

Appendix 1 - Revenue Monitoring Commentary Quarter 2 2021/22

Portfolio Number and Description		Cashlimit Number and Description		Current Budget £000	Actuals to date £000	Quarter 2 Published Forecast £000	Quarter 1 Published Outturn Variance £000	Change from Previous Quarter Forecast Over / (Under) £000	2021/22 Quarter 2 Outturn Variance Over / (Under) £000	Outturn Variance Analysis	Outturn Recovery Plan
Detailed Analysis of Budgets for Economic Development and Resources											
P26	Economic Development and Resources	1018	Heritage Services	(5,447)	(393)	(3,894)	1,899	(345)	1,554	Shortfall against budget has reduced from Quarter 1 due to strong summer visitor income performance, some further cost mitigations and also underspends in wages due to vacancies which cannot be filled. The shortfall is driven by the lockdown which affected Quarter 1 and the ongoing capacity restrictions, which have limited revenue generation since reopening in May.	Some cost mitigations identified and Sales, Fees & Charges grant support covers much of the Quarter 1 lost revenue, however the losses through July and August, due to restricted capacity are not containable in-Service.
P26	Economic Development and Resources	1032	Information Technology	5,261	3,364	5,130	201	(332)	(131)	Ongoing impacts from Covid and IT suppliers have resulted in financial & operational pressures, this has been mitigated in year through one off underspends on the IT contracts budget.	A new Digital, Data & Technology Strategy is being finalised and part of this process is to re-prioritise activity, assess new operating models and areas for investment and attention over the remainder of 21/22
P26	Economic Development and Resources	1037	Property Services	554	404	553	2	(3)	(1)	Not material.	Not applicable
P26	Economic Development and Resources	1038	Corporate Estate Including R&M	3,447	2,870	4,432	670	315	985	The main pressure for this area is the unachieved income (£494k) from our accommodation target. The other major area of overspend is for the running costs of our Bath Community Academy (BCA) site at Culverhay (£122k) which are unbudgeted. Included in this overspend is £235k for uncapitalised staff costs. Other adverse variances come from staffing, cleaning and the	A service review is ongoing to identify areas of possible opportunities to make efficiencies on expenditure once staffing structures are embedded.
P26	Economic Development and Resources	1039	Traded Services	0	2	4	0	4	4	Not material.	Not applicable
P26	Economic Development and Resources	1040	Finance	2,156	1,014	2,113	0	(43)	(43)	Under budget position from vacancy savings.	Not applicable
P26	Economic Development and Resources	1041	Revenues & Benefits	1,891	1,703	1,722	(20)	(149)	(169)	Staff vacancy savings and additional court fees income.	Not applicable
P26	Economic Development and Resources	1042	Risk & Assurance Services	1,196	832	1,196	0	0	0	No material variance	Not applicable
P26	Economic Development and Resources	1047	Human Resources & Organisational Development	1,740	1,916	1,727	7	(20)	(13)	Salary underspend	Not applicable
P26	Economic Development and Resources	1052	Regeneration	314	1,185	214	(58)	(43)	(100)	Staff savings from vacancies, some have been filled so part year saving, offsets an unanticipated change in team costs.	Not applicable
P26	Economic Development and Resources	1053	Council Solicitor & Democratic Services	2,530	1,559	2,554	101	(77)	24	Proposed savings to reduce external legal spend within the legal services budget are not fully achievable (as budgets are held within services). External legal spend across the council is being tracked and savings identified.	External legal spend across the council is being tracked and savings identified. Alternative savings are currently being explored.
P26	Economic Development and Resources	1054	Hsg / Council Tax Benefits Subsidy	(195)	4,793	300	0	495	495	Impact of increased Temporary accommodation cost (B&B) where no subsidy can be reclaimed and reduction in debt as a result of improved controls resulting in reduced recoveries	Mitigations are being explored with Housing which include identifying Covid grant funding.
