

Appendix 1 - Revenue Monitoring Commentary Quarter 3 2021/22

Portfolio Number and Description		Cashlimit Number and Description	Current Budget £000	Actuals to date £000	Quarter 3 Published Forecast £000	Quarter 2 Published Outturn Variance £000	Change from Previous Quarter Forecast Over / (Under) £000	2021/22 Quarter 3 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)	(923)	(3,651)	1,554	243	1,797	The forecast performance for Quarter 4 has reduced as a result of Omicron, combined with the pressure of the improved pay offer, has resulted in a reduction of the service outturn position by £240k. The overall 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 and Charges grant support covers much of the Quarter 1 lost revenue, however the losses through July and December, due to restricted capacity are not containable in-Service.
P26	Economic Development and Resources	1032	Information Technology	5,261	4,423	5,187	(131)	57	(74)	Ongoing impacts from Covid and IT suppliers have resulted in financial and operational pressures, which has been mitigated in year through one off underspends on the IT contracts budget.	A new Digital, Data and 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 2021/22
P26	Economic Development and Resources	1037	Property Services	554	801	558	(1)	5	4	Not material.	Not applicable
P26	Economic Development and Resources	1038	Corporate Estate Including R&M	3,347	3,897	4,469	985	137	1,122	The main pressure for this area is the unachieved income (£454k) from the accommodation target. The other major area of overspend is for the running costs of the Bath Community Academy (BCA) site at Culverhay (£149k) which are unbudgeted and includes a £50k contribution to Leisure Services. Included in this overspend is £516k for uncapitalised staff costs. Other smaller variances come from staffing, cleaning and the corporate estate.	There are minimal mitigations in 2021/22 however, additional funding of £300k and £661k has been proposed in the 2022/23 budget to reduce the income target to an achievable level and cover the under recovery of staff pressures.
P26	Economic Development and Resources	1039	Traded Services	0	3	4	4	0	4	Not material.	Not applicable
P26	Economic Development and Resources	1040	Finance	2,125	1,456	2,176	(43)	94	51	Additional demand on the finance team has increased salary costs through use of interim resource. This has been recognised as a funding requirement for the 2022/23 budget.	Not applicable
P26	Economic Development and Resources	1041	Revenues & Benefits	1,922	2,809	1,718	(169)	(35)	(204)	Staff vacancy savings and additional court fees income.	Not applicable
P26	Economic Development and Resources	1042	Risk & Assurance Services	1,196	777	1,196	0	(0)	0	No material variance	Not applicable
P26	Economic Development and Resources	1047	Human Resources & Organisational Development	1,740	2,576	1,730	(13)	3	(11)	Salary underspend	Not applicable
P26	Economic Development and Resources	1052	Regeneration	329	994	228	(100)	(0)	(100)	Staff savings from vacancies, some have been filled so part year saving, and an increase in recharges to Capital offsets an unanticipated change in team costs.	Not applicable
P26	Economic Development and Resources	1053	Council Solicitor & Democratic Services	2,530	2,166	2,552	24	(3)	21	Proposed savings to reduce external legal spend within the legal services budget are not fully achievable. 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)	4,489	300	495	0	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	6,413	6,100	(690)	(40)	(730)	The underspend is due to the temporary high levels of cash balances held, resulting in a delayed need to borrow and increased investment interest.	Not applicable
P26	Economic Development and Resources	1056	Unfunded Pensions	1,588	1,035	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)	(40,132)	(8,871)	310	(405)	(95)	The forecast includes £440k recovery of Pension Deficit costs and a £20k rebate of audit fees. There is a £300k shortfall of income from Bath Spa Profit Share due to the COVID-19 restrictions impacting turnover, which is partially offset by compensation grant income of £55k. There is a £85k pressure on card transaction fees due to increased volume and compliance. There is an overspend forecast on the Apprenticeship Levy payments, mainly due to the increase Council payroll.	Not applicable
P26	Economic Development and Resources	1058	Magistrates	12	6	12	0	0	0	No variance reported.	Not applicable
P26	Economic Development and Resources	1059	Coroners	335	348	385	50	0	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.	This expenditure is a contribution to joint Coroners arrangement with other authorities and is limited to it's recovery options. Possible reserves request to support COVID-19 pressures.
P26	Economic Development and Resources	1060	Environment Agency	251	248	251	0	0	0	No variance reported.	Not applicable
P26	Economic Development and Resources	1061	West of England Combined Authority Levy	5,148	5,194	5,148	0	0	0	No variance reported.	Not applicable
P26	Economic Development and Resources	1081	Commercial Estate	(10,173)	(13,930)	(10,162)	229	(218)	11	Increased favourable forecast position for Commercial rent income.	New lettings are increasing which may mitigate the current budget position.

