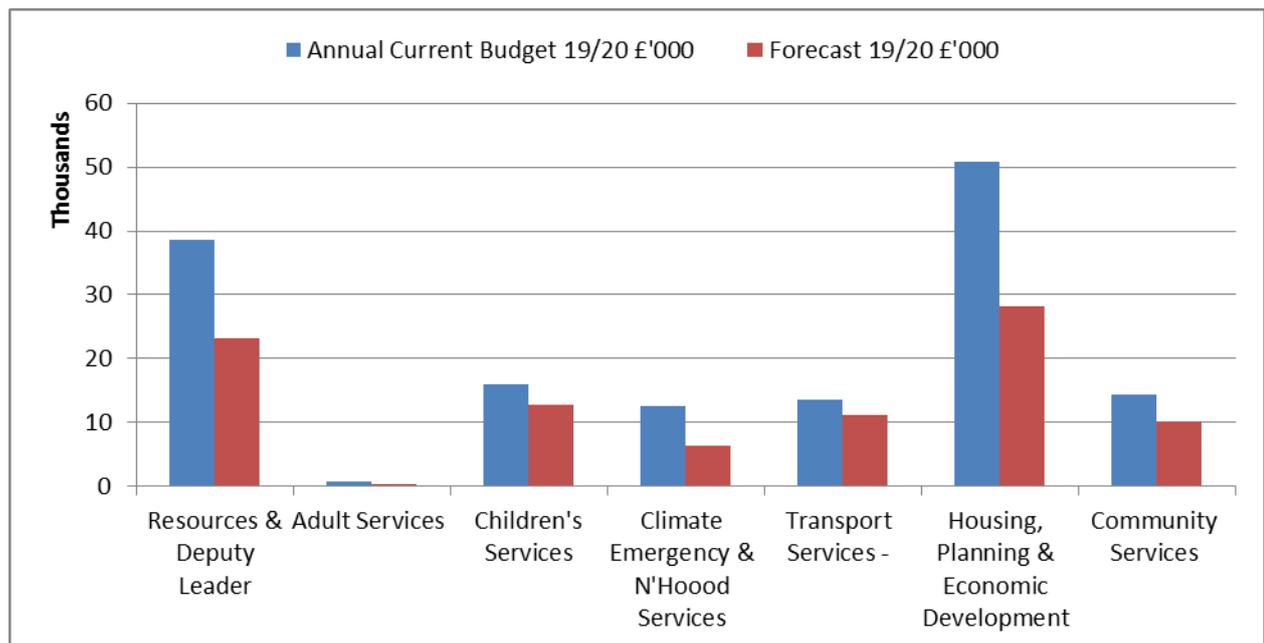
- 3.14 The High Court hearing into the claim by NHS Foundation Trusts that they are entitled to mandatory charitable relief from Business Rates has now completed and the judge has rejected the claim. The judge ruled that a foundation trust is not established for charitable purposes only and so therefore is not a charity and their properties are not entitled to charitable relief. The Council will continue to monitor any further developments to see if the NHS Trusts decide to appeal the decision.

CAPITAL BUDGET

- 3.15 The current position of the 2019/20 Capital Programme is a forecast of £91.7m against a budget of £146.3m. The variance of £54.6m reflects carry forward requests of £53.8m and £0.8m underspend. The full breakdown of the Capital Programme by Portfolio can be found in Appendix 4(ii) with key scheme commentary in Appendix 2.

Portfolio Summary Monitor	Annual Current Budget 2019/20 £'000	Forecast 2019/20 £'000	In-Year Variance 2019/20 £'000	Forecast Re-phasing to 2020/21 £'000	Other Variance 2019/20 £'000
Resources & Deputy Leader	38,521	23,203	15,318	15,313	5
Adult Services	681	293	388	388	0
Children's Services	15,860	12,647	3,213	3,207	6
Climate Emergency & Neighbourhood Services	12,543	6,285	6,258	6,245	13
Transport Services -	13,593	11,076	2,517	2,511	7
Housing, Planning & Economic Development	50,856	28,089	22,767	22,087	680
Community Services	14,262	10,127	4,135	4,068	67
Grand Total	146,317	91,720	54,597	53,819	778

The graph below illustrates the value and forecast against budget for all in year capital budgets by Cabinet Portfolio:



Capital Commentary

3.16 The key variances on the programme by portfolio include:

- Resources and Deputy Leader** - £15.3m less than budget. The under budget mainly reflects re-profiling of loan drawdowns predicted by Aequus (the Council's property development company). The current projected total of loan drawdowns in respect of the Riverside View and Sladebrook Road developments for 2019/20 is £5.4m with further loan drawdowns of £1.8m

anticipated in respect of property transfers. The remaining balance of the approved loan facility is to be carried forward into 2020/21.