P26	Economic Development and Resources	1055	Capital Financing / Interest	6,830	4,582	6,140	0	(690)	(690)	The underspend is due to the temporary high levels of cash balances held, resulting in a delayed need to borrow.	Not applicable
P26	Economic Development and Resources	1056	Unfunded Pensions	1,588	727	1,513	(75)	0	(75)	Small underspend forecast based on current spend to date.	Not applicable
P26	Economic Development and Resources	1057	Corporate Budgets including Capital, Audit and Bank Charges	(8,776)	(29,331)	(8,466)	375	(65)	310	The forecast overspend includes a £300k shortfall of income forecast from Bath Spa Profit Share due to the COVID-19 restrictions impacting turnover, which is partially off-set by Sales, Fees & Charges grant income of £55k. There is also a £25k pressure due to additional external audit fees and a £40k overspend forecast on the Apprenticeship Levy payments, mainly due to the increase Council payroll following the TUPE of staff.	As the income comes from a third party arrangement, the Council is limited in its recovery options. Possible reserves request to support Covid pressures.
P26	Economic Development and Resources	1058	Magistrates	12	4	12	0	0	0	No variance reported.	Not applicable
P26	Economic Development and Resources	1059	Coroners	335	196	385	0	50	50	There is an unavoidable on-going pressure of £35k due to JNC Pay Awards in the Coroners Service, increased fees charged by pathologists and regrading of Mortuary Staff posts. In addition, there is a £15k one-off pressure relating to the backlog of inquests that were delayed due to Covid-19.	Not applicable
P26	Economic Development and Resources	1060	Environment Agency	251	186	251	0	0	0	No variance reported.	Not applicable

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P26	Economic Development and Resources	1061	West of England Combined Authority Levy	5,148	3,636	5,148	0	0	0	No variance reported.	Not applicable
P26	Economic Development and Resources	1081	Commercial Estate	(10,173)	(10,625)	(9,944)	0	229	229	Updated forecast position for Commercial rental Income.	New lettings are increasing which may mitigate the current budget position.
P26	Economic Development and Resources	1109	World Heritage	158	60	154	(3)	0	(3)	Not material.	Not applicable
P26	Economic Development and Resources	1112	Housing Delivery Vehicle	(1,000)	320	(974)	118	(92)	26	Lower than budgeted interest income based on current forecast of loans to the Councils Housing Company.	Review income budget in line with 2021/22 business plan and sales pipeline.
P26	Economic Development and Resources	1118	Procurement & Commissioning	285	814	257	19	(48)	(29)	Minor overspends across service	Not applicable
P26	Economic Development and Resources	1126	Visit Bath	76	84	76	0	0	0	No variance reported.	Not applicable
P26	Economic Development and Resources	1130	Corporate Governance	1,476	891	1,635	235	(77)	158	The delivery of the senior management savings of £300k are on track following the completion of the Director level restructure. There is a residual pressure in the cashlimit from unachieved legacy strategy and performance savings, the deliverability of this target will be fully reviewed in the next quarter.	Finalise staffing structures across the organisation to understand short and long term resourcing requirement
P26	Economic Development and Resources	1131	Corporate Strategy and Communications	973	466	927	(45)	(1)	(46)	Staff Vacancy Savings	Not applicable
P26	Economic Development and Resources	1132	Business Change	130	228	130	(1)	1	0	No variance reported.	Not applicable
P26	Economic Development and Resources Total			10,759	(8,512)	13,293	3,426	(891)	2,535		
Detailed Analysis of Budgets for Climate and Sustainable Travel											
P27	Climate and Sustainable Travel	1120	Sustainability	501	145	343	1	(159)	(158)	Recruitment to expand the climate team is well underway, after the unavoidable delay to the start of the process due to Covid. However, not all posts will be filled in this year, resulting in the underspend. All posts will have been recruited early in financial year 2022/23.	Not applicable
P27	Climate and Sustainable Travel	1127	Environmental Monitoring (Air Pollution)	211	82	177	(32)	(2)	(34)	Staffing savings due to secondment and other minor updates.	Not applicable
P27	Climate and Sustainable Travel	1129	Clean Air Zone	0	(4,081)	0	0	0	0	CAZ expenditure is covered in full by the income generated, whilst entry charge income slightly down, this is currently more than offset by increased Penalty Charge Notice income. Compliance percentage rates are improving faster than predictions in earlier models, but a little too early to be confident about rates of continuing trendlines. Any shortfall would be covered by the New Burdens Principal.	Not applicable
P27	Climate and Sustainable Travel	1135	Transport Planning, Policy and Sustainable Transport	367	280	470	98	4	102	Staffing pressures within the service, from increased volumes of work relating to the Joint Local Transport Plan	Currently looking at savings across the service to mitigate pressure
P27	Climate and Sustainable Travel Total			1,080	(3,575)	990	67	(157)	(90)		

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Detailed Analysis of Budgets for Adults and Council House Building											
P28	Adults and Council House Building	1029	Housing	1,406	566	1,290	(125)	9	(116)	Grant funding for Domestic Abuse received releases revenue funding. Underspend on supported lodgings and timing of benefits received contributes towards the favourable variance.	Not applicable
P28	Adults and Council House Building	1073	Adults & Older People-Mental Health Commissioning	9,955	4,302	8,840	0	(1,115)	(1,115)	The impact of packages joint funded with health has reduced Social Care spend. Purchasing expenditure is further reduced by lower placement activity/deaths during the COVID pandemic. The funding impacts of the Transforming Care Agenda on Social Care budgets are increasing for expensive and complex packages requested via the panel process. Risk is reflected for the activity backlogs and the cost/pressures which have been impacted by Covid	Close monitoring of all care packages funding and service users receiving NHS Covid Funding. Pressure continues in high cost placements but this continues to be reviewed by commissioners through panel processes, contract monitoring, and continued work on savings plans. There has been an increase in joint Health Fund funding for Section 117 service users which have been reviewed in the panel process and NHS funding remains at 6 weeks for discharged patients requiring Social Care support.
