

Appendix 1 - Revenue Monitoring Commentary Quarter 2 2022/23

Portfolio Number and Description	Cashlimit Number and Description	Current Budget £000	Actuals to date £000	Quarter 2 Published Forecast £000	Change from Previous Quarter Forecast Over / (Under) £000	2022/23 Outturn Variance Over / (Under) £000	Outturn Variance Analysis	Outturn Recovery Plan		
Detailed Analysis of Budgets for Leader of Council										
P04	Leader of Council	1018	Heritage Services	(5,725)	(5,855)	(6,380)	(656)	(656)	The strong September performance has been reflected in the forecast outturn at year-end. Retail, catering and room hire are all ahead of budget. The wage inflation pressure is mitigated through the recruitment challenges, which mean staff costs are forecast to be underspent at year-end.	Not applicable
P04	Leader of Council	1109	World Heritage	159	69	164	4	4	No material variance reported.	Not applicable
P04	Leader of Council	1121	Events and Active Lifestyles	295	(203)	289	(7)	(6)	No material variance reported	Not applicable
P04	Leader of Council	1126	Visit Bath	76	114	75	(1)	(1)	No material variance reported	Not applicable
P04	Leader of Council	1136	External Affairs & Partnerships	30	78	30	0	0	No variance reported.	Not applicable
P04	Leader of Council			(5,164)	(5,797)	(5,822)	(659)	(658)		
Detailed Analysis of Budgets for Resources										
P26	Resources	1032	Information Technology	6,004	3,779	5,482	(378)	(522)	Under budget position due to recruitment challenges causing a higher level of vacancies. In addition there has been in year savings through contract negotiation on licenses.	Not applicable
P26	Resources	1037	Property Services	557	497	545	(18)	(12)	No material variance reported	Not applicable
P26	Resources	1038	Corporate Estate Including R&M	4,490	3,055	4,925	340	435	The former school site at Culverhay remains vacant and as such the organisation is incurring the energy, security and business rates costs that would otherwise be passed onto the tenant. Similar costs are being incurred in a number of void properties across the estate, as well as lost income and repairs and maintenance costs. This is partially offset by the Construction & Maintenance team recovering more salary costs from capital and grant funded projects than originally budgeted.	Plans are currently being developed to utilise the site for SEN which in the long term should reduce the Councils liabilities.
P26	Resources	1039	Traded Services	0	0	0	0	0	No variance reported.	Not applicable
P26	Resources	1040	Finance	2,314	999	2,241	(73)	(73)	Vacant posts in Capital Team & Corporate Finance	Not applicable
P26	Resources	1041	Revenues & Benefits	1,739	2,337	1,738	(2)	(2)	No material variance reported	Not applicable
P26	Resources	1042	Risk & Assurance Services	1,203	700	1,203	(0)	(0)	No variance reported.	Not applicable
P26	Resources	1047	Human Resources & Organisational Development	2,084	2,072	2,081	(53)	(2)	No material variance reported	Not applicable
P26	Resources	1053	Council Solicitor & Democratic Services	2,563	1,502	2,694	69	131	Risk around legal external spend which is being monitored and mitigations are being taken as far as possible. Staff turnover target of £50k unable to be met.	Ongoing review of external spend and savings being identified where feasible
P26	Resources	1054	Hsg / Council Tax Benefits Subsidy	(195)	2,817	(45)	0	150	Budget pressures from increased demand for temporary accommodation - high cost B&B placements are above subsidy levels.	Options to reduce high cost placements are being reviewed and taken where feasible
P26	Resources	1055	Capital Financing / Interest	5,212	4,027	4,262	(700)	(950)	There is additional £450k of investment interest income forecast due to the increase in interest rates since the budget was set, along with the temporary high levels of cash balances currently held following the advance payment of grants and the profiling of capital expenditure. There is also a £500k underspend forecast on borrowing costs due to the associated delay in borrowing requirements.	Not applicable
P26	Resources	1056	Unfunded Pensions	1,488	588	1,423	(15)	(65)	Small underspend forecast based on current spend to date.	Not applicable
P26	Resources	1057	Corporate Budgets including Capital, Audit and Bank Charges	(7,399)	(28,975)	(5,199)	2,190	2,200	This is mainly made up of the £2.5m pressure on the 2022/23 Pay Award, netted off against the £300k saving in the reduction in National Insurance rates from Nov'22. In addition, there are overspends in E-Payment (£70k) due to the additional fees currently being charged until the Midcall system goes live, and £20k on Apprenticeship Levy, offset by several unexpected income receipts.	The costs associated with the expected pay award are unavoidable
P26	Resources	1058	Magistrates	12	4	7	(5)	(5)	No material variance reported.	Not applicable
P26	Resources	1059	Coroners	370	264	440	15	70	There is an unavoidable on-going pressures of £25k due to increased overhead recharges from Bristol City Council and £15k for pay award & inflationary pressures. In addition, there are one-off pressures of £5k relating to the Coroner IT database systems and £25k relating to the clearing of the backlog of jury inquests that were delayed due to Covid-19.	These costs are unavoidable.
P26	Resources	1060	Environment Agency	254	191	254	0	0	No variance reported.	Not applicable
P26	Resources	1061	West of England Combined Authority Levy	5,194	3,636	5,194	0	0	No variance reported.	Not applicable