- **Adult Services:** Re-phasing of £388k reflecting revised spend profile on Liquid Logic (£115k) and Community Resource Centre's (£245k).
- **Children's Services:** Re-phasing of £3.2m. Basic Needs Improvement Schemes, £2.5m, of which £2.3m relates to Peasedown St John and £230k is Oldfield school programmes not coming on line as early as anticipated.

An element of the Schools capital maintenance programme will also slip into 20/21 (£500k).

- **Climate Emergency & Neighbourhood Services:** Re-phasing requests of £6.2m are made up of the grant for Clean Air Zone (£3.8m) being aligned to the implementation schedule

Waste Depot Relocation (£1.1m) reflecting continued development of depot options.

Vehicle replacement Programme (£1.1m) reflects lower in-year spend being re-phased as still required in 2020/21.

- **Transport Services** Re-phasing requested of £2.5m relates to the following schemes:

Transport Improvement Programme (£735k) reflects a number of CIL / S106 funded works now being delivered in 2020/21.

City Centre Security (£550k) is progressing forward to Public Consultation

Street Lighting LED replacement (£350k) was delayed due to re-tendering of the Street Lighting contract.

Go Ultra Low West scheme will continue into 20/21 (£242k)

Clutton Depot Refurbishment (£230k) is delayed due to the need to resolve ecological issues and planning. The small underspend relates to vehicle replacement in Passenger Transport.

- **Housing, Planning & Economic Development** - £22.8m less than budget. This is predominately due to programme re-phasing to reflect later contract award to Legal & General on Bath Quays North and BAM on Bath Quays South. These are now re-profiled to cash-flow expenditure on Delivery programmes that have been re-based to reflect revised timing of milestones including planning permission and contract award.

Slippage is also being forecast for Bath Quays Bridge (£2.2m) which has a completion date of end of 2020.

Radstock Healthy Living Centre (£1.8m) where agreement with Stakeholders for our contribution is being finalised.

Keynsham High Street (£1.5m) to commence on site summer 2020.

Affordable Housing - continuing to explore opportunities with registered providers (£692k).

Bath & Somer Valley Enterprise Zone works continue to business case submission (£594k)

Bath Streetspace designs are being finalised (£490k).

The underspend of £680k relates to BWR phase 2 land purchase, which will result in less drawdown of WECA Investment Fund Grant.

- **Community Services** Delivery of the Roman Baths Archway project will see the new facilities open towards the end of 2020 with budget re-phasing of (£3m) reflecting the known delays from York Street.

There is also forecast re-profiling for the Sydney Gardens Heritage Project (£307k) as planning issues are resolved.

Heritage Services Energy Capture Scheme (£300k) will be implemented in 2020/21 with tendering currently underway.

The forecast also reflects underspends relating to Parks composting not being possible at Lansdown £50k (s106 funded) and CCTV savings (£17k).

3.17 To ensure the Capital Programme is prioritised and aligned to current delivery expectations, an in-year review of provisionally approved schemes has been undertaken. The review has resulted in proposed reductions/removals totalling £6.663m, with specific schemes detailed in appendix 4(iii) along with the reason for reduction. The reduction to scheme funded by corporately supported borrowing totals £1.441m and the impact of the release of the associated borrowing costs has been reflected in the revenue monitoring position.

