

Bath & North East Somerset Council			
MEETING:	Cabinet		
MEETING DATE:	10 July 2025	EXECUTIVE FORWARD PLAN REFERENCE:	
		E	3579
TITLE:	Revenue & Capital Outturn 2024/25		
WARD:	All		
AN OPEN PUBLIC ITEM			
List of attachments to this report: Appendix 1: Detailed Revenue Budget Outturn Appendices 2(i) & 2(ii): Proposed Revenue Virements & Revised Revenue Cash Limits 2024/25 Appendix 3: Detailed Capital Variance & Rephasing Requests 2024/25 Appendices 4(i) & 4(ii): Capital Virements & Capital Programme by Portfolio 2024/25 Appendix 5 – Revenue Savings Monitor			

1 THE ISSUE

- 1.1 The report presents the revenue and capital outturn for 2024/25, highlighting a material improvement in the position at year end with a minor adverse revenue outturn position of £0.21m after allowing for agreed transfers to/from reserves and carry forwards. This is an improvement of £0.77m from the reported position in the Quarter 3 forecast.
- 1.2 The report refers to requests to carry forward specific revenue budget items to 2025/26 and to write-off revenue over budgets where recovery in future years would have an adverse impact on continuing service delivery.
- 1.3 It is proposed that the £0.21m adverse variance is funded from the Revenue Budget Contingency earmarked reserve to give an on-budget position.
- 1.4 The report also refers to requests to re-phase specific capital budget items to 2025/26 and to remove net capital underspends.

2 RECOMMENDATION

The Cabinet is asked to;

- 2.1 **Note the revenue budget outturn on budget position for 2024/25, after allowing for carry forwards and transfers to reserves.**
- 2.2 **Approve the revenue carry forward proposals listed in the tables in paragraph 3.6.**
- 2.3 **Approve that all other over budgets are written-off as an exception to the Budget Management Rules for 2024/25.**
- 2.4 **Approve the transfer of £0.21m from corporate earmarked reserves.**
- 2.5 **Note the revenue virements for 2024/25 reported for information in Appendix 2(i).**
- 2.6 **Note the reserve positions and the use of flexible capital receipts shown in paragraphs 3.17 to 3.19.**
- 2.7 **Note the outturn position of the 2024/25 capital programme in paragraph 3.33, and the funding outlined in paragraph 3.36.**
- 2.8 **Approve the capital rephasing and write-off of net underspends as listed in Appendix 3. This reflects the outturn spend position on projects against final budgets as detailed in Appendix 4(ii).**

3 THE REPORT

- 3.1 This report provides information about the Council's financial performance against its revenue and capital budgets in 2024/25.

Revenue Budgets

- 3.2 The report identifies that, after allowing for carry forwards and transfers to and from reserves, the Council delivered an adverse outturn position of £0.21m in 2024/25.
- 3.3 The table below shows the overall revenue outturn position by portfolio:

Portfolio	Revised Budget £m	Outturn £m	Variance Over / (Under) £m
Leader of Council	(0.27)	(0.44)	(0.16)
Climate Emergency and Sustainable Travel	1.52	1.46	(0.07)
Council Priorities and Delivery	6.28	5.94	(0.34)
Resources - Services	6.36	5.72	(0.63)
Resources - Corporate	3.19	(2.09)	(5.29)
Economic and Cultural Development	(5.87)	(4.47)	1.40
Adult Services	62.88	62.95	0.07
Children's Services	46.41	52.59	6.18
Highways	(0.95)	(2.20)	(1.25)
Neighbourhood Services	27.09	28.30	1.21
Built Environment and Sustainable Development	2.92	2.79	(0.13)
Portfolios Total	149.56	150.55	0.99
Partial Release of Provision	0.00	(0.99)	(0.99)
Total (before Carry Forwards)	149.56	149.56	0.00
Carry Forward Requests (underspends)	0.00	0.21	0.21
Total (including Carry Forwards)	149.56	149.77	0.21

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

- 3.4 The main areas of over/under budget and change against the April to December (Q3) forecast financial position are as follows:

Leader of the Council (£0.16m under budget, £0.01m favourable movement)

Contract savings in Emergency Planning and a small increase in dividend payable to the shareholder (Council) from the Housing Delivery Vehicle (Aequus) made up the favourable year-end position for the portfolio.