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P26	Resources	1081	Commercial Estate	(11,173)	(9,330)	(11,645)	(545)	(472)	The forecast for the Commercial Estate income is to overachieve the budgeted income of £14.8m as the market recovers and we negotiate new lettings with varying terms. This position takes this into account along with the uncertainty of the market. There are unfavourable cost pressures on the service which includes an increase in service supported borrowing and an under recovery of staff recharges.	Focus is on new opportunities for lettings as the market recovers which will enhance the financial position over a period of time.
P26	Resources	1112	Housing Delivery Vehicle	(2,169)	(90)	(2,169)	0	0	No variance reported.	Not applicable
P26	Resources	1118	Procurement & Commissioning	286	598	232	(54)	(54)	Vacant post due to retirement and reduction predicted for stationery spend	Not applicable
P26	Resources	1130	Corporate Governance	1,705	892	1,681	(54)	(24)	Under budget position from Council retained Local Enterprise Partnership budget not being fully committed.	Not applicable
P26	Resources	1131	Corporate Strategy and Communications	878	(942)	800	(78)	(78)	Under budget due to Officer time spend on Grant Funded Homes for Ukraine scheme	Not applicable
P26	Resources	1132	Business Change	127	219	130	0	3	No material variance reported	Not applicable
P26	Resources Total			15,545	(11,161)	16,273	638	729		

Detailed Analysis of Budgets for Economic Development, Regeneration and Growth

P31	Economic Development, Regeneration and Growth	1052	Regeneration	163	608	121	(33)	(42)	The net favourable variance has been achieved primarily through efficient use of resources available to recharge staff time along with vacancy management.	Not applicable
P31	Economic Development, Regeneration and Growth	1128	Business & Skills	415	184	418	52	3	No material variance reported	Not applicable
P31	Economic Development, Regeneration and Growth Total			578	792	539	19	(39)		

Detailed Analysis of Budgets for Climate and Sustainable Travel

P27	Climate and Sustainable Travel	1127	Environmental Monitoring (Air Pollution)	179	70	156	(25)	(23)	Favourable variance across service due to vacancies.	Not applicable
P27	Climate and Sustainable Travel	1129	Clean Air Zone	0	(2,549)	0	0	0	Clean Air Zone income levels are currently exceeding budgeted levels with entry charge income slightly down on original budgets but remaining fairly consistent. This is offset by increased levels of penalty charge notice income and recoveries through debt enforcement. Both income streams are forecast to reduce in current modelling, and whilst vehicle compliance rates continue to improve, the total income received remains above budgeted levels. Expenditure budgets are currently being covered by income received. In the short-term, future budgets assume continuing trends, which at this point seem to be aligning close to forecast levels. Any overall shortfall would be covered by the New Burdens Principle.	Not applicable
P27	Climate and Sustainable Travel	1135	Transport Planning, Policy and Sustainable Transport	334	728	283	(52)	(50)	Additional grant income which offsets staff costs received and staff vacancies within the service.	Not applicable
P27	Climate and Sustainable Travel	1137	Green Transformation	809	498	796	(34)	(13)	Favourable variance across service due to vacancies.	Not applicable
P27	Climate and Sustainable Travel Total			1,322	(1,252)	1,236	(111)	(87)		