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P26	Economic Development and Resources	1109	World Heritage	158	81	154	(3)	0	(3)	Not material.	Not applicable
P26	Economic Development and Resources	1112	Housing Delivery Vehicle	(1,000)	320	(974)	26	0	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	854	283	(29)	27	(2)	Minor overspends across service	Not applicable
P26	Economic Development and Resources	1126	Visit Bath	76	129	75	0	(1)	(1)	Not material.	Not applicable
P26	Economic Development and Resources	1128	Business & Skills	517	402	502	(20)	5	(15)	Economic, Enterprise and Business departmental staff savings from vacancies.	Not applicable
P26	Economic Development and Resources	1130	Corporate Governance	1,476	1,304	1,563	158	(71)	87	The unfavourable variance in the cashlimit is from unachieved legacy strategy and performance savings, both of which are addressed and rebased in 2022/23 Budget proposals.	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	552	943	(46)	16	(30)	Staff vacancy savings	Not applicable
P26	Economic Development and Resources	1132	Business Change	130	183	130	0	0	0	No variance reported.	Not applicable
P26	Economic Development and Resources Total			11,190	(13,523)	13,518	2,514	(187)	2,327		

Detailed Analysis of Budgets for Climate and Sustainable Travel

P27	Climate and Sustainable Travel	1120	Sustainability	501	257	236	(158)	(107)	(265)	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)	179	126	173	(34)	28	(6)	Not material.	Not applicable
P27	Climate and Sustainable Travel	1129	Clean Air Zone	0	(4,930)	0	0	0	0	Clear Air Zone (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	422	395	493	102	(32)	70	Staffing pressures within the service, from increased volumes of work relating to the Joint Local Transport Plan	Limited options to mitigate this pressure in 2021/22. Increased recharges are included within the 2022/23 budget proposals.
P27	Climate and Sustainable Travel Total			1,102	(4,152)	901	(90)	(112)	(201)		

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Detailed Analysis of Budgets for Adults and Council House Building											
P28	Adults and Council House Building	1029	Housing	1,406	944	1,307	(116)	17	(99)	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	5,981	8,248	(1,115)	(593)	(1,707)	The impact of packages joint funded with health has reduced Social Care spend and continues to be monitored. 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	1,455	655	1,267	(6)	(182)	(188)	Contract restructuring creating savings in 2021-22.	Not applicable
P28	Adults and Council House Building	1088	Older People & Physically Disabled Purchasing	13,245	7,084	12,009	(592)	(644)	(1,236)	Health funding is still being provided for first 6 weeks of support to hospital discharge cases and this has generated one off savings. Number of placements and home care packages of care are lower than 2019/20 and 2020/21 levels, this is partly due to covid, partly due to commissioning actions and partly due to supply side constraints.	Not applicable
P28	Adults and Council House Building	1091	Learning Disabilities Commissioning	18,108	9,827	18,801	307	385	692	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 Placements.
P28	Adults and Council House Building	1093	Physical Disability, Hearing & Vision	4,499	1,950	3,140	(1,337)	(22)	(1,359)	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	26,876	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	997	0	0	0	0	No variance reported.	Not applicable
P28	Adults and Council House Building	1114	Community Equipment	203	260	203	0	0	0	Demand pressures over and above budgeted provision has been met from Infection, Prevention and Control (IPC) and Contain Outbreak Management Fund (COMF) grant funding.	Not applicable
P28	Adults and Council House Building	1123	Safeguarding Adults	1,993	1,306	1,624	(60)	(309)	(369)	Staff turnover and slippage in bringing in new management structure has created one off savings in 2021/22.	Not applicable
P28	Adults and Council House Building	1124	Community Resource Centres & Extra Care Income	5,109	4,819	6,628	1,522	(3)	1,519	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			63,604	60,701	60,857	(1,396)	(1,351)	(2,747)		