Climate Emergency and Sustainable Travel (£0.07m under budget, £0.03m favourable movement)

Costs of running an additional bus service/route were more than mitigated by staffing underspends across the portfolio.

Council Priorities and Delivery (£0.34m under budget, £0.15m favourable movement)

The primary reason for the favourable variance is due to the proposed carry forward of unspent 2024/25-2025/26 Ward Empowerment Scheme. Vacancy management across all services also contributed to the portfolio underspend.

Resources – Services (£0.63m under budget, £0.59m favourable movement)

Housing Benefit Subsidy costs benefitted from cheaper accommodation and the provision of B&NES own provision, meaning more costs could be recovered compared to previous years. Staffing underspends across IT, Legal, Procurement and Risk and Assurance services added to the favourable outturn position, partially offset by an overspend in the Commercial Estate relating to borrowing costs and legal costs.

Resources – Corporate (£5.29m under budget, £0.45m favourable movement)

Borrowing costs were £1.4m less than budgeted, primarily due to slippage in spend on the Council's capital programme. This also contributed to a lower Minimum Revenue Provision charge (the charge to revenue made in respect of paying off the principal sum of the borrowing undertaken to finance the capital programme), which was £0.81m less than budgeted. Income from the City Deal and business rates grants added a further £0.7m to the total underspend, while £2.3m corporate contingencies were released to support the Council's bottom line.

Economic And Cultural Sustainable Development (£1.40m over budget, £0.25m favourable movement)

Heritage Services' visitor numbers were lower than budgeted levels for 2024/25, delays in renting floor space at No.1 Bath Quays South, and delays implementing the corporate landlord model and rationalising the estate were the main contributors to the adverse year-end position. A one-off windfall resulting from a historic broadband provision agreement helped partially mitigate the portfolio overspend.

Adult Services (Including Leisure £0.07m over budget, £0.03m adverse movement)

The outturn position for Adult Social Care is a balanced position after a transfer from the Adult Social Care reserve of £0.4m. Increased activity has been seen in 2024/25 with demand for package placements increasing on average by 16%. The cost of care also continued to increase during the year due to the economic and market factors experienced through 2024/25 and the increasing complexity in care needs. The Market Sustainability and Improvement Fund Grant monies (MSIF £3.19m) has been fully used to support market sustainability in meeting the increasing fee rates seen. This funding continues in 2025/26 at the same level. Arrangements for hospital discharges have continued and were jointly agreed with BSW ICB, making use of the various discharge grants received across both BSW ICB and the Council in 2024/25. These arrangements are agreed to continue in 2025/26

The level of future demand is expected to cause pressure that will see more people requiring support and rising cost pressures that providers face due both to general inflation, Employers NI and sector specific cost pressures. To balance this, work will continue with providers on issues to make the market more sustainable and on the delivery of the service transformation plans to ensure services can be provided to meet and sustain this demand.

Children's Services (£6.18m over budget, £0.63m adverse movement)

The over budget position is primarily due to the continuing pressures from 2023/24 across the demand-led placement and package budgets (£2.6m continued pressure from 2023/24 into 2024/25), the additional pressures in-year from the demand-led budgets (£1.5m), continuing pressure from home to school transport (£1.4m) and staffing pressures due to agency usage (£0.4m).

Demand-led placement pressures are due to a mix of increased demand, especially around Residential, Unaccompanied Asylum Seeker Children (UASC) and increased packages of care and support costs needed, due to the increased needs our children and young people continue to present with. There are also continued increased costs because of the complex packages of care needed for those with the highest need in the Disabled Children's Team (DCT). In total these areas are £4.12m over budget.

The biggest area of demand-led pressure is Residential (£3.37m over budget), this has been driven by an increase in numbers of placements because of the need to safeguard young people suffering criminal exploitation, in addition to an increased trend of young people suffering from emotional dysregulation and mental health, in conjunction with upward cost pressures on placements from providers. The other principal areas of pressure are DCT (£1.28m over budget), UASC support (£0.37m over budget) and Parent and Baby support (£0.11m over budget). The complex needs funding stream underspend (Joint Agency Panel - JAP) offsets some of the DCT overspend, as young people who are no longer funded from JAP are funded now from DCT instead (JAP £0.72m under budget). There is also an under-budget position across In House Foster Care and Permanence allowances (£0.34m under budget). The reduction of spend on In House Foster Care is partially due to the success of some Foster Carers becoming long term carers via Special Guardianship Orders.