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Detailed Analysis of Budgets for Adult Services and Council House Building										
P28	Adult Services and Council House Building	1029	Housing	1,414	290	1,370	(15)	(44)	Staffing budget underspends are generating a favourable variance for the service.	Not applicable
P28	Adult Services and Council House Building	1073	Adults & Older People-Mental Health Commissioning	8,347	4,403	8,412	642	65	Increased number of residential and nursing placements that have been approved. Continuation of demand for complex packages that are generally at a high weekly cost. The underlying adverse outturn variance of £65k will be funded from underspend areas within the overall service.	Intermediate Care Funding for service users being regularly reviewed. High cost placements being closely scrutinised through panel and commissioning processes. There has been an increase in joint Health & Social Care funding reviewed in the panel process. Staff vacancies are being recruited to and waiting lists reviewed regularly.
P28	Adult Services and Council House Building	1086	Adult Care Commissioning	1,183	602	1,157	(27)	(27)	The underspend variance is reflective off staff vacancies and will offset adverse variances in other areas of the service.	Not applicable
P28	Adult Services and Council House Building	1088	Older People & Physically Disabled Purchasing	12,477	4,442	12,432	368	(45)	Commissioned services remain in budget, strong fee income has helped cover budget pressures, the underspend is offsetting adverse variances in other areas of the service.	Not applicable
P28	Adult Services and Council House Building	1091	Learning Disabilities Commissioning	19,201	7,926	19,201	(259)	0	Additional high cost service users transitioning into the service are being reflected. Complex and high cost cases are being closely monitored, reviewed and assessed for NHS Continuing Health Care funding by commissioning managers. Close working with partners organisations continues despite staff vacancies in commissioning. The underlying adverse pressure of £1.5m will be funded from ASC reserves in 2022-23.	Pressure continues in high cost placements/transitions (children reaching 18). Reviews continue via panel process, contract monitoring, close working with Children's Services in Transitions, savings plans, filling voids, utilising blocks, Health & Social care Funding splits, and reducing spend Out of Area. Recruitment of Transitions Social Worker plus review of transitions pathway is key priority alongside ensuring commissioning staff vacancies are filled.
P28	Adult Services and Council House Building	1093	Physical Disability, Hearing & Vision	3,367	1,033	3,374	(321)	7	Increase in forecast reflects the increased value of packages being presented and agreed at panel . Existing underspends in other areas of the service and ASC rservees will be used to fund the underlying adverse pressure of £0.4m in 2022-23.	Commissioners continue to review this budget area through the panel process, contract re-negotiation, contract monitoring, and continued work on savings plans.
P28	Adult Services and Council House Building	1110	Better Care Fund	7,094	9,672	7,094	0	0	No variance reported.	Not applicable
P28	Adult Services and Council House Building	1113	CCG B&NES CHC and FNC Payments	0	1,389	0	0	0	No variance reported.	Not applicable
P28	Adult Services and Council House Building	1114	Community Equipment	203	181	203	0	(0)	Community Equipment Store will transfer back to Council on 1st Oct 2022. The one off costs linked to the transfer and resultant uplift in running costs will be funded partly by health 70% and partly from ASC reserves 30% in 22-23.	Councils share of increased running costs has been included within MTFP
P28	Adult Services and Council House Building	1123	Safeguarding Adults	2,346	860	2,214	(132)	(132)	The underspend variance is reflective of staff vacancies and will offset adverse variances in other areas of the service.	Not applicable
P28	Adult Services and Council House Building	1124	Community Resource Centres & Extra Care Income	6,640	3,950	6,772	(271)	132	Recruitment and retention of staff is currently a major problem. A strong regime of covid testing and isolation remains in place in the CRCs. The resultant high agency usage to backfill vacancies and absence is creating a significant underlying budget pressure of £1.1m. A small increase in staffing has also been needed to monitor and maintain safe care. The additional costs will be met from ASC reserves.	Recruitment drive in place to fill vacancies. This will run for the next 6 months. Staff and residents have and are being given covid vaccinations in line with government recommendations.
P28	Adult Services and Council House Building Total			62,272	34,749	62,228	(15)	(44)		