RISKS

3.18 The key risks to the budget were outlined in the Councils 2019/20 Budget Report, in compliance with the Council's decision making risk management guidance. These have been reviewed with current risks identified in the table below:

Risk	Likelihood	Impact	Risk Management Update
Further demands on service continue to escalate beyond current estimates	Possible	High	This is certainly a risk within Children's Services requiring ongoing monitoring of spend and controls. Ensure reserves are sufficient to manage in-year pressures where service mitigations cannot be implemented or are delayed.
Pay awards will be higher than estimated	Unlikely	Medium	Agreement in place for 2019/20.
Interest rates reduce further impacting on investment income	Unlikely	Low	Shorter term rates are predicted to remain at current low levels although the impact on interest rates post Brexit remains a risk. A prudent view has been taken within the MTFP and cash is being utilised for purchase of assets while rates are low.
Interest rates increase	Possible	Medium	A reserve is available for borrowing to

			manage market risk and long term borrowing costs have been factored into the longer-term MTFS. The Government has recently increased PWLB rates by 1%, the Council will continue to consider alternative borrowing sources and options alongside the PWLB.
Volatility and uncertainty around business rates	Likely	High	Current monitoring shows that business rates income is expected to be £1.21m higher than budget. However, the retail sector may impact on income and we are closely monitoring any arrears, CVAs, and liquidations with a specific reserve held to manage in-year volatility.
The Business Rates 100% pilot ceases	Unlikely in 2019/20 or 2020/21	High	It has been confirmed that Combined Authorities will retain 100% of business rates in 2019/20 and 2020/21. It is anticipated the pilot will now cease in 2021/22 and an estimated £3.6m pressure will be added to the MTFS.
Anticipated savings not delivered	Possible	High	Ensure delivery plans are monitored and continue to assess on a regular basis. Where the monitoring has identified savings are at risk of slipping the project governance will need to escalate and resolve issues through Directors Group. Ensure Budget Contingency Reserve sufficient to meet in-year issues.
Capital projects not delivered resulting in revenue reversion costs or liabilities from underwriting agreements	Possible	High	The Council has a number of projects within this category. These risks will continue to be monitored and reported. An assessment is made as part of the budget process to ensure that revenue reserves are sufficient to meet these risks. The capital programme methodology looks to de-risk projects wherever possible.
Changes to Government Policy that affects future funding	Likely	High	Need to monitor and continue to highlight impact
Economic downturn impacts on commercial income	Possible	High	Portfolio has been diversified to manage some of this risk especially within the retail sector. Where external factors cannot be mitigated the Council's future years budget will need to incorporate income pressures.
Brexit risks	Likely	Medium	During the Brexit transition period from the 31 st January 2020 to the 31 st December 2020 there will be a period of uncertainty whilst a Trade Deal is negotiated. Impacts on the Councils supply chain will need close monitoring.
Funding pressures through WECA, CCG and other partners	Possible	Medium	Ensure good communication links with partner organisations.

The additional income from Heritage may not be sustained	Possible	Medium	Continue to monitor income levels and impact on business plan. Current performance has exceeded business plan targets; performance will be closely monitored for the rest of the financial year.
Capital receipts in the areas identified are insufficient to meet target	Possible	Medium	Currently £2.14m receipts have been received with a further £4.02m expected.

4 STATUTORY CONSIDERATIONS

4.1 The annual medium-term financial planning process allocates resources across services with alignment of these resources towards the Council's corporate priorities. This report monitors how the Council is performing against the financial targets set in February 2019 through the Budget setting process.

5 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

5.1 The financial implications are contained within the body of the report.

6 RISK MANAGEMENT

6.1 A risk assessment related to the issue and recommendations has been undertaken, in compliance with the Council's decision-making risk management guidance.

6.2 The substance of this report is part of the Council's risk management process. The key risks in the Council's budget are assessed annually by each Strategic Director, with these risks re-assessed on a monthly basis as part of the budget monitoring process.

7 CLIMATE CHANGE

7.1 With the exception of any virements for approval listed in Appendix 3(i), this is an information only report about the Council's financial performance against budgets set for April 2019 to December 2019, and therefore does not include any decisions that have a direct impact on Climate Change.

8 OTHER OPTIONS CONSIDERED

8.1 None

9 CONSULTATION

9.1 Consultation has been carried out with the Cabinet Member for Resources, Strategic Directors, Section 151 Finance Officer, Chief Executive and Monitoring Officer.

9.2 Consultation was carried out at meetings and via e-mail.

Contact person	<i>Andy Rothery – Head of Management Accounts 01225 477103</i> Andy.Rothery@bathnes.gov.uk
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Background papers	<i>None</i>
Please contact the report author if you need to access this report in an alternative format	