These pressures are net of £0.88m in-year mitigations delivered, plus the full delivery of the £1.26m budgeted savings across the Children's Portfolio.

To address the over budget position in the demand-led budget areas cost reduction strategies have been assessed and form part of a transformation program which aims to significantly reduce the cost pressures in future years.

In Education there is an over budget position of £0.53m, which is mainly because of Teachers Pension costs rising (which is an ongoing pressure from 2023/24), and staffing pressures due to the use of agency to maintain statutory service provision amid rising demand.

Home to School Transport (HTST) has a pressure of £1.40m. This is due to ongoing pressure from market forces creating cost pressures when procuring HTST, including reduced availability of drivers, cost inflation and reduced tendering activity for many routes. The end-to-end process for HTST is being reviewed to ensure the most efficient and effective delivery of our statutory responsibility in a challenging marketplace.

Highways (£1.25m under budget, £0.41m favourable movement)

Net Parking income has exceeded budget by £1m, while street-works income within the Network and Traffic Management service is also over and above budgeted levels, which combined with staffing underspends totalled a £0.20m favourable variance for the service.

The Clear Air Zone scheme sits within this portfolio and its performance to date is detailed in paragraph 3.16.

Neighbourhood Services (£1.21m over budget, £0.49m adverse movement)

Waste and Fleet Services ended the year with an adverse variance of £0.98m. Key reasons for the overspend were staffing costs to maintain service levels, retaining depots and fleet costs. Underachievement of income in the Bereavement and Public Protection services, along with a savings target shortfall in Customer Services, have also contributed to the portfolio overspend outturn position.

Built Environment and Sustainable Development (£0.13m under budget, £0.04m favourable movement)

Underachievement of income within the Building Control service was more than compensated by both strong income performance and staffing underspends in both the Development Management and Housing services.

3.5 Further detail of outturn budget variances is attached at Appendix 1.

Carry Forward Requests

3.6 The following carry forward requests have been made for approval:

Request and Reason for Request	£
Corporate Strategy and Communications – Ward Empowerment Fund The Ward Empowerment Fund is a three-year scheme for Councillors to fund improvement schemes within their wards. The carry forward is required to take the remaining funds into the third year of the scheme.	120,285
Green Transformation – Sustainability Studies To carry forward remaining 24/25 budget allocation for sustainability studies where delays have been incurred in finalising them.	16,840
Children’s Services Carry forward of pooled budget balance for Youth Justice Service.	57,066
Community Safety – Violence Reduction Unit (VRU) Income held on behalf of four Unitary Authorities to fund costs associated with VRU staffing costs that fall into 2025/26.	11,395
Total	205,586

3.7 After allowing for the above carry forwards, it is proposed that the net over budget position of £0.21m, is funded from the Revenue Budget Contingency Reserve, which

is used to fund unbudgeted revenue pressures which are unable to be mitigated by management and recovery actions.

- 3.8 It is recommended that all other over budgets are written off as an exception to the Budget Management Scheme Rules to retain budget stability in 2025/26.

Delivery of Savings and Income Generation Budget Proposals

- 3.9 The 2024/25 revenue budget approved savings and income generation proposals of £16.42m, all of which were on-going savings. Of the total savings, 77% (£12.66m) have been delivered in full, 17% (£2.78m) have been mitigated through savings, contingency or income elsewhere in the respective service, with the remaining 6% (£0.98m) delayed until 2025/26 or addressed through the budget setting proposals. Further details on the savings performance are provided in Appendix 5.