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Detailed Analysis of Budgets for Children and Young People, and Communities										
P29	Children and Young People, and Communities	1019	Leisure	485	291	485	0	0	The restructuring of the Leisure model needed to manage Leisure services through covid will result in a budget pressure of £173k in 2022/23. A drawdown from reserves has been approved of £173k in 2022/23 and £38k in 2023/24 to balance the revenue budget. The management fee is anticipated to exceed budget provision in 2024/25 and onwards and the surplus can be used to refresh the reserves.	Not applicable
P29	Children and Young People, and Communities	1036	Adults Substance Misuse (DAT)	158	2,337	158	0	0	No variance reported.	Not applicable
P29	Children and Young People, and Communities	1076	Children, Young People & Families	16,599	25,593	20,761	2,277	4,162	£3.2m of the forecast pressure is due to demand led budgets. These include Joint Agency Panel (JAP), Residential, Disabled Children (DCT), Children in Care (CIC), Staying Put placements, Care Leavers, Foster Carers and all other client expenditure across Children's Services. Pressure in this area continues from 2021/22 due to the increased demand and increased packages of care and support costs needed as a direct result of accommodating additional needs due to Covid during 2021/22. New pressures from supporting unaccompanied asylum seeker children are also included totalling £165k. The transformation projects are forecast to produce cashable savings in 22/23 of £282k within the demand led budgets, which leaves a pressure of £1m from cost avoidance savings achieved that will become cashable in future years. Across all salary areas there is a pressure of £955k as a result of the cost of covering vacancies in teams whilst also responding to increasing demand and complexity of need. There is £967k of one-off in year mitigation from additional health funding and use of Covid Reserves.	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 and Young People, and Communities	1077	Inclusion & Prevention	2,203	724	2,247	(22)	44	Over budget position due to multiple smaller pressures across the cash limit.	Continuing financial scrutiny and review.
P29	Children and Young People, and Communities	1078	Education Transformation	8,641	1,035	9,815	798	1,173	£780k pressure from the ongoing market forces cost pressure when procuring Home To School Transport. £270k pressure from agency staffing use across the services to cover vacancies. £95k pressure from supporting asylum seeker children into education.	Continuing financial scrutiny and review.
P29	Children and Young People, and Communities	1079	Schools Budgets	(1,767)	(2,395)	(1,767)	0	0	Although shown on budget, the Dedicated Schools Grant (DSG) carried forward a deficit balance of £13.44m into 2022/23. This deficit is held on the balance sheet in line with Government guidance. A further increase to this deficit of £5.69m is forecast to occur during 2022/23, increasing the deficit to £19.13m. This pressure is in relation to SEND costs.	A recovery plan to bring spending in line with budget over the next 5 years has been completed and is being reviewed by the DFE. The DFE will look to enter a Safety Valve Agreement (a process set up to support Local Authorities with DSG deficits) with the Local Authority (LA), whereby the LA will show its ability to ensure that spending is controlled within the DSG and the DFE will look to support the accumulated overspend. Initial discussions have been held and further work on the agreement will be made in 2022/23 with a planned agreement in place for 2023/24.
P29	Children and Young People, and Communities	1089	Community Safety	192	130	197	0	5	No material variance reported	Not applicable
P29	Children and Young People, and Communities	1094	Public Health	0	3,458	0	0	0	Public Health is funded entirely from a Department of Health and Social Care ring fenced grant.	Not applicable
P29	Children and Young People, and Communities	1116	Integrated Commissioning - CYP	2,587	2,126	2,565	(35)	(22)	Small staffing variance.	Not applicable
P29	Children and Young People, and Communities	1117	Safeguarding - CYP	79	21	79	20	0	No variance reported.	Not applicable
P29	Children and Young People, and Communities	1122	Customer Services (Including Libraries)	2,252	968	2,327	(4)	75	Service pressures has resulted in the vacancy saving not being achieved	Staffing levels will be monitored closely and any turnover during the year will be forecast accordingly
P29	Children and Young People, and Communities			31,431	34,287	36,868	3,034	5,437		