P28	Adults and Council House Building	1086	Adult Care Commissioning	1,507	475	1,501	(11)	6	(6)	Staff turnover has created a small one off savings. Review of commissioning staff structure being completed.	Not applicable
P28	Adults and Council House Building	1088	Older People & Physically Disabled Purchasing	13,245	4,408	12,653	(26)	(567)	(592)	Health funding is still being provided for first 6 weeks of support to hospital discharge cases and this has generated one off savings. Health support will continue to March 2022. Commissioners and social workers are working together to reduce reliance on residential based care and deliver savings plans.	Not applicable
P28	Adults and Council House Building	1091	Learning Disabilities Commissioning	18,108	5,796	18,415	247	60	307	There are high cost adults transitioning from Children's services with higher provider costs than anticipated. These complex and high cost cases are being closely monitored and have been put forward for NHS Continuing Health Care funding/assessments by commissioning managers. Most day care and respite providers have resumed services, some being delivered differently.	There is continued pressure in high cost placements particularly transitions (children reaching 18 years). Reviews continue via the panel process, contract monitoring and working closely with Children's Services around Transitions. Work continues on savings plans to bring the spend in balance by the end of the year. Work continues to fill voids and reduce the spend of Out of Area
P28	Adults and Council House Building	1093	Physical Disability, Hearing & Vision	4,499	1,088	3,162	(219)	(1,118)	(1,337)	Activity in this service area's Purchased Care is reducing. Once NHS Covid Funding for Hospital Discharges ceases budget re-alignment may be required.	Commissioners continue to review this budget area through the panel process, contract re-negotiation, contract monitoring, and continued work on savings plans. Budget underspend will offset overspends in other areas of Adult Social Care.
P28	Adults and Council House Building	1110	Better Care Fund	7,630	10,190	7,630	(0)	(0)	(0)	No variance reported.	Not applicable
P28	Adults and Council House Building	1113	CCG B&NES CHC and FNC Payments	0	1,120	0	0	0	0	No variance reported.	Not applicable
P28	Adults and Council House Building	1114	Community Equipment	203	386	203	0	0	0	Demand pressures over and above budgeted provision has been met from IPC and COMF grant funding.	Not applicable
P28	Adults and Council House Building	1123	Safeguarding Adults	1,941	1,003	1,881	(2)	(58)	(60)	Staff turnover has created one off savings	Not applicable
P28	Adults and Council House Building	1124	Community Resource Centres & Extra Care Income	5,009	3,365	6,532	11	1,512	1,522	Job re-evaluation and regrading exercise has increased cost base of service. Higher staffing ratios has also been required to manage covid sickness/isolation routines and complexity of need.	Business case identifying pressures and three year action plan to manage costs and increase fee income developed.