Schools

- 3.10 The overall Dedicated Schools Grant (DSG) for 2024/25 was £195.260m, however of this sum £130.347m was returned to the Department For Education (DFE) to be allocated to Academies. A further £19.567m was allocated to maintained schools through funding formula. A further £18.060m was allocated directly to nurseries and early years settings under the Early Years formula with the remaining £27.285m was used by the Local Authority (LA) to support Special Educational Needs (SEND), Central Expenditure, and Early Years support services.
- 3.11 The centrally held elements of the DSG were over budget by £10.532m, due to significant increases in numbers and cost of placements for children with SEND which is funded from the High Needs Block within the DSG. This overspend will be carried forward along with the accumulated deficit on the DSG of £22.263m giving a total overspend to be carried forward of £32.795m. In line with Government guidance any overspend is carried forward for recovery against future DSG funding. Therefore, the LA cannot fund this pressure from its own General Fund revenue budget (unless permission is given by the Secretary of State to disregard the requirement to fund from the DSG). Year-end budgets have been adjusted to reflect the transfer of the £32.795m overspend into a specific unusable reserve for recovery against future DSG funding. This treatment is in line with Government guidance stating that DSG in-year and cumulative deficits should no longer be held as a negative earmarked reserve and should instead be held in an unusable reserve called the Dedicated Schools Grant Adjustment Account. This accounting treatment has the effect of separating DSG budget deficits from the LA's General Fund and covers the period to 31st March 2028, following the recently announced two-year extension.
- 3.12 In March 2023 the LA entered into a Safety Valve Agreement recovery plan to bring spending in line with budget over the next 6 years with the DFE. The Safety Valve Agreement is a process set up to support Local Authorities with DSG deficits, 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. The agreement signed by the LA and the DFE sets out the recovery of the cumulative overspend with the DFE providing additional funding to the LA as set out in the table below. However, as we have not achieved the targets of our plan, the DFE require us to submit a revised version, so also shown below are the payments received to date.

Year	The DFE agrees to pay to the LA the additional £m of DSG by each year-end (Original Safety Valve Agreement)	Actual payments received to date £m
2022/23	£7.68m	£7.68m
2023/24	£1.65m	£0.55m
2024/25	£1.65m	TBC
2025/26	£1.65m	TBC
2026/27	£1.65m	TBC
2027/28	£1.65m	TBC
2028/29	£3.29m	TBC
Total	£19.22m	TBC

3.13 To date, the LA has received £8.23m and the DFE will reprofile the remaining payments over the length of the new arrangement once it has been agreed. The DFE are currently reviewing our latest submission, and a revised plan is anticipated to be agreed with the DFE in the next few months. Once agreed a new schedule of payments will be agreed as part of that process.

3.14 The seven schools maintained by the LA have balances that have increased by £0.685m to £1.877m at the year-end. This increase is partly due to some schools building up balances for capital projects in future years. These balances are closely monitored by Schools Forum which has adopted an excessive balances policy in line with continued DFE best practise guidance. All schools with balances deemed to be excessive are challenged to explain their position. Two of the seven maintained schools have recently converted to academy. Their balances are included in the figure above as they were maintained as at the 1st April 2025.

Public Health

3.15 The Public Health budget is currently ringfenced. The year-end outturn was in line with the value of the grant funding, resulting in a balanced position against the value of this funding, including transfers from the Public Health reserve of £0.079m. The revised balance held in the reserve is £0.529m as at 31st March 2025. Budgets have been adjusted to reflect the transfer from reserves.

Clean Air Zone

3.16 The Clean Air Zone (CAZ) has generated £18.75m operational income since launch (15 March 2021 - 31 March 2025). This is comprised of £8.07m daily charges paid in time, with a further £10.68m generated by penalty charge notice (PCN) surcharges for non-payment of daily charges and through retrospective recovery as part of the PCN scheme. Grant income associated with the early years of the scheme was £3.14m. In terms of operating income associated with 2024/25, £1.31m was received in daily charges and £1.44m in PCN surcharges and retrospective recovery. 2024/25 CAZ operating costs totalled £2.25m bringing whole scheme operating costs since launch to £10.43m.

After operational costs & decommissioning provisions are met, surplus CAZ proceeds are ringfenced for transport investment or air quality related schemes as referenced within the CAZ charging order. By 31 March 2025 £4.40m has been added to smoothing and decommissioning reserves for future year costs; the CAZ revenue re-investment reserve stand at £3.14m, having already used £4.32m for projects to date. All £3.14m of the current balance has been allocated to future projects: £2.5m (over two years) funding B&NES' contribution to City Region Sustainable Transport Settlement (CRSTS) together with £0.64m supporting transport capital spending and associated air quality projects. At this stage it is forecast that no further funding will be available for reinvestment as any future receipts will be required to fund future year operational, decommissioning and exit costs.