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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	294	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	25,940	20,480	2,075	405	2,481	This forecast includes £800k Covid costs. £1,560k 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 £800k due to unbudgeted additional placements, many of which are as a direct result of Covid. Residential is over budget by £540k due to increased package costs as a direct result of accommodating additional needs due to Covid. In DCT client spend, costs are over budget by £250k. The Children in Care client costs are £380k over budget, 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 £200k in their first year, this will enable future savings in 22/23 and beyond of circa £1m. Across all salary areas there is a pressure of £408k 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	1,302	2,775	246	(581)	(335)	Educational Psychology is over budget by £200k. 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 favourable Outturn position is as a result of the one-off release of a £560k provision, in light of Government confirmation of continuing funding for the Troubled Families programme.	The pressure in Education Psychology is proposed to be addressed in the budget for 2022/23.
P29	Children & Young People, Communities & Culture	1078	Education Transformation	6,612	3,945	7,422	70	740	810	In addition to the £700k Home To School Transport (HTST) forecast pressure, there are two historic 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 £40k 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. The HTST pressure is a result of the reduction of contractors participating in the market, driver shortages and fuel cost increases.	The pressures for HTST, the Childcare Voucher scheme and the historic capital costs are proposed to be addressed in the budget for 2022/23.
P29	Children & Young People, Communities & Culture	1079	Schools Budgets	(1,812)	(6,036)	(1,812)	0	0	0	Although shown on budget, any overspend in the Dedicated Schools Grant (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 2021/22, to increase the deficit to c£12.6m. These pressures are in relation to SEND costs.	The Council has a SEND Education Strategy and a SEND Capital Plan which has been in place for a number of years, to develop local sufficiency and bring down costs of local placements. The DFE recovery plan will capture these and be available in the Spring for the DFE and Schools Forum. An internal review of JAP has taken place, and an external review of JAP has also been commissioned. The overspend will need to be recovered over an extended period of a number of years.
P29	Children & Young People, Communities & Culture	1089	Community Safety	193	199	193	0	0	0	No variance reported.	Not applicable
P29	Children & Young People, Communities & Culture	1094	Public Health	0	4,082	0	0	(0)	0	Public Health is fully funded by a ring fenced Department of Health and Social Care grant	Not applicable
P29	Children & Young People, Communities & Culture	1116	Integrated Commissioning - CYP	2,630	2,358	2,544	(47)	(39)	(86)	There is approximately £40k savings across the commissioned area, with the remaining underspend as a result of vacancies.	Not applicable.
P29	Children & Young People, Communities & Culture	1117	Safeguarding - CYP	77	0	42	(47)	12	(35)	Salary savings and reduced consultancy support offset by unachievable training income.	Not applicable.
P29	Children & Young People, Communities & Culture	1121	Events & Active Lifestyles	174	201	206	51	(19)	32	Loss of income for Events 2021/22, due to a reduction in events across the year. Staffing pressures within the events team and for Recovery Plan work.	Unable to mitigate loss of income this year but anticipating that income should recover in 2022/23
P29	Children & Young People, Communities & Culture	1122	Customer Services (Including Libraries)	2,193	1,522	2,266	89	(16)	73	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 Total			31,332	33,806	34,272	2,436	504	2,940		