P28	Adults and Council House Building Total			63,504	32,698	62,108	(125)	(1,271)	(1,396)		

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Detailed Analysis of Budgets for Children & Young People, Communities & Culture											
P29	Children & Young People, Communities & Culture	1036	Adults Substance Misuse (DAT)	157	273	157	(0)	0	(0)	Majority of spend is on fixed price contract arrangements.	Not applicable
P29	Children & Young People, Communities & Culture	1076	Children, Young People & Families	17,999	18,754	20,074	(64)	2,139	2,075	This forecast includes £805k Covid costs. £1,550k of the over budget position is due to demand led budgets. These include Joint Agency Panel (JAP), Residential, Disabled Children (DCT), Children in Care (CIC) and Staying Put placements. JAP is over budget by £500k due to 6 unbudgeted additional placements, many of which are as a direct result of Covid. Residential is over budget by £460k due to increased package costs as a direct result of accommodating additional needs due to Covid. Staying Put costs are £70k over budget, again mainly due to the consequences of Covid. The DCT client costs are £210k over budget, and the CIC client costs are £280k over budget, both due to increased demand, and packages of care and support needed as a result of the pandemic. The transformation projects are forecast to create a pressure of £160k in their first year, this will be enable future savings in 22/23 and beyond of circa £1m. Across all salary areas there is a pressure of £470k as a result of the cost of covering absence in teams whilst also responding to increasing demand and complexity of need. Savings of £100k have been identified across the legal spend and inter-agency adoption fee areas as part of the in-year financial recovery plan.	The service is actively searching for ways to mitigate this overspend in-year. Where recruitment is possible in lieu of expensive agency use, this is being progressed. The Transformation Program is progressing at pace to realise any savings as quickly as possible. Financial recovery plans are premised on the future availability of lower cost suitable placements being enabled through the Transformation Program.
P29	Children & Young People, Communities & Culture	1077	Inclusion & Prevention	3,109	86	3,355	93	153	246	Educational Psychology is over budget by £230k. This is a due to staffing pressures that were in existence during 20/21, but were met with one-off funding. Ongoing staffing pressures are due to increased staffing costs needed to provide the Local Authorities statutory duties in this area, caused by significantly increased requests for assessment, a national shortage of qualified EP's and use of agency staff and un-budgeted maternity cover.	The service is actively searching for ways to mitigate this cost in-year.
P29	Children & Young People, Communities & Culture	1078	Education Transformation	6,676	777	6,746	122	(52)	70	The pressure forecast is a result of two historical pressures, both reoccurring in 21/22 but not able to be offset by one-off Financial Recovery Savings as was achieved in 20/21. There is a £25k pressure from the unwinding of the Childcare Voucher scheme, as this service is now in decline due to the new Government Childcare Scheme offering. There is also a £60k pressure relating to ongoing costs of previous capital investment. In addition loss of training income has created a pressure of £40k, this has been due to Covid. These pressure are mitigated by £80k salary savings which are as a result of planned vacancy holding as part of the in-year financial recovery plan.	The service is actively searching for ways to mitigate this cost in-year. Vacancies are being held where possible.
P29	Children & Young People, Communities & Culture	1079	Schools Budgets	(1,877)	(3,027)	(1,877)	0	0	0	Although shown on budget, any overspend in the DSG is held on the balance sheet. The carried forward balance into 21/22 is a £5.42m deficit, with significant increase to this deficit forecast to occur during 21/22, to increase the deficit to c£12m. These pressures are in relation to SEND costs.	Recovery plan to reduce this deficit over the coming years is being drafted.
P29	Children & Young People, Communities & Culture	1089	Community Safety	193	155	193	0	0	0	No variance reported.	Not applicable
P29	Children & Young People, Communities & Culture	1094	Public Health	0	3,229	0	0	0	0	Public Health is fully funded by a ring fenced DHSC grant	0

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P29	Children & Young People, Communities & Culture	1116	Integrated Commissioning - CYP	2,630	2,076	2,582	(76)	29	(47)	Half of the under budget position is as a result of vacancy, whilst the other half is a result of under budget positions across multiple contracts.	Not applicable.
P29	Children & Young People, Communities & Culture	1117	Safeguarding - CYP	77	(34)	30	0	(47)	(47)	Salary savings.	Not applicable.
P29	Children & Young People, Communities & Culture	1121	Events & Active Lifestyles	189	58	240	77	(26)	51	Loss of income for Events 21/22, due to a reduction in events across the year. Staffing pressures within the events team and for Recovery Plan work.	Possible reserves request to support covid expenditure pressures.