Reserves and Flexible Capital Receipts

3.17 The year-end position of earmarked reserves, taking into account the 2024/25 outturn, are shown in the table below.

Council's Earmarked Reserves	2023/24	2024/25	Movement
	£'m	£'m	£m
Corporate Earmarked Reserves			
Insurance Fund	1.076	0.944	(0.132)
Capital Financing Reserve	11.663	13.117	1.454
Revenue Budget Contingency	3.348	2.467	(0.881)
Transformation Investment Reserve	1.400	0.987	(0.413)
Business Rates Reserve	10.148	16.256	6.108
City Deal Smoothing Reserve	2.993	2.141	(0.852)
Restructuring & Severance Reserve	4.883	4.835	(0.048)
Financial Planning and Smoothing Reserve	2.842	6.297	3.455
Public Health Grant Reserve	0.608	0.529	(0.079)
Community Empowerment Fund	0.324	0.324	0.000
Revenue Grants Unapplied	1.038	0.828	(0.210)
Revenue Funding of Capital Reserve	0.896	3.771	2.875
Covid19 Outbreak Management Fund Grant Reserve	0.086	0.000	(0.086)
Covid 19 General Reserve	1.005	0.000	(1.005)
City Region Sustainable Transport Settlement Contribution Reserve	3.000	3.000	0.000
Energy Inflation Reserve	0.450	0.450	0.000
Other	0.356	0.353	(0.003)
Sub Total	46.116	56.299	10.183
Schools Balances	1.191	1.876	0.685
Service Specific Reserves	4.436	4.555	0.119
General Service Reserves	21.909	16.468	(5.441)
Total Earmarked Reserves	73.652	79.197	5.545

Reserve balances excludes any 2025/26 transfers agreed as part of the 2025/26 Budget Report and the transfers proposed in paragraph 3.7.

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

- 3.18 The year-end position of uncommitted non-earmarked reserves was £12.6m in line with the risk assessed requirements of a range of £12.3m to £13.6m agreed in the 2024/25 Budget Report.

Flexible Use of Capital Receipts

- 3.19 Council approved a revised Efficiency Strategy in February 2024 as part of the 2024/25 budget. This enables the authority to utilise capital receipts for one-off spend such as severance costs that result in the delivery of ongoing savings. Flexible capital receipts of £1.383m were utilised in 2024/25 taking the total used to £11.115m and it is estimated that this spend will contribute to the release of ongoing revenue savings of £17.355m by the end of 2025/26. Further details of spend and savings are shown in the following tables.

Category	Spend			
	2017/18 - 2022/23	2023/24	2024/25	Total
	£m	£m	£m	£m
Restructuring & Severance Costs	7.537	1.481	1.383	10.401
Procurement, Commissioning and other service redesign	0.714	0.000	0.000	0.714
Total	8.251	1.481	1.383	11.115

Category	Cumulative Savings			
	2017/18 - 2022/23	2023/24	2024/25	2025/26
	£m	£m	£m	£m
Restructuring & Severance Costs	6.387	6.525	7.065	11.065
Procurement, Commissioning and other service redesign	6.29	6.29	6.29	6.29
Total	12.677	12.815	13.355	17.355

Council Tax

- 3.20 The 2024/25 tax base allowed for the same number of Local Council Tax Support Scheme (LCTSS) recipients as at the end of November 2023 to continue into 2024/25 and incorporated the scheme changes to the rules of entitlement for households who receive Universal Credit as agreed at the November 2023 Council meeting. The budget estimate of costs of LCTSS were set at £10.86m. The cost at the end of March was £10.48m, £0.38m under budget. The number of working age claimants ended the year at 6,432 and the number of Pensioner claimants was 3,329.
- 3.21 The non LCTS elements of the Collection Fund ended the year in an adverse position, with a deficit of £0.44m mainly due to an increase in exemptions and a higher than forecast increase in the bad debt provision.
- 3.22 Taking all these factors into account, the final in-year deficit on the Collection Fund in respect of Council Tax is £0.06m, of which the Council's share is £0.05m. This represents an adverse variance of 0.04% against the 2024/25 forecast council tax income.
- 3.23 The Council's share of the final position on the Collection Fund, including the net surplus carried forward from 2023/24 of £0.37m, is a surplus of £0.32m. This represents a reduction of £0.34m from the estimated surplus provision of £0.66m made in the 2025/26 Budget Report.

Business Rates

- 3.24 The outturn position for the Business Rate element of the collection fund is a surplus of £5.47m. The table below shows the Council's share of the surplus is £5.15m, which represents a reduction over the Quarter 3 forecast position of £1.12m.