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Detailed Analysis of Budgets for Neighbourhood Services											
P05	Neighbourhood Services	1019	Leisure	517	324	703	219	(33)	186	Leisure operator GLL is not able to pay the planned £344k management fee to Council in 2021/22 due to impact of Covid-19 on the sector. This budget pressure has been part mitigated by use of reserves.	Discussions with GLL ongoing. Possible reserves request to support covid expenditure pressures and recovery plans.
P05	Neighbourhood Services	1101	Neighbourhoods & Environment - Waste & Fleet Services	16,440	99,555	16,717	326	(49)	276	Pressures across the Operations and Recycling Service, due to increased staff costs (£680k), plus additional pressures on vehicle hire and electricity due to the collection and processing of increased recycling tonnages. Partially offset by a reduction in some disposal costs, and increased income from the sale of recyclates (£520k).	Pressures and additional income have been included in the 2022/23 Budget Proposals
P05	Neighbourhood Services	1102	Neighbourhoods & Environment - Parks & Bereavement Services	1,208	15,069	1,250	22	19	41	Parks reporting on target. Bereavement Services are reporting a staffing pressure.	Not Applicable
P05	Neighbourhood Services	1115	Registrars Service	(66)	(242)	(124)	(49)	(9)	(58)	Forecast to achieve additional income due to backlog of weddings	Not applicable
P05	Neighbourhood Services	1134	Highway Maintenance	6,063	3,957	6,234	(45)	217	171	Unavoidable pressure from increased energy costs for the street lighting contract £214k. This is partially reduced due to staff vacancy Savings.	Contingency has been built into the 2022/23 budget proposals for the ongoing increases in global energy prices.
P05	Neighbourhood Services Total			24,162	118,662	24,779	472	144	617		
Detailed Analysis of Budgets for Transport Services											
P25	Transport Services	1103	Transport & Parking Services - Parking	(4,463)	(6,146)	(7,625)	(3,132)	(31)	(3,163)	Income across the summer period has been stronger than originally forecast, followed by a reduction in car park income at Q3 due to a scaled back Christmas Market. We have seen 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 conditions.	Not applicable
P25	Transport Services	1104	Public & Passenger Transport	(93)	543	(182)	20	(109)	(89)	Park and Ride contract £320k favourable, partially reduced by a reduction in concessionary fares income (£230k) resulting in a £90k favourable position for Public Transport. Passenger Transport are seeing increased costs for Covid deliveries but this is offset by staff vacancy savings .	Not Applicable
P25	Transport Services	1119	Emergency Planning	423	470	502	79	(0)	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. Pressures have been included in the budget proposals for 2022/23
P25	Transport Services	1133	Network & Traffic Management	1,102	759	713	(72)	(317)	(389)	Increased income across the traffic management service staff vacancy savings across the service.	Increased income is featured as a saving item within the 2022/23 budget proposals
P25	Transport Services Total			(3,030)	(4,375)	(6,592)	(3,105)	(457)	(3,562)		
Detailed Analysis of Budgets for Planning											
P30	Planning	1005	Building Control & Public Protection	865	508	1,089	139	85	224	The casino income target of £121k is not achievable due to there being no operator. There is also a forecast overspend on Urban Gulls of £39k and a £64k income pressure is split across Licensing, Pest Control, Building Regs & Land Charges	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. Budget proposals for 2022/23 includes a request for funding to cover the casino income target and urban gulls pressure.
P30	Planning	1106	Development Management	1,167	900	1,508	525	(184)	341	Reduced Planning Income due to COVID creating an expected pressure of £451k (partially offset by the reimbursement from the Sales, Fees and Charges grant of £173k). An overspend on appeals and judicial reviews of £56k and an underspend on staff vacancies (£58k) along with other minor changes over supplies and services which contribute to offset the adverse position.	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 applications and Planning Performance Agreements (PPA's). Applications are being closely monitored to provide the most accurate information for the forecast.
P30	Planning Total			2,032	1,407	2,597	664	(99)	565		
Council Total				130,393	192,527	130,331	1,496	(1,558)	(62)		