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Detailed Analysis of Budgets for Neighbourhood Services										
P05	Neighbourhood Services	1101	Neighbourhoods & Environment - Waste & Fleet Services	17,027	10,344	17,215	20	188	Unbudgeted pressure on staffing budgets (£491k) and inflationary pressures due to rising fuel costs (£303k) are partly offset by a increase in recycling and garden waste income (£577k) and savings across treatment and disposal contracts due to reduced tonnages (£102k)	Staffing levels will be monitored closely and any turnover during the year will be forecast accordingly
P05	Neighbourhood Services	1102	Neighbourhoods & Environment - Parks & Bereavement Services	1,015	1,135	1,449	188	434	Bereavement Services - the main crematorium chapel was closed between April and October for major capital improvement works. As a result there is a significant reduction in cremations and memorial sales. Parks - inflationary pressures across parks on fuel and unbudgeted pressure on staffing budgets	Plans are being developed to promote memorial sales once the Crematorium Chapel reopens
P05	Neighbourhood Services	1115	Registrars Service	(48)	(283)	(53)	(23)	(5)	Small staffing variance	Not applicable
P05	Neighbourhood Services	1134	Highway Maintenance	5,945	1,945	5,921	(24)	(24)	Favourable variance across service due to vacancies.	Not applicable
P05	Neighbourhood Services Total			23,940	13,140	24,532	161	592		
Detailed Analysis of Budgets for Transport										
P25	Transport	1103	Transport & Parking Services - Parking	(7,698)	(4,339)	(7,754)	(34)	(56)	Income £436k adverse, which includes the four month partial shutdown of Avon Street Car Park, and a reduction in PCN income. This is offset by staff vacancies largely within the Civil Enforcement Team.	Not applicable
P25	Transport	1104	Public & Passenger Transport	74	1,687	2	(72)	(72)	Favourable variance across service due to vacancies.	Not applicable
P25	Transport	1119	Emergency Planning	528	376	534	(1)	6	No material variance reported	Not applicable
P25	Transport	1133	Network & Traffic Management	1,019	786	823	(196)	(196)	Favourable movement due to Increased income across the traffic management service, and vacancies across the service.	Not applicable
P25	Transport Total			(6,078)	(1,490)	(6,395)	(302)	(318)		
Detailed Analysis of Budgets for Planning and Licensing										
P30	Planning and Licensing	1005	Building Control & Public Protection	1,084	407	1,020	(26)	(64)	Favourable variance across service due to a high number of vacancies.	Not applicable
P30	Planning and Licensing	1106	Development Management	1,195	485	1,417	407	222	After robust analysis, the Service is forecasting an underachievement of planning income of £358k from both pre-application fees and direct planning application fees. Planning income across the country is down 12% nationally and 8% in B&NES compared with the same quarter last year. The adverse variance is being substantially offset with a net favourable variance from staff vacancies.	The Service will limit any non-essential spending for the remainder of the year and will not fill vacant and new posts for the time being. This will have an impact on service provision.
P30	Planning and Licensing Total			2,279	891	2,437	381	158		
Council Total				126,124	64,160	131,896	3,146	5,771		