Business Rates Collection Fund	Outturn Position		Qtr3 Forecast		Change
	Total (£m)	B&NES Share (£m)	Total (£m)	B&NES Share (£m)	B&NES Share (£m)
In Year (Surplus) / Deficit	0.21	0.20	(0.98)	(0.92)	1.12
2023/24 Surplus carried Forward	(5.69)	(5.34)	(5.69)	(5.34)	0.00
Total (Surplus) / Deficit	(5.47)	(5.15)	(6.66)	(6.26)	1.12

- 3.25 The main reason for the adverse change against the Quarter 3 forecast is due to an increase in retail relief of £0.7m, an increase in empty property relief of £0.5m, partly offset by a lower than forecast bad debt provision. This resulted in a final in year deficit on the Collection Fund of £0.2m which represents an adverse variance of 0.3% against the 2024/25 budgeted income.
- 3.26 Section 31 grant income from Business Rate compensation grants and receipts from the City Deal Business Rate Pool ended the year £0.95m above budget after allowing for the £0.43m increase in income factored into the 2024/25 revenue overspend

mitigation actions. This balance has been transferred to the Business Rate Reserve in line with the approach for managing surpluses and deficits on business rate income as set out in the Budget Report.

- 3.27 There is a favourable variance on the City Deal Pool payment of £1m due to lower than budgeted income in year. The benefit of this will be reversed in 2025/26 under statutory accounting rules and this is smoothed through the Business Rate Reserve.
- 3.28 As reported in the Quarter 2 monitoring report, £3.45m of backdated income was received in 2024/25 following an agreement made by the Business Rate Pooling Board to adjust income splits on the Pool funds, with the agreement to backdate these to the Pool inception in 2014. This income has been transferred to the Business Rate Reserve.
- 3.29 Taking account of the above transfers, the balance on the Business Rate Reserve as at the 31st March 2025 is £16.3m. This balance is forecast to reduce to £14.2m after allowing for the statutory accounting adjustment of £1m and funding the adverse movement on the Business Rate Collection Fund of £1.1m. The £14.2m represents c17% of the annual gross business rate income (excluding the tariff payment to government).
- 3.30 The balance on the Business Rate Reserve will be reviewed as part of the 2026/27 Budget Process.

Overall Collection Fund

- 3.31 The following table shows the overall estimated position, for which provision was made in the 2025/26 Budget Report, and the actual outturn position for the Council share of the Collection Fund for 2024/25. These figures exclude preceptor shares:-

	Estimated (Surplus)/ Deficit £'m	Actual (Surplus)/ Deficit £'m	Difference £'m
Council Tax	(0.664)	(0.320)	0.344
Business Rates	(6.261)	(5.145)	1.116
Total	(6.925)	(5.465)	1.460

- 3.32 At an overall level, the outturn surplus position on the Collection Fund reduced by £1.460m from the estimated position. The overall difference will be taken into consideration when estimating the closing 2025/26 Collection Fund position as part of the 2026/27 Budget process.

Capital Programme

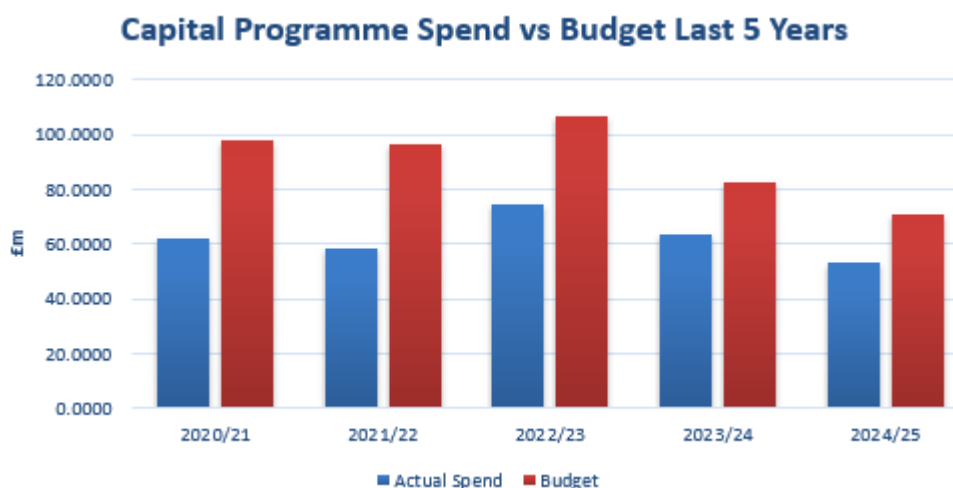
3.33 The capital spend in 2024/25 was £53.041 (75%) against a budget of £70.534m giving a variance of £17.493m, the variance mostly reflects the delivery of projects moving into future financial periods.

Portfolio Summary	2024/2025 Outturn Position			
	Capital Budget £'m	Outturn £'m	Variance £'m	Rephasing to 2025/26 Requested £'m
Leader	0.224	0.170	(0.054)	0.054
Climate Emergency & Sustainable Travel	3.926	3.079	(0.847)	0.847
Resources	11.178	6.762	(4.416)	4.416
Economic & Cultural Sustainable Development	14.388	10.896	(3.492)	2.388
Children's Services	9.276	5.558	(3.718)	3.582
Adult Services	2.389	2.349	(0.040)	0.039
Highways	17.541	15.312	(2.228)	2.221
Neighbourhood Services	5.318	4.021	(1.297)	1.293
Built Environment & Sustainable Development	6.294	4.894	(1.400)	1.400
Total	70.534	53.041	(17.493)	16.241

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

3.34 Of this variance, £16.241m is requested for carry forward to 2025/26 to cover re-phased costs of capital projects. The detailed outturn position and re-phasing of each individual project is attached at Appendix 3. The balance of £1.252m represents net underspends that are removed from the programme. These include an underspend of £1.1m on the Bath Western Riverside project reflecting project savings after receipt of Homes England Grant and underspends of £0.005m on Alice Park Skate Park, £0.007m Parking Video Enforcement Cameras and £0.004m Bath Quay Infrastructure. A sum of £0.135m represents unused 2024/25 budget from the Special Education Needs & Disability (SEND) Residential Provision project at Bath College, where its Board has indicated the College will no longer be proceeding with the project, requiring the further £3.890m future years budget provision to also be removed.

3.35 The delivery of the capital spend compared to budget over the last five years is shown in the following graph:



3.36 The funding of the capital programme for 2024/25 is as follows:-

	£'m
Total Capital Spending:	53.041
Funded by:	
Capital Receipts	2.436
Capital Grants	27.417
3 rd Party Receipts (inc. S106 & CIL)	3.696
Revenue	1.389
Prudential Borrowing (Implied Need)	18.103
Total	53.041

3.37 The Council's Loans Capital Financing Requirement (CFR) as at 31st March 2025 is £373.0 million. This represents the Council's requirement to borrow to finance capital expenditure and demonstrates that total borrowing of £275.7 million remains well below this requirement as at 31st March 2025. This illustrates the extent to which the Council is currently cash-flowing capital projects in line with the Treasury Management Strategy to minimise borrowing costs.

4 STATUTORY CONSIDERATIONS

4.1 The annual Medium-Term Financial Strategy and planning process allocates resources across services with alignment of these resources towards the Council's corporate priorities. This report monitors how the Council has performed against the budget and Capital Programme set in February 2024.

5 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

5.1 These are contained throughout the report and appendices.

6 RISK MANAGEMENT

6.1 The substance of this report is part of the Council's risk management process. The key risks in the Council's budget were assessed by each Director, with these risks re-assessed regularly as part of the budget monitoring process.

7 CLIMATE CHANGE

- 7.1 The Medium Term Financial Strategy and budget process aligns resources towards the corporate priorities and objectives set out in the Corporate Strategy, which includes tackling the climate emergency. This report monitors the Council's financial performance against those budgets.

8 OTHER OPTIONS CONSIDERED

- 8.1 The option to carry forward over budgeted spend could be considered which would mean that services would have to make up any deficits in 2025/26 with a considerable impact on service delivery especially in light of the challenging economic environment in 2025/26 and possibly beyond.

9 CONSULTATION

- 9.1 Consultation has been carried out with the Cabinet Member for Resources, Directors, Section 151 Finance Officer, Chief Executive and Monitoring Officer.
- 9.2 The provisional outturn position has been discussed at Executive Leadership Team and Corporate Management Team in May/June.

Contact person	<i>Gary Adams – Head of Financial Management</i> Gary_Adams@bathnes.gov.uk <i>Paul Webb – Senior Finance Manager</i> Paul_Webb@bathnes.gov.uk <i>Jeff Wring - Director of Financial Services, Assurance & Pensions (S151 Officer)</i> Jeff_Wring@bathnes.gov.uk
Background papers	2024/25 Budget Monitoring reports to the Cabinet; Revenue and Capital Budget Setting reports; Budget Management Scheme
Please contact the report author if you need to access this report in an alternative format	