P29	Children & Young People, Communities & Culture	1122	Customer Services (Including Libraries)	2,193	931	2,282	126	(38)	89	Proposed savings from the service are not achievable so savings being realised from delaying recruitment to vacancies.	Savings plans are in place
P29	Children & Young People, Communities & Culture	1128	Business & Skills	517	338	496	(43)	23	(20)	Economic, Enterprise and Business departmental staff savings from vacancies.	Not applicable
P29	Children & Young People, Communities & Culture Total			31,864	23,615	34,280	234	2,182	2,416		
Detailed Analysis of Budgets for Neighbourhood Services											
P05	Neighbourhood Services	1019	Leisure	517	298	736	200	19	219	Further financial Support has been provided to leisure operator GLL for this Financial year due to impacts of Covid-19 on the sector.	Discussions with GLL ongoing. Possible reserves request to support covid expenditure pressures.
P05	Neighbourhood Services	1101	Neighbourhoods & Environment - Waste & Fleet Services	16,440	163,806	16,766	185	140	326	Pressures across the Operations and Recycling Service, due to increased staff costs, vehicle hire and electricity due to the collection and processing of increased waste tonnages. Partially offset by a reduction in some disposal costs, and increased income from the sale of recyclates (£350k).	Possible reserves request to support covid expenditure pressures.
P05	Neighbourhood Services	1102	Neighbourhoods & Environment - Parks & Bereavement Services	1,208	722	1,231	(3)	25	22	Parks reporting on target. Bereavement Services reporting a pressure due to staffing issues.	
P05	Neighbourhood Services	1115	Registrars Service	(66)	(174)	(115)	(2)	(47)	(49)	Forecast to achieve additional income due to backlog of weddings	Not applicable
P05	Neighbourhood Services	1134	Highway Maintenance	6,334	2,111	6,289	(25)	(21)	(45)	Staff Vacancy Savings in quarters 1 and 2, Recruitment to take place shortly	Not applicable
P05	Neighbourhood Services Total			24,434	166,763	24,906	355	117	472		
Detailed Analysis of Budgets for Transport Services											
P25	Transport Services	1103	Transport & Parking Services - Parking	(4,463)	(4,119)	(7,594)	(743)	(2,388)	(3,132)	Income across the summer period has been stronger than originally forecast, with this peak period exceeding the pre-covid baseline. A reduction in expenditure as a result of ongoing vacancies across the Enforcement Team, with ongoing recruitment presenting a number of challenges due to current job market	Not applicable
P25	Transport Services	1104	Public & Passenger Transport	(36)	478	(16)	66	(46)	20	Pressure due to staff and vehicles supporting the councils covid response delivering PPE across the BANES area. Partially offset by staff vacancies in Quarter 2.	Possible reserves request to support covid expenditure pressures.
P25	Transport Services	1119	Emergency Planning	423	343	502	54	24	79	Increases in operational covid costs plus increase in staff costs for additional cover due to staffing pressures.	Unable to mitigate the additional costs within the service
P25	Transport Services	1133	Network & Traffic Management	787	431	715	(73)	1	(72)	Staff Vacancy Savings in quarters 1 and 2, Recruitment to take place shortly	Not applicable
P25	Transport Services Total			(3,289)	(2,866)	(6,394)	(696)	(2,409)	(3,105)		

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Detailed Analysis of Budgets for Planning											
P30	Planning	1005	Building Control & Public Protection	754	284	893	264	(125)	139	We have forecast reduced Licensing income of approximately £50k across quarters 1 and 2 due to the effects of COVID, along with a reduction in income on Street Trading Licenses of approximately £134k. Casino income (Schedule 9) of £121k is unachievable due to there being no casino operator. This is all partially offset by salary savings, mainly due to staff secondment and the Sales, Fees and Charges grant income.	Licensing income deficit may be offset by increased income in specific areas particularly if new businesses start being created after lockdown but that is difficult to forecast with any certainty at present.
P30	Planning	1106	Development Management	1,287	791	1,812	372	153	525	Reduced Planning Income due to COVID creating an expected pressure of £534k and an overspend on appeals and judicial reviews of £55k which is partially offset by staff vacancies and unspent supplies and services.	With such a volatile area, we have to wait and see if the easing of restrictions increases the number of major applications and associated discretionary fees like pre apps and PPAs. Applications are being closely monitored to provide the most accurate information for the forecast.
P30	Planning Total			2,041	1,075	2,705	636	28	664		
	Council Total			130,393	209,199	131,889	3,897	(2,401)	